A World of Opportunities…

Beyond the Magnificent 7

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October 2025

Presented by
Ned Bell, Chief Investment Officer
Bell Asset Management

A World of Opportunities…

Today's session will explore:

- Will the Magnificent 7 remain the driving force in global markets?
- Why now is the time to rethink your global exposure
- How volatility across "styles" has made Quality stocks more compelling than ever – Quality is on Sale!
- Where to find multiple opportunities – from Japan and Europe to the often-overlooked S&P493
- Why Global SMID Cap equities may be the hidden gems of global growth

Looking Beyond the Mag 7

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- The Mag 7 has accounted for a disproportionate % of the MSCI World Index returns over the recent history
  - 22.5% of the Index accounting for 38% of the Index return over 1 year & 30% over 5 years
- Exceptional earnings growth has justified the returns… until now
  - Growth is moderating while Valuations are peaking – not a good combination
  - The extraordinary AI investments needs to show some Return on Investment

	EPS GROWTH 2025 / 2024	EPS GROWTH 2026 / 2025	P/E Current	P/E 3yr Average	Current vs 3yr Average
ALPHABET INC	23.3	8.2	21.4	20.4	105%
AMAZON.COM INC	20.7	14.3	25.6	47.6	54%
APPLE INC	21.4	7.8	31.7	27.6	115%
META PLATFORMS	18.1	6.3	19.7	21.0	94%
MICROSOFT CORP	14.5	17.1	32.0	29.5	108%
NVIDIA CORP	49.9	40.9	33.4	35.6	94%
TESLA INC	- 34.3	49.6	189.0	115.0	164%
AVERAGE (ex Tesla)	24.6	20.6	27.3	30.3	

Mag 7

Meta
TESLA
Alphabet
NVIDIA
Microsoft
amazon
Apple

Source(s): MSCI. Data as at 30 June 2025. *Average size after applying minimum liquidity filter and data as at 30 June 2025. Please refer to "Important Information" at the conclusion of this presentation.

Time to Rethink Your Global Exposure

Changes to consider:

- Allocate back to Active
- Buy Quality
- Position for greater market breadth
- Take Profit in the Magnificent 7
- Reduce exposure to Australian equites
- Look to Europe and Japan
- Allocate to Global SMID Cap equities

...Beware anyone who says: “This time it’s different”

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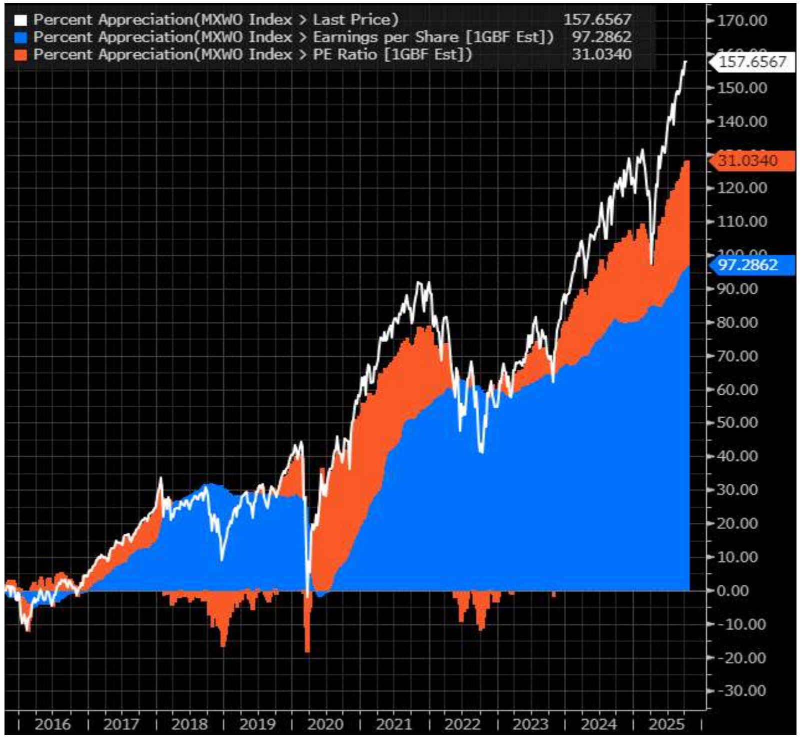
Global Equities Today

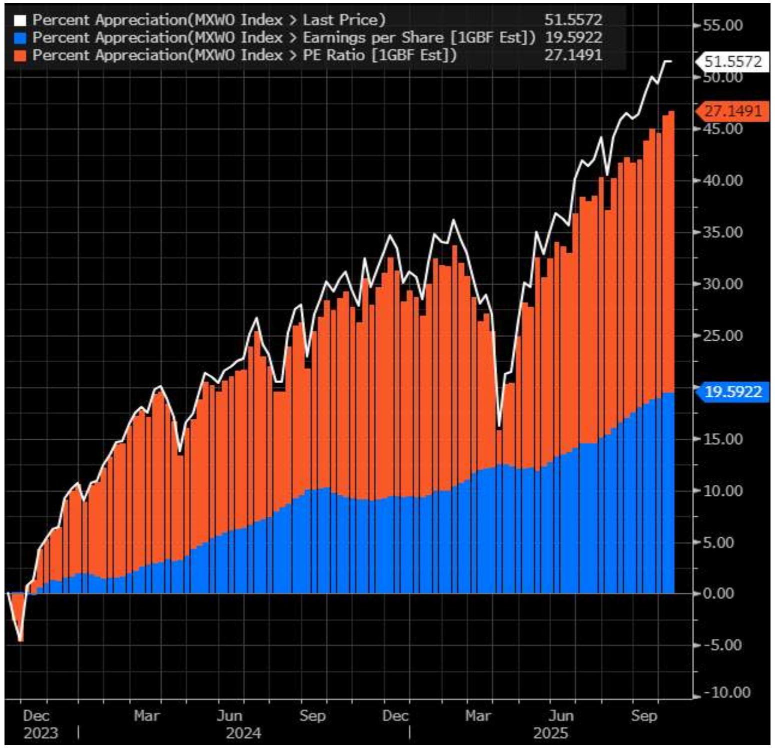
- Over 10 years, earnings (blue), has done most of the heavy lifting
- More recently, valuation expansion has accounted for >50% of returns
- Unless earnings re-accelerate into 2026, the Valuation "kick" could unwind

MSCI World Performance

10 Years



2 Years



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Active Management: Not Dead in Global SMID!

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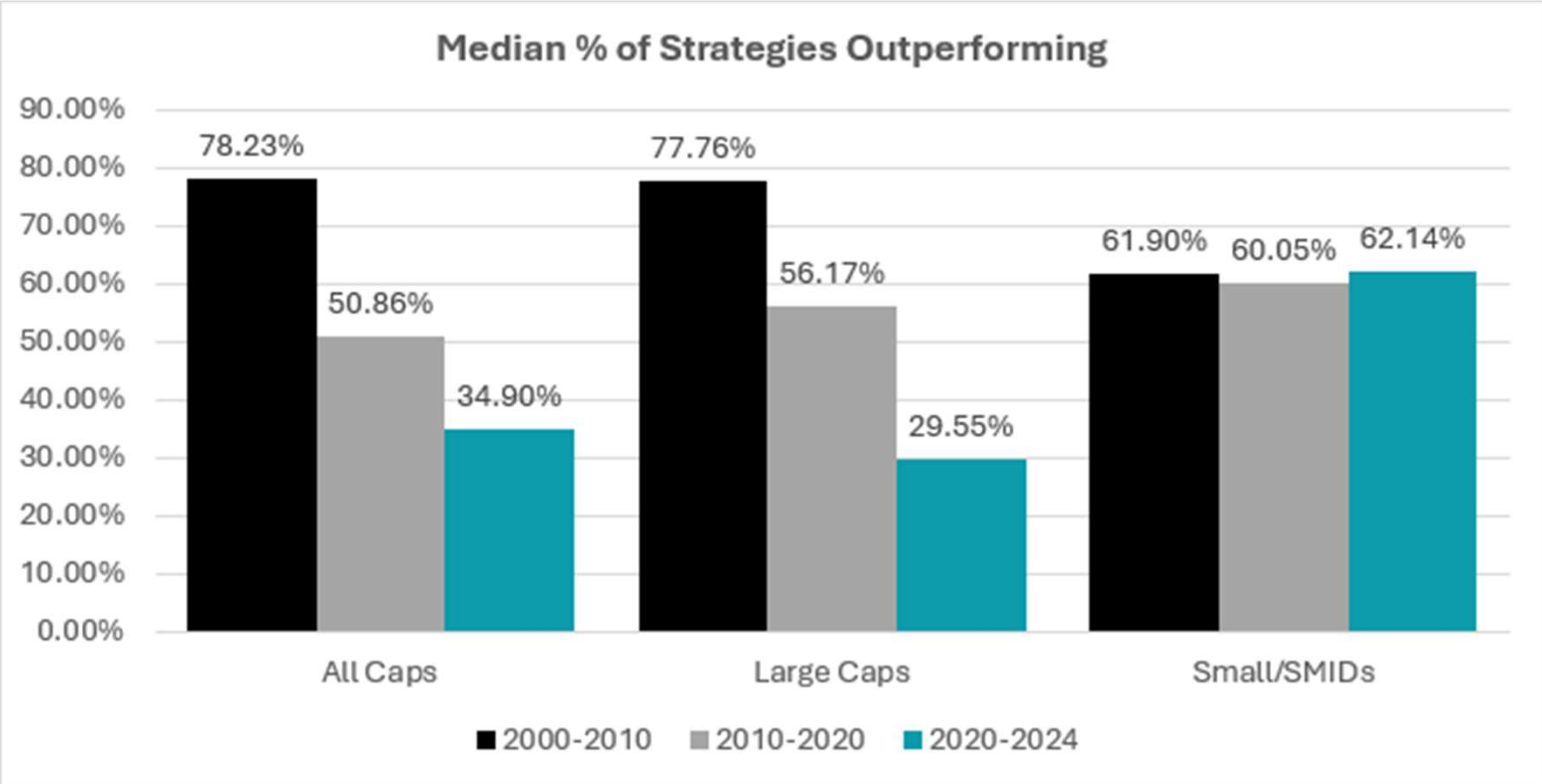
- Global Small/SMID Caps: +60% outperformed
- Large Caps/All Caps: only 30% outperformed
- Mag 7 dominating index returns = 28% of the MSCI World returns
- Strong “batting average” doesn’t generate alpha if Mag 7 positioning has been wrong



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Markets Rewarding "Junk" Over "Quality" (For Now)

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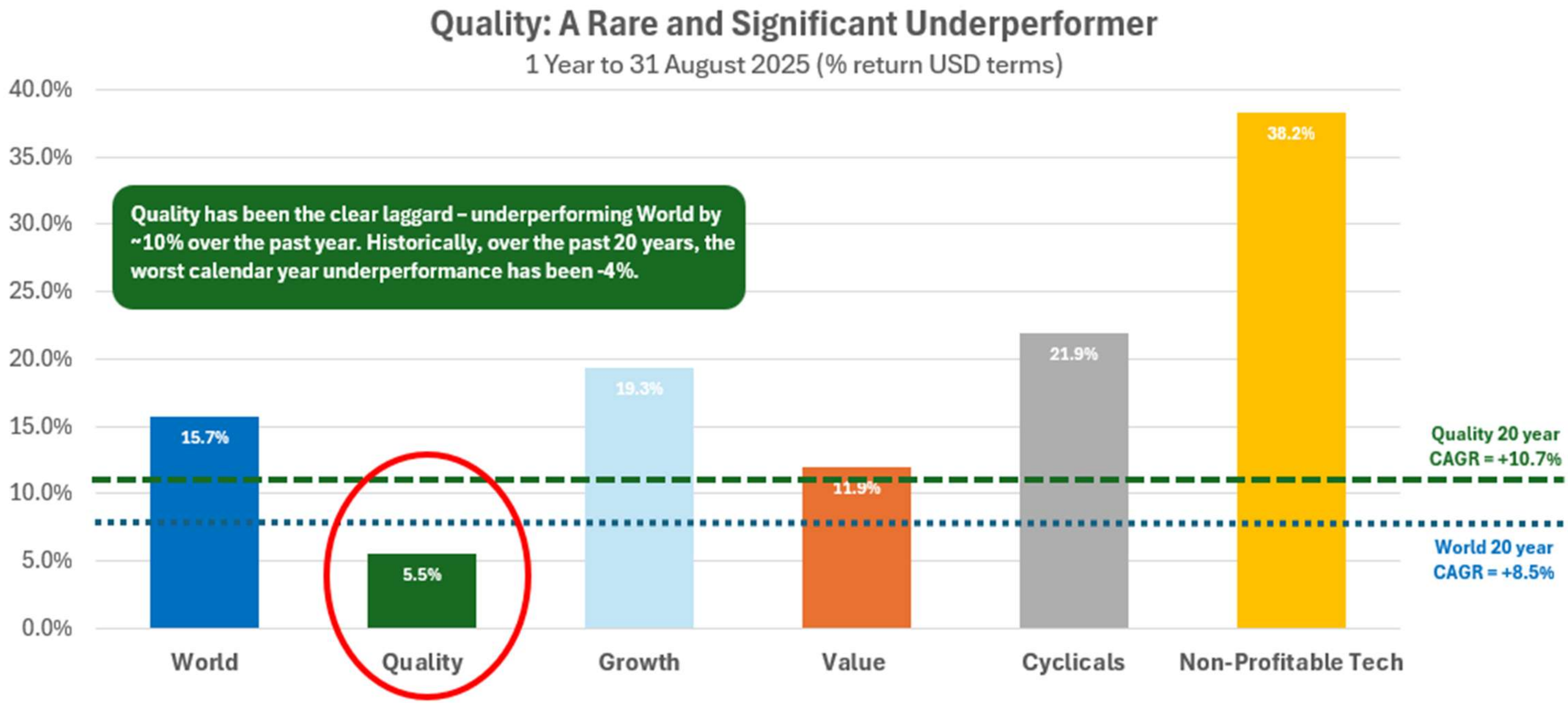

World = MSCI World Index; Quality = MSCI World Quality Index; Growth = MSCI World Growth Index; Value = MSCI World Value Index; Cyclicals = MSCI World Cyclical Sectors Index; Non-Profitable Tech = Goldman Sachs Non-Profitable Tech basket

Source(s): Bell Asset Management, MSCI, Bloomberg Finance L.P. Data in USD as at 31 August 2025. **Past performance is not a guide to current or future results.** Please refer to "Important information' at the conclusion of this presentation.

Performance Skewed to Lower-Quality Value

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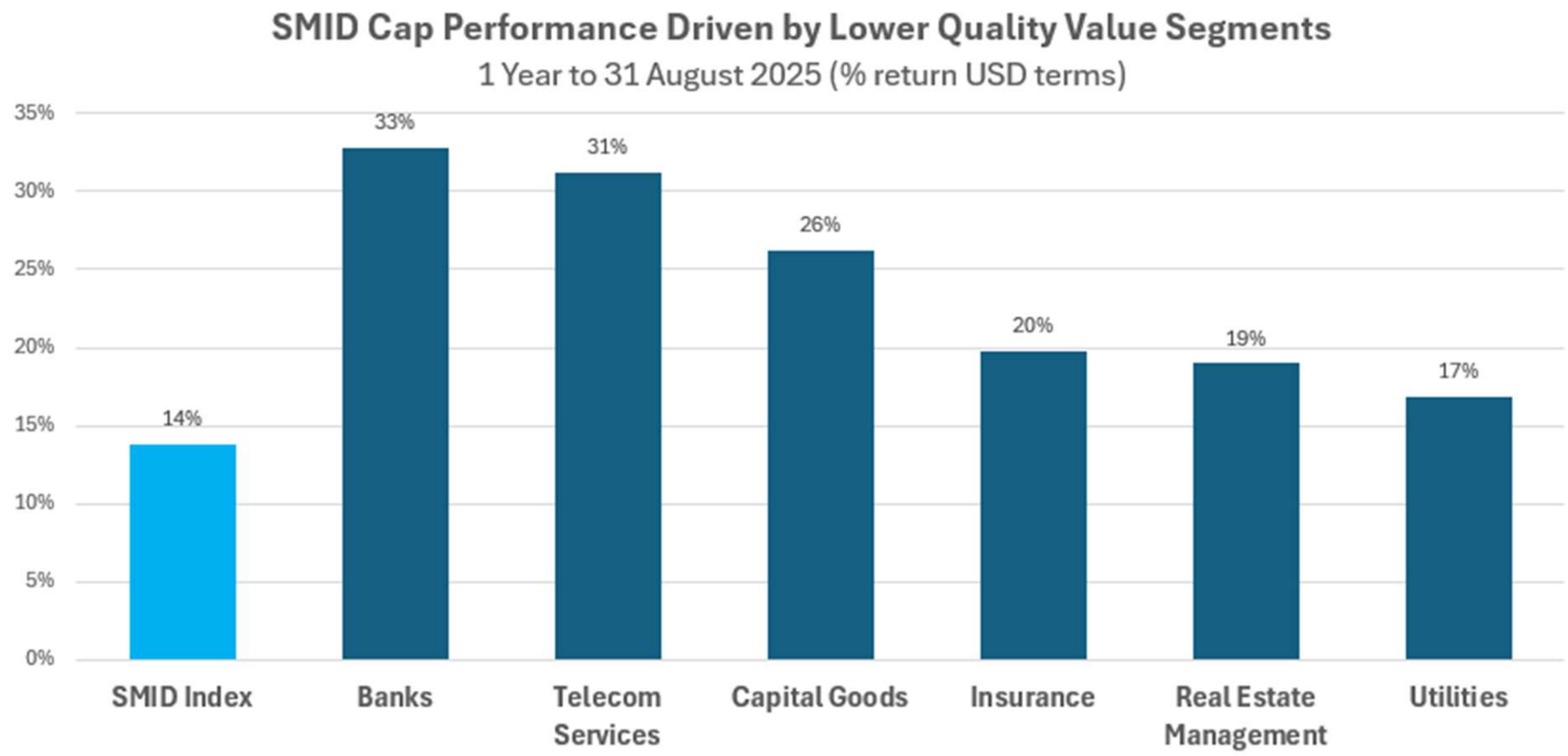
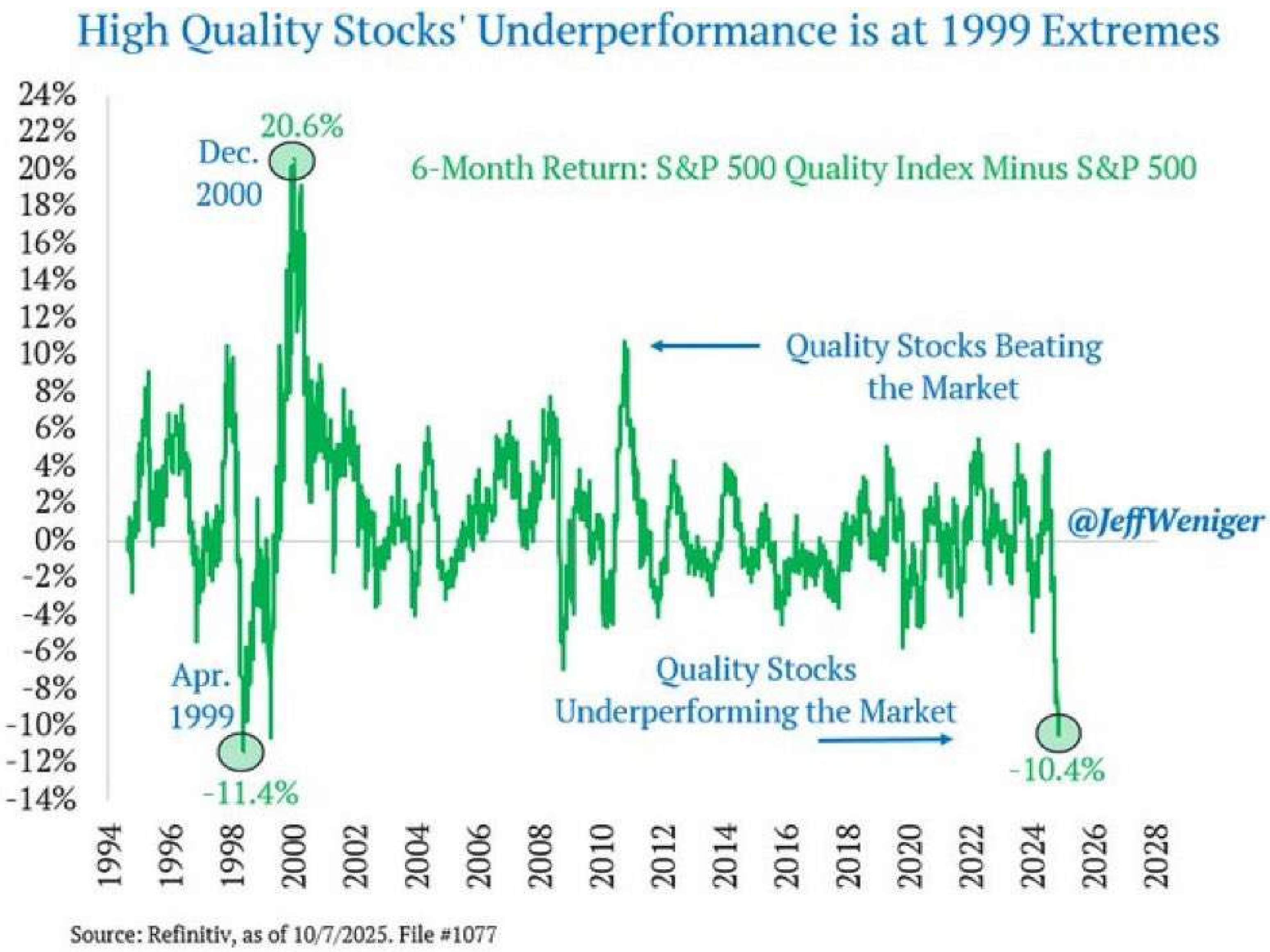


Source(s): The data above refers to performance from selective GICS Industry Groups within the MSCI World SMID Cap Index for the year ended 31 August 2025 (in AUD terms). **Past performance is not a guide to current or future results**. Please refer to "Important information' at the conclusion of this presentation.

Buy Quality – Poised for a 1999-Like Rebound



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Australian Equities: Hard Work

- Opportunity set is increasingly limited
- Growth is rare and expensive
- Opportunities to stub your toe are abundant
- Quality is crowded
- Sheer size of the Super Industry drives valuations higher
- "Tomorrow's Heroes" are few and far between
- Banks & Mining stocks still dominate indices

"Yesterday's Heroes"	"Quality at any Price"	"Toe Stubbers"	"Growth at a Crazy Price"
Cochlear	CommonwealthBank	Domino's	Guzman y Gomez
CSL	netwealth	JamesHardie	pro medicus
Macquarie	Wesfarmers	Woolworths	technologyone

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Japanese Equities: the Comeback Kids

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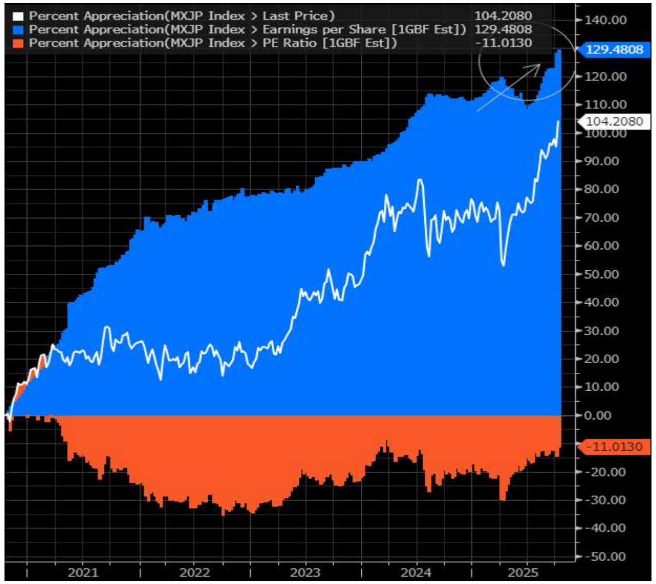
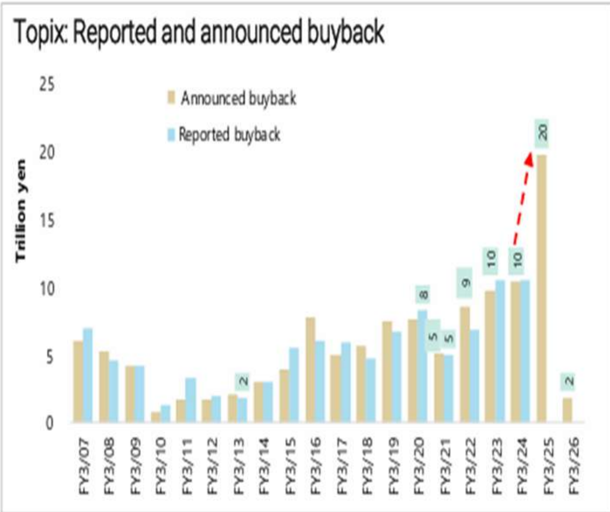
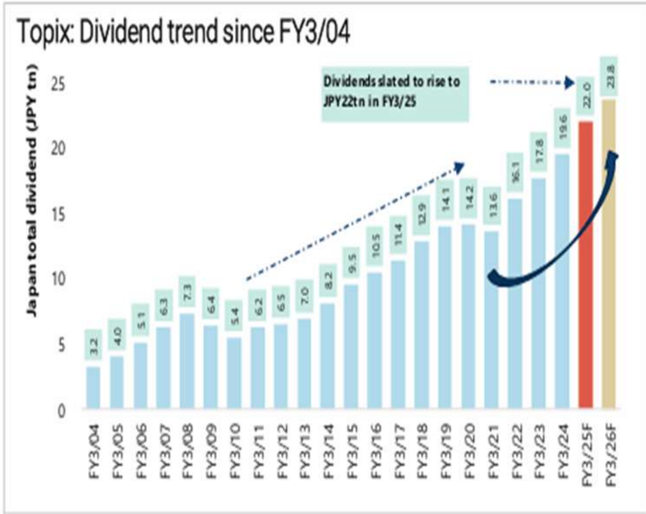
- Japanese equities are finally demonstrating strong absolute performance
- Earnings growth in recent years has been exceptional
- Valautions have not been the main driver of returns
- Under-owned by global investors
- Increasing focus on strong corporate governance measures – driving higher ROE and meaningful share buybacks
- Material dividend growth in recent years







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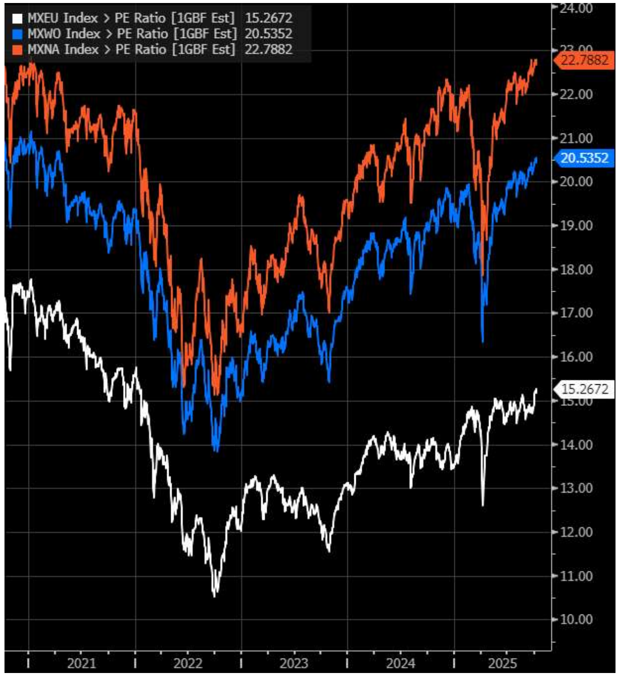
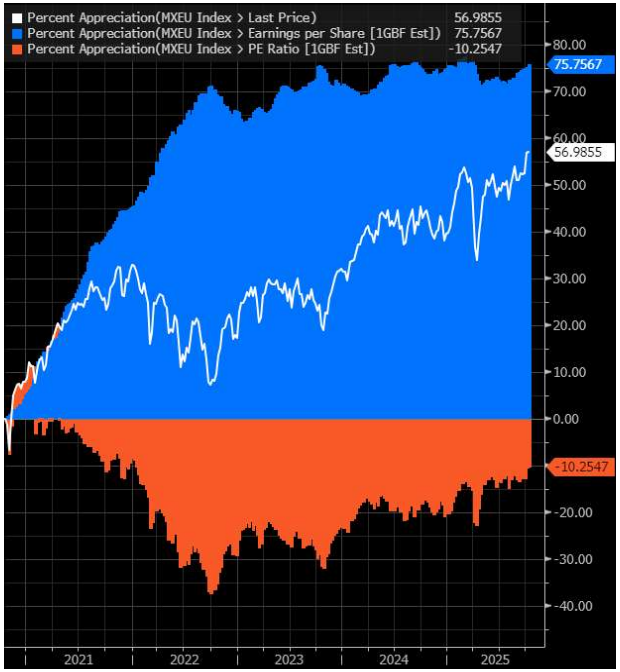
European Equites: Zero to Hero

- European equities have done surprisingly well in the last 5 years, having lagged by ~6%p.a. from Sep 2015 – Sep 2020
- Strong earnings growth has been the predominant driver of returns in the last 5 years
- They are inexpensive: P/E of 15.3 vs 22.8 for US equities
- Solid EPS growth outlook : +10% for 2026 & 2027





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US Equities: Some Great Companies

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- Don't forget the excellent businesses that live **outside the Mag 7** in the S&P493
- Account for ~65% of the US equity market.
- Trade at a 10 P/E point discount to the Mag 7 (21x vs 31x)
- 64 names have outperformed the Mag 7 over the past 5 years

Outperformed Mag 7 Over Past 5 Years

ARISTA
ORACLE
EATON
Amphenol
Lilly
BOOT BARN
BROADCOM
DICK'S SPORTING GOODS
CleanHarbors
LPL Financial

Grown EPS In At Least 9 Out of 10 Years

ADP
COSTCO WHOLESALE
TJX
IDEXX
ROLLINS
Copart
zoetis
intuit

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What Are Global SMID Caps & Why Should You Care?

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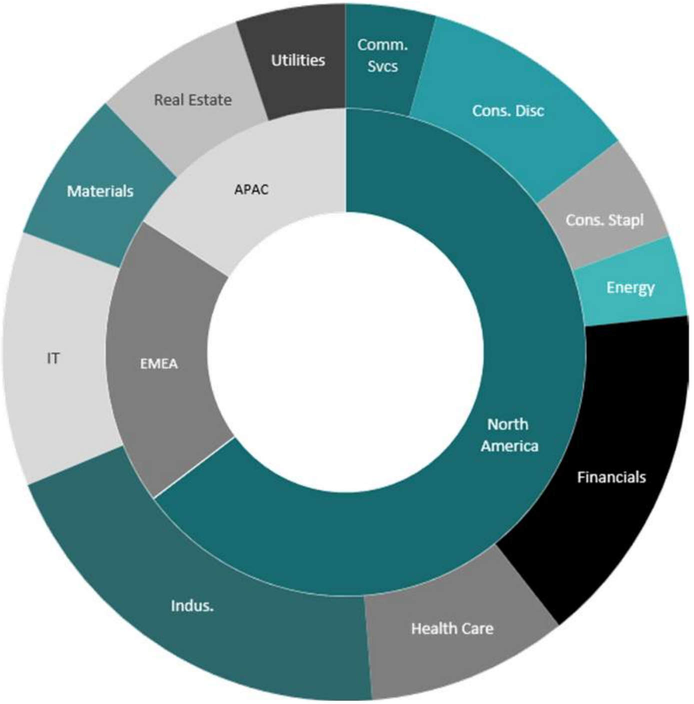
- “Growth” alternative to Large Cap Growth, Emerging Markets & Australian Small Caps
- Less Valuation risk than Large Cap Growth
- Less Absolute Risk than Emerging Markets
- Better opportunity set than Australian Small Caps
- Should outgrow the broader market in 2026
- Diversification by Sector & Geography
- Strong argument for 30% upside over two years

Index characteristics

- Bottom 28% of the MSCI DM countries
- 4,616 listed stocks across 23 DM countries
- Market cap range: USD 143m to ~72 billion (average ~USD 4.4 billion)



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Long Term Outperformance

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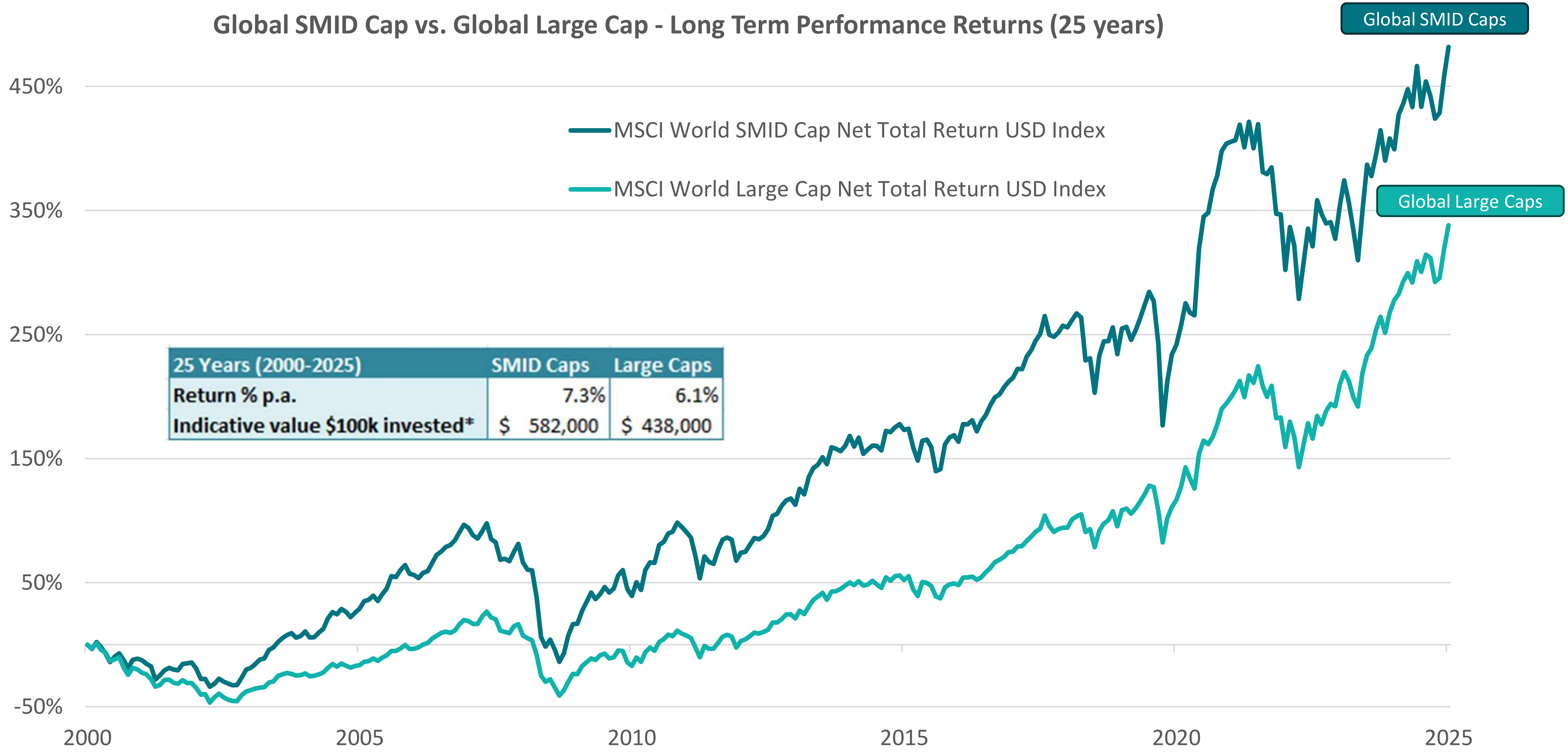
Global SMID Cap vs. Global Large Cap - Long Term Performance Returns (25 years)



25 Years (2000-2025)	SMID Caps	Large Caps
Return % p.a.	7.3%	6.1%
Indicative value $100k invested*	$ 582,000	$ 438,000

Source(s): Bell Asset Management, MSCI, Bloomberg Finance L.P. Data in USD as at 30 June 2025. **Past performance is not a guide to current or future results.** Please refer to "Important information' at the conclusion of this presentation. The dollar figures provided represent indicative value at the end of the 25 year period assuming $100,000 invested at the start of the period and assume dividends are reinvested and with no applicable fees. The MSCI World SMID and Large Cap indices are used for illustrative purposes and are not directly investable.

Higher Growth Potential

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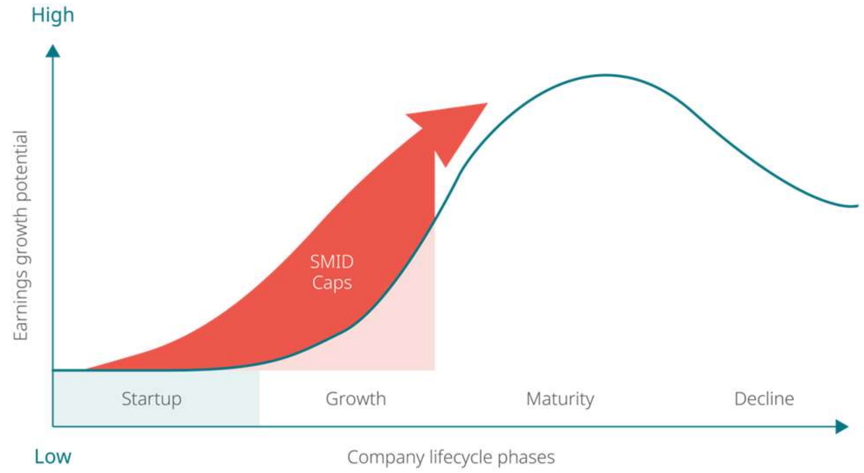
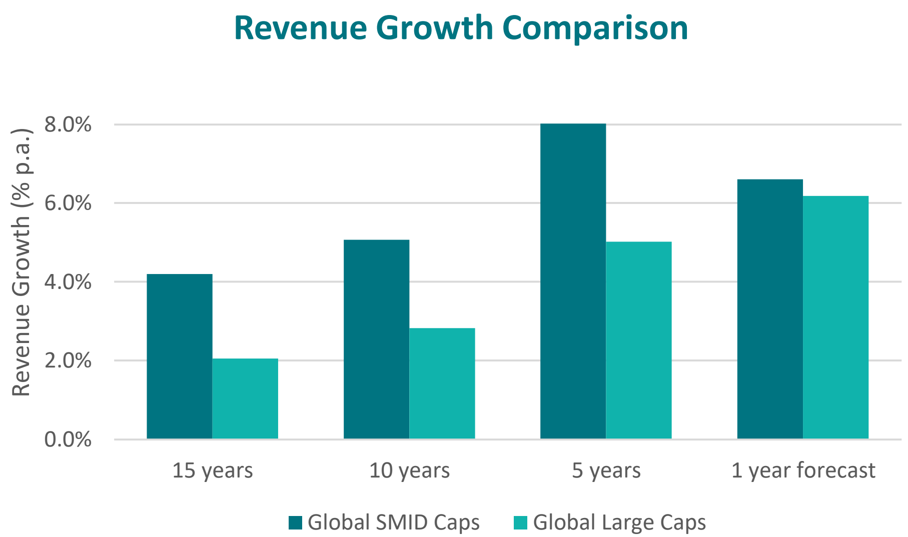
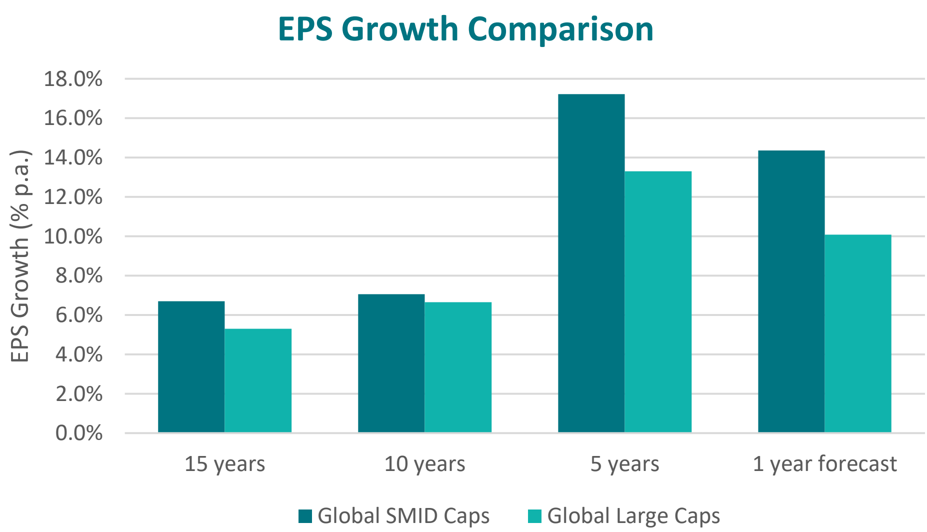
- Longer growth runway
- Agility & innovation
- Entrepreneurial drive
- Compounding effect



Revenue & earnings growth has exceeded Large Caps over the long term





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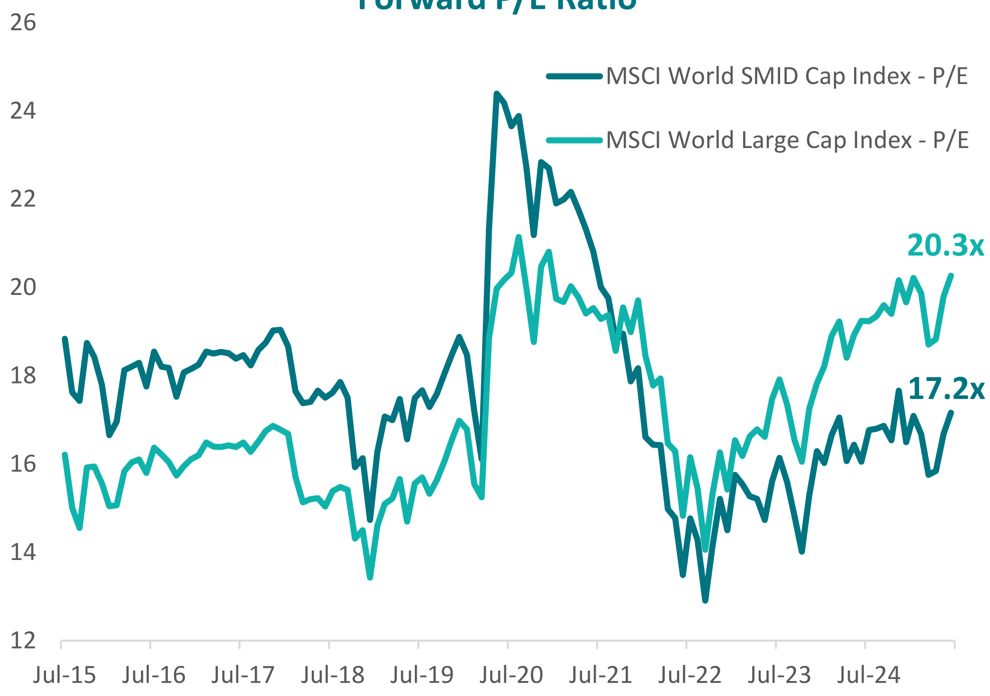
Attractive Valuations

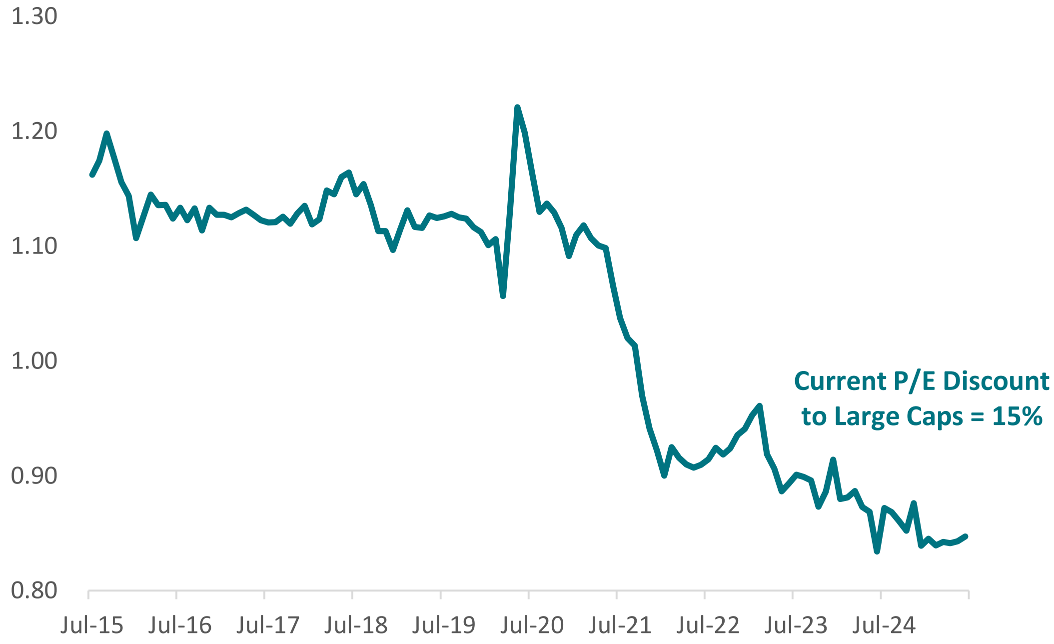
We believe the Global SMID Cap valuation contraction unlocks a favourable entry point:

- Significantly lagged Large Caps over past 5-7 years, driving a material valuation anomaly
- Underperformance driven by sentiment/multiple, not earnings
- 15% discount to that of the MSCI World Large Cap Index; 39% compared to the MSCI World Large Cap Growth Index

SMID Caps vs. Large Caps – Forward P/E Ratio



Ratio – SMID Cap P/E vs. Large Cap P/E (Last 10 years)



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The Best Companies You've Never Heard of…

- Return on capital: 26%
- Net Debt / EBITDA: -0.07
- 5-Year Sales CAGR: 11%
- 5-year Net Income CAGR: 16%
- EPS Growth 2025-2027: 27%
- Market Cap: USD $25bn
- Free Cash Flow Yield: 4%
- P/E: 24 x

High Quality

Amadeus

Broadridge

monotaro.id Industrial & Office Supply, All Genuine Quality

High Return on Capital

AutoTrader

MSCI

HOYA

Strong Balance Sheet

CHECK POINT

TERADYNE

jack henry

Attractive Valuation

Couche-Tard

GTT Expert in LNG

cencora

Growth

Houlihan Lokey

paylocity

Veeva

Traditional Quality

TSC Tractor Supply Co

BJ's Wholesale Club

Service Corporation International

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Bell Global SMID Strategy

Best Relative Performers — Ending August 2025

1 Year	3 Years	5 Years	Since Inception
HKEx 香港交易所	EURONEXT	ARISTA	Ambu
EURONEXT	HKEx 香港交易所	cencora	cencora
rightmove	cencora	HKEx 香港交易所	ARISTA
CORE & MAIN	IDEXX	EURONEXT	Partners Group REALIZING POTENTIAL IN PRIVATE MARKETS
IDEXX	monotaro.id Industrial & Office Supply, All Genuine Quality	TSC TRACTOR SUPPLY CO	align
BJ's	ARISTA	IDEXX	Kroger
DEUTSCHE BÖRSE GROUP	DEUTSCHE BÖRSE GROUP	monotaro.id Industrial & Office Supply, All Genuine Quality	EURONEXT

Why Now Is a Good Time to Invest

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Potential Catalysts For Global SMID Caps:

- Declining interest rates
- Easing geopolitical tension & tariff clarity
- Uptick in M&A activity
- Improved macro visibility
- Superior earnings growth of SMID caps
- Rotation out of crowded mega-caps
- Increasing institutional allocation to SMID caps
- Valuation re-rating opportunity

Questions?

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References to "SMID" and "Global SMID" refer to BAM's small and mid cap equities strategy. Relative performance of BAM Global SMID throughout this presentation is calculated against the MSCI World SMID Cap Index.

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