Bell Global Emerging Companies Fund

Bell ASSET MANAGEMENT

Class A Active ETF Fund Summary - Period ending 31 March 2026

Net Performance^

Returns in AUD	Fund	Index*
1 Month	-4.2%	-3.9%
3 Months	-8.6%	-2.5%
6 Months	-11.6%	-1.0%
1 Year	-12.6%	9.9%
3 Years (pa)	0.8%	12.1%
5 Years (pa)	2.7%	8.1%
10 Years (pa)	--	--
Inception (pa)^	7.8%	10.3%

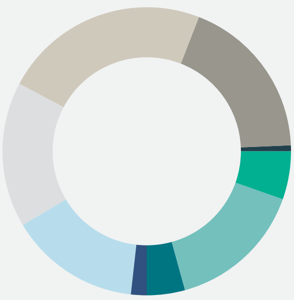
* Index is the MSCI World SMID Cap Index. ^ The Bell Global Emerging Companies Fund was established in November 2012 as the Global Mining Investment Trust with a different investment strategy. The fund has operated under its current name and strategy since 27 June 2016 (Inception). Past performance is not indicative of future performance.

Best & Worst Performers - 1 Month

Top 5 - Relative Contribution	
Deutsche Boerse AG	0.38%
Sprouts Farmers…	0.27%
Gaztransport &…	0.21%
BJ's Wholesale Club…	0.19%
Paylocity Holding Corp.	0.17%

Bottom 5 - Relative Contribution	
Boot Barn Holdings, Inc.	-0.34%
CTS Eventim AG & Co.…	-0.29%
MonotaRO Co., Ltd.	-0.28%
Techtronic Industries…	-0.25%
Cencora, Inc.	-0.20%

Sector Exposure



Communication Services	5.4%
Consumer Discretionary	15.3%
Consumer Staples	4.3%
Energy	1.8%
Financials	14.6%
Health Care	16.3%
Industrials	23.1%
Information Technology	18.5%
[Cash]	0.7%

Geographic Exposure

Africa/Mideast	2.5%
Asia/Pacific Ex Japan	1.8%
Europe	30.3%
Japan	11.7%
North America	53.0%
[Cash]	0.7%

Top 10 Holdings

Company	Sector	Geography	Weight
Veeva Systems Inc.	Health Care	US	2.8%
Deutsche Borse AG	Financials	DE	2.8%
BJ's Wholesale Club…	Consumer Staples	US	2.6%
Check Point Software	Information Technology	IL	2.5%
Experian PLC	Industrials	GB	2.5%
Service Corporation…	Consumer Discretionary	US	2.5%
Amadeus IT Group SA	Consumer Discretionary	ES	2.4%
Wolters Kluwer N.V.	Industrials	NL	2.4%
Autotrader Group plc	Communication Services	GB	2.3%
Houlihan Lokey, Inc.	Financials	US	2.3%

Investment Metrics#

	Portfolio	Index	Relative
Risk			
Total Risk	13.07	12.71	
Number of Stocks	53	4,632	
Active Share	98.1		
Value			
P/E (Fwd 12M)	17.8	16.1	111%
EV / EBITDA	14.8	13.3	111%
Growth (%)			
Sales Growth	10.9	10.9	100%
EPS Growth	13.7	11.6	118%
Quality			
Return on Equity	28.9	9.5	305%
Net Debt / EBITDA	0.6	1.8	33%
ESG			
MSCI ESG Overall Score	7.7	6.6	117%
Carbon Emissions*	10.8	170.9	6%

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

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Performance

The escalation of conflict in the Middle East acted as a key catalyst for heightened volatility across global markets during March, with conditions among the most unsettled seen in recent periods. For small-mid cap equities, this saw the MSCI World SMID Cap Index return -3.9% across March, while the Bell Global Emerging Companies Fund (Class A) Active ETF declined 4.2%, slightly underperforming the MSCI World SMID Cap Index by 0.3%.

Performance Attribution

March saw the portfolio decline amid broad-based weakness across global equities. Similar to the benchmark, Energy was the strongest performing sector over the period, while Health Care, Communication Services, Consumer Discretionary and Industrials were the most significant detractors. From a geographic perspective, exposures to Asia-Pacific developed markets underperformed, whereas Europe and North America proved relatively more resilient. The portfolio's structural underweights to Energy and Utilities represented the most significant allocation headwinds to relative performance. In addition, selection effects across Communication Services, Industrials, Health Care and Energy detracted from returns, while an overweight to Consumer Discretionary also weighed on outcomes. These impacts were mostly offset by the absence of Materials and Real Estate exposure, alongside good stock selection within Consumer Staples, Information Technology and Financials, which provided a relative buffer during the drawdown.

In terms of individual holdings, one of the most prominent performers for the quarter was Deutsche Boerse. The name was supported by improving investor sentiment as a pickup in market volatility drove increased trading activity, particularly within its high-margin derivatives franchise (Eurex), positioning the company for potential near-term earnings upside. The business continues to benefit from structurally attractive growth drivers, including higher clearing volumes, sustained demand for risk management products and the ongoing migration toward centrally cleared markets. In addition, its data and analytics segment provides a stable, recurring revenue base that enhances earnings visibility. Despite these strengths, the stock entered the period at a relatively undemanding valuation for a business of this quality, which, combined with rising expectations for earnings upgrades, supported a re-rating. Overall, Deutsche Boerse offers an attractive mix of defensive recurring revenues and cyclical upside from increased market activity. We continue to hold the name in the portfolio, although have trimmed some profits following the outperformance. Other positive contributors included Sprouts Farmers Market (Consumer Staples), Gaztransport & Technigaz (Energy) and BJ's Wholesale Club (Consumer Staples).

In contrast, Boot Barn was among the most notable detractors over the month. The escalation in geopolitical tensions drove a broad sell-off across Consumer Discretionary, reflecting both risk aversion and rising concerns around household spending as fuel costs increased and inflation expectations moved higher. As a SMID-cap, high-growth apparel retailer, Boot Barn was particularly exposed to these dynamics. Despite this near-term pressure, we retain conviction in the company's ability to deliver low single-digit same-store sales growth while continuing its strong store rollout strategy, supporting sustained top-line expansion. While some macro risk factors have increased, we see the risk-reward as attractive at this level following the valuation de-rating and therefore remain comfortable holding the name in the portfolio. Other detractors included Cencora (Health Care), CTS Eventim (Communication Services), MonotaRO (Industrials) and Techtronic Industries (Industrials).

Market Commentary

Broader market risk aversion dominated equity markets throughout March, driving a sharp and largely indiscriminate sell-off. Despite a modest rebound into month-end, every sector declined by more than 4% in USD terms with the exception of Energy, while Industrials and Materials experienced low double-digit drawdowns. This dispersion was broadly consistent with the sharp rise in energy prices and the resulting tightening in financial conditions. From a regional perspective, North America proved relatively more resilient, while developed markets across Europe and Asia-Pacific, most notably Japan and Australia, saw more pronounced weakness. Factor performance was broadly consistent with a typical risk-off environment, with large caps, Value and Low Volatility outperforming, while Growth, Momentum and small caps lagged. Notably, there was little evidence of the flight to Quality typically seen in such environments, with the factor underperforming despite the deterioration in macro sentiment.

The key development over the period was the continued escalation of conflict in the Middle East, as tensions between Israel, the United States and Iran intensified following the initial strikes in late February. While early retaliatory actions unsettled markets, it was the forced closure of the Strait of Hormuz that proved most destabilising. Given the critical importance of this passage for global oil supply, the disruption led to stranded shipments and heightened concerns around an imminent supply shock. This was further compounded by damage to regional energy infrastructure and production curtailments across parts of OPEC. As a result, crude prices surged, with spot oil reaching approximately US$120 per barrel, levels only seen once in the past decade, previously during the 2022 Russia-Ukraine shock.

While the direct impact of higher energy prices was quickly felt across energy-intensive sectors, the secondary effects proved more significant in shaping broader market behaviour. Elevated oil prices, if sustained, have broad-based implications given their role as both a key industrial input and a fundamental driver of transportation costs. As a result, inflation expectations moved higher, prompting a reassessment of the rate outlook and raising the prospect of a more stagflationary backdrop. This repricing of the policy path was a key driver of weakness across risk assets.

The impact was not confined to equities. Precious metals saw a sharp reversal, with gold declining amid rising real yields and a stronger US dollar, in part reflecting its use as a source of liquidity during the sell-off. Fixed income markets also came under pressure, with yields rising across developed markets, particularly in Europe and the UK. Currency markets experienced elevated volatility, with the Australian dollar weakening against the US dollar, while Japanese authorities signalled a potential intervention to support the yen.

More recently, a tentative ceasefire has been reached in early April, helping to stabilise sentiment and partially reverse some of the more extreme moves observed during March. Looking ahead, market direction will likely be shaped by the durability of the ceasefire and the extent to which earlier disruptions to energy supply continue to feed through into inflation and growth expectations over the remainder of 2026. In particular, the persistence of elevated energy prices will be critical in determining whether the recent shock proves transitory or evolves into a more sustained stagflationary environment.

Portfolio Activity

Heightened portfolio activity persisted through the end of the first quarter, reflecting our efforts to actively take advantage of the elevated market volatility and many dispersions in the market between quality and intrinsic value. Among the new additions was TE Connectivity, a global leader in electrical connectors. One of the primary tailwinds for the company has recently been its increased market share in the critical components that distribute power, signal, and data across electric vehicles, factory robots and hyperscale AI server racks. This positioning is expected to support a sustained period of double-digit revenue growth, alongside margin expansion over the medium-term. The company also consistently generates significant free cash flow and boasts a very shareholder-friendly management team, illustrated earlier this year when the board approved a 10% quarterly dividend hike alongside a substantial $3 billion expansion to its share repurchase program. We currently model strong upside looking forward, driven by a combination of earnings upgrades and potential for valuation multiple expansion.

One of the other new holdings established was Nomura Research Institute, following a sharp pullback in its share price and a positive meeting with management on our recent research trip to Japan. The company operates as a leading IT solutions provider and consultancy, primarily serving financial, retail and manufacturing clients in Japan. We believe that the business will benefit from both revenue growth and cost optimisation opportunities arising from the accelerating implementation of AI within both customer workflows and its own operations. Furthermore, customer adoption of AI should also drive an acceleration in consultancy and implementation revenues, while the fixed-price nature of the IT Solutions business will benefit from the company's own AI adoption internally. We anticipate that the upcoming capital markets day will provide greater clarity on the medium-term growth outlook and progress of its international restructuring initiatives.

There were two full exits undertaken during March, including the sale of Old Dominion Freight Line, a leading US less-than-truckload (LTL) carrier. While we continue to see good scope for strong earnings growth in the coming years as earnings rebound from depressed levels, a strong rally in the share price and material valuation re-rating have largely priced this in. With the potential for macro disruptions related to the conflict in Iran, we felt the risk-reward profile was starting to skew to the downside and therefore exited the position. The other exit was Sprouts Farmers Market, after the stock bounced more than 20% from February lows. Given Sprouts' relatively more discretionary product mix compared to traditional grocers, there is risk of a period of moderating demand as rising inflationary pressures and geopolitical tensions could weigh on US consumer spending. As such, we elected to sell the position and rotate the capital into other higher conviction names.

Outlook

Recent performance has remained below our expectations, reflecting a continuation of the challenging environment for quality-oriented investing. In particular, the ongoing AI disruption narrative has been a key driver of market behaviour, with periods of indiscriminate selling extending beyond pure software into a range of adjacent sectors. While we continue to assess these risks carefully at the individual company level, we believe much of the recent weakness has been sentiment-driven rather than reflective of fundamental deterioration in the underlying businesses we own, either in the near or longer term.

To date, the market's treatment of stocks with any perceived AI competitive exposure has remained largely indiscriminate. While we do not underestimate the genuine disruption risks posed by this rapid technological shift, we believe the reality will prove far more nuanced and that, over time, the distinction between winners and losers will become clearer. That said, we acknowledge that we underestimated the magnitude of this sentiment-driven dislocation, and as a result, shorter-term returns have been impacted.

While we have had exposure to a number of AI beneficiaries, including Teradyne, Fujikura, Hoya and Keysight Technologies to name a few, the relative outperformance from these holdings has been more than offset by material valuation contraction across other parts of the portfolio, particularly in segments where AI disruption fears are most acute.

From an asset class perspective, it has been encouraging to see a broadening of market leadership in the first quarter of 2026, with Global SMID Caps outperforming Large Caps by over 400 basis points following several years of underperformance. We see good reasons for this trend to continue, supported by more attractive relative valuations and stronger earnings growth potential across the SMID universe.

Importantly, this backdrop is creating a growing opportunity set. We are increasingly observing attractive dislocations across high-quality businesses with durable competitive positions, strong balance sheets and long-term growth potential. As a result, we have remained active in refining the portfolio, exiting positions where the risk-reward has deteriorated while redeploying capital into opportunities where upside potential has materially improved.

While the near-term path of markets remains uncertain, particularly given the evolving macro environment, we remain confident in the long-term merits of our Quality at a Reasonable Price approach. Periods of heightened dispersion and dislocation have historically provided the foundation for stronger future returns, and we believe the portfolio is becoming progressively better positioned as we lean into these opportunities. Overall, we see an improving risk-reward profile across the portfolio and remain focused on disciplined execution to drive stronger outcomes over time.

Key Features

Investment Objective	To outperform the MSCI World SMID Cap Index over rolling three-year periods after fees and expenses (but before taxes).
Asset Allocation	Long only global small and mid cap equities, no gearing, no derivatives
Investment Style	Fundamental bottom up approach "Quality at a reasonable price"
Investment Highlights	• A diversified portfolio of small and mid cap (SMID) global stocks • 'Quality' focus - consistently high returning companies • Long-term horizon - typically 3-5 year holding periods • Benchmark agnostic • Maximum cash position 10% • Highly experienced investment team
Benchmark	MSCI World SMID Cap Index
Currency Exposure	Unhedged
Investment Timeframe	At least 5 years
Number of Holdings	30 - 60

Fund Terms

Fund Inception Date	November 2012
Strategy Inception Date	27 June 2016
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
ASX Ticker	B1SM
Unit Pricing & Liquidity	Daily Published on www.bellasset.com.au & market data services
Minimum Investment	Minimum investment - $10,000 (Applies to Unlisted Managed Units only)
Indirect Cost Ratio	1.34% 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 and Annual Financial Report
Income	Annual distribution of taxable income
Target Market	This product is intended for use as a core, minor or satellite component within a portfolio for a consumer who is seeking capital growth 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 5-year minimum investment timeframe and who is unlikely to need to withdraw their money on less than one month's notice.