

Monthly fund update - August 2021

Investment approach

The Fund aims to deliver income and capital growth over the long term by investing in a diversified portfolio of quality ASX listed industrial shares (excluding resource shares) where these assets are identified by Investors Mutual Limited (IML) as being undervalued.

Fund performance¹

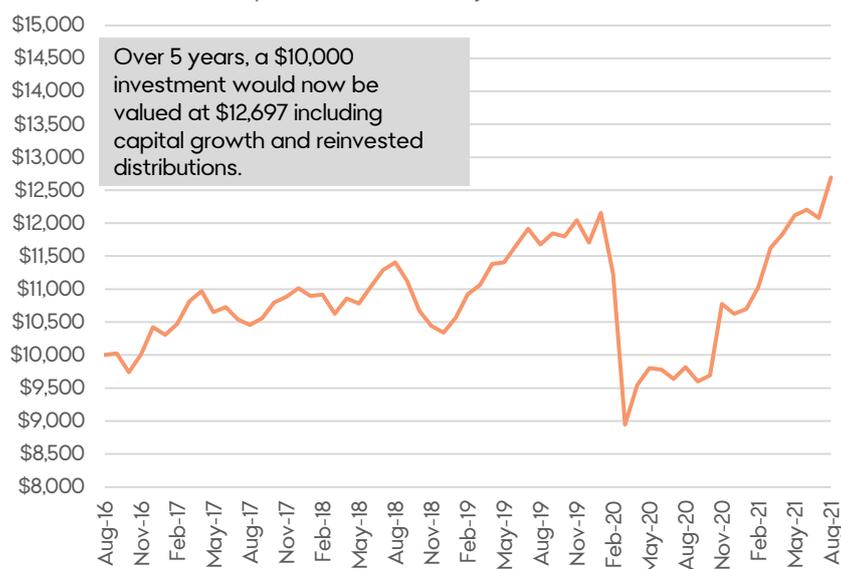
as at 31 August 2021

| | Morningstar Rating™ Overall ³ | Morningstar Category Rank 5 Year ³ | 3 months % | 1 year % | 3 years %p.a. | 5 years %p.a. | Since inception %p.a. |
|---------------------------------|--|---|------------|----------|---------------|---------------|-----------------------|
| Sandhurst Industrial Share Fund | ★★ | 83/85 | 4.80 | 29.29 | 3.65 | 4.89 | 8.91 |
| Benchmark ² | | | 8.30 | 30.50 | 9.50 | 9.90 | 8.70 |

An example of how your investment grows

Growth of \$10,000¹

(Based on historic Fund performance over 5 years)



Fund facts

| | |
|--------------------------------------|-----------------|
| Fund APIR code | STL0100AU |
| Fund inception date | 1 December 1999 |
| Distribution frequency | Half yearly |
| Management costs ⁴ | 1.29% 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 | \$1.59283 |
| Withdrawal price | \$1.58488 |

Distribution details (cents per unit)

| | |
|------------------|-----------|
| 31 December 2020 | \$0.00500 |
| 30 June 2021 | \$0.01368 |

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

Sharemarket commentary⁵

- ▶ Global sharemarkets continued their advance buoyed by the ongoing economic recovery and continued low interest rates
- ▶ The Australian sharemarket was similarly strong, buoyed by robust FY21 earnings results 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.

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 with most companies' results 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 lock down measures imposed.

Portfolio performance & summary⁵

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

The Fund enjoyed a strong month, returning +5.1%, which was slightly behind the benchmark's return of +5.6%. The portfolio's relative performance was held back due to IML's caution to the overvalued Technology sector. The portfolio benefited from the performance of many of its core holdings including IAG, Steadfast, Amcor and Sonic Healthcare which all gained following the release of strong FY21 earnings.

Outlook⁵

The Australian sharemarket continues to trade at 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 where their portfolios are 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 Industrial Accumulation Index.
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 Industrial Share Fund received a 2-Star Overall Morningstar Rating™ out of 95 Equity Australia Large Value funds as of 31 August 2021. In the Morningstar Equity Australia Large Value Category, the Sandhurst Industrial Share Fund 5 year return was ranked 83 out of 85 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/5809
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4. 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 Industrial Share 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.

Top 10 holdings

| |
|---------------------------|
| National Australia Bank |
| Westpac |
| Telstra |
| CSL limited |
| Insurance Australia Group |
| Amcor |
| Aurizon Holdings |
| Suncorp Group |
| Orica Limited |
| Tabcorp |

Sector active weights

| | |
|--------------------------|----------|
| ■ Communication Services | 6.70% |
| ■ Materials | 6.50% |
| ■ Utilities | 3.70% |
| ■ Industrials | -0.40% ↓ |
| ■ Consumer Staple | -1.00% ↓ |
| ■ Financials | -3.00% ■ |
| ■ Consumer Discretionary | -3.10% ■ |
| ■ Health Care | -3.90% ■ |
| ■ Information Technology | -4.00% ■ |
| ■ Real Estate | -7.00% ■ |

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