

Sandhurst Industrial Share Fund

Quarterly fund update - June 2024

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 June 2024

Morningstar
Rating™
Overall³

Morningstar
Category Rank
5 Year³

3 months
%

1 year
%

3 years
%p.a.

5 years
%p.a.

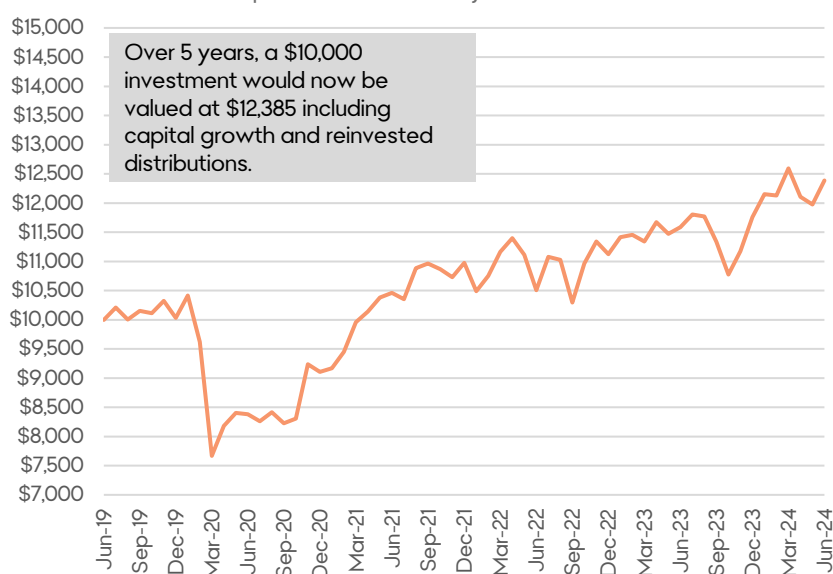
Since
inception
%p.a.

Sandhurst Industrial Share Fund	★★	61 / 65	-1.66	6.89	5.80	4.37	8.41
Benchmark ²			0.10	17.70	5.90	7.00	8.20

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 fees & costs ⁴	1.33% 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 (ex distribution) as at 30 June 2024

Application price	\$1.61 61 6
Withdrawal price	\$1.6081 0

Distribution details (cents per unit)

31 December 2023	\$0.041 61
30 June 2024	\$0.01 454

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 -1.7%, compared to its benchmark's return of +0.1%. While the Fund's performance was strong in June, unfortunately it wasn't enough to make up the deficit. For financial year 2024 the Fund was also disappointing, returning +6.9% while the benchmark was up +17.7%. IML are disappointed in the year's result, however are reassured by the underlying earnings strength of their major holdings, which are usually also materially cheaper than companies such as Wesfarmers, CBA or Wisetech, which are not recording strong earning increases.

It was an uneven quarter for global markets as the strong rally from the previous two quarters faded amid sticky inflation and interest rate cuts appearing further away in most economies. Nevertheless, US and World Indices rose 4%. In Australia, 'cost of living' pressures is increasingly weighing on consumers, with signs of weaker spending. Despite this, inflation has not fallen as forecast.

The ASX 300 could not keep up with global markets, down -1.2% for the quarter. Most sectors fell led by Real Estate, - 6.0%, while Financials were strong, +4.0%, with the banks continuing to rise despite being the world's most expensive major retail banks.

The Fund benefitted from many strong performances over the quarter including Suncorp, Steadfast, NAB and new holding Light and Wonder. Weighing on performance were SkyCity, Brambles and Metcash, and low weight to banks, which appear very overvalued.

Outlook⁵

Domestic inflation remains sticky, despite a slowing economy, which makes Australian interest rate cuts unlikely in the medium term and rate rises possible. Costs remain a challenge for many businesses and cost-of-living pressures continue to weigh on the consumer.

IML remain confident in the longer-term prospects for the companies in the Fund and continue to find opportunities to buy market-leading businesses with strong competitive advantages and recurring earnings at reasonable prices.

Top 10 holdings

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

Sector active weights

■ Communication Services	4.10%
■ Materials	3.70%
■ Health Care	1.30%
■ Energy	0.00%
■ Industrials	-0.10%
■ Consumer Staples	-0.90%
■ Utilities	-1.20%
■ Consumer Discretionary	-2.70%
■ Real Estate	-3.30%
■ Information Technology	-4.30%
■ Financials	-4.60%

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 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 Industrial Share Fund received a 2-Star Overall Morningstar Rating™ out of 67 Equity Australia Large Value funds as of 30 June 2024. The Sandhurst Industrial Share Fund returns were ranked 61 out of 65 Morningstar Equity Australia Large Value funds for 5 years to 30 June 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/5809
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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 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 June 2024 (unless stated otherwise) and is subject to change without notice.