

Monthly fund update - July 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).

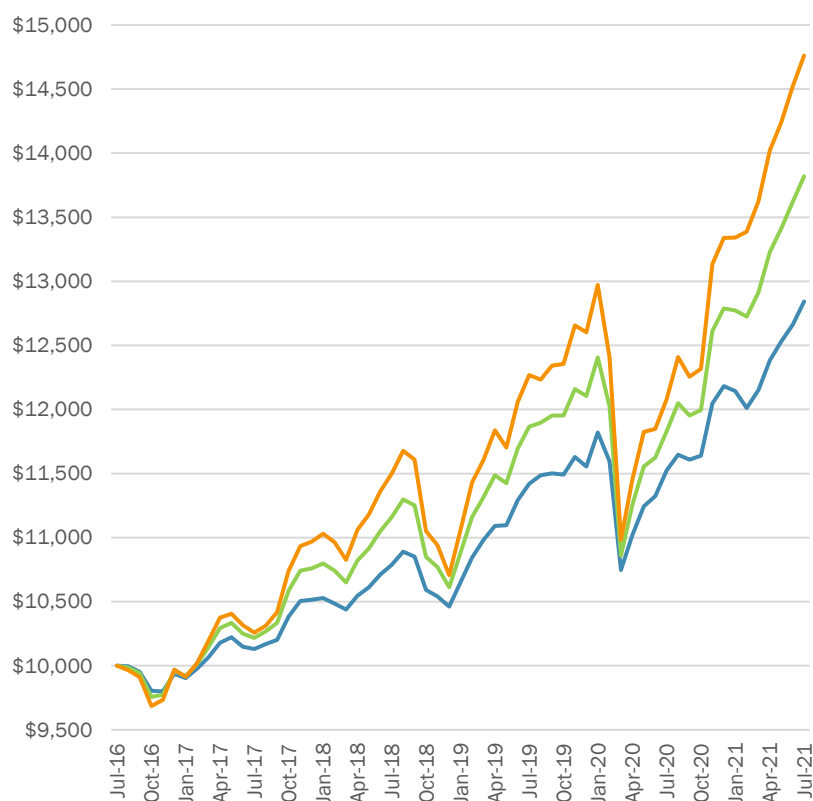
Fund performance¹

as at 31 July 2021	3 months %	1 year %	3 years %p.a.	5 years %p.a.	Since inception %p.a.
Sandhurst Conservative Fund	3.70	11.43	5.98	5.13	5.47
Sandhurst Balanced Fund	4.46	16.82	7.38	6.68	5.75
Sandhurst Growth Fund	5.28	22.19	8.68	8.10	6.39

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?

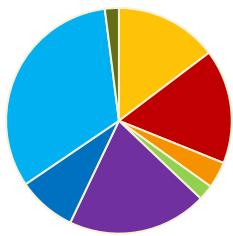
For further information contact us on 1800 634 969 or visit www.sandhursttrustees.com.au

Unit prices

as at 31 July 2021	Application price	Withdrawal price
Sandhurst Conservative Fund	\$1.03089	\$1.02800
Sandhurst Balanced Fund	\$1.12198	\$1.11873
Sandhurst Growth Fund	\$1.09700	\$1.09372

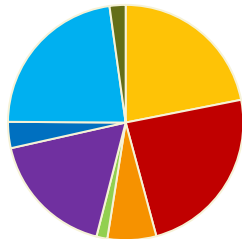
Asset allocation

Sandhurst Conservative Fund



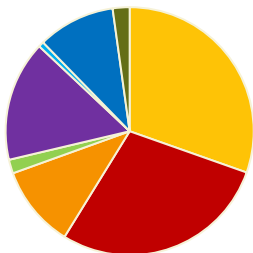
■ Aust Sh	14.7%
■ Int Sh	16.4%
■ Int Sh (Hedged)	3.8%
■ Property & Infra	2.2%
■ Cash	20.0%
■ Int FI	8.4%
■ Aust FI	32.5%
■ Alternative	2.0%

Sandhurst Balanced Fund



■ Aust Sh	21.9%
■ Int Sh	23.9%
■ Int Sh (Hedged)	6.7%
■ Property & Infra	1.5%
■ Cash	17.5%
■ Int FI	3.6%
■ Aust FI	22.7%
■ Alternative	2.2%

Sandhurst Growth Fund



■ Aust Sh	30.4%
■ Int Sh	28.4%
■ Int Sh (Hedged)	10.7%
■ Property & Infra	1.8%
■ Cash	15.7%
■ Int FI	0.7%
■ Aust FI	10.1%
■ Alternative	2.2%

Performance commentary

Returns for the month of July were strong across the risk profiles as every major asset class returned in the black. Peer relative performance continues to be strong for the funds. Global equities outperformed domestic equities given better than expected quarterly earnings results. Offshore US equity positions buoyed returns given the recent strength of the US dollar. An overweight to gold and inflation linked bonds also benefitted the funds as yields fell while inflation expectations were largely unchanged over the month. Ellerston Australian micro capitalisation equities continued its strong performance in July returning 4.5%, outperforming its benchmark return of 0.7%. Antipodes detracted from returns given the global equity manager's position in Chinese software/internet companies which experienced volatility in July following Chinese regulatory crackdowns.

Economic commentary

Quarterly earning updates took centre stage in July, as investors were able to see the impact of many parts of the globe reopening on companies' profits and revenues. The latest quarterly results have been strong and above expectations with the largest 500 companies in the US, represented by the S&P 500 Index, reporting double digit sales growth and earnings almost double the amount they were in the same period a year ago. Noting the year-ago period was characterised by lockdowns, creating a low base of comparisons.

Regulatory bodies in China made headlines in July following the actions taken against DiDi (ride hailing service in China) and the private education sector. China cited data protection and national security reasons for its suspension of new user registrations for DiDi. In the same month, the cost of private education in China was put under the microscope as authorities noted these services were charging unsustainably high prices. These actions followed anti-competitive sanctions placed on large dominant companies that were deemed to be abusing their market power at the expense of smaller competitors in recent months. It appears China is seeking to balance its objectives of growth and prosperity for many rather than few.

Within Australia the economy is expected to take a hit in the September GDP print following lockdowns as the Delta variant spread through parts of the nation. Despite this, house prices continue their upward trajectory with record low interest rates and increased borrowing by owner occupiers and investors. The RBA remains committed to maintaining highly accommodative monetary conditions to support the recovery and reach the board's objectives of full employment and inflation sustainably within the 2 to 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.

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

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