PRESS RELEASE

Sydney, 06th November 2023 – Foresight Analytics Assigns 'SUPERIOR' Rating to The Sandhurst Strategic Income Fund.

Foresight Analytics has recently completed a rating assessment of the **Sandhurst Strategic Income Fund.**

The fund has been reassigned a **SUPERIOR** rating indicating our highest confidence that it can deliver a risk-adjusted return in line with its investment objectives. In Foresight's opinion, the investment management team is experienced, and their processes are robust. The investment approach is conservative, technical and highly analytical.

The Sandhurst Strategic Income Fund (the 'Fund') is managed by **Sandhurst Trustees Ltd.** ('Sandhurst' or 'the Manager'), a fully-owned subsidiary of the **Bendigo and Adelaide Bank**. Sandhurst Trustees Ltd. is additionally the Responsible Entity, Custodian, and Administrator of the Fund.

Designation as a **RELATIVELY SIMPLE PRODUCT** indicates that the Investment Manager will seek to outperform their chosen mainstream market sector. The strategies used are well documented and do not include the use of leverage or derivatives for trading purposes. While this fund is expected to move fairly closely in line with mainstream markets, there may be periods where it outperforms or underperforms the benchmark index.

The Sandhurst Strategic Income Fund seeks to provide an enhanced cash investment that targets a return above the benchmark – the Bloomberg AusBond Bank Bill Index – over any 2-year period. Consistent with the 'cash enhanced' nature, the strategy is overwhelmingly an investment-grade strategy, with BBB investments typically not exceeding 10% of the portfolio.

The portfolio is actively managed to minimise capital loss and to provide consistent income over time. The strategy consists of a top-down relative value approach, combined with macro-oversight and a bottom-up credit assessment methodology.

Since its inception, the **Fund (Class A)** has achieved its objective, providing returns of 0.92% p.a. over the benchmark while maintaining high capital stability and liquidity.

Foresight Analytics' analyst Rodney Lay says, 'The Fund invests primarily in Australian-dollar-denominated cash, money market, bank and corporate senior debt (largely senior secured bank notes) and asset-backed securities ('ABS'), specifically residential mortgage-backed securities ('RMBS'). The portfolio is entirely comprised of floating-rate investments.'

About Foresight Analytics' Investment Due Diligence Rating (IDD Rating)

The objective of Foresight Analytics' Investment Due Diligence Rating (IDD Rating) is to identify the best funds and opportunities for future investment. We assess the fund's historical risk-adjusted performance – compared to its peers – to form a holistic view of the manager's ability to deliver future returns. The IDD rating indicates the quality of the investment option within the context of a diversified portfolio and full investment cycle.

Foresight's analysts use a 5-point scale to determine how the fund will perform against a range of risk factors.

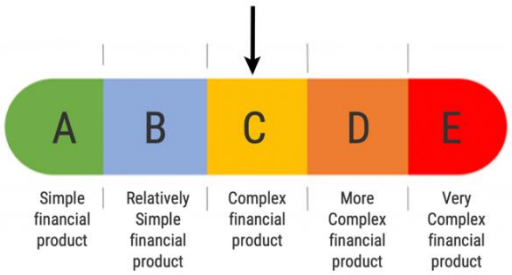
- SUPERIOR indicates the highest level of confidence that the fund can deliver a risk-adjusted return in line with its investment objectives and that it is highly suitable for inclusion on APLs.
- VERY STRONG indicates a very strong conviction that the fund can deliver a risk-adjusted return in line with its investment objectives and that it is suitable for inclusion on most APLs.
- STRONG indicates a strong likelihood that the fund can deliver a risk-adjusted return in line with its investment objectives and that it is suitable for inclusion on most APLs.
- COMPETENT indicates the fund may deliver a risk-adjusted return in line with its relevant benchmark and that it may be suitable for APLs.
- WEAK indicates the fund is unlikely to deliver a risk-adjusted return in line with its investment objective and that it is not suitable for most APLs.

A 'Hold' designation is applied to a fund's rating if a material change impacts the fund manager, and we need to review the rating.

A 'Sell' designation indicates the Foresight Investment Ratings Committee considers risk factors to be elevated enough that maintaining an investment in the fund as part of their diversified portfolio is questionable.

Foresight Complexity Indicator

A Foresight Complexity Indicator (FCI) highlights the complexity of an investment product based on a range of indicators. These typically include its terms and conditions, performance-based fees, liquidity structure, financial leverage, use of derivatives, rare and niche asset class/opportunity set, currency exposure and the level of transparency offered for investors. Foresight believes these factors can disproportionately affect risk-adjusted return outcomes for investors even if a manager is very skilled. Investors can use FCI as a guide to portfolio position sizing within a diversified portfolio context.



The full research report is available on the Foresight 360 Digital platform. The platform can be accessed via www.foresight-analytics.com

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About Foresight Analytics

Foresight Analytics, an independent Sydney-based firm, provides investment diligence, data analytics, and advisory solutions to leading investment management companies, superannuation funds and wealth groups across the Asia Pacific. Foresight's innovative, evidence-based approach blends both human and forensic insights to provide a range of analytical, predictive and market intelligence solutions to investors. Foresight Analytics was founded in 2015 by Jay Kumar, a former executive of Morningstar, Optimix Investment Management, ANZ Wealth & Private Bank and the Reserve Bank of Fiji.

Foresight's fiduciary solutions include Diligence Services (Investment, Operational, ESG & Risk Diligence), Data Analytics and Asset Consulting. Foresight's fund strategy solutions include Data Analytics for asset managers, Fund Strategy Benchmarking Solutions and Strategic Research.

For more information on our capabilities, please visit our website at www.foresight-analytics.com and social media platforms via LinkedIn, Facebook or Twitter.

For additional analyst insights, thematic research and market commentaries, please visit our website at www.foresight-analytics.com and streaming channels YouTube and Podcast.