

Monthly fund update - August 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 performance¹

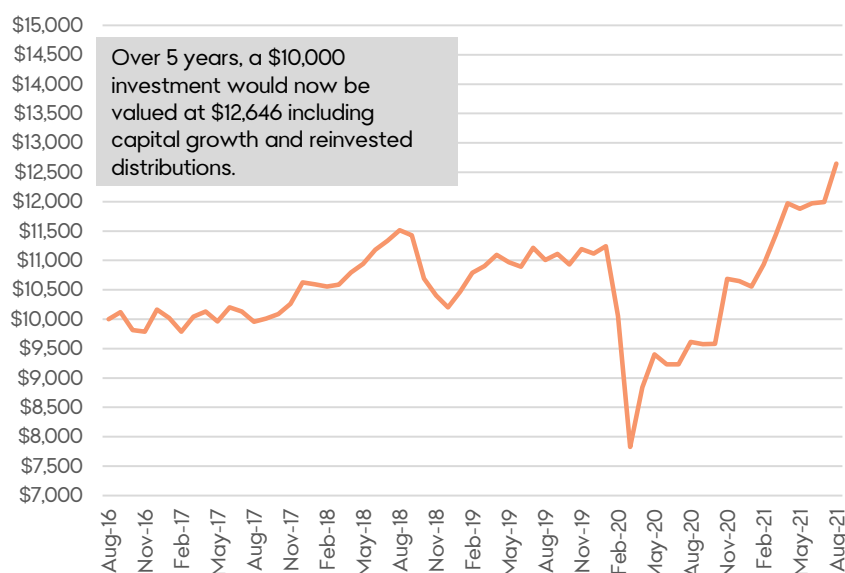
as at 31 August 2021

	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 Future Leaders Fund	★ ★	14/15	5.46	6.47	31.54	3.17	4.81
Benchmark ²			4.10	8.10	30.00	11.10	12.10

An example of how your investment grows

Growth of \$10,000¹

(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 ⁴	1.25% p.a.
Buy / Sell spread ⁴	+0.25% / -0.25%
Minimum investment / minimum balance	\$2,000
Recommended investment timeframe	5 years +
Risk level	High

Unit price

as at 31 August 2021

Application price	\$1.08159
Withdrawal price	\$1.07619

Distribution details (cents per unit)

31 December 2020	\$0.00500
30 June 2021	\$0.00697

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 continued their advance buoyed by the ongoing economic recovery and continued low interest rates
- ▶ The ASX ex-50 index was similarly strong, buoyed by robust FY21 earnings released in August

Global sharemarkets continued their advance with the MSCI World Index returning +2.7% for August. All major sharemarkets were strong, buoyed by expectations that the global economic recovery would continue to benefit corporate profitability as the world reopens following the rollout of the COVID-19 vaccine. Sharemarkets took their lead from the US, with the S&P500 returning +3.0%, its seventh consecutive monthly advance, following a strong Q2 reporting season. Across the Atlantic, the mood was equally buoyant with sharemarkets cheering a recovery in travel and consumer spending, with Europe's Stoxx50 and the UK's FTSE 100 returning +2.6% and +2.1% respectively.

On the domestic front, the RBA held firm signalling its intent to step down its QE programme in September, which provided support to the AUD. The Australian sharemarket as measured by the ASX300 enjoyed another positive month returning +2.6%. The gains were led by the Industrials sector as FY21 reporting season hit full swing in August. The majority of companies were reticent to provide much in terms of guidance for the year ahead given the uncertain outlook in Australia due to current lockdowns, as well as the volatile commodity outlook.

Across the Fund's ex-50 benchmark, sector performance was generally strong, apart from a softer performance by the mid-cap cap mining sector. The Packaging sector performed well as the share prices of stocks such as Pact and Pro-Pac Packaging benefited from the release of better-than-expected results and cash flows reflecting strong volumes and margins thanks, in part, to increasing demand for consumer goods. The Communication Services sector also had a strong month with media and advertising releasing well-received FY21 results. The Financials sector had a good month buoyed by a strong set of results from Clearview Wealth, EQT and Steadfast. Similarly, within the Consumer Staples sector soft commodities producers were strong with the likes of Bega Cheese, Ridley Corp and Tassal all releasing positive FY21 results.

Top 10 holdings

Pact
Aust Pharmaceutical
Tabcorp
Crown
SG Fleet
AusNet
Home Consortium
TPG Telecom
Skycity Entertainment
Nine Entertainment

Portfolio performance & summary⁵

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

The Fund enjoyed a very healthy month returning +5.5%, which was better than the benchmark's return of +4.1%, thanks to strong performances from many companies in the portfolio. Pro-Pac Packaging, Clearview Wealth, Bega Cheese, MNF and Australian Clinical Labs all had a good month following the release of strong FY21 earnings. Additionally, Ampol's proposed takeover of NZ's Z Energy benefited performance. Over the month, IML trimmed holdings in stocks such as Events Hospitality and Select Harvest as these companies rallied. IML used the proceeds to top-up holdings in Tassal Group and Bega Cheese which are trading at attractive valuations. During the month IML also participated in the initial public offering for Healthco Health and Wellness REIT which, in IML's view, was attractively priced.

Outlook⁵

The Australian sharemarket continues to trade at close to record levels with seemingly very little on the horizon to halt its ongoing rise. Having said this, IML continue to steer away from some of the riskier parts of the sharemarket and remain focused on good quality companies which are well-managed, where valuations remain justifiable, and which IML believe can do well over the next 3-5 years. To this end IML remain very comfortable with how the Fund is currently positioned.

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 31 August 2021. In the Morningstar Equity Australia Mid/Small Value Category, the Sandhurst Future Leaders Fund 5 year return was ranked 14 out of 15 funds as of 31 August 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
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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.bendigobank.com.au/managedfundsforms, any Bendigo Bank branch or by phoning 1800 634 969 before making an investment decision.

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

