Sandhurst Diversified Funds

Monthly fund update - September 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 performance[1]

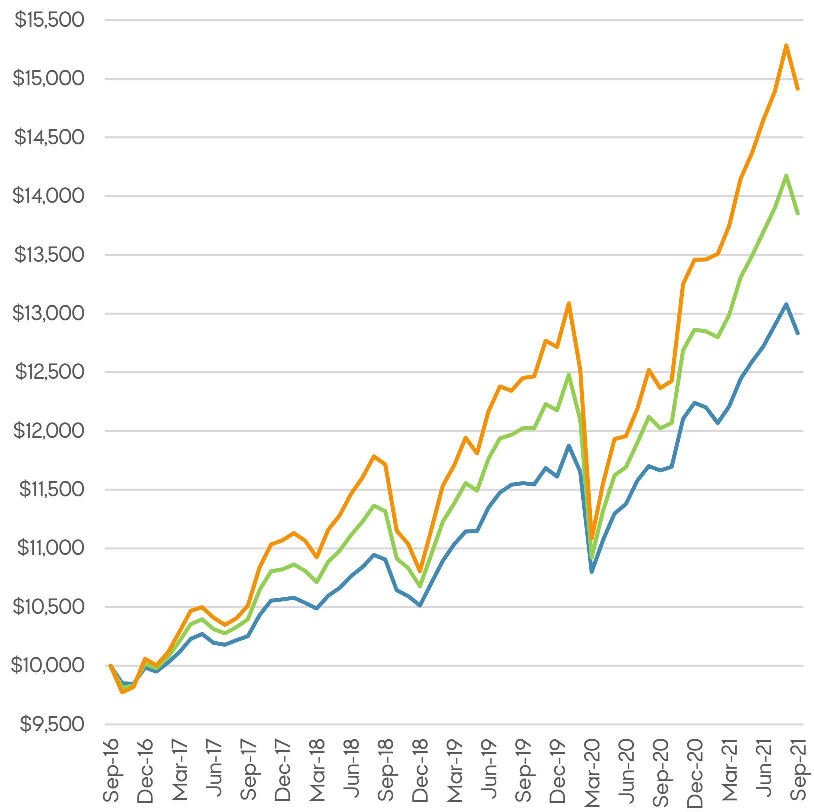
as at 30 September 2021

	3 months %	1 year %	3 years %p.a.	5 years %p.a.	Since inception %p.a.
Sandhurst Conservative Fund	0.88	10.03	5.58	5.11	5.39
Sandhurst Balanced Fund	1.14	15.23	6.97	6.74	5.68
Sandhurst Growth Fund	1.81	20.62	8.39	8.32	6.35

An example of how your investment grows

Growth of $10,000[1]

(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

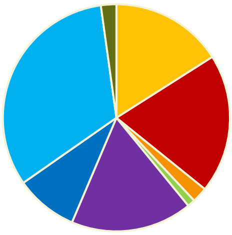
as at 30 September 2021

	Application price	Withdrawal price
Sandhurst Conservative Fund	$1.02525	$1.02238
Sandhurst Balanced Fund	$1.11817	$1.11494
Sandhurst Growth Fund	$1.09860	$1.09531

Refer to the next page for footnotes

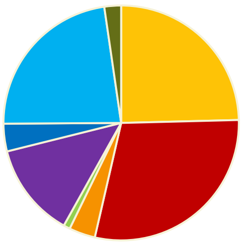
Asset allocation

Sandhurst Conservative Fund



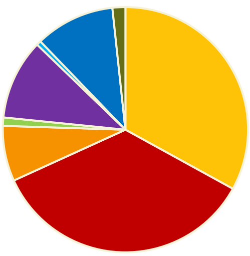
Aust Sh	16.0%
Int Sh	19.8%
Int Sh (Hedged)	2.2%
Property & Infra	1.1%
Cash	17.3%
Int FI	8.9%
Aust FI	32.5%
Alternative	2.2%

Sandhurst Balanced Fund



Aust Sh	24.6%
Int Sh	29.0%
Int Sh (Hedged)	3.6%
Property & Infra	0.9%
Cash	13.0%
Int FI	3.8%
Aust FI	22.8%
Alternative	2.3%

Sandhurst Growth Fund



Aust Sh	33.0%
Int Sh	35.2%
Int Sh (Hedged)	7.3%
Property & Infra	1.1%
Cash	10.6%
Int FI	0.6%
Aust FI	10.5%
Alternative	1.7%

Performance commentary

The three risk profile funds all outperformed the Morningstar peer group over the quarter as strong performance from our active managers boosted returns. The pick of our managers were Bennelong Concentrated Australian equities and Ellerston Australian MicroCap strategy. Bennelong provided returns above the ASX300 of over 7%, while Ellerston provided excess returns of 12.7%. Detracting from returns were positions in emerging markets, in which the dominant exposure being China, was negatively impacted by government interventions in capital markets, a controlled slowdown in credit growth, and fears of property led slowdown, given the collapse of Chinese property developer Evergrande.

Overall, we believe the Funds are well diversified, with a balance of growth opportunities in emerging markets, global technology and Australian small cap stocks, as well as inflation protection through holdings in gold, natural resources, and inflation linked bonds.

Economic commentary

The quarter ending September was another eventful period for markets, in which on aggregate provided low positive returns for investors. The first two months of the period a slowdown in growth expectations led by delta variant lockdowns, saw bond yields fall and high growth companies such as technology stocks, outperform the market. In the month of September, bond yields reversed course and rose given supply led inflation shocks linked to rises in energy prices.

Inflation once again was the focus of markets, with inflationary forces appearing less than transitory, in which transitory inflation is predicted by many global central banks. Supply bottlenecks continue to cause pricing issues, with a boost in global goods demand, coupled with covid related supply disruptions, have led to high price rises across a variety of goods. Adding to the issues is the recent spike in global energy prices. Whilst somewhat linked to energy demand driven by the production of above trend goods, supply issues are emerging as the world transitions away from fossil fuels. The recent spike is a timely reminder that the energy transition may result in energy price hiccups, as the delicate dance between a reduction in fossil fuels and new energy creation needs to be managed alongside demand.

Within Australia, the September quarter provided insight into the health of Australian corporates, through the end of financial year earnings reporting. As expected, Australian miners took centre stage, producing spectacular outsized earnings given high commodity prices reflected in a revenue jump, while ongoing cost out programs initiated over the past five years, reflected in bottom line earnings. Bank stocks also reported fantastic earnings growth given the high demand for new loans and reduced credit expenses.

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.