

Monthly fund update - March 2022

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 March 2022

Morningstar Rating™
Overall³

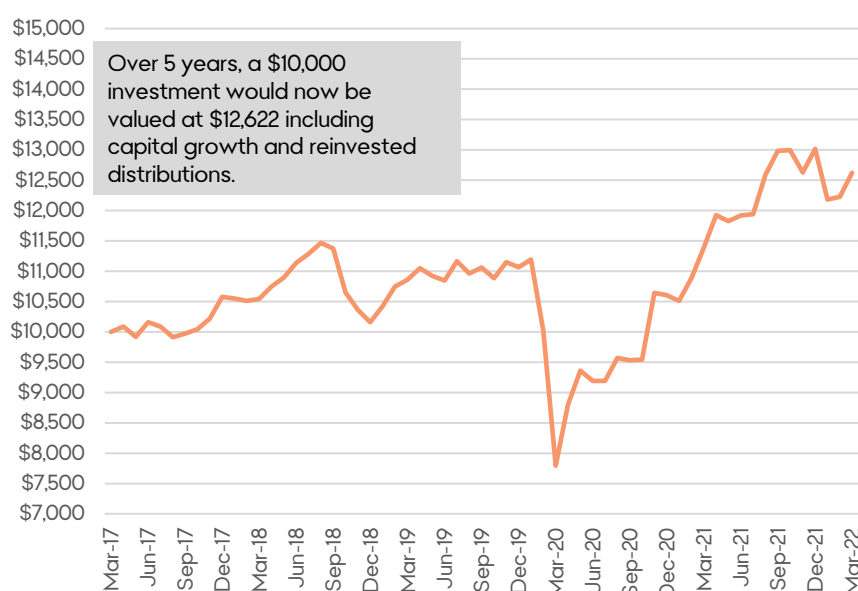
Morningstar Category Rank
5 Year³

		1 month %	3 months %	1 year %	3 years %p.a.	5 years %p.a.
Sandhurst Future Leaders Fund	★★	3.23	-3.04	10.84	5.15	4.77
Benchmark ²		6.70	-3.30	12.90	12.80	11.20

An example of how your investment grows

Growth of \$10,000¹

(Based on historic Fund performance over 5 years)



Fund facts

Fund APIR code	STL0011 AU
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 March 2022

Application price	\$1.05978
Withdrawal price	\$1.05450

Distribution details (cents per unit)

30 June 2021	\$0.00697
31 December 2021	\$0.02500

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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Fund Performance⁵

The Sandhurst Future Leaders Fund had a soft quarter, down -3.0%, although it was slightly ahead of its ex-50 benchmark, which was down -3.3%.

It was a tale of two markets for ex-50 companies with ex-50 Resources up +8% for the quarter as the prices of many commodities soared following the introduction of sanctions on Russian commodity exports following the invasion of Ukraine. On the other hand, all industrial sectors finished the quarter in negative territory, with the exception of Utilities. In particular loss-making technology and med-tech companies sold off heavily which saw the ex-50 Healthcare and Technology sectors down -24% and -16% respectively.

The Fund's caution toward the more speculative part of the market, helped relative returns and the Fund benefited from solid performances from holdings in companies such as Orica, Regis Healthcare, Ridley and Myer. Unfortunately, some of the Fund's holdings sold off over the quarter, in line with the broader market and as short-term concerns arose. Pro-Pac Packaging was down after a rise in the cost of the underlying raw materials used in its packaging, such as resin. In IML's view this is a short-term issue and the company's strong competitive position will allow it to pass on increased costs to the end customer over the medium term. Hipages growth slowed due to abnormally high demand for trade services (which reduces tradies' need to pay for lead generation). IML retain conviction in the long-term opportunity available to Hipages, which is the clear market leader in its category, and they have added to their position following the weakness.

Over the quarter IML trimmed holdings in companies such as Australian Clinical Labs, Home Co and Z Energy and used the proceeds to top up the Fund's holdings at times of weakness in good quality companies such as Pact, GUD, Codan and Bega Cheese. IML also participated in a capital raising for Integral Diagnostics to fund the acquisition of a quality radiology business in South-East Queensland.

Outlook⁵

IML expects volatility to continue for some time with ongoing geopolitical and inflation risks affecting global and local economies.

The Fund continues to invest in well-established companies that IML believe represent sound value and which are in industry leading positions. IML's focus is on companies that they believe can maintain margins in the long term by passing on higher input prices to customers, while continuing to generate good cashflows and dividends in the short to medium term. In IML's view, these companies should continue to do well over the next 3-to-5 years despite increasing economic uncertainties.

Top 10 holdings

Crown Resorts
TPG Telecom
Pact Group
Bank of Queensland
SG Fleet
Nine Entertainment
Bega Cheese
Integral Diagnostics
A2B Australia
Regis Healthcare

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 18 Equity Australia Mid/Small Value funds as of 31 March 2022. In the Morningstar Equity Australia Mid/Small Value Category, the Sandhurst Future Leaders Fund 5 year return was ranked 13 out of 14 funds as of 31 March 2022. '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. 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 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. For target market determination: www.bendigobank.com.au/TMD

This information is current as at 31 March 2022 (unless stated otherwise) and is subject to change without notice.