

Monthly fund update - August 2021

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

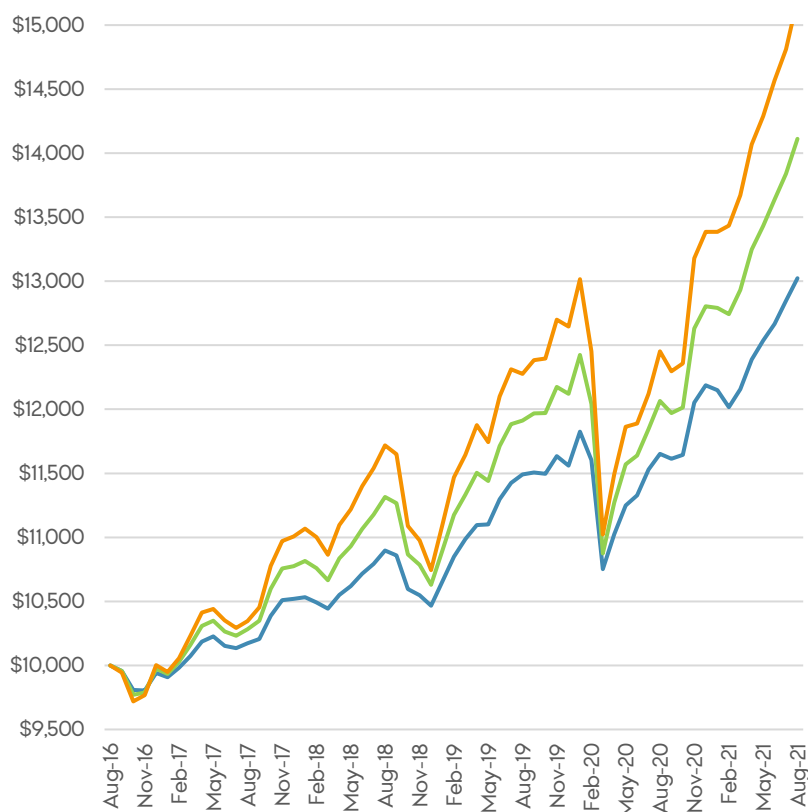
as at 31 August 2021

	3 months %	1 year %	3 years %p.a.	5 years %p.a.	Since inception %p.a.
Sandhurst Conservative Fund	3.89	11.78	6.12	5.43	5.52
Sandhurst Balanced Fund	5.06	16.96	7.64	7.13	5.84
Sandhurst Growth Fund	6.39	22.08	9.06	8.74	6.51

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	1.550% p.a.
Buy / Sell Spread ²	+0.13%/-0.15%

Sandhurst Balanced Fund

Fund APIR Code	STL0009AU
Return objective	CPI + 2.5%
Recommended investment timeframe	4 years +
Risk level	Medium
Management costs ²	1.569% p.a.
Buy / Sell Spread ²	+0.14%/-0.15%

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	1.586% p.a.
Buy / Sell Spread ²	+0.15%/-0.15%

Do you have any questions?

For further information contact us on 1800 634 969 or visit www.bendigobank.com.au/managedfunds

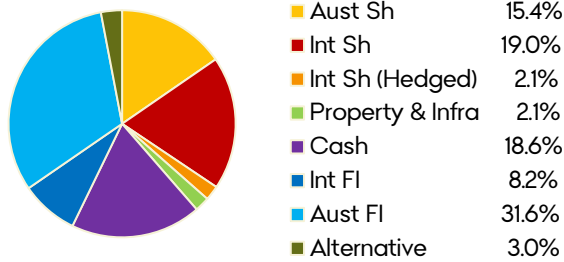
Unit prices

as at 31 August 2021

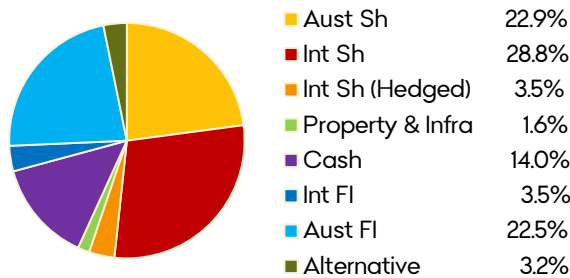
	Application price	Withdrawal price
Sandhurst Conservative Fund	\$1.04496	\$1.04204
Sandhurst Balanced Fund	\$1.14411	\$1.14079
Sandhurst Growth Fund	\$1.12579	\$1.12242

Asset allocation

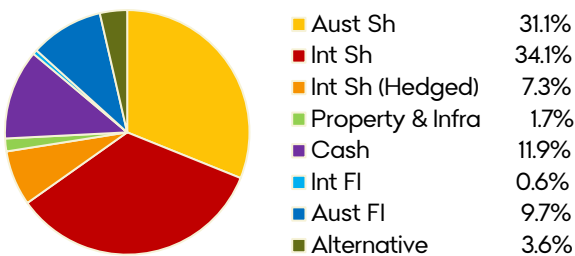
Sandhurst Conservative Fund



Sandhurst Balanced Fund



Sandhurst Growth Fund



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. 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.

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.bendigobank.com.au/managedfundsforms, any Bendigo Bank branch or by phoning 1800 634 969 before making an investment decision.

The information is current as at 31 August 2021 (unless stated otherwise) and is subject to change without notice.

Performance commentary

The three Funds all outperformed the Morningstar peer group over the month of August. Driving returns was outperformance from the active portfolio with Bennelong returning 8.7% for the month, Nasdaq 100 (6.2% return) and Ellerston Micro Caps (7.5% return).

Detracting from relative performance was the Funds' overweight exposure to emerging markets and inflation linked bonds. Emerging markets have trailed developed world equities significantly since March of this year. The divergence largely relates to China holdings in which Chinese equities have been negatively impacted by the Chinese government intervention in capital markets and further the appreciation of the USD which is a negative drag on emerging market economies.

Overall we believe the Funds are well diversified, with a balance of growth opportunities in Asian equities, global technology and Australian small cap stocks, as well as inflation protection through holdings in gold, natural resources, and inflation linked bonds.

Economic commentary

Over the month of August, global equity markets on aggregate rose. Since April markets have second guessed economic growth and inflation expectations, factoring in a reduced growth outlook. Monetary support continues and over the past three months we have seen impressive price appreciation in high growing companies such as technology stocks. Bond yields and the Australian dollar followed growth expectations lower, providing good returns in fixed income markets. Inflation expectations have followed bond yields lower, but not at the same rate, which suggests the market expects supply inflationary pressures to persist, given covid trade bottlenecks.

Central banks globally have provided guidance in reducing aggressive bond purchase programs, in which the result of these artificially pushes interest rates across all maturities lower. However, neither the Australian Reserve Bank nor the United States Federal Reserve have committed to cash interest rate rises, with communication reflecting their belief that inflationary pressures are mostly transitory.

Within Australia, August provides insight into the health of Australian corporates, with earnings season in full swing. As expected, Australian miners took centre stage, producing spectacular outsized earnings given high commodity prices reflected in a revenue jump, while ongoing cost out programs initiated over the past five years, reflected in bottom line earnings. Bank stocks also reported fantastic earnings growth given the high demand for new loans and reduced credit expenses.

