Bell Australian Small Companies Fund (Class A)

Monthly Summary

Period ending 31 July 2026

Portfolio Managers

Tim Johnston
James Nguyen
Scott Hudson

Fund Inception

23 June 2026

Investment Objective

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)

Investment Benchmark

S&P/ASX Small Ordinaries Accumulation Index

Investment Style

Quality with a valuation overlay – bottom up, fundamental

Investment universe

Primarily Australian listed equities, with limited New Zealand exposure. Primarily outside S&P/ASX 100 Index*

Investment horizon

At least 5 – 7 years

Currency exposure

AUD

APIR Code

PIM8252AU

Management fees & costs**

Management fee:
1.10% p.a. of NAV.
Performance fee:
20% of outperformance of the Benchmark

Buy/sell spread

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*

Performance (%)

	1 month	Since Inception
Fund	-2.5	-5.6
Benchmark	-3.2	-6.5
Excess	0.7	0.9

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

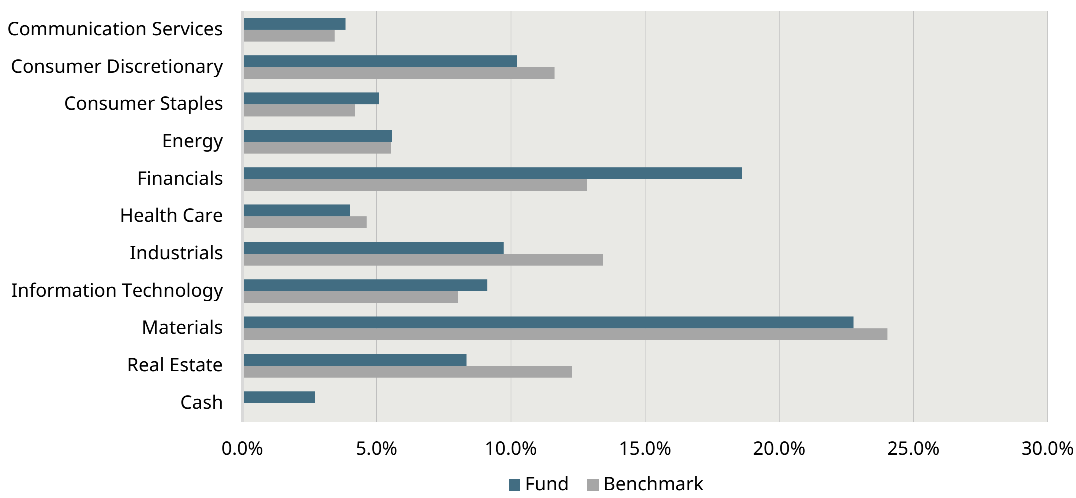
	Fund	Benchmark
Fund AUM ($m)	$14.6	-
Number of Stocks	47	197
Beta	1.0	1.0
Active Share	78.8%	-
Return on Equity	15.5%	11.1%
Free Cash Flow Yield	5.5%	4.1%

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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Bell ASSET MANAGEMENT

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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.

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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 underserviced 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 lobbing 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.