

Sandhurst Strategic Income Fund

Class B 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 (%)	0.09	0.01	0.08
1 year (%)	1.58	0.04	1.54
2 years (% p.a.)	1.43	0.31	1.12
3 years (% p.a.)	1.79	0.79	1.00
5 years (% p.a.)	2.13	1.20	0.93
Since inception (% p.a.)	3.26	2.11	1.15
Morningstar Rating™ Overall³	★★★★		
Morningstar category rank 3 year³	9/34		

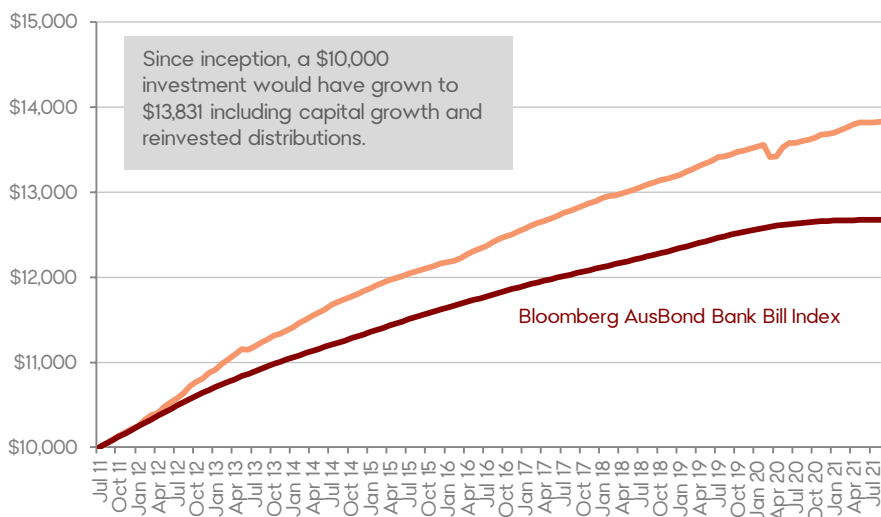
Fund facts

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 September 2021

Application price	\$1.03856
Withdrawal price	\$1.03710

Distribution details (cents per unit)

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

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.

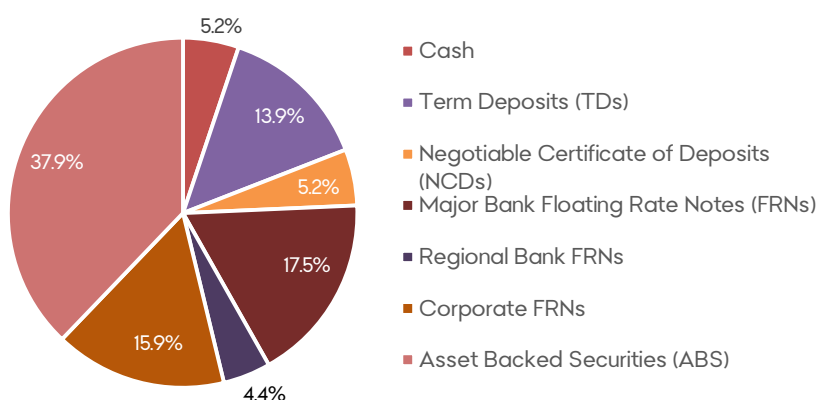
Portfolio performance

For the month of September 2021, the Strategic Income Fund achieved a 0.02% return after fees for the Class B units. Over the past 12 months the Fund returned 1.58% after fees.

Markets ended the quarter broadly flat after a weak September. Despite the weakness, risk assets across the developed world still show strong gains for the year. In contrast, emerging markets have struggled after persistent negative news flow from China dragged on market performance. The Chinese government announced private tutoring companies would become non-for-profit organisations. The news unsettled investors who grew concerned with that thinking being applied to other sectors. Additionally, more regulations were announced on the technology sector, including a ban on children playing more than three hours of video games per week. The announcements caused investors to become more circumspect on China's growth outlook. Further intensifying the caution was the potential default of Evergrande, one of China's largest property developers.

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. Federal Reserve projections for interest rates over the next few years indicate a funds rate of 1.75% by the end of 2024 which was a quicker pace than the market had

Asset allocation



expected. Yields in Treasuries rose as a result reversing the declining trend from earlier in the quarter.

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 Fund manager remains cautious and focussed on high quality investments. At the end of September, approximately 24.4% of the portfolio is in cash instruments, 37.8% in bank and corporate Floating Rate Notes and 37.9% is in highly rated securitised instruments. There are no unrated assets in the Fund and approximately 60.2% 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 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 B units 3 year return was ranked 9 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/19876
© 2021 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 'regulated financial advice' under New Zealand law has 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. For more information refer to our Financial Services Guide (AU) or Financial Advice Provider Disclosure Statement (NZ) at www.morningstar.com.au/s/fsg.pdf and www.morningstar.com.au/s/fapds.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.
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 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**