

Monthly fund update - November 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

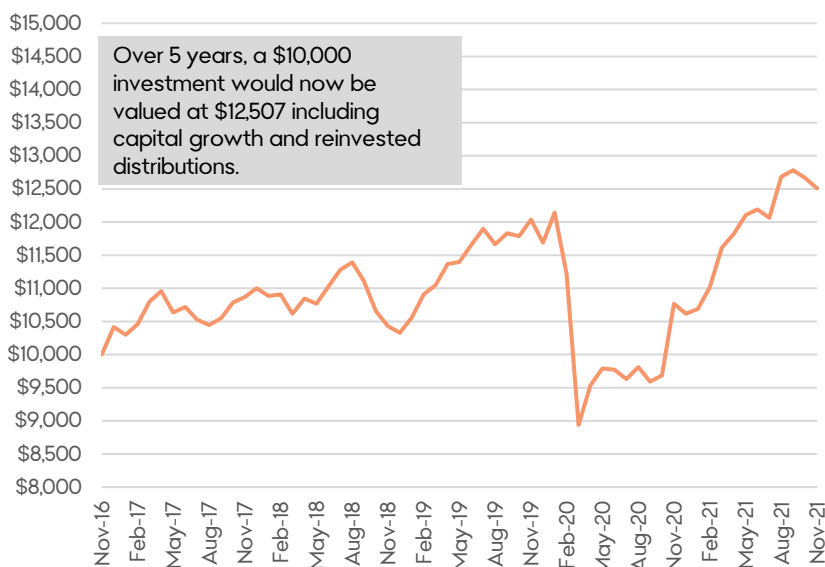
as at 30 November 2021

	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	-1.39	16.17	6.24	4.58	8.74
Benchmark ²			-2.00	16.80	12.50	9.50	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

as at 30 November 2021

Application price	\$1.57071
Withdrawal price	\$1.56288

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.

® Registered to BPAY Pty Ltd ABN 69 079 137 518

Refer to the next page for footnotes

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 finished lower as the emergence of a new Covid variant spooked investors
- ▶ The Australian sharemarket had a mixed month to finish -0.5% lower

Global equity markets endured a volatile end to the month, with the MSCI World index finishing November -1.6% lower. Investors were concerned that the emergence of a new Covid variant, Omicron, could derail the global economic recovery as several Governments around the world responded with new travel restrictions.

The Australian sharemarket as measured by the ASX300 index endured a volatile month, finishing -0.5% lower. Sector performance was mixed, with the Energy sector falling -8% in sympathy with the softer oil price. Within the industrials segment, the Communications Services sector did well, led by Telstra which was well supported by its share buyback and news that its \$1 billion a year Defence contract to deliver critical network services had been renewed. The Consumer Staples sector also enjoyed a solid month, with the major supermarket chains all announcing better than expected like-for-like sales and improving online sales growth.

Portfolio performance & summary⁵

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

The portfolio had a disappointing month shedding -1.3%, just ahead of the benchmark's -1.5% fall. IAG's share price fell following a downgrade to short-term earnings expectations due to an abnormally high number of weather events. While IAG may experience short-term earnings volatility, in IML's view the company's long-term fundamentals remain sound. Orica's share price retreated, following a strong rise over the past three months, as investors took profits after the company released its FY21 results. The Fund's holdings in companies such as Telstra, Steadfast, Nine Entertainment and Crown (which bounced strongly as Blackstone reaffirmed their \$12.50 takeover offer) all enjoyed a strong month.

Outlook⁵

In the short-term, investors continue to cast a wary eye over the possibility of new restrictions being imposed by Governments as the new Covid variant continues to grab the media's attention. However, as we head toward 2022, IML believe sharemarkets will be primarily influenced by the direction of interest rates as central banks continue to mull over whether current inflationary trends are transitional or becoming embedded. As such, IML continue to steer away from the riskier parts of the sharemarket and remain focused on identifying and holding what they assess to be good quality companies, that they believe are well managed, which offer sound value, and which 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 2-Star Overall Morningstar Rating™ out of 97 Equity Australia Large Value funds as of 30 November 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 30 November 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
© 2021 Morningstar, Inc. All rights reserved. Neither Morningstar, its affiliates, nor the content providers guarantee the data or content contained herein to be accurate, complete or timely nor will they have any liability for its use or distribution. Any general advice or 'regulated financial advice' under New Zealand law has been prepared by Morningstar Australasia Pty Ltd (ABN: 95 090 665 544, AFSL: 240892) and/or Morningstar Research Ltd, subsidiaries of Morningstar, Inc, without reference to your objectives, financial situation or needs. For more information refer to our Financial Services Guide (AU) or Financial Advice Provider Disclosure Statement (NZ) at www.morningstar.com.au/s/fsg.pdf and www.morningstar.com.au/s/fapds.pdf. You should consider the advice in light of these matters and if applicable, the relevant Product Disclosure Statement before making any decision to invest. Our publications, ratings and products should be viewed as an additional investment resource, not as your sole source of information. Past performance does not necessarily indicate a financial product's future performance. To obtain advice tailored to your situation, contact a professional financial adviser. The Morningstar Rating is an assessment of a fund's past performance – based on both return and risk – which shows how similar investments compare with their competitors. A high rating alone is insufficient basis for an investment decision.
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. For target market determination: www.bendigobank.com.au/TMD

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

Top 10 holdings

National Australia Bank
Telstra
CSL
Westpac
Orica
AusNet Services
Amcor
Aurizon Holdings
Brambles
Suncorp Group

Sector active weights

Communication Services	7.10%
Materials	6.30%
Utilities	5.30%
Consumer Staple	-0.20%
Industrials	-0.60%
Consumer Discretionary	-3.00%
Health Care	-4.10%
Information Technology	-4.30%
Financials	-4.80%
Real Estate	-7.30%

