

Sandhurst Strategic Income Fund

Class A units

Monthly fund update - September 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 September 2021	Fund return	Benchmark ²	Excess return
3 months (%)	0.00	0.01	-0.01
1 year (%)	1.24	0.04	1.20
2 years (% p.a.)	1.10	0.31	0.79
3 years (% p.a.)	1.45	0.79	0.66
5 years (% p.a.)	1.79	1.20	0.59
Since inception (% p.a.)	2.95	2.11	0.84
Morningstar Rating™ Overall³	★★★★		
Morningstar category rank 3 year³	16/34		

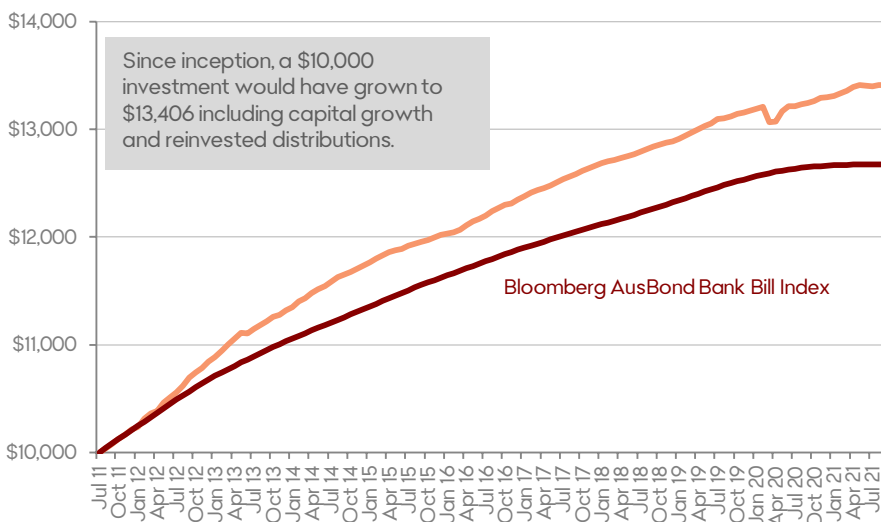
Fund facts

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 (ex distribution)

as at 30 September 2021

Application price	\$1.03317
Withdrawal price	\$1.03172

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.

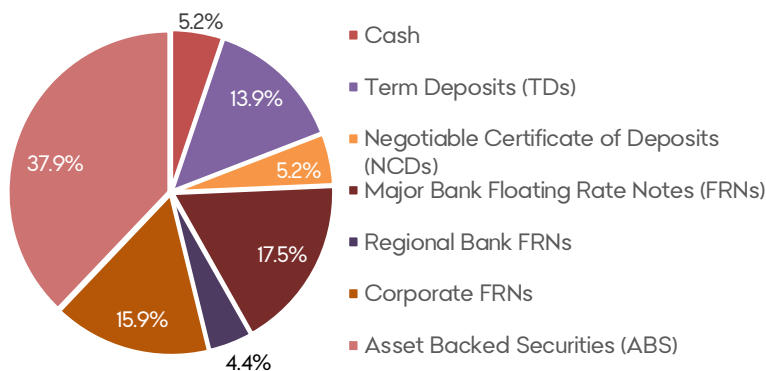
Portfolio performance

For the month of September 2021, the Strategic Income Fund achieved a -0.01% return for the Class A units. The return was impacted by capital volatility in Floating Rate Notes (FRN) over the month. The Fund has provided a return of 1.24% over the past year.

Global markets ended the September quarter broadly flat. Negative news flow and fears of inflationary pressures weakened markets. Despite the weakness, markets around the developed world are still showing strong year to date gains. In contrast, emerging markets have struggled after persistent negative news flow from China dragged on market performance. The Chinese government released several announcements through the month unsettling investors globally. Tutoring companies will need to become non-for-profit organisations, and regulations were announced for the technology sector including a ban on children playing more than three hours of video games per week. Investors became more circumspect on China's growth outlook on the back of these. This caution was intensified after reports of a potential default of Evergrande, one of China's largest property developers surfaced.

The US and European markets were dominated by the central bank announcements. The Federal Reserve announced that it would soon begin to slow its asset purchases with the expectation that they would end purchases in the second half of next year.

Asset allocation



The European Central Bank also announced a reduction in the pace of its purchases but contrastingly advised that ending purchases would not occur in the near term.

Australian equities were weaker in September with resource stocks struggling on the back of a falling iron ore price despite oil and coal increasing sharply. Australian investors grappled with COVID-19 ravaging through the Nation's two largest capital cities and the negative news flow globally casting doubts on the economic recovery. The Reserve Bank of Australia reaffirmed its commitment to asset purchases in response to the COVID-19 development, to support the economic recovery.

The Fund's focus remains on high quality investments with minimal volatility. At the end of August, the Fund had 24.4% in cash instruments, 37.8% in Floating Rate Notes (FRNs) and 60.2% in non-cash assets 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 September 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 September 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 September 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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