

Sandhurst Strategic Income Fund - Class B units

Monthly fund update - August 2020

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.



Australia Ratings has assigned a SUPERIOR investment rating with a BLUE product complexity indicator designating the Fund as a Relatively Simple Product.⁴

Fund performance¹

as at 31 August 2020	Fund return	Benchmark ²	Excess return
3 months (%)	0.57	0.03	0.54
1 year (%)	1.32	0.66	0.66
2 years (% p.a.)	1.95	1.24	0.71
3 years (% p.a.)	2.10	1.44	0.66
5 years (% p.a.)	2.43	1.66	0.77
Since inception (% p.a.)	3.47	2.36	1.11
Morningstar Rating™ Overall³	★★★★		
Morningstar category rank 3 year³	10/39		

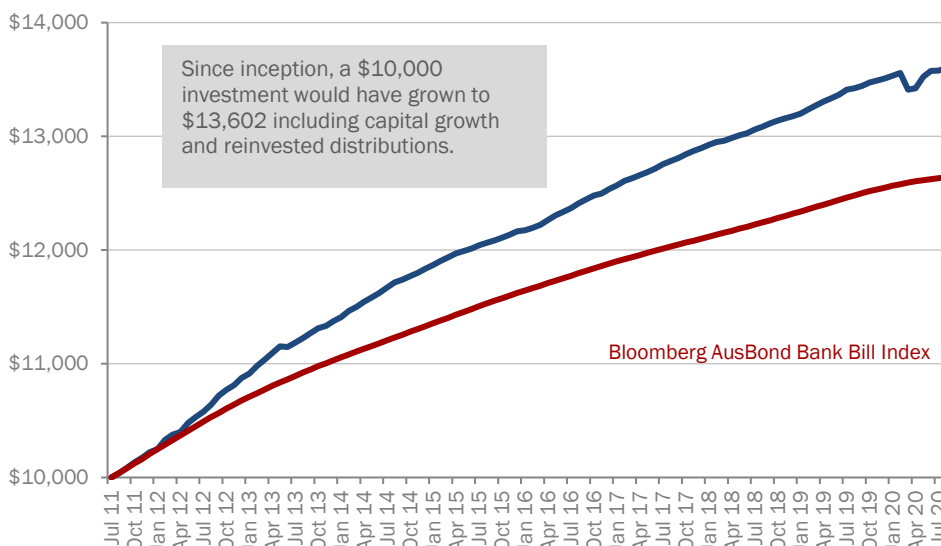
Fund facts

Fund APIR code	STL0044AU
Fund start date	30 July 2011
Management costs ⁵	0.45% p.a.
Buy / Sell spread ⁵	+0.04% / -0.15%
Minimum investment / minimum balance	\$500,000
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 31 August 2020

Application price	\$1.03347
Withdrawal price	\$1.03151

Distribution details (cents per unit)

30 Sep 19	\$0.00500
31 Dec 19	\$0.00500
31 Mar 20	\$0.00450
30 Jun 20	\$0.00435

Do you have any questions?

For further information contact us on 1800 634 969 or visit www.sandhursttrustees.com.au

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

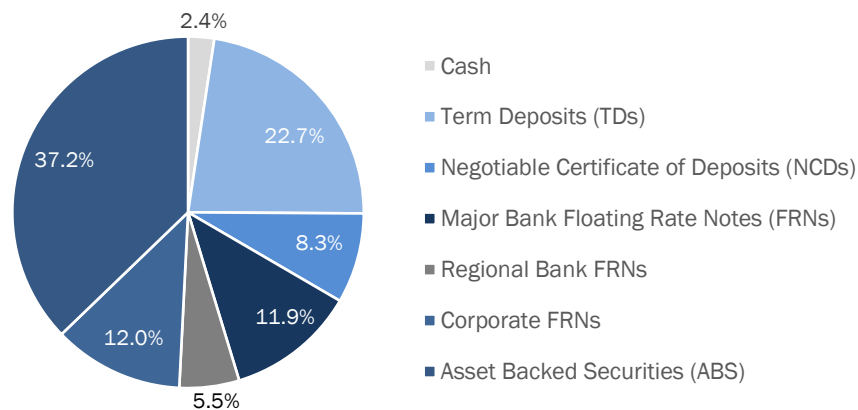
August saw a continuation of strengthening in both equity and credit markets as investors remain optimistic about continued government and central bank support. For the month of August 2020, the Strategic Income Fund achieved a 0.18% return for the Class B units. If August's return is projected for the next 12 months, it would be an annualised return of 2.10%.

Global equity markets advanced in August with technology and "stay at home" stocks lifting major US share indices to all-time highs. The Euro-zone followed with numerous member states announcing further stimulus measures to support their economies. In Australia, the S&P/ASX200 recording a 2.2% rise, representing the best August increase since 2009.

Bond markets were impacted by the US Federal Reserve's announcement on adopting an inflation targeting approach. The announcement caused a sharp steepening of Australian government bond yields late in the month. Credit spreads remained resilient during reporting season with spreads continuing to rally in August. The durability of these recent rally's in markets will be highly dependent on the path to recovery from the COVID-19 triggered downturn.

The Fund manager remains cautious and focussed on high quality investments that reduce the volatility of the Fund during market events. Approximately 33.4% of the portfolio is in cash instruments, 29.4% in bank and corporate Floating Rate Notes (FRN) and 37.2% is in highly rated securitised instruments. There are no unrated or subordinated FRNs in the Fund and approximately 59% of assets are rated AA- or higher.

Asset allocation



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. Sandhurst Strategic Income Fund - Class B units received a 4-Star Overall Morningstar Rating™ out of 39 Australian Short Term Fixed Interest funds as of 31 August 2020 and a 4-Star Three year rating out of 39 Australian Short Term Fixed Interest funds as of 31 August 2020.
© 2020 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 'class service' have 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. Refer to our Financial Services Guide (FSG) for more information at www.morningstar.com.au/s/fsg.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. '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/19876
4. Australia Ratings has assigned a SUPERIOR investment rating with a BLUE 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 Australia Ratings Financial Services Guide can be found at www.australiaratings.com/fsg
5. 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.sandhursttrustees.com.au/pds, any Bendigo Bank branch or by phoning 1800 634 969 before making an investment decision.

This information is current as at 31 August 2020 (unless stated otherwise) and is subject to change and is relevant for Class B 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**