

Monthly fund update - September 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 September 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	★★★	79/85	0.80	4.93	33.65	5.36	5.81
Benchmark ²			-0.80	4.50	33.80	10.30	9.80

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	\$71.37 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 September 2021

Application price	\$1.24379
Withdrawal price	\$1.23759

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.

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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 endured a volatile quarter as investors were confronted with several issues
- ▶ The Australian sharemarket returned +1.8%, with the Industrials Index delivering a strong +4.5%

The MSCI World Index declined -0.3% in a volatile September quarter. Despite a positive start to the quarter, most world sharemarkets fell heavily in September, led by the US S&P 500 which declined -5% during the month. Concerns over inflation rose as energy prices and shipping costs soared. Supply chain disruptions were apparent in several sectors of the global economy which led to price rises as many companies scrambled to offset soaring input costs.

The Australian sharemarket as measured by the ASX300 finished the quarter with a +1.8% return with strength in the Industrials sector offsetting the -9.0% fall in the Resources sector. All sectors within the Industrials segment of the market finished the September quarter higher, buoyed by solid results and a flurry of takeover activity.

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 enjoyed a strong quarter, returning +4.9%, which was better than the benchmark's return of +4.5%. The Fund benefited from the performance of many of its core holdings such as AusNet, Incitec Pivot, Telstra, Amcor, Steadfast and Orica.

Incitec Pivot (IPL) had a very strong quarter rising 23% after announcing the successful restart of its Waggaman fertiliser plant in Louisiana. Strong fertiliser prices also contributed to the share price gain, as fertiliser prices globally are rising on the back of high gas prices, which is impacting the cost of production of other fertiliser companies. Incitec is in a fortunate position, where their gas costs are significantly lower in Australia and the US and in some cases fixed for a number of years.

Outlook⁵

The recent falls and volatility in certain segments of the Australian sharemarket, exemplified by iron ore companies, was a reminder to many of how quickly sentiment can change, particularly in popular and overpriced sectors. 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 95 Equity Australia Large Value funds as of 30 September 2021. In the Morningstar Equity Australia Large Value Category, the Sandhurst IML Industrial Share Fund 5 year return was ranked 79 out of 85 funds as of 30 September 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 30 September 2021 (unless stated otherwise) and is subject to change without notice.

Top 10 holdings

National Australia Bank
Westpac
Telstra
CSL
Ausnet Services
Orica
Aurizon Services
Tabcorp
Suncorp Group
Amcor PLC

Sector active weights

Communication Services	7.30%
Materials	7.10%
Utilities	4.60%
Consumer Staple	-0.40%
Industrials	-0.60%
Consumer Discretionary	-2.80%
Health Care	-4.00%
Information Technology	-4.30%
Financials	-4.50%
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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