

Class B units

Monthly fund update - March 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 31 March 2022	Fund return	Benchmark ²	Excess return
3 months (%)	-0.31	0.01	-0.32
1 year (%)	0.11	0.04	0.07
2 years (% p.a.)	1.33	0.07	1.26
3 years (% p.a.)	1.24	0.46	0.78
5 years (% p.a.)	1.74	1.02	0.72
Since inception (% p.a.)	3.06	2.01	1.05
Morningstar Rating™ Overall³	★★★★		
Morningstar category rank 3 year³	8/33		

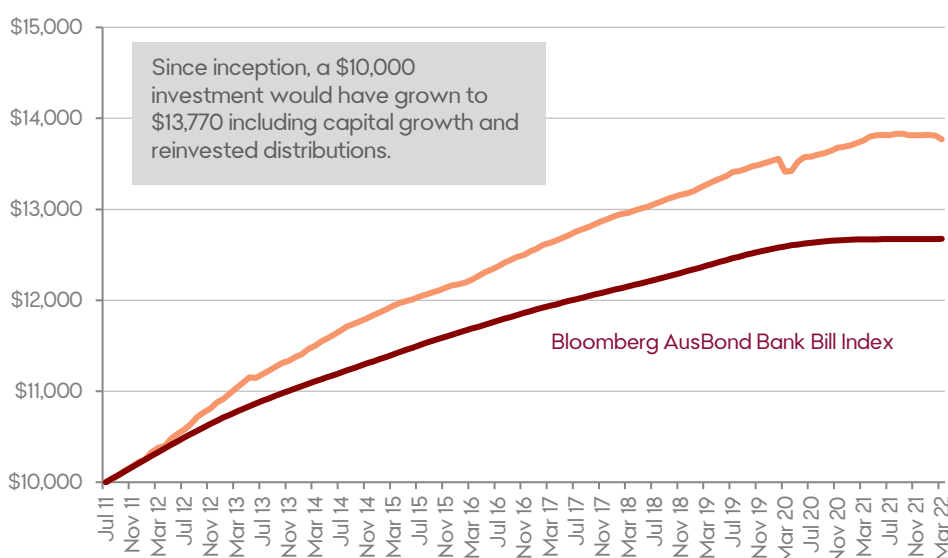
Fund facts

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 31 March 2022

Application price	\$1.03053
Withdrawal price	\$1.02908

Distribution details (cents per unit)

30 Jun 21	\$0.00271
30 Sep 21	\$0.00200
31 Dec 21	\$0.00250
31 Mar 22	\$0.00100

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

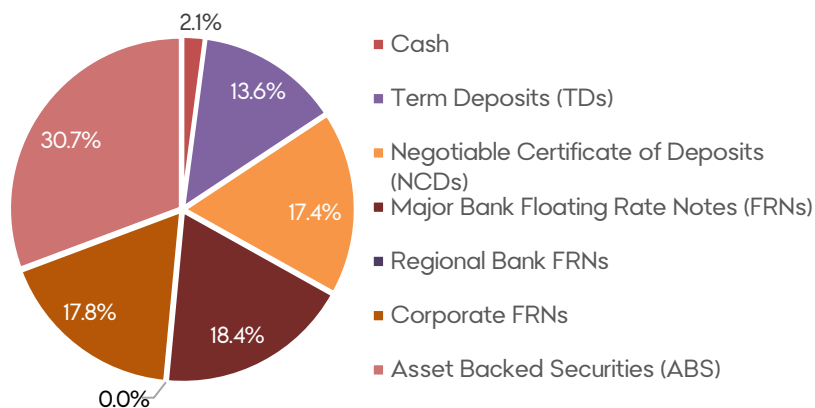
Portfolio performance

The Strategic Income Fund has achieved an average annual return for the past two years of 1.33% (after fees) and has generated an average annual return of 3.06% (after fees) since inception. The elevated volatility seen in late February in credit markets persisted in March and liquidity was constrained as Russia's invasion of Ukraine further fuelled existing inflationary pressures. These developments drove the risk-off theme and widened spreads which resulted in capital losses across credit markets.

Revised expectations for more aggressive monetary tightening in the U.S. to combat inflation (CPI report showed a 12-month rise of 7.9%) and a 25bp increase in the fed funds rate at the FOMC meeting did not weigh on equities as the S&P 500 rose by 5.2% through March. Despite the increase in equities, slower earnings growth, reduced fiscal stimulus from the government, stagflation risks and geopolitical tensions have created uncertainty for global equities moving forward and suggest that the bounce in March could represent a bear-market rally. Comparatively, Australian equity markets outperformed global benchmarks as the ASX 200 rose by 5.7%.

In contrast to the Federal Reserve, the RBA maintained the cash rate at its all-time low of 0.1%. Whilst the Governor detailed that the developments in Ukraine supported the current patient approach to raising the cash rate, they did broaden the measure of labour costs which provides flexibility as there is now no specific numerical trigger that will need to be met for rate rises (previously there had

Asset allocation



been a guideline that rates would not rise until the Wage Price Index lifted by 3%). Concerns over rising inflation saw government bond yields increase and the weak lead in for credit assets from February intensified as both corporate and bank spreads widened. Further bond supply in March from Australian major banks that offered significant new issue concessions (extra spread offered for new issuance to incentivise investors) contributed to the move wider.

The rise in yields has provided an opportunity for the Strategic Income Fund and has allowed the portfolio to increase exposure to investments now offering greater returns than seen in the past two years throughout the pandemic. At the end of March, approximately 33% of the portfolio is allocated to cash instruments, 36% in bank/corporate floating rate notes and 31% to asset-backed securities. There are currently no unrated assets in the Fund and approximately 47% 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 B units received a 4-Star Overall Morningstar Rating™ out of 33 Australian Short Term Fixed Interest funds as of 31 March 2022. In the Morningstar Australian Short Term Fixed Interest Category, the Sandhurst Strategic Income Fund - Class B units 3 year return was ranked 8 out of 33 funds as of 31 March 2022. '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.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 31 March 2022 (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.