

Sandhurst Strategic Income Fund

Class B units

Quarterly fund update - March 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 31 March 2024	Fund return	Benchmark ²	Excess return
3 months (%)	1.48	1.09	0.39
1 year (%)	5.77	4.19	1.58
2 years (% p.a.)	3.98	3.11	0.87
3 years (% p.a.)	2.68	2.08	0.60
5 years (% p.a.)	2.33	1.51	0.82
Since inception (% p.a.)	3.21	2.19	1.02
Morningstar Rating™ Overall³	★★★★		
Morningstar category rank 3 year³	5/33		

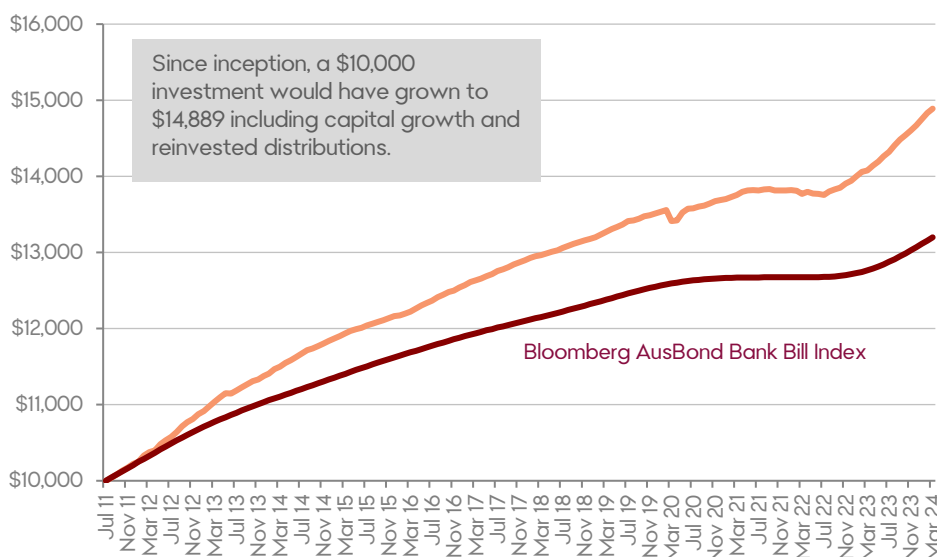
Fund facts

Fund APIR code	STL0044AU
Fund start date	30 July 2011
Management fees & costs ⁵	0.46% 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 31 March 2024

Application price	\$1.04671
Withdrawal price	\$1.04483
Distribution details (cents per unit)	
30 Jun 23	\$0.00878
30 Sep 23	\$0.00911
31 Dec 23	\$0.01252
31 Mar 24	\$0.01353

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

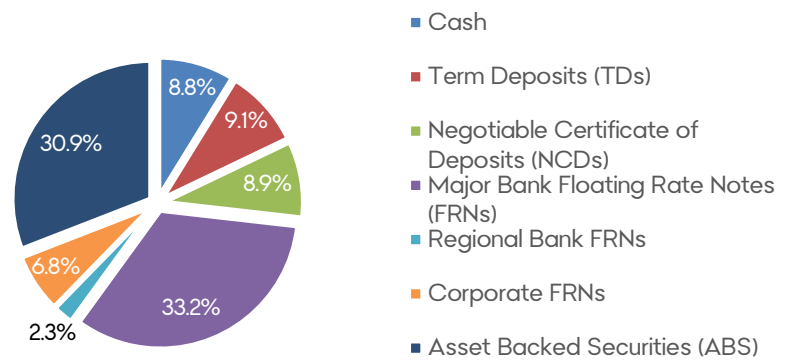
The Sandhurst Strategic Income Fund (Class B units) delivered an annualised return of 5.93% (after fees) through the quarter ending 31 March 2024. The Fund continues to outperform its benchmark and the running yield of the Fund was 5.55% at the end of the quarter.

Early 2024 saw a continuation of the trends that financial markets exhibited in late 2023 as credit continued to perform strongly despite elevated levels of issuance compared to recent years and the rally in equities persisted.

Inflation in Australia declined more in the December quarter than was expected by the RBA and the RBA Board acknowledged that data had given them more confidence of returning inflation to target. As a result, the case to hold the cash rate at 4.35% outweighed the need to hike. However, recent data that has followed their latest meeting indicates that inflationary pressures could remain above their expectations which has led to the market delaying its forecast for rate cuts.

Corporate earnings in Australia highlighted that credit fundamentals for Australia continue to remain robust despite elevated yields. There are limited rating downgrade pressures for local issuers through the rate hiking cycle and the March quarter saw S&P upgrade credit ratings for various Australian banks. S&P's upgrade was due to their assessment that "the continued strengthening of regulatory and governance standards in the Australian banking sector has reduced industrywide risks".

Asset Allocation



More recently the combination of geopolitical tensions and elevated US inflation economic data led to a slight deterioration in pricing of risk assets. Offshore credit weakened whilst Australian credit has to date remained largely unaffected. Markets remain cautious and are closely observing the conflict between Israel and Iran.

There are currently no unrated assets in the Fund and more than 75% of exposures are rated AA- or higher. At the end of March, 27% of the portfolio is allocated to cash and bank deposits, 42% in bank/corporate bonds with 31% 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 31 March 2024. The Sandhurst Strategic Income Fund - Class B returns were ranked 5 out of 33 Morningstar Australian Short Term Fixed Interest funds for 3 years to 31 March 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 31 March 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.

Sandhurst Trustees