

Sandhurst Strategic Income Fund

Class A units

Monthly fund update - November 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.⁴

Fund performance¹

as at 30 November 2021	Fund return	Benchmark ²	Excess return
3 months (%)	-0.18	0.01	-0.19
1 year (%)	0.70	0.02	0.68
2 years (% p.a.)	0.86	0.23	0.63
3 years (% p.a.)	1.30	0.68	0.62
5 years (% p.a.)	1.68	1.14	0.54
Since inception (% p.a.)	2.88	2.08	0.80
Morningstar Rating™ Overall³	★★★★		
Morningstar category rank 3 year³	16/34		

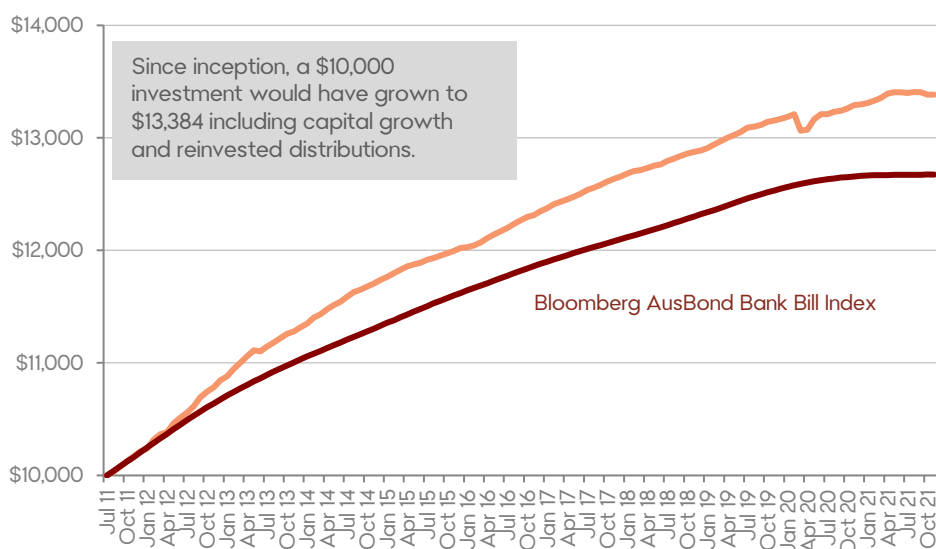
Fund facts

Fund APIR code	STL0027AU
Fund start date	30 July 2011
Management costs ⁵	0.79% p.a.
Buy / Sell spread ⁵	+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 \$10,000¹

(Based on historic Fund performance since inception)



Unit price

as at 30 November 2021

Application price	\$1.03146
Withdrawal price	\$1.03002

Distribution details (cents per unit)

31 Dec 20	\$0.00150
31 Mar 21	\$0.00100
30 Jun 21	\$0.00216
30 Sep 21	\$0.00100

Do you have any questions?

For further information contact us on 1800 634 969 or visit 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

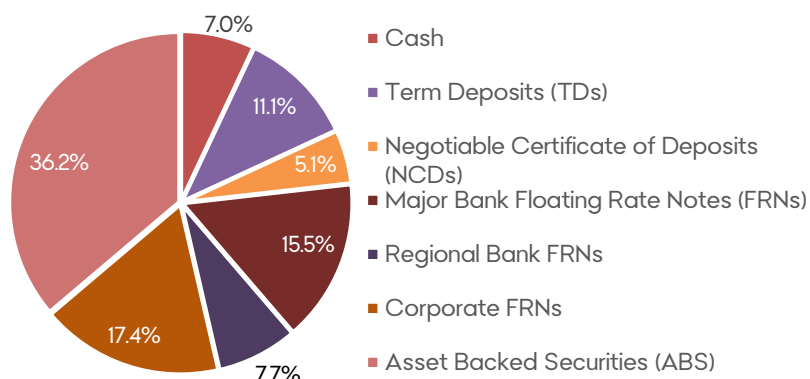
Portfolio performance

For the month of November 2021, the Strategic Income Fund achieved a -0.01% return for the Class A units. The return was impacted by capital volatility across credit markets over the month. The Fund has provided a return of 0.70% over the past year and an average annual return of 2.88% since inception.

Volatility picked up in November on the back of a higher-than-expected Consumer Price Index (CPI) data print in several countries. Investors sold off risk assets on the news developing a defensive tone with global equity markets giving back the gains achieved in October. Credit spreads followed with a widening in spreads that caused asset prices to reprice negatively. Financial credits assets in the domestic market moved wider by 2-8 basis points across spectrum and underperformed the wider market.

Intensifying the volatility was confirmation from the RBA that it would cease its Yield Curve Control (YCC) program that targeted a 0.10% yield for the Australian April-2024 Government bond. The RBA reiterated that it does not see rate hikes before 2023. Market pricing remains disconnected from that view with rate hikes priced for 2022. Investors moved expectations of a rate hike to as early as February 2022 leading to a flattening of the rates curve in Australia through a spike in short term rates and compression in the long end.

Asset allocation



Adding further unease to the market was news of the Omicron Covid-19 variant. Details were scant but reminded investors that whilst vaccination rates are increasing and economies are reopening, there are no guarantees just yet on getting back to normal.

The Fund's focus remains on high quality investment. At the end of October, approximately 23.2% of the portfolio is in cash instruments, 40.6% in bank and corporate Floating Rate Notes and 36.2% is in highly rated securitised instruments. There are no unrated assets in the Fund and approximately 58.6% 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 4-Star Overall Morningstar Rating™ out of 34 Australian Short Term Fixed Interest funds as of 30 November 2021. In the Morningstar Australian Short Term Fixed Interest Category, the Sandhurst Strategic Income Fund - Class A units 3 year return was ranked 16 out of 34 funds as of 30 November 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
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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 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, 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 30 November 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.

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