

Sandhurst Strategic Income Fund - Class A units

Monthly fund update - December 2020

Investment approach

The Fund aims to provide customers with regular income and may offer higher returns with a lower level of risk through the market cycle in an effort to outperform a static investment in similar assets by strategically managing its portfolio in varying market and economic conditions.

The objective of the Fund is to outperform its benchmark (after fees) over any two year period.



Australia Ratings has assigned a SUPERIOR investment rating with a BLUE product complexity indicator designating the Fund as a Relatively Simple Product.⁴

Fund performance¹

as at 31 December 2020	Fund return	Benchmark ²	Excess return
3 months (%)	0.43	0.02	0.41
1 year (%)	0.97	0.37	0.60
2 years (% p.a.)	1.57	0.93	0.64
3 years (% p.a.)	1.66	1.26	0.40
5 years (% p.a.)	2.04	1.52	0.52
Since inception (% p.a.)	3.09	2.28	0.81
Morningstar Rating™ Overall³	★ ★ ★		
Morningstar category rank 3 year³	21/35		

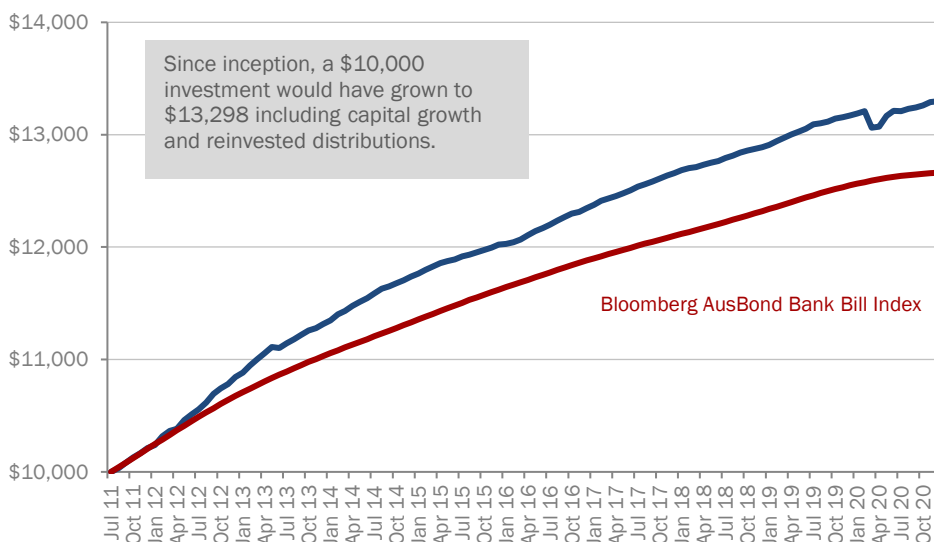
Fund facts

Fund APIR code	STL0027AU
Fund start date	30 July 2011
Management costs ⁵	0.79% p.a.
Buy / Sell spread ⁵	+0.04% / -0.15%
Minimum investment / minimum balance	\$2,000
Recommended investment timeframe	2 years +
Risk level	Low

An example of how your investment grows

Growth of \$10,000¹

(Based on historic Fund performance since inception)



Unit price (ex distribution)

as at 31 December 2020

Application price	\$1.02897
Withdrawal price	\$1.02753

Distribution details (cents per unit)

31 Mar 20	\$0.00350
30 Jun 20	\$0.00346
30 Sep 20	\$0.00160
31 Dec 20	\$0.00150

Do you have any questions?

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

Benefits of investing

- ▶ regular income from quarterly distributions;
- ▶ access to a diversified portfolio therefore reducing your risk and potentially enhancing returns;
- ▶ low volatility core investments supplemented by strategically selected allocations to credit sectors;
- ▶ there's no requirement to rollover or lock away your investment for a fixed term; and
- ▶ a regular savings plan option from \$50 per month.

Portfolio performance

For the month of December 2020, the Strategic Income Fund achieved a 0.05% return for the Class A units. Projecting the monthly return for the next 12 months would provide an annualised return of 0.60% after fees.

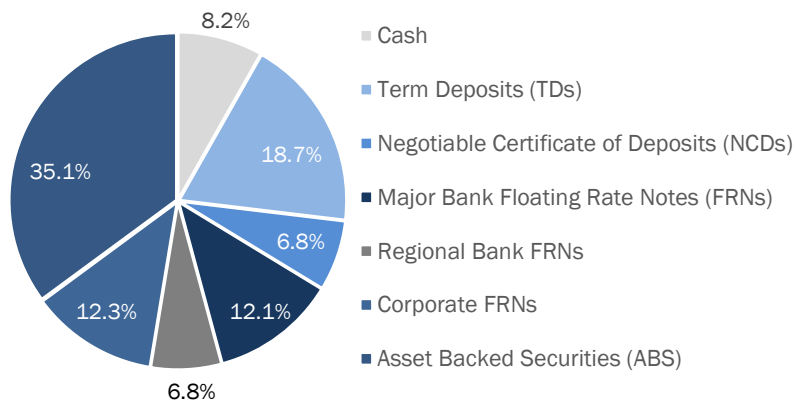
December was a positive month for global equities as approved Covid-19 vaccines began to be rolled out. Market sentiment was also supported by hopes of a new US fiscal package and a Brexit trade deal. US markets rallied over the month with the S&P500 (a market capitalisation weighted index of the 500 largest US publicly traded companies) rising 3.7%. Despite European countries being forced into new lockdowns with case numbers rising, the UK FTSE increased 3.1% in December and the German Dax rose 1.0%. In Australia, the ASX200 increased 1.1% on the month.

Following the RBA rate cut in November, short dated government bond yields and Bank Bills drifted lower to find new lows in December.

December was a relatively quiet month for the Australian credit market. Credit spreads, the difference between the yield on credit assets and risk free assets, moved tighter as investors risk appetite continued to improve. As a result, corporates outperformed government bonds during the month.

The Fund's focus remains on high quality investments with minimal volatility. The Fund has 33.7% in cash instruments, 31.2% in Floating Rate Notes (FRN) and 35.1% in highly rated securitised assets. Approximately 72.5% of non-cash assets are rated AA- or higher.

Asset allocation



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.
2. The benchmark for the Fund is Bloomberg AusBond Bank Bill Index.
3. Sandhurst Strategic Income Fund - Class A units received a 3-Star Overall Morningstar Rating™ out of 35 Australian Short Term Fixed Interest funds as of 31 December 2020 and a 3-Star Three year rating out of 35 Australian Short Term Fixed Interest funds as of 31 December 2020.
© 2020 Morningstar, Inc. All rights reserved. Neither Morningstar, its affiliates, nor the content providers guarantee the data or content contained herein to be accurate, complete or timely nor will they have any liability for its use or distribution. Any general advice or 'class service' have been prepared by Morningstar Australasia Pty Ltd (ABN: 95 090 665 544, AFSL: 240892) and/or Morningstar Research Ltd, subsidiaries of Morningstar, Inc, without reference to your objectives, financial situation or needs. Refer to our Financial Services Guide (FSG) for more information at www.morningstar.com.au/s/fsg.pdf. You should consider the advice in light of these matters and if applicable, the relevant Product Disclosure Statement before making any decision to invest. Our publications, ratings and products should be viewed as an additional investment resource, not as your sole source of information. Past performance does not necessarily indicate a financial product's future performance. To obtain advice tailored to your situation, contact a professional financial adviser.
The 'Morningstar Rating' is an assessment of a fund's past performance – based on both return and risk – which shows how similar investments compare with their competitors. A high rating alone is insufficient basis for an investment decision. 'Morningstar Category Rank' is the Fund's performance rank relative to all funds in the same Morningstar Category. Investments are placed into Morningstar Categories based on their compositions and portfolio statistics so that investors can make meaningful comparisons. Source: www.morningstar.com.au/Funds/FundReport/19434
4. Australia Ratings has assigned a SUPERIOR investment rating with a BLUE product complexity indicator designating the Fund as a Relatively Simple Product. This rating implies the highest level of confidence that the Fund can deliver a risk adjusted return in line with its investment objectives. Designation as a Relatively Simple Product indicates that the investment manager will seek to outperform their chosen mainstream market sector. A rating is not a recommendation to invest, retain or redeem units in the Fund. The rating may be subject to change or withdrawal at any time. A copy of Australia Ratings Financial Services Guide can be found at www.australiaratings.com/fsg
5. 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 Sandhurst Strategic Income Fund (Fund) is issued by Sandhurst Trustees Limited (Sandhurst) ABN 16 004 030 737 AFSL 237906 a subsidiary of Bendigo and Adelaide Bank Limited (Bank) ABN 11 068 049 178 AFSL 237879. Sandhurst and the Bank receive remuneration on the issue of the Fund or the service they provide, full details of which are contained in the Product Disclosure Statement (PDS). Investments in the Fund 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 provided in this document has not been verified. Accordingly, 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. Details of applicable fees and costs are set out in the PDS. Please consider your situation and read the PDS available at www.sandhursttrustees.com.au/pds, any Bendigo Bank branch or by phoning 1800 634 969 before making an investment decision.

This information is current as at 31 December 2020 (unless stated otherwise) and is subject to change and is relevant for Class A Investors only. The Fund uses a multi-class pricing structure. Please refer to the PDS for more information.

Proudly part of



**Bendigo and
Adelaide Bank**