

# Bendigo Income Generation Fund

## Quarterly fund update - December 2023

### 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.



Foresight Analytics has assigned a VERY STRONG investment rating with a product complexity indicator designating the Fund as a Relatively Simple Product.<sup>5</sup>

### Fund performance<sup>1</sup>

as at 31 December 2023

	Fund return	Benchmark <sup>2</sup>	Excess return
1 month (%)	1.03	0.37	0.66
3 months (%)	3.28	1.06	2.22
6 months (%)	5.21	2.15	3.06
1 year (%)	8.25	3.89	4.36
Since inception (%) p.a.	4.21	1.43	2.78

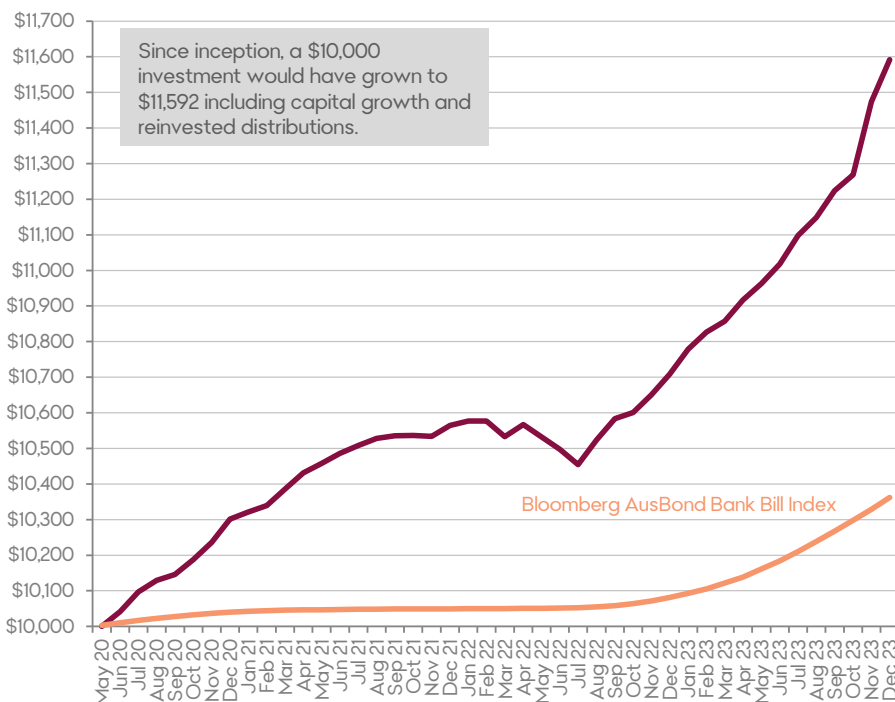
### Fund facts

Fund APIR code	STL8864AU
Fund start date <sup>3</sup>	20 May 2020
Management fees & costs <sup>4</sup>	0.60% p.a.
Buy / Sell spread <sup>4</sup>	+0.05% / -0.20%
Minimum investment / minimum balance	\$500
Recommended investment timeframe	2 years +
Risk level	Low to medium

### An example of how your investment grows

#### Growth of \$10,000<sup>1</sup>

(Based on historic Fund performance since inception)



### Unit price (ex distribution)

as at 31 December 2023

Application price	\$1.02743
Withdrawal price	\$1.02487

### Distribution details (cents per unit)

31 Mar 23	\$0.01 276
30 Jun 23	\$0.01 024
30 Sep 23	\$0.01 622
31 Dec 23	\$0.01 461

### 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.

### Do you have any questions?

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

## Portfolio performance

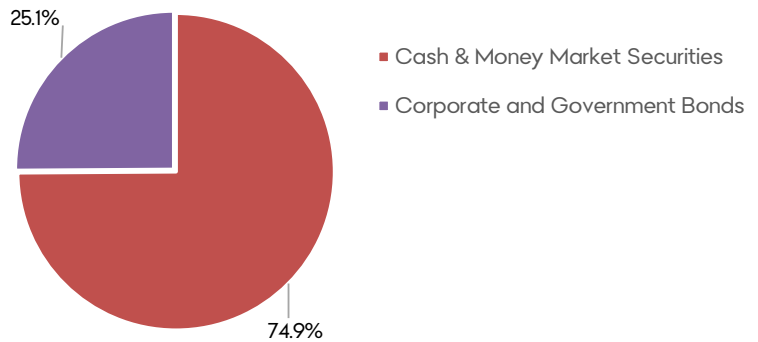
The final quarter for the Bendigo Income Generation Fund ending 31 December 2023 delivered an annualised return of 8.25%. Since inception (May 2020) the Fund delivered an average annual return of 4.21%.

Risk assets performed strongly through the quarter as expectations of a soft landing in the United States gathered momentum. Markets were cautious in early October as they were vigilant of the uncertainty surrounding the attacks between Israel and Palestine. Whilst the conflict is ongoing, it has so far not spread to involve other regions which allowed the focus to shift back towards the global disinflation narrative. Yields fell as a result of the easing inflationary pressures which led to equities and credit rallying.

Credit fundamentals for Australia have remained robust through the rate hiking cycle. This is evident from the limited rating downgrades pressure for local issuers and credit spreads remaining relatively range bound from mid-late 2022.

Although globally yields have fallen, the all-in yields available for investors within credit remain attractive. For example, the gap between the earnings yield on the ASX 200 and AUD credit is at historically tight levels which is supportive for credit markets. Whilst offshore credit outperformed through the quarter, the local market was supported by a lack of new issuance from major banks which saw secondary benchmark bonds tighten as the asset class continued to see inflows. Primary markets are expected to be active in January and this period will provide an opportunity for Australian banks to continue to refinance maturities from the Term Funding Facility.

## Asset allocation



Since inception, the Fund has been able to surpass its return objective by 2.78% (p.a.). This is despite the volatile conditions that have characterised financial markets consistently over the past few years. Some of the key issues that were successfully navigated through this period include the COVID-19 pandemic, the Russian/Ukraine conflict, SVB/CS collapse as well as inflationary pressures and the tightening of financial conditions that followed.

The team appreciate your support for the Bendigo Income Generation Fund and encourage you to review the suite of Managed Funds available to invest in at Sandhurst Trustees Limited.

### 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 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.
5. Foresight Analytics has assigned a VERY STRONG investment rating with a product complexity indicator designating the Fund as a Relatively Simple Product. This rating indicates a very strong conviction that the Fund can deliver a risk adjusted return in line with its investment objective. 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](http://www.foresight-analytics.com/financial-services-guide)

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](http://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](http://www.bendigobank.com.au/TMD)

This information is current as at 31 December 2023 (unless stated otherwise) and is subject to change without notice.