Bell Global Sustainable Fund

Bell ASSET MANAGEMENT

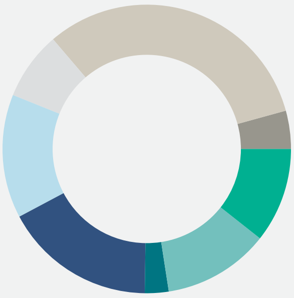
Hedged Class Fund Summary - Period Ending 30 June 2025

Net Performance^

Returns in AUD	Fund	Index*
1 Month	4.3%	3.8%
3 Months	8.7%	9.5%
6 Months	3.9%	6.6%
1 Year	8.1%	13.5%
3 Years (pa)	9.7%	16.7%
5 Years (pa)	--	--
Inception (pa)^	2.1%	7.2%

*Index is the MSCI World ex Australia Index (Hedged) net of dividends reinvested. ^ Inception date of the Bell Global Sustainable Fund is 19 November 2021. Past performance is not indicative of future performance.

Sector Exposure



Communication Services	10.6%
Consumer Discretionary	11.9%
Consumer Staples	2.6%
Financials	17.1%
Health Care	13.9%
Industrials	7.5%
Information Technology	32.1%
[Cash]	4.2%

Geographic Exposure

Asia/Pacific Ex Japan	4.7%
Europe	13.3%
North America	77.8%
[Cash]	4.2%

Top 10 Holdings

Company	Sector	Geography	Weight
NVIDIA Corporation	Information Technology	US	6.1%
Microsoft Corporation	Information Technology	US	5.5%
Alphabet Inc.	Communication Services	US	5.2%
Amazon.com, Inc.	Consumer Discretionary	US	4.9%
Aon Plc	Financials	US	3.9%
Apple Inc.	Information Technology	US	3.6%
Fiserv, Inc.	Financials	US	3.5%
Meta Platforms, Inc.	Communication Services	US	3.5%
Novo Nordisk A/S	Health Care	DK	3.4%
Oracle Corporation	Information Technology	US	3.3%

Best & Worst Performers - 1 Month

Top 5 - Relative Contribution	
Oracle Corporation	0.76%
Tsmc	0.35%
NVIDIA Corporation	0.17%
Uber Technologies, Inc.	0.15%
Broadcom Inc.	0.12%

Bottom 5 - Relative Contribution	
Aon Plc Class A	-0.27%
Zoetis, Inc. Class A	-0.26%
Wolters Kluwer N.V.	-0.26%
Nestle S.A.	-0.23%
Accenture Plc Class A	-0.19%

Investment Metrics#

	Portfolio	Index	Relative
Risk			
Total Risk	14.08	13.94	
Number of Stocks	31	1,277	
Active Share	72.5		
Value			
P/E (Fwd 12M)	23.3	19.7	119%
EV / EBITDA	20.8	16.2	128%
Growth (%)			
Sales Growth	18.1	14.2	127%
EPS Growth	22.5	21.6	104%
Quality			
Return on Equity	36.8	15.6	236%
Net Debt / EBITDA	0.8	0.9	84%
ESG			
MSCI ESG Overall Score	6.8	6.6	103%
Carbon Emissions*	24.2	92.1	26%

Investment Metrics calculated using FactSet database
* Scope 1+2 CO2 and equivalents per US$ mil. of revenue

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Performance

Global equities charged higher over the month of June as risk-on sentiment continued to dominate the market. The MSCI World ex-Australia (Hedged) Index rose 3.8% over the period, whilst the Bell Global Sustainable Fund (Hedged) returned +4.3%, outperforming the MSCI World ex-Australia (Hedged) Index by 0.5%.

Performance Attribution

The portfolio continued its upward trajectory in June. This was primarily a result of strong returns experienced within the Information Technology sector, whilst Communication Services, Consumer Discretionary and Industrials holdings also played a role. Our Consumer Staples and Financials exposures were the only meaningful drag on absolute returns. From a regional perspective, the portfolio's Asian emerging market and North American holdings were both positive, whereas European exposures declined. On a relative basis, the outperformance can primarily be attributed to the portfolio's overweight to Information Technology and underweight to Consumer Staples, as well as strong stock picking within Information Technology and Consumer Discretionary. This was partially offset by headwinds felt from the portfolio's overweight to Health Care, combined with negative selection effects seen within Financials and Consumer Staples.

Regarding individual exposures within the portfolio, Oracle stood out once again, continuing its momentum from May. Oracle shares rallied to post their strongest month in recent years, signalling a decisive re-rating of the company's AI-centred cloud narrative. In their latest quarterly results announcement, cloud-infrastructure revenue soared 50% year-on-year to sit at more than US$3 billion, while remaining performance obligations (backlog) climbed 41%. Management also forecasted continued acceleration into FY26. Positive momentum was further bolstered late in June when a company filing revealed a multiyear cloud contract valued at US$30-billion-per-year, widely rumoured to be associated with OpenAI's "Stargate" data-centre programme. Irrespective of the very strong performance of late, we remain constructive on Oracle and its ability to absorb demand overflow from capacity-constrained datacentre incumbents such as Azure, AWS and Google Cloud.

TSMC was another name which performed strongly to finish the month at an all-time high near US$230 (ADR), outpacing both the Philly Semiconductor Index and Asian peers. Three key catalysts supported the rally. First, AI-driven demand continued to exceed already-bullish expectations, as shown in monthly results. Secondly, the company's R&D pipeline gained credibility, with next-generation 2 nm pilot production achieving yields well ahead of industry peers. Thirdly, the prevailing geopolitical concerns eased as management noted tariffs would be "largely absorbed by importers", limiting direct earnings risk. Additionally, the Japanese government also finalised TSMC's Kumamoto-fab subsidies, a clarifying event in terms of TSMC's medium-term FCF drags due to overseas capex. Noteworthy contributors elsewhere included the Information Technology names of NVIDIA and Broadcom, Meta Platforms (Communication Services) and our non-exposure to Tesla (Consumer Discretionary).

Aon, a leader in risk, retirement and health solutions, was one of the biggest detractors over the month. Aon underperformed after they held their first investor day in two decades, which fell short of expectations by lacking any materially new announcements. We have spent time in recent months meeting insurance executives and analysing the pricing environment in property insurance. Our assessment is that multiple insurance lines are now coming under pressure following several years of firm pricing – a headwind for both brokers and carriers. Additionally, potential policy rate cuts represent another challenge, as interest income from float balances may decline. Although these are fundamental headwinds in the near term, we believe they are well known by the market and have subsequently been priced into the stock, particularly in the context of cost initiatives and new growth from their NFP acquisition. Furthermore, the need for risk consulting spreads well beyond the insured exposure today as evidenced by the fact that there are now ~15k captive insurance companies in the United States alone. Although the drivers of this expansion are numerous, it is mostly reflective of the elevated cost of risk. Given brokers like Aon are helping to manage this risk in an increasingly complex world, we therefore see the industry growing at levels faster than nominal GDP+ over the medium-to-long term. Other detractors for June included Wolters Kluwer (Industrials), Zoetis (Health Care) and Nestlé (Consumer Staples).

Market Commentary

Global equity markets extended their gains through the period, with the MSCI World Index returning +24% (in USD terms) following April's Liberation Day sell-off to the end of June. One notable difference from the prior month was the heightened dispersion of returns across sectors. Information Technology, Communication Services, and Energy led the rally higher, whereas the remainder of sectors saw muted price action. Consumer Staples was the only sector to decline over the period. Regionally, North American equities continued to soar despite persistent concerns reflected in fixed income and currency markets. In contrast, gains across Asia-Pacific and Europe were more subdued. From a factor perspective, Growth maintained its dominance. Using the MSCI World Indices as a proxy, it was the only major style factor to outperform the broader market, with Quality, Low-Volatility, Momentum and Value factors all lagging. Despite the market's strengthening risk appetite, flows were primarily directed towards mega-cap stocks, which meaningfully outperformed their large, mid, and small-cap counterparts.

June was marked by escalating geopolitical tensions in the Middle East, beginning with Israeli airstrikes on Iranian nuclear and missile facilities on June 13, met by immediate Iranian retaliation. Hostilities continued until the United States intervened with coordinated airstrikes on June 21. A ceasefire was announced on June 23, which spurred valuation multiple expansion and sent global equities to all-time highs. Notably, despite considerable commodity market volatility and the strategic importance of Middle Eastern oil supply, global equity markets demonstrated remarkable resilience throughout the conflict. As of 30 June, the forward P/E of the MSCI World Index sits at 19.7x compared to its 10-year average of 17.2x.

Trade tensions continued to impact through June, albeit less meaningfully than months prior. A late-month agreement between the US and China provided a degree of optimism, aimed at easing technology restrictions and supporting rare earth exports. However, negotiations with other key trade partners remained stalled, and the upcoming 9 July deadline for President Trump's tariff reprieves remaining a looming risk for markets. In currency markets, the US dollar continued to weaken through June. This was due to trade-related uncertainty, investor doubts over Federal Reserve independence, and fiscal concerns linked to the administration's "One, Big, Beautiful Bill".

Bond markets saw a general trend toward lower yields across most developed markets. Both the Federal Reserve and Bank of England elected to hold policy rates steady during respective June meetings, while guiding for potential rate cuts through the remainder of 2025. In contrast, the European Central Bank showed increased dovishness, cutting their three key policy rates by 25bps. Meanwhile, the Bank of Japan delayed any further rate hikes and began a measured tapering of its quantitative easing efforts.

Crude oil was a central focus of commodity markets throughout June amid the Middle Eastern conflict. Prices of 'black gold' surged during the 12-day escalation between Israel, Iran and the US, before reversing lower once the ceasefire was announced. Gold followed a similar path, benefiting from mid-month safe haven flows but ultimately closing flat as geopolitical risks receded.

Portfolio Activity

Portfolio activity in June focused on rebalancing existing holdings, introducing new high-conviction ideas, and exiting select positions where the fundamental outlook or valuation had become less compelling. On the buy side, we initiated positions in companies with resilient earnings profiles, including pharmaceutical distributor Cencora and mission-critical communications and security provider Motorola Solutions. These additions were funded by the sale of names such as travel technology company Amadeus and building access solutions provider Assa Abloy.

Outlook

The global equity landscape remains dynamic as we progress into the second half of 2025, presenting a mix of opportunity and caution. The market's rapid recovery since April has been remarkable, particularly given the recent softening in some macroeconomic indicators and the lingering uncertainty around global tariffs.

While we see a constructive foundation for continued gains, it's crucial for investors to acknowledge that certain market segments may not be fully pricing in prevailing risks. Signs of investor exuberance are re-emerging, with valuations in some areas appearing stretched relative to underlying fundamentals. This reinforces the need for disciplined valuation analysis and heightened risk awareness, especially amid lingering geopolitical tensions, persistent inflation pressures and the risk of a broader economic slowdown. In our view, these risks may be underappreciated by parts of the market.

Despite these caveats, we continue to identify a broad range of high-quality businesses trading at attractive valuations. Our focus remains on companies with strong fundamentals, consistent earnings power through cycles, and durable competitive advantages. Portfolio positioning is being redefined accordingly, adding to names where we see valuation dislocations, and trimming positions where upside appears largely priced in.

We are confident that this disciplined, quality-at-a-reasonable-price approach will position the portfolio for strong absolute and relative returns over the medium to long term.

Key Features

Investment Objectives	Outperform the benchmark over rolling three year periods while maintaining an ESG Quality Score of the Fund's portfolio above the ESG Quality Score which applies to the Benchmark and the carbon intensity (tonnes CO2 equivalents/$ million revenue) of the Fund's portfolio remaining at least 25% lower than the carbon intensity of the Benchmark.
Asset Allocation	Long only global equities portfolio. Derivatives are used to hedge the Fund's foreign currency exposure for the Hedged Class Unit back to AUD.
Investment Style	Fundamental bottom up approach 'quality at a reasonable price'
Investment Highlights	• 'Quality' focus - consistently high returning companies • Long-term horizon - typically 3-5 year holding periods • Benchmark agnostic, no country limits • Maximum cash position 10% • Highly experienced investment team
Benchmark	MSCI World ex Australia Index (Hedged) net of dividends reinvested
Currency Exposure	Hedged
Investment Timeframe	At least 5 years
Number of Holdings	30-50

Fund Terms

Fund Inception Date	19 November 2021
Product Structure	Registered Managed Investment Scheme
Investment Manager	Bell Asset Management Limited
Responsible Entity	The Trust Company (RE Services) Limited
Custodian	Apex Fund Services Pty Ltd
Unit Pricing & Liquidity	Daily Published on www.bellasset.com.au & market data services
Minimum Investment	Minimum investment - $25,000
Indirect Cost Ratio	0.95%p.a. No performance fees, No entry or exit fees
Buy / Sell Spread	+/-0.10%
Reporting	Transaction confirmations upon transacting, annual periodic statement, tax statement, distribution statement & Annual Financial Report
Income	Annual distribution of taxable income
Target Market	This product is intended for use as a core component for a long only exposure to global equities for a consumer who is seeking capital growth, with an ability to absorb potential loss and not looking for income returns and has a high to 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 minimum 5 year investment timeframe and who is unlikely to need to withdraw their money on less than 7 Business Days' notice.