

## Monthly fund update - September 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 September 2021

**Morningstar  
Rating™**  
Overall<sup>3</sup>

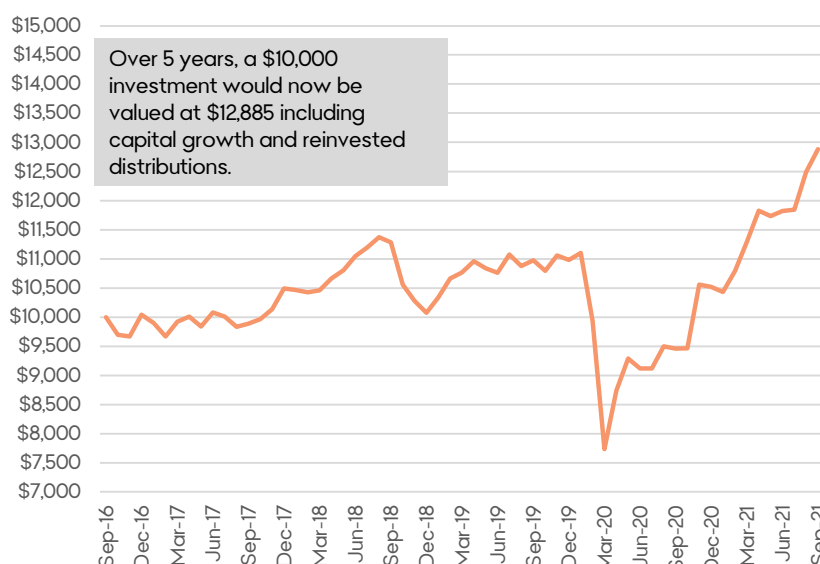
**Morningstar  
Category Rank**  
5 Year<sup>3</sup>

		1 month %	3 months %	1 year %	3 years %p.a.	5 years %p.a.	
Sandhurst Future Leaders Fund	★ ★	13/14	3.13	8.95	36.24	4.51	5.20
Benchmark <sup>2</sup>			-1.30	3.30	32.40	10.90	11.70

### An example of how your investment grows

#### Growth of \$10,000<sup>1</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 September 2021

Application price	\$1.11548
Withdrawal price	\$1.10991

### 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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### Do you have any questions?

For further information contact us on 1800 634 969 or visit [www.bendigobank.com.au/managedfunds](http://www.bendigobank.com.au/managedfunds)

▶ Global sharemarkets endured a volatile quarter as investors were confronted with several issues

▶ The Fund's ex-50 benchmark returned +3.3% over the quarter, despite significant weakness from the miners

The MSCI World Index declined -0.3% in a volatile September quarter to record its first loss since the March 2020 quarter. Following a positive start to the quarter, most world sharemarkets fell heavily in September, led by the US S&P 500 which declined -5% during the month. Concerns over inflation rose as energy prices and shipping costs soared. Supply chain disruptions were apparent in several sectors of the global economy which led to price rises as many companies scrambled to offset soaring input costs. Fears of contagion from financial woes at giant Chinese developer Evergrande, and debate about lifting the US debt ceiling to avoid government shutdowns also weighed on investor sentiment.

Domestically, August saw the release of FY21 company results, with most companies in the last 12 months buoyed by strong economies both in Australia and overseas, as accommodative fiscal and monetary stimulus helped the global economy recover strongly from the lockdown measures imposed. The Australian sharemarket, as measured by the ASX300, finished the quarter with a +1.8% return, with strength in the Industrials sector offsetting the -9.0% fall in the Resources sector.

The Fund's ex-50 benchmark enjoyed a solid quarter, returning +3.3%, with most sectors finishing in positive territory. The exception was weakness amongst the miners which weighed heavily on the Materials sector, which fell in sympathy with base metal and iron ore prices, especially through the month of September. The ex-50 Financial sector was also down for the quarter, beset by weakness amongst the listed fund managers and platform administrators on concerns of decreasing funds under management as markets fell.

Pact
Aust Pharmaceutical
AusNet
Crown Resorts
SG Fleet
TPG Telecom
Bega Cheese
Skycity
Home Consortium
Australian Clinical Labs

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

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

The Fund enjoyed a very strong quarter, returning +9.0%, which was significantly better than the benchmark's return of +3.3%. The Fund benefited from the positive performance of many of its core holdings such as Home Consortium, TPG Telecom, MNF and Integral Diagnostics. The Fund also benefited from takeover bids for AusNet, Australian Pharmaceuticals and Z Energy. Recent IPO's that IML participated in such as Best & Less and the HealthCo Healthcare REIT also contributed to performance as did the Fund's limited exposure to the volatile iron ore and base metals companies which they had been wary of for some time given the highly elevated prices in these sectors.

Over the quarter, IML trimmed their holdings in stocks such as Home Consortium, Events Hospitality and Brickworks as the share prices of these companies rallied strongly. IML deployed the proceeds to add to their positions in good quality companies that they believe are very attractively priced such as Bega Cheese, TPG Telecom and United Malt.

## Outlook<sup>5</sup>

The recent falls and volatility in certain segments of the Australian sharemarket, exemplified by iron ore companies, was a reminder to many of how quickly sentiment can change, particularly in popular and overpriced sectors. IML continue to steer away from the riskier parts of the sharemarket and remain focused on identifying and holding good quality companies that in their opinion are well-managed, which offer sound value and which they 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 September 2021. 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 30 September 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)  
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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](http://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](http://www.bendigobank.com.au/TMD)

This information is current as at 30 September 2021 (unless stated otherwise) and is subject to change without notice.

