

Monthly fund update - August 2021

Investment approach

The Fund aims to provide customers with regular income. The Fund will invest in a portfolio of Credit Securities to generate regular income consistently higher than traditional cash investments. The Fund will be actively managed to balance risk and return opportunities through different market conditions.

Fund performance¹

as at 31 August 2021	Fund return	Benchmark ²	Excess return
1 month (%)	0.12	0.00	0.12
3 months (%)	0.67	0.01	0.66
6 months (%)	1.83	0.02	1.81
1 year (%)	3.93	0.04	3.89
Since inception (%)	4.20	0.06	4.14

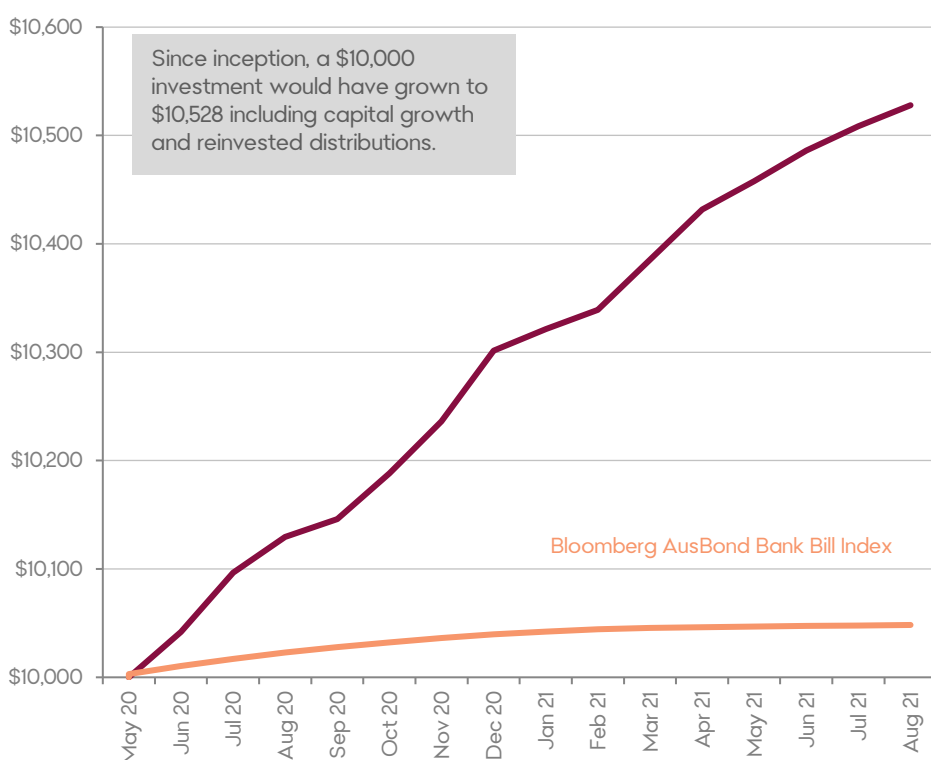
Fund facts

Fund APIR code	STL8864AU
Fund start date ³	20 May 2020
Management costs ⁴	0.60% p.a.
Buy / Sell spread ⁴	+0.04% / -0.20%
Minimum investment / minimum balance	\$2,000
Recommended investment timeframe	2 years +
Risk level	Low to medium

An example of how your investment grows

Growth of \$10,000¹

(Based on historic Fund performance since inception)



Unit price

as at 31 August 2021

Application price	\$1.03087
Withdrawal price	\$1.02840

Distribution details (cents per unit)

30 Sep 20	\$0.00310
31 Dec 20	\$0.00450
31 Mar 21	\$0.00510
30 Jun 21	\$0.01006

Do you have any questions?

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

Benefits of investing

- ▶ regular income from quarterly distributions;
- ▶ access to a diversified credit portfolio therefore reducing your risk and potentially enhancing returns;
- ▶ 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.

Portfolio performance

For the month of August 2021, the Bendigo Income Generation Fund achieved a 0.12% return (after fees). Returns were supported by high-quality ABS assets which provided significant pricing gains. The Fund has produced a positive return of 3.93% over the 12 months to 31 August 2021.

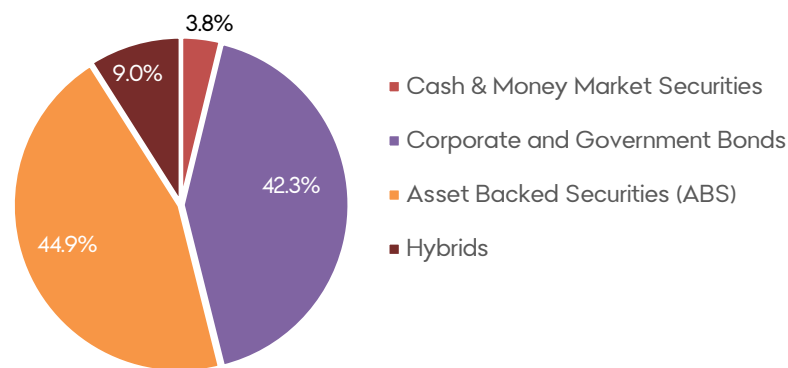
Global risk markets performed strongly in the month supported by a speech from Federal Reserve chairman Jerome Powell at the Jackson Hole Symposium. A more dovish tone was delivered in the speech which buoyed equity markets in the US particularly, which hit new all-time highs. The optimism overshadowed the surge in COVID-19 delta strain which continues to slow the global economic recovery and stressed supply chains across markets.

Domestically, economic releases surprised with the second quarter gross domestic product (GDP) expanding by 0.7% from the prior quarter. Government spending and consumer demand supported the increase. Whilst the result was positive, it only factored in a couple of weeks of the NSW lockdown that is expected to have significant impacts on future GDP prints. The labour market improved with the unemployment rate falling to 4.6%. The housing market remained resilient despite lockdowns with prices increasing again albeit at a slowing pace.

Credit markets were mostly positive through the month with credit spreads (the difference between the yield on credit assets and risk-free assets) broadly stable. Pricing on ABS assets was supported by an active primary market where new deals were pricing tighter causing further spread compression for the broader market. Major bank hybrid securities struggled with negative price performance over the month.

The Fund's focus remains on short, dated investments with minimal volatility. The Fund has 3.8% in cash instruments, 42.3% in corporate bonds, 44.9% in securities assets and 9.0% in Hybrid securities.

Asset allocation



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. The Fund commenced on 20 May 2020 and issued as a retail offering 11 February 2021.
4. Management costs are based on 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 Bendigo Income Generation 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.

This information is current as at 31 August 2021 (unless stated otherwise) and is subject to change without notice.

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