

## Monthly fund update - August 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 performance<sup>1</sup>

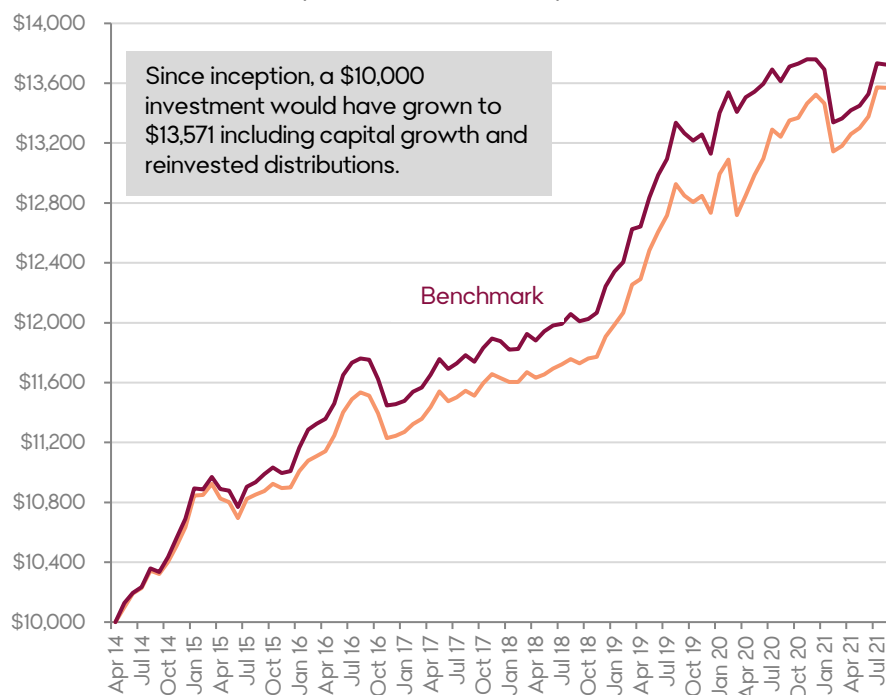
as at 31 August 2021

	Morningstar Rating™ Overall <sup>3</sup>	Morningstar Category Rank 3 Year <sup>3</sup>	3 months %	1 year %	3 years %	5 years %p.a.	Since inception %p.a.
Bendigo Diversified Fixed Interest Fund	★★★★	3/47	2.02	2.48	4.90	3.30	4.25
Benchmark <sup>2</sup>			2.04	0.81	4.41	3.13	4.41

### An example of how your investment grows

#### Growth of \$10,000<sup>1</sup>

(Based on historic Fund performance since inception)



### Fund facts

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

### Unit price

as at 31 August 2021

Application price	\$1.05515
Withdrawal price	\$1.05272

### Distribution details (cents per unit)

30 Sep 20	\$0.00970
31 Dec 20	\$0.00990
31 Mar 21	\$0.00300
30 Jun 21	\$0.00231

### 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.bendigobank.com.au/managedfunds](http://www.bendigobank.com.au/managedfunds)

## Asset Allocation

		Weight %	Weight %Δ /mth
<b>Active Manager Allocation</b>			
<b>Australian Fixed Interest</b>	Schroder Fixed Interest Fund - Standard Class	42.5%	1.0% ↑
<b>Global Fixed Interest</b>	Pimco Global Bond Fund	42.0%	0.9% ↑
<b>Index Sector Rotation Allocation</b>			
	Australian Fixed Interest	3.1%	0.0% →
<b>Australian Fixed Interest</b>	Australian Government Bonds	1.3%	0.1% ↑
	Australian Inflation Linked Bonds	9.2%	0.2% ↑
<b>Global Fixed Interest</b>	Global Sovereign Bonds	0.0%	0.0% →
	International Credit Securities	0.3%	0.0% →
<b>Cash</b>	Sandhurst Trustees Limited*	1.6%	-2.2% ↓
<b>Total</b>		<b>100.0%</b>	

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

## Portfolio performance and market commentary

The Fund performed in line with the benchmark over the month. August was an uneventful month in regard to bond pricing, with bond yields and credit spreads largely unchanged. Active managers in Pimco and Schroder slightly outperformed the benchmark, while positions in Australian inflation linked bonds detracted. The Funds hold a diversified mix of government bonds, credit securities and inflation linked bonds to protect against rising inflation.

Over the month of August, global equity markets on aggregate rose. Since April markets have second guessed economic growth and inflation expectations, factoring in a reduced growth outlook. Monetary support continues and over the past three months we have seen impressive price appreciation in high growing companies such as technology stocks. Bond yields and the Australian dollar followed growth expectations lower, providing good returns in fixed income markets. Inflation expectations have followed bond yields lower, but not at the same rate, which suggests the market expects supply inflationary pressures to persist, given covid trade bottlenecks.

Central banks globally have provided guidance in reducing aggressive bond purchase programs, in which the result of these artificially pushes interest rates across all maturities lower. However, neither the Australian Reserve Bank nor the United States Federal Reserve have committed to cash interest rate rises, with communication reflecting their belief that inflationary pressures are mostly transitory.

Within Australia, August provides insight into the health of Australian corporates, with earnings season in full swing. As expected, Australian miners took centre stage, producing spectacular outsized earnings given high commodity prices reflected in a revenue jump, while ongoing cost out programs initiated over the past five years, reflected in bottom line earnings. Bank stocks also reported fantastic earnings growth given the high demand for new loans and reduced credit expenses.

### 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 Rating™ out of 47 Bonds - Global/Australia funds as of 31 August 2021. In the Morningstar Bonds - Global/Australia Category, the Bendigo Diversified Fixed Interest Fund 3 year return was ranked 3 out of 47 funds as of 31 August 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](http://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.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. The information is current as at 31 August 2021 (unless stated otherwise) and is subject to change without notice.

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