

# Sandhurst Strategic Income Fund

## Class A units



### Quarterly fund update - June 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.<sup>4</sup>

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

as at 30 June 2022

	Fund return	Benchmark <sup>2</sup>	Excess return
3 months (%)	-0.08	0.07	-0.15
1 year (%)	-0.68	0.10	-0.78
2 years (% p.a.)	0.39	0.08	0.31
3 years (% p.a.)	0.66	0.33	0.33
5 years (% p.a.)	1.26	0.95	0.31
Since inception (% p.a.)	2.68	1.97	0.71
<b>Morningstar Rating™ Overall<sup>3</sup></b>	★★★		
<b>Morningstar category rank 3 year<sup>3</sup></b>	9/33		

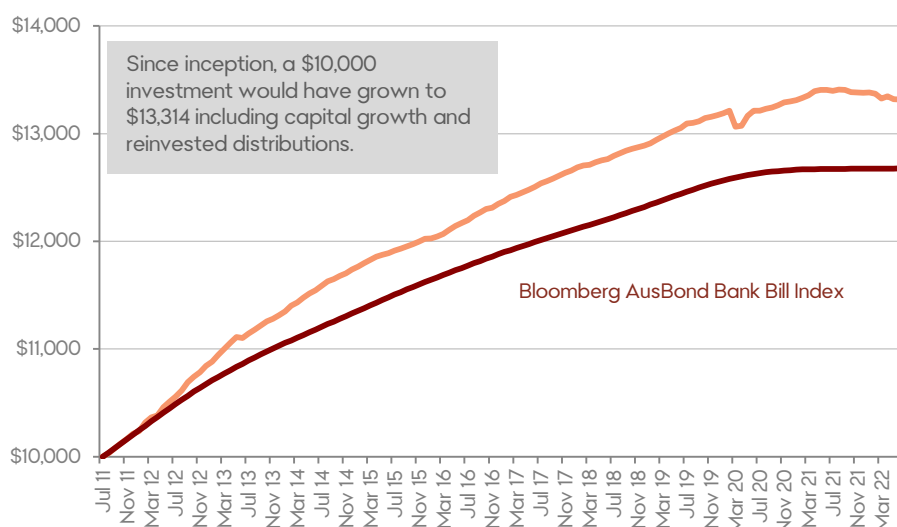
#### Fund facts

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 30 June 2022

Application price	\$1.02346
Withdrawal price	\$1.02203

#### Distribution details (cents per unit)

30 Sep 21	\$0.00100
31 Dec 21	\$0.00150
31 Mar 22	\$0.00020
30 Jun 22	\$0.00095

#### 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](http://www.bendigobank.com.au/managedfunds)

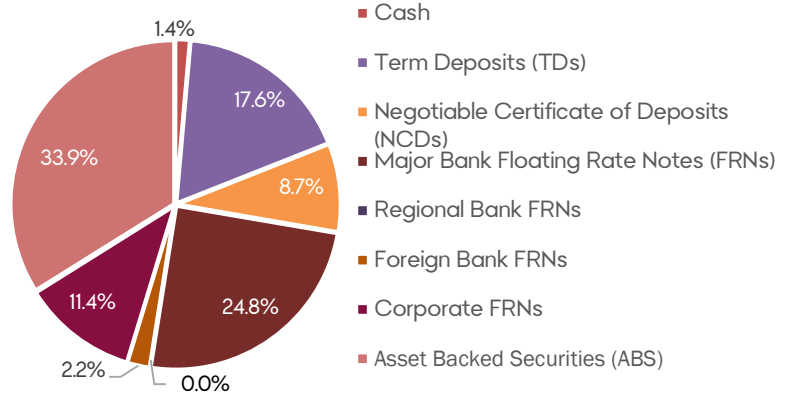
## Portfolio performance

The Strategic Income Fund has achieved an average annual return for the past two years of 0.39% (after fees) and has generated an average annual return of 2.68% (after fees) since inception. Over the past quarter, the Fund paid a distribution of 0.0955 cents per unit, equating to 0.382% p.a. but lost some capital value due to market movements to produce a negative return of 0.08% for the quarter.

The second quarter of 2022 saw the global growth narrative continue to soften as inflation pressures grew, the war in Ukraine continued, energy crisis expanded, and central banks withdrew accommodative monetary policy. Sustained weakness in equity and bond markets saw the US equity market experience its worst return for the first half in 60 years as a circa 20% decline put the market into bear territory. Other global markets also saw heavy losses on a growing lack of confidence amongst investors.

Inflationary pressures have been a main driver of the negative performance in markets. Consumer price index readings across the globe have registered much higher than anticipated and central banks have struggled to combat the increase in prices. The US Federal Reserve (Fed) became more aggressive in their rate hikes and reset expectations of how high rates could go. The pace and extent of rate hikes built fears of a recession late in the quarter spurring further volatility across markets. The dynamics of the geopolitical and global economy post-covid are

## Asset allocation



increasingly difficult to assess and the outlook remains highly uncertain. Increasing interest rates have hit many bond funds which would normally provide a safe haven from the equity volatility.

In Australia, The ASX200 fell 11.9% over the quarter, breaking the trend of outperforming global peers in the first quarter of 2022. The Reserve Bank of Australia (RBA) followed other global central banks with faster than expected rate hikes. The RBA raised rates by 0.25% in May and 0.50% in June to a cash rate of 0.85%. The rate hikes are assisting returns in the Fund as the underlying yield of the assets in the Fund have increased by 0.81% over the quarter. This will flow through as increased distributions to investors.

### 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 33 Australian Short Term Fixed Interest funds as of 30 June 2022. In the Morningstar Australian Short Term Fixed Interest Category, the Sandhurst Strategic Income Fund - Class A units 3 year return was ranked 9 out of 33 funds as of 30 June 2022. '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)  
© 2022 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 30 June 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.