

Sandhurst Strategic Income Fund

Class B units

Quarterly fund update - September 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.



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

Fund performance¹

as at 30 September 2024	Fund return	Benchmark ²	Excess return
3 months (%)	1.28	1.11	0.17
1 year (%)	5.78	4.41	1.37
2 years (% p.a.)	5.26	3.99	1.27
3 years (% p.a.)	3.47	2.82	0.65
5 years (% p.a.)	2.65	1.81	0.84
Since inception (% p.a.)	3.31	2.27	1.04
Morningstar Rating™ Overall³	★★★★		
Morningstar category rank 3 year³	7/33		

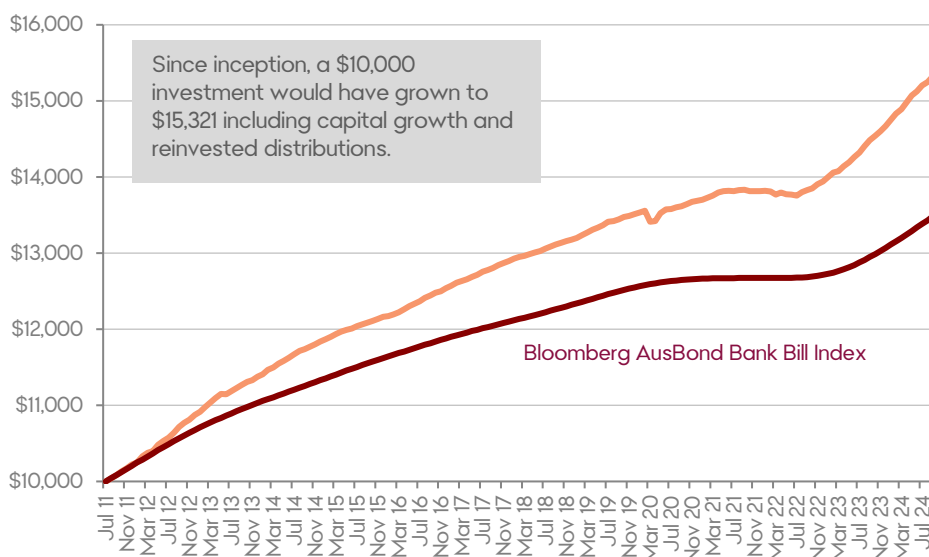
Fund facts

Fund APIR code	STL0044AU
Fund start date	30 July 2011
Management fees & costs ⁵	0.47% p.a.
Buy / Sell spread ⁵	+0.05% / -0.13%
Minimum investment / minimum balance	\$500,000
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 September 2024

Application price	\$1.05467
Withdrawal price	\$1.05277
Distribution details (cents per unit)	
31 Dec 23	\$0.01252
31 Mar 24	\$0.01353
30 Jun 24	\$0.01647
30 Sep 24	\$0.00567

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.

Do you have any questions?

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

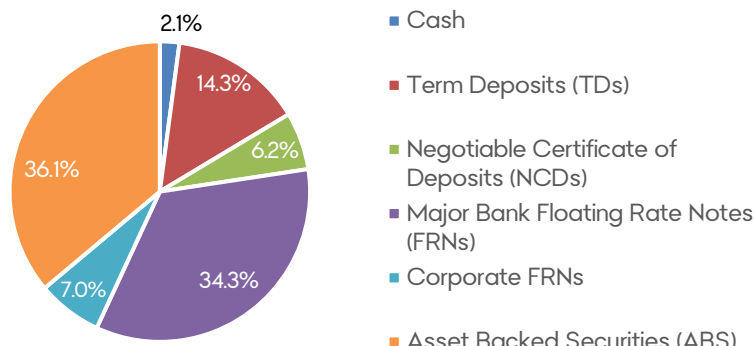
Portfolio performance

The Sandhurst Strategic Income Fund (Class B units) delivered 1.28% (after fees) to investors through the quarter ending 30 September 2024. The Fund continues to outperform its benchmark and over the past 12 months has returned 5.78% (after fees). This performance over the past year corresponds to returns (after fees) for investors that have exceeded the benchmark by 1.37%.

Whilst concerns surrounding political uncertainty within France eased in early July, global financial markets continued to exhibit volatility through the reporting season. Volatility persisted through August as Japanese Yen funded carry trades began to unwind following the Bank of Japan hiking interest rates. The VIX Index (a measure of forward-looking volatility for the US S&P 500 and commonly referred to as the Fear Gauge) recorded levels last seen in the early stages of the COVID-19 pandemic in 2020. Despite the uneasiness demonstrated by financial markets throughout July and August, the final month of the quarter saw global credit markets quickly recover, with record levels of new issuance in the US being well supported. The lack of issuance domestically relative to offshore markets saw Australian credit indices outperform the US and Europe through the quarter.

Globally, credit rating changes continue to show improvement with all regions from S&P showing net upgrades for two consecutive quarters. The rating agency also expects fewer downgrades in the periods ahead. Locally, ratings downgrade pressure has been limited and calendar year 2024 has seen positive ratings activity for domestic banks which are the most prominent issuers in Australian bond markets (currently comprising 65% of issuance in CY2024).

Asset Allocation



Several central banks began their monetary policy easing cycle throughout the quarter while the RBA maintained the cash rate at 4.35%. Headline inflation for Australia has been notably impacted by energy rebates and cost-of-living assistance, however the RBA Board does not expect their preferred measure of inflation to be sustainably within the target range of 2-3% until 2026. Currently, the consensus from market economists is for the easing cycle in Australia to begin in early 2025.

On current market risk drivers, key geopolitical risks and overall unpredictability remains a central theme in the Middle East as the Israel-Hamas-Hezbollah conflict continues. Whilst financial markets have viewed the implications as manageable to date there remains a risk that the conflict intensifies and expands further, drawing other countries into a broader conflict.

There are currently no unrated assets in the Fund and more than 70% of exposures are rated AA- or higher. At the end of September, 23% of the portfolio is 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 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 Strategic Income Fund - Class B units received a 4-Star Overall Morningstar Rating™ out of 33 Australian Short Term Fixed Interest funds as of 30 September 2024. The Sandhurst Strategic Income Fund - Class B returns were ranked 7 out of 33 Morningstar Australian Short Term Fixed Interest funds for 3 years to 30 September 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/s/fsg.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 September 2024 (unless stated otherwise) and is subject to change and is relevant for Class B Investors only. The Fund uses a multi-class pricing structure. Please refer to the PDS for more information.