

# Sandhurst IML Industrial Share Fund

## Monthly fund update - February 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 performance<sup>1</sup>

as at 28 February 2021

Morningstar  
Rating™  
Overall<sup>3</sup>

Morningstar  
Category Rank  
5 Year<sup>3</sup>

	Morningstar Rating™ Overall <sup>3</sup>	Morningstar Category Rank 5 Year <sup>3</sup>	1 month %	3 months %	1 year %	3 years %p.a.	5 years %p.a.
Sandhurst IML Industrial Share Fund	★★★	87/93	3.06	2.39	-1.35	1.04	5.27
Benchmark <sup>2</sup>			0.00	0.10	1.30	5.80	8.50

### An example of how your investment grows

#### Growth of \$10,000<sup>1</sup>

(Based on historic Fund performance over 5 years)



### Fund facts

Fund APIR code	STL0101AU
Fund inception date	11 January 2001
Fund size	\$71.88 m
Distribution frequency	Half yearly
Management costs <sup>4</sup>	0.95% p.a.
Buy / Sell spread <sup>4</sup>	+0.25% / -0.25%
Minimum investment / minimum balance	\$50,000
Recommended investment timeframe	5 years +
Risk level	High

### Unit price

as at 28 February 2021

Application price	\$1.08166
Withdrawal price	\$1.07627

### 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](http://www.sandhursttrustees.com.au)

## Sharemarket commentary<sup>5</sup>

- ▶ Global sharemarkets endured a fairly volatile month with an uptick in bond yields unnerving some investors
- ▶ The Australian sharemarket finished modestly higher, with the Industrials Index flat for the month

A surge in bond yields late in the month caused volatility in global equity markets as investors grew increasingly wary about the potential for higher inflation. There are growing fears that central banks may have to raise interest rates earlier than expected, driven by the recovery in global economic activity, optimism about the COVID-19 vaccine rollout, the passing of President Biden's US\$1.9 trillion stimulus package, and the significant amount of easy money sloshing through the system.

The Australian sharemarket as measured by the S&P/ASX300 Index finished the month up +1.5%, with the rise in bond yields offsetting a solid reporting season for the first half of financial year 2021.

## Top 10 holdings

National Australia Bank
Westpac
Telstra
CSL Limited
Tabcorp
Insurance Australia Group
Suncorp Group
Aurizon
Amcor
Virgin Money UK

## Portfolio performance & summary<sup>5</sup>

- ▶ 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 enjoyed a strong month, gaining +3.06%, well ahead of the benchmark, which was flat for the month. The portfolio benefited from IML's caution to the overvalued Technology sector, which experienced a heavy selloff late in the month. Pleasingly, many of the holdings in good quality companies were buoyed over the month by robust company updates. These included Virgin Money UK, Tabcorp, Nine Entertainment, and Pact Group. On a disappointing note, Orica endured a tough month after reporting a soft trading update affected by COVID-induced mine closures, slower coal exports to China and translation effects resulting from the strong \$A.

## Outlook<sup>5</sup>

While the worst of the COVID disruptions appear to be abating in many parts of the world, the strength of the recovery and the direction of interest rates remain closely watched. As such, IML continue to focus on good quality companies which are well-managed and which they believe can do well over the next 3 - 5 years and which represent sound long-term value.

## Sector active weights

■ Communication Services	7.40%
■ Materials	7.30%
■ Utilities	2.80%
■ Consumer Staple	-0.20%
■ Industrials	-0.50%
■ Consumer Discretionary	-1.10%
■ Information Technology	-3.40%
■ Financials	-3.60%
■ Health Care	-4.80%
■ Real Estate	-6.60%

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.

### 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 103 Equity Australia Large Value funds as of 28 February 2021. In the Morningstar Equity Australia Large Value Category, the Sandhurst IML Industrial Share Fund 5 year return was ranked 87 out of 93 funds as of 28 February 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](http://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](http://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 28 February 2021 (unless stated otherwise) and is subject to change without notice.

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