

Sandhurst Strategic Income Fund

Class A units

Quarterly fund update - June 2024

Investment approach

The Fund aims to provide customers with regular income and may offer higher returns with a lower level of risk through the market cycle in an effort to outperform a static investment in similar assets by strategically managing its portfolio in varying market and economic conditions.

The objective of the Fund is to outperform its benchmark (after fees) over any two year period.

Fund performance¹

as at 30 June 2024

	Fund return	Benchmark ²	Excess return
3 months (%)	1.51	1.08	0.43
1 year (%)	5.70	4.37	1.33
2 years (% p.a.)	4.45	3.63	0.82
3 years (% p.a.)	2.71	2.44	0.27
5 years (% p.a.)	2.16	1.64	0.52
Since inception (% p.a.)	2.95	2.23	0.72
Morningstar Rating™ Overall³	★★★		
Morningstar category rank 3 year³	15/33		



Foresight Analytics has assigned a SUPERIOR investment rating with a product complexity indicator designating the Fund as a Relatively Simple Product.⁴

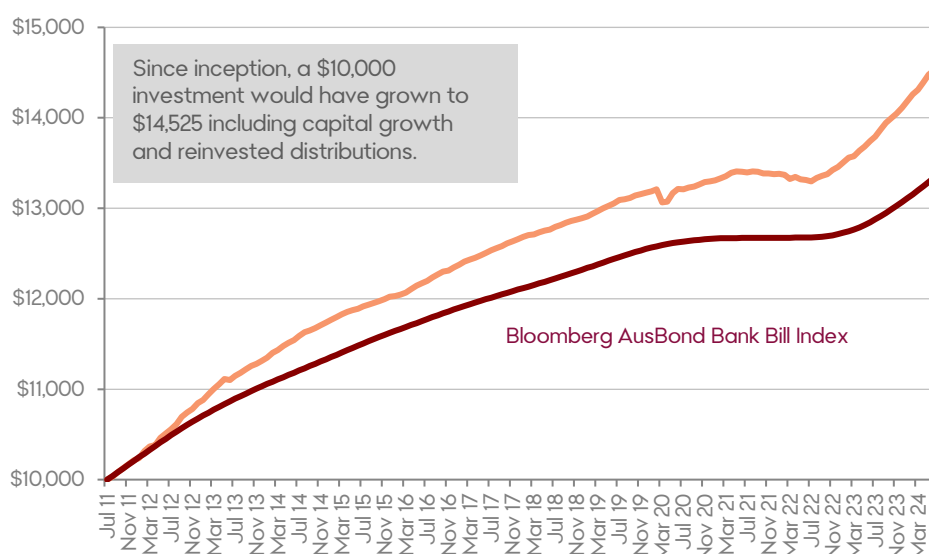
Fund facts

Fund APIR code	STL0027 AU
Fund start date	30 July 2011
Management fees & costs ⁵	0.80% p.a.
Buy / Sell spread ⁵	+0.05% / -0.13%
Minimum investment / minimum balance	\$2,000
Recommended investment timeframe	2 years +
Risk level	Low

An example of how your investment grows

Growth of \$10,000¹

(Based on historic Fund performance since inception)



Unit price (ex distribution)

as at 30 June 2024

Application price	\$1.04043
Withdrawal price	\$1.03856

Distribution details (cents per unit)

30 Sep 23	\$0.00821
31 Dec 23	\$0.01153
31 Mar 24	\$0.01250
30 Jun 24	\$0.01659

Fund features

- ▶ regular income from quarterly distributions;
- ▶ access to a diversified portfolio therefore reducing your risk and potentially enhancing returns;
- ▶ low volatility core investments supplemented by strategically selected allocations to credit sectors;
- ▶ there's no requirement to rollover or lock away your investment for a fixed term; and
- ▶ a regular savings plan option from \$50 per month.

Sandhurst Trustees

Do you have any questions?

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

Portfolio performance

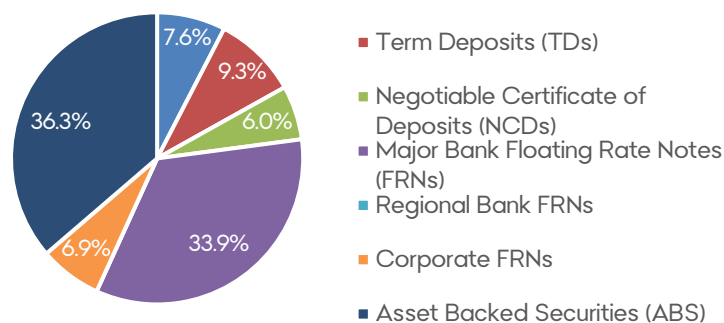
The Sandhurst Strategic Income Fund (Class A units) delivered 1.51% (after fees) to investors through the quarter ending 30 June 2024. This equates to an annualised return of 6.04%. The Fund continues to outperform its benchmark and over the past 12 months has returned 5.70% (after fees), exceeding the benchmark by 1.3%.

Whilst the start of calendar year 2024 saw a continuation of the rally in credit from late 2023, April saw volatility return with risk sentiment weakening. Both geopolitical tensions and a shift to a more hawkish tone from the US Federal Reserve weighed on credit markets. Global credit markets however quickly recovered and ended the month in positive territory with offshore regions outperforming the domestic market.

The Australian primary credit market remained active throughout the quarter. New supply from banks occurred in May following earnings releases and domestic markets were favoured by domestic issuers. There were also a number of new corporate issuers in the local market which reflected the benign conditions and securitisation issuance was on track for a record level across the year. Credit continued to rally through this supply.

Credit rating downgrade pressures for domestic issuers remained limited and the June quarter saw the recent positive ratings activity for the local banks earlier in the year continue. Fitch upgraded ratings for the Major Banks as well as Macquarie while Moody's upgraded CBA. BOQ's rating was put on negative outlook by S&P with the rating agency noting idiosyncratic factors relating to the failure of successfully executing its strategy and that the recent weaker operating performance could become structural relative to peers.

Asset Allocation



The Fund benefitted from the Major Bank exposure and all BOQ investments were sold prior to the negative outlook announcement.

Political uncertainty centred largely in France late in the quarter resulted in offshore markets losing a portion of the outperformance that was evident at the start of the quarter as Australian credit held steady. The Australian monthly inflation reading for May that was released in late June exceeded expectations and indicated a stronger pace of underlying inflation. Financial markets increased the probability of another rate hike in response to the inflation data. The upcoming employment and quarterly inflation data releases in July will be closely monitored as it will likely provide a strong indication of the RBA's decision at their next meeting in early August.

There are currently no unrated assets in the Fund and more than 75% of exposures are rated AA- or higher. At the end of June, 23% of the portfolio was allocated to cash and bank deposits, 41% in bank/corporate bonds with 36% allocated to asset backed securities.

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 Bloomberg AusBond Bank Bill 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 Strategic Income Fund - Class A units received a 3-Star Overall Morningstar Rating™ out of 33 Australian Short Term Fixed Interest funds as of 30 June 2024. The Sandhurst Strategic Income Fund - Class A returns were ranked 15 out of 33 Morningstar Australian Short Term Fixed Interest funds for 3 years to 30 June 2024. © 2024 Morningstar, Inc. All rights reserved. Neither Morningstar, its affiliates, nor the content providers guarantee the data or content contained herein to be accurate, complete or timely nor will they have any liability for its use or distribution. This report or data has been prepared for clients of Morningstar Australasia Pty Ltd (ABN: 95 090 665 544, AFSL: 240892) and/or New Zealand wholesale clients of Morningstar Research Ltd, subsidiaries of Morningstar, Inc. Any general advice has been provided without reference to your financial objectives, situation or needs. For more information refer to our Financial Services Guide at www.morningstar.com.au/sfsg.pdf. You should consider the advice in light of these matters and if applicable, the relevant Product Disclosure Statement before making any decision to invest. Morningstar's publications, ratings and products should be viewed as an additional investment resource, not as your sole source of information. Morningstar's full research reports are the source of any Morningstar Ratings and are available from Morningstar or your adviser. Past performance does not necessarily indicate a financial product's future performance. To obtain advice tailored to your situation, contact a financial adviser. 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. Foresight Analytics has assigned a SUPERIOR investment rating with a product complexity indicator designating the Fund as a Relatively Simple Product. This rating implies the highest level of confidence that the Fund can deliver a risk adjusted return in line with its investment objectives. Designation as a Relatively Simple Product indicates that the investment manager will seek to outperform their chosen mainstream market sector. A rating is not a recommendation to invest, retain or redeem units in the Fund. The rating may be subject to change or withdrawal at any time. A copy of Foresight Analytics Financial Services Guide can be found at www.foresight-analytics.com/financial-services-guide
5. 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.

The Sandhurst Strategic Income Fund (Fund) is issued by Sandhurst Trustees Limited (Sandhurst) ABN 16 004 030 737 AFSL 237906 a subsidiary of Bendigo and Adelaide Bank Limited (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. Economic and outlook forecasts are not guaranteed to occur. Sandhurst has prepared this document based on information available to it. The information provided in this document has not been verified. Accordingly, no representation is made to the fairness and accuracy of the information, opinions and conclusions contained in this document. This update is provided by Sandhurst and contains general advice only. Details of applicable fees and costs are set out in the PDS. 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 and is relevant for Class A Investors only. The Fund uses a multi-class pricing structure. Please refer to the PDS for more information.

Sandhurst Trustees