

Monthly fund update - January 2022

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

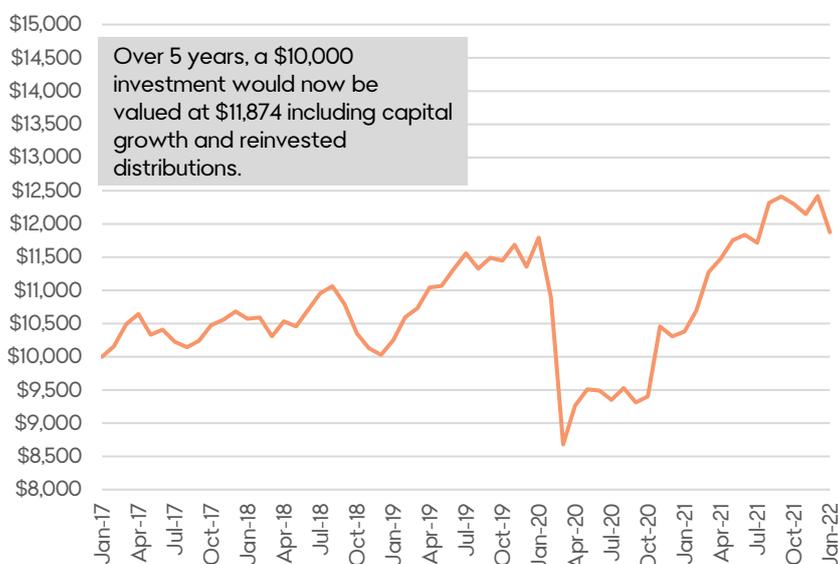
as at 31 January 2022

	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	★★	78/79	-3.45	14.42	5.02	3.50	8.56
Benchmark ²			-8.40	8.50	9.40	7.40	8.00

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	1.28% 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 January 2022

Application price	\$1.51359
Withdrawal price	\$1.50604

Distribution details (cents per unit)

30 June 2021	\$0.01368
31 December 2021	\$0.02300

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 our website: www.bendigobank.com.au/managedfunds

Sharemarket commentary⁵

- ▶ Global sharemarkets endured a challenging start to the year as investors weighed the prospect of higher interest rates
- ▶ The Australian sharemarket also had a weak start to the year as investors grew concerned about rising interest rates

Global equity markets endured a tough start to the year with the MSCI World index falling -4.6% as the prospect of higher interest rates eroded investor enthusiasm for riskier assets. The sharemarket declines have come about as investors reacted to signs that central banks around the world are planning to raise interest rates faster and more aggressively to combat surging inflation. In line with overseas markets, the Australian market, as measured by the ASX300, endured a challenging January falling -6.5%. All sectors finished in negative territory with the exception of the Resources sector, which finished in positive territory.

Portfolio performance & summary⁵

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

The portfolio shed -4.4% in January, which although disappointing was better than the benchmark's fall of -8.6%. IML's focus on investing in stocks that they believe offer both value and quality held the portfolio in good stead, due in part to their zero weighting in speculative and concept driven companies which were badly hit. The portfolio benefited from holdings in good quality companies such as Orica, Aurizon, AusNet (under takeover), Amcor and Origin which all finished the month higher. Detractors over the month included Sonic Healthcare and Steadfast, which were both caught up in the volatility, however given their position as leaders in their respective industries IML remain confident in their medium-term outlook.

Outlook⁵

Central banks around the world seem poised to raise interest rates in reaction to CPI numbers which have reached levels the world has not seen in almost 40 years. Whilst headline inflation levels will eventually normalise, it is now becoming increasingly evident to many investors that the prospect of ultra-low interest rates could soon be a thing of the past. IML believe that in this environment, the worst impacted will be many high-flying, concept and often purely speculative parts of the sharemarket – many of which were buoyed in the last few years by speculators using this cheap money. IML have always steered away from the riskier parts of

the sharemarket and have remained focused on identifying and holding only what they assess to be good quality, well-managed companies in leading industry positions. While interest rates will increase from their current historic lows, economic growth remains firm, and in this environment companies which generate good cashflows and dividends and that can maintain margins by passing on higher input prices to customers, should continue to do well over the next 3-5 years.

Top 10 holdings

National Australia Bank
Telstra
Westpac
CSL
Orica
Brambles
Aurizon Holdings
Amcor
Suncorp Group
Crown Resorts

Sector active weights

Communication Services	7.30%
Materials	5.60%
Utilities	3.20%
Industrials	-0.10%
Consumer Staples	-0.70%
Consumer Discretionary	-2.40%
Information Technology	-3.00%
Health Care	-4.60%
Financials	-4.90%
Real Estate	-7.50%

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 90 Equity Australia Large Value funds as of 31 January 2022. In the Morningstar Equity Australia Large Value Category, the Sandhurst Industrial Share Fund 5 year return was ranked 78 out of 79 funds as of 31 January 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/5809
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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 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. For target market determination: www.bendigobank.com.au/TMD
This information is current as at 31 January 2022 (unless stated otherwise) and is subject to change without notice.

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