



PUBLIC TRANSPARENCY REPORT **2025**

Bell Asset Management

Generated 24-11-2025

About this report

PRI reporting is the largest global reporting project on responsible investment.

It was developed with investors, for investors. PRI signatories are required to report publicly on their responsible investment activities each year. In turn, they receive a number of outputs, including a public and private Transparency Report.

The public Transparency Reports, which are produced using signatories' reported information, provide accountability and support signatories to have internal discussions about their practices and to discuss these with their clients, beneficiaries, and other stakeholders. This public Transparency Report is an export of the signatory's responses to the PRI Reporting Framework during the 2025 reporting period. It includes the signatory's responses to core indicators, as well as responses to plus indicators that the signatory has agreed to make public.

In response to signatory feedback, the PRI has not summarised signatories' responses – the information in this document is presented exactly as it was reported.

For each of the indicators in this document, all options selected by the signatory are presented, including links and qualitative responses. In some indicators, all applicable options are included for additional context.

Disclaimers

Legal Context

PRI recognises that the laws and regulations to which signatories are subject differ by jurisdiction. We do not seek or require any signatory to take an action that is not in compliance with applicable laws. All signatory responses should therefore be understood to be subject to and informed by the legal and regulatory context in which the signatory operates.

Responsible investment definitions

Within the PRI Reporting Framework Glossary, we provide definitions for key terms to guide reporting on responsible investment practices in the Reporting Framework. These definitions may differ from those used or proposed by other authorities and regulatory bodies due to evolving industry perspectives and changing legislative landscapes. Users of this report should be aware of these variations, as they may impact interpretations of the information provided.

Data accuracy

This document presents information reported directly by signatories in the 2025 reporting cycle. This information has not been audited by the PRI or any other party acting on its behalf. While this information is believed to be reliable, no representations or warranties are made as to the accuracy of the information presented.

The PRI has taken reasonable action to ensure that data submitted by signatories in the reporting tool is reflected in their official PRI reports accurately. However, it is possible that small data inaccuracies and/or gaps remain, and the PRI shall not be responsible or liable for such inaccuracies and gaps.

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SENIOR LEADERSHIP STATEMENT (SLS)

SENIOR LEADERSHIP STATEMENT

SENIOR LEADERSHIP STATEMENT

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
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SLS 1	CORE	N/A	N/A	PUBLIC	Senior Leadership Statement	GENERAL
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Section 1. Our commitment

- Why does your organisation engage in responsible investment?
- What is your organisation's overall approach to responsible investment, and what major responsible investment commitment(s) have you made?

Bell Asset Management (BAM) engages in responsible investment by integrating ESG-related research and engagement into our investment process because we believe it will assist us in delivering superior long-term returns to our clients. As stewards of our client's capital, we believe it's our responsibility to form our own opinions regarding ESG specific issues and proactively engage with company management on responsible investment issues as required.

Our investment process is a 5-stage process. Responsible investment commitments are integrated at various stages of the process:

- At Step 1 of our investment process, we implement exclusionary screening whereby we apply a negative/exclusionary screen for our investable universe relating to: tobacco (nicotine alternatives and tobacco-based producers), controversial weapons, conventional weapons, nuclear weapons, small arms (civilian firearms and ammunition), adult entertainment, international norms (such as UN Global Compact), coal, gambling and unconventional oil and gas extraction. This screen generally uses flags and classifications provided by our third party ESG data providers.
- At Step 3 of our investment process, part of conducting our bottom-up fundamental analysis includes ESG (since it is one of our six quality factors). All analysts are responsible for developing a view on each company's ESG characteristics through both individual analysis and collaborative engagement. This includes assessing ESG risks and materiality, evaluating alignment with the UN Sustainable Development Goals (UN SDGs), and analysing net zero and broader climate-related targets. Even if a company passes Step 1 of our process, if it fails our ESG assessment, then we will not consider the company for investment.
- Ultimately, there are around 250 companies that pass our Step 3 Qualitative Assessment. In addition to the materiality assessment, our alignment to specific UN SDGs also gives a framework for deeper and more meaningful engagements. By having ESG integrated into the fundamental 'quality' test, we have a selection bias for companies with positive ESG attributes and we actively avoid owning companies that have material ESG risks – for example, our biases lead us away from investing companies that are heavily reliant on unskilled and/or off-shore labour, or environmentally unfriendly sectors, such as energy, materials and utilities. We are simultaneously eliminating a financial risk and enhancing the likelihood of a better return outcome for our clients. Through positive selection, we identify high quality businesses that exhibit high return on equity, low leverage, strong free cash flow yields and superior ESG characteristics. We use both internal research, company filings etc. and external third-party ESG research providers such as MSCI ESG Research and CGI Glass Lewis.
- At Step 4 of our investment process, our qualitative ESG analysis and views feeds into quantitative valuation outcomes. For example, if positive ESG features and tailwinds are contributing to positive sales growth and superior profitability attributes (relative to peers) then this will be reflected in our financial models. Additionally, these tailwinds may also result in applying a higher target multiple.
- Finally in Step 5 of our investment process, ESG factors influence position sizing and portfolio construction.

Responsible Investment commitments that must be adhered to at a portfolio level at all times:

- (i) the portfolio must have a superior ESG score relative to the benchmark (ii) a carbon intensity at least 25% below the benchmark.
- Once a company has made it into our portfolio, we conduct several Stewardship and ESG specific activities including ESG screening, ESG analysis, active engagement and proxy voting. At times, initial stewardship approaches with companies in BAM's investible universe have been deemed unsatisfactory by the investment team. When this occurs, BAM has several escalation strategies with those companies permitted and encouraged in order to achieve an acceptable outcome. Further detail on these initiatives is outlined in our Stewardship Policy which is located on our website (www.bellasset.com.au).

Section 2. Annual overview

- Discuss your organisation's progress during the reporting year on the responsible investment issue you consider most relevant or material to your organisation or its assets.
- Reflect on your performance with respect to your organisation's responsible investment objectives and targets during the reporting year. Details might include, for example, outlining your single most important achievement or describing your general progress on topics such as the following (where applicable):
 - refinement of ESG analysis and incorporation
 - stewardship activities with investees and/or with policymakers
 - collaborative engagements
 - attainment of responsible investment certifications and/or awards

Continued achievement of environmental targets

Per Section 1, we have two specific ESG targets for our portfolios. Over the last 11 years, BAM has allocated the majority of its holdings to the highest rated ESG companies (rated AAA, AA or A by MSCI Research). The weighted average ESG score for our portfolio is consistently above its respective benchmark.

Further, the outcome of our investment approach and ESG philosophy has resulted in the carbon intensity (scope 1 + 2) of our portfolios being more than 75% lower than the benchmark.

Updates to our custom proxy policy

We are also constantly reviewing our proxy procedures to ensure that our Stewardship Policy is up to date with the most relevant management and shareholder proposals. In 2024, we made two updates to our proxy procedures; our policy now votes against all shareholder proposals where the proponent is anti-ESG in nature, and we do not automatically vote against management if the company is not publicly signatory to UNGC.

We also pre-declared our voting decisions for a number of shareholder proposals.

Engagements with portfolio companies

We have had several engagements with portfolio companies during the period, including participating in Kepler and Bernstein's virtual ESG conferences.

Engagements with policymakers During the back half of 2024, we contributed to RIAA's submissions on the following sustainable finance policies:

- ASFI Second Consultation on Australia's Sustainable Finance Taxonomy
- ASIC Consultation on Draft Regulatory Guidance on Sustainability Reporting As part of our ongoing stewardship efforts, three members of our investment team engaged in a discussion with a professor from Swinburne University of Technology in February 2025. The conversation explored key topics including investor and analyst perceptions on the integration of sustainability-related disclosures with financial statements, the inclusion of climate- and nature-related risks in corporate reporting, and the assurance of sustainability disclosures. The team also contributed insights into how both professional and non-professional investors incorporate sustainability and financial information when evaluating companies.

In addition, in July 2025, our investment team participated in a survey led by professors from the University of Iowa, Cornell University, and Brigham Young University. The research focused on how investment professionals assess the quality of public company disclosures.

Participation in MSCI ESG Ratings Consultation 2025

We also provided feedback on the proposed changes in MSCI's 2025 ESG Ratings consultation. The enhancements aim to strengthen the financial relevance of ESG ratings by refining methodologies for scoring sustainability indicators, reducing the impact of indirect controversies, and enhancing the approach for company targets. Our input focused on the proposed shift to a more consistent and quantitative methodology across sectors, considering factors such as intensity, progress, and verification.

Carbon neutral at firm level In 2024, we engaged independent certifier NetNada Pty Ltd again to calculate BAM's carbon emissions. As a result of the calculation of emissions, development of the carbon neutral plan and the purchase of offsets, BAM was certified by NetNada as Carbon Neutral. Going forward, we are focused on identifying areas within BAM where we can reduce our Scope 1 emissions, for example, being mindful around our emissions related to overseas and interstate travel. We also intend on engaging with some of our major suppliers, such as Bloomberg and Factset, who generated the bulk of our Scope 3 emissions.

Responsible investment certifications and awards All three Australian domiciled funds (Bell Global Emerging Companies Fund, Bell Global Equities Fund, and Bell Global Sustainable Fund) are certified by RIAA. When we initially had the BAM Funds certified by RIAA in 2020, one of the conditions was for our sustainable investing framework to be independently audited. Subsequently, in 2024, all of the BAM Funds were recertified by RIAA, and we were labelled as a Responsible Investment Leader designation for the third consecutive year. Only 70 of RIAA's 500+ members were awarded this status.

Section 3. Next steps

- What specific steps has your organisation outlined to advance your commitment to responsible investment in the next two years?

We commit to continually advancing our responsible investment practices through a range of engagements and initiatives including:

- Continuing to refine our investment process and the integration of ESG as part of our philosophy.
- Continuing to strengthen our custom proxy voting policy, ensuring it dynamically aligns with evolving ESG best practices and addresses emerging material issues.
- Continuing engagement with companies through both individual and collaborative engagements. Examples include how we are directly participating with the 2025 CDP Non-Disclosure Campaign after joining CDP in October 2023 and participating in the 2024 campaign.
- Continuing our engagement with RIAA and working with other members on various topics. We recently received our re-certification from RIAA with the label of Sustainable Plus, meaning we are considered a responsible investment leader with this only applying to the top 20%.
- Focussing on our two priority Environmental goals which we believe will advance our commitment to responsible investment over the next two years, being: 1. We want to formalise our net zero targets and goals at a portfolio level for each strategy and 2. At a business level, we want to formalise our commitment of reaching carbon net zero and engage with our suppliers on how they can reduce emissions. We also want to be able to promote our funds positive portfolio attributes, but unfortunately there is not enough company disclosure in order for us to make any formalised commitment. Therefore, we are and will continue to engage with investment holdings to promote further disclosure in these positive attributes in the futures. We also expect that we will continue to improve our ESG related assessment of companies, engagement (direct, collaborative and through proxy voting), portfolio outcomes and reporting (both internal and external/public reporting).

Section 4. Endorsement

'The Senior Leadership Statement has been prepared and/or reviewed by the undersigned and reflects our organisation-wide commitment and approach to responsible investment'.

Name

Ned Bell

Position

Chief Investment Officer

Organisation's Name

Bell Asset Management

☒ A

'This endorsement applies only to the Senior Leadership Statement and should not be considered an endorsement of the information reported by the above-mentioned organisation in the various modules of the Reporting Framework. The Senior Leadership Statement serves as a general overview of the above-mentioned organisation's responsible investment approach. The Senior Leadership Statement does not constitute advice and should not be relied upon as such. Further, it is not a substitute for the skill, judgement and experience of any third parties, their management, employees, advisors and/or clients when making investment and other business decisions'.

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OTHER RESPONSIBLE INVESTMENT REPORTING OBLIGATIONS (ORO)

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OTHER RESPONSIBLE INVESTMENT REPORTING OBLIGATIONS

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ORO 1	CORE	N/A	N/A	PUBLIC	Other Responsible Investment Reporting Obligations	6

During the reporting year, to which international or regional ESG-related legislation(s) and/or regulation(s) did your organisation report?

- ☐ (A) Corporate Sustainability Reporting Directive (CSRD) [European Union]
- ☐ (B) Directive on AIFM (2011/61/EU) [European Union]
- ☐ (C) Enhancing climate-related disclosures by asset managers, life insurers and FCA-regulated pension providers (PS21/24) [United Kingdom]
- ☐ (D) EU Taxonomy Regulation [European Union]
- ☐ (E) Improving shareholder engagement and increasing transparency around stewardship (PS19/13) [United Kingdom]
- ☐ (F) IORP II (Directive 2016/2341) [European Union]
- ☐ (G) Law on Energy and Climate (Article 29) [France]
- ☐ (H) MiFID II (2017/565) [European Union]
- ☐ (I) Modern Slavery Act [United Kingdom]
- ☐ (J) PEPP Regulation (2019/1238) [European Union]
- ☐ (K) PRIIPS Regulation (2016/2340 and 2014/286) [European Union]
- ☐ (L) Regulation on the Integration of Sustainability Risks in the Governance of Insurance and Reinsurance Undertakings (2021/1256) [European Union]
- ☒ (M) SFDR Regulation (2019/2088) [European Union]
- ☐ (N) SRD II (Directive 2017/828) [European Union]
- ☐ (O) The Occupational Pension Schemes Regulation on Climate Change Governance and Reporting [United Kingdom]
- ☐ (P) Climate Risk Management (Guideline B-15) [Canada]
- ☐ (Q) Continuous Disclosure Obligations (National Instrument 51-102) [Canada]
- ☐ (R) Disposiciones de Carácter General Aplicables a los Fondos de Inversión y a las Personas que les Prestan Servicios (SIEFORE) [Mexico]
- ☐ (S) Instrucciones para la Integración de Datores ASG en Los Mecanismos de Revelación de Información para FIC (External Circular 005, updated) [Colombia]
- ☐ (T) Provides for the creation, operation, and disclosure of information of investment funds, as well as the provision of services for the funds, and revokes the regulations that specifies (CVM Resolution No. 175) [Brazil]
- ☐ (U) SEC Expansion of the Names Rule [United States of America]
- ☐ (V) SEC Pay Ratio Disclosure Rule [United States of America]
- ☒ (W) ASIC RG65 Section 1013DA Disclosure Guidelines [Australia]
- ☐ (X) Circular to Licensed Corporations: Management and Disclosure of Climate-related Risks by Fund Managers [Hong Kong SAR]
- ☐ (Y) Financial Investment Services and Capital Markets Act (FSCMA) [Republic of Korea]
- ☐ (Z) Financial Instruments and Exchange Act (FIEA) [Japan]
- ☐ (AA) Financial Markets Conduct Act [New Zealand]
- ☐ (AB) Guiding Opinions on Regulating the Asset Management Business of Financial Institutions [China]
- ☐ (AC) Guidelines on Environmental Risk Management for Asset Managers [Singapore]
- ☐ (AD) Guidelines on Sustainable and Responsible Investment Funds [Malaysia]
- ☒ (AE) Modern Slavery Act (2018) [Australia]

- ☐ (AF) Stewardship Code for all Mutual Funds and All Categories of AIFs [India]
- ☐ (AG) ADGM Sustainable Finance Regulatory Framework [United Arab Emirates]
- ☐ (AH) JSE Limited Listings Requirements [South Africa]
- ☐ (AI) Other
- ☐ (AJ) Other
- ☐ (AK) Other
- ☐ (AL) Other
- ☐ (AM) Other
- ☐ (AN) Not applicable; our organisation did not report to any ESG-related legislation and/or regulation during the reporting year.

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ORO 2	CORE	N/A	N/A	PUBLIC	Other Responsible Investment Reporting Obligations	6

During the reporting year, to which voluntary responsible investment/ESG frameworks did your organisation report?

- ☐ (A) Asset Owners Stewardship Code [Australia]
- ☐ (B) Código Brasileiro de Stewardship [Brazil]
- ☐ (C) New Zealand Stewardship Code
- ☐ (D) Principles for Responsible Institutional Investors (Stewardship Code) [Japan]
- ☐ (E) Stewardship Code [United Kingdom]
- ☐ (F) Stewardship Framework for Institutional Investors [United States of America]
- ☐ (G) CFA Institute ESG Disclosure Standards for Investment Products [Global]
- ☐ (H) Guidelines on Funds' Names using ESG or Sustainability-related Terms [European Union]
- ☐ (I) Luxflag ESG Label [Luxembourg]
- ☒ (J) RIAA Responsible Investment Certification Program [Australia]
- ☐ (K) SRI Label [France]
- ☐ (L) ANBIMA Code of Regulation and Best Practices of Investment Funds [Brazil]
- ☐ (M) Code for Institutional Investors 2022 [Malaysia]
- ☐ (N) Code for Responsible Investing in South Africa (CRISA 2) [South Africa]
- ☐ (O) Corporate Governance Guidelines [Canada]
- ☐ (P) Defined Contribution Code of Practice [United Kingdom]
- ☐ (Q) European Association for Investors in Non-Listed Real Estate Vehicles (INREV) Guidelines [Global]
- ☐ (R) Global ESG Benchmark for Real Assets (GRESB) [Global]
- ☐ (S) Global Impact Investing Network (GIIN) Impact Reporting and Investment Standards (IRIS+) [Global]
- ☐ (T) OECD Guidelines for MNEs - Responsible Business Conduct for Institutional Investors [Global]
- ☐ (U) UN Guiding Principles (UNGP) on Business and Human Rights [Global]
- ☐ (V) Net Zero Asset Managers (NZAM) Initiative [Global]
- ☐ (W) Net-Zero Asset Owner Alliance (NZAOA) [Global]
- ☐ (X) Recommendations of the Taskforce for Climate-related Financial Disclosure (TCFD) [Global]
- ☐ (Y) The Net Zero Investment Framework (NZIF) 2.0 [Global]
- ☐ (Z) Recommendations of the Taskforce for Nature-related Financial Disclosure (TNFD) [Global]
- ☐ (AA) Global Reporting Initiative (GRI) Standards [Global]
- ☐ (AB) IFC Performance Standard [Global]
- ☐ (AC) International Sustainability Standards Board (ISSB) Standards [Global]
- ☐ (AD) Sustainability Accounting Standards Board (SASB) Standards [Global]
- ☐ (AE) Other
- ☐ (AF) Other
- ☐ (AG) Other
- ☐ (AH) Other
- ☐ (AI) Other
- ☐ (AJ) Not applicable; our organisation did not report to any voluntary responsible investment/ESG frameworks during the reporting year.