

Monthly fund update - January 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

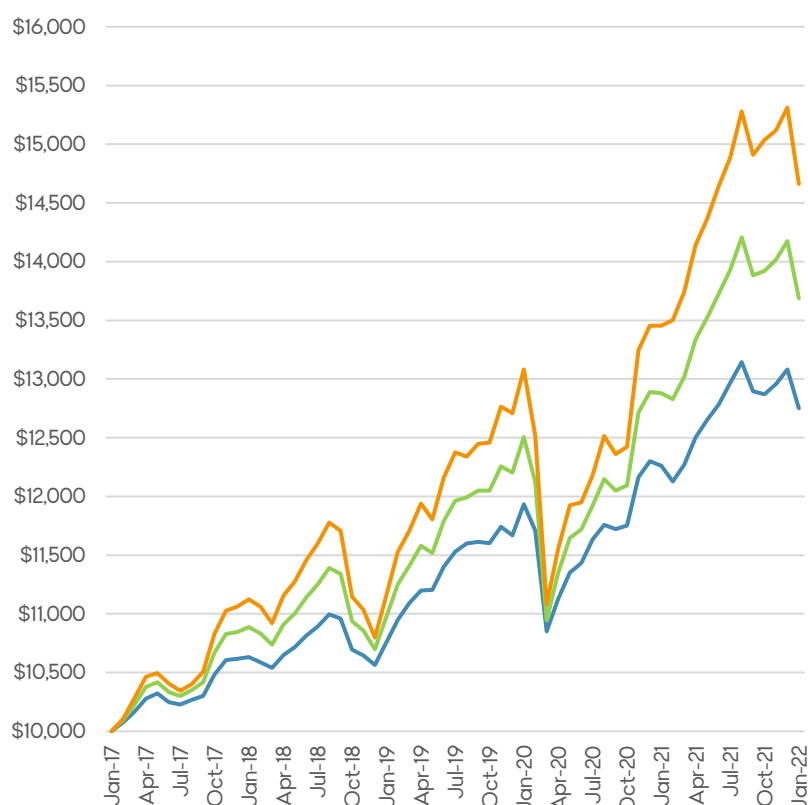
as at 31 January 2022

	3 months %	1 year %	3 years %p.a.	5 years %p.a.	Since inception %p.a.
Sandhurst Conservative Fund	-0.93	4.00	5.83	4.98	5.24
Sandhurst Balanced Fund	-1.68	6.30	7.65	6.48	5.51
Sandhurst Growth Fund	-2.50	8.97	9.53	7.95	6.14

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	1.51% 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	1.55% 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	1.59% 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

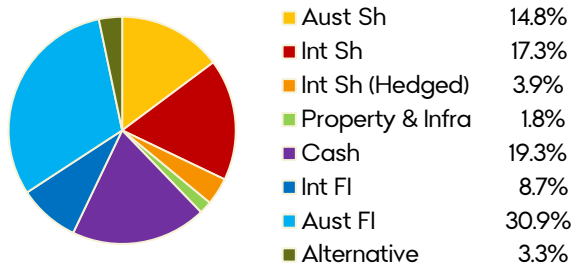
Unit prices

as at 31 January 2022

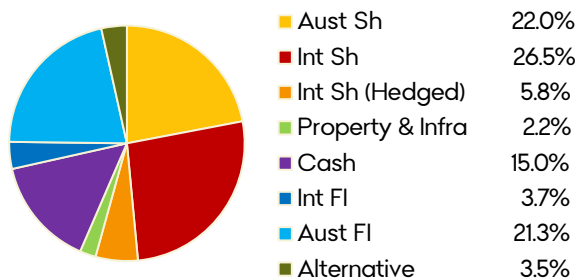
	Application price	Withdrawal price
Sandhurst Conservative Fund	\$1.01148	\$1.00866
Sandhurst Balanced Fund	\$1.09943	\$1.09625
Sandhurst Growth Fund	\$1.07722	\$1.07400

Asset allocation

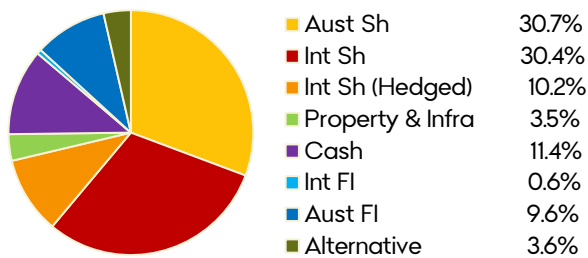
Sandhurst Conservative Fund



Sandhurst Balanced Fund



Sandhurst Growth Fund



Performance commentary

The majority of risk profiles underperformed the Morningstar peer group over the period. Driving the relative return was the underperformance on aggregate of our active equity managers. Over the past six months the market rotated away from high growth companies, and has rewarded cyclical companies such as financials, commodities and energy, in which these sectors benefit from rising inflation.

Aiding performance was the Funds active tilt towards global financials, held through an exchange traded fund. Further benefiting the Fund was the exposure to Ausbil Global Natural resources which has performed well relative to the broader Australian and global equity markets. The Funds have also benefited from a low exposure to fixed government bonds with the inclusion of Metrics Private Credit and investment in Janus Henderson Diversified Credit.

Economic commentary

Global sharemarkets sold off over the month of January as higher than expected inflation led to the markets realisation that easy monetary policy is behind us. The Australian sharemarket as per the S&P ASX 300 fell by 6.5%, while global shares (MSCI World ex-Australia hedged) fell by 5.1%. Whilst returns were negative overall, pockets such as energy and financials gained in value, while interest rate sensitive investments such as Australian listed property fell 9.5% (S&P ASX200 A-REIT index).

Within fixed income, the Bloomberg Ausbond Index fell 1.02%, while the Bloomberg Barclays Global Aggregate returned -1.6%. Market losses relate to the changing expectation for inflation, in which the confidence in central banks transitory tag line began to dissipate in the face of stickier than expected inflation. Within the US, a declining employment participation, combined with goods demand stoked by government fiscal support, has led to a very strong employment market. Pressure on wages grew over the period, giving the greenlight for the Federal Reserve to provide guidance on the withdrawal of quantitative easing and the gradual increase in cash rates over the year ahead. With higher interest rates came a sharemarket rotation away from companies with higher growth and more speculative profits, towards the larger more liquid companies with proven earnings streams.

Overall the Funds have benefited from underweight positions in interest rate sensitive investments such as fixed government bonds and property with preference for cash, credit and Australian inflation linked bond positions. On the growth side, managers on aggregate underperformed given their larger weightings away from the more liquid stable earnings companies. These dynamics have led to outperformance from the more defensive risk profile funds and lower relative returns in the Funds with higher growth proportions over the six month period.

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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The information is current as at 31 January 2022 (unless stated otherwise) and is subject to change without notice.

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