

**Additional Information for Investors –  
Underlying Investment Managers**Issue Date **09 February 2024**

## Global Small and Mid-Cap Fund

### Important information

This Additional Information for Investors – Underlying Investment Managers has been prepared and issued by Specialised Private Capital Ltd trading as Centric Capital ABN 87 095 773 390, Australian financial services licence (“AFSL”) number 246744 (“we”, “us”, the “Manager”, “Responsible Entity” or “Centric Capital”). Centric Capital is part of the Findex Group Limited ABN 40 128 588 714. Centric Capital does not promise that you will earn any return on your investment or that your investment will gain or retain its value, nor does anyone else. Centric Capital is the only company to make any statement or representation in this PDS. Centric Capital is the responsible entity of the Global Small and Mid-Cap Fund (“the Fund”).

The information provided in this document is general information only and does not take account of your objectives, financial situation or needs. Before making a decision to invest in the Fund, you should consider whether the information in this document is appropriate for you. You should consider speaking to a financial adviser to obtain financial advice tailored to your personal circumstances.

We reserve the right to change any the matters described in this document without your consent but subject to the law.

If you received this document electronically we will provide a free paper copy if you request it. This document can only be used by investors receiving it (electronically or otherwise) in Australia or New Zealand.

The information in this document forms part of the Product Disclosure Statement dated 09 February 2024 for the Global Small and Mid-Cap Fund ARSN 673 440 536 (“PDS”). You should not read this document without referring to the PDS. The PDS and this document are available on **Our Website** or you can request a copy by calling the Manager on +61 2 9250 6500.

Certain information in this document is subject to change. Any updated information which is not materially adverse may be updated and obtained online at **Our Website** or by calling the Manager on +61 2 9250 6500. A paper copy of the updated information will be provided free of charge on request.

### Centric Capital – description of role as Fund manager

Centric Capital is responsible for determining the asset allocation of the Fund and for selecting and blending investment managers (“Underlying Investment Managers”) within an asset sector. Centric Capital looks to blend Underlying Investment Managers with the aim of consistently delivering strong performance across the business cycle within an acceptable risk management framework.

The investment managers selected to manage the assets of the Fund are listed below. The Fund provides exposure to a multi-manager Global small and mid-cap strategy. Centric Capital does not directly manage the Fund’s assets. The Fund’s assets are managed directly or indirectly through pooled fund(s) and/or in mandates (i.e. separately managed accounts) (“Underlying Strategies”) by Underlying Investment Managers.

The Underlying Investment Managers are monitored regularly and as part of this review process, they can be added or removed at any time and without prior notice.

Underlying Investment Managers have given and at the date of this PDS, have not withdrawn, their written consent to:

- be named in this document; and
- the inclusion of the statements made about it and are attributed to it based on information they have provided, in the form and context in which they appear.

### Underlying Investment Managers



MACQUARIE

#### Arrowstreet Global Small Companies Fund

Macquarie Investment Management Australia Limited is the responsible entity of the Arrowstreet Global Small Companies Fund (“Arrowstreet Fund”) and has appointed Arrowstreet Capital, Limited Partnership (“Arrowstreet”) as investment manager of the Fund.

Arrowstreet is an independent private partnership that serves as a discretionary institutional global equity manager. It was founded in June 1999 and is based in Boston, Massachusetts.

The Arrowstreet Fund provides exposure to a diversified portfolio of developed and emerging market equities, which may include frontier market equities, with a predominant focus on small capitalisation companies. The Fund may also have exposure to micro cap companies.

Arrowstreet believes that equity markets are inefficient, and that a well-conceived investment process can generate excess returns relative to passive benchmarks. In particular, Arrowstreet believes that for information to be applicable in an active investment process, it must be both relevant to share prices and slowly reflected in share prices.

Arrowstreet holds that the key to generating excess return involves evaluating securities on an integrated basis taking into consideration stock level characteristics, as well as the characteristics of other companies that are related to the company, according to Arrowstreet’s proprietary linkages model, and companies linked by virtue of common country and/or sector affiliation.

The types of signals used by Arrowstreet include valuation, momentum, and quality, among others. The emphasis on each investment signal will organically vary over time to reflect both changing opportunities in the market as well as Arrowstreet’s assessment of prospective effectiveness.

Arrowstreet combines individual stock forecasts with several additional inputs in a proprietary optimisation process that generates a recommended set of stocks to buy and sell.

Arrowstreet is a signatory to UN’s Principles for Responsible Investment (UNPRI).



## **Bell Asset Management Investment approach**

Bell Asset Management is a specialist global equities investment manager focused on delivering long term growth through active management of global equities. Under the leadership of Chief Investment Officer Ned Bell, the investment team has been managing and researching global companies since 2003 and has a long track record of investing through various market cycles. The firm believe that a portfolio of very high quality businesses will deliver above average returns over the medium to long term and strive to provide consistent performance outcomes for their clients. Bell Asset Management has a long history of responsible investing and have long incorporated environmental, social and governance (ESG) into their disciplined and proven investment process. Bell Asset Management is a signatory to the Principles for Responsible Investment (PRI).

Bell Asset Management believe that a portfolio of high quality companies will outperform over the long term and that all potential investments should be considered on the basis of their 'quality' and 'valuation' attributes. The investment style of Bell Asset Management is best described as 'Quality at a Reasonable Price' ('QARP') - investing in high quality companies while not overpaying for them. Bell Asset Management define 'quality' companies as those that exhibit an attractive combination of excellent management, franchise strength, superior and consistent profitability, financial strength, favourable business drivers and strong ESG credentials. Bell Asset Management will only invest in companies that they deem to be quality at a point where their valuation is supportive of an attractive total return over the medium term. This balance between 'quality' and 'value' is exemplified in the Bell Asset Management Fund's portfolio characteristics which consistently exhibit superior quality metrics (i.e. higher profitability and lower leverage). Bell Asset Management also believe that markets are inefficient – especially in the small and mid-cap areas in the global equities' universe. As long-term investors, such inefficiencies frequently present the manager with opportunities to invest in companies that will generate attractive returns through a combination of valuation re-rating and earnings compounding.

### **Investment strategy for the Bell Global Emerging Companies fund**

The Bell Global Emerging Companies Fund ("BGEC Fund") provides investors with exposure to an actively managed high conviction portfolio of quality global small and mid-cap companies (otherwise known as SMID) in a variety of regions around the world such as North America, Europe and Asia. Employing an unconstrained, fundamental, bottom up approach to stock selection, the BGEC Fund carefully selects a portfolio of 35-55 high quality companies with strong franchises, excellent management and balance sheets, superior and consistent profitability and strong ESG considerations.