

Monthly fund update - April 2020

Investment approach

Each Fund provides access to a selection of high quality, specialist active and index investment managers across a variety of asset classes via its underlying investments. The investment portfolios provide access to investments which have been constructed in a manner that Sandhurst believes will meet the investment return objective of each Fund. Each Fund aims to provide a total return after fees in excess of a stated percentage above inflation over a full market cycle (typically 7 to 10 years), where inflation is measured by the Australian Consumer Price Index (CPI).

Fund performance¹

as at 30 April 2020	3 months %	1 year %	3 years %p.a.	5 years %p.a.	Since inception %p.a.
Sandhurst Conservative Fund	-6.76	-0.64	2.68	2.58	4.97
Sandhurst Balanced Fund	-9.26	-2.00	3.02	3.03	4.96
Sandhurst Growth Fund	-11.70	-3.24	3.35	3.46	5.35

An example of how your investment grows

Growth of \$10,000¹

(Based on historic Fund performance over 5 years)



Fund facts

Fund inception date	7 June 2002
Distribution frequency	Half yearly

Sandhurst Conservative Fund

Fund APIR Code	STL0008AU
Return objective	CPI + 1.5%
Recommended investment timeframe	3 years +
Risk level	Low to medium
Management costs ²	1.50% p.a.
Buy / Sell Spread ²	+0.10%/-0.37%

Sandhurst Balanced Fund

Fund APIR Code	STL0009AU
Return objective	CPI + 2.5%
Recommended investment timeframe	4 years +
Risk level	Medium
Management costs ²	1.50% p.a.
Buy / Sell Spread ²	+0.12%/-0.34%

Sandhurst Growth Fund

Fund APIR Code	STL00010AU
Return objective	CPI + 3.5%
Recommended investment timeframe	5 years +
Risk level	Medium to high
Management costs ²	1.50% p.a.
Buy / Sell Spread ²	+0.13%/-0.29%

Do you have any questions?

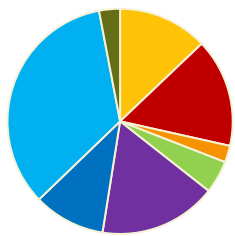
For further information contact us on 1800 634 969 or visit www.sandhursttrustees.com.au

Unit prices

as at 30 April 2020	Application price	Withdrawal price
Sandhurst Conservative Fund	\$0.99915	\$0.99446
Sandhurst Balanced Fund	\$1.01970	\$1.01501
Sandhurst Growth Fund	\$0.96382	\$0.95977

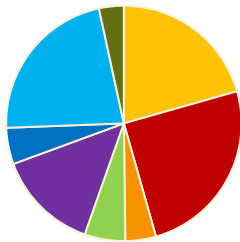
Asset allocation

Sandhurst Conservative Fund



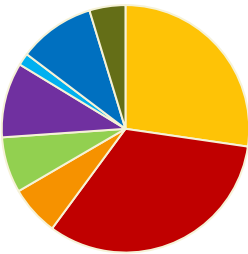
■ Aust Sh	12.9%
■ Int Sh	15.6%
■ Int Sh (Hedged)	2.4%
■ Property & Infra	4.7%
■ Cash	16.9%
■ Int FI	10.3%
■ Aust FI	34.2%
■ Alternative	3.0%

Sandhurst Balanced Fund



■ Aust Sh	20.6%
■ Int Sh	25.0%
■ Int Sh (Hedged)	4.2%
■ Property & Infra	5.6%
■ Cash	14.0%
■ Int FI	5.0%
■ Aust FI	22.2%
■ Alternative	3.4%

Sandhurst Growth Fund



■ Aust Sh	27.3%
■ Int Sh	32.8%
■ Int Sh (Hedged)	6.5%
■ Property & Infra	7.3%
■ Cash	9.8%
■ Int FI	1.6%
■ Aust FI	10.0%
■ Alternative	4.7%

Performance commentary

Across all the risk profiles the Funds had a strong month, buoyed by recovering markets. Active managers provided benefit with Bennelong (Australian equities) up 12%, Ellerston Australian microcaps up 25% and Franklin Global Growth 8.4% the pick of the managers. Active asset allocation detracted from returns with a conservative bias to growth assets and a predominately unhedged exposure working against returns.

Looking forward the Funds remain conservatively positioned given the challenging outlook for earnings growth with portfolio hedges through US dollar exposure, long dated treasury bonds, gold and the Triple3 volatility fund.

Economic commentary

Following the 36% selloff on S&P 500 Index from the February peak to the March low, the Australian ASX 200 Index and the US S&P 500 Index rose 8.8% and 12.7% respectively in April, buoyed by unprecedented central bank liquidity and government fiscal support. Whilst perhaps not as eventful as the month of March, April still offered plenty with the oil price collapsing into negative territory. Oil producers remained stubborn to cut supply and the reduction in demand brought on by Coronavirus isolation measures, brought about a large supply to demand imbalance, bringing the price on Western Texas oil (WTI) spot on the 21st of April to negative \$37 a barrel. More recently oil production cuts as well as the gradual reopening of many economies has brought about some stabilisation with the WTI spot price closing at \$18.8 at the end of April.

During the lockdown, the hardest hit industries are among services and entertainment sectors. The uncertainty about the future has spilled over to almost all other business, resulting in significant reduction of production and investment, project delays and reversal of future expectations. Governments and Central Banks around the world have been providing support to struggling households and business, in forms of cash rate cuts, stimulus packages, social welfare assistances, asset purchasing programs and term funding facilities for the banking system. This combination of reactions has provided households with a financial backstop and liquidity to alleviate market dysfunction in its stressed condition.

Looking forward investment markets face a combination of fast evolving forces, being central bank liquidity and fiscal government support, a gradual relaxation of restrictions and the risk of "second wave" which is still present and largely unknown. Some industries are experiencing permanent structural change, while employees adapt to flexible working arrangements. There are undoubtedly negative effects on economies in the short term, however with all the efforts to combat this pandemic, the Reserve Bank of Australia expects the recovery to take us into mid-2022.

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. Funds start date 7 June 2002.
2. Other fees and costs may apply. See the Product Disclosure Statement for full details.

The managed funds detailed in this update (individually referred to as 'Fund' or collectively as 'Funds') are 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 Funds or the service they provide, full details of which are contained in the relevant Product Disclosure Statement (PDS). Investments in the Funds are not deposits with, guaranteed by, or liabilities of the Bank or any of its related entities. Economic and outlook forecasts are not guaranteed to occur. Sandhurst has prepared this document based on information available to it. The information and opinions provided in this document have not been verified and Sandhurst has no obligation to notify you in the event that any information or opinions change. No representation is made to the fairness and accuracy of the information, opinions and conclusions contained in this document. This update is provided by Sandhurst and contains general advice only. Please consider your situation and read the relevant PDS available at www.sandhursttrustees.com.au/pds, any Bendigo Bank branch or by phoning 1800 634 969 before making an investment decision.

The information is current as at 30 April 2020 (unless stated otherwise) and is subject to change without notice.

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