

Monthly fund update - November 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).

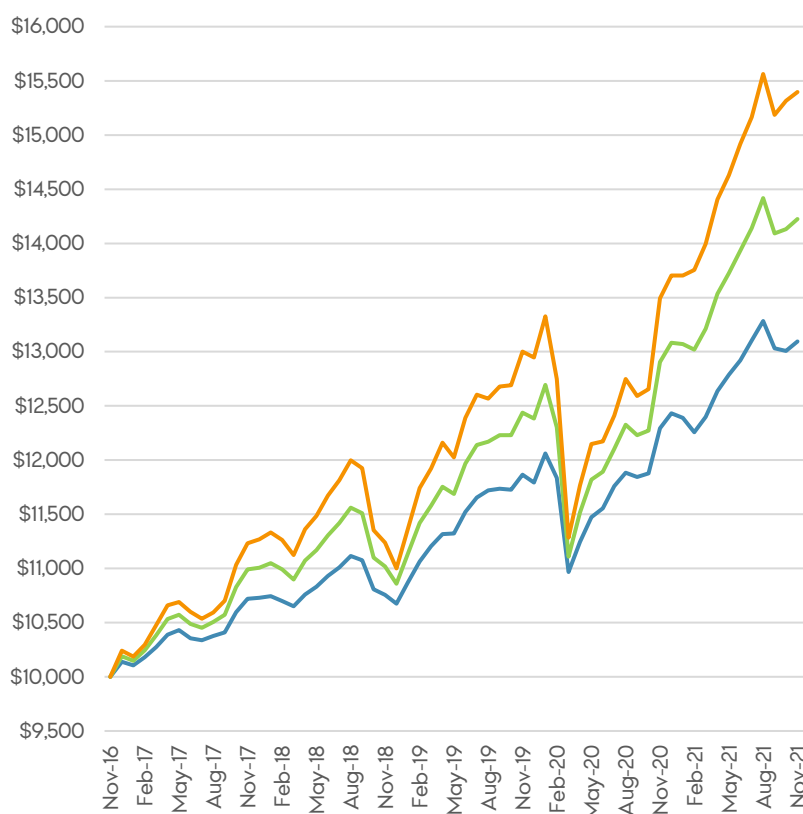
Fund performance¹

as at 30 November 2021	3 months %	1 year %	3 years %p.a.	5 years %p.a.	Since inception %p.a.
Sandhurst Conservative Fund	-1.42	6.52	6.77	5.54	5.37
Sandhurst Balanced Fund	-1.33	10.24	8.89	7.30	5.69
Sandhurst Growth Fund	-1.06	14.11	11.07	9.02	6.37

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?

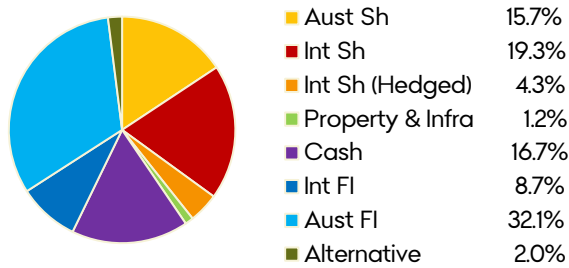
For further information contact us on 1800 634 969 or visit www.bendigobank.com.au/managedfunds

Unit prices

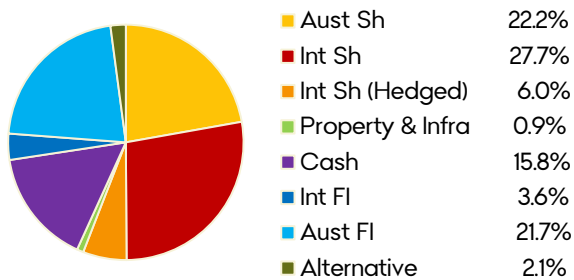
as at 30 November 2021	Application price	Withdrawal price
Sandhurst Conservative Fund	\$1.03013	\$1.02725
Sandhurst Balanced Fund	\$1.12889	\$1.12562
Sandhurst Growth Fund	\$1.11389	\$1.11055

Asset allocation

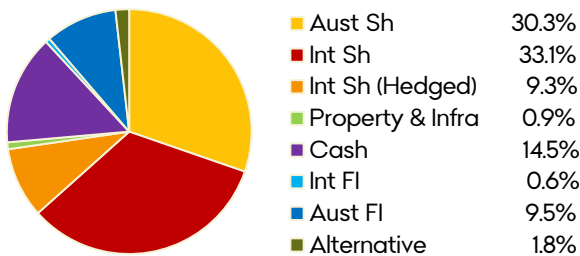
Sandhurst Conservative Fund



Sandhurst Balanced Fund



Sandhurst Growth Fund



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 30 November 2021 (unless stated otherwise) and is subject to change without notice.

Performance commentary

The Funds on aggregate performed in line with the peer group of over the month. In what was a volatile period, there were many winners and losers. On aggregate our global equity managers underperformed, however this was somewhat offset by a strategic position in the Nasdaq 100 ETF which returned over 10% for the month. Australian equities were mixed with new addition of DNR Capital Australian Emerging Companies Fund aiding performance. Given falls in bond yields over the period, positioning in inflation linked bonds and Australian government bonds added to returns.

Looking forward, we believe the Funds are well positioned with a good blend of growth drivers (global technology companies, Australian small cap equities), inflation protection (natural resources, inflation linked bonds and gold) and downside protection (government risk free securities and foreign currency exposure).

Economic commentary

Markets were mixed over the month of November, as an early month rally in risk assets gave way to a selloff promoted by the Omicron variant and a less accommodative monetary stance from the US Federal Reserve. The Australian dollar fell over 5% with bond yields following the same course, as the market repriced global growth expectations lower. Whilst testing is still early, the variant is expected to be milder, however more contagious, than previous versions of the virus.

Data flow continues to suggest economic growth will remain strong moving into 2022. ISM PMI surveys on both the services and manufacturing sectors display robust readings, with measures such as prices and new orders being high relative to historical levels. This coupled with tight customer inventories indicate demand is well supported. Labour statistics back this data, with US job openings above 11 million, well above pre-Covid measures of approximately seven million.

Within Australia, jobs advertisements data from SEEK indicate a tightening employment market. For November, SEEK job ads are up 50% year on year in which is 52% higher than November 2019. Despite the seemingly tighter employment market, the Reserve Bank of Australia has continued to communicate that they do not expect to raise interest rates until 2024. This is contrary to market pricing, in which financial markets have priced in three cash rate rises over the upcoming 12-month period.

Over the month emerging markets displayed some glimmers of hope in which has been a troubling asset class over the past year. Despite strong returns experienced across developed world markets, the CSI 300 Index, which comprises of China listed companies, has fallen over 16% from the high point in February 2021 to the end of November. Whilst predominately self-inflicted, China has steered an easing in credit growth and property speculation in which is aimed at reducing inequality, hence allowing for a more sustainable growth path leading forward. This, coupled with political interference in some of the larger constituents of the Chinese stock market, has led to a loss of investor confidence within the region. More recently the Chinese Government has pledged more support for the economy, in which markets have cheered.

