

# Sandhurst Strategic Income Fund

## Class A units

### Monthly fund update - October 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 October 2021	Fund return	Benchmark <sup>2</sup>	Excess return
3 months (%)	-0.13	0.00	-0.13
1 year (%)	0.94	0.03	0.91
2 years (% p.a.)	0.92	0.27	0.65
3 years (% p.a.)	1.34	0.73	0.61
5 years (% p.a.)	1.71	1.17	0.54
Since inception (% p.a.)	2.91	2.09	0.82
<b>Morningstar Rating™ Overall<sup>3</sup></b>	★★★★		
<b>Morningstar category rank 3 year<sup>3</sup></b>	14/32		

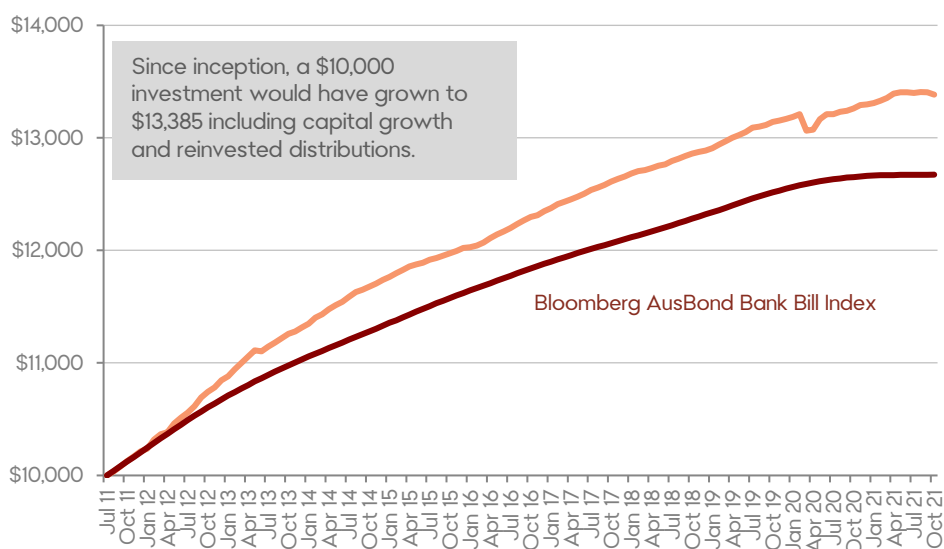
#### Fund facts

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

as at 31 October 2021

Application price	\$1.03156
Withdrawal price	\$1.03012

#### 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](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

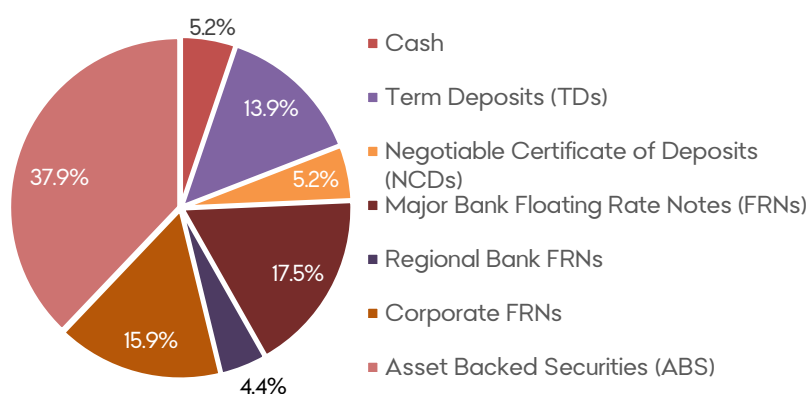
## Portfolio performance

For the month of October 2021, the Strategic Income Fund produced a -0.16% return for the Class A units. The return was impacted by capital volatility across credit markets over the month. Providing a return of 0.94% over the past year the Fund has an average annual return of 2.91% since inception.

Global equity markets rebounded after a pullback in September. The third quarter reporting season boosted sentiment with more than 80% of companies beating estimates. However, central banks and monetary policy noise, in addition to supply chain issues, and inflation, continued to drag on economic growth and views on outlook.

Investment grade credit spreads were broadly flat but Chinese property developers facing financial issues produced fears of contagion to other markets. The Australian credit market had its own struggles with further widening pressure on financial credit spreads and longer dated corporates. Investors are sitting on the sidelines waiting on an increase in new supply. The expectation is that new supply will apply pressure on credit spreads. Additionally, interest rate markets experienced heightened volatility over the month with inflation fears adding a defensive tone. Overall liquidity reduced, sparking a "risk off" move broadly in the Australian credit market.

## Asset allocation



The Fund's focus remains on high quality investment. At the end of October, approximately 26.3% of the portfolio is in cash instruments, 38.3% in bank and corporate Floating Rate Notes and 35.4% is in highly rated securitised instruments. There are no unrated assets in the Fund and approximately 58.7% 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 32 Australian Short Term Fixed Interest funds as of 31 October 2021. 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 32 funds as of 31 October 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 October 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**