Bell Global High Conviction Fund

Bell ASSET MANAGEMENT

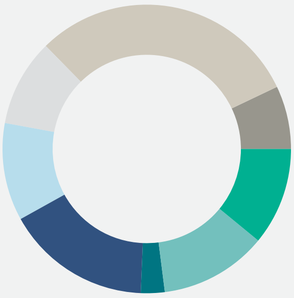
Hedged Class Fund Summary - Period Ending 31 August 2025

Net Performance^

Returns in AUD	Fund	Index*
1 Month	1.3%	2.0%
3 Months	--	--
6 Months	--	--
1 Year	--	--
3 Years (pa)	--	--
5 Years (pa)	--	--
Inception (pa)^	1.1%	4.1%

*Index is the MSCI World ex Australia Index (Hedged) net of dividends reinvested. ^ Inception date of the Bell Global High Conviction strategy is 1 July 2025. Past performance is not indicative of future performance.

Sector Exposure



Communication Services	11.0%
Consumer Discretionary	12.1%
Consumer Staples	2.5%
Financials	16.2%
Health Care	11.0%
Industrials	9.8%
Information Technology	30.2%
[Cash]	7.1%

Geographic Exposure

Asia/Pacific Ex Japan	4.4%
Europe	13.3%
North America	75.2%
[Cash]	7.1%

Top 10 Holdings

Company	Sector	Geography	Weight
Microsoft Corporation	Information Technology	US	5.5%
Alphabet Inc.	Communication Services	US	5.5%
NVIDIA Corporation	Information Technology	US	5.5%
Apple Inc.	Information Technology	US	5.4%
Amazon.com, Inc.	Consumer Discretionary	US	5.0%
Aon plc	Financials	US	3.9%
Meta Platforms, Inc.	Communication Services	US	3.2%
Visa Inc.	Financials	US	3.1%
Booking Holdings Inc.	Consumer Discretionary	US	3.0%
Wolters Kluwer N.V.	Industrials	NL	2.9%

Best & Worst Performers - 1 Month

Top 5 - Relative Contribution		**Bottom 5** - Relative Contribution	
Alphabet Inc. Class A	0.31%	Wolters Kluwer N.V.	-0.65%
Unitedhealth Grp	0.27%	Oracle Corporation	-0.36%
Novo Nordisk A/S...	0.25%	Tsmc	-0.20%
Tencent Holdings Ltd	0.14%	Amazon.com, Inc.	-0.11%
Motorola Solutions, Inc.	0.13%	Accenture Plc Class A	-0.10%

Investment Metrics#

	Portfolio	Index	Relative
Risk			
Total Risk	12.11	12.42	
Number of Stocks	32	1,273	
Active Share	71.5		
Value			
P/E (Fwd 12M)	23.4	17.1	137%
EV / EBITDA	19.8	16.4	121%
Growth (%)			
Sales Growth	17.1	14.0	122%
EPS Growth	21.6	20.5	105%
Quality			
Return on Equity	37.6	15.8	238%
Net Debt / EBITDA	0.8	0.7	111%
ESG			
MSCI ESG Overall Score	6.7	6.6	102%
Carbon Emissions*	24.8	92.9	27%

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

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Performance

Investor optimism remained robust throughout August, with the global equities bull market continuing its upward trajectory. The MSCI World ex-Australia (Hedged) Index appreciated 2.0% during August, whilst the Bell Global High Conviction Fund (Hedged Class) rose 1.3%, underperforming the MSCI World ex-Australia (Hedged) Index by 0.7%.

Performance Attribution

The portfolio ticked higher in August, supported by strong returns across Health Care, Communication Services and Consumer Staples sectors. Offsetting these gains was modest weakness in holdings within the Industrials, Information Technology and Consumer Discretionary sectors. From a regional perspective, North American exposure contributed positively, while European and Asian emerging market holdings detracted slightly. Relative to the benchmark, performance was supported by an underweight to Utilities and positive stock selection within both Health Care and Consumer Staples. However, these gains were offset by an underweight to Materials, overweight to Information Technology and negative selection across Consumer Discretionary, Industrials and Financials. From a style perspective, the overweight allocation to Quality remained a headwind.

Regarding individual holdings, UnitedHealth Group was one of the portfolio's top contributors, with shares rebounding more than 20% in August following the disclosure that Warren Buffett's Berkshire Hathaway had initiated a stake. The purchase represents a meaningful endorsement of a managed care leader that has been under pressure this year, particularly given Buffett's historically limited exposure to the Health Care sector. While a range of considerations remain for the UnitedHealth investment case, we believe earnings expectations have now reset to levels that leave room for upside. We remain constructive and see the risk-reward as favourable from here.

Danish pharmaceutical company Novo Nordisk also posted strong gains after facing recent pressure. The positive stock price movement followed Eli Lilly's underwhelming readout for its oral weight-loss candidate, refocusing attention on Novo's likelihood of being first-to-market with its own oral obesity treatment, potentially with a superior safety and efficacy profile. Novo also received accelerated approval for its GLP-1 therapy to treat MASH, a serious liver disease. Beyond these developments, the rally reflected an unwinding of depressed sentiment and compressed valuation. We continue to view Novo's medium-term outlook as underappreciated by the market, with the risk-reward skewing favourably at current levels. Additional contributors of note included Tencent (Communication Services), Alphabet (Communication Services) and Motorola Solutions (Information Technology).

On the detractor side, Wolters Kluwer has faced significant pressure from the broader "AI disruption" theme, which has weighed on the IT Services and Information Services sectors. The majority of this has stemmed from concerns flagged by other companies, rather than Wolters Kluwer's own results. Additional scrutiny has focused on rising AI competition, particularly within Wolters' Health vertical. Wolters offers over 1,000 technology solutions across five broad verticals, meaning competition is a constant factor. Following a detailed review of the company's offerings across all verticals supported by our proprietary research tools, we concluded that Wolters faces no greater risk than peers operating in the technology and information space. Our analysis also highlighted strong barriers to competition in many products and verticals, underpinned by Wolters' long-standing proprietary data sets. In light of this, we have modestly increased our position, balancing the company's undervalued fundamentals against ongoing uncertainty that continues to weigh on valuations, which may persist until the market gains a clearer understanding of AI's broader impacts. Other noteworthy laggards for August included Oracle (Information Technology), Amazon (Consumer Discretionary) and TSMC (Information Technology).

Market Commentary

August proved to be yet another positive month for the equities market, albeit of a lesser magnitude compared to previous months. The market rally broadened, leading to a slight rotation away from high-performing Information Technology and Industrials stocks, whilst other sectors rallied by more than 1%. Health Care and Materials were the primary beneficiaries of this reallocation of capital. Looking geographically, though all regions posted positive returns, developed market equities in Asia-Pacific outperformed, driven by strong performances from Japan and Singapore.

The recent dominance of the Growth and Momentum factors waned throughout August, with both factors underperforming by almost 1%, whereas Value stocks outperformed by roughly the same margin. Meanwhile, Quality investors continued to experience struggles. The MSCI World Quality Index has now underperformed the MSCI World Index by more than 10% over the past 12 months and lagged the MSCI World Growth Index by over 14%. For context, this is a notable outlier compared to history, over the past 20 calendar years, the Quality index has never lagged the World index by more than 5%. SMID-caps gained prominence during the month, comfortably outperforming their large-cap counterparts.

President Donald Trump continued to wield his influence over markets in August, both domestically and internationally. Trade negotiations between the White House and foreign governments remained a key backdrop, with Japan and Europe subjected to a 15% tariff on their exports to the US. In contrast, India faced harsher treatment, with a 50% levy placed on their products in response to their ongoing purchase of Russian oil. Domestically, Trump raised concerns over the independence of the Federal Reserve and Bureau of Labor Statistics (BLS). The President's attempts to dismiss Board Governor Lisa Cook raised tensions at the Fed, while his criticism of the BLS, following the release of weaker-than-expected employment data, stirred concerns over the impartiality of these institutions.

The conclusion of the Q2 reporting season in August saw broadly strong results, leading to upward revisions of analyst earnings forecasts. The most notable event came late in the month with NVIDIA's report. While results were in line with market expectations, uncertainty surrounding China resulted in muted price action, as expectations for the company were already elevated. Additionally, supportive Purchasing Managers' Index business surveys from both the US and Continental Europe further buoyed investor optimism.

In the rates markets, the most significant developments occurred in North America. The release of disappointing US non-farm payrolls data acted as an initial catalyst for a decline in both Treasury yields and the US dollar. This was compounded by dovish comments from the Federal Reserve Chair Jerome Powell later in the month, which opened the door for a potential rate cut in September. Meanwhile, Japanese bond yields continued to climb, seeing the 10-year government bond yield sit at its highest level post-GFC. The Bank of England on the other hand elected to deliver a 25bps cut during their August meeting.

Hard assets saw a notable shift in September, with Gold breaking out to the upside after its rally had stalled in recent months, ultimately re-establishing all-time highs in early September. As is often the case, Silver followed closely behind to bounce above the psychologically significant US$40 mark. In contrast, crude oil prices experienced a decline, driven by anticipated supply-demand imbalances. The culmination of heightened production from OPEC+ combined with weakened consumption in the US created downward pressure on prices, resulting in a pullback for the commodity.

Portfolio Activity

One new position was initiated during the month, RELX (Industrials). RELX is a global provider of information-based analytics and decision tools for professional and business customers. Similar to Wolters Kluwer mentioned above, RELX's stock price has been under significant pressure in recent months as the market fears that the company will be disrupted by AI. Our analysis gives us confidence that this narrative will prove incorrect in time and lead to a re-rating of the stock price.

We also made several changes to the position sizing of existing holdings to reflect our conviction levels, including adding to Novo Nordisk (Health Care), Hermès (Consumer Discretionary), Clean Harbors (Industrials), Visa (Financials) and Zoetis (Health Care), whilst exposure to NVIDIA (Information Technology), TSMC (Information Technology), Service Corporation (Consumer Discretionary) and Oracle (Information Technology) was reduced.

Key Features

Investment Objective	To outperform the MSCI World Ex Australia Index (Hedged) in Australian Dollars with net dividends reinvested, over rolling three-year periods after fees and expenses (but before taxes).
Asset Allocation	Concentrated 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	20-40

Fund Terms

Fund Inception Date	Strategy inception date is 1 July 2025. Fund inception date is 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 minor or satellite component for a long only exposure to global equities for a consumer who is seeking capital growth, 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 one month's notice.