

# Sandhurst Future Leaders Fund

## Monthly fund update - November 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 30 November 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.
11.52	11.16	-4.53	1.36	4.75
8.30	8.70	10.10	8.20	12.20

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 30 November 2020

Application price	\$0.92533
Withdrawal price	\$0.92072

### Distribution details (cents per unit)

31 December 2019	\$0.02850
30 June 2020	No Distribution

### 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 rallied strongly thanks to positive vaccine news and the resolution of the US election
- ▶ The Fund's ex-50 benchmark enjoyed a strong month, driven by the Energy sector

Global equity markets enjoyed one of their strongest months on record, surging on optimism about Joe Biden's US Presidential Election victory and a series of breakthroughs in the development of a COVID-19 vaccine.

Despite record numbers of COVID-19 cases across the world, investor optimism was buoyed by signs that President-elect Joe Biden will make a relatively smooth transition into the White House, as well as positive vaccine news from Pfizer/BioNTech and Moderna. This news drove a strong rotation into companies that were deemed to be well positioned for the reopening of economies and the much hoped for return to normality, while many concept and fad stocks lagged the market.

Domestically, the Reserve Bank of Australia cut the cash rate by a further 0.15% in early November, taking the cash rate down to a new record low of 0.10%, while also announcing a further \$100 billion in bond purchases as part of its quantitative easing programme

The Fund's ex-50 benchmark had a strong month returning +8.30%, led by a rebound in the Energy sector of +27% as optimism built about the demand for oil from the travel sector as the vaccine is rolled out. In addition, online electronics retailer – Kogan fell over -30% on the announcement of the vaccine with the shift to online likely to slow.

## Top 10 holdings

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Crown Resorts
Pact Group
Australian Pharmaceutical
Tabcorp
Home Consortium
Event Hospitality
Skycity Entertainment
Southern Cross Media
Integral Diagnostics
Nine Entertainment

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## Portfolio performance & summary<sup>5</sup>

- ▶ IML continue to look for good quality companies that they believe have a bright 3 to 5 year outlook

The Fund enjoyed an excellent month, returning +11.52%, which was better than the benchmark's return of +8.30%. Encouragingly, many of the Fund's holdings benefited from the rotation back into quality companies trading on attractive valuations, such as Southern Cross Media, Event Hospitality, A2B and Home Consortium. In addition, the Fund benefited from both Regis Healthcare and Vital Harvest receiving takeover offers during the month. Importantly, IML's caution toward many of the concept and "fad" companies, that previously benefited as a result of the pandemic, held the Fund in good stead.

## Outlook<sup>5</sup>

Continued record low interest rates, government stimulus and the recovery in many parts of the Australian economy, as lockdowns cease and interstate borders open up, has led to a sweet spot for the Australian equity market, with many companies' share prices rallying strongly over the past month. Having said this, the outlook for 2021 remains relatively uncertain given the many imbalances in the economy as things normalise. IML continue to focus on companies that, in their view, have a strong franchise, experienced and capable management, and a resilient business that can continue to generate healthy cashflows over the next few 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™ out of 14 Equity Australia Mid/Small Value funds as of 30 November 2020 and a 1-Star Five year rating out of 12 Equity Australia Mid/Small Value funds as of 30 November 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. 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 November 2020 (unless stated otherwise) and is subject to change without notice.

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