

Monthly fund update - February 2022

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

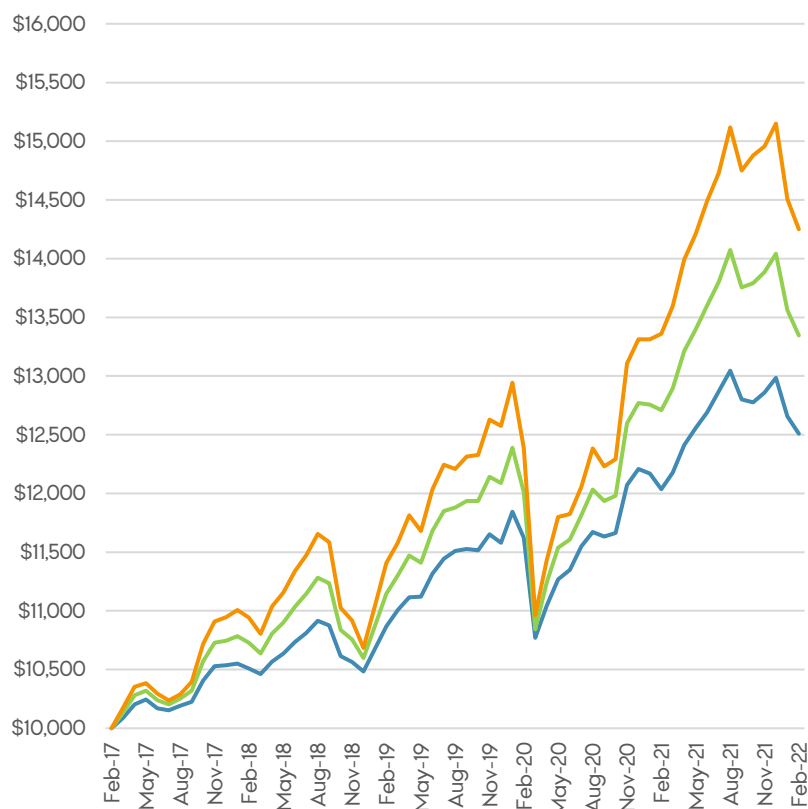
as at 28 February 2022

| | 3 months % | 1 year % | 3 years %p.a. | 5 years %p.a. | Since inception %p.a. |
|------------------------------------|------------|----------|---------------|---------------|-----------------------|
| Sandhurst Conservative Fund | -2.73 | 3.93 | 4.81 | 4.58 | 5.16 |
| Sandhurst Balanced Fund | -3.89 | 5.02 | 6.19 | 5.94 | 5.40 |
| Sandhurst Growth Fund | -4.73 | 6.66 | 7.70 | 7.34 | 6.02 |

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 | 1.47% 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 | 1.48% 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 | 1.50% 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 our website: www.bendigobank.com.au/managedfunds

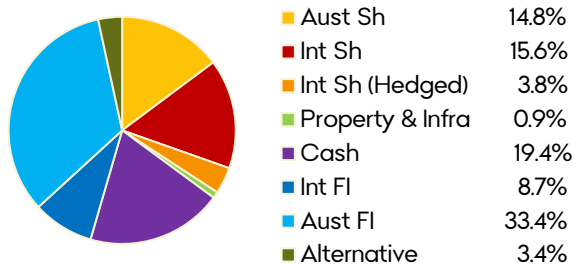
Unit prices

as at 28 February 2022

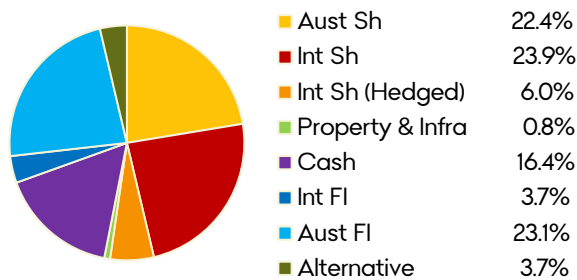
| | Application price | Withdrawal price |
|------------------------------------|-------------------|------------------|
| Sandhurst Conservative Fund | \$0.99982 | \$0.99702 |
| Sandhurst Balanced Fund | \$1.08200 | \$1.07886 |
| Sandhurst Growth Fund | \$1.05818 | \$1.05501 |

Asset allocation

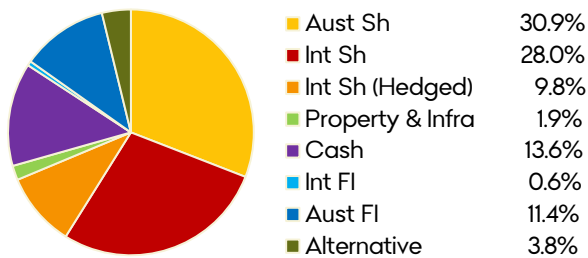
Sandhurst Conservative Fund



Sandhurst Balanced Fund



Sandhurst Growth Fund



Performance commentary

The majority of risk profile funds underperformed the Morningstar peer group over the period, falling short of our expectations. Leading to the result was the on aggregate under performance of our Australian and global equity managers. The Funds have held tactical positions in inflation linked bonds, gold, energy and cash, all of which aided given their inflation hedge dynamics. However, the underperformance from the Funds growth equity managers and the lack of protection from our defensive equity managers, led to on aggregate low returns. Moving forward, the Funds have increased exposure to defensive equity managers and continue to hold exposures in energy, gold, inflation linked bonds and global commodities

Economic commentary

The major focus over the month was the invasion of Russia into Ukraine. Whilst this is a terrible humanitarian event, for markets the ramifications centres around the disruption of global trade, in which outcomes align to a slowing of global growth with inflationary pressures. Russia and Ukraine are major contributors to the world's commodities market, in particular oil and gas, agriculture, fertilizers and steel. Disruptions due to the invasion are likely to result in the increase price of many consumables across the world, throwing further chaos into already fractured supply chains, which have been impacted by Covid lockdowns.

The month of February was a negative month for the majority of risk assets, as concern over Russia escalated. Gold rose, in which this asset class is favourable due to its safe haven status in geopolitical events such as war. Bond yields over the period lifted, due to the concern over supply disruptions pushing inflation higher. Whilst the majority of asset classes returned negative, the outlier was Australian equities, in which a strong reporting period by Australian banks, coupled with buoyed commodity prices which positively impacted our miners, aided the returns in this asset class. Australian equities have held up better than the majority of global indices, in which resource companies aside, the index possesses a large proportion of companies that are less reliant on sales outside of Australia, in particular Europe.

Looking forward global equities face multiple headwinds. Recession is now looming over Europe, and increased costs on everyday goods is sure to weigh on consumer demand, resulting in potential lower earnings for corporates. Equity markets relative to historical are expensive and the US Federal Reserve is set to raise interest rates, withdrawing liquidity from the market, in a period where share prices are looking vulnerable.

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.

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