

Sandhurst Strategic Income Fund

Class A units

Quarterly fund update - September 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.⁴

Fund performance¹

as at 30 September 2022

	Fund return	Benchmark ²	Excess return
3 months (%)	0.34	0.42	-0.08
1 year (%)	-0.35	0.52	-0.87
2 years (% p.a.)	0.44	0.28	0.16
3 years (% p.a.)	0.61	0.38	0.23
5 years (% p.a.)	1.21	0.95	0.26
Since inception (% p.a.)	2.65	1.97	0.68
Morningstar Rating™ Overall³	★★★		
Morningstar category rank 3 year³	14/35		

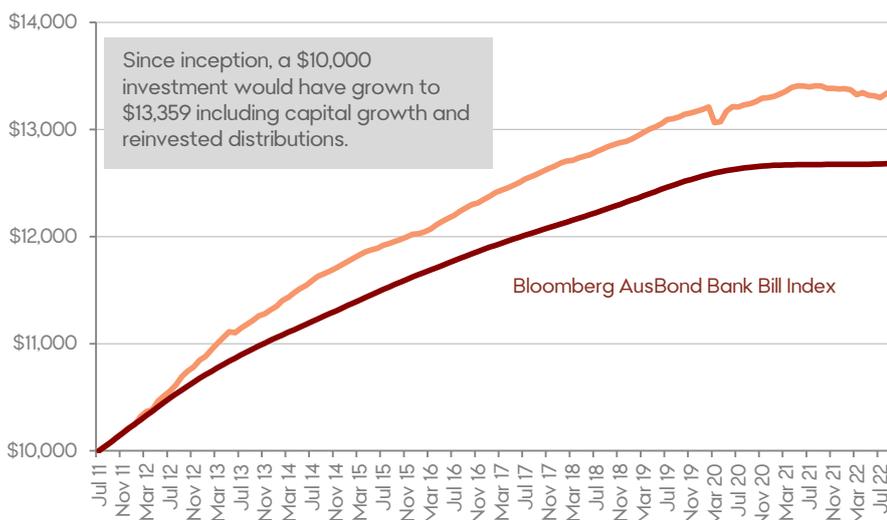
Fund facts

Fund APIR code	STL0027 AU
Fund start date	30 July 2011
Management 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 30 September 2022

Application price	\$1.02337
Withdrawal price	\$1.02153

Distribution details (cents per unit)

31 Dec 21	\$0.00150
31 Mar 22	\$0.00020
30 Jun 22	\$0.00095
30 Sep 22	\$0.00395

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

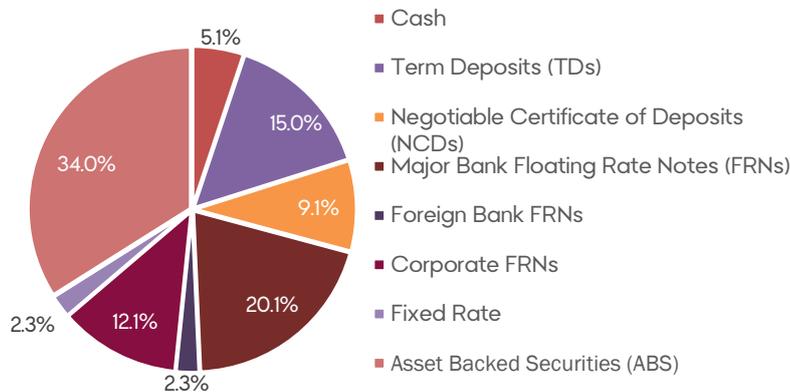
The Strategic Income Fund (Class A units) has achieved an average annual return for the past two years of 0.44% (after fees) and has generated an average annual return of 2.65% (after fees) since inception. The Fund continues to outperform its benchmark and saw an increase in returns throughout the September quarter which was reflected in a distribution that was four times greater than the prior quarter distribution.

Markets rose briefly at the start of the quarter with data supporting the possibility that the US Central Bank could begin decreasing interest rates in 2023. However, the Jackson Hole Summit in August dashed any hopes of this scenario as the Federal Reserve Chair highlighted their commitment to quell inflation.

As the quarter progressed, offshore markets were challenged as the ongoing energy crisis in Europe coupled with rising inflation and tightening monetary policy weighed. The UK mini budget late in September announced the biggest of package tax cuts in the region since the early 1970s. This saw the sterling fall to an all time low against the dollar as well as UK Government bond yields surging higher. The fallout required the Bank of England to step in to prevent pension funds from collapsing which has weakened market sentiment.

The domestic credit market outperformed against this backdrop as a lack of bond issuance assisted in producing strong price gains across July and August. However, the broader market weakness late in the quarter has filtered through to Australian credit.

Asset allocation



The Fund Manager remains cautious amidst the ongoing volatility in financial markets. There are currently no unrated assets in the Fund and approximately 68% of exposures are rated AA- or higher. At the end of September, 29% of the portfolio is allocated to cash instruments, 37% in bank/corporate floating rate notes and 34% to asset-backed securities. The continued increases in the cash rate are assisting the returns and the underlying yield of the assets increased by 1.30% to 3.23% by the end of the quarter.

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 35 Australian Short Term Fixed Interest funds as of 30 September 2022. 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 35 funds as of 30 September 2022.
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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 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.