

# Sandhurst IML Industrial Share Fund

## Quarterly fund update - March 2024

### 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 31 March 2024

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

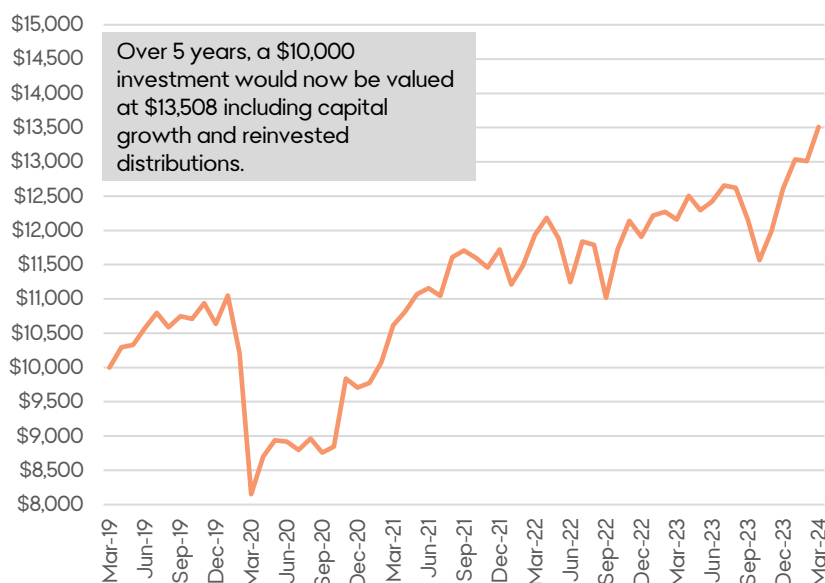
**Morningstar Category Rank**  
5 Year<sup>3</sup>

		1 month %	3 months %	1 year %	3 years %p.a.	5 years %p.a.
Sandhurst IML Industrial Share Fund	★★★	3.81	7.10	11.11	8.36	6.20
Benchmark <sup>2</sup>		3.00	9.60	20.10	8.90	8.80

### 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	STL01 01 AU
Fund inception date	11 January 2001
Fund size	\$52.19 m
Distribution frequency	Half yearly
Management fees & costs <sup>4</sup>	1.05% 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 31 March 2024

Application price	\$1.30401
Withdrawal price	\$1.29751

### Distribution details (cents per unit)

30 June 2023	\$0.01311
31 December 2023	\$0.03456

### 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 our website: [www.bendigobank.com.au/managedfunds](http://www.bendigobank.com.au/managedfunds)

## Fund Performance<sup>5</sup>

The Fund returned +7.1% for the quarter, behind its benchmark's very strong gain of +9.6%.

Global markets continued rising in the first quarter of 2024. Optimism abounds, attributable to expected global rate cuts, AI excitement, and a belief that government policies will revive activity in China. The number of expected rate cuts in 2024 have reduced from 6 to 2.5 as inflation is proving sticky, but this did not impact sentiment. The Japanese Nikkei soared +21.5% for the quarter, helped by its technology and semiconductor components. The MSCI World and S&P500 indices were also strong, as was Europe, all up 10-13%.

The ASX 300 performed well, up +5.4%, but lagged global peers, held back by a weak resources sector. The ASX 300 Industrials was up +9.6% with growth-oriented sectors performing well as investors showed a willingness to take on more risk in the anticipation of future rate cuts. Technology was strongest, up +23.6%, with Consumer Discretionary, Financials and Real Estate all up more than +10%.

Many of the fund's key holdings were up significantly over the quarter including Suncorp, Virgin Money, Brambles, Metcash, Orica, NAB, The Lottery Corporation, IAG and SkyCity. Other key holdings CSL, Telstra and Steadfast were broadly flat, despite reporting strong results, with increased profits, in February's reporting season. Sonic Healthcare was down -7.0% for the quarter after it downgraded its earnings outlook as Covid revenues declined faster than anticipated. Ex-Covid revenues, Sonic's business is growing strongly and winning market share across its key markets and IML believe it's well-placed for long-term future growth, so they used this opportunity to increase their holding.

## Outlook<sup>5</sup>

While inflation is falling in most developed markets, we expect markets to remain volatile and trading conditions to continue to be difficult for many businesses in 2024. Services inflation is proving persistent, with new labour laws leading to large wage increases, delaying RBA rate cuts.

IML remain confident in the longer-term prospects for the companies in the Fund, believing they are well positioned for the future, particularly if any of the present market risks eventuate.

## Top 10 holdings

National Australia Bank
CSL
Telstra
Westpac
Commonwealth Bank
Aurizon
Suncorp
Brambles
Steadfast
Orica

## Sector active weights

■ Communication Services	■ 4.90%
■ Materials	■ 2.50%
■ Health Care	■ 1.30%
■ Industrials	■ 0.90%
■ Consumer Staples	0.00%
■ Utilities	-1.10%
■ Consumer Discretionary	-2.20% ■
■ Real Estate	-3.40% ■
■ Information Technology	-4.10% ■
■ Financials	-4.80% ■

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 mutual 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 89 Equity Australia Large Value funds as of 31 March 2024. The Sandhurst IML Industrial Share Fund returns were ranked 79 out of 85 Morningstar Equity Australia Large Value funds for 5 years to 31 March 2024. '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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The Morningstar Rating is an assessment of a fund's past performance—based on both return and risk—which shows how similar investments compare with their competitors. A high rating alone is insufficient basis for an investment decision.
4. Management fees & costs are based on fees and 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.bendigobank.com.au/managedfundsforms](http://www.bendigobank.com.au/managedfundsforms), any Bendigo Bank branch or by phoning 1800 634 969 before making an investment decision.

For target market determination: [www.bendigobank.com.au/TMD](http://www.bendigobank.com.au/TMD)

This information is current as at 31 March 2024 (unless stated otherwise) and is subject to change without notice.