

Quarterly fund update - September 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 Product⁵

Fund performance¹

as at 30 September 2022

	Fund return	Benchmark ²	Excess return
1 month (%)	0.57	0.15	0.42
3 months (%)	0.82	0.42	0.40
6 months (%)	0.48	0.49	-0.01
1 year (%)	0.46	0.52	-0.06
Since inception (%) p.a.	2.46	0.25	2.21

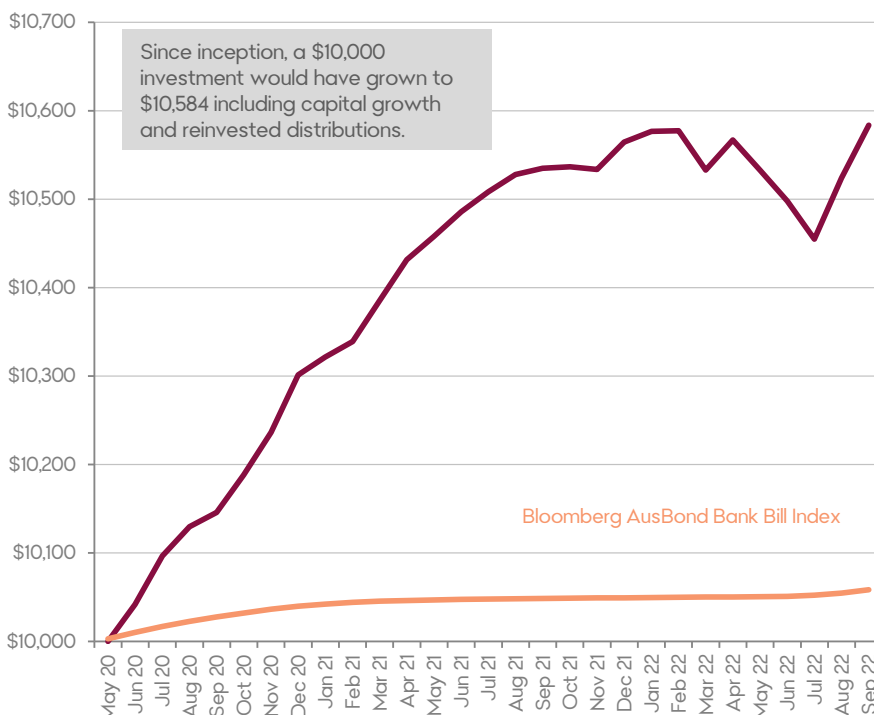
Fund facts

Fund APIR code	STL8864AU
Fund start date ³	20 May 2020
Management costs ⁴	0.60% p.a.
Buy / Sell spread ⁴	+0.05% / -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 September 2022

Application price	\$1.00064
Withdrawal price	\$0.99814

Distribution details (cents per unit)

31 Dec 21	\$0.00670
31 Mar 22	\$0.00570
30 Jun 22	\$0.00713
30 Sep 22	\$0.00833

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

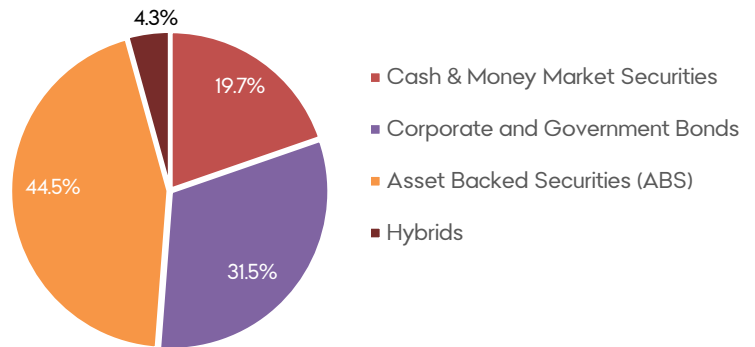
The Bendigo Income Generation Fund has achieved an average annual return for the past two years of 2.13% (after fees) and has generated an average annual return of 2.46% (after fees) since inception.

Geopolitical tensions and hawkish central bank actions to combat inflationary pressures saw the elevated volatility in credit from the prior quarter persist. Rate markets continue to drive directionality in equities as well as credit and the quarter ended with the Bank of England attempting to calm domestic markets to prevent pension funds from collapsing.

The start of the quarter had several economic data prints indicating a slowdown in the global economy. This saw markets rise briefly over the possibility of an earlier Fed pivot and drove positive performance early in the quarter. The Jackson Hole Summit in August however dashed any hopes of a near term pivot from the US Central Bank as Fed Chair Jerome Powell highlighted the Federal Reserve's commitment to quell inflation. This set the hawkish tone which was later reaffirmed by a worse than expected US CPI report in September.

As the quarter progressed, offshore markets were challenged as the ongoing energy crisis in Europe coupled with rising inflation and tightening monetary policy weighed. The UK mini budget late in September announced the biggest of package tax cuts in the region since the early 1970s. This saw the sterling fall to an all time low against the dollar as well as UK Government bond yields surging higher. The fallout required the Bank of England to revert to Quantitative Easing to prevent pension funds from collapsing and has weakened market sentiment.

Asset allocation



The domestic credit market has outperformed against this backdrop as a lack of issuance in the primary market assisted in producing strong price gains across July and August. However, the broader market weakness late in the quarter has filtered through to Australian credit which has led to a widening in credit spreads. The Fund was well positioned for the volatility in September and recorded a positive performance of 0.57% for the month.

The Portfolio Manager remains cautious amidst the ongoing volatility in financial markets and the Fund is well poised to take advantage of opportunities as conditions stabilise. The Fund remains primarily invested in high quality assets and the average credit rating for exposures has increased to A+ from A over the quarter. At the end of quarter, the Fund had 19.7% allocated in cash instruments, 31.5% in corporate bonds, 44.5% in securitised assets and 4.3% in hybrids. The Fund's income will continue to increase as the RBA hikes rates in the coming months.

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

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 September 2022 (unless stated otherwise) and is subject to change without notice.