

Sandhurst IML Industrial Share Fund

Monthly fund update - April 2021

Investment approach

The Fund aims to deliver capital growth with regular income over the long term by investing in a diversified portfolio of quality ASX listed industrial shares (excluding resource shares) where these assets are identified by Investors Mutual Limited (IML) as being undervalued. The Fund expects to invest predominantly in the Sandhurst Industrial Share Fund for which IML is currently the investment manager.

Fund performance¹

as at 30 April 2021

Morningstar
Rating™
Overall³

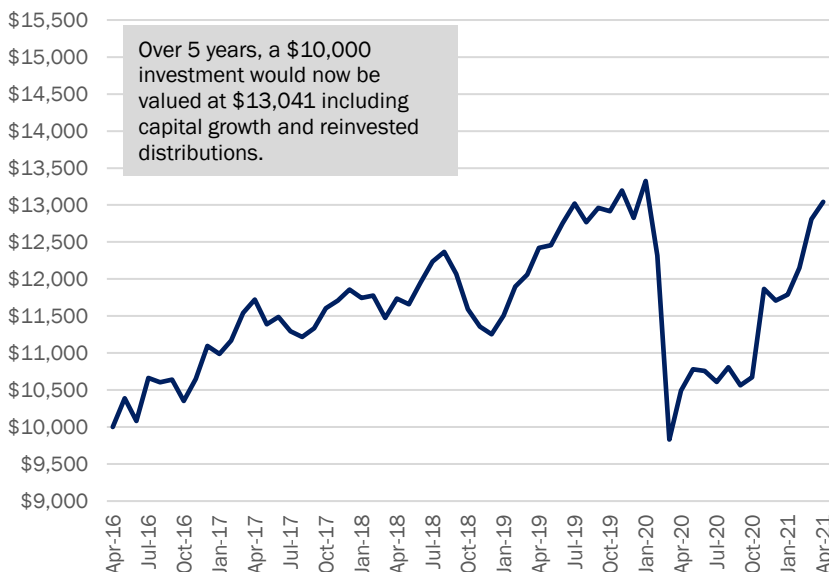
Morningstar
Category Rank
5 Year³

	★ ★ ★	78/86	1 month %	3 months %	1 year %	3 years %p.a.	5 years %p.a.
Sandhurst IML Industrial Share Fund	★ ★ ★	78/86	1.83	10.62	24.28	3.58	5.45
Benchmark ²			3.10	7.30	29.20	8.80	8.80

An example of how your investment grows

Growth of \$10,000¹

(Based on historic Fund performance over 5 years)



Fund facts

Fund APIR code	STL0101AU
Fund inception date	11 January 2001
Fund size	\$73.08 m
Distribution frequency	Half yearly
Management costs ⁴	0.95% p.a.
Buy / Sell spread ⁴	+0.25% / -0.25%
Minimum investment / minimum balance	\$50,000
Recommended investment timeframe	5 years +
Risk level	High

Unit price

as at 30 April 2021

Application price	\$1.16098
Withdrawal price	\$1.15519

Distribution details (cents per unit)

30 June 2020	\$0.02662
31 December 2020	\$0.00750

Make the most of your investment

► The power of compounding

Compounding can be a powerful tool in wealth creation. Reinvesting distributions can be one of the easiest and cheapest ways to increase your holdings over time. You're compounding your investment's growth by continually adding more units which, in turn, will generate distributions of their own.

Why not reinvest your half yearly distributions?

► The benefits of making it regular

Making regular contributions to your investment can both grow your investment and smooth the effects of market highs and lows.

Why not add a Regular Savings Plan to your investment? Establish one from as little as \$50 per month.

You can also use BPAY® to add to your investment at any time with as little as \$100. See your statement for your BPAY reference number.

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Do you have any questions?

For further information contact us on 1800 634 969 or visit www.sandhursttrustees.com.au

Sharemarket commentary⁵

- ▶ Global sharemarkets enjoyed a strong month as ongoing stimulus measures continue to wash through the system
- ▶ The Australian sharemarket returned +3.7% falling slightly shy of its pre-pandemic record high

Global equity markets enjoyed another strong month, with the MSCI World Index returning +3.7%. The US S&P500 and the tech-heavy NASDAQ indices led the charge, both returning +5.3% and in so doing set new record highs throughout the month. Investors were emboldened following a streak of strong third quarter US company earnings reports, buoyed by record US household disposable income as a result of the passing of President Biden's American Rescue Plan, which included US\$1,400 stimulus payments to US households. Across the Atlantic, the mood was a little less sanguine, with Europe's Stoxx50 Index returning +1.9%, reflecting investors' concerns about the continent's slow rollout of the vaccination programme, which continues to impede economic recovery. The result of the significant amounts of stimulus supporting equity markets is increased inflationary expectations, with many companies across the globe reporting pricing pressures for inputs, which in turn are passing through to customers as price rises.

Portfolio performance & summary⁵

- ▶ IML continue to use volatility to top up in good quality companies they believe can do well over the next 3-5 years

The portfolio had a solid month, gaining +1.8%, although this was below the benchmark's strong return of +3.1%. The Fund's relative performance was held back primarily by IML's caution to the surging Tech sector, although they remain comfortable steering clear of the many overvalued names in this sector. Encouragingly holdings in good quality companies such as Tabcorp, Steadfast, Suncorp, IAG and Crown Resorts all enjoyed a strong month. IML trimmed holdings in Tabcorp as well as some REITs over the month as they all rallied strongly. IML used the proceeds to top up on good quality companies which are currently out of favour such as IAG and Orica which in their opinion offer compelling value.

Outlook⁵

Sharemarkets around the world, including Australia's, continue to remain well supported as economic growth continues to rebound from COVID lows while central banks continue to hold interest rates at record low levels, despite increasing signs of rising inflationary expectations. Having said this, there are some clear signs of imbalances in some parts of the economy as well as several speculative excesses appearing in parts of the sharemarket. IML continue to focus on good quality companies which are well-managed and whose valuation remains justifiable and which they believe can do well over the next 3 - 5 years.

Footnotes

1. Fund performance figures are calculated before tax and after fees and costs; using withdrawal prices and assumes distributions are reinvested. Past performance is not an indication of future performance.
2. The benchmark for the Fund is the S&P/ASX 300 Industrial Accumulation Index.
3. Morningstar rates managed funds from one to five stars based on how well they've performed (after adjusting for risk) in comparison to similar funds. Within each Morningstar Category, the top 10% of funds receive five stars, the next 22.5% four stars, the middle 35% three stars, the next 22.5% two stars, and the bottom 10% receive one star. Funds are rated for up to three time periods - three, five, and 10 years - and these ratings are combined to produce an overall rating. Funds with less than three years of history are not rated. Ratings are objective, based entirely on a mathematical evaluation of past performance. They're a useful tool for identifying funds worthy of further research, but shouldn't be considered buy or sell recommendations. Sandhurst IML Industrial Share Fund received a 3-Star Overall Morningstar Rating™ out of 94 Equity Australia Large Value funds as of 30 April 2021. In the Morningstar Equity Australia Large Value Category, the Sandhurst IML Industrial Share Fund 5 year return was ranked 78 out of 86 funds as of 30 April 2021. 'Morningstar Category Rank' is the Fund's performance rank relative to all funds in the same Morningstar Category. Investments are placed into Morningstar Categories based on their compositions and portfolio statistics so that investors can make meaningful comparisons. Source: www.morningstar.com.au/Funds/FundReport/7045
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4. Management costs are based on costs incurred by the Fund in the past financial year and may be different in the current and future financial years. Other fees and costs may apply. See the Product Disclosure Statement for full details.
5. The commentary is provided by Investors Mutual Limited (IML) and has not been verified by Sandhurst Trustees Limited. Economic and outlook forecasts are not guaranteed to occur.

The Sandhurst IML Industrial Share (Fund) is issued by Sandhurst Trustees Limited (Sandhurst) ABN 16 004 030 737 AFSL 237906 a subsidiary of Bendigo and Adelaide Bank Limited (the Bank) ABN 11 068 049 178 AFSL 237879. Sandhurst and the Bank receive remuneration on the issue of the Fund or the service they provide, full details of which are contained in the Product Disclosure Statement (PDS). Investments in the Fund are not deposits with, guaranteed by, or liabilities of the Bank or any of its related entities. This update is provided by Sandhurst and contains general advice only. Please consider your situation and read the PDS available at www.sandhursttrustees.com.au/pds, any Bendigo Bank branch or by phoning 1800 634 969 before making an investment decision.

This information is current as at 30 April 2021 (unless stated otherwise) and is subject to change without notice.

Top 10 holdings

National Australia Bank
Westpac
Telstra
CSL
Insurance Australia Group
Tabcorp
Suncorp
AusNet
Crown Resorts
Aurizon

Sector active weights

■ Communication Services	7.00%
■ Materials	6.00%
■ Utilities	3.20%
■ Consumer Staples	0.60%
■ Industrials	-0.30%
■ Consumer Discretionary	-0.80%
■ Financials	-3.50%
■ Information Technology	-3.60%
■ Health Care	-4.10%
■ Real Estate	-6.90%

Please note the portfolio information and sector active weights supplied above is based on the underlying managed investment scheme, in addition, the Fund may directly hold small amounts of cash.

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