

Sandhurst Strategic Income Fund

Class A units

Quarterly fund update - September 2023

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 2023

	Fund return	Benchmark ²	Excess return
3 months (%)	1.47	1.08	0.39
1 year (%)	4.38	3.56	0.82
2 years (% p.a.)	1.99	2.03	-0.04
3 years (% p.a.)	1.74	1.36	0.38
5 years (% p.a.)	1.66	1.28	0.38
Since inception (% p.a.)	2.79	2.10	0.69
Morningstar Rating™ Overall³	★★★		
Morningstar category rank 3 year³	16/34		

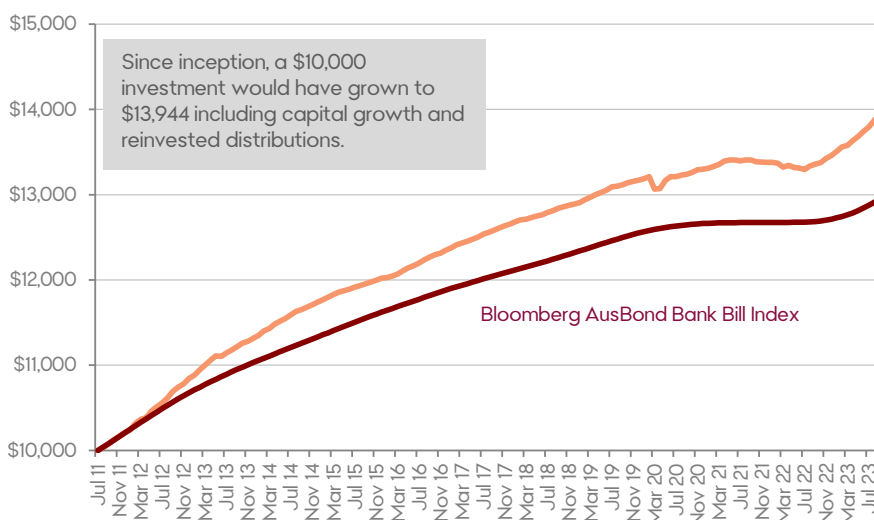
Fund facts

Fund APIR code	STL0027 AU
Fund start date	30 July 2011
Management fees & costs ⁵	0.79% 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 September 2023

Application price	\$1.03834
Withdrawal price	\$1.03647

Distribution details (cents per unit)

31 Dec 22	\$0.00541
31 Mar 23	\$0.00778
30 Jun 23	\$0.00784
30 Sep 23	\$0.00821

Benefits of investing

- ▶ 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

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

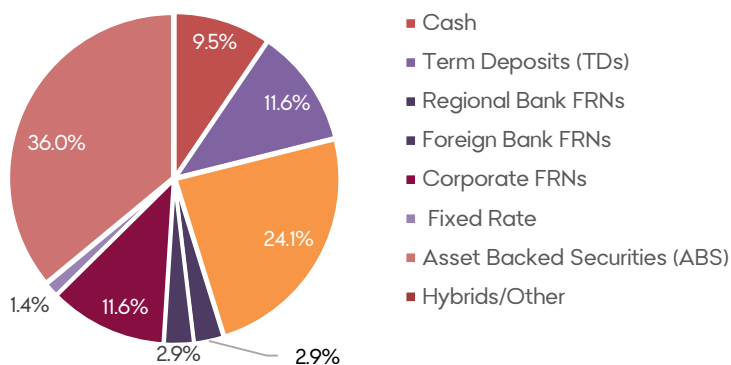
The Sandhurst Strategic Income Fund (Class A units) delivered an annualised return of 5.88% (after fees) through the quarter ending 30 September and has generated an average annual return of 2.79% (after fees) since inception. The Fund continues to outperform its benchmark and the running yield differential to the benchmark of 1.42% at the end of the quarter will support the Fund's ability to generate income to unitholders.

The domestic credit market exhibited low volatility and outperformed through the quarter whereas global risk assets were generally weaker. Strong services inflation in the US coupled with tight labour markets indicated persistent inflationary pressures which led to an increase in bond yields globally and saw equities underperform.

There were no notable changes to the RBA's approach to tame inflation through the period despite a stronger than expected monthly CPI print for August. Michelle Bullock replaced Phillip Lowe as the new Governor for the September meeting but the script from the prior meetings was retained. Whilst there has been limited change from the RBA's rhetoric in recent times, the quarterly inflation reading in addition to updated forecasts from the RBA in November could see shifts in upcoming meetings.

Domestic primary markets were active in August as issuers looked to tap in to debt markets once earnings were reported. Prices were resilient despite the strong supply and there was little premium offered on new transactions as attractive yields led to persistent demand from investors. Securitisation issuance in the third quarter largely comprised of residential mortgage backed issuance from banks. The ongoing demand for

Asset allocation



securitised issuance saw transactions upsized and credit spreads compressed across the sector. Offshore credit also performed relative to other asset classes although unlike the local market the strong supply following the northern summer lull period did begin to negatively impact prices late in the quarter.

The Portfolio Manager remains vigilant of the escalating attacks that broke out between Israel and Palestine in early October and will remain proactive as the situation unfolds. 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, 21% of the portfolio is allocated to cash and bank deposits, 43% in bank/corporate bonds and 36% 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 34 Australian Short Term Fixed Interest funds as of 30 September 2023. The Sandhurst Strategic Income Fund - Class A returns were ranked 16 out of 34 Morningstar Australian Short Term Fixed Interest funds for 3 years to 30 September 2023. © 2023 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 2023 (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.