

# Sandhurst Strategic Income Fund

## Class A units

### Monthly fund update - December 2021

#### 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.



Foresight Analytics has assigned a SUPERIOR investment rating with a product complexity indicator designating the Fund as a Relatively Simple Product.<sup>4</sup>

#### Fund performance<sup>1</sup>

as at 31 December 2021	Fund return	Benchmark <sup>2</sup>	Excess return
3 months (%)	-0.21	0.01	-0.22
1 year (%)	0.60	0.03	0.57
2 years (% p.a.)	0.78	0.20	0.58
3 years (% p.a.)	1.25	0.63	0.62
5 years (% p.a.)	1.62	1.11	0.51
Since inception (% p.a.)	2.85	2.06	0.79
<b>Morningstar Rating™ Overall<sup>3</sup></b>	<b>★★★</b>		
<b>Morningstar category rank 3 year<sup>3</sup></b>	<b>17/34</b>		

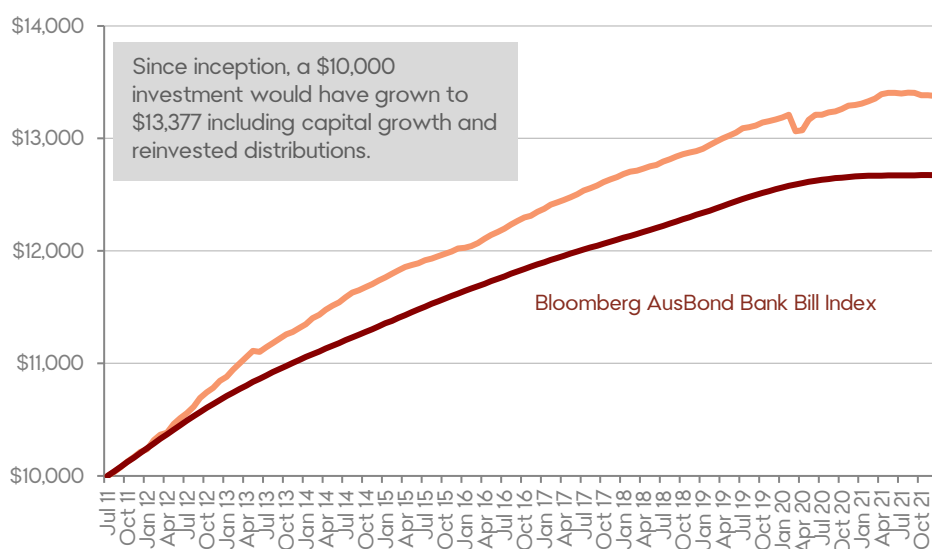
#### Fund facts

Fund APIR code	STL0027AU
Fund start date	30 July 2011
Management costs <sup>5</sup>	0.79% p.a.
Buy / Sell spread <sup>5</sup>	+0.02% / -0.12%
Minimum investment / minimum balance	\$2,000
Recommended investment timeframe	2 years +
Risk level	Low

#### An example of how your investment grows

##### Growth of \$10,000<sup>1</sup>

(Based on historic Fund performance since inception)



#### Unit price (ex distribution)

as at 31 December 2021

Application price	\$1.02949
Withdrawal price	\$1.02805

#### Distribution details (cents per unit)

31 Mar 21	\$0.00100
30 Jun 21	\$0.00216
30 Sep 21	\$0.00100
31 Dec 21	\$0.00150

#### Do you have any questions?

For further information contact us on 1800 634 969 or visit [www.bendigobank.com.au/managedfunds](http://www.bendigobank.com.au/managedfunds)

#### 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.

Refer to the next page for footnotes

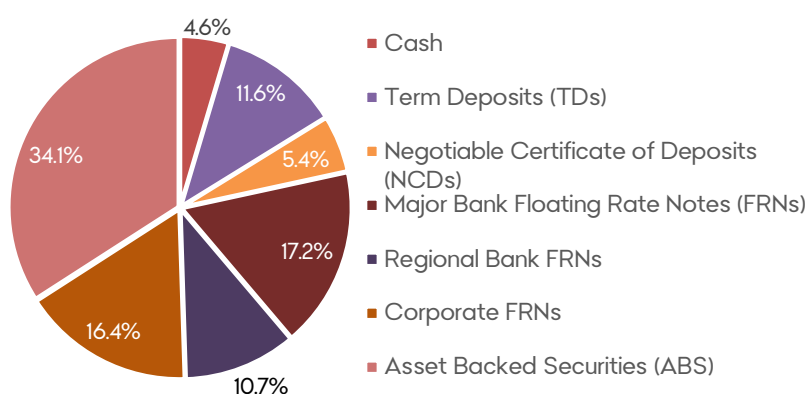
## Portfolio performance

For the month of December 2021, the Strategic Income Fund achieved a -0.05% return for the Class A units. The return was impacted by capital volatility across credit markets over the month. The Fund has generated a return over the past year of 0.60% after fees as well as an average annual return of 2.85% since inception.

A global surge in Omicron cases throughout December and a more hawkish tone from the US Federal Reserve threatened the possibility of a weaker end to the year for global share markets. Despite these developments causing unease amongst investors, equity markets finished the year strongly. Driving the performance was the reluctance from governments to impose severe restrictions and lockdowns as seen in prior covid waves. This calmed investor fears that the economic recovery would be derailed by the Omicron wave. Although the hawkish tone intensified from the Federal Reserve, markets rallied following the meeting as positioning prior was seen as too defensive. The S&P 500 posted its third-best month of 2021 (rose 4.36%) while domestically the ASX 200 increased by 2.9%.

The rapid rise of COVID-19 cases and persistent global inflationary pressures led to increased volatility in the Australian bond market. This volatility was further fuelled by the RBA's asset purchase program which has tightened liquidity. The RBA kept the benchmark interest

## Asset allocation



rate at its all-time low of 0.1% and noted that it would wait until February to review its bond buying program. The Australian government bond yield curve had risen over the past month through expectations that the RBA will continue to tighten their policy positions and credit market spreads also finished the month wider.

A focus on high quality investment remains and at the end of December, approximately 21.6% of the portfolio is allocated to cash instruments, 44.3% in bank/corporate Floating Rate Notes and 34.1% to asset-backed securities. There are currently no unrated assets in the Fund and approximately 55% of non-cash assets are rated AA- or higher.

### 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. Morningstar rates managed funds from one to five stars based on how well they've performed (after adjusting for risk) in comparison to similar funds. Within each Morningstar Category, the top 10% of funds receive five stars, the next 22.5% four stars, the middle 35% three stars, the next 22.5% two stars, and the bottom 10% receive one star. Funds are rated for up to three time periods - three, five, and 10 years - and these ratings are combined to produce an overall rating. Funds with less than three years of history are not rated. Ratings are objective, based entirely on a mathematical evaluation of past performance. They're a useful tool for identifying funds worthy of further research, but shouldn't be considered buy or sell recommendations. Sandhurst Strategic Income Fund - Class A units received a 3-Star Overall Morningstar Rating™ out of 34 Australian Short Term Fixed Interest funds as of 31 December 2021. In the Morningstar Australian Short Term Fixed Interest Category, the Sandhurst Strategic Income Fund - Class A units 3 year return was ranked 17 out of 34 funds as of 31 December 2021. '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](http://www.morningstar.com.au/Funds/FundReport/19434)  
© 2021 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 'regulated financial advice' under New Zealand law has 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. For more information refer to our Financial Services Guide (AU) or Financial Advice Provider Disclosure Statement (NZ) at [www.morningstar.com.au/s/fsg.pdf](http://www.morningstar.com.au/s/fsg.pdf) and [www.morningstar.au/s/fapds.pdf](http://www.morningstar.au/s/fapds.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.
4. Foresight Analytics has assigned a SUPERIOR investment rating with a 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 Foresight Analytics Financial Services Guide can be found at [www.foresight-analytics.com/financial-services-guide](http://www.foresight-analytics.com/financial-services-guide)
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.bendigobank.com.au/managedfundsforms](http://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](http://www.bendigobank.com.au/TMD)

This information is current as at 31 December 2021 (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**