

Bell Global Equities Fund

Fund Update: December 2014



Net Performance

for the period ending 31 December

	Fund	Index*	Excess
1 month	3.4%	2.7%	+0.7%
3 months	11.1%	8.2%	+3.0%
6 months	17.9%	14.4%	+3.5%
1 Year	15.7%	15.0%	+0.7%
3 Years (p.a)	24.6%	24.8%	-0.2%
5 Years (p.a)	13.0%	12.5%	+0.5%
Inception (p.a.)^	3.7%	4.3%	-0.6%

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

^Inception date of the Fund is 3 December 2007. Returns are based on the Wholesale redemption price and are net of fees.

Global Equities (Net) Strategy Inception (p.a)^	6.7%	5.3%	+1.4%
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^^The Bell Global Equities Fund has been operating since December 2007. To give a longer term view of our performance in the asset class, we have shown longer terms 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.

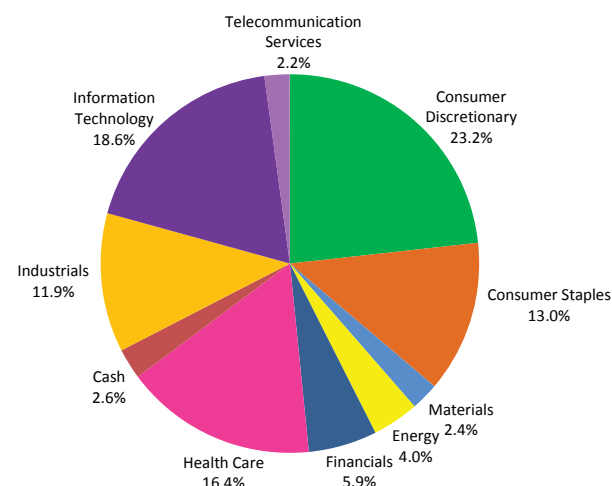
Best & Worst Performers

Top 5 > relative contribution	Bottom 5> relative contribution
Alimentation Couche-Tard	Softbank Corp
Oracle Corp	Petrofac Ltd
Croda International Plc	US Silica Holdings Inc
InvenSense Inc	Roche Holdings AG
Advance Auto Parts Inc	Glaxosmithkline Plc

Trade Activity

Buys	Weight	Sells	Weight
FMC Technologies Inc	0.3%	Tim Hortons / Burger King	0.8%
Foot Locker Inc	0.6%		
Michael Kors Hldgs Ltd	0.6%		
Williams - Sonoma Inc	0.6%		

Sector Exposure



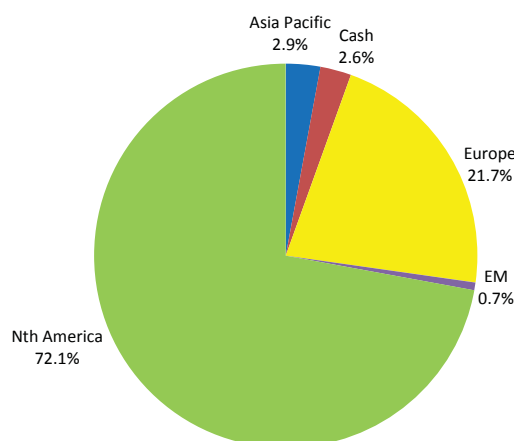
Top 10 Holdings

Company	Sector	Country
Apple Inc	Information Technology	USA
Oracle Corp	Information Technology	USA
Ebay Inc	Information Technology	USA
SAP SE	Information Technology	Germany
Google Inc	Information Technology	USA
IBM	Information Technology	USA
Johnson & Johnson	Health Care	USA
Express Scripts Holdings	Health Care	USA
Home Depot Inc	Consumer Discretionary	USA
Cognizant Tech Solutions	Information Technology	USA

Investment Metrics

	Fund	Index*	Relative
Value			
P/E	17.3	17.9	97%
PEG Ratio	1.7	2.2	77%
EV/EBITDA	11.6	10.9	107%
Growth			
Historic EPS growth	17.8	13.9	128%
Forecast EPS growth	10.0	8.3	120%
Forecast Sales growth	6.8	4.9	139%
Quality			
Return on Equity	33.0	20.3	163%
ROC/WACC	2.1	1.3	156%
Net Debt / Equity	25.7	54.9	47%

Geographic Exposure



Monthly Commentary

Performance

- The fund had another strong month in December, returning +3.4% vs the index return of +2.7%
- For the calendar year 2014, the fund returned +15.7% vs the MSCI World (ex- Australia) Index return of +15.0%

What helped

- In an absolute sense, we generated positive returns across all sectors except Telecoms
- The vast bulk of our positive returns came from our U.S. holdings
- Our overweight positions in Consumer Discretionary, IT, Consumer Staples & Health Care all helped
- Stocks – Alimentation Couch-Tarde, Oracle, Croda, InvenSense & Advanced Auto Parts

What hurt

- Our relatively limited positions in Asia were detractors during the month
- Our lack of exposure to financials was a modest drag
- Stocks – Softbank & Petrofac were our biggest laggards. Our lack of exposure to JP Morgan, Bank of America & Wells Fargo also worked against us

Research takeaways

- Overall ramifications of materially lower oil prices has been a focus
- The U.S. consumer should be a big beneficiary in 2015
- We have been focusing our research efforts on Consumer names in our universe we feel will benefit

Portfolio changes

Purchases: FMC Technologies, Michael Kors, Foot Locker, Williams Sonoma

Sales: Tim Hortons/Burger King

Positioning & Outlook

- The portfolio remains well balanced – in that we have a mix of defensive and growth companies
- We have had very little exposure to oil stocks, which has helped and we would not expect that to change much
- We have marginally increased our exposure to the U.S. consumer who should be major beneficiaries of a materially lower oil price
- We remain cautious on Europe, Japan & Emerging Markets

Overweights

U.S. Equities

Consumer Discretionary

Information Technology

Health Care

Consumer Staples

Quality stocks

Underweights

Japanese Equities

Financials

Energy

Utilities

Materials

Junk stocks

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Terms

Fund Inception date	3 December 2007
Product Structure	Wholesale Unlisted Managed Fund
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
Minimum Investment (wholesale class)	Minimum investment - \$50k. Minimum transaction - \$10k.
Fees	1.46% (inclusive of distribution fee) No performance fees No entry or exit fees
Distribution fee	0.50% p.a.
Buy / Sell spread	+/-0.20%
Reporting	Transaction confirmations upon transacting Half yearly transaction and valuation statement Annual periodic statement, tax statement and distribution statement Annual Financial Report
Income	Annual distribution of taxable income

Key Features

Investment Highlights

- Global equity portfolio
- Fundamental bottom-up approach
- '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

Portfolio Managers: Ned Bell and Adrian Martuccio

Index: MSCI World (ex Australia) Index

Asset allocation: Long only global equities
No gearing
No derivatives

Investment objective:

Outperform the index over rolling three year periods

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