

## Monthly fund update - March 2022

### 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 March 2022

	Fund return	Benchmark <sup>2</sup>	Excess return
1 month (%)	-0.42	0.00	-0.42
3 months (%)	-0.30	0.01	-0.31
6 months (%)	-0.02	0.02	-0.04
1 year (%)	1.42	0.04	1.38
Since inception (%) p.a.	2.87	0.05	2.82

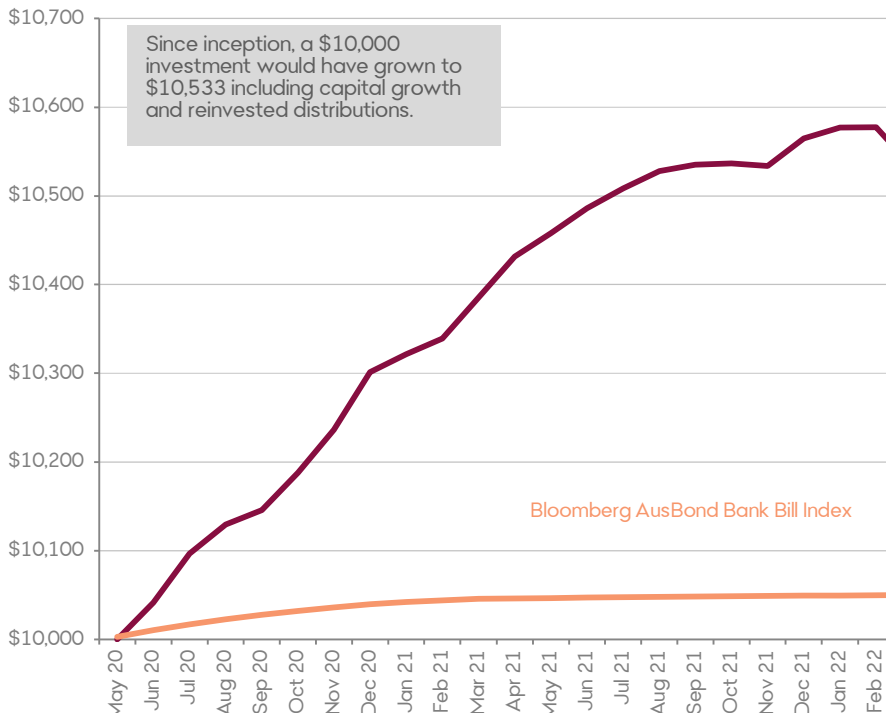
### Fund facts

Fund APIR code	STL8864AU
Fund start date <sup>3</sup>	20 May 2020
Management costs <sup>4</sup>	0.60% p.a.
Buy / Sell spread <sup>4</sup>	+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 \$10,000<sup>1</sup>

(Based on historic Fund performance since inception)



### Unit price (ex distribution)

as at 31 March 2022

Application price	\$1.01123
Withdrawal price	\$1.00880

### Distribution details (cents per unit)

30 Jun 21	\$0.01006
30 Sep 21	\$0.00770
31 Dec 21	\$0.00670
31 Mar 22	\$0.00570

### 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 Bendigo Income Generation Fund has achieved a return of 1.42% (after fees) over the past 12 months ending 31 March 2022 and has generated an average annual return of 2.87% (after fees) since inception.

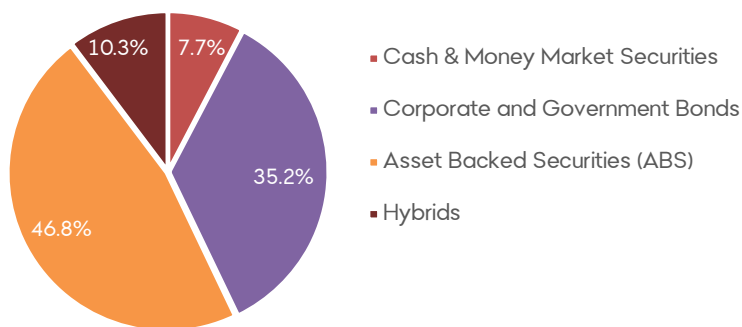
The elevated volatility seen in late February in credit markets persisted in March and liquidity was constrained as Russia's invasion of Ukraine further fuelled existing inflationary pressures. These developments drove the risk-off theme and resulted in capital losses across credit markets.

Revised expectations for further interest rate rises in the United States to combat inflation (CPI report showed a 12-month rise of 7.9%) and a 25bp increase in the benchmark rate did not weigh on the share market as the S&P 500 rose by 5.2% through March. Rapid rises in interest rates increase fears of a recession. Despite the increase in equities, slower earnings growth, reduced fiscal stimulus from the government, inflation risks and geopolitical tensions have created uncertainty for global share markets moving forward. Comparatively, Australian equity markets outperformed global benchmarks as the ASX 200 rose by 5.7%.

In contrast to the Federal Reserve, the RBA maintained the cash rate at its all-time low of 0.1%. Whilst the RBA Governor detailed that the developments in Ukraine supported the current patient approach to monetary tightening, they did broaden the measure of labour costs which provides flexibility as there is now no specific numerical trigger that will need to be met for rate rises (previously there had been a guideline that rates would not rise until the Wage Price Index lifted by 3%). Concerns over rising inflation saw government bond yields increase and the weak lead in for credit assets from February intensified as both corporate and bank spreads widened. Further bond supply in March from Australian major banks that offered significant new issue concessions (extra spread offered for new issuance to incentivise investors) contributed to the move wider.

The Fund's focus remains on high quality assets (portfolio maintained a high average credit rating of A) and the investment team continue to monitor the situation in Ukraine as well as changes in rate markets. At the end of March, the portfolio has 8% allocated in cash instruments, 35% in corporate bonds, 47% in securitised assets and 10% 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.
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)