

# Sandhurst IML Industrial Share Fund

## Quarterly fund update - September 2024

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

as at 30 September 2024

Morningstar  
Rating™  
Overall<sup>3</sup>

Morningstar  
Category Rank  
5 Year<sup>3</sup>

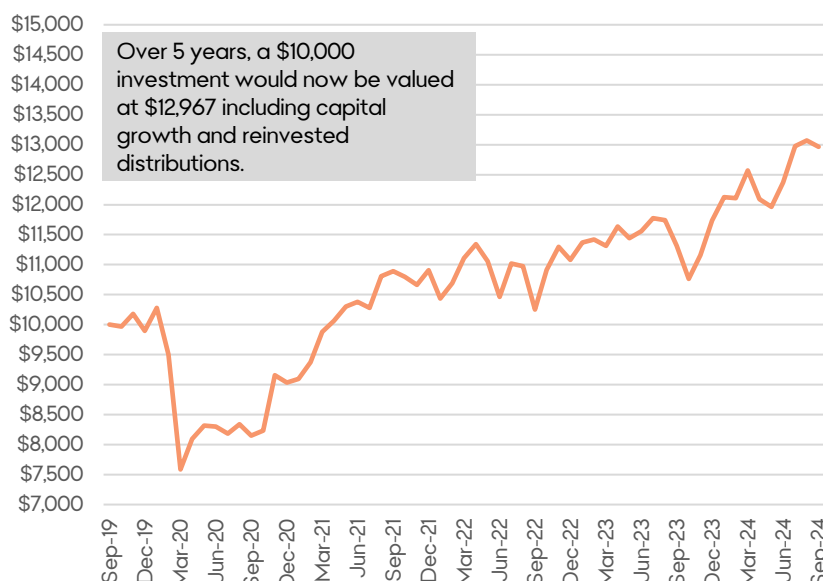
1 month % 3 months % 1 year % 3 years %p.a. 5 years %p.a.

Sandhurst IML Industrial Share Fund	★★	52/56	-0.79	4.82	14.61	5.98	5.33
Benchmark <sup>2</sup>			0.80	8.10	28.60	7.10	7.80

### 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	STL01 01 AU
Fund inception date	11 January 2001
Fund size	\$51.00 m
Distribution frequency	Half yearly
Management fees & costs <sup>4</sup>	1.00% p.a.
Buy / Sell spread <sup>4</sup>	+0.25% / -0.25%
Minimum investment / minimum balance	\$50,000
Recommended investment timeframe	5 years +
Risk level	High

### Unit price

as at 30 September 2024

Application price	\$1.33079
Withdrawal price	\$1.32416

### Distribution details (cents per unit)

31 December 2023	\$0.03456
30 June 2024	\$0.01357

### 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 Fund returned +4.8% for the quarter, behind its benchmark's strong gain of +8.1%. IML continued caution on the overvalued banks hurt relative performance.

Global markets continued rising over the quarter despite continued volatility. The MSCI World Index was up +5.0% and the S&P500 was up +5.9%, recovering strongly from a drawdown early in the quarter as Japan raised interest rates. The US Federal Reserve's rate cut of 0.5% and China's stimulus package triggered a rebound later in the quarter. The only key market to end the quarter in negative territory was Japan's Nikkei down -3.5%.

Australian markets performed strongly, outpacing global peers, with the ASX300 delivering +7.8%, its best September quarter in a decade. The Industrial Index was up +8.1% driven by the Information Technology and Real Estate sectors. With no support from earnings growth, the big four banks continued their ascent, taking the Financials sector up +8.3%.

Many of the fund's key holdings did well over the quarter with the market responding positively to FY24 results delivered by Brambles ResMed and Telstra. Light & Wonder had a disappointing quarter as did Tabcorp which disappointed investors with missed cost-cutting targets.

## Outlook<sup>5</sup>

Although evidence is mounting that the Australian economy is slowing, inflation remains sticky and compares poorly with peers. Interest rates are unlikely to be cut while inflation is on the current trajectory.

Cost-of-living pressures continue for consumers, limiting sales growth, while business costs such as labour and energy are increasing, squeezing margins.

IML continue to position the portfolio towards businesses with strong pricing power and those that have reliable revenues and earnings. These companies should perform well in most environments, including further consumer weakness or persistent inflation.

## Top 10 holdings

National Australia Bank
CSL
Telstra
Westpac
Brambles
Commonwealth Bank
Suncorp
Aurizon
Steadfast
Charter Hall Retail REIT

## Sector active weights

■ Communication Services	4.30%
■ Materials	3.40%
■ Health Care	2.10%
■ Industrials	1.20%
■ Energy	0.00%
■ Consumer Staples	-0.30%
■ Utilities	-1.10%
■ Consumer Discretionary	-1.90% ■
■ Real Estate	-3.90% ■
■ Information Technology	-4.40% ■
■ Financials	-5.90% ■

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 2-Star Overall Morningstar Rating™ out of 58 Equity Australia Large Value funds as of 30 September 2024. The Sandhurst IML Industrial Share Fund returns were ranked 52 out of 56 Morningstar Equity Australia Large Value funds for 5 years to 30 September 2024. '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](http://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](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)

This information is current as at 30 September 2024 (unless stated otherwise) and is subject to change without notice.