

Monthly fund update - March 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

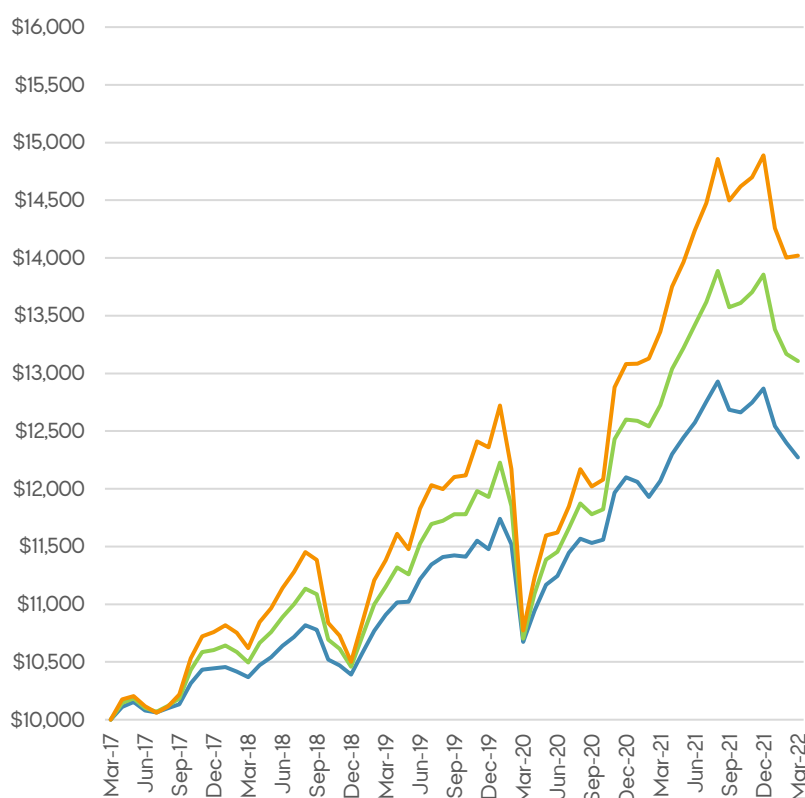
as at 31 March 2022

	3 months %	1 year %	3 years %p.a.	5 years %p.a.	Since inception %p.a.
Sandhurst Conservative Fund	-4.66	1.67	4.00	4.18	5.08
Sandhurst Balanced Fund	-5.40	3.00	5.53	5.56	5.35
Sandhurst Growth Fund	-5.83	4.94	7.20	6.99	6.00

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 costs² 1.47% p.a.

Buy / Sell Spread² +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 costs² 1.48% p.a.

Buy / Sell Spread² +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 costs² 1.50% p.a.

Buy / Sell Spread² +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

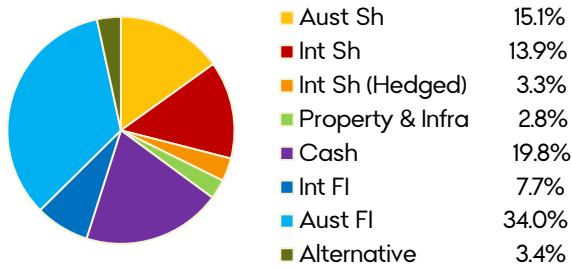
Unit prices

as at 31 March 2022

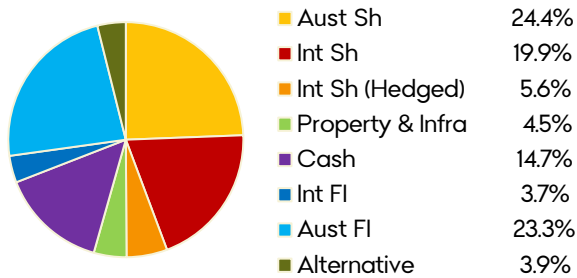
	Application price	Withdrawal price
Sandhurst Conservative Fund	\$0.98951	\$0.98674
Sandhurst Balanced Fund	\$1.07690	\$1.07378
Sandhurst Growth Fund	\$1.05946	\$1.05629

Asset allocation

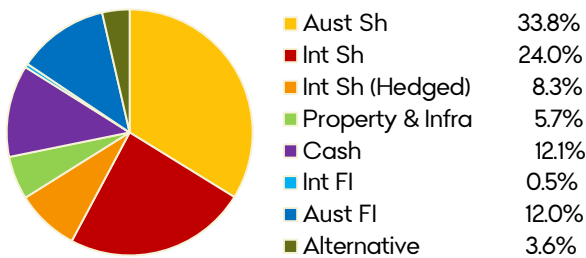
Sandhurst Conservative Fund



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. The past quarter has seen a large divergence from the type of investments that worked well over the past decade, with resources now outperforming technology companies. Over the quarter we have acted to down weight underlying managers that we believe are not adapting to the changing environment and introduced several new exposures such as healthcare, consumer staples, energy and increased weights to gold and defensive equity managers in AB Managed Volatility.

Economic commentary

Markets were generally weaker through the March quarter as inflation concerns and the Ukraine Russia conflict dragged on investor sentiment. Bond yields rose strongly with the Australian Government 10-year bond entering the calendar year at 1.67% before closing the March quarter at 2.84%. Equity markets outside of commodities were weaker, in particular high growth technology companies, which fell substantially on the back of rising inflation and bond yields. The Australian share market fared much better relative to other regions, with European markets heavily impacted by rising energy costs and US markets dragged down by a re-rating of growth companies.

Holding up the Australian sharemarket was the high exposure of the index to resource stocks, with BHP rising 30% for the quarter. Over the past decade resource companies globally have been cautious on expansion spending and hence there is a broad lack of supply of many key commodities. With the economy shifting to cleaner energy, demand is strong for commodities in a tight supply market. Adding fuel to the fire is the Ukraine Russia conflict, in which commodities produced in these regions have added to supply shortages. These impacts have played out in bond markets, with rises in yield curves reflecting the inflation impacts of tight commodity supply.

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 levels 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. The bright areas include commodities and energy, and consumer staples. With rates now materially higher, returns are more attractive across fixed income markets.

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 March 2022 (unless stated otherwise) and is subject to change without notice.