

Sandhurst Strategic Income Fund

Class A units



Quarterly fund update - March 2023

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 March 2023

	Fund return	Benchmark ²	Excess return
3 months (%)	0.88	0.79	0.09
1 year (%)	1.89	2.04	-0.15
2 years (% p.a.)	0.83	1.03	-0.20
3 years (% p.a.)	1.29	0.73	0.56
5 years (% p.a.)	1.32	1.08	0.24
Since inception (% p.a.)	2.67	2.02	0.65
Morningstar Rating™ Overall³	★ ★ ★		
Morningstar category rank 3 year³	19/36		

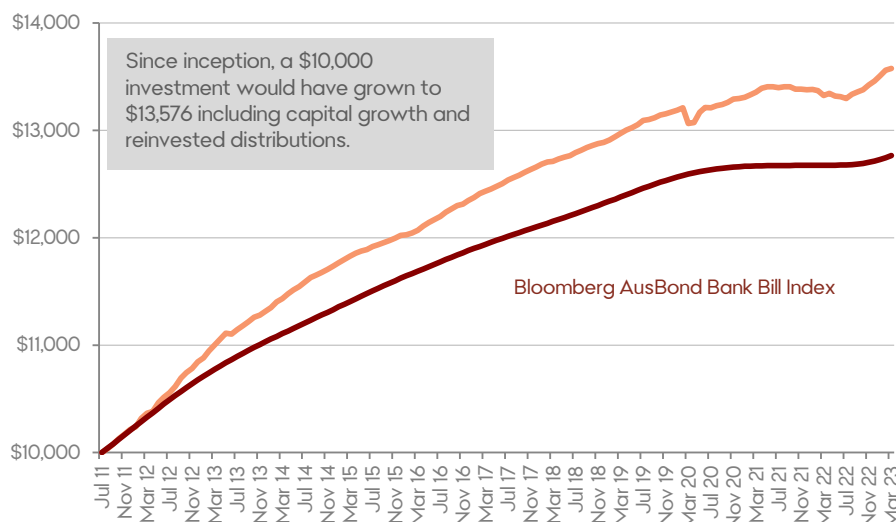
Fund facts

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 March 2023

Application price	\$1.02677
Withdrawal price	\$1.02492

Distribution details (cents per unit)

30 Jun 22	\$0.00095
30 Sep 22	\$0.00395
31 Dec 22	\$0.00541
31 Mar 23	\$0.00778

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 Sandhurst Strategic Income Fund (Class A units) has achieved an annualised quarterly return of 3.52% (after fees) for the March quarter. The Fund saw an increase in returns throughout the March quarter which was reflected in a distribution per unit that was ~43% greater than the December distribution.

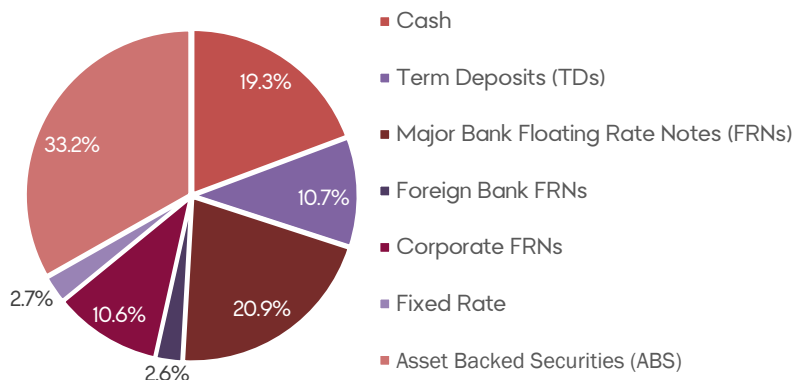
Global financial markets at the start of 2023 were characterised by a strong rally across equity and credit markets as an expectation for the Federal Reserve (Fed) to cut rates later in the year gained traction. Elevated inflationary data and the tight labour markets that were recurring themes in 2022 then returned in February which increased recessionary fears and saw equities retrace some of their January gains.

Concerns about a potential banking crisis emerged in early March with the collapse of Silicon Valley Bank (SVB) following deposit outflows after a failed capital raise. The demise of SVB saw depositor confidence plummet and the resulting outflows of Signature Bank deposits saw it become the third largest bank failure in US history. The broader contagion was not just limited to the US as the already beleaguered Credit Suisse became the third casualty in the span of less than a fortnight. Regulators moved quickly in response by providing guarantees on certain deposits while the Fed supported the liquidity and stability of the banking system by providing access to cheap funding.

The Sandhurst Strategic Income Fund did not hold any investments with SVB, Signature Bank or Credit Suisse.

The developments in the banking system through March led to weakness in financial markets. Domestic credit markets were not immune to the weakness offshore but conservative

Asset allocation



reporting and risk practices from Australian banks relative to the US saw local outperformance to global peers. The risks of a global banking crisis were not as prevalent in the closing stages of the March quarter and risk sentiment in credit and equity markets improved.

The Portfolio Manager remains cautious and the Fund is conservatively positioned amidst the volatile and tentative financial market conditions. There are currently no unrated assets in the Fund and approximately 75% of exposures are rated AA- or higher. At the end of March, 30% of the portfolio is allocated to cash instruments, 37% in bank/corporate bonds and 33% to asset-backed securities. The running yield of the Fund increased by 62bp over the quarter to 4.57% (before fees) by the end of March. The increase in the yield profile of the Fund has also been achieved whilst reducing the risk metrics of the portfolio.

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 36 Australian Short Term Fixed Interest funds as of 31 March 2023. In the Morningstar Australian Short Term Fixed Interest Category, the Sandhurst Strategic Income Fund - Class A units 3 year return was ranked 19 out of 36 funds as of 31 March 2023.
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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 March 2023 (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.