

# Sandhurst Future Leaders Fund

## Monthly fund update - December 2020

### 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 31 December 2020

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.
-0.34	11.25	-4.19	0.08	3.96
3.10	15.70	14.50	8.10	12.30

Sandhurst Future Leaders Fund

★ ★

11/12

Benchmark<sup>2</sup>

### 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>	1.50% 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 31 December 2020

Application price	\$0.91715
Withdrawal price	\$0.91257

### 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.

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### 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 had a volatile year with losses from the COVID correction erased by the ensuing strong rally
- ▶ In an unpredictable year, the Fund's ex-50 benchmark was stronger than the broader market gaining +14.5%

The year 2020 was one of the most unpredictable on record for global sharemarkets. The MSCI World Index gained +14% for the year, as it rallied sharply post the correction which occurred across most markets in March as COVID-19 was declared a global pandemic and governments around the world imposed travel bans and shutdowns across many sectors of their economies. To counter the fallout from the pandemic, most central banks around the world cut rates to record lows while also embarking on huge quantitative easing and other measures to ensure their banking systems held up in the face of the enormous economic fallout and closure of many parts of the economy. Most governments around the world also embarked on massive fiscal programmes designed to cushion their economies from the impact of the shutdowns.

Global sharemarkets finished 2020 with a strong final quarter as the MSCI World Index added +13%, buoyed by the US Presidential election results and the rollout of COVID-19 vaccines as well as a resolution to the UK's trade deal with the EU. Like other sharemarkets around the world, the Australian sharemarket had a highly volatile year. After falling heavily during March as COVID-19 enforced lockdowns and travel bans severely affected various parts of the economy, huge Government programmes and stimulus as well as RBA measures through the lowering of interest rates to a record low 0.1% and significant quantitative easing helped the local market recover, with the S&P/ASX300 Accumulation Index ending the year up +1.7%.

The Fund's ex-50 benchmark continued its strong recovery over the final quarter of calendar year 2020, rallying +15.7% as all sectors finished in positive territory.

## 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 recorded a disappointing result for calendar year 2020, recording a total return of -4.2%, well below the benchmark's strong return of +14.5% which was buoyed by the ex-50 Resources and Tech sectors. A number of companies held in the portfolio were significantly impacted as a result of national and state-based COVID-19 lockdowns throughout the year which directly affected profitability and thus these companies' share prices. The Fund's very low weighting to the higher risk Resources and IT sectors also impacted the Fund's relative performance. Over the year many of the core holdings in well managed, good quality industrial companies such as Metcash, Pro-Pac and Nine Entertainment did well.

## Outlook<sup>5</sup>

While sharemarkets around the world recovered strongly as the year progressed thanks to central bank and government actions as well as optimism for an improved economic outlook in 2021, many companies' profitability and dividends continue to be impacted by the economic turmoil. In light of the mixed economic outlook going forward, IML continue to focus on good quality companies that they believe represent good value and which they believe can do well over the next 3 to 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. Sandhurst Future Leaders Fund received a 2-Star Overall Morningstar Rating<sup>TM</sup> out of 14 Equity Australia Mid/Small Value funds as of 31 December 2020 and a 1-Star Five year rating out of 12 Equity Australia Mid/Small Value funds as of 31 December 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/9227](http://www.morningstar.com.au/Funds/FundReport/9227)
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. 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 31 December 2020 (unless stated otherwise) and is subject to change without notice.

## Top 10 holdings

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Pact Group  
Crown Resorts  
Aust Pharmaceutical  
Tabcorp  
Home Consortium  
SG Fleet  
Integral Diagnostics  
Event Hospitality  
Southern Cross Media  
Skycity Entertainment

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