

# Bell Australian Small Companies Fund (Class B)

## Monthly Summary

Period ending 31 July 2026

|                                                                                                                                                            |
|------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Portfolio Managers</b>                                                                                                                                  |
| Tim Johnston<br>James Nguyen<br>Scott Hudson                                                                                                               |
| <b>Fund Inception</b>                                                                                                                                      |
| 26 June 2026                                                                                                                                               |
| <b>Investment Objective</b>                                                                                                                                |
| The investment return objective of the Fund is to outperform the benchmark over the medium to long term periods after fees and expenses (but before taxes) |
| <b>Investment Benchmark</b>                                                                                                                                |
| S&P/ASX Small Ordinaries Accumulation Index                                                                                                                |
| <b>Investment Style</b>                                                                                                                                    |
| Quality with a valuation overlay – bottom up, fundamental                                                                                                  |
| <b>Investment universe</b>                                                                                                                                 |
| Primarily Australian listed equities, with limited New Zealand exposure. Primarily outside S&P/ASX 100 Index*                                              |
| <b>Investment horizon</b>                                                                                                                                  |
| At least 5 – 7 years                                                                                                                                       |
| <b>Currency exposure</b>                                                                                                                                   |
| AUD                                                                                                                                                        |
| <b>APIR Code</b>                                                                                                                                           |
| PIM2729AU                                                                                                                                                  |
| <b>Management fees &amp; costs**</b>                                                                                                                       |
| Management fee:<br>1.40% p.a. of NAV                                                                                                                       |
| <b>Buy/sell spread</b>                                                                                                                                     |
| 0.30% on entry and exit                                                                                                                                    |

\* The Fund may also invest in small companies listed in New Zealand and up to 10% of NAV on other international exchanges.

\*\* For further information please refer to the Fund's Product Disclosure Statement available at [www.bellasset.com.au](http://www.bellasset.com.au)

### Performance (%)

|               | 1 month    | Since Inception |
|---------------|------------|-----------------|
| Fund          | -2.4       | -1.4            |
| Benchmark     | -3.2       | -3.1            |
| <b>Excess</b> | <b>0.8</b> | <b>1.7</b>      |

Benchmark is the S&P/ASX Small Ordinaries Accumulation Index. Performance is based on Fund Unit Class daily unit prices. There may be differences in the excess returns due to rounding. Past performance is not indicative of future performance.

### Fund statistics

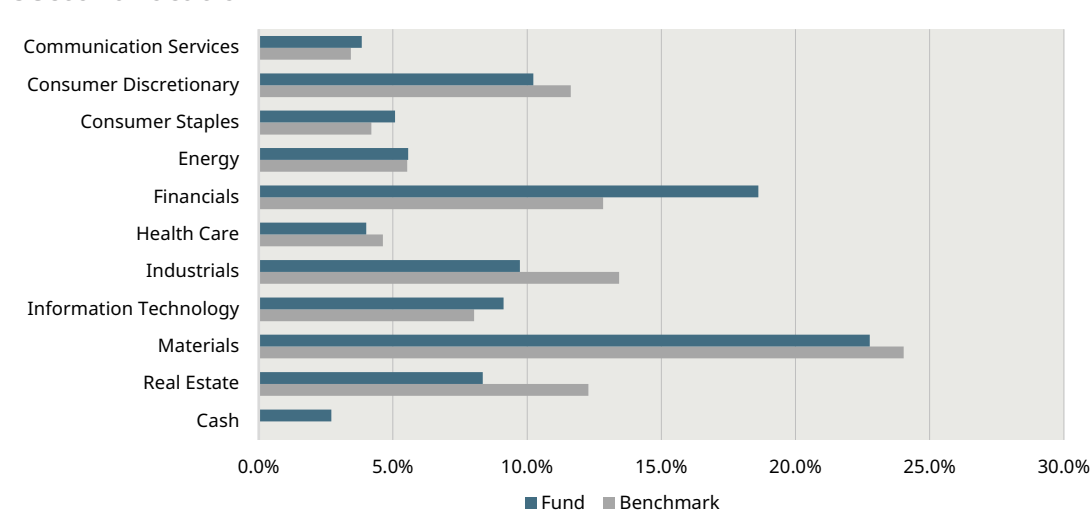
|                      | Fund   | Benchmark |
|----------------------|--------|-----------|
| Fund AUM (\$m)       | \$14.6 | -         |
| Number of Stocks     | 47     | 197       |
| Beta                 | 1.0    | 1.0       |
| Active Share         | 78.8%  | -         |
| Return on Equity     | 15.5%  | 11.1%     |
| Free Cash Flow Yield | 5.5%   | 4.1%      |

Fund Statistics calculated using FactSet, Bloomberg and UBS Quant Answers. Beta is calculated using a forward-looking measure in the risk model.

### Top 5 holdings

| Company               | Sector                 | Weight (%) |
|-----------------------|------------------------|------------|
| AUB Group Limited     | Financials             | 4.5        |
| Aussie Broadband Ltd. | Communication Services | 3.8        |
| NexGen Energy Ltd.    | Energy                 | 3.4        |
| Netwealth Group Ltd.  | Financials             | 3.3        |
| IRESS Limited         | Information Technology | 3.2        |

### Sector allocation



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### About Bell

Bell Asset Management is a specialist multi-investment team manager, bringing together dedicated, expert investment teams across Global and Australian Equities.

Since 2003, our Global Equities team has managed portfolios across all market cycles, guided by the philosophy that high-quality companies drive superior long-term returns. In 2026, we expanded our capabilities with the launch of a dedicated Australian Small Companies team — experienced Portfolio Managers focused on uncovering quality growth in Australia's small-cap universe.

### Contact us

#### Andrew Stewart

Head of Retail Distribution  
T: 0419 224 732  
E: astewart@bellasset.com.au

#### Xanthe Virtue

Head of Wholesale & Platforms  
T: 0413 450 163  
E: xvirtue@bellasset.com.au

#### Bell Client Services

T: 1300 305 476  
E: client@bellasset.com.au

#### Apex Group (Registry)

T: 1300 133 451  
E: registry@apexgroup.com

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## Fund Commentary

### Market update

The month of July was extremely volatile, with concerns around the Iran war, oil price spikes stoking inflation concerns, and the global unwind of the artificial intelligence trade, weighing on markets. On an absolute basis, our portfolio was not immune to the weakness, albeit we managed to outperform marginally. On the domestic front, the economy appears to continue to soften, as evidenced by weaker trading updates from consumer facing companies such as Peter Warren Automotive, Autosports Group, Bapcor Group, Temple and Webster, and Baby Bunting.

While the US reporting season has been very strong, a weaker Australian domestic economic backdrop leads us to expect our upcoming reporting season to be mixed, with company commentary and guidance to err on the side of caution. That said, with small cap valuations starting at depressed levels on a relative basis (to large caps) and on absolute levels, and given expectations are low as evidenced by the small cap index having declined by c10% CYTD, we think the setup is ripe for stock pickers. We look forward to updating our investors' post the August results season.

### Performance

The Bell Australian Small Companies Fund (Class B) returned -2.4% for the month, compared to the S&P/ASX Small Ordinaries Accumulation Index return of -3.2%, outperforming its benchmark by 0.8%.

The key contributors to the Fund's performance include:

- Generation Development Group rallied 15% for the month on the back of a strong quarterly update in its managed accounts business, Evidentia. While the quarterly flows were pleasing and better than expected, our investment thesis is not reliant on a quarter of flows, which can be lumpy and unpredictable. Rather we are drawn to the structural tailwinds driving the managed accounts business, and the exemplary execution in their traditional investment bonds business.
- Iress Technologies outperformed despite limited stock specific news. Trading on mid double-digit earnings multiples, we believe Iress is one of the cheapest earnings compounders in the market. Over the past decade, the company has leveraged its balance sheet to enter adjacent, non-core businesses. Under new CEO Andrew Russell, we believe Iress can refocus back to its core business and grow top and bottom line to drive an eventual re-rate.
- Jumbo Interactive outperformed following a FY26 trading update that was better than feared given the weak run in jackpots. Our view is that jackpot normalisation (and subsequently earnings normalisation) is a matter of when, not if (it's the math!) and we continue to be happy holders of the company while it trades on depressed earnings and multiples.

The key detractors to the Fund's performance include:

- Zip Co underperformed the market despite limited stock specific news. We suspect the underperformance was a result of the risk-off sentiment on the back of a reescalation of Middle East tensions. We continue to believe Zip is one of the cheapest, fastest growing companies in the ASX benefiting from the structural tailwinds of buy now pay later penetrating an underserved consumer segment in the USA.
- Our underweight to Viva Energy detracted value as the stock outperformed the market on the back of strong refining margins arising from oil disruptions from the Middle East. Our preferred oil exposure is to Karoon (a material contributor to fund performance last month), given the convenience retail strategy continues to weigh on Viva.
- Centuria Capital underperformed the market on the back of concerns around private credit, and specifically Bass Credit's (a subsidiary of Centuria) potential exposure to troubled property developer Bathla. While not ideal, all forms of lending come with credit risk, and therefore potential defaults. Centuria Capital has seen over 20% market cap loss on the back of a problematic loan in a division (Bass Credit) that accounts for c15% of group earnings. To us, this appears to be an overreaction by the market.

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### Portfolio activity

The portfolio initiated a position in Fleet Partners Group, funded by exiting McMillian Shakespeare.

Fleet Partners is an operator of auto fleet leasing businesses, as well as novated leasing. The continued penetration of electric vehicles is providing a tailwind for novated lease and auto fleet providers. Trading on 10x earnings and paying a 6% dividend yield, we believe Fleet Partners provides a cheap way to gain exposure to this multi-year growth story. Alas, we are not the only ones who recognise this opportunity, with rival private equity owned SG Fleet lobbying a bid for Fleet Partners at the start of August. While we believe the bid is opportunistic, we think a mutually agreeable deal can be reached given the large synergies on offer for the combined businesses.

McMillian Shakespeare was exited post the strong share price run and value realisation.

### Target Market summary

This product is intended for use as a minor or satellite component within a portfolio for a consumer who is seeking capital growth and has a very high risk and return profile for that portion of their investment portfolio. It is likely to be consistent with the financial situation and needs of a consumer with a 5-year minimum investment timeframe and who is unlikely to need to withdraw their money on less than one month's notice.

### Important information

The Trust Company (RE Services) Limited (Trust Co) ABN 45 003 278 831, AFSL 235150 is the responsible entity and issuer of units for the Bell Australian Small Companies Fund (the Fund). Bell Asset Management Limited (BAM) ABN 84 092 278 647, AFSL 231091 is the investment manager for the Fund. This report has been prepared and issued by BAM for information purposes only and does not take into consideration the investment objectives, financial circumstances or needs of any particular recipient and it contains general information only. You should consider the product disclosure statement (PDS), prior to making any investment decisions. The PDS and target market determination (TMD) can be obtained for free by calling 1300 133 451 or visiting our website [www.bellasset.com.au](http://www.bellasset.com.au). If you require financial advice that takes into account your personal objectives, financial situation or needs, you should consult your licensed or authorised financial adviser. No representation or warranty, express or implied, is made as to the accuracy, completeness or reasonableness of any assumption contained in this report and none of Trust Co, BAM and its directors, employees or agents accepts any liability for any loss arising, including from negligence, from the use of this document. Past performance is not necessarily indicative of expected future performance. Total returns shown for the Fund have been calculated using exit prices after taking into account all ongoing fees and assuming reinvestment of distributions. No allowance has been made for taxation.

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