

Quarterly fund update - September 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 performance¹

as at 30 September 2022

Morningstar
Rating™
Overall³

Morningstar
Category Rank
5 Year³

3 months
%

1 year
%

3 years
%p.a.

5 years
%p.a.

Since
inception
%p.a.

Sandhurst Industrial Share Fund

★ ★

86/87

-1.99

-6.10

0.48

2.62

8.21

Benchmark²

-0.40

-13.80

0.70

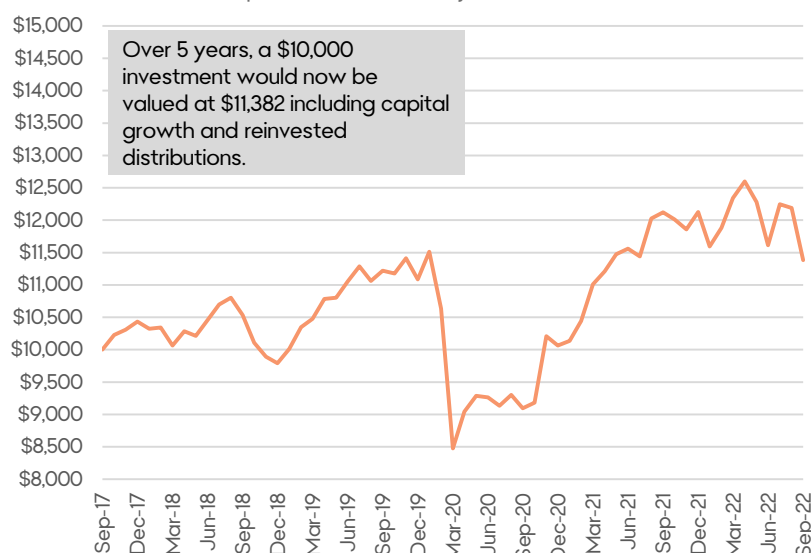
5.10

8.80

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 00AU
Fund inception date	1 December 1999
Distribution frequency	Half yearly
Management costs ⁴	1.31 % p.a.
Buy / Sell spread ⁴	+0.25% / -0.25%
Minimum investment / minimum balance	\$2,000
Recommended investment timeframe	5 years +
Risk level	High

Unit price

as at 30 September 2022

Application price	\$1.42633
Withdrawal price	\$1.41921

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

Fund Performance⁵

The Fund had a disappointing quarter, declining -1.99%, behind the benchmark's return of -0.4%.

The main reason for the poor relative performance over the quarter was some disappointing performances from some of the Fund's core holdings on no material news – such as Orica and The Lottery Company. Also detracting from performance was a sub-par quarter for some of the Fund's mid cap holdings, including TPG and Sky City, where IML believe the investment case still remains positive.

Global markets had a very volatile quarter, up significantly for July and most of August before dropping sharply in September as bond markets sold off as it became clear that the US Federal Reserve – and other Central Banks around the world – would continue to follow through on their commitment to raise interest rates in order to bring inflation back under control.

While both the MSCI World Index and the S&P 500 fell around -5% for the quarter, the ASX300 went against the trend and rose +0.5%. This was partly due to the RBA's current less aggressive interest rate rises, which contributed to the Aussie dollar falling 7% against the US dollar for the quarter and helped the Resources sector rise.

The Fund benefited from good performances from Brambles and CSL over the quarter, as both companies appear set to record improvements in their earnings in the years ahead despite the uncertain economic outlook.

Outlook⁵

IML expect markets to remain volatile in the near future as investors continue to assess the risk of rising interest rates and high inflation. IML continue to expect fairly big swings in the markets in the short term as investors remain nervous about the economic outlook for 2023 given the continued tightening in monetary policy all around the world.

While company profits, in general, currently remain strong, rising interest rates are likely to lead to reduced consumer spending and lower demand, which will impact the earnings of many companies – particularly companies exposed to cyclical sectors such as home building and discretionary retail. IML remain focused on investing in companies with what IML believe are predictable and recurring earnings and strong market positions. IML believe these types of companies will perform well in these uncertain times. IML also continue to look to take advantage of market weakness to invest in quality companies at the right price.

Top 10 holdings

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

Sector active weights

Communication Services	7.90%
Materials	4.20%
Industrials	1.90%
Consumer Discretionary	0.30%
Consumer Staples	0.10%
Utilities	-1.20%
Financials	-3.80%
Information Technology	-4.30%
Real Estate	-4.80%
Health Care	-6.10%

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 2-Star Overall Morningstar Rating™ out of 93 Equity Australia Large Value funds as of 30 September 2022. In the Morningstar Equity Australia Large Value Category, the Sandhurst Industrial Share Fund 5 year return was ranked 86 out of 87 funds as of 30 September 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
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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, 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 2022 (unless stated otherwise) and is subject to change without notice.