

# Bell Global High Conviction Fund

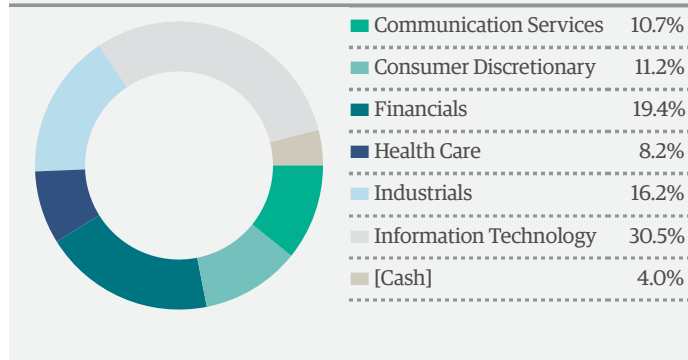
Unhedged Class Fund Summary - Period Ending 31 March 2026

## Net Performance<sup>^</sup>

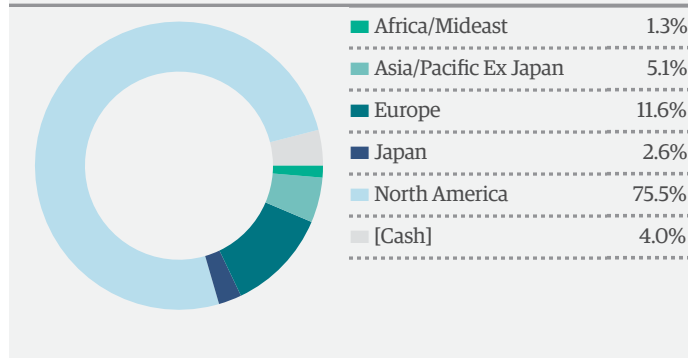
Returns in AUD	Fund	Index*
1 Month	-3.1%	-2.5%
3 Months	-16.1%	-6.2%
6 Months	-17.5%	-3.8%
1 Year	--	--
3 Years (pa)	--	--
5 Years (pa)	--	--
10 Years (pa)	--	--
Inception (pa) <sup>^</sup>	-14.6%	2.1%

\* Index is the MSCI World Ex Australia Index (Unhedged) in AUD. <sup>^</sup> The Bell Global High Conviction Fund (Fund) was established on 19 November 2021 under the name Bell Global Sustainable Fund and with a different investment strategy. The Fund has operated under its current name and strategy since 1 July 2025 (Strategy inception). The fund's historical performance is available on our website at [www.bellasset.com.au](http://www.bellasset.com.au). Past performance is not indicative of future performance.

## Sector Exposure



## Geographic Exposure



## Top 5 Holdings

Company	Sector	Geography	Weight
NVIDIA Corporation	Information Technology	US	6.8%
Microsoft Corporation	Information Technology	US	6.2%
Mastercard Incorporated	Financials	US	6.2%
Alphabet Inc.	Communication Services	US	5.7%
Amazon.com, Inc.	Consumer Discretionary	US	5.3%

## Best & Worst Performers - 1 Month

Top 5 - Relative Contribution		Bottom 5 - Relative Contribution	
Oracle Corporation	0.18%	Hermes International...	-0.42%
Mastercard...	0.18%	MonotaRO Co., Ltd.	-0.39%
Amazon.com, Inc.	0.17%	SAP SE	-0.26%
LPL Financial...	0.13%	Cencora, Inc.	-0.21%
S&P Global, Inc.	0.12%	NIKE, Inc. Class B	-0.14%

## Investment Metrics<sup>#</sup>

	Portfolio	Index	Relative
<b>Risk</b>			
Total Risk	14.42	12.77	
Number of Stocks	36	1,265	
Active Share	76.6		
<b>Value</b>			
P/E (Fwd 12M)	19.3	18.2	106%
EV / EBITDA	18.8	16.3	115%
<b>Growth (%)</b>			
Sales Growth	17.7	12.6	140%
EPS Growth	22.0	17.9	123%
<b>Quality</b>			
Return on Equity	31.1	16.4	189%
Net Debt / EBITDA	0.3	0.8	40%
<b>ESG</b>			
MSCI ESG Overall Score	6.9	6.8	101%
Carbon Emissions*	28.6	103.4	28%

<sup>#</sup> Investment Metrics calculated using FactSet database  
\* Scope 1+2 CO2 and equivalents per US\$ mil. of revenue

# Bell Global High Conviction Fund

## Unhedged Class Fund Summary - Period Ending 31 March 2026



**Ned Bell** CIO / Portfolio Manager



**Joel Connell** Portfolio Manager



**Andrew Gowen** PM / Director of Research

### Contact Details

Unitholder enquiries  
T: 1300 133 451  
E: registry@apexgroup.com

Bell Asset Management Limited  
W: bellasset.com.au  
T: 1300 305 476  
E: client@bellasset.com.au

Xanthe Virtue: Head of Wholesale & Platforms  
T: +61 2 8000 8872 M: +61 413 450 163  
E: xvirtue@bellasset.com.au

Andrew Stewart: Head of Retail Sales  
T: +61 2 8000 8875 M: +61 419 224 732  
E: astewart@bellasset.com.au

### 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 equities, this saw the MSCI World ex-Australia Index return -2.5% for March, whilst the Bell Global High Conviction Fund (Unhedged) declined 3.1%, underperforming the MSCI World ex-Australia Index by 0.6%.

### Performance Attribution

During the March quarter, weakness was broad-based across sectors, with the stronger Australian dollar also weighing on portfolio returns. Industrials and Consumer Discretionary holdings were the largest detractors. Regionally, developed markets in Europe and Asia Pacific underperformed the most, while Emerging Markets and North America were relatively more resilient. From a relative performance perspective, the portfolio benefited from an overweight to Financials and an underweight to Health Care, although this was offset by the absence of exposure to the strongly performing Energy, Materials and Utilities sectors. Stock selection within Industrials was a key headwind to relative returns.

In terms of individual holdings, one of the most notable outperformers over the month of March was Oracle following a stronger-than-expected fiscal Q3 earnings result. Reported figures comfortably exceeded guidance across all key metrics. Total revenue advanced 22% year-on-year to US\$17.2 billion, with cloud infrastructure revenue increasing 84% to US\$4.9 billion. Adjusted EPS expanded 22% to US\$1.79. Notably, the quarter represented the first occasion in over a decade in which both organic total revenue and non-GAAP earnings per share concurrently grew at over 20%. Of particular relevance to the investment

case, remaining performance obligations reached US\$553 billion, representing a 325% year-on-year increase. This contracted backlog is largely driven by large-scale AI infrastructure agreements with counterparties including OpenAI, Meta and NVIDIA. Management also highlighted that a significant proportion of associated capital expenditure is either prepaid by customers or supported by partner-supplied equipment, which helps to mitigate incremental balance sheet risk. We continue to see the risk-reward as attractive, with the outlook for 20%+ annualised organic growth carrying greater weight than concerns around near-term cash burn at prevailing valuation levels. Other positive contributors included Mastercard (Financials), Amazon (Consumer Discretionary) and LPL Financial (Financials).

In contrast, Hermès was among the more notable detractors during the month. Periods of heightened geopolitical uncertainty tend to weigh on consumer sentiment, and discretionary categories such as luxury are typically among the most impacted, a dynamic that was reflected in market pricing through March. That said, the company's long operating history demonstrates a consistent ability to navigate periods of disruption, underpinned by the strength of its brand, disciplined supply model and highly resilient customer base. We therefore expect the business to continue delivering growth despite the current backdrop, even as parts of the broader luxury sector face pressure. While the share price has weakened in the near term, our conviction in its ability to generate sustained, compounding cash flows remains unchanged, and we would look to increase exposure as geopolitical conditions stabilise. Other detractors included Cencora (Health Care), SAP (Information Technology) and MonotaRO (Industrials).

### Market Commentary

# Bell Global High Conviction Fund

## Unhedged Class Fund Summary - Period Ending 31 March 2026

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 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 meaningful upside looking forward, driven by a combination of earnings upgrades and potential for valuation multiple expansion.

A holding was also established in MercadoLibre, the "Amazon of Latin America". MercadoLibre is a vast enterprise, shipping over US\$85bn (3bn items) worth of goods each year to over 120 million customers. Both volumes and revenues have increased tenfold over the past six years, while the income statement and cash flow inflected into sustained profitability. We have long admired this company and its excellent founder-led management team, but the shares only occasionally provide an opportune window to enter a position. We had watched its success attract renewed competition last year and anticipated margins to come under pressure. With margin forecasts now reset to appropriate levels, we used the recent share price weakness to begin a position in a company where we forecast earnings will more than triple in the five years ahead.

# Bell Global High Conviction Fund

## Unhedged Class Fund Summary - Period Ending 31 March 2026

In terms of exits, Nike was among the more notable disposals during March, with the position closed ahead of its latest earnings release. This was a position initiated late last year as confidence grew that the turnaround under new management was gaining traction. In the prior quarter, inventories had been brought under control, tariffs were well incorporated into margin forecasts, and the important US business delivered a second consecutive quarter of accelerating growth in the key wholesale channel. However, following the escalation of conflict in the Middle East and the associated inflationary pressures, we saw increasing risks to the recovery and therefore decided to exit ahead of what we feared could be a softer earnings print. Among other exits, we also elected to sell our position in Motorola Solutions following a 25% year-to-date return. Fundamentally, the business remains strong, with the most recent results delivering 8% revenue growth and 11% EPS growth. Our decision was therefore driven primarily by valuation and the resulting risk-reward profile. More specifically, we believe the forward P/E multiple in the high 20s may prove demanding, or at a minimum constrain the nearer term upside potential. As a result, we concluded that the stock no longer warranted a position in the portfolio.

### 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, 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.

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

<b>Investment Objective</b>	To outperform the MSCI World Ex Australia Index (Unhedged) in Australian Dollars with net dividends reinvested, over rolling three-year periods after fees and expenses (but before taxes).
<b>Asset Allocation</b>	Concentrated long only global equities.
<b>Investment Style</b>	Fundamental bottom up approach "Quality at a reasonable price"
<b>Investment Highlights</b>	<ul style="list-style-type: none"><li>• 'Quality' focus - consistently high returning companies</li><li>• Long-term horizon - typically 3-5 year holding periods</li><li>• Benchmark agnostic, no country limits</li><li>• Maximum cash position 10%</li><li>• Highly experienced investment team</li></ul>
<b>Benchmark</b>	MSCI World Ex Australia Index (Unhedged) net of dividends reinvested.
<b>Currency Exposure</b>	Unhedged
<b>Investment Timeframe</b>	At least 5 years
<b>Number of Holdings</b>	20-40

## Fund Terms

<b>Fund Inception Date</b>	Strategy inception date is 1 July 2025. Fund inception date is 19 November 2021.
<b>Product Structure</b>	Registered Managed Investment Scheme
<b>Investment Manager</b>	Bell Asset Management Limited
<b>Responsible Entity</b>	The Trust Company (RE Services) Limited
<b>Custodian</b>	Apex Fund Services Pty Ltd
<b>Unit Pricing &amp; Liquidity</b>	Daily Published on <a href="http://www.bellasset.com.au">www.bellasset.com.au</a> & market data services
<b>Minimum Investment</b>	Minimum investment - \$25,000
<b>Indirect Cost Ratio</b>	0.90%p.a. No performance fees, No entry or exit fees
<b>Buy / Sell Spread</b>	+/-0.10%
<b>Reporting</b>	Transaction confirmations upon transacting, annual periodic statement, tax statement, distribution statement and Annual Financial Report.
<b>Income</b>	Annual distribution of taxable income
<b>Target Market</b>	This product is intended for use as a 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.

**Important Information:** The Trust Company (RE Services) Limited (Trust Co) ABN 45 003 278 831, AFSL 235150 is the responsible entity and issuer of units for the Bell Global High Conviction Fund (the Fund). Bell Asset Management Limited (BAM) ABN 84 092 278 647, AFSL 231091 is the investment manager for the Fund. This report has been prepared and issued by BAM for information purposes only and does not take into consideration the investment objectives, financial circumstances or needs of any particular recipient and it contains general information only. You should consider the product disclosure statement (PDS), prior to making any investment decisions. The PDS and target market determination (TMD) can be obtained for free by calling 1300 133 451 or visiting our website [www.bellasset.com.au](http://www.bellasset.com.au). If you require financial advice that takes into account your personal objectives, financial situation or needs, you should consult your licensed or authorised financial adviser. No representation or warranty, express or implied, is made as to the accuracy, completeness or reasonableness of any assumption contained in this report and none of Trust Co, BAM and its directors, employees or agents accepts any liability for any loss arising, including from negligence, from the use of this document. Past performance is not necessarily indicative of expected future performance. Total returns shown for the Fund have been calculated using exit prices after taking into account all ongoing fees and assuming reinvestment of distributions. No allowance has been made for taxation.