Bell Global Equities Fund

Platform Class Fund Summary — Period Ending 31 August 2017

Bell
ASSET MANAGEMENT

Net Performance^

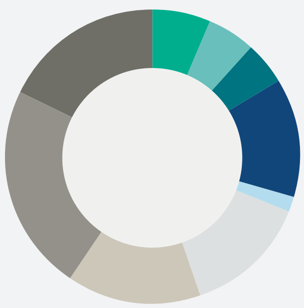
	Fund	Index*
1 Month^	0.63%	0.81%
3 Months^	-5.68%	-3.49%
6 Months^	4.41%	4.59%
1 Year^	5.99%	10.07%
3 Years (pa)^^	11.83%	12.13%
5 Years (pa)^^	16.29%	17.37%
Strategy Inception (pa)^^	6.88%	5.95%
Strategy Inception - Total Return^^	165.61%	133.39%

* Index is the MSCI World ex Australia in $A Unhedged with net dividends reinvested.

^ Inception date of the Platform Class is 7 May 2015. Returns are based on the Platform redemption price and are net of fees.

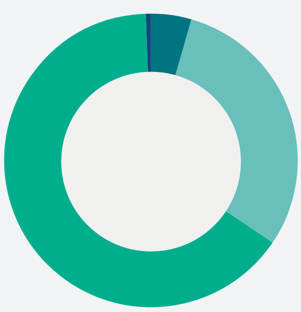
^^ The Bell Global Equities Fund - Platform Class has been operating since May 2015. To give a longer term view of our performance in the asset class, we have shown longer term returns for a representative global equities strategy managed by Bell Asset Management with an inception date of 1 Jan 2003. We have adjusted the returns to reflect fees representative of the Bell Global Equities Fund - Platform Class units.

Sector Exposure



Financials	6.4%
Materials	5.4%
Cash	4.6%
Consumer Staples	13.3%
Telecom Services	1.6%
Industrials	13.5%
Consumer Discretionary	14.8%
Information Technology	22.8%
Health Care	17.6%

Geographic Exposure



Cash	4.6%
Europe	30.1%
North America	65.0%
Asia Pacific	0.3%

Top 10 Holdings

Company	Sector	Geography	Weight
Alphabet Inc	Information Technology	US	2.8%
Apple Inc	Information Technology	US	2.2%
Johnson & Johnson	Health Care	US	1.7%
Verizon Communications	Telecom Services	US	1.6%
Roche Holding AG	Health Care	CH	1.5%
Oracle Corp	Information Technology	US	1.4%
Novo Nordisk	Health Care	DK	1.4%
Alimentation Couche-Tard	Consumer Staples	CA	1.4%
Visa Inc	Information Technology	US	1.4%
BAE Systems	Industrials	UK	1.3%

Best & Worst Performers - Month

Top 5 — Relative Contribution	
Novo Nordisk	0.14%
Dollar Tree Inc	0.11%
Novozymes	0.09%
Estee Lauder	0.09%
Ambu	0.08%

Bottom 5 — Relative Contribution	
Advance Auto Parts	-0.13%
Publicis Groupe	-0.13%
Amerisourcebergen Corp	-0.10%
Nike	-0.09%
Kroger Co	-0.08%

Investment Metrics

	Portfolio	Index	Relative
Risk			
Total Risk	11.3	10.8	
Number of Stocks	99	1,563	
Active Share	78.6		
Value			
P/E	17.3	16.4	105%
PEG Ratio	1.7	1.5	113%
EV/EBITDA	11.1	9.9	112%
Growth			
Sales Growth	5.7%	5.5%	104%
EPS Growth	10.3%	11.9%	87%
Quality			
Return on Equity	24.7	11.1	223%
Net Debt / Equity	0.8	1.4	57%

Bell Global Equities Fund

Commentary — Period Ending 31 August 2017

Bell ASSET MANAGEMENT

Ned Bell CIO / Portfolio Manager

Adrian Martuccio Portfolio Manager

Fund Overview

Asset Allocation	Long Only Global Equities
Inception Date	3 December 2007
Fund Size	$30.5mn
Entry Unit Price	1.2303
Index	MSCI World (ex Aus) Index

Performance

The Bell Global Equities Fund delivered a return of 0.63% in August which was marginally below the MSCI World ex Australia Index return of 0.81% for the month. On a calendar year to date basis, our portfolio has delivered a return of +4.42% vs the index return of +3.59%.

Market Activity

Global equities finally took a pause in August as most markets delivered modestly positive returns - the only exception being the Japanese equity market which gave back some recent gains.

At a sector level, there was a reasonable degree of variability in returns - the IT, Health Care & Industrial sectors all performed well, while Financials, Energy and Consumer Discretionary sectors performed poorly.

Performance Attribution

When we take a close look at our performance attribution, there were a handful of drivers / factors which basically offset each other with respect to a period of flat relative returns. On the positive side of things, we benefitted through a lack of exposure to Financials & Energy, and an overweight to the Health Care sector which performed well. On the negative side of the equation, our exposure to the Consumer Discretionary sector was the primary culprit.

The vast majority of our laggards during the month - Advanced Auto, Publicis, AmerisourceBergen, Nike & Kroger - were consumer related names.

In our view, the negative effect from sentiment has been a far greater impact on the retail sector than fundamental stock specific issues.

Our better performers during the month were: Novo Nordisk, Dollar Tree, Novozymes, Estee Lauder & Ambu.

Research Focus

Our research focus of late has been centred around three specific areas:

a) *European research trip* - two members of the investment team will be embarking on an extensive research trip through Europe in September. The purpose will be to explore new research ideas and to also re-test the current thesis on a variety of names.

b) *Asian equities* - we have also been refreshing our current theses on a variety of Japanese, HK & Chinese stocks and have recently bought Kao, a Japanese consumer company.

c) *Ongoing engagement with management* - given the ongoing uncertainty in the consumer and retail sectors we have spent considerable time engaging with management teams and analysts as we re-test our thinking on our holdings.

Trade Activity

Our trade activity as always has been driven by our desire to maintain a balance between quality and valuation at a portfolio level.

We trimmed a number of core positions that have performed very well including Estee Lauder and Icon Plc. Additionally, we made a handful of positional changes:

- Coca-Cola: we decided to sell our position into the recent strong share price performance due to high valuation. We had expected the restructuring of Coca-Cola bottlers to result in earnings upgrades which has not eventuated. Growth for the foreseeable future remains nascent so we couldn't justify further given the current P/E ratio of 24x.

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> “We maintain a very high quality bias in our portfolio while diligently managing valuation risk by trimming our better performers.”

- Kao: a Japanese consumer staples company with leading market share positions across various personal, home and beauty care categories. The company has a high quality management team and an excellent long term track record, having increased its dividend for 27 consecutive years and expanded ROE and earnings in each of the past 7 years. The company is well placed to meet management’s long term target of 5% annual organic growth and operating margin expansion from 13% currently to at least 15% by 2020. With a very strong net cash balance sheet and the stock trading at 12x EV/EBITDA, we believe the stock is attractively valued and represents a good buying opportunity at current levels.
- Siemens: often when looking for stocks we ask ourselves, can we be contrarian, can we find an underappreciated company that has a solid management team and a clear path to improvement? At 14.5x P/E with a 3.3% dividend yield we think the big German industrial conglomerate, Siemens, represents an interesting opportunity. Siemen’s is a leader in many of its fields like power generation, trains, factory automation and medical diagnostics and imaging, although this industrial dominance hasn’t always been reflected with high levels of profitability.

  The company recognised this fact and in recent years has embarked on their Vision 2020 program. This is being implemented by a new management team that are having success in driving toward the three key pillars of the program; new margin objectives for each divisions, a €1 billion cost savings plan and a target 15%-20% return on capital employed. If successful, this will result in profit growth of well over 30%. In the nearer term, there are additional catalysts from the partial IPO of their healthcare division and more synergies coming out of their investment in Spanish wind power company Gamesa. This transformation will not be easy, but we are reassured by positive progress over the last few years and at the current valuation, we believe downside is limited. Management are highly incentivised to meet their Vision 2020 targets, and if the company reaches these levels of profitability, it will also be very rewarding to shareholders.

Portfolio Positioning & Outlook

Our overall portfolio positioning has remained constant in the last few months. We maintain a very high quality bias in our portfolio while diligently managing valuation risk by trimming our better performers. While we remain constructive about the underlying global economic backdrop, we do feel that volatility levels are at unsustainably low levels – and will most likely pickup into the latter part of 2017.

Key Features

Investment Objectives	Outperform the index* over rolling three year periods **Index is MSCI ex Australia*
Asset Allocation	Long only global equities, no gearing, no derivatives
Investment Style	Fundamental bottom up approach 'quality at a reasonable price'
Investment Highlights	• Global equity portfolio • 'Quality' focus - consistently high returning companies • Long-term horizon - typically 3-5 year holding periods • Benchmark agnostic • Diversified portfolio structure • Maximum cash position 5% • Fund inception 2007 (strategy inception 2003) • Highly experienced investment team
Benchmark	MSCI World (ex Australia) Index
Currency Exposure	Unhedged
Investment Timeframe	At least 5 years
Number of Holdings	90-110

Fund Terms

Fund Inception Date	December 2007
Product Structure	Wholesale Registered Managed Investment Scheme
Investment Manager	Bell Asset Management
Responsible Entity	Bell Asset Management
Custodian	National Australia Bank
Unit Pricing & Liquidity	Daily Published on www.bellasset.com.au & market data services Applications using application form attached to the PDS Redemptions typically paid out within 10 days
Indirect Cost Ratio	0.90% p.a
Buy / Sell Spread	+/-0.20%
Reporting	Transaction confirmations upon transacting, half yearly transaction and valuation statement, annual periodic statement, tax statement, distribution statement & Annual Financial Report
Income	Annual distribution of taxable income

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