

Monthly fund update - October 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

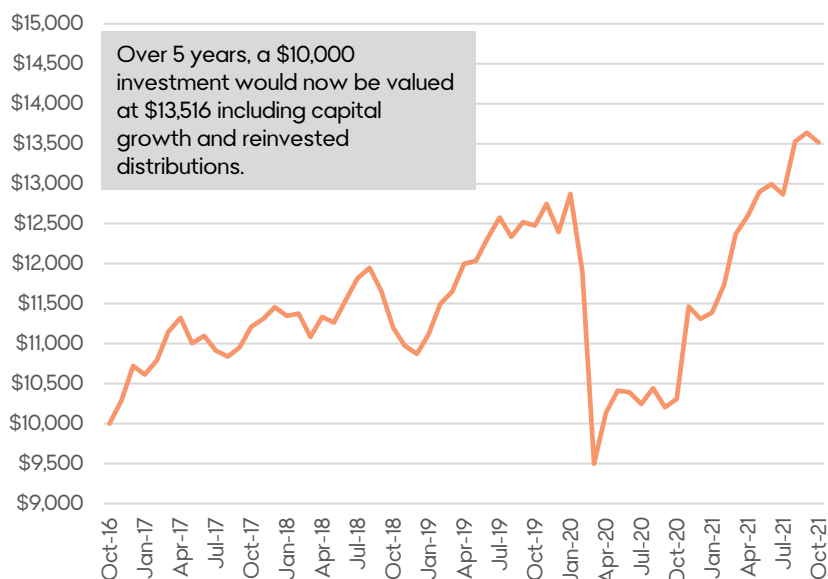
as at 31 October 2021

	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	★★★	77/82	-0.89	5.05	31.12	6.47	6.21
Benchmark ²			0.20	5.00	30.60	12.70	10.50

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	\$69.91 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 31 October 2021

Application price	\$1.23276
Withdrawal price	\$1.22661

Distribution details (cents per unit)

31 December 2020	\$0.00750
30 June 2021	\$0.01237

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.

[®] Registered to BPAY Pty Ltd ABN 69 079 137 518

Refer to the next page for footnotes

Do you have any questions?

For further information contact us on 1800 634 969 or visit www.bendigobank.com.au/managedfunds

Sharemarket commentary⁵

- ▶ Global sharemarkets enjoyed a strong month led by the US as robust Q3 earnings were released
- ▶ The Australian sharemarket had a lacklustre month despite the benefits of NSW and Victoria emerging from lockdown

Global equity markets rebounded strongly in October with the MSCI World index returning +5%. The gains were led by the US, with the S&P500 gaining +7%, capping its strongest month this year and returning the index to record highs following last month's -5% pull back.

The Australian sharemarket, as measured by the ASX300, finished the month flat, a lacklustre return relative to its global peers. Despite both NSW and Victoria emerging from lockdowns the market failed to find any real direction. The Resources sector was soft over the month. Within the industrials segment of the market, sector performance was mixed. Healthcare was buoyed by sector heavyweight CSL, with headwinds in plasma collection beginning to abate as economies reopen. The Consumer Discretionary sector gained +0.6% for the month, albeit with mixed performance.

Portfolio performance & summary⁵

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

The portfolio had a lacklustre month, shedding -0.9% compared to the benchmark's return of +0.2%. A few of the portfolio's core holdings such as Aurizon, Brambles and Pact Group experienced weakness over the month on what IML believe are short-term issues. During the month Aurizon announced the acquisition of One Rail Freight which was viewed negatively by investors. IML assess the One Rail acquisition as transformative for the company. Brambles sold off following the company's Q1 trading update which emphasised the company's increasing investment in the digitisation of their pallet pooling system to optimise operational efficiencies. Pact fell on the announcement that higher input prices were impacting its contract manufacturing business (which is non-core), while its core packaging and materials handling businesses continue to perform well. The portfolio benefited from strong performance in holdings such as Orica, Event Hospitality, Metcash and Nine Entertainment.

Outlook⁵

IML believe the sharemarkets will continue to be influenced greatly in coming months by the volatility in interest rate markets caused by uncertainty over whether current inflationary trends are transitional or becoming embedded, and how central banks will react. As such IML continue to steer away from the riskier parts of the sharemarket and remain focused on identifying and holding good quality companies that, in their opinion, are well managed, which offer sound value 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 92 Equity Australia Large Value funds as of 31 October 2021. In the Morningstar Equity Australia Large Value Category, the Sandhurst IML Industrial Share Fund 5 year return was ranked 77 out of 82 funds as of 31 October 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.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

This information is current as at 31 October 2021 (unless stated otherwise) and is subject to change without notice.

Top 10 holdings

National Australia Bank
Westpac
CSL
Telstra
Orica
AusNet Services
Amcor PLC
Suncorp Group
Insurance Australia Group
Tabcorp

Sector active weights

Materials	7.30%
Communication Services	6.70%
Utilities	5.00%
Consumer Staples	-0.20%
Industrials	-1.20%
Consumer Discretionary	-3.50%
Health Care	-3.90%
Information Technology	-4.50%
Financials	-4.80%
Real Estate	-6.80%

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.

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