

Sandhurst Industrial Share Fund

Monthly fund update - June 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 30 June 2021

Morningstar
Rating™
Overall³

Morningstar
Category Rank
5 Year³

3 months %

1 year %

3 years
%p.a.

5 years
%p.a.

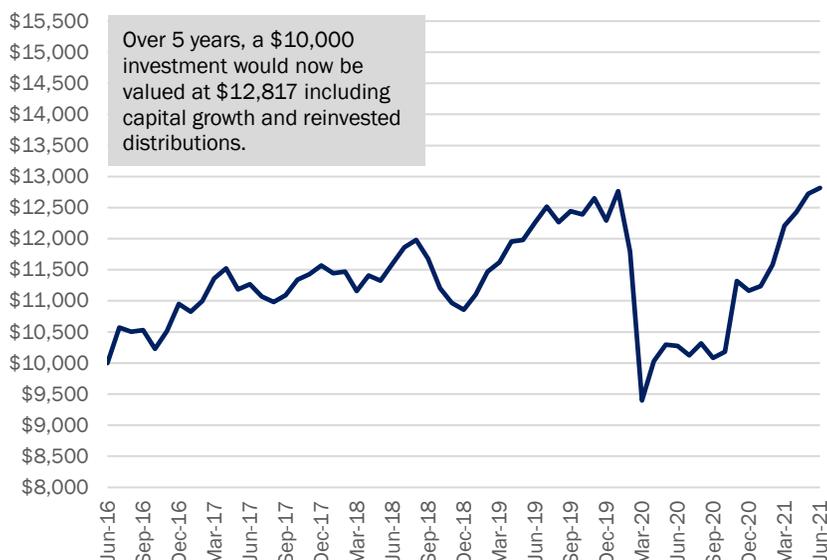
Since inception
%p.a.

	★★★	87/89	4.99	24.76	3.40	5.09	8.78
Sandhurst Industrial Share Fund							
Benchmark ²			8.70	27.90	9.30	9.70	8.50

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 (ex distribution)

as at 30 June 2021

Application price	\$1.53082
Withdrawal price	\$1.52318

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.sandhursttrustees.com.au

Sharemarket commentary⁵

- ▶ Global sharemarkets enjoyed one of their strongest 12-month periods on record as economies around the world reopened
- ▶ The Australian sharemarket returned +28.5% for FY21, allowing the local sharemarket to post fresh record highs

Global sharemarkets enjoyed one of the strongest 12-month periods on record, as both central banks and governments around the world unleashed record levels of spending and unconventional policies to drive the economic recovery.

Domestically, the Australian sharemarket as measured by the S&P/ASX300 Index enjoyed its best financial year in over three decades, returning +28.5%, allowing the market to set fresh record highs in May. Australia's four major banks and the three major iron ore producers led the rally. With monetary and fiscal policy settings maintained at emergency levels while economies recover, inflationary concerns have begun to reappear, reflected in the global core inflation data, which reached quarter of a century high levels over the six months to June. The Australian sharemarket returned +8.5% in the June quarter, with sector performance generally strong across the board.

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 returned a solid +5.0%, although this was below the benchmark's strong return of +8.7%. IML's caution to many of the more speculative or cyclical sectors such as Technology, which rallied significantly, held back their relative performance. Over the June quarter, the Fund benefited from its holdings in good quality industrials such as Telstra, Tabcorp, Suncorp, and Steadfast Group.

Outlook⁵

Sharemarkets around the world, including Australia's, remain well-supported as economic growth continues to rebound from COVID-19 lows and central banks continue to hold interest rates at low levels, despite increasing signs of rising inflationary expectations. The Australian sharemarket is now trading at close to 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 they firmly 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 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 3-Star Overall Morningstar Rating™ out of 100 Equity Australia Large Value funds as of 31 May 2021. In the Morningstar Equity Australia Large Value Category, the Sandhurst Industrial Share Fund 5 year return was ranked 87 out of 89 funds as of 31 May 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.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 June 2021 (unless stated otherwise) and is subject to change without notice.

Top 10 holdings

National Australia Bank
Westpac
Telstra
CSL
Insurance Australia Group
Tabcorp
Aurizon Holdings
Suncorp Group
Crown Resorts
Amcor

Sector active weights

Communication Services	7.50%
Materials	5.60%
Utilities	3.00%
Industrials	-0.20%
Consumer Staples	-0.40%
Consumer Discretionary	-1.40%
Financials	-3.20%
Information Technology	-3.50%
Health Care	-4.00%
Real Estate	-7.00%

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