

# Sandhurst Future Leaders Fund

## Monthly fund update - April 2021

### Investment approach

The Fund aims to deliver income and capital growth over the long term by providing exposure to a diversified portfolio of quality ASX listed shares outside the top 50 shares listed on the ASX where these assets are identified by Investors Mutual Limited (IML) as being undervalued.

### Fund performance<sup>1</sup>

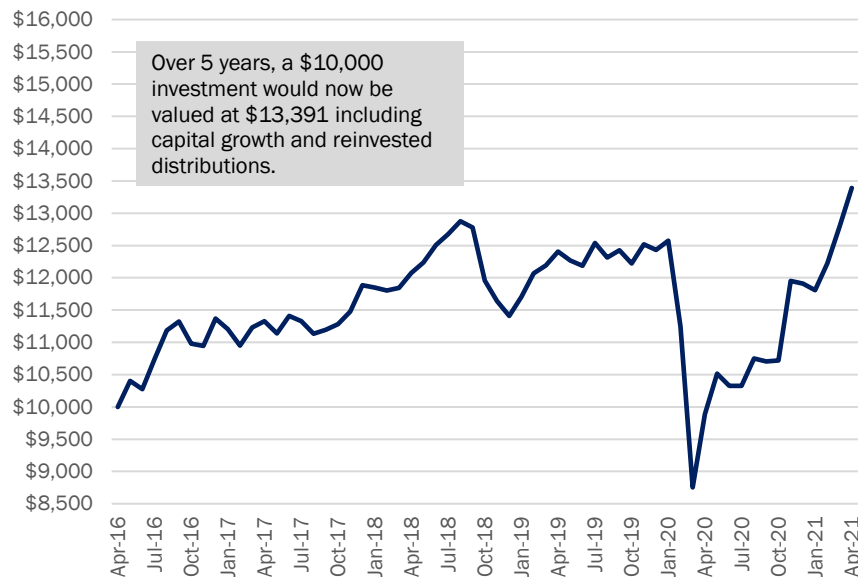
as at 30 April 2021

	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 Future Leaders Fund	★ ★	12/14	4.70	13.41	35.45	3.51	6.01
Benchmark <sup>2</sup>			5.30	7.20	43.50	10.30	12.70

### An example of how your investment grows

#### Growth of \$10,000<sup>4</sup>

(Based on historic Fund performance over 5 years)



### Fund facts

Fund APIR code	STL0011AU
Fund inception date	7 June 2002
Distribution frequency	Half yearly
Management costs <sup>4</sup>	1.25% p.a.
Buy / Sell spread <sup>4</sup>	+0.25% / -0.25%
Minimum investment / minimum balance	\$2,000
Recommended investment timeframe	5 years +
Risk level	High

### Unit price

as at 30 April 2021

Application price	\$1.03113
Withdrawal price	\$1.02598

### Distribution details (cents per unit)

30 June 2020	No distribution
31 December 2020	\$0.00500

### 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

### 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 enjoyed a strong month as ongoing stimulus measures continue to wash through the system
- ▶ The Fund's ex-50 benchmark enjoyed another strong month returning +5.3%, with strong performance across most sectors

Global equity markets enjoyed another strong month, with the MSCI World Index returning +3.7%. The US S&P500 and the tech-heavy NASDAQ indices led the charge, both returning +5.3% and in so doing set new record highs throughout the month. Investors were emboldened following a streak of strong third quarter US company earnings reports, buoyed by record US household disposable income as a result of the passing of President Biden's American Rescue Plan, which included US\$1,400 stimulus payments to US households. Across the Atlantic, the mood was a little less sanguine, with Europe's Stoxx50 Index returning +1.9%, reflecting investors' concerns about the continent's slow rollout of the vaccination programme, which continues to impede economic recovery. The result of the significant amounts of stimulus supporting equity markets is increased inflationary expectations, with many companies across the globe reporting pricing pressures for inputs, which in turn are passing through to customers as price rises. Commodity prices continued to benefit from resurging economic growth as a result of stimulus measures and continued COVID-induced supply constraints. The Australian sharemarket as measured by the S&P/ASX300 Index had a strong month, gaining +3.7% as it charges up towards its pre-pandemic high.

The Fund's ex-50 benchmark enjoyed an even stronger month, returning +5.3%. Unsurprisingly given the strength in commodity prices the ex-50 Resources sector led the rise in the market, gaining +8%, driven by gold and lithium miners. The ex-50 Industrials segment had a more subdued, albeit solid month, rising +4%. Within the Industrials sector, Financials gained +4% off the back of buoyant financial markets and robust performances from investment platform providers Netwealth and Hub24, as well as the listed funds management businesses. Communication Services was strong, returning +6% including online tradie portal Hipages which saw its upgraded full year recurring revenue guidance well received by investors, sending the share price +21% higher over the month. The Technology sector rebounded strongly over April, jumping +9%, taking its lead from the NASDAQ and led by some of the payment platform providers as speculation in these types of stocks remained rampant. On the negative side of the ledger, the Consumer Staples sector fell -1.5% as China-exposed stocks such as Blackmores and Bubs softened following a negative update from Blackmores. Positively, United Malt rallied on the anticipated increased demand for beer – and in turn malt – as pubs and restaurants in the US reopen progressively.

## 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 Fund had a solid month, gaining +4.7%, although just shy of the benchmark's strong return of +5.3%. Encouragingly holdings in good quality companies such as Hipages, Home Consortium, United Malt, MNF, Event Hospitality & Entertainment, SeaLink and Steadfast all enjoyed a strong month. IML trimmed holdings in Harvey Norman, Healius and Metcash over the month following strength in their respective share prices. IML used the proceeds to top up on good quality companies such as API and Brickworks and participated in the entitlement issue by SG Fleet which was used to fund the accretive acquisition of LeasePlan.

## Outlook<sup>5</sup>

Sharemarkets around the world, including Australia's, continue to remain well supported as economic growth continues to rebound from COVID lows while central banks continue to hold interest rates at record low levels, despite increasing signs of rising inflationary expectations. Having said this, there are some clear signs of imbalances in some parts of the economy as well as several speculative excesses appearing in parts of the sharemarket. IML continue to focus on good quality companies which are well-managed and whose valuation remains justifiable and 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 Accumulation Index (excluding S&P/ASX 50, excluding property trusts).
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 Future Leaders Fund received a 2-Star Overall Morningstar Rating™ out of 17 Equity Australia Mid/Small Value funds as of 30 April 2021. In the Morningstar Equity Australia Mid/Small Value Category, the Sandhurst Future Leaders Fund 5 year return was ranked 12 out of 14 funds as of 30 April 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/9227](http://www.morningstar.com.au/Funds/FundReport/9227)  
© 2021 Morningstar, Inc. All rights reserved. Neither Morningstar, its affiliates, nor the content providers guarantee the data or content contained herein to be accurate, complete or timely nor will they have any liability for its use or distribution. Any general advice or 'regulated financial advice' under New Zealand law has been prepared by Morningstar Australasia Pty Ltd (ABN: 95 090 665 544, AFSL: 240892) and/or Morningstar Research Ltd, subsidiaries of Morningstar, Inc, without reference to your objectives, financial situation or needs. For more information refer to our Financial Services Guide (AU) or Financial Advice Provider Disclosure Statement (NZ) at [www.morningstar.com.au/s/fsg.pdf](http://www.morningstar.com.au/s/fsg.pdf) and [www.morningstar.com.au/s/fapds.pdf](http://www.morningstar.com.au/s/fapds.pdf). You should consider the advice in light of these matters and if applicable, the relevant Product Disclosure Statement before making any decision to invest. Our publications, ratings and products should be viewed as an additional investment resource, not as your sole source of information. Past performance does not necessarily indicate a financial product's future performance. To obtain advice tailored to your situation, contact a professional financial adviser. 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. Other fees and costs may apply. See the Product Disclosure Statement for full details.
5. This 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 Future Leaders Fund (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 30 April 2021 (unless stated otherwise) and is subject to change without notice.

## Top 10 holdings

Crown
Pact
SG Fleet
Tabcorp
AusNet
Event Hospitality
Home Consortium
Skycity Entertainment
Australian Pharmaceutical
Nine Entertainment

Proudly part of



**Bendigo and  
Adelaide Bank**