

Sandhurst Strategic Income Fund

Class A units



Quarterly fund update - December 2022

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.⁴

Fund performance¹

as at 31 December 2022

	Fund return	Benchmark ²	Excess return
3 months (%)	0.74	0.74	0.00
1 year (%)	0.60	1.25	-0.65
2 years (% p.a.)	0.60	0.64	-0.04
3 years (% p.a.)	0.72	0.55	0.17
5 years (% p.a.)	1.23	1.01	0.22
Since inception (% p.a.)	2.65	1.99	0.66
Morningstar Rating™ Overall³	★ ★ ★		
Morningstar category rank 3 year³	14/35		

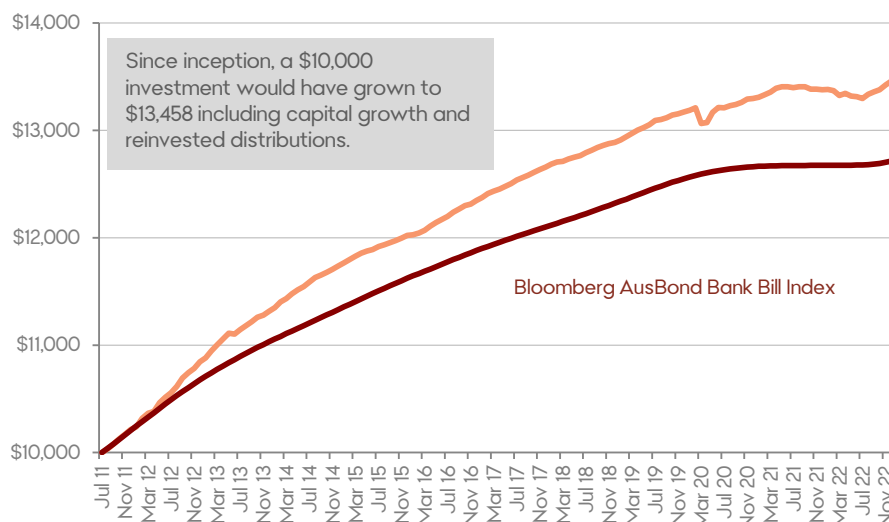
Fund facts

Fund APIR code	STL0027AU
Fund start date	30 July 2011
Management fees & costs ⁵	0.79% p.a.
Buy / Sell spread ⁵	+0.05% / -0.13%
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 2022

Application price	\$1.02555
Withdrawal price	\$1.02370

Distribution details (cents per unit)

31 Mar 22	\$0.00020
30 Jun 22	\$0.00095
30 Sep 22	\$0.00395
31 Dec 22	\$0.00541

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.

Do you have any questions?

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

Portfolio performance

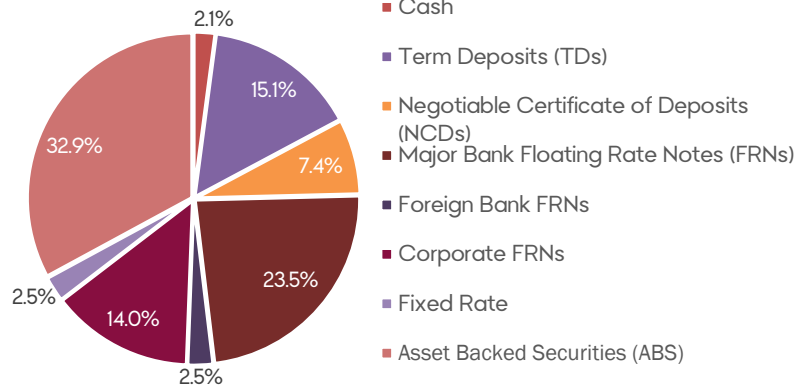
The Strategic Income Fund (Class A) achieved an annualised return of 2.96% (after fees) for the quarter ending 31 December 2022 and an average annual return of 2.65% (after fees) since inception. The Fund has been outperforming its benchmark and saw an increase in returns in the December quarter, which was reflected in an annualised distribution of 2.16% p.a. that was 37% greater per unit than the prior distribution at the end of September.

Global markets were tumultuous in 2022 as persistent volatility created challenging conditions. However, the final quarter of 2022 saw gains. The relaxation of China's zero-covid policy, boosted emerging markets and other developed regions and the market reacted positively to a meeting between US President, Joe Biden and Chinese leader, Xi Jinping in November, which signalled the possibility of improving US-China relations.

The Australian stock market posted strong performance ahead of international markets. The Reserve Bank of Australia (RBA) increased the cash rate from 2.35% to 3.10% during the quarter, and more increases are expected in early 2023, although the pace and magnitude are expected to be reduced.

The impact of higher rates is yet to be fully felt across the economy, and the RBA has noted this in recent communications. The sustained fall in Australian property prices, particularly in Sydney and Melbourne, adds to uncertainty. Delinquency rates on Australian mortgage repayments remain at historic lows but they did increase slightly over the quarter.

Asset allocation



The conservative position of the Fund mitigated the effects of volatility over the quarter.

The Fund Manager remains cautious and positioned the Fund appropriately. There are currently no unrated assets in the Fund and approximately 65% of exposures are rated AA- or higher. At the end of December, 24.5% of the portfolio was allocated to cash instruments, 42.5% in bank/corporate floating rate notes, and 33% to asset-backed securities.

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 35 Australian Short Term Fixed Interest funds as of 30 September 2022. In the Morningstar Australian Short Term Fixed Interest Category, the Sandhurst Strategic Income Fund - Class A units 3 year return was ranked 14 out of 35 funds as of 30 September 2022.
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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
5. Management fees & costs are based on fees and 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, any Bendigo Bank branch or by phoning 1800 634 969 before making an investment decision.

For target market determination: www.bendigobank.com.au/TMD

This information is current as at 31 December 2022 (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.