

Monthly fund update - December 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).

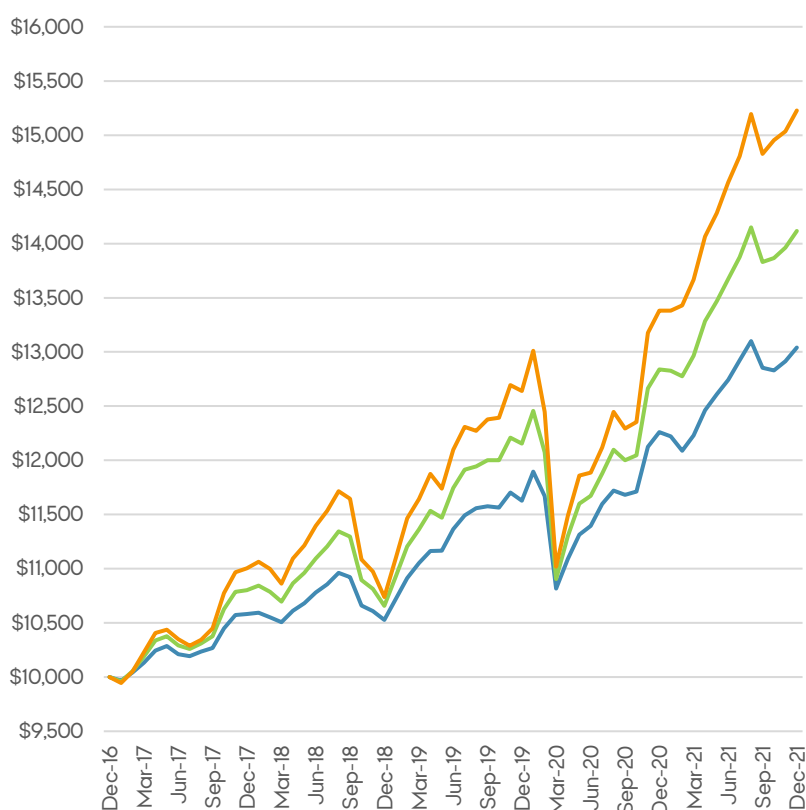
Fund performance¹

as at 31 December 2021	Distribution (cents per unit)	3 months %	1 year %	3 years %p.a.	5 years %p.a.	Since inception %p.a.
Sandhurst Conservative Fund	\$0.0023	1.45	6.37	7.39	5.45	5.40
Sandhurst Balanced Fund	\$0.0031	2.09	9.96	9.83	7.14	5.72
Sandhurst Growth Fund	\$0.0032	2.70	13.81	12.34	8.77	6.41

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?

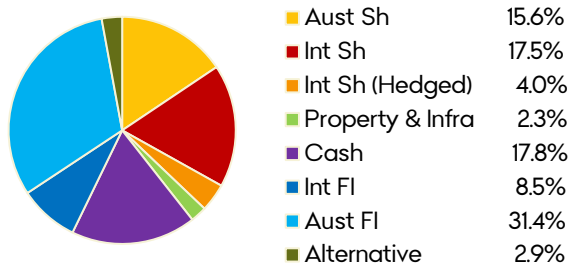
For further information contact us on 1800 634 969 or visit www.bendigobank.com.au/managedfunds

Unit prices

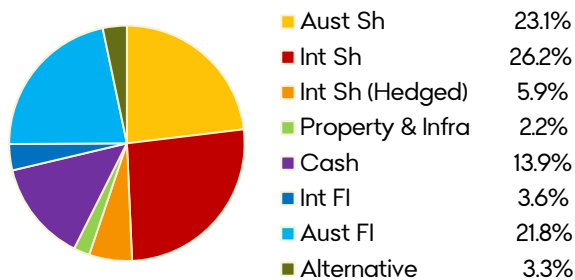
as at 31 December 2021	Application price	Withdrawal price
Sandhurst Conservative Fund	\$1.03783	\$1.03493
Sandhurst Balanced Fund	\$1.13842	\$1.13512
Sandhurst Growth Fund	\$1.12501	\$1.12164

Asset allocation

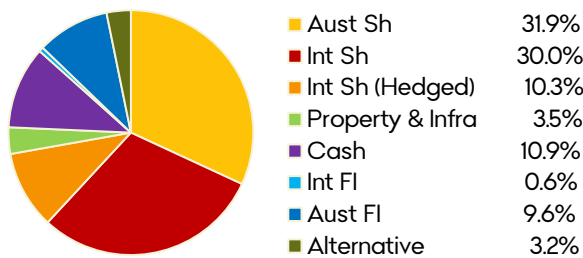
Sandhurst Conservative Fund



Sandhurst Balanced Fund



Sandhurst Growth Fund



Performance commentary

All three risk profiles outperformed their respective Morningstar peer groups over the quarter. This was attributable to the Funds' underweight exposure to rate sensitive assets and overweight to inflation linked bonds. An overweight to the growth side of the ledger also benefited returns as currency hedged global developed equities returned 7.9% over the period. Detracting from returns was a slight overweight to Emerging market equities. Active management was mixed. T. Rowe detracted due to poor stock selection in the technology and consumer discretionary sectors. However, Ausbil performed strongly over the quarter, as the manager benefitted from a rise in commodity prices. Overall, we believe the Funds are well diversified, with a balance of growth opportunities in emerging markets, global technology and Australian small cap stocks, as well as inflation protection through holdings in gold, natural resources, and inflation linked bonds.

Economic commentary

The final quarter of calendar year 2021 was eventful with positive equity performance masking some of the volatility experienced during the period. Global developed world equities returned 7.9% on a currency hedged basis while Australian shares appreciated 2.2% over the same period. Conversely, Emerging market shares were lower by 1.9% and investment grade fixed income investments (represented by 50/50 weighted AusBond composite and global aggregated bond index) returned -0.7% in the December quarter. Uncertainty around the Omicron variant and Central Banks shift in focus on the early withdrawal of monetary policy support were the main drivers of volatility during the quarter.

The potential of a new coronavirus variant and faster than expected tightening of monetary policy had markets questioning the trajectory of economic growth and inflation. Interest rate sensitive investments such as growth shares trading at higher valuations were subject to greater volatility yet still managed to end the quarter in positive territory.

In Australia, the economy is recovering from the Delta variant lockdowns. Coinciding with the easing of restrictions in the Eastern states, economic data prints improved towards the end of the December quarter in a positive sign for growth. Inflation has increased but at a lower pace relative to other parts of the developed world which is positive for price stability. However, Australian CPI continues to be impacted by supply disruptions and higher energy prices which have persisted longer than first expected. The RBA will be closely monitoring developments and is expected to consider revising its bond purchasing program as conditions improve while maintaining the cash rate until inflation is sustainably within the 2-3% target range.

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. For target market determination: www.bendigobank.com.au/TMD

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

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