

Monthly fund update - June 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 30 June 2021	Fund return	Benchmark ²	Excess return
1 month (%)	0.27	0.00	0.27
3 months (%)	0.97	0.01	0.96
6 months (%)	1.79	0.01	1.78
Since inception (%)	4.48	0.06	4.42

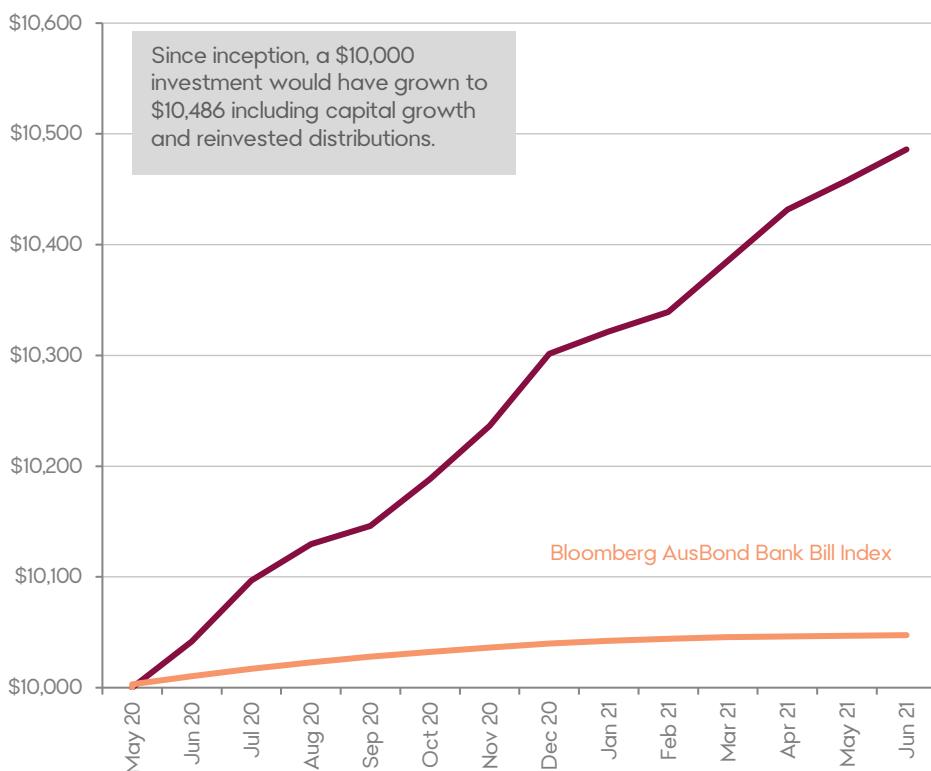
Fund facts

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 (ex distribution)

as at 30 June 2021

Application price	\$1.02676
Withdrawal price	\$1.02430

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

The Bendigo Income Generation Fund achieved a 0.27% return. Returns were supported by compression in credit spreads (the difference between the yield on credit assets and risk-free assets), although income was a larger component of the total return than previous periods.

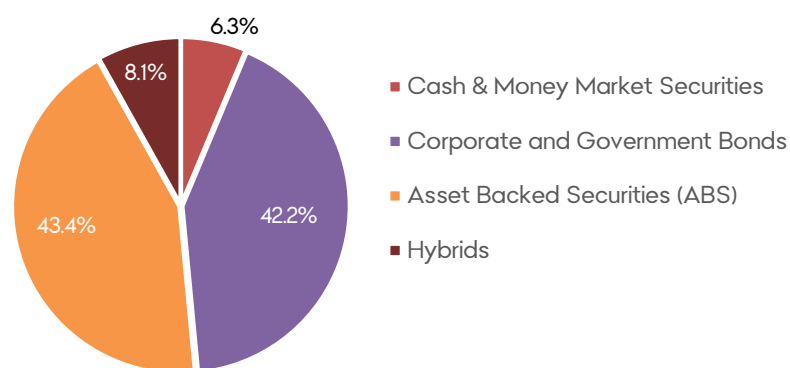
For the month of June 2021, global markets experienced volatility as positive economic data prints were conflicted by growing Covid cases. In the US, investors had to contend with mixed signals from the US Federal Reserve on monetary policy with a slight change to the narrative around tapering. However, the general belief remains that the Federal Reserve will not rush to withdraw stimulus. Fears on inflationary pressures subsided through the month and yield curves subsequently flattened. Additionally, sentiment in the US was bolstered by the US\$1.2 trillion bipartisan deal between the White House and the US Senate on infrastructure spending.

In Australia, domestic economic data releases were strong, with the labour market in particular continuing to show strength with unemployment dropping to 5.3% in the latest release. The strong labour market and buoyant housing market lifted enthusiasm over the month. However, this optimism was impacted by parts of Australia being locked down to control the ongoing Covid outbreak.

Australian credit market spreads (the difference between the yield on credit assets and risk-free assets) tightened marginally in June. Financials outperformed non financials with major bank assets in high demand. It was a reasonably quiet month for Australian financials, noting the closure of the Reserve Bank of Australia's (RBA) Term Funding Facility on June 30.

The global economic outlook continues to recover from the pandemic. Many uncertainties remain and volatility is expected whilst the pandemic response continues. The Fund remains highly selective on assets with 6.3% in cash, 43.4% in asset backed securities (ABS), 42.2% in corporate bonds and 8.1% in hybrids.

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 30 June 2021 (unless stated otherwise) and is subject to change without notice.

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