

Bendigo Income Generation Fund

Quarterly fund update - June 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.⁵

Fund performance¹

as at 30 June 2023

	Fund return	Benchmark ²	Excess return
1 month (%)	0.50	0.30	0.20
3 months (%)	1.48	0.90	0.58
6 months (%)	2.89	1.70	1.19
1 year (%)	4.95	2.89	2.06
Since inception (%) p.a.	3.19	0.97	2.22

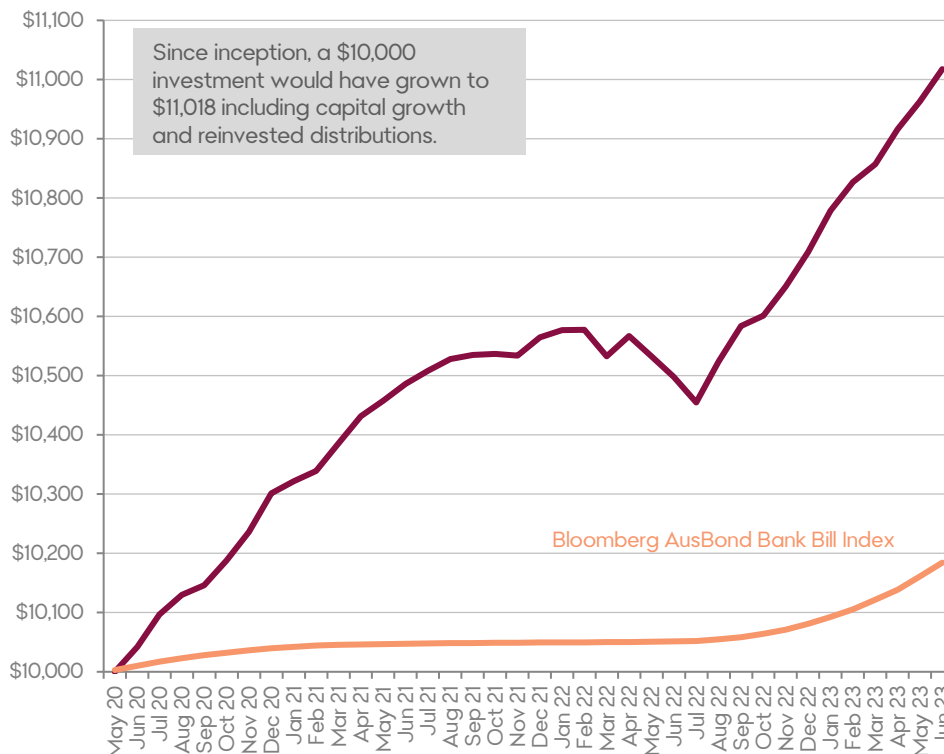
Fund facts

Fund APIR code	STL8864AU
Fund start date ³	20 May 2020
Management fees & costs ⁴	0.60% p.a.
Buy / Sell spread ⁴	+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 \$10,000¹

(Based on historic Fund performance since inception)



Unit price (ex distribution)

as at 30 June 2023

Application price	\$1.00642
Withdrawal price	\$1.00390

Distribution details (cents per unit)

30 Sep 22	\$0.00833
31 Dec 22	\$0.01165
31 Mar 23	\$0.01276
30 Jun 23	\$0.01024

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

Portfolio performance

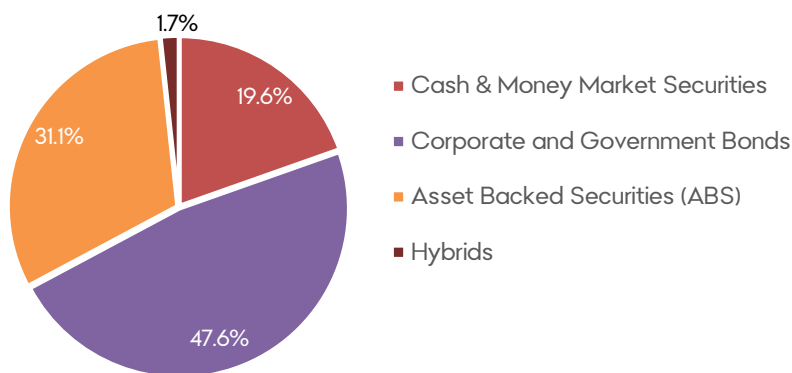
The Bendigo Income Generation Fund achieved an annualised quarterly return of 5.92% (after fees) for the June quarter. The running yield of the Fund on 30 June 2023 was 5.98%.

During the quarter, risk assets experienced gains, primarily led by developed markets, notably the United States, where the technology sector benefited from increased enthusiasm surrounding Artificial Intelligence (AI) stocks. Most major central banks, with the exception of the US Federal Reserve, raised interest rates, resulting in higher government bond yields. Economic indicators across different regions provided mixed signals, which kept investors focused on forthcoming data releases. Commodities, particularly industrial metals and the energy sectors, faced declines due to concerns of a recession.

Australian risk assets displayed mixed performance. Like the US, the technology sector stood out and outperformed other sectors significantly. Utilities, energy, and industrials also performed well, bucking some of the offshore trends. Conversely, healthcare, materials, and consumer discretionary sectors experienced losses.

The Australian yield curve inverted last quarter, signalling a potential recession. However, most investors have downplayed the significance of this inversion. In contrast, the US yield curve is deeply inverted. Short term yields in Australia rose due to higher-than-anticipated inflation.

Asset allocation



Australian credit markets witnessed a healthy level of new issuance that supported the broader market. New deals were oversubscribed, leading to a compression of credit spreads. Residential Mortgage-Backed Securities (RMBS) saw a pickup in issuance with \$13bn in Australian dollar deals across 21 transactions. The volume was digested well in the market and led to compression in secondary RMBS assets.

The Portfolio Manager remains cautious, and the Fund is conservatively positioned amidst the volatile and tentative financial market conditions. The focus remains on high quality assets and to maintain a strong liquidity profile. At the end of the quarter, the Fund had 19% in cash and deposits, 31% in securitised assets, 48% in corporate/bank bonds and 2% in hybrid bank bonds.

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

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.

For target market determination: www.bendigobank.com.au/TMD

This information is current as at 30 June 2023 (unless stated otherwise) and is subject to change without notice.