

# Sandhurst Industrial Share Fund

## Monthly fund update - May 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 performance<sup>1</sup>

as at 31 May 2021

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

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

3 months %	1 year %	3 years %p.a.	5 years %p.a.	Since inception %p.a.
9.88	23.59	3.97	4.29	8.78
10.00	27.80	9.40	8.40	8.40

Sandhurst Industrial Share Fund

Benchmark<sup>2</sup>

### 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	STL0100AU
Fund inception date	1 December 1999
Distribution frequency	Half yearly
Management costs <sup>4</sup>	1.29% 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 31 May 2021

Application price	\$1.53355
Withdrawal price	\$1.52590

### Distribution details (cents per unit)

30 June 2020	\$0.05754
31 December 2020	\$0.00500

### 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 enjoyed a solid month as stimulus measures and vaccination programmes underpin the recovery
- ▶ The Australian sharemarket returned +2.3%, pushing through its pre-pandemic record high, despite Tech's -9% fall

Global equity markets finished their fourth consecutive month higher, with the MSCI World Index returning +1.1% as ongoing confidence in the global economic recovery grows as vaccination programmes accelerate. While the US S&P500 Index held on to its gains for the month, returning +0.7%, the tech-heavy NASDAQ Index came under increasing pressure, shedding -1.4% as investors' inflationary concerns and the prospect of higher bond yields weighed on fully-priced tech valuations.

The Australian sharemarket, as measured by the S&P/ASX300 Index, pushed through to record highs, returning +2.3%, courtesy of the feel-good factor from the 'big-spending' budget. Within the Industrials segment, Financials were strong, in particular the Banks following results from Westpac, NAB and ANZ and a trading update from CBA which all reflected ongoing writebacks in provisions and strong credit growth.

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

- ▶ 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 had a solid month, gaining +2.4%, slightly behind the benchmark's return of +2.5%. IML's caution to the speculative froth in the Technology sector held the Fund in good stead. In addition, holdings in good quality industrials such as Crown Resorts and Telstra contributed positively to performance. M&A activity continues to be a strong catalyst for re-ratings in the share prices of high-quality and cash-generative businesses in the Fund, with both Crown and Tabcorp at the centre of corporate activity attracting multiple bids for all or part of their businesses.

## Outlook<sup>5</sup>

Sharemarkets around the world, including Australia's, remain well-supported as economic growth continues to rebound from COVID lows and central banks continue to hold interest rates at record low levels, despite increasing signs of rising inflationary expectations. The Australian sharemarket is now trading 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 focus 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](http://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](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 31 May 2021 (unless stated otherwise) and is subject to change without notice.

## Top 10 holdings

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

## Sector active weights

Communication Services	7.20%
Materials	5.90%
Utilities	3.00%
Consumer Staples	0.50%
Industrials	-0.20%
Consumer Discretionary	-0.80%
Information Technology	-2.80%
Financials	-3.80%
Health Care	-4.00%
Real Estate	-7.10%

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