Bell Global High Conviction Fund

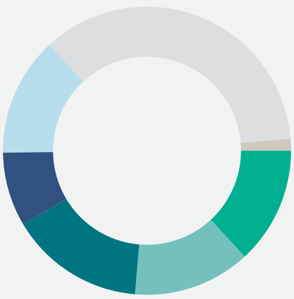
Unhedged Class Fund Summary - Period Ending 30 June 2026

Net Performance^

Returns in AUD	Fund	Index*
1 Month	0.3%	3.1%
3 Months	4.4%	12.6%
6 Months	-12.4%	5.6%
1 Year	-10.8%	15.0%
3 Years (pa)	--	--
5 Years (pa)	--	--
10 Years (pa)	--	--
Inception (pa)^	-10.8%	14.9%

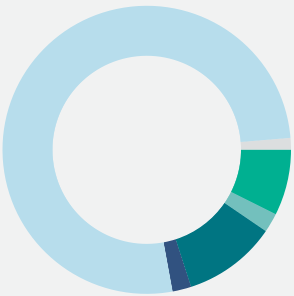
* Index is the MSCI World Ex Australia Index (Unhedged) in AUD. ^ The Bell Global High Conviction Fund (Fund) was established on 19 November 2021 under the name Bell Global Sustainable Fund and with a different investment strategy. The Fund has operated under its current name and strategy since 1 July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

Sector Exposure



Communication Services	13.0%
Consumer Discretionary	13.2%
Financials	15.2%
Health Care	8.4%
Industrials	13.4%
Information Technology	35.5%
[Cash]	1.4%

Geographic Exposure



Asia/Pacific Ex Japan	7.5%
Emerging Markets	2.1%
Europe	10.4%
Japan	2.1%
North America	76.6%
[Cash]	1.4%

Top 5 Holdings

Company	Sector	Geography	Weight
NVIDIA Corporation	Information Technology	US	8.3%
Alphabet Inc.	Communication Services	US	7.2%
Mastercard Incorporated	Financials	US	6.7%
Amazon.com, Inc.	Consumer Discretionary	US	6.1%
Microsoft Corporation	Information Technology	US	5.4%

Best & Worst Performers - 1 Month

Top 5 - Relative Contribution		**Bottom 5** - Relative Contribution	
Applied Materials, Inc.	0.54%	Oracle Corporation	-1.06%
Tsmc	0.51%	Microsoft Corporation	-0.45%
Amphenol…	0.34%	Amazon.com, Inc.	-0.35%
Mastercard…	0.28%	SAP SE	-0.35%
Booking Holdings Inc.	0.19%	Broadcom Inc.	-0.27%

Investment Metrics#

	Portfolio	Index	Relative
Risk			
Total Risk	15.97	14.11	
Number of Stocks	37	1,236	
Active Share	75.4		
Value			
P/E (Fwd 12M)	22.0	19.1	115%
EV / EBITDA	18.3	16.3	112%
Growth (%)			
Sales Growth	19.4	12.9	150%
EPS Growth	26.1	19.0	137%
Quality			
Return on Equity	31.8	17.0	187%
Net Debt / EBITDA	0.3	0.8	36%
ESG			
MSCI ESG Overall Score	6.7	6.9	97%
Carbon Emissions*	26.5	95.2	28%

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

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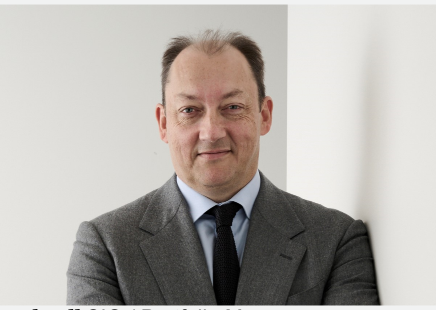
Andrew Gowen PM / Director of Research



Ned Bell CIO / Portfolio Manager

Joel Connell Portfolio Manager

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

Despite notable intra-month volatility, global equity markets posted positive performance in June, helped by a depreciation of the Australian dollar. The MSCI World ex-Australia Index returned +3.1% for June, whilst the Bell Global High Conviction Fund (Unhedged Class) rose 0.3%, underperforming the MSCI World ex-Australia Index by 2.8%.

Market Commentary

June saw disparate performance across the global equities landscape, with sector positioning pivotal in determining investor outcomes. Energy struggled as the Middle East conflict moved towards resolution, whilst Consumer Discretionary weakened on increasing central bank hawkishness. Renewed scepticism over the return on AI hyperscaler capex drove weakness across the technology sectors, notwithstanding a higher close for the semiconductor segment, which endured significant daily price swings intra-month. A constructive by-product was a broadening of the market rally into areas that had been underappreciated of late, catalysing improved performance across Consumer Staples, Financials and Health Care. Industrials also rallied, led by Capital Goods. Regionally, dispersion was more muted: North American and Asia-Pacific equities lagged the broader market by less than 0.5%, whilst Europe rose modestly, driven primarily by Dutch and Spanish stocks. Regarding factor performance, Momentum continued to dominate, outperforming by 7.5% in a single month, whilst dispersion elsewhere was more nuanced. Quality, Value and Low Volatility posted slight relative gains and Growth detracted. Small and mid-cap companies outperformed large caps by more than 1.5%, further evidence of improving market breadth.

Investor attention remained centred on the Middle East conflict and, through the second half of June, its potential resolution. After months of the war disrupting Strait of Hormuz shipping, President Trump signed a 14-point memorandum of understanding with Iran on 18 June in Versailles, authorising the reopening of the Strait and lifting the US naval blockade, with a 60-day window to negotiate remaining issues including Iran's nuclear program and Lebanon. Equities reacted positively, though the truce remained fragile, and it is too early to judge whether the agreement marks a definitive end to the conflict or merely a reprieve.

The energy-driven inflation shock stemming from geopolitical tensions split developed-market central banks. The European Central Bank hiked 25bps to a 2.25% deposit rate, citing conflict-driven inflationary pressures and lifting its 2026 inflation forecast to 3.0%, whilst the Bank of England held at 3.75% despite two hawkish dissents, noting UK inflation was running near 2.8% year-on-year and was expected to approach 3.25% by year-end. The Federal Reserve, under new Chair Kevin Warsh, held rates at 3.50%-3.75% in a unanimous vote, but the accompanying dot plot turned decidedly hawkish: the median 2026 projection implied a hike, as 17 of 18 officials saw inflation risks skewed to the upside, and the inflation forecast was lifted to 3.6%.

Commodities directly reflected the de-escalation in the Middle East. Oil prices fell sharply as tensions eased: the World Bank's Energy Price Index dropped 18% for the month, driven by a 21% decline in Brent crude and partly offset by a 7% rise in US natural gas. The move came as supply expectations improved following the reopening of the Strait of Hormuz. Fertiliser prices plunged more than 21%, and the non-energy index fell 3%, with metals down 2% and precious metals sliding 9% as gold posted its worst month since June 2013 on higher yields and USD strength. Coal bucked the trend, with a fatal gas explosion at a Shanxi coking coal mine prompting production suspensions that supported prices into early June. Agricultural markets were mixed, with US corn stocks rising slightly whilst wheat production estimates were revised down.

Performance Attribution

The portfolio appreciated in June driven by strength across holdings in Health Care, Financials and Industrials. These positive contributions outweighed detractions from holdings within Communication Services, Consumer Discretionary and Information Technology. Geographically, North American holdings were broadly flat over the period, while strength was observed across holdings in the Asia-Pacific region, led by the portfolio's Taiwan exposure. In terms of relative performance, sector allocation was a slight drag, with the adverse impact of overweights to Communication Services and Consumer Discretionary outweighing the benefit of the absence of Energy and Materials exposure and the overweight to Industrials. Stock selection within Information Technology and Industrials was the primary driver of underperformance. Factor impacts continued to be a sizeable headwind, with the underweight to Momentum the key detractor.

Among individual exposures, notable strength came from Applied Materials, a new addition to the portfolio, with shares rising over 50% after being purchased. Applied Materials is one of the world's largest suppliers of semiconductor manufacturing equipment, providing the deposition, etch, ion implantation, metrology, and advanced packaging tools that are, in effect, the "picks and shovels" of the AI infrastructure buildout. Fundamentally, the company entered the month with strong momentum as fiscal Q2 revenue grew 11% year-on-year alongside a record EPS print. More importantly for the share price however, management guided for its semiconductor equipment business to grow more than 30% in calendar year 2026, citing the rapid global build-out of AI computing infrastructure and leadership in leading-edge logic, dynamic RAM and advanced packaging. We initiated the position early in the month, following an analyst research trip which increased our level of conviction in the name. That said, the scale of the June re-rating means expectations are now materially higher, and we remain disciplined in balancing the strong structural growth case against both valuation and execution risk. Other positive contributors included the Information Technology names of Amphenol and TSMC, Mastercard (Financials) and Booking Holdings (Consumer Discretionary).

Turning to detractors, Microsoft was among the largest, with the shares falling more than 10% for the month. The key issue was not a deterioration in Microsoft's competitive position, but rather a sharp shift in investor tolerance for the scale and timing of AI investment. While the most recent quarterly result remained strong, the market focused more heavily on cash conversion and capital intensity: capital expenditure was US$32 billion in the March quarter against free cash flow of US $16 billion, whilst management guided to more than US$40 billion of capex in the June quarter and approximately US$190 billion for calendar 2026, including around US$25 billion from higher component costs. This raised questions about the lag between AI infrastructure spend and revenue monetisation. Sentiment was also affected by the broader rotation within the AI trade as investors favoured semiconductor and memory beneficiaries while de-rating hyperscalers and software platforms where AI spend may pressure near-term margins. Our view is that June's weakness reflected a reset in expectations around free cash flow timing rather than evidence that the franchise is impaired. Underpinning our conviction is that Azure demand still exceeds available capacity, Copilot adoption is improving, and Microsoft retains one of the strongest enterprise distribution positions in software. That said, we are closely monitoring the conversion of capex into Azure revenue growth, stability of cloud margins, and clearer evidence that Copilot and agentic AI are expanding, rather than cannibalising the software economics. Other detractors included Oracle (Information Technology), Amazon (Consumer Discretionary), SAP (Information Technology) and Broadcom (Information Technology).

Portfolio Activity

In addition to the purchase of Applied Materials (discussed above under best performers), we also added to certain existing holdings including Abbott Labs (Health Care), Amazon (Consumer Discretionary), Amphenol (Information Technology) and Broadcom (Information Technology).

On the other side of the ledger, our holding in Cadence Design Systems, the US computational software company, was the sole exit during June, crystallising strong gains following our early-2026 purchase. The position was established after the February technology drawdown, on the thesis that Cadence's half of the electronic design automation duopoly represents a mission-critical, recurring-revenue toll road on rising silicon complexity and the proliferation of custom AI chips. The thesis played out considerably faster than anticipated, with Q1 revenue up 19% year-on-year, EPS up 25%, and full-year 2026 revenue guidance of approximately US$6.2 billion coming in ahead of expectations. News flow provided further tailwinds, with management announcing a multi-year design technology co-optimisation collaboration with Intel Foundry targeting the 14A process. Over our four-month holding period, the shares rallied more than 30% and by month-end traded above 45x forward earnings, versus a software industry average in the low twenties. The exit reflects valuation discipline rather than diminished conviction in franchise quality. Cadence remains on our watchlist and we are watching closely for a more attractive re-entry opportunity. We also liquidated smaller positions in Check Point Software and Accenture. While we believe both names still offer good upside potential, the decision was more driven by intense competition for capital reflecting the breadth of attractively valued, high-quality investment opportunities we are seeing in the market today.

Outlook

Market conditions that we have discussed in previous communications persisted through the June quarter, extending the difficult environment for our Quality at a Reasonable Price (QARP) investment approach. The market backdrop remained heavily momentum-driven, with a continued preference for cyclical value, non-profitable and more speculative areas of the market, alongside a relatively narrow group of perceived AI enablers and beneficiaries.

Headwinds have come both from what we own (high-quality companies that have generally lagged in a risk-on market) and from what we don't own (particularly cyclical value, non-profitable and speculative businesses). Concentration of market returns has continued. While the MSCI World Index comprises over 1,200 companies, the top 20 performing stocks (~22% of Index weight) drove 83% of the total market return, and the entire Index return came from just 39 stocks (~27% of Index weight), in AUD terms for year ended 30 June 2026. We also estimate that companies perceived to be AI enablers or beneficiaries, despite representing around 30% of the Index, accounted for almost 90% of total Index returns. While we do not attribute all our underperformance to factor effects, they have created an unusually difficult backdrop for our disciplined focus on high-quality businesses purchased at sensible valuations.

Importantly, the underlying fundamentals across the portfolio remain resilient. Across most of our largest detractors, earnings expectations have remained broadly stable and, in many cases, have continued to be upgraded. Recent share price weakness has therefore been driven predominantly by sentiment driven valuation compression rather than any meaningful deterioration in business fundamentals. As a result, the average forward P/E multiple of portfolio holdings is now approximately 25% below where it was 12 months ago and around 25% below its own 10-year average. By comparison, the broader MSCI World Index is trading only around 5% below its valuation level of a year ago and at an approximately 10% premium to its own 10-year average, highlighting the extent of the valuation disconnect across many of our holdings. We have remained disciplined, selectively adding to high-conviction holdings where the long-term risk-reward has improved, while exiting positions where the investment thesis has changed. As a result, we believe the portfolio is increasingly well positioned, with many holdings now trading at highly attractive valuations while continuing to generate strong returns on capital, maintain robust balance sheets and offer attractive long-term earnings growth prospects.

While we remain constructive on the long-term AI infrastructure investment opportunity and continue to own a number of high-quality AI beneficiaries, we believe selectivity and valuation discipline are becoming increasingly important as speculative enthusiasm intensifies across this part of the market.

Although quality investing has experienced periods of relative underperformance before, the magnitude of the current dislocation is among the most extreme we have observed. History provides no guarantee of future outcomes, but previous periods of significant quality underperformance have ultimately been followed by attractive relative returns, as share prices tend to re-align with underlying earnings growth and business fundamentals. We believe the current environment has created a particularly compelling opportunity, given the scale of the valuation compression across genuinely high-quality businesses.

Encouragingly, at the time of writing (early July), we have begun to see initial signs of an unwind in the narrow momentum leadership that has characterised markets over the past year, contributing to stronger relative performance for the portfolio during the opening days of the month. While it is far too early to conclude that this represents a sustained change in market leadership, it serves as a timely reminder of how quickly relative performance can improve when market breadth broadens and fundamentals regain prominence. We recognise that performance has been frustrating and disappointing. However, we believe the portfolio is considerably better positioned than recent returns suggest, and that the current environment has created one of the most attractive forward-looking risk-reward profiles we have seen for a long time.

Key Features

Investment Objective	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).
Asset Allocation	Concentrated long only global equities.
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 (Unhedged) net of dividends reinvested.
Currency Exposure	Unhedged
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	0.90%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 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.