

Sandhurst IML Industrial Share Fund

Monthly fund update - November 2020

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 November 2020

Morningstar
Rating™
Overall³

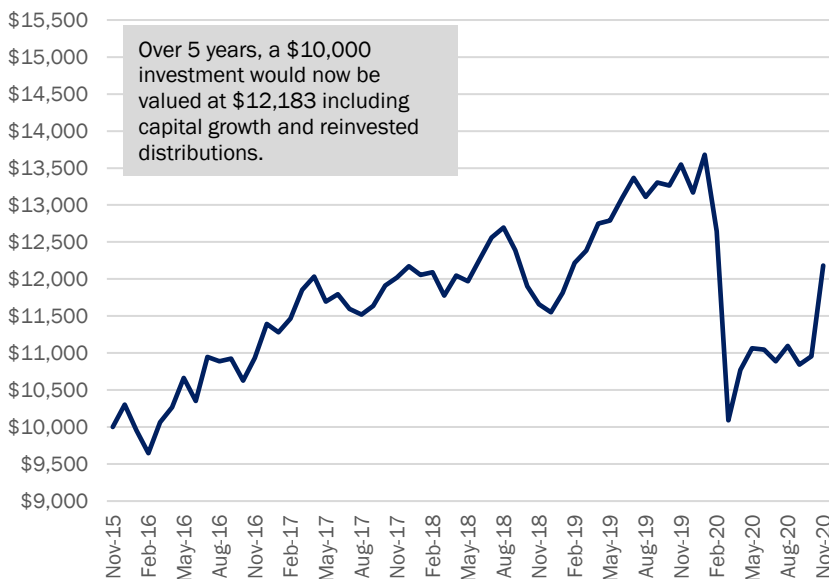
Morningstar
Category Rank
5 Year³

	Morningstar Rating™ Overall ³	Morningstar Category Rank 5 Year ³	1 month %	3 months %	1 year %	3 years %p.a.	5 years %p.a.
Sandhurst IML Industrial Share Fund	★★★	74/92	11.20	9.78	-10.07	0.45	4.03
Benchmark ²			10.10	9.50	-2.60	6.00	7.50

An example of how your investment grows

Growth of \$10,000¹

(Based on historic Fund performance over 5 years)



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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Fund facts

Fund APIR code	STL0101AU
Fund inception date	11 January 2001
Fund size	\$76.31 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 November 2020

Application price	\$1.06410
Withdrawal price	\$1.05879

Distribution details (cents per unit)

31 December 2019	\$0.02700
30 June 2020	\$0.02662

Do you have any questions?

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

Sharemarket commentary⁵

- ▶ Global sharemarkets surged over the month thanks to positive vaccine news and US election clarity
- ▶ The Australian sharemarket enjoyed one of its best months on record, gaining +10.2% for the month

Global equity markets enjoyed one of their strongest months on record, surging on optimism about Joe Biden's US Presidential Election victory and a series of breakthroughs in the development of a COVID-19 vaccine.

Domestically, the Reserve Bank of Australia cut the cash rate by a further 0.15% in early November, taking the cash rate down to a new record low of 0.10%, while also announcing a further \$100 billion in bond purchases as part of its quantitative easing programme.

The strong rally in global equities saw the Australian sharemarket, as measured by the ASX300, produce its best month on record, returning +10.20% in November.

Top 10 holdings

National Australia Bank
CSL Limited
Telstra
Westpac Banking
Aurizon
Insurance Australia
Suncorp Group
Crown Resorts
Amcor
Tabcorp

Portfolio performance & summary⁵

- ▶ IML continue to be selective in their approach looking to buy companies that are well positioned for the next 3 to 5 years

The portfolio enjoyed a strong month, returning +11.20%, which was better than the benchmark's return of +10.10%. Encouragingly, many of the holdings benefited from the rotation back into quality companies trading on attractive valuations, such as Telstra, Tabcorp, Event Hospitality & Entertainment and Aurizon. Importantly, IML's caution toward many of the concept and fad companies that previously benefited as a result of the pandemic held the Fund in good stead.

Outlook⁵

Continued record low interest rates, government stimulus and the recovery in many parts of the Australian economy, has led to a sweet spot for the Australian equity market, with many companies' share prices rallying strongly over the past month. Having said this, the outlook for 2021 remains relatively uncertain given the many imbalances in the economy as things normalise. IML continue to focus on companies that, in their view, have a strong franchise, experienced and capable management, and a resilient business that can continue to generate healthy cashflows over the next few years.

Sector active weights

■ Communication Services	7.60%
■ Materials	7.00%
■ Utilities	1.90%
■ Consumer Staples	-0.50%
■ Industrials	-0.50%
■ Consumer Discretionary	-0.90%
■ Information Technology	-3.00%
■ Financials	-4.60%
■ Health Care	-5.60%
■ Real Estate	-7.40%

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. Sandhurst IML Industrial Share Fund received a 3-Star Overall Morningstar RatingTM out of 102 Equity Australia Large Value funds as of 30 November 2020 and a 3-Star Five year rating out of 92 Equity Large Value funds as of 30 November 2020.
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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. '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
4. 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 November 2020 (unless stated otherwise) and is subject to change without notice.

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