

Bendigo Diversified Fixed Interest Fund

Monthly fund update - April 2021

Investment approach

The Bendigo Diversified Fixed Interest Fund (Fund) aims to provide investors with regular income by investing via a strategically managed selection of high quality Australian and international fixed interest managers. The Fund adopts a blend of expert active and index investment managers.

Fund performance¹

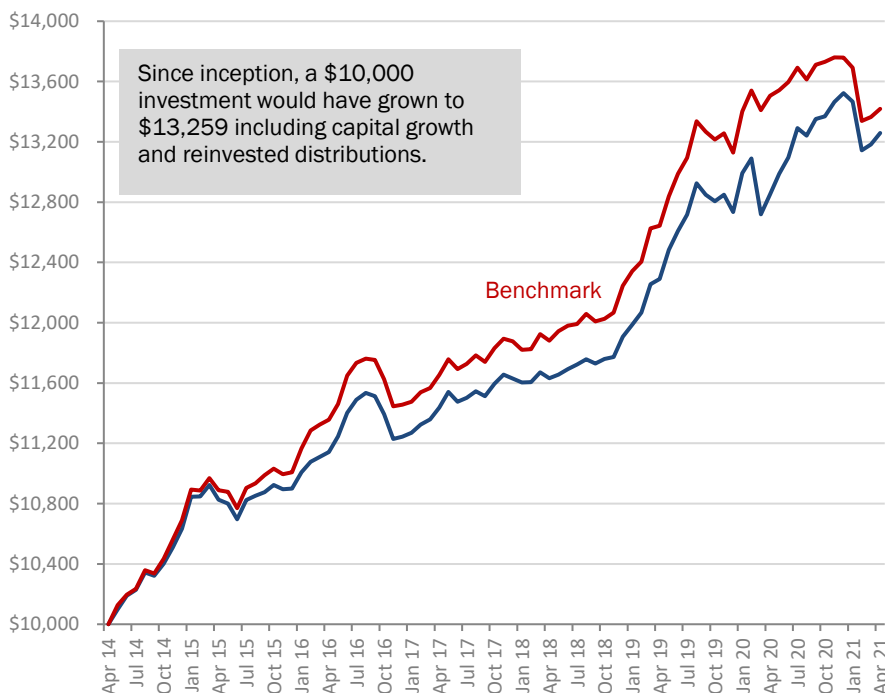
as at 30 April 2021

	Morningstar Rating™ Overall ³	Morningstar Category Rank 3 Year ³	3 months %	1 year %	3 years %	5 years %p.a.	Since inception %p.a.
Bendigo Diversified Fixed Interest Fund	★★★★	4/51	-1.53	3.18	4.46	3.54	4.11
Benchmark ²			-1.99	-0.64	4.14	3.39	4.29

An example of how your investment grows

Growth of \$10,000¹

(Based on historic Fund performance since inception)



Fund facts

Fund APIR code	STL0051AU
Fund inception date	28 April 2014
Distribution frequency	Quarterly
Management costs ⁴	0.52% p.a.
Buy / Sell spread ⁴	+0.08%/-0.15%
Minimum investment / minimum balance	\$25,000
Recommended investment timeframe	3 years +
Risk level	Low to medium

Unit price

as at 30 April 2021

Application price	\$1.03324
Withdrawal price	\$1.03087

Distribution details (cents per unit)

30 Jun 20	\$0.01208
30 Sep 20	\$0.00970
31 Dec 20	\$0.00990
31 Mar 21	\$0.00300

Benefits from investing

- ▶ regular income from quarterly distributions;
- ▶ access to leading professional investment managers;
- ▶ diversification for the defensive portion of your investment portfolio; 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 www.sandhursttrustees.com.au

Asset Allocation

		Weight %	Weight % Δ /mth
Active Manager Allocation			
Australian Fixed Interest	Schroder Fixed Interest Fund - Standard Class	39.7%	0.9% \uparrow
Global Fixed Interest	Pimco Global Bond Fund	39.7%	1.0% \uparrow
Index Sector Rotation Allocation			
	Australian Fixed Interest	3.0%	0.1% \uparrow
Australian Fixed Interest	Australian Government Bonds	1.2%	0.0% \rightarrow
	Australian Inflation Linked Bonds	10.1%	0.3% \uparrow
Global Fixed Interest	Global Sovereign Bonds	0.0%	0.0% \rightarrow
	International Credit Securities	0.3%	0.0% \rightarrow
Cash	Sandhurst Trustees Limited*	6.0%	2.2% \uparrow
Total		100.0%	

* Includes small amounts of cash that are held in Bendigo Bank operating accounts.

Portfolio performance and market commentary

The Fund performed 0.58% over the month of April, outperforming the benchmark. Over the month the markets expectations for inflation rose, while interest rates remained steady. This led to a strong contribution from Australian inflation linked bonds within the portfolio, which increase in value as inflation expectations rise. The Fund's active manager performance was closely inline with the market benchmark, contributing negligibly to relative performance.

The month of April was positive for the majority of major asset classes. Boosting equity markets over the month was the reporting season in the U.S. At the time of writing, with nearly 90% reported, the earnings growth rate is expected to exceed 50% year on year. The sectors experiencing the largest earnings growth included discretionary stocks up 189% and financials up 138%. The spectacular rise in earnings masks the turbulent journey, in which the cut of the data reflects the period from the market bottom to the recovery today. Financials performed particularly well given the reversal of credit provisions written down during the Covid sell off, and earnings tailwinds in a steeper yield curve and strong credit growth conditions.

Given the base effects of data rebounding from Covid lows, economic growth and inflation prints painted a strong recovery. Global accommodative monetary policy combined with an unprecedented level of government stimulus has brought about one of the most impressive recoveries experienced in any economic downturn. Governments around the world have communicated strong ongoing support for spending programs until full employment is reached, with ambitious social and infrastructure plans.

The Australian sharemarket had another strong month up 3.7% for the month and 31.6% year on year (S&P ASX 300 Total Return Index). The two largest sectors of the Australian market being financials and materials have both fired, with iron ore prices in excess of \$200, boosting the share price of Australia's large miners, while strong credit growth has aided bank earnings.

Over the period the Reserve Bank of Australia has maintained the cash rate at record lows of 0.10%, and continues to purchase government bonds, aiming to hold the three year government bond at 0.1%. This in effect maintains low interest rates for Australian mortgage holders, who can lock in low 3 year fixed rates.

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 this Fund is 50% Bloomberg Barclays Global Aggregate Index (\$A Hedged) and 50% Bloomberg AusBond Composite 0+ Yr Index (previously known as UBS Composite Bond Index 0+).
3. Morningstar rates managed funds from one to five stars based on how well they've performed (after adjusting for risk) in comparison to similar funds. Within each Morningstar Category, the top 10% of funds receive five stars, the next 22.5% four stars, the middle 35% three stars, the next 22.5% two stars, and the bottom 10% receive one star. Funds are rated for up to three time periods - three, five, and 10 years - and these ratings are combined to produce an overall rating. Funds with less than three years of history are not rated. Ratings are objective, based entirely on a mathematical evaluation of past performance. They're a useful tool for identifying funds worthy of further research, but shouldn't be considered buy or sell recommendation.

Bendigo Diversified Fixed Interest Fund received a 4-Star Overall Morningstar RatingTM out of 51 Bonds - Global/Australia funds as of 30 April 2021. In the Morningstar Bonds - Global/Australia Category, the Bendigo Diversified Fixed Interest Fund 3 year return was ranked 4 out of 51 funds as of 30 April 2021. 'Morningstar Category Rank' is the Fund's performance rank relative to all funds in the same Morningstar Category. Investments are placed into Morningstar Categories based on their compositions and portfolio statistics so that investors can make meaningful comparisons. Source: www.morningstar.com.au/Funds/FundReport/40605

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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 Diversified Fixed Interest Fund (Fund) is issued by Sandhurst Trustees Limited (Sandhurst) ABN 16 004 030 737 AFSL 237906 a subsidiary of Bendigo and Adelaide Bank Limited (the 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. Please consider your situation and read the PDS available at www.sandhursttrustees.com.au/pds, any Bendigo Bank branch or by phoning 1800 634 969 before making an investment decision.

The information is current as at 30 April 2021 (unless stated otherwise) and is subject to change without notice.

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