

Sandhurst Strategic Income Fund - Class B units

Monthly fund update - June 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 June 2021	Fund return	Benchmark ²	Excess return
3 months (%)	0.46	0.01	0.45
1 year (%)	1.79	0.06	1.73
2 years (% p.a.)	1.68	0.45	1.23
3 years (% p.a.)	1.99	0.96	1.03
5 years (% p.a.)	2.30	1.29	1.01
Since inception (% p.a.)	3.34	2.16	1.18
Morningstar Rating™ Overall³	★★★★		
Morningstar category rank 3 year³	10/35		

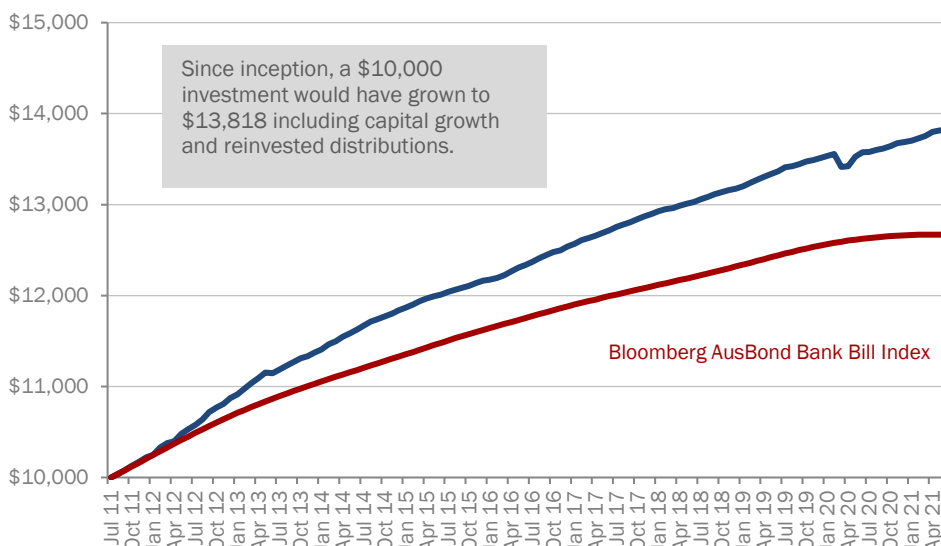
Fund facts

Fund APIR code	STL0044AU
Fund start date	30 July 2011
Management costs ⁵	0.45% p.a.
Buy / Sell spread ⁵	+0.02% / -0.12%
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 (ex distribution)

as at 30 June 2021

Application price	\$1.03962
Withdrawal price	\$1.03817

Distribution details (cents per unit)

30 Sep 20	\$0.00250
31 Dec 20	\$0.00250
31 Mar 21	\$0.00200
30 Jun 21	\$0.00271

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

For the month of June 2021, the Strategic Income Fund achieved a 0.02% return after fees for the Class B units. For the June 2021 quarter, the Fund paid out distributions representing a 0.46% return bringing the annual return up to 1.79% after fees.

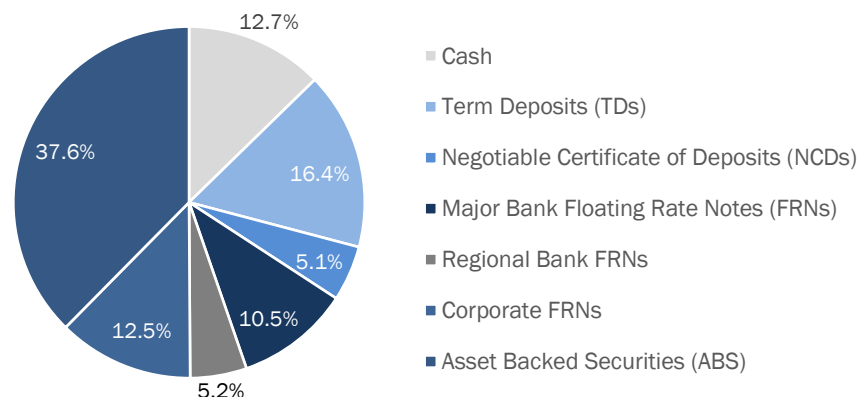
In June, global markets were mixed as positive economic prints conflicted with growing global Covid cases. In the US, investors had to contend with mixed signals from the US Federal Reserve on monetary policy, however the general belief remained the Federal Reserve would not rush to withdraw stimulus. The ongoing fears about higher inflation seemed to subside over the month, as yield curves flattened. Sentiment was bolstered by the US\$1.2 trillion bipartisan deal between the White House and the US Senate on infrastructure spending.

Australian domestic economic data releases were strong, with the labour market in particular continuing to show strength with unemployment dropping to 5.3% in the latest release. The strong labour market and buoyant housing market lifted enthusiasm over the month. However, this optimism was impacted by parts of Australia being locked down to control the ongoing Covid outbreak.

Credit market spreads tightened marginally in June, with financials outperforming non financials. It was a reasonably quiet month for Australian financials, noting the RBA's Temporary Funding Facility closed to new drawdowns on 30 June.

The Fund manager remains cautious and focussed on high quality investments that reduce the volatility of the Fund during market events. Approximately 34% of the portfolio is in cash instruments, 28% in bank and corporate Floating Rate Notes and 38% is in highly rated securitised instruments. There are no unrated or subordinated assets in the Fund and approximately 72% of non-cash 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. 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 B units received a 4-Star Overall Morningstar Rating™ out of 35 Australian Short Term Fixed Interest funds as of 31 May 2021. In the Morningstar Australian Short Term Fixed Interest Category, the Sandhurst Strategic Income Fund - Class B units 3 year return was ranked 10 out of 35 funds as of 31 May 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/19876
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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.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 30 June 2021 (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.

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