

Quarterly fund update - March 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 31 March 2023

	Fund return	Benchmark ²	Excess return
1 month (%)	0.28	0.28	0.00
3 months (%)	1.39	0.79	0.60
6 months (%)	2.58	1.54	1.04
1 year (%)	3.08	2.04	1.04
Since inception (%) p.a.	2.94	0.74	2.20

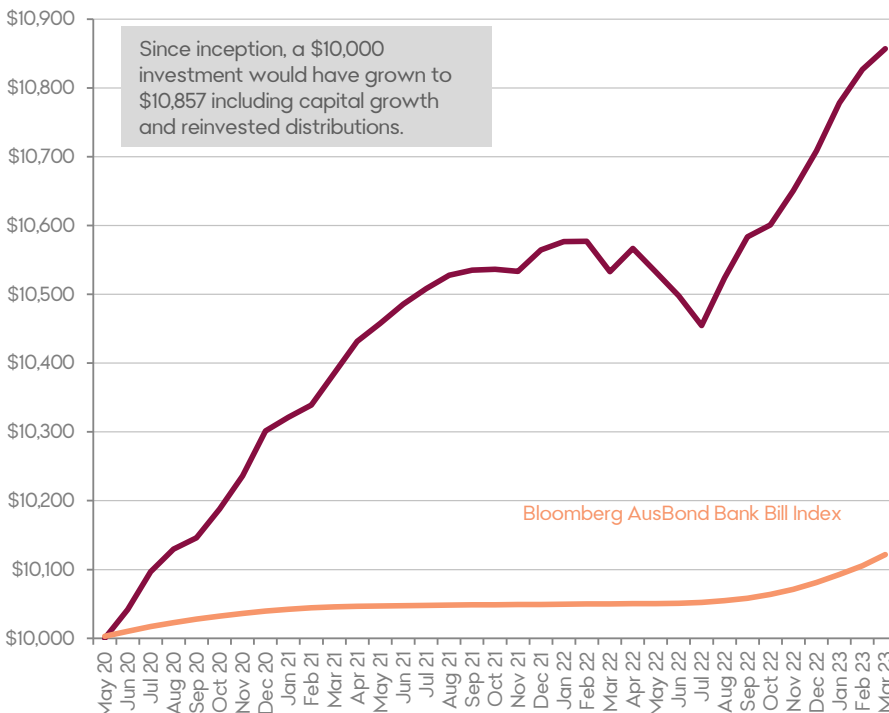
Fund facts

Fund APIR code	STL8864AU
Fund start date ³	20 May 2020
Management fees & costs ⁴	0.61 % 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 31 March 2023

Application price	\$1.001 86
Withdrawal price	\$0.99936

Distribution details (cents per unit)

30 Jun 22	\$0.0071 3
30 Sep 22	\$0.00833
31 Dec 22	\$0.01 1 65
31 Mar 23	\$0.01 276

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

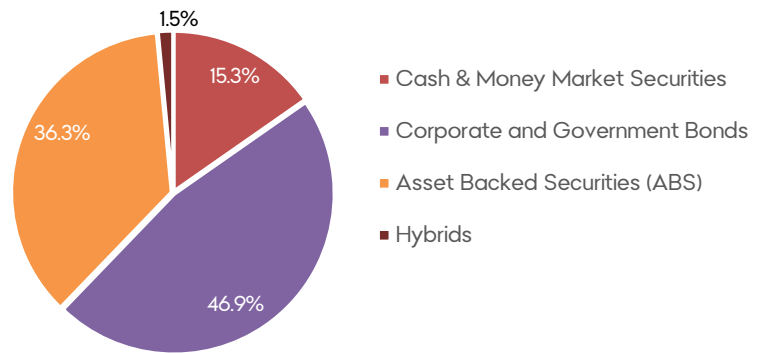
The Bendigo Income Generation Fund has achieved an annualised quarterly return of 5.56% (after fees) for the March quarter. The Fund saw an increase in returns throughout the quarter which was reflected in a distribution per unit that was ≈10% greater than the prior distribution at the end of December.

Global financial markets at the start of 2023 were characterised by a strong rally across equity and credit markets as an expectation for the Federal Reserve (Fed) to cut rates later in the year gained traction. Elevated inflationary data and the tight labour markets that were recurring themes in 2022 then returned in February which resulted in rates markets being sold off. This led to the US Treasury yield curve inverting (a commonly cited recessionary indicator) further which saw equities retrace some of their January gains.

Concerns about a potential banking crisis emerged in early March with the collapse of Silicon Valley Bank (SVB) following deposit outflows after a failed capital raise. The demise of SVB saw depositor confidence plummet and the resulting outflows of Signature Bank deposits saw it become the third largest bank failure in US history. The broader contagion was not just limited to the US as the already beleaguered Credit Suisse became the third casualty in the span of less than a fortnight. Regulators moved quickly in response by providing guarantees on certain deposits while the Fed supported the liquidity and stability of the banking system by providing access to cheap funding to pledged collateral.

The Bendigo Income Generation Fund did not hold any investments with SVB, Signature Bank or Credit Suisse.

Asset allocation



The developments in the banking system through March led to weakness in financial markets. Domestic credit markets were not immune to the weakness seen offshore but conservative reporting and risk practices from Australian banks relative to the US saw local outperformance to global peers. The Australian credit market was able to remain liquid throughout the period in March when the risks of a global banking crisis were most prevalent and the quarter ended with credit spreads starting to compress.

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 15% in deposits, 36% in securitised assets 47% in corporate/bank bonds and 2% in hybrids. The running yield of the Fund as at 31 March was 5.51% (before fees).

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 31 March 2023 (unless stated otherwise) and is subject to change without notice.