

# Bell Global Emerging Companies Fund

**Annual Financial Report**

For the year ended 30 June 2018

ARSN 160 079 541  
Bell Asset Management Limited ABN 84 092 278 647

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These financial statements cover Bell Global Emerging Companies Fund as an individual entity.

The Responsible Entity of Bell Global Emerging Companies Fund is Bell Asset Management Limited (84 092 278 647). The Responsible Entity's registered office is Level 20, 101 Collins Street, Melbourne, VIC 3000.

# Directors' Report

The directors of Bell Asset Management Limited, the Responsible Entity of Bell Global Emerging Companies Fund, present their report together with the financial statements of Bell Global Emerging Companies Fund ("the Scheme") for the year ended 30 June 2018 ("the reporting period").

The Scheme is an Australian registered scheme.

## Principal activities

The Scheme's primary focus is to invest in Global Small & Mid Cap Companies in accordance with the Scheme's Constitution as amended. The assets of the Scheme are managed by Bell Asset Management Limited, who is the appointed Investment Manager of the Scheme.

The Scheme did not have any employees during the reporting period.

There were no significant changes in the nature of the Scheme's activities during the reporting period.

## Directors

The following persons held office as directors of the Responsible Entity during the reporting period or since the end of the reporting period and up to the date of this report:

C A Feldmanis: Non Executive Director and Chairman

C M Bell: Executive Director

N J Bell: Executive Director

N J Fels: Executive Director

D A Provan: Executive Director

## Review and results of operations

The Scheme invested funds in accordance with the governing documents of the Scheme and in accordance with the Scheme's Constitution.

The performance of the Scheme, as represented by the results of its operations, was as follows:

	For the reporting period ended	
	30 June 2018 \$'000	30 June 2017 \$'000
Profit/(loss) before finance costs attributable to unitholders	3,799	2,081
<i>Distributions</i>		
Distributions paid and payable	1,712	2,058
Distributions (cents per unit)	7.3951	7.8951

## Significant changes in state of affairs

In the opinion of the directors, there were no significant changes in the state of affairs of the Scheme that occurred during the reporting period.

## Events occurring after the reporting period

No matter or circumstance has arisen since 30 June 2018 that has significantly affected, or may significantly affect:

- (i) the operations of the Scheme in future reporting periods, or
- (ii) the results of those operations in future reporting periods, or
- (iii) the state of affairs of the Scheme in future reporting periods.

# Directors' Report (Continued)

## Likely developments and expected results of operations

The Scheme will continue to be managed in accordance with the investment objectives and guidelines as set out in the governing documents of the Scheme and in accordance with the Scheme's Constitution.

Further information on likely developments in the operations of the Scheme and the expected results of those operations have not been included in this report because the Responsible Entity believes it would be likely to result in unreasonable prejudice to the Scheme.

## Indemnification and insurance of officers and auditors

No insurance premiums are paid for out of the assets of the Scheme in regards to insurance cover provided to either the officers of Bell Asset Management Limited or the auditors of the Scheme. So long as the officers of Bell Asset Management Limited act in accordance with the Scheme's Constitution and the Corporations Act 2001, the officers remain indemnified out of the assets of the Scheme against losses incurred while acting on behalf of the Scheme. The auditors of the Scheme are in no way indemnified out of the assets of the Scheme.

## Fees paid to and interests held in the Scheme by the Responsible Entity or its associates

Fees paid to the Responsible Entity and its associates out of Scheme property during the reporting period are disclosed in note 12 of the financial statements.

No fees were paid out of Scheme property to the directors of the Responsible Entity during the reporting period.

The number of interests in the Scheme held by the Responsible Entity or its associates as at the end of the reporting period are disclosed in note 12 of the financial statements.

## Interests in the Scheme

The movements in units on issue in the Scheme during the reporting period are disclosed in note 6 of the financial statements.

The value of the Scheme's assets and liabilities is disclosed in the statement of financial position and derived using the basis set out in note 2 of the financial statements.

## Environmental regulation

The operations of the Scheme are not subject to any particular or significant environmental regulations under a Commonwealth, State or Territory law.

## Rounding of amounts to the nearest thousand dollars

The Scheme is an entity of the kind referred to in ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191 issued by the Australian Securities and Investments Commission ("ASIC") relating to the "rounding off" of amounts in the directors' report. Amounts in the directors' report have been rounded to the nearest thousand dollars in accordance with that ASIC Instrument, unless otherwise indicated.

## Auditor's independence declaration

A copy of the Auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out on page 4.

This report is made in accordance with a resolution of the directors.



Nick Fels

Director

Bell Asset Management Limited

13 September 2018

# Auditor's Independence Declaration



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## Auditor's Independence Declaration to the Directors of Bell Asset Management Limited, as Responsible Entity for Bell Global Emerging Companies Fund

As lead auditor for the audit of Bell Global Emerging Companies Fund for the financial year ended 30 June 2018, I declare to the best of my knowledge and belief, there have been:

- a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
- b) no contraventions of any applicable code of professional conduct in relation to the audit.

A handwritten signature in black ink that reads 'Ernst &amp; Young'.

Ernst & Young

A handwritten signature in black ink that reads 'Luke Slater'.

Luke Slater  
Partner  
Melbourne  
13 September 2018

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# Statement of Comprehensive Income

	Notes	For the reporting period ended	
		30 June 2018 \$'000	30 June 2017 \$'000
<b><i>Investment income</i></b>			
Interest income		4	4
Dividend/distribution income	3	359	438
Net gains/(losses) on financial instruments held at fair value through profit or loss	4	3,768	2,769
Net foreign exchange gains/(losses)		126	(458)
<b>Total investment income</b>		<b>4,257</b>	<b>2,753</b>
<b><i>Expenses</i></b>			
Responsible Entity's fees	12	301	286
Administration fees	12	23	141
Custody fees		22	23
Auditor's remuneration	5	35	46
Transaction costs		41	61
Registry fees		34	113
Other expenses		2	2
<b>Total expenses</b>		<b>458</b>	<b>672</b>
<b>Profit/(loss) before finance costs attributable to unitholders</b>		<b>3,799</b>	<b>2,081</b>
<b><i>Finance costs attributable to unitholders</i></b>			
Distributions to unitholders	7	1,712	2,058
Increase/(decrease) in net assets attributable to unitholders	6	2,087	23
<b>Profit/(loss) for the reporting period attributable to unitholders</b>		<b>-</b>	<b>-</b>
Other comprehensive income for the reporting period attributable to unitholders		-	-
<b>Total comprehensive income for the reporting period attributable to unitholders</b>		<b>-</b>	<b>-</b>

The above statement of comprehensive income should be read in conjunction with the accompanying notes.

# Statement of Financial Position

		As at	
		30 June	30 June
		2018	2017
	Notes	\$'000	\$'000
<b><i>Assets</i></b>			
Cash and cash equivalents	13(b)	1,243	1,116
Receivables	9	329	964
Financial assets held at fair value through profit or loss	8	24,639	25,519
<b>Total assets</b>		<b>26,211</b>	<b>27,599</b>
<b><i>Liabilities</i></b>			
Distributions payable	7	1,712	2,058
Payables	10	174	226
<b>Total liabilities (excluding net assets attributable to unitholders)</b>		<b>1,886</b>	<b>2,284</b>
<b>Net assets attributable to unitholders - liability</b>	<b>6</b>	<b>24,325</b>	<b>25,315</b>

The above statement of financial position should be read in conjunction with the accompanying notes.



# Statement of Changes in Equity

	For the reporting period ended	
	30 June 2018 \$'000	30 June 2017 \$'000
<b>Total equity at the beginning of the reporting period</b>	-	-
Profit/(loss) for the reporting period attributable to unitholders	-	-
Other comprehensive income for the reporting period attributable to unitholders	-	-
<b>Total comprehensive income for the reporting period attributable to unitholders</b>	-	-
Transactions with owners in their capacity as owners	-	-
<b>Total equity at the end of the reporting period</b>	-	-

In accordance with AASB 132 *Financial Instruments: Presentation*, net assets attributable to unitholders are classified as a liability rather than equity. As a result, there was no equity at the beginning and the end of the reporting period.

Changes in net assets attributable to unitholders are disclosed in note 6.

The above statement of changes in equity should be read in conjunction with the accompanying notes.

# Statement of Cash Flows

	Notes	For the reporting period ended	
		30 June 2018 \$'000	30 June 2017 \$'000
<b><i>Cash flows from operating activities</i></b>			
Proceeds from sale of financial instruments held at fair value through profit or loss		16,775	33,203
Purchase of financial instruments held at fair value through profit or loss		(11,451)	(29,833)
Transaction costs on financial instruments held at fair value through profit or loss		(41)	(103)
Dividends/Trust distributions received		356	397
Interest received		4	4
Responsible Entity's fees paid		(287)	(296)
Payment of other expenses		(157)	(348)
<b>Net cash inflow from operating activities</b>	13(a)	<b>5,199</b>	<b>3,024</b>
<b><i>Cash flows from financing activities</i></b>			
Proceeds from applications by unitholders		725	20
Payments for redemptions by unitholders		(3,940)	(5,469)
Distributions paid		(1,858)	(214)
<b>Net cash (outflow) from financing activities</b>		<b>(5,073)</b>	<b>(5,663)</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>		<b>126</b>	<b>(2,639)</b>
Cash and cash equivalents at the beginning of the reporting period		1,116	3,762
Effects of foreign currency exchange rate changes on cash and cash equivalents		1	(7)
<b>Cash and cash equivalents at the end of the reporting period</b>	13(b)	<b>1,243</b>	<b>1,116</b>

The above statement of cash flows should be read in conjunction with the accompanying notes.

# Notes to the Financial Statements

## 1 General information

These financial statements cover Bell Global Emerging Companies Fund ("the Scheme") as an individual entity. The Scheme was constituted on 27 August 2012, and registered with ASIC as a managed investment scheme on 6 September 2012.

The Responsible Entity of the Scheme is Bell Asset Management Limited ("the Responsible Entity"). The Responsible Entity's registered office is Level 20, 101 Collins Street, Melbourne, VIC 3000.

The Responsible Entity is incorporated and domiciled in Australia.

The financial statements are presented in the Australian currency.

The financial statements are for the period from 1 July 2017 to 30 June 2018 ("the reporting period").

The financial statements were authorised for issue by the directors on 13 September 2018. The directors of the Responsible Entity have the power to amend and reissue the financial statements.

## 2 Summary of significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all reporting periods presented, unless otherwise stated in the following text.

### (a) Basis of preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board and the Corporations Act 2001 in Australia.

The Scheme is a for-profit entity for the purposes of preparing the financial statements.

The financial statements are prepared on the basis of fair value measurement of assets and liabilities except where otherwise stated.

The statement of financial position is presented on a liquidity basis. Assets and liabilities are presented in decreasing order of liquidity and are not distinguished between current and non-current. All balances are generally expected to be recovered or settled within twelve months, except for investments in financial assets and net assets attributable to unitholders where the amount expected to be recovered or settled within twelve months after the end of the reporting period cannot be reliably determined.

### *Compliance with Australian Accounting Standards and International Financial Reporting Standards (IFRS)*

The financial statements of the Scheme comply with Australian Accounting Standards as issued by the Australian Accounting Standards Board and also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board.

### *New/Amended standards adopted by the Scheme*

The Scheme applied the following accounting standard and amendment which became effective for the first time for the reporting period:

AASB 2016-2 *Amendments to Australian Accounting Standards - Disclosure Initiative: Amendments to AASB 107* (effective from 1 January 2017). This amendment requires entities to provide disclosures that enable users of financial statements to evaluate cash and non-cash changes in their financial activities. The adoption of AASB 2016-2 did not have any significant impact on the Scheme's financial statements.

There were no other new or amended standards and interpretations that became effective for the first time for the reporting period that were relevant to the Scheme.

# Notes to the Financial Statements (Continued)

## 2 Summary of significant accounting policies (continued)

### (b) Financial instruments

#### (i) Classification

- *Financial assets and liabilities held at fair value through profit or loss*

The Scheme's investments are categorised as held at fair value through profit or loss. They comprise:

- *Financial instruments designated at fair value through profit or loss upon initial recognition*

These include financial assets and financial liabilities that are not held for trading purposes and which may be sold. These may include investments in exchange traded debt and equity instruments, unlisted trusts, unlisted equity instruments and commercial paper.

Financial assets and financial liabilities designated at fair value through profit or loss at inception are those that are managed and their performance evaluated on a fair value basis in accordance with the Scheme's documented investment strategy. The Scheme's policy is for the Responsible Entity to evaluate the information about these financial instruments on a fair value basis together with other related financial information.

The information on the fair value basis is provided internally to the Scheme's key management personnel. In addition, the designation of financial assets and financial liabilities at fair value through profit or loss will reduce any measurement or recognition inconsistencies and any accounting mismatch that would otherwise arise.

#### (ii) Recognition/derecognition

The Scheme recognises financial assets and financial liabilities on the date it becomes party to the contractual agreement (trade date) and recognises changes in fair value of the financial assets or financial liabilities from this date.

Investments are derecognised when the right to receive cashflows from the investments has expired or have been transferred and the Scheme has transferred substantially all risks and rewards of ownership.

#### (iii) Measurement

- *Financial assets and liabilities held at fair value through profit or loss*

Financial assets and liabilities held at fair value through profit or loss are measured initially at fair value excluding any transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability. Transaction costs on financial assets and financial liabilities at fair value through profit or loss are expensed immediately. Subsequent to initial recognition, all instruments held at fair value through profit or loss are measured at fair value with changes in their fair value recognised in the statement of comprehensive income.

- *Fair value in an active market*

The fair value of financial assets and liabilities traded in active markets is based on their quoted market prices at the end of the reporting period without any deduction for estimated future selling costs. Financial assets are priced at current bid prices, while financial liabilities are priced at current asking prices.

A financial instrument is regarded as quoted in active market if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis.

The Scheme's financial instruments that are valued based on active markets generally include listed instruments, ranging from listed equity and/or debt securities to listed derivatives, where applicable.

#### (iv) Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the statement of financial position when, and only when there is a currently legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or realise the asset and settle the liability simultaneously.

As at the end of the reporting period, there are no financial assets or liabilities offset or with the right to offset in the statement of financial position.

# Notes to the Financial Statements (Continued)

## 2 Summary of significant accounting policies (continued)

### (c) Net assets attributable to unitholders

Units are redeemable at the unitholders' option and are classified as financial liabilities due to mandatory distributions. The units can be put back to the Scheme at any time for cash based on the redemption price. The fair value of redeemable units is measured at the redemption amount that is payable (based on the redemption unit price) at the end of the reporting period if unitholders exercised their right to put the units back to the Scheme. Because the Scheme's redemption unit price is based on different valuation principles to that applied in financial reporting, a valuation difference exists, which has been treated as a separate component of net assets attributable to unitholders. Changes in the value of this financial liability are recognised in the statement of comprehensive income as they arise.

### (d) Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short term, highly liquid investments with original maturities of three months or less from the date of acquisition that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts, if any, are shown within borrowings in the statement of financial position.

Payments and receipts relating to the purchase and sale of investment securities are classified as cash flows from operating activities, as movements in the fair value of these securities represent the Scheme's main income generating activity.

### (e) Investment income

Interest income and interest expenses are recognised in the statement of comprehensive income for all financial instruments on an accrual basis. Other changes in fair value for such instruments are recorded in accordance with the policies described in note 2(b).

Trust distributions are recognised on an entitlements basis.

Dividend income is recognised on the ex-dividend date.

Net gains/(losses) on financial assets and financial liabilities held at fair value through profit or loss arising on a change in fair value are calculated as the difference between the fair value at the end of the reporting period and the fair value at the previous valuation point. Net gains/(losses) do not include interest or dividend/distribution income. Realised and unrealised gains/(losses) are shown in the notes to the financial statements.

### (f) Expenses

All expenses, including Responsible Entity's fees and custodian fees, are recognised in the statement of comprehensive income on an accruals basis.

### (g) Income tax

Under current legislation, the Scheme is not subject to income tax as unitholders are presently entitled to the income of the Scheme.

Financial instruments held at fair value may include unrealised capital gains. Should such a gain be realised, that portion of the gain that is subject to capital gains tax will be distributed so that the Scheme is not subject to capital gains tax.

Realised capital losses are not distributed to unitholders but are retained in the Scheme to be offset against any realised capital gains. If realised capital gains exceed realised capital losses, the excess is distributed to unitholders.

The benefit of imputation credits and foreign tax paid are passed on to unitholders.

The Scheme currently incurs withholding tax imposed by certain countries on investment income. Such income is recorded net of withholding tax in the statement of comprehensive income.

### (h) Distributions

In accordance with the Scheme's Constitution, the Scheme distributes income adjusted for amounts determined by the Responsible Entity, to unitholders by cash or reinvestment. The distributions are recognised in the statement of comprehensive income as finance costs attributable to unitholders.

### (i) Increase/(decrease) in net assets attributable to unitholders

Income not distributed is included in net assets attributable to unitholders. Movements in net assets attributable to unitholders are recognised in the statement of comprehensive income as finance costs.

# Notes to the Financial Statements (Continued)

## 2 Summary of significant accounting policies (continued)

### (j) Foreign currency translation

#### (i) Functional and presentation currency

Items included in the Scheme's financial statements are measured using the currency of the primary economic environment in which it operates ("the functional currency"). This is the Australian dollar, which reflects the currency of the economy in which the Scheme competes for funds and is regulated. The Australian dollar is also the Scheme's presentation currency.

#### (ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translations at reporting period end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of comprehensive income.

The Scheme does not isolate that portion of unrealised gains or losses on securities and derivative financial instruments that are measured at fair value through profit or loss and which is due to changes in foreign exchange rates from that which is due to changes in the market price of securities. Such fluctuations are included with the net gains or losses on financial instruments at fair value through profit or loss.

### (k) Receivables

Receivables may include amounts for dividends, interest and securities sold where settlement has not yet occurred. Dividends and trust distributions are accrued when the right to receive payment is established. Interest is accrued at the end of each reporting period from the time of last payment in accordance with the policy set out in note 2(e) above. Amounts are generally received within 30 days of being recorded as receivables.

Receivables include such items as Reduced Input Tax Credits (RITC) and monies receivable for securities sold.

### (l) Payables

Payables include liabilities and accrued expenses owing by the Scheme which are unpaid as at the end of the reporting period.

Trades are recorded on trade date, and normally settled within two business days. Purchases of financial instruments that are unsettled at the end of each reporting period are included in payables.

The distribution amount payable to unitholders as at the end of each reporting period is recognised separately in the statement of financial position when unitholders are presently entitled to the distributable income under the Scheme's Constitution.

### (m) Applications and redemptions

Applications received for units in the Scheme are recorded net of any entry fees payable prior to the issue of units in the Scheme. Redemptions from the Scheme are recorded gross of any exit fees payable after the cancellation of units redeemed.

Unit redemption prices are determined by reference to the net assets of the Scheme divided by the number of units on issue.

### (n) Goods and Services Tax (GST)

Expenses of various services provided to the Scheme by third parties such as custodial services and investment management fees etc. are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the taxation authority. In this case, it is recognised as part of the related expense or cost item.

Accounts payable and receivable are stated inclusive of the GST receivable and payable. The net amount of GST recoverable from, or payable to, the taxation authority is included in receivables or payables in the statement of financial position.

Cash flows relating to GST are included in the statement of cash flows on a gross basis.

# Notes to the Financial Statements (Continued)

## 2 Summary of significant accounting policies (continued)

### (o) New accounting standards and interpretations

Certain new accounting standards and interpretations have been published that are not mandatory for the 30 June 2018 reporting period and have not yet been applied in the financial statements. The directors' assessment of the impact of these new standards (to the extent relevant to the Scheme) and interpretations is set out below:

#### (i) AASB 9 *Financial Instruments* (and applicable amendments) (effective from 1 January 2018)

AASB 9 Financial Instruments addresses the classification, measurement, recognition and derecognition of financial assets and financial liabilities. It has now also introduced revised rules for hedge accounting and impairment. The Standard is not applicable until 1 January 2018 but is available for early adoption. The Scheme does not expect this to have a significant impact on the recognition and measurement of the Scheme's financial instruments as they are carried at fair value through profit or loss. The derecognition rules have not been changed from the previous requirements, and the Scheme does not apply hedge accounting. AASB 9 introduces a new impairment model. However, as the Scheme's investments are all held at fair value through profit or loss, the change in impairment rules will not impact the Scheme. The Scheme does not intend to early adopt AASB 9. The Scheme will apply AASB 9 in its financial statements for the reporting period commencing from 1 July 2018.

#### (ii) AASB 15 *Revenue from Contracts with Customers* (effective from 1 January 2018)

The AASB has issued a new standard for the recognition of revenue. Once applied or effective, AASB 15 will replace AASB 118 Revenue which covers contracts for goods and services and AASB 111 Construction Contracts which covers construction contracts. AASB 15 is based on the notion that revenue is recognised when control of a good or service transfers to a customer. This notion of control replaces the existing notion of risks and rewards. The Scheme's main source of income includes interest, dividends/distributions and gains on financial instruments held at fair value through profit or loss. All of these are outside the scope of the Revenue standard. Consequently, the Scheme does not expect AASB 15 to have a significant impact on the Scheme's financial statements. The Scheme does not intend to early adopt AASB 15. The Scheme will apply AASB 15 in its financial statements for the reporting period commencing from 1 July 2018.

### (p) Rounding of amounts

The Scheme is an entity of the kind referred to in ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191 issued by the Australian Securities and Investments Commission ("ASIC"), relating to the "rounding off" of amounts in the financial statements. Amounts in the financial statements have been rounded off in accordance with that ASIC Instrument to the nearest thousand dollars, unless otherwise indicated.

## 3 Dividend/Distribution income

	For the reporting period ended	
	30 June 2018 \$'000	30 June 2017 \$'000
Dividends	359	438
<b>Total dividends/distribution income</b>	<b>359</b>	<b>438</b>

## 4 Net gains/(losses) on financial instruments held at fair value through profit or loss

Net gains/(losses) recognised in relation to financial assets and financial liabilities held at fair value through profit or loss:

	For the reporting period ended	
	30 June 2018 \$'000	30 June 2017 \$'000
Net unrealised gains on financial instruments designated at fair value through profit or loss	2,638	1,011
Net realised gains/(losses) on financial instruments designated at fair value through profit or loss	1,130	1,758
<b>Total net gains/(losses) on financial instruments held at fair value through profit or loss</b>	<b>3,768</b>	<b>2,769</b>

# Notes to the Financial Statements (Continued)

## 5 Auditor's remuneration

During the reporting period the following fees were paid or payable for services provided by the auditor to the Scheme, its related practices and non-related audit firms:

	For the reporting period ended	
	30 June 2018 \$	30 June 2017 \$
<b>Audit services</b>		
<i>Audit and other assurance services</i>		
Audit and review of financial statements by Ernst & Young under the Corporations Act 2001	25,486	25,313
Other audit services - other audit firms	7,001	7,000
Total remuneration for audit services	32,487	32,313
<b>Non-audit services</b>		
<i>Other services</i>		
Professional fees - other audit firms	14,374	14,022
Total remuneration for non-audit services	14,374	14,022
<b>Total auditor's remuneration</b>	<b>46,861</b>	<b>46,335</b>

The total auditor's remuneration includes \$11,757 payable by the Responsible Entity on behalf of the Scheme.

## 6 Net assets attributable to unitholders

As stipulated within the Scheme's Constitution, each unit represents a right to an individual share in the Scheme and does not extend to a right to the underlying assets of the Scheme. There are no separate classes of units and each unit has the same rights attaching to it as all other units of the Scheme.

Movements in number of units and net assets attributable to unitholders during the reporting period were as follows:

	For the reporting period ended			
	30 June 2018 No. '000	30 June 2017 No. '000	30 June 2018 \$'000	30 June 2017 \$'000
<b>Opening balance</b>	<b>26,068</b>	31,304	<b>25,315</b>	30,456
Applications	681	21	725	20
Redemptions	(3,805)	(5,280)	(4,002)	(5,206)
Units issued upon reinvestment of distributions	206	23	200	22
Increase/(decrease) in net assets attributable to unitholders	-	-	2,087	23
<b>Closing balance</b>	<b>23,150</b>	26,068	<b>24,325</b>	25,315

## Capital risk management

The Scheme considers its net assets attributable to unitholders as capital, notwithstanding net assets attributable to unitholders are classified as a financial liability. The amount of net assets attributable to unitholders can change significantly on a daily basis as the Scheme is subject to daily applications and redemptions at the discretion of unitholders.

Daily applications and redemptions are reviewed relative to the liquidity of the Scheme's underlying assets on a daily basis by the Investment Manager.



# Notes to the Financial Statements (Continued)

## 7 Distributions to unitholders

The distributions payable for the reporting period were as follows:

	For the reporting period ended			
	30 June	30 June	30 June	30 June
	2018	2018	2017	2017
	\$'000	GPU	\$'000	GPU
30 June (payable)	1,712	7,3951	2,058	7,8951
<b>Total distributions payable</b>	<b>1,712</b>		<b>2,058</b>	

## 8 Financial assets held at fair value through profit or loss

	As at	
	30 June	30 June
	2018	2017
	\$'000	\$'000
<b>Designated at fair value through profit or loss</b>		
Listed equities	24,639	25,519
<b>Total financial assets held at fair value through profit or loss</b>	<b>24,639</b>	<b>25,519</b>

An overview of the risk exposures relating to financial assets at fair value through profit or loss is included in note 11.

## 9 Receivables

	As at	
	30 June	30 June
	2018	2017
	\$'000	\$'000
Unsettled sales	204	840
Accrued income	93	88
GST receivable	32	36
<b>Total receivables</b>	<b>329</b>	<b>964</b>

## 10 Payables

	As at	
	30 June	30 June
	2018	2017
	\$'000	\$'000
Unsettled purchases	-	83
Accrued expenses	105	136
Unsettled redemptions	69	7
<b>Total payables</b>	<b>174</b>	<b>226</b>

# Notes to the Financial Statements (Continued)

## 11 Financial risk management

### (a) Objectives, strategies, policies and processes

The Scheme's activities may expose it to a variety of financial risks: market risk (including price risk, foreign exchange risk and interest rate risk), credit risk and liquidity risk.

This represents information about the Scheme's exposure to each of the above mentioned risks and the Scheme's policies and processes for measuring and managing risks.

The Scheme uses different methods to measure different types of risk to which it is exposed. These methods include sensitivity analysis in the case of interest rate, foreign exchange and other price risks, and ratings analysis for credit risk, for financial reporting purposes. The Scheme invests in accordance with the investment objectives and restrictions as set out in the governing documents of the Scheme. The investment objectives, restrictions and associated risks are managed by the Scheme through its portfolio construction process, internal controls and compliance processes.

Under the Investment guidelines the Scheme will not use leverage and will not invest in derivatives. The Scheme's compliance plan outlines the internal controls of the Scheme and is audited on an annual basis as to whether the controls operated as described.

### (b) Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: price risk, foreign currency risk and interest rate risk. Market risk is managed through ensuring that all investment activities are undertaken in accordance with investment strategies.

The market risk disclosures are prepared on the basis of the Scheme's direct investments and not on a look through basis for investments held in the Scheme.

The sensitivity of the Scheme's net assets attributable to unitholders (and profit/(loss) before finance costs attributable to unitholders) to price risk, foreign exchange risk and interest rate risk is measured by the reasonably possible movements approach. This approach is determined based on management's best estimate, having regard to a number of factors, including historical levels of changes in interest rates and foreign exchange rates, historical correlation of the Scheme's investments with the relevant benchmarks and market volatility. However, actual movements in the risk variables may be greater or less than anticipated due to a number of factors, including unusually large market shocks resulting from changes in the performance of the economies, markets and securities in which the Scheme invests. As a result, historic variations in the risk variables are not a definitive indicator of future variations in the risk variables.

At 30 June 2018, the overall market exposures were as follows:

	As at	
	30 June	30 June
	2018	2017
	\$'000	\$'000
Securities designated at fair value through profit or loss	24,639	25,519
<b>Total net financial assets</b>	<b>24,639</b>	<b>25,519</b>

#### (i) Price risk

Price risk is the risk that the fair value of investments will fluctuate because of changes in market prices, whether those changes are caused by factors specific to the individual financial instrument or its issuer, or by factors affecting all similar financial instruments traded in the market.

Price risk exposure arises from the Scheme's investment portfolio. The investments are classified on the statement of financial position as at fair value through profit or loss. All securities investments present a risk of loss of capital. Except for equities sold short, the maximum risk resulting from financial instruments is determined by the fair value of the financial instruments. Possible losses from equities sold short can be unlimited, however the Scheme does not engage in short selling.

# Notes to the Financial Statements (Continued)

## 11 Financial risk management (continued)

### (b) Market risk (continued)

Price risk is managed through adherence to the Scheme's investment guidelines. The Scheme has built in procedures to ensure adherence to the Scheme's investment guidelines at all times.

At 30 June 2018, if the equity prices had increased/(decreased) by the percentage indicated below, with all other variables held constant, the net assets attributable to unitholders (and profit/(loss) before finance costs attributable to unitholders) would have changed by the following amounts, approximately and respectively:

	As at 30 June 2018		As at 30 June 2017	
	Increased by 10%	Decreased by 10%	Increased by 10%	Decreased by 10%
	\$'000	\$'000	\$'000	\$'000
<b>Increase/(decrease) in net assets attributable to unitholders (and profit/(loss) before finance costs attributable to unitholders)</b>	<b>2,464</b>	<b>(2,464)</b>	2,552	(2,552)

#### (ii) Foreign exchange risk

The foreign exchange risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

The Scheme holds assets denominated in currencies other than the Australian dollar, the functional currency. It is therefore exposed to foreign exchange risk, as the value of the future cash flows of the securities denominated in other currencies will fluctuate due to changes in exchange rates. The risk is measured using sensitivity analysis.

The foreign exchange risk disclosures have been prepared on the basis of the Scheme's direct investment and not on a look through basis for investments held indirectly through unit trusts. Consequently the disclosure of currency risk in the note may not represent the true currency risk profile of the Scheme where the Scheme has significant investments in indirect trusts which also have exposure to the currency markets.

The Scheme does not enter into foreign currency hedging activities.

When the Investment Manager formulates a view on the future direction of foreign exchange rates and the potential impact on the Scheme, the Investment Manager factors that into its portfolio allocation decisions.

While the Scheme has direct exposure to foreign exchange rate changes on the price of non-Australian dollar denominated securities, it may also be indirectly affected for example, by the impact of foreign exchange rate changes on the earnings of certain entities in which the Scheme invests, even if those entities' securities are denominated in Australian dollars. For that reason, the sensitivity analysis may not necessarily indicate the total effect on the Scheme's net assets attributable to unitholders of future movements in foreign exchange rates.

# Notes to the Financial Statements (Continued)

## 11 Financial risk management (continued)

### (b) Market risk (continued)

The table below summarises the Scheme's assets and liabilities which are denominated in Australian and non Australian currencies:

30 June 2018	Australian Dollars A\$'000	US Dollars A\$'000	Euro A\$'000	Danish Krone A\$'000	British Pounds A\$'000	Other currencies A\$'000	Total A\$'000
<b>Assets</b>							
Cash and cash equivalents	528	312	192	-	65	146	1,243
Receivables	32	213	27	20	14	23	329
Financial assets held at fair value through profit or loss							
Designated at fair value through profit or loss							
Listed equities	-	12,775	2,800	1,944	2,606	4,514	24,639
<b>Total assets</b>	<b>560</b>	<b>13,300</b>	<b>3,019</b>	<b>1,964</b>	<b>2,685</b>	<b>4,683</b>	<b>26,211</b>
<b>Liabilities</b>							
Distributions payable	1,712	-	-	-	-	-	1,712
Payables	174	-	-	-	-	-	174
<b>Total liabilities</b> (excluding net assets attributable to unitholders)	<b>1,886</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,886</b>
<b>Net assets attributable to unitholders</b>	<b>(1,326)</b>	<b>13,300</b>	<b>3,019</b>	<b>1,964</b>	<b>2,685</b>	<b>4,683</b>	<b>24,325</b>

At 30 June 2018, the Scheme also held amounts of assets in Canadian Dollar, Swiss Francs, Swedish Krona and Japanese Yen but as the net asset exposure was insignificant individually they have been summed and also included in the other currencies column shown above.

# Notes to the Financial Statements (Continued)

## 11 Financial risk management (continued)

### (b) Market risk (continued)

#### (ii) Foreign exchange risk (continued)

30 June 2017	Australian Dollars A\$'000	US Dollars A\$'000	Euro A\$'000	Danish Krone A\$'000	British Pounds A\$'000	Other currencies A\$'000	Total A\$'000
<b>Assets</b>							
Cash and cash equivalents	77	287	5	1	7	739	1,116
Receivables	36	422	191	16	209	90	964
Financial assets held at fair value through profit or loss							
Designated at fair value through profit or loss							
Listed equities	-	14,867	4,396	1,697	2,222	2,337	25,519
<b>Total assets</b>	<b>113</b>	<b>15,576</b>	<b>4,592</b>	<b>1,714</b>	<b>2,438</b>	<b>3,166</b>	<b>27,599</b>
<b>Liabilities</b>							
Distributions payable	2,058	-	-	-	-	-	2,058
Payables	143	83	-	-	-	-	226
<b>Total liabilities</b> (excluding net assets attributable to unitholders)	<b>2,201</b>	<b>83</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,284</b>
<b>Net assets attributable to unitholders</b>	<b>(2,088)</b>	<b>15,493</b>	<b>4,592</b>	<b>1,714</b>	<b>2,438</b>	<b>3,166</b>	<b>25,315</b>

At 30 June 2018, had the Australian dollar weakened/strengthened as illustrated below against the various currencies to which the Scheme is exposed, with all other variables held constant, the net assets attributable to unitholders (and profit/(loss) before finance costs attributable to unitholders) would have changed by the following amounts, approximately and respectively:

	AUD Weakened		AUD Strengthened	
	Increase/(decrease) in net assets attributable to unitholders (and profit/(loss) before finance costs attributable to unitholders)			
	30 June 2018 \$'000	30 June 2017 \$'000	30 June 2018 \$'000	30 June 2017 \$'000
AUD/USD 2018 5% (2017 5%)	700	815	(633)	(738)
AUD/GBP 2018 10% (2017 10%)	298	271	(244)	(222)
AUD/CAD 2018 5% (2017 5%)	94	31	(85)	(28)
AUD/EUR 2018 5% (2017 10%)	159	510	(144)	(418)
AUD/DKK 2018 5% (2017 10%)	103	190	(94)	(156)
AUD/CHF 2018 5% (2017 5%)	60	69	(54)	(63)
AUD/SEK 2018 10% (2017 10%)	119	70	(98)	(57)
AUD/JPY 2018 5% (2017 5%)	36	34	(33)	(30)

The possible impact against other currencies is considered immaterial individually and therefore has not been included in the above table.

#### (iii) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The Scheme's exposure to interest rate risk is limited as its investments are non-interest bearing securities. The Scheme's exposure to interest rate risk relates to floating interest rates on cash held by the Scheme. There was no significant interest rate risk in the Scheme as at 30 June 2018 (2017: Nil)

# Notes to the Financial Statements (Continued)

## 11 Financial risk management (continued)

### (c) Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation.

Credit risk primarily arises from investments in debt securities and from trading derivative products. Other credit risk arises from cash and cash equivalents, and deposits with banks and other financial institutions.

With respect to credit risk arising from the financial assets of the Scheme, the Scheme's exposure to credit risk arises from default of the counterparty, with the current exposure equal to the fair value of these investments as disclosed in the statement of financial position. This does not represent the maximum risk exposure that could arise in the future as a result of changes in values, but best represents the current maximum exposure at the end of the reporting period.

The Scheme holds no collateral as security or any other credit enhancements. There are no financial assets that are past due nor impaired, or would otherwise be past due or impaired.

In accordance with the investment guidelines the Scheme will not use leverage and will not invest in derivatives.

### (d) Concentrations of risk

Concentrations of risk arise when a number of financial instruments are entered into with the same counterparty, or where a number of counterparties are engaged in similar business activities, or activities in the same geographical region, or have similar economic conditions. These similarities would cause the counterparties' liabilities to meet the contractual obligations to be similarly affected by certain changes in the risk variables.

The concentrations of risk are monitored by the Investment Manager to ensure they are within acceptable limits by reducing the exposures or by other means as deemed appropriate.

Based on the concentrations of risk that are managed by industry sector and/or counterparty, the following investments can be analysed by the industry sector and/or counterparty as at 30 June 2018.

<b>At 30 June 2018</b>	<b>\$'000</b>
Health care	4,999
Industrials	4,324
Information technology	3,924
Consumer discretionary	2,921
Consumer staples	2,828
Financials	2,668
Materials	2,386
Other	589
<b>Total</b>	<b>24,639</b>

  

<b>At 30 June 2017</b>	<b>\$'000</b>
Consumer discretionary	4,831
Industrials	4,792
Information technology	4,022
Financials	3,410
Materials	3,213
Health care	3,100
Consumer staples	2,151
<b>Total</b>	<b>25,519</b>

# Notes to the Financial Statements (Continued)

## 11 Financial risk management (continued)

### (e) Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. This risk is controlled through the Scheme's investment in financial instruments, which under normal market conditions are readily convertible to cash. In addition, the Scheme maintains sufficient cash and cash equivalents to meet normal operating requirements.

The Scheme's Constitution provides for the daily application and redemptions of units and it is therefore exposed to the liquidity risk of meeting unitholder redemptions. The constitution and governing documents allow adequate time prior to the payment date of redemptions to ensure appropriate liquidity is available.

The Scheme may invest in investments in unlisted unit trusts that expose the Scheme to the risk that the Scheme or Investment Manager of those trusts may be unwilling or unable to fulfil the redemption requests within the timeframe requested by the Scheme.

Units are redeemed on demand at the unitholders option. However, the Board of Directors does not envisage that the contractual maturity disclosed in the table below will be representative of the actual cash outflows, as holders of these instruments typically retain them for the medium to long term.

#### *Non-derivative financial liabilities*

The table below analyses the Scheme's non derivative financial liabilities into relevant maturity groupings based on the remaining period at the end of the reporting period to the contractual maturity date. The amounts in the table are the contractual undiscounted cash flows.

At 30 June 2018	Less than 1 month \$'000	1-3 months \$'000	3-12 months \$'000	More than 12 months \$'000
Distribution payable	1,712	-	-	-
Payables	174	-	-	-
Net assets attributable to unitholders	24,325	-	-	-
<b>Total financial liabilities - Contractual cash flows</b>	<b>26,211</b>	<b>-</b>	<b>-</b>	<b>-</b>

At 30 June 2017	Less than 1 month \$'000	1-3 months \$'000	3-12 months \$'000	More than 12 months \$'000
Distribution payable	2,058	-	-	-
Payables	226	-	-	-
Net assets attributable to unitholders	25,315	-	-	-
<b>Total financial liabilities - Contractual cash flows</b>	<b>27,599</b>	<b>-</b>	<b>-</b>	<b>-</b>

### (f) Estimation of fair values of financial assets and liabilities

The carrying amounts of all the Scheme's financial assets and financial liabilities at the end of the reporting period approximated their fair values.

The Scheme's accounting policy on fair value measurement is set out in note 2(b). The methods and assumptions used in the determination of the fair value of each class of financial instruments is also set out in note 2(b).

# Notes to the Financial Statements (Continued)

## 11 Financial risk management (continued)

### (g) Fair value hierarchy

The Scheme is required to classify fair value measurements using a fair value hierarchy that reflects the subjectivity of the inputs used in making the measurements. The fair value hierarchy has the following levels:

Level 1	Value by reference to quoted prices (unadjusted) in active markets for identical assets or liabilities.
Level 2	Value by reference to inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices); quoted prices for similar securities in active and/or inactive markets; market corroborated inputs; inputs that are developed based on available market data and reflect assumptions that markets would use when pricing similar securities.
Level 3	Value by reference to inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The level in the fair value hierarchy within which the fair value measurement is categorised in its entirety is determined on the basis of the lowest level input that is significant to the fair value measurement in its entirety.

The table below sets out the Scheme's financial assets and liabilities (by class) measured at fair value according to the fair value hierarchy at the reporting date.

At 30 June 2018	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
<b>Financial assets</b>				
Financial assets designated at fair value through profit or loss at inception:				
Listed equities	24,639	-	-	24,639
<b>Total</b>	<b>24,639</b>	<b>-</b>	<b>-</b>	<b>24,639</b>

At 30 June 2017	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
<b>Financial assets</b>				
Financial assets designated at fair value through profit or loss at inception:				
Listed equities	25,519	-	-	25,519
<b>Total</b>	<b>25,519</b>	<b>-</b>	<b>-</b>	<b>25,519</b>

The pricing for the Scheme's investments is sourced from independent pricing sources.



# Notes to the Financial Statements (Continued)

## 12 Related party transactions

### Responsible Entity

The Responsible Entity of Bell Global Emerging Companies Fund is Bell Asset Management Limited.

### Key management personnel

Key management personnel includes persons who were directors of Bell Asset Management Limited at any time during the reporting period.

### Other transactions within the Scheme

From time to time directors of Bell Asset Management Limited, or their director related entities, may invest in or withdraw from the Scheme. These investments or withdrawals are on the same terms and conditions as those entered into by other Scheme investors.

### Responsible Entity's/Manager's fees and other transactions

Under the terms of the Scheme's Constitution, the Responsible Entity is entitled to receive certain fees and expense recoveries. The management fee paid and payable by the Scheme for the reporting period ended 30 June 2018 to Bell Asset Management Limited was \$300,835 (2017: \$285,657). At 30 June 2018, of the total fee \$88,798 (2017: \$74,928) remains payable by the Scheme.

In addition to the management fee Bell Asset Management Limited receives an annual fee in return for providing administrative services to the Scheme. The administration fee paid and payable by the Scheme to Bell Asset Management Limited for the reporting period ended 30 June 2018 was \$23,432 (2017: \$140,522). At 30 June 2018, of the total fee Nil (2017: \$37,458) remains payable by the Scheme. The administration fee was waived by Bell Asset Management Limited from 1 November 2017.

### Related party schemes' unitholdings

Parties related to the Scheme (including Responsible Entity, its related parties and other schemes managed by Responsible Entity), hold no units in the Scheme.

### Investments

The Scheme did not hold any investments in Bell Asset Management Limited or its related parties during the reporting period.

# Notes to the Financial Statements (Continued)

## 13 Reconciliation of profit/(loss) to net cash inflow/(outflow) from operating activities

	For the reporting period ended	
	30 June	30 June
	2018	2017
	\$'000	\$'000
<b>(a) Reconciliation of profit/(loss) to net cash inflow from operating activities</b>		
Profit/(loss) for the reporting period attributable to unitholders	-	-
Increase/(decrease) in net assets attributable to unitholders	2,087	23
Distributions to unitholders	1,712	2,058
Proceeds from sale of financial instruments held at fair value through profit or loss	16,775	33,203
Purchase of financial instruments held at fair value through profit or loss	(11,451)	(29,833)
Net (gains)/losses on financial instruments held at fair value through profit or loss	(3,768)	(2,769)
Net losses/(gains) on foreign currency transactions.	(124)	458
Net change in accrued income and prepaid expenses	(1)	(37)
Net change in accounts payables and accrued liabilities	(31)	(79)
<b><i>Net cash inflow from operating activities</i></b>	<b>5,199</b>	<b>3,024</b>
<b>(b) Components of cash and cash equivalents</b>		
Cash as at the end of the reporting period as shown in the statement of cash flows is reconciled to the statement of financial position as follows:		
Cash and cash equivalents	1,243	1,116
<b><i>Total cash and cash equivalents</i></b>	<b>1,243</b>	<b>1,116</b>
<b>(c) Non-cash financing activities</b>		
During the reporting period, the following distribution payments were satisfied by the issue of units under the distribution reinvestment plan		
	200	22
<b><i>Total non-cash financing and investing activities</i></b>	<b>200</b>	<b>22</b>

## 14 Events occurring after the reporting period

No significant events have occurred since the end of the reporting period which would impact on the financial position of the Scheme disclosed in the statement of financial position as at 30 June 2018 or on the results and cash flows of the Scheme for the reporting period ended on that date.

## 15 Contingent assets and liabilities and commitments

There are no outstanding contingent assets and liabilities or commitments as at 30 June 2018 and 30 June 2017.

# Directors' Declaration

In the opinion of the directors of the Responsible Entity:

- (a) The financial statements and notes set out on pages 5 to 24 are in accordance with the Corporations Act 2001, including:
  - (i) complying with Australian Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements; and
  - (ii) giving a true and fair view of the Scheme's financial position as at 30 June 2018 and of its performance, as represented by the results of its operations and cash flows, for the reporting period ended on that date.
- (b) There are reasonable grounds to believe that the Scheme will be able to pay its debts as and when they become due and payable.
- (c) The financial statements are in accordance with the Scheme's Constitution.
- (d) Note 2(a) confirms that the financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board.

This declaration is made in accordance with a resolution of the directors.



Nick Fels

Director

Bell Asset Management Limited

13 September 2018

# Independent Auditor's Report to the Unitholders



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## Independent Auditor's Report to the unitholders of Bell Global Emerging Companies Fund

### Opinion

We have audited the financial report of Bell Global Emerging Companies Fund (the Fund), which comprises the statement of financial position as at 30 June 2018, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, the accompanying financial report of the Fund is in accordance with the *Corporations Act 2001*, including:

- a) giving a true and fair view of the Fund's financial position as at 30 June 2018 and of its financial performance for the year ended on that date; and
- b) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

### Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Fund in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Information Other than the Financial Report and Auditor's Report Thereon

The directors are responsible for the other information. The other information is the directors' report accompanying the financial report.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

# Independent Auditor's Report to the Unitholders



2

## Responsibilities of the Directors for the Financial Report

The directors of the Responsible Entity are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the Fund's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Fund or to cease operations, or have no realistic alternative but to do so.

## Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Fund to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Ernst & Young

Luke Slater  
Partner  
Melbourne  
13 September 2018

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# Corporate Directory

## Responsible Entity

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Level 20, 101 Collins Street  
Melbourne VIC 3000

### **Telephone**

1300 305 476 (local call cost)

### **Email**

[info@bellasset.com.au](mailto:info@bellasset.com.au)

## Unit Registry

All applications and withdrawal requests should be directed to the Unit registry:

### **Link Market Services Limited**

PO Box 3721  
Rhodes NSW 2138

### **Telephone**

1300 721 265