

# Bendigo Income Generation Fund

## Quarterly fund update - September 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.<sup>5</sup>

### Fund performance<sup>1</sup>

as at 30 September 2023

	Fund return	Benchmark <sup>2</sup>	Excess return
1 month (%)	0.67	0.34	0.33
3 months (%)	1.87	1.08	0.79
6 months (%)	3.38	1.99	1.39
1 year (%)	6.05	3.56	2.49
Since inception (%) p.a.	3.52	1.22	2.30

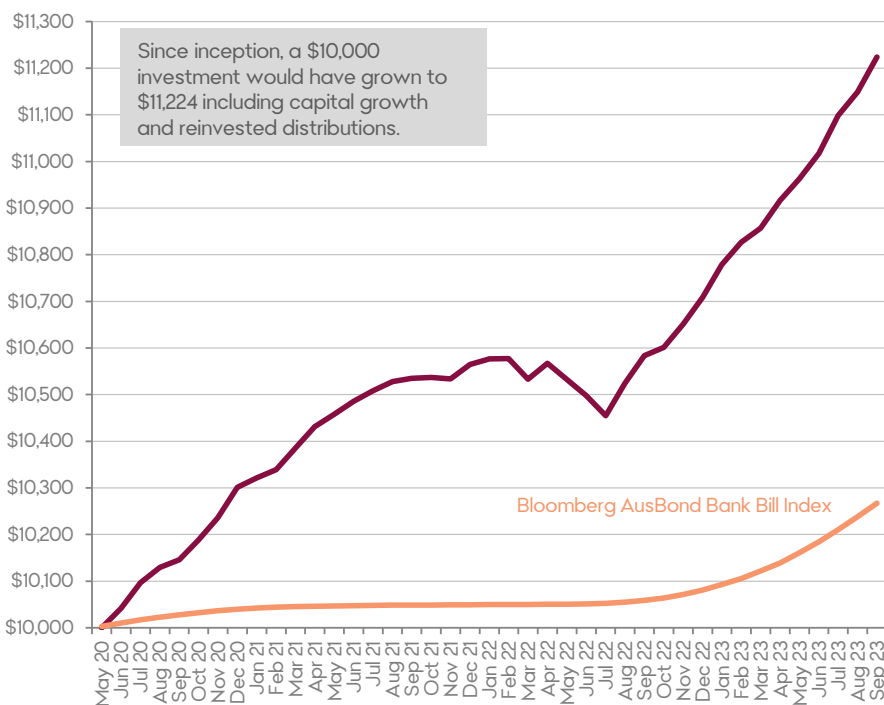
### Fund facts

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

(Based on historic Fund performance since inception)



### Unit price (ex distribution)

as at 30 September 2023

Application price	\$1.00900
Withdrawal price	\$1.00648

### Distribution details (cents per unit)

31 Dec 22	\$0.01 1 65
31 Mar 23	\$0.01 2 76
30 Jun 23	\$0.01 0 24
30 Sep 23	\$0.01 6 22

### 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

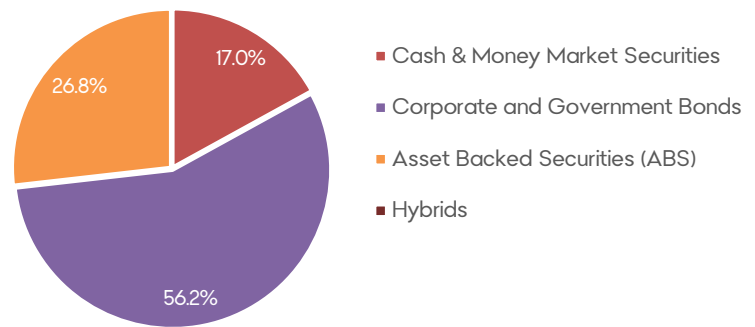
The Bendigo Income Generation Fund delivered an annualised return of 7.49% (after fees) through the quarter ending 30 September and has generated an average annual return of 3.52% (after fees) since inception.

The AUD credit market exhibited low volatility and outperformed through the quarter whereas global risk assets were generally weaker. Strong services inflation in the US coupled with tight labour markets indicated persistent inflationary pressures which led to an increase in bond yields globally and saw equities underperform.

There were no notable changes to the RBA's approach to tame inflation through the period despite a stronger than expected monthly CPI print for August. Michelle Bullock replaced Phillip Lowe as the new Governor for the September meeting but the script from the prior meetings was retained. Whilst there has been limited change from the RBA's rhetoric in recent times, the quarterly CPI reading in addition to updated forecasts from the RBA in November could see shifts in upcoming meetings.

Domestic primary markets were active in August as issuers looked to tap in to debt markets once earnings were reported. Credit spreads were resilient despite the strong net supply and there was little premium offered on new transactions as higher outright yields led to persistent demand from investors. Securitisation issuance in the third quarter largely comprised of residential mortgage backed issuance from banks.

## Asset allocation



The ongoing demand for securitised issuance saw transactions upsized and credit spreads compressed across the sector. Similar to other segments of the market, Tier 2 credit spreads crunched in although displayed greater volatility as the secondary market reacted to the first AUD domestic bank deal since June. Offshore credit also performed relative to other asset classes although unlike the local market the strong supply following the northern hemisphere summer lull period did begin to negatively impact late in the quarter.

The Portfolio Manager remains vigilant of the escalating attacks that broke out between Israel and Palestine in early October and will remain proactive as the situation unfolds. At the end of the quarter, 17% of the Fund was allocated cash, 56% to bank/corporate bonds and 27% to asset backed securities.

### 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](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)

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