

Monthly fund update - May 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 31 May 2021	Fund return	Benchmark ²	Excess return
1 month (%)	0.25	0.00	0.25
3 months (%)	1.15	0.01	1.14
6 months (%)	2.16	0.01	2.15
Since inception (%)	4.58	0.06	4.52

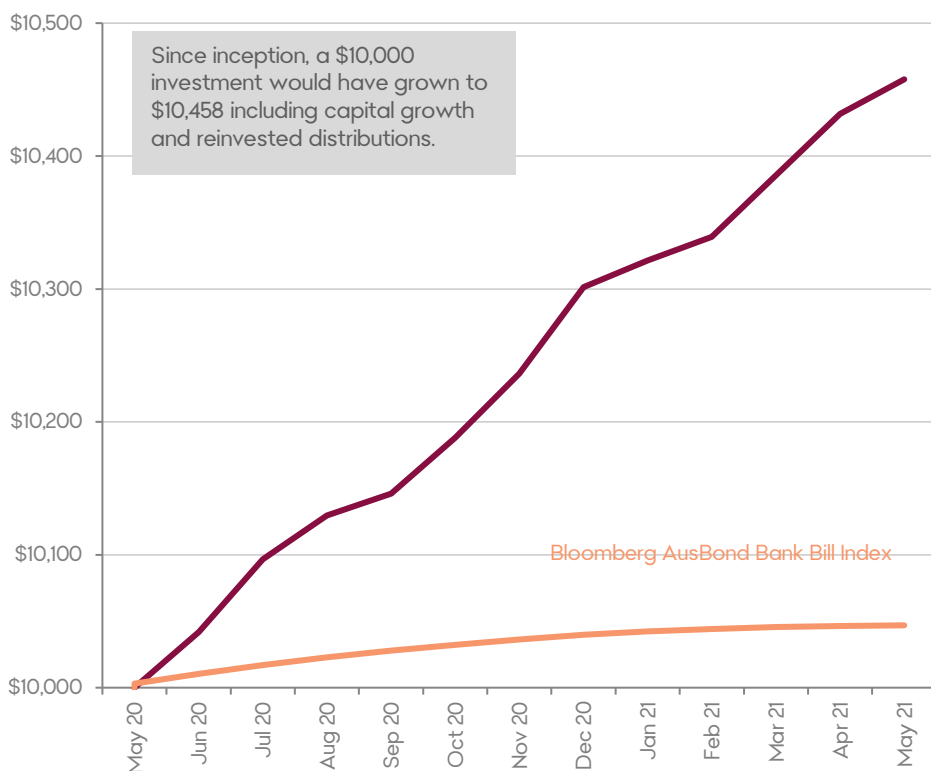
Fund facts

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

as at 31 May 2021

Application price	\$1.03405
Withdrawal price	\$1.03157

Distribution details (cents per unit)

30 Jun 20	\$0.00208
30 Sep 20	\$0.00310
31 Dec 20	\$0.00450
31 Mar 21	\$0.00510

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

For the month of May 2021, the Bendigo Income Generation Fund achieved a 0.25% 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.

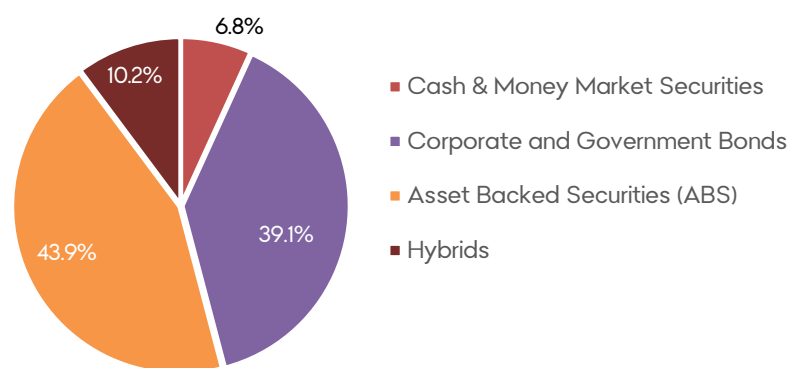
Investors are becoming more concerned with inflationary pressures emerging from the reopening of economies and significant fiscal support from governments. Most notably in the US, where strong economic data prints have promoted more discussion on whether the Federal Reserve would raise rates earlier than expected to control economic activity. Subsequently, the month of May saw muted activity to the upside surprises in data. Whilst the inflation levels have been increasing; they remain low overall, and time is essential in ascertaining if the pressure is transitory or persistent.

In Australia the growth outlook improved, with unemployment continuing the gradual fall from its peak in 2020 as the economy recovers from the pandemic. The JobKeeper Payment scheme finished on March 28 and will be a test for the trend in employment, however, market consensus is that the impact will be minor.

The focus of May for markets was the Federal Budget, which was stimulatory and generally well received. There was a significant improvement in underlying expectations for 20/21 and 21/22, with smaller deficits and lower overall debt. The Reserve Bank of Australia (RBA) left its cash rate on hold in the May policy meeting and noted that whilst a strong recovery is evident, inflation pressures are expected to be subdued in most parts of the Australian economy, a view like the US Federal Reserve.

Whilst the recovery is strong, uncertainty remains around the ongoing pandemic and its subsequent fallout. The Fund manager remains cautious and focussed on high quality investments that reduce the volatility of the Fund during market events. The Fund's focus remains on short, dated investments with minimal volatility. The Fund has 6.8% in cash instruments, 39.1% in corporate bonds, 43.9% in securities assets and 10.2% in Hybrid securities.

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 31 May 2021 (unless stated otherwise) and is subject to change without notice.

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