

## Quarterly fund update - June 2022

### Investment approach

The Fund aims to deliver income and capital growth 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.

### Fund performance<sup>1</sup>

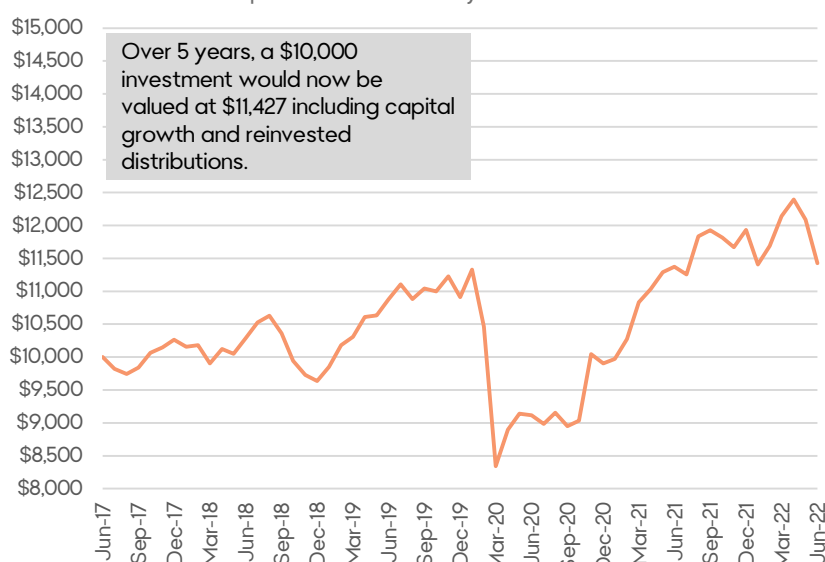
as at 30 June 2022

	Morningstar Rating™ Overall <sup>3</sup>	Morningstar Category Rank 5 Year <sup>3</sup>	3 months %	1 year %	3 years %p.a.	5 years %p.a.	Since inception %p.a.
Sandhurst Industrial Share Fund	★ ★ ★	83/85	-5.90	0.47	1.66	2.70	8.40
Benchmark <sup>2</sup>			-11.40	-9.60	2.20	5.00	9.80

### An example of how your investment grows

#### Growth of \$10,000<sup>1</sup>

(Based on historic Fund performance over 5 years)



### Fund facts

Fund APIR code	STL0100AU
Fund inception date	1 December 1999
Distribution frequency	Half yearly
Management costs <sup>4</sup>	1.28% p.a.
Buy / Sell spread <sup>4</sup>	+0.25% / -0.25%
Minimum investment / minimum balance	\$2,000
Recommended investment timeframe	5 years +
Risk level	High

### Unit price (ex distribution)

as at 30 June 2022

Application price	\$1.45525
Withdrawal price	\$1.44799

### Distribution details (cents per unit)

31 December 2021	\$0.02300
30 June 2022	\$0.06025

### 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](http://www.bendigobank.com.au/managedfunds)

## Fund Performance<sup>5</sup>

The Sandhurst Industrial Share Fund had a tough quarter, finishing at -5.9%, though this was significantly ahead of its benchmark's negative return of -11.4%. Pleasingly, the portfolio managed to return a positive result of 0.47% for FY 2022, despite very challenging investment conditions which saw the ASX 300 Industrials finish FY 2022 with a fall of -9.6%.

Global markets had a very challenging quarter as bond markets sold off heavily and Central Banks all over the world responded to rapidly rising inflation by raising their overnight interest rates. Other major global uncertainties weighing down markets – including the Ukraine-Russia war and the Covid restrictions in China – added further anxiety for investors.

The ASX 300 Industrials' heavy fall over the June quarter saw all sectors finish lower except for the Utilities sector which eked out a small gain. Healthcare, Industrials and Consumer Staples were also more resilient due to their defensive qualities.

The Fund benefited from strong performances from key stocks such as Amcor, Brambles and Steadfast Group. Tabcorp (which split into a gaming business Tabcorp and a lotteries business The Lottery Corporation) also rallied over the month as investors saw the benefit of its demerger and backed both sides of the business to perform well in the future.

## Outlook<sup>5</sup>

Markets are likely to remain volatile and uncertain in the near future, given growing concerns over high inflation and whether Central Banks can rein it in through tighter monetary policy without pushing the global economy into recession.

The positive news for IML clients is that these market conditions have led investors to refocus on fundamentals, which suits IML's prudent investment style. The Fund's portfolio proved relatively resilient amid the recent market turmoil and IML believe they are well positioned to continue to do well in the medium and long-term, generating attractive and less volatile returns for clients despite the uncertain economic times.

## Top 10 holdings

National Australia Bank
Telstra
CSL
Brambles
Westpac
Orica
Aurizon Holdings
Steadfast Group
The Lottery Corporation
Suncorp Group

## Sector active weights

Communication Services	5.10%
Materials	4.90%
Industrials	2.80%
Consumer Staples	-0.50%
Utilities	-1.40%
Consumer Discretionary	-1.80%
Information Technology	-4.10%
Real Estate	-6.30%
Health Care	-6.60%
Financials	-8.60%

### 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 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 Industrial Share Fund received a 3-Star Overall Morningstar Rating™ out of 96 Equity Australia Large Value funds as of 30 June 2022. In the Morningstar Equity Australia Large Value Category, the Sandhurst Industrial Share Fund 5 year return was ranked 83 out of 85 funds as of 30 June 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/5809](http://www.morningstar.com.au/Funds/FundReport/5809)  
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4. 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.
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 Industrial Share Fund (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](http://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](http://www.bendigobank.com.au/TMD)