

TARGET MARKET DETERMINATION



Bell Emerging Companies Fund

Issuer	Bell Asset Management Limited (BAM)				
AFSL	231091	ARSN	160 079 541	ABN	84 092 278 647
ARSN	160 079 541	APIR Code	BPF0029AU	ISIN Code	AU60BPF00291
Product Exchange Code	BLM01			Market Identifier Code	XASX
Date Approved	30/07/2021	Version	1.0	Status	Current

TARGET MARKET SUMMARY

This Fund is likely to be appropriate for a consumer seeking long term capital growth through exposure to a diversified portfolio of global small and mid cap listed securities within a portfolio where the consumer has at least a 5 year investment timeframe, high risk/return profile and needs infrequent access to capital.

BAM considers that the risk level of the Fund is high. The likelihood of the value of your investment going up or down over the short term is relatively high compared to investments in funds investing in other types of assets such as fixed interest or cash. However, the Fund has the potential to produce higher or lower returns over the longer term (5 years or longer).

TARGET MARKET DETERMINATION INDICATOR KEY

The Consumer Attributes for which the Fund is likely to be appropriate have been assessed using a red/amber/green rating methodology with the following meaning:

In target market	Potentially in target market	Not considered in target market
------------------	------------------------------	---------------------------------

Generally, a consumer is unlikely to be in the target market for the product if:

- One (1) of more of their Consumer Attributes correspond to a red rating; or
- Three (3) or more of their Consumer Attributes correspond to an amber rating.

INVESTMENT PRODUCTS AND DIVERSIFICATION

A consumer (or class of consumer) may intend to hold a Fund as part of a diversified portfolio (typically with an intended Fund use of satellite / small allocation or core component). In such circumstances, the Fund should be assessed against the consumer's attributes for the relevant portion of the portfolio, rather than the consumer's portfolio as a whole. For example, a consumer may seek to construct a conservative portfolio with a satellite / small allocation to growth assets. In this case, it may be likely that a Fund with a high or very high risk/return profile is consistent with the consumer's objectives for that allocation notwithstanding that the risk/return profile of the consumer as a whole is low or medium. In making this assessment, distributors should consider all features of a Fund (including its key attributes).

CONSUMER ATTRIBUTES

INVESTMENT OBJECTIVE		
Capital Growth	In target market	The investment return objective of the Fund is to outperform the MSCI World SMID Cap Index over rolling three-year periods.
Capital Preservation	Potentially in target market	
Capital Guaranteed	Not considered in target market	
Income Distribution	Not considered in target market	
PRODUCT USE (% OF INVESTABLE ASSETS)		
Solution / Standalone (75 – 100%)	Potentially in target market	The Fund invests in: <ul style="list-style-type: none">a portfolio of global securities that are identified by BAM as small & mid cap (with a market capitalisation of more than A\$1 billion at the time of purchase) and with risk countries defined as ‘developed’ & ‘emerging’ by the MSCI Indices.in constituents & non constituents of the MSCI Indices;up to 10% of its assets in cash;
Core Component (25 – 75%)	Potentially in target market	
Satellite / Small allocation (< 25%)	In target market	
INVESTMENT TIMEFRAME		
Short (≤ 2 years)	Not considered in target market	Minimum suggested investment timeframe of at least 5 years.
Medium (> 2 years)	In target market	
Long (> 8 years)	In target market	
RISK AND RETURN PROFILE		
Low	Not considered in target market	BAM considers that the risk level of the Fund is high. The likelihood of the value of your investment going up or down over the short term is relatively high compared to investments in funds investing in other types of assets such as fixed interest or cash. However, BAM believes the Fund has the potential to produce higher or lower returns over the longer term.
Medium	Potentially in target market	
High	In target market	
Very High	In target market	
REDEMPTION FREQUENCY		
Daily	In target market	BAM anticipates that the Fund will generally be liquid and that redemptions will be processed in accordance with the withdrawal terms and conditions within Fund Product Disclosure Statement. The Fund Product Disclosure Statement is available at: www.bellasset.com.au
Weekly	In target market	
Monthly	In target market	
Quarterly	In target market	
Annually or longer	In target market	

DISTRIBUTION CONDITIONS

DISTRIBUTION CONDITIONS		
Platform	Nil	Bell Asset Management Limited has discretion to accept lower amounts
Direct investment	Minimum investment \$10,000	
ASX mFunds participating online stockbroking service	While the Fund is admitted as an mFund Product on the ASX	

REVIEW REQUIREMENTS

REVIEW TRIGGERS

Material change to key Fund features, fees or investment objective that BAM determines requires prior approval of Fund investors in accordance with the Fund Constitution

Actual performance of the Fund is more than 1.25% less than the benchmark / objective over 2 consecutive rolling 3 year periods.

BAM has determined that it is unable to effectively implement the Fund investment strategy as documented in the Fund Product Disclosure Statement

The Fund is no longer admitted as mFund Product on the ASX

Significant dealing outside of target market

Significant number of complaints about the Fund or distribution of the Fund

Use of Product Intervention Powers, regulatory orders or directions affecting the Fund

REVIEW PERIODS

Initial review	1 year and 3 months
Regular scheduled review	3 years and 3 months

DISTRIBUTOR REPORTING

REGULAR REPORTING

Complaints relating to the product design, product availability and distribution (as defined in section 994A(1) of the Act)	Within 10 business days following end of calendar quarter
To the extent a distributor is aware, dealings outside the target market, including reason why acquisition is outside of target market, and whether acquisition occurred under personal advice.	Within 10 business days following end of calendar quarter
Significant dealing outside of target market (s994F(6) of the Act) See Definitions for further detail	As soon as practicable but no later than 10 business days after distributor becomes aware of the significant dealing.

CONTACT DETAILS

For any queries in relation to this target market determination or associated products, please contact BAM at DDOControl@bellasset.com.au or visit the BAM website (www.bellasset.com.au).

DISCLAIMER

Bell Asset Management Limited is the Responsible Entity and Issuer of Bell Global Emerging Companies Fund

This Target Market Determination (TMD) is required under section 994B of the *Corporations Act 2001* (Cth) (**the Act**). It sets out the class of consumers for whom the Fund, including its key attributes, would likely be consistent with their likely objectives, financial situation and needs. In addition, the TMD outlines the triggers to review the target market and certain other information. It forms part of BAM's design and distribution arrangements for the Fund. Important terms used in this TMD are defined in the Definitions section of this document. Capitalised terms have the meaning given to them in the product's PDS, unless otherwise defined. The TMD is **not** a product disclosure statement and is **not** a summary of the Fund features or terms of the Fund.

The TMD has been prepared by BAM for information purposes only and does not take into consideration the investment objectives, financial circumstances or needs of any particular recipient – it contains general information only. Before making any decision in relation to the Fund, you should consider your needs and objectives, consult with a licensed financial adviser and obtain a copy of the product disclosure statement, which is available by calling BAM on 1300 305 476 or visiting www.bellasset.com.au.

No representation or warranty, express or implied, is made as to the accuracy, completeness or reasonableness of any assumption contained in this presentation. To the maximum extent permitted by law, none of BAM and its directors, employees or agents accepts any liability for any loss arising, including from negligence, from the use of this document or its contents. This document shall not constitute an offer to sell or a solicitation of an offer to purchase or advice in relation to any securities within or of units in any investment fund or other investment product described herein. Any such offer shall only be made pursuant to an appropriate offer document. Past performance is not indicative of future performance.

DEFINITIONS

TERM	DEFINITION
CONSUMER'S INVESTMENT OBJECTIVE	
Capital Growth	The consumer seeks to invest in a product designed to generate capital return. The consumer prefers exposure to growth assets (such as shares or property) or otherwise seeks an investment return above the current inflation rate.
Capital Preservation	The consumer seeks to invest in a product to reduce volatility and minimise loss in a market down-turn. The consumer prefers exposure to defensive assets (such as cash or fixed income securities) that are generally lower in risk and less volatile than growth investments.
Capital Guaranteed	The consumer seeks a guarantee or protection against capital loss whilst still seeking the potential for capital growth (typically gained through a derivative arrangement). The consumer would likely understand the complexities, conditions and risks that are associated with such products.
Income Distribution	The consumer seeks to invest in a product designed to distribute regular and/or tax-effective income. The consumer prefers exposure to income-generating assets (typically, high dividend-yielding equities, fixed income securities and money market instruments).
CONSUMER'S INTENDED PRODUCT USE	
Solution /Standalone (75 – 100%)	The consumer intends to hold the investment as either a part or the majority (up to 100%) of their total investable assets (see definition below). The consumer typically prefers exposure to a product with at least High portfolio diversification (see definitions below).
Core component (25 – 75%)	The consumer intends to hold the investment as a major component, up to 75%, of their total investable assets (see definition below). The consumer typically prefers exposure to a product with at least Medium portfolio diversification (see definitions below).
Satellite (<25%)	The consumer intends to hold the investment as a smaller part of their total portfolio, as an indication it would be suitable for up to 25% of the total investable assets (see definition below). The consumer is likely to be comfortable with exposure to a product with Low portfolio diversification (see definitions below).
Investable Assets	Those assets that the investor has available for investment, excluding the residential home.
PORTFOLIO DIVERSIFICATION (for completing the key product attribute section of consumer's intended product use)	
Low	Single asset class, single country, low or moderate holdings of securities - e.g. high conviction Aussie equities.
Medium	1-2 asset classes, single country, broad exposure within asset class, e.g. Aussie equities "All Ords".
High	Highly diversified across either asset classes, countries or investment managers, e.g. Australian multi-manager balanced fund or global multi-asset product (or global equities).
INTENDED INVESTMENT TIMEFRAME	
Short (\leq 2 years)	The consumer has a short investment timeframe and may wish to redeem within two years.
Medium ($>$ 2 years)	The consumer has a medium investment timeframe and is unlikely to redeem within two years.
Long ($>$ 8 years)	The consumer has a long investment timeframe and is unlikely to redeem within eight years.
CONSUMER'S RISK (ABILITY TO BEAR LOSS) AND RETURN PROFILE	
Low	The consumer is conservative or low risk in nature, seeks to minimise potential losses (e.g. has the ability to bear up to 1 negative return over a 20 year period (SRM 1 to 2)) and is comfortable with a low target return profile. Consumer typically prefers defensive assets such as cash and fixed income.

Medium	The consumer is moderate or medium risk in nature, seeking to minimise potential losses (e.g. has the ability to bear up to 4 negative returns over a 20 year period (SRM 3 to 5)) and comfortable with a moderate target return profile. Consumer typically prefers a balance of growth assets such as shares, property and alternative assets and defensive assets such as cash and fixed income.
High	The consumer is higher risk in nature and can accept higher potential losses (e.g. has the ability to bear up to 6 negative returns over a 20 year period (SRM6)) in order to target a higher target return profile. Consumer typically prefers predominantly growth assets such as shares, property and alternative assets with only a smaller or moderate holding in defensive assets such as cash and fixed income.
Very High	The consumer has a more aggressive or very high risk appetite, seeks to maximise returns and can accept higher potential losses (e.g. has the ability to bear 6 or more negative returns over a 20 year period (SRM 7) and possibly other risk factors, such as leverage). Consumer typically prefers growth assets such as shares, property and alternative assets.
ACCESS TO FUNDS	
Daily / weekly / monthly / quarterly / annually or longer	The consumer seeks to invest in a product which permits redemption requests at this frequency under ordinary circumstances and the issuer is typically able to meet that request within a reasonable period.
DISTRIBUTOR REPORTING	
Significant dealing	<p>Section 994F(6) of the Act requires distributors to notify the issuer if they become aware of a significant dealing in the product that is not consistent with the TMD. Neither the Act nor ASIC defines when a dealing is 'significant' and distributors have discretion to apply its ordinary meaning.</p> <p>The issuer will rely on notifications of significant dealings to monitor and review the product, this TMD, and its distribution strategy, and to meet its own obligation to report significant dealings to ASIC.</p> <p>Dealings outside this TMD may be significant because:</p> <ul style="list-style-type: none"> • they represent a material proportion of the overall distribution conduct carried out by the distributor in relation to the product, or • they constitute an individual transaction which has resulted in, or will or is likely to result in, significant detriment to the consumer (or class of consumer). <p>In each case, the distributor should have regard to:</p> <ul style="list-style-type: none"> • the nature and risk profile of the product (which may be indicated by the product's risk rating or withdrawal timeframes), • the actual or potential harm to a consumer (which may be indicated by the value of the consumer's investment, their intended product use or their ability to bear loss), and • the nature and extent of the inconsistency of distribution with the TMD (which may be indicated by the number of red or amber ratings attributed to the consumer). <p>Objectively, a distributor may consider a dealing (or group of dealings) outside the TMD to be significant if:</p> <ul style="list-style-type: none"> • it constitutes more than half of the distributor's total retail product distribution conduct in relation to the product over the reporting period, • the consumer's intended product use is Solution / Standalone, or • the consumer's intended product use is Core component and the consumer's risk (ability to bear loss) and return profile is Low.