

Sandhurst IML Industrial Share Fund

Quarterly fund update - September 2023

Investment approach

The Fund aims to deliver capital growth with regular income over the long term by investing in a diversified portfolio of quality ASX listed industrial shares (excluding resource shares) where these assets are identified by Investors Mutual Limited (IML) as being undervalued. The Fund expects to invest predominantly in the Sandhurst Industrial Share Fund for which IML is currently the investment manager.

Fund performance¹

as at 30 September 2023

Morningstar
Rating™
Overall³

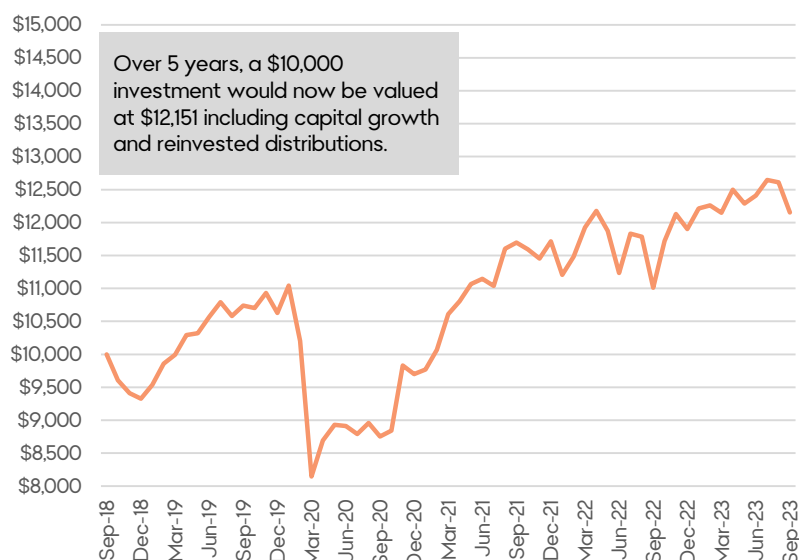
Morningstar
Category Rank
5 Year³

as at 30 September 2023	Overall ¹	5 Year ³	1 month %	3 months %	1 year %	3 years %p.a.	5 years %p.a.
Sandhurst IML Industrial Share Fund	★ ★ ★	77/85	-3.65	-2.10	10.36	11.56	3.97
Benchmark ²			-3.70	-1.10	10.90	8.60	5.10

An example of how your investment grows

Growth of \$10,000¹

(Based on historic Fund performance over 5 years)



Fund facts

Fund APIR code	STL01 01 AU
Fund inception date	11 January 2001
Fund size	\$50.49 m
Distribution frequency	Half yearly
Management fees & costs ⁴	1.00% p.a.
Buy / Sell spread ⁴	+0.25% / -0.25%
Minimum investment / minimum balance	\$50,000
Recommended investment timeframe	5 years +
Risk level	High

Unit price

as at 30 September 2023

Application price	\$1.20715
Withdrawal price	\$1.20113

Distribution details (cents per unit)

31 December 2022	\$0.01942
30 June 2023	\$0.01311

Make the most of your investment

► The power of compounding

Compounding can be a powerful tool in wealth creation.

Reinvesting distributions can be one of the easiest and cheapest ways to increase your holdings over time. You're compounding your investment's growth by continually adding more units which, in turn, will generate distributions of their own.

Why not reinvest your half yearly distributions?

► The benefits of making it regular

Making regular contributions to your investment can both grow your investment and smooth the effects of market highs and lows.

Why not add a Regular Savings Plan to your investment? Establish one from as little as \$50 per month.

You can also use BPAY® to add to your investment at any time with as little as \$100. See your statement for your BPAY reference number.

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Do you have any questions?

For further information contact us on
1800 634 969 or visit our website:
www.bendigobank.com.au/managedfunds

Fund Performance⁵

The Fund had a disappointing quarter, down -2.1%, lagging the benchmark's -1.1%. The main reasons for the poor relative performance were a weak quarter by the gaming sector, as well as disappointing performances by key stocks Charter Hall Retail REIT and Telstra.

Global sharemarkets declined in the September quarter as bond yields rose sharply and investors finally seemed to believe that the Federal Reserve and other central banks will keep interest rates 'higher for longer'. Most markets fell, with the MSCI World Index down -2.4% and the NASDAQ down further, -4.0%, reversing some of its impressive recent gains.

Local markets took a lead from overseas, with the ASX 300 down -0.8 for the quarter. The Consumer Discretionary sector was strong, buoyed by better than expected results during Reporting Season. Health Care was weakest, dropping -9.0%, as rising 10-year bond yields disproportionately affected its higher valuation multiples.

Many of the fund's holdings performed well over the quarter including National Australia Bank, Orica, Suncorp, TPG Telecom and Metcash. Stocks which held back performance included Charter Hall Retail, and Telstra which dropped -8.5%, despite posting a strong result, as shareholders reacted negatively to the news it intends to retain its infrastructure business, Infraco. IML believe this decision is sensible and in the long-term interests of shareholders.

Outlook⁵

Uncertainty over where interest rates will peak, and how long they will stay at these levels, is a key focus of markets. A mixed consumer outlook and lingering higher inflation is adding to the uncertainty, creating volatile investment conditions.

IML continue to act cautiously, focusing on industry-leading companies with strong competitive advantages and recurring earnings that are likely to perform well in a range of economic conditions while actively looking for new opportunities.

Top 10 holdings

National Australia Bank
CSL
Telstra
Suncorp
Westpac
Aurizon
Steadfast
Orica
Brambles
Commonwealth Bank

Sector active weights

■ Communication Services	7.20%
■ Materials	3.50%
■ Industrials	0.50%
■ Energy	0.00%
■ Consumer Staples	-0.40%
■ Health Care	-1.10%
■ Utilities	-1.50%
■ Consumer Discretionary	-1.70%
■ Real Estate	-2.70%
■ Financials	-2.90%
■ Information Technology	-3.70%

Please note the portfolio information and sector active weights supplied above is based on the underlying managed investment scheme, in addition, the Fund may directly hold small amounts of cash.

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 the S&P/ASX 300 Industrial Accumulation Index.
3. Morningstar rates mutual 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 IML Industrial Share Fund received a 3-Star Overall Morningstar Rating™ out of 91 Equity Australia Large Value funds as of 30 September 2023. The Sandhurst IML Industrial Share Fund returns were ranked 77 out of 85 Morningstar Equity Australia Large Value funds for 5 years to 30 September 2023. '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/7045
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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. Management fees & costs are based on fees and 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.
5. The commentary is provided by Investors Mutual Limited (IML) and has not been verified by Sandhurst Trustees Limited. Economic and outlook forecasts are not guaranteed to occur.

The Sandhurst IML Industrial Share (Fund) is issued by Sandhurst Trustees Limited (Sandhurst) ABN 16 004 030 737 AFSL 237906 a subsidiary of Bendigo and Adelaide Bank Limited (the 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. This update is provided by Sandhurst and contains general advice only. 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 2023 (unless stated otherwise) and is subject to change without notice.