

Sandhurst Diversified Funds

Quarterly fund update - March 2024

Investment approach

Each Fund provides access to a selection of high quality, specialist active and index investment managers across a variety of asset classes via its underlying investments. The investment portfolios provide access to investments which have been constructed in a manner that Sandhurst believes will meet the investment return objective of each Fund. Each Fund aims to provide a total return after fees in excess of a stated percentage above inflation over a full market cycle (typically 7 to 10 years), where inflation is measured by the Australian Consumer Price Index (CPI).

Fund performance¹

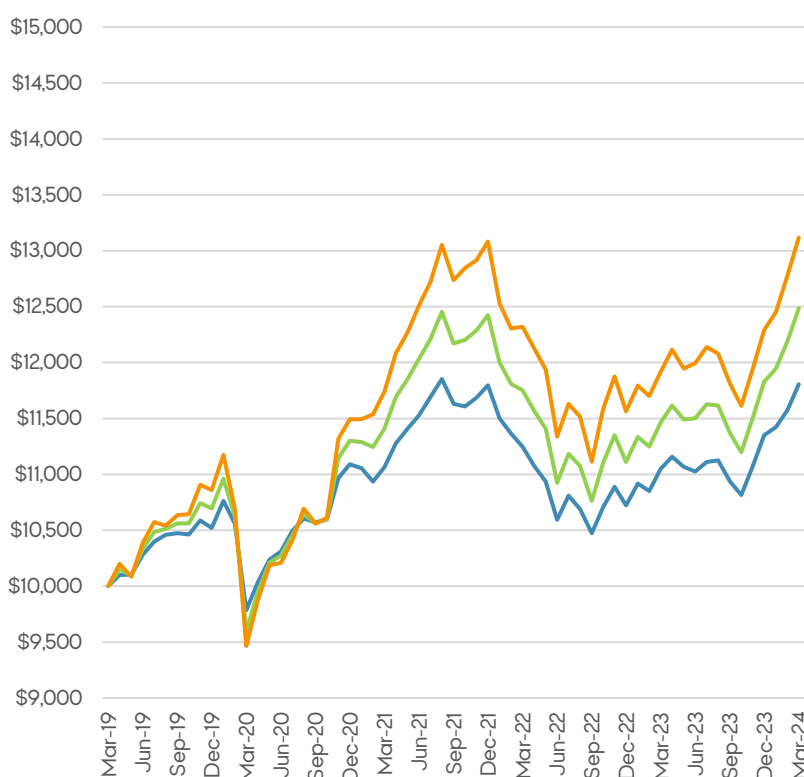
as at 31 March 2024

	3 months %	1 year %	3 years %p.a.	5 years %p.a.	Since inception %p.a.
Sandhurst Conservative Fund	4.02	6.85	2.19	3.38	4.83
Sandhurst Balanced Fund	5.54	8.91	3.05	4.54	5.14
Sandhurst Growth Fund	6.72	10.08	3.77	5.58	5.74

An example of how your investment grows

Growth of \$10,000¹

(Based on historic Fund performance over 5 years)



Fund facts

Fund inception date	7 June 2002
Distribution frequency	Half yearly

Sandhurst Conservative Fund

Fund APIR Code	STL0008AU
Return objective	CPI + 1.5%
Recommended investment timeframe	3 years +
Risk level	Low to medium
Management fees & costs ²	1.43% p.a.
Buy / Sell Spread ²	+0.12%/-0.15%

Sandhurst Balanced Fund

Fund APIR Code	STL0009AU
Return objective	CPI + 2.5%
Recommended investment timeframe	4 years +
Risk level	Medium
Management fees & costs ²	1.45% p.a.
Buy / Sell Spread ²	+0.14%/-0.16%

Sandhurst Growth Fund

Fund APIR Code	STL00010AU
Return objective	CPI + 3.5%
Recommended investment timeframe	5 years +
Risk level	Medium to high
Management fees & costs ²	1.48% p.a.
Buy / Sell Spread ²	+0.15%/-0.16%

Do you have any questions?

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

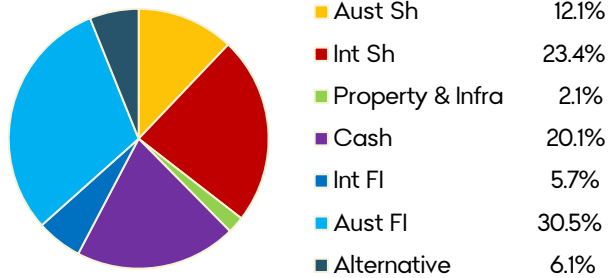
Unit prices

as at 31 March 2024

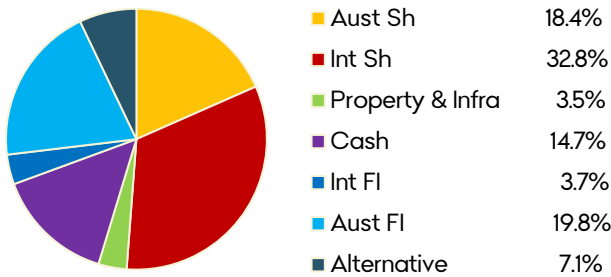
	Application price	Withdrawal price
Sandhurst Conservative Fund	\$1.02892	\$1.02614
Sandhurst Balanced Fund	\$1.09853	\$1.09524
Sandhurst Growth Fund	\$1.04074	\$1.03752

Asset allocation

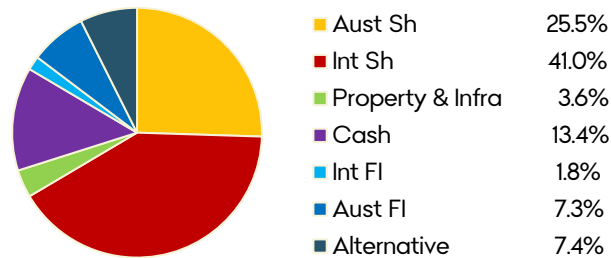
Sandhurst Conservative Fund



Sandhurst Balanced Fund



Sandhurst Growth Fund



Performance commentary

Returns for the quarter across the Funds were strong, on the back of buoyant equity markets driven by the increasing probability of a soft landing. A soft landing implies a return to average inflation, without a significant slowdown in the economy. On a relative perspective detracting from performance was the exposure to alternative investments in Riparian Water and Duxton agriculture, in which these Funds are designed to hold a low correlation to listed equity markets. DNR Australian Emerging Companies was the strongest performer from the active manager suite, while the Funds tactical tilts in Japanese equities favourably benefited the Funds. Over the quarter Japanese equities rose strongly with the Nikkei up 20.7%, aided by a depreciating Japanese Yen, rising Japanese incomes and supportive monetary policy, in which are all factors that support earnings growth in the region.

Further aiding the Funds was the positioning in gold. An important feature of the Bendigo Diversified Funds relative to peers, is the inclusion of a gold exposure under the alternative's asset class. Gold provides great diversification to that of fixed income and equities, in which it covers a range of geopolitical and monetary risks.

Economic commentary

The past quarter was a strong quarter for risk assets with Australian shares up 5.3% (S&P ASX 300 accumulation Index), global shares rose 10.1% (MSCI World Ex Australia Hedged AUD Total Return Index), gold was up 8.1%, while global fixed income fell -0.3% (Bloomberg Global Aggregate Total Return Index Hedged AUD) and Australian fixed income returned a modest 1.0% (Bloomberg AusBond Composite Index).

Risk assets have run sharply higher since last November. Driving the rally has been central bank communication regarding the possibility of sooner interest rate cuts, as well as favourable liquidity conditions. The backdrop relative to historical periods is one of high asset values and wealth, propped up by post covid stimulus. This combined with high global debt levels, results in markets that are highly sensitive to changes in interest rates and liquidity conditions. Over the past two years investments have experienced extreme volatility and we expect that looking forward central bank policy and government fiscal impacts will continue to amplify markets.

Throughout 2023, markets were favoured by falling inflation rates and surprisingly strong economic growth particularly in the US. Unlike many global regions, the US has been supported by excessive government fiscal support, combined with a consumer that is insensitive to rising interest rates given long term fixed mortgages. As a result, inflation in the US continues to be sticky and demand robust, with inflation measures for January and February indicating an acceleration in core inflation. Outside of the US a different story persists with weaker consumer demand experienced across Europe, the UK, Japan and Australia.

Within Australia, GDP growth has continued to fall, with the labour market softening. Without the effect of the current large immigration policy, Australia on a per capita basis is in a recession. Looking forward, an economic rebound can be expected in the event the RBA cash rate is reduced, in which markets, being forward looking, continue to front run.

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. Funds start date 7 June 2002.
2. 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 managed funds detailed in this update (individually referred to as 'Fund' or collectively as 'Funds') are 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 Funds or the service they provide, full details of which are contained in the relevant Product Disclosure Statement (PDS). Investments in the Funds 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 and opinions provided in this document have not been verified and Sandhurst has no obligation to notify you in the event that any information or opinions change. 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. Please consider your situation and read the relevant 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

The information is current as at 31 March 2024 (unless stated otherwise) and is subject to change without notice.