

Bell Global Equities Fund

Platform Class Fund Summary – Period Ending 31 December 2016

Net Performance[^]

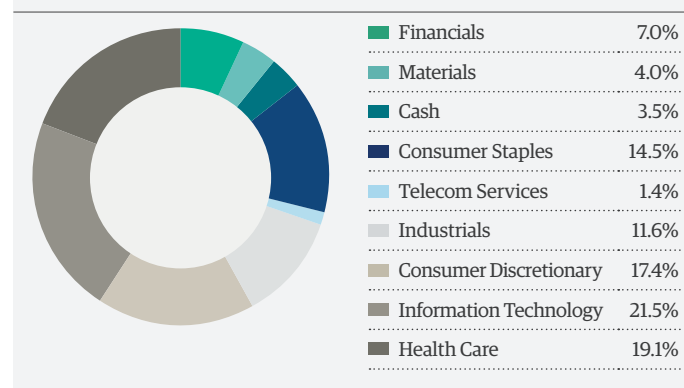
	Fund	Index*	Relative
1 Month[^]	3.58%	4.47%	-0.89%
3 Months[^]	4.88%	7.67%	-2.79%
6 Months[^]	3.99%	9.78%	-5.79%
1 Year[^]	0.73%	7.91%	-7.18%
3 Years (pa)^{^^}	10.31%	11.53%	-1.22%
5 Years (pa)^{^^}	17.57%	18.58%	-1.01%
Strategy Inception (pa)^{^^}	6.89%	5.97%	0.92%
Strategy Inception - Total Return^{^^}	154.4%	125.3%	29.1%

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

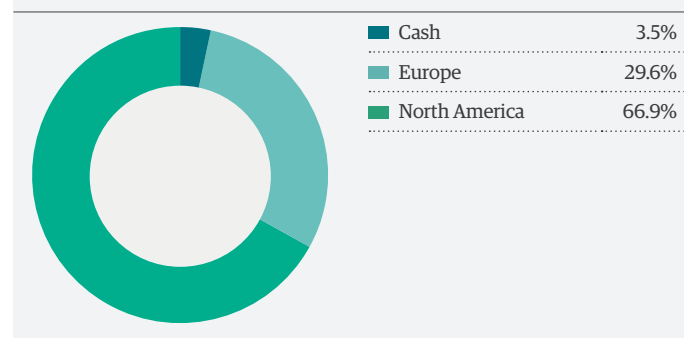
[^] Inception date of the Platform Class is 7 May 2015. Returns are based on the Platform redemption price and are net of fees.

^{^^} 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



Geographic Exposure



Top 10 Holdings

Company	Sector	Geography	Weight
Alphabet Inc	Information Technology	US	2.8%
Apple Inc	Information Technology	US	2.7%
Johnson & Johnson	Health Care	US	2.0%
Roche Holding AG	Health Care	CH	1.6%
Starbucks Corp	Consumer Discretionary	US	1.5%
Nike Inc	Consumer Discretionary	US	1.4%
Verizon Communications Inc	Telecom Services	US	1.4%
Oracle Corp	Information Technology	US	1.4%
Mastercard Inc	Information Technology	US	1.4%
Visa Inc	Information Technology	US	1.3%

Best & Worst Performers

Top 5 – Relative Contribution		Bottom 5 – Relative Contribution	
ITV Plc	0.14%	Dollar Tree Inc	-0.13%
Parexel International Corp	0.11%	S&P Global Inc	-0.07%
Bayer AG	0.10%	Starbucks Corp	-0.07%
Kroger Co	0.07%	Oracle Corp	-0.06%
Coloplast	0.06%	TJX Companies	-0.05%

Investment Metrics

	Portfolio	Index	Relative
Risk			
Total Risk	12.1	11.3	
Beta	1.02	1.00	
Number of Stocks	99	1,654	
Active Share	80.0		
Value			
P/E Next	16.8	16.2	104%
PEG Ratio	1.7	2.1	81%
EV/EBITDA	10.6	9.6	110%
Growth			
Sales Growth	6.9%	6.0%	115%
EPS Growth	8.5%	9.1%	93%
Quality			
Return on Equity	27.2	9.1	299%
Net Debt / Equity	66.4	67.8	98%

Bell Global Equities Fund

Commentary – Period Ending 31 December 2016



Ned Bell CIO / Portfolio Manager



Adrian Martuccio Portfolio Manager

Fund Overview

Asset Allocation	Long Only Global Equities
Inception Date	3 December 2007
Fund Size	\$30.0m
Entry Unit Price	1.2418
Index	MSCI World (ex Aus) Index

Performance

The December quarter was a strong period for global equities. The Fund finished up 4.9% over the period. During the quarter the market was driven in a large part by the U.S. Presidential election, as well as the prospect of rising interest rates and a stronger oil price. The outcome of which buoyed the equity markets and was beneficial for the cyclical sectors such as Materials and Energy plus many Financial stocks that could benefit from a rising interest rate environment. Conversely, there was a rotation out of some of the more defensive sectors with a shift away from what we would classify as 'quality stocks'.

Sector

From a sector perspective, Financials was the best performing sector in the benchmark up over 19% during the quarter, with Synchrony Financial (a consumer finance provider held in the Fund) rallying more than 30%. The Consumer Discretionary sector was also a good contributor to Fund performance with strong appreciation in Advanced Auto Parts (which supplies aftermarket car parts) and Tractor Supply (a U.S. retail farm store chain).

Geographic

From a geographic standpoint, the U.S. market rallied to new highs after the Presidential election with some confident commentary coming out of not only Mr. Trump, but also the U.S. Federal Reserve. Their decision to increase interest rates for the first time in years highlighted the solid footing of the U.S. economy. These factors plus the ECB's decision to reduce bond purchases also had positive ramifications for the European markets where the perceived threat of deflation eased.

There was a lot more optimism and far less emphasis on the looming exit of the U.K. from the European Union and political uncertainty due to the continuing spread of 'populism' throughout much of Europe. The result was the U.K. index climbing to new highs and a strong performance in France, even with the uncertainty of their upcoming election. The Italian market was one of the best performers, even after a surprising result in the Italian constitutional referendum which resulted in the Prime Minister stepping down.

This positive performance was more muted in the developed Asian markets where the Japanese, Hong Kong and Singapore indices all underperformed the global benchmark for the quarter.

Research Highlights

The major markets always garner a huge amount of attention but our research priorities are often more diverse. We recently travelled to Finland which is where Huhtamaki is based, a global packaging company that we have just added to the Fund. Huhtamaki supply products such as coffee cups and ice-cream wrappers to major food and beverage companies. We view it as a stable, consistently growing, "Consumer Staples" type exposure, but at 17.5x P/E, we believe it has a much more attractive valuation than the broader Consumer Staples sector.

After completing our initial review, we visited the company at their Helsinki headquarters in September to meet management and continue fleshing out the thesis. We like the combination of management's track record of good mid-single digit organic growth through innovation, aided by tuck-in acquisitions, while keeping leverage low and ROI in the mid-teens. Following the meeting we were patient on valuation and subsequently got a better opportunity to enter the name when the forward P/E multiple pulled back from 20x to 17.5x. We like the recipe of buying high quality companies at attractive valuations.

Portfolio Changes

Purchases: Ambu (*Denmark / Health care*); Equifax (*US / Industrials*); Huhtamaki (*Finland / Materials*); MSCI Inc (*US / Financials*); Reckitt Benckiser (*UK / Consumer Staples*)
Sales: Copart Inc (*UK/Industrials*); ProsiebenSat.1 Media (*US / Health care*); St Jude Medical (*US / Health Care*)

Positioning and Outlook

Looking forward into 2017, we believe the valuations of some of the lower quality companies may have overshot to the upside and could be at risk going into the upcoming earnings season. The Fund, as always, exhibits a strong bias to quality characteristics which we believe will be advantageous in 2017. We remain quite constructive on equity markets overall and there are many holdings in the Fund that could benefit significantly from a myriad of catalysts including U.S. corporate tax cuts, the ability for U.S. companies to repatriate their overseas cash, increased infrastructure spending and a more friendly inflationary environment.

Key Features

Investment Objectives	Outperform the index* over rolling three year periods <i>*Index is MSCI ex Australia</i>
Asset Allocation	Long only global equities, no gearing, no derivatives
Investment Style	Fundamental bottom up approach 'quality at a reasonable price'
Investment Highlights	<ul style="list-style-type: none">• 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

Contact Details

Xanthe Virtue Head of Wholesale
Telephone: +61 2 9255 7281
Email: xvirtue@bellasset.com.au
www.bellasset.com.au

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