

Dear Shareholder,

RENOUNCEABLE ENTITLEMENT OFFER

On 1 June 2018, Bell Financial Group Limited (ASX:BFG) (**Bell Financial Group**) announced that it is undertaking a renounceable 1 for 5 rights issue (**Entitlement Offer**) at an issue price of \$0.68 per share (**New Share**) to raise up to approximately \$36.4 million before costs of the Entitlement Offer. Fractional entitlements will be rounded up to the nearest number of whole New Shares.

The Entitlement Offer will be made by way of an offer document pursuant to section 708AA of the Corporations Act (as modified by ASIC Corporations (Non-Traditional Rights Issues) Instrument 2016/84) (**Offer Booklet**), meaning that Bell Financial Group will not issue a prospectus for the Entitlement Offer. Instead, the Offer Booklet will detail the terms of the Entitlement Offer and will be sent to Eligible Shareholders on or about Tuesday, 12 June 2018, together with a personalised entitlement and acceptance form.

The Entitlement Offer is open to all eligible shareholders (**Eligible Shareholders**) who:

- are registered as a holder of shares in Bell Financial Group as at 7:00pm (Melbourne time) on Wednesday, 6 June 2018 (**Record Date**);
- have a registered address in Australia or New Zealand;
- are not in the United States and are not a US person or acting for the account of or on behalf of a person in the United States or a US person; and
- are eligible under all applicable securities laws to receive an offer under the Entitlement Offer.

The price payable on application for each New Share is \$0.68, representing a discount of approximately 17.1% to the last traded price of the shares on the ASX on 31 May 2018, the trading day prior to the date of announcement of the Entitlement Offer.

The entitlements under the Entitlement Offer (**Entitlements**) are renounceable, which means that Eligible Shareholders who do not wish to exercise all or a portion of their Entitlements may choose to sell their Entitlements on ASX or privately. New Shares will be fully paid and will rank equally with Bell Financial Group's existing issued shares.

The maximum number of New Shares to be issued under the Entitlement Offer is 53,457,296 (subject to the effect of rounding) which would raise approximately \$36.4 million and would result in total issued shares in Bell Financial Group of 320,743,776 (if the Entitlement Offer is fully subscribed and subject to the effect of rounding).

The proceeds from the Entitlement Offer will be used by Bell Financial Group to acquire the 43.37% of Third Party Platform Pty Ltd it does not already own, increasing its ownership of Third Party Platform Pty Ltd to 100%, as approved by shareholders at the Annual General Meeting held on 30 May 2018.

If there is a shortfall in applications for New Shares under the Entitlement Offer, the underwriter will, subject to the terms of the underwriting agreement, subscribe for the New Shares not applied for by Eligible Shareholders. Further details regarding the underwriting arrangement are set out below.

Directors' recommendation

The Directors unanimously support the raising and recommend to shareholders that they fully participate in the Entitlement Offer.

Underwriting

The Entitlement Offer is fully underwritten by a major shareholder of Bell Financial Group, Bell Group Holdings Pty Limited (**Bell Group Holdings**). Bell Group Holdings has indicated that it will take up its full Entitlement and has agreed to underwrite any shortfall arising under the Entitlement Offer, subject to the terms of the underwriting agreement.

No underwriting fee or commission is payable to the underwriter in respect of the Entitlement Offer. Details regarding the terms of the underwriting agreement are set out in the Offer Booklet.

Timetable

The indicative timetable for the Entitlement Offer is as follows:

Event	Date
Announcement of Entitlement Offer	Friday, 1 June 2018
Company sends letters to shareholders containing the information required by Appendix 3B	Monday, 4 June 2018
'Ex' Date – Shares commence trading without any entitlement to participate in the Offer	Tuesday, 5 June 2018
Entitlement trading commencement date	Tuesday, 5 June 2018
Record Date (at 7:00pm Melbourne time) – to identify shareholders entitled to participate in the Offer	Wednesday, 6 June 2018
Offer opens	Tuesday, 12 June 2018
Offer Booklet and Entitlement and Acceptance Form despatched to Eligible Shareholders	Tuesday, 12 June 2018
Entitlement trading end date	Tuesday, 19 June 2018
Offer closes (5:00pm Melbourne time)	Tuesday, 26 June 2018
Notification to ASX of under subscription	Friday, 29 June 2018
Issue of New Shares under the Entitlement Offer	Tuesday, 3 July 2018
Expected commencement of normal trading in New Shares on ASX	Wednesday, 4 July 2018

All dates and times are indicative only and subject to change at the discretion of Bell Financial Group.

The Offer is not subject to shareholder approval and Bell Financial Group has not previously obtained shareholder approval under ASX Listing Rule 7.1A.

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Further details regarding the Offer are set out in the Offer Booklet which Bell Financial Group lodged with ASX on 1 June 2018 and expects to despatch to the shareholders on Tuesday, 12 June 2018. Eligible shareholders wishing to participate in the Offer should carefully read the Offer Booklet and the accompanying personalised entitlement and acceptance form. Copies of the Offer Booklet are available on the Bell Financial Group website at www.bellfg.com.au and on the ASX website.

If you have any questions in relation to your Entitlement under the Entitlement Offer, please contact Computershare Investor Services Pty Limited on 1300 850 505 (in Australia) or +61 3 9415 5000 (outside Australia).

On behalf of the Board of Bell Financial Group, we thank you for your continued support and invite you to consider the opportunity now offered with this Offer.

Yours faithfully,



Alastair Provan