

Monthly fund update - February 2022

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

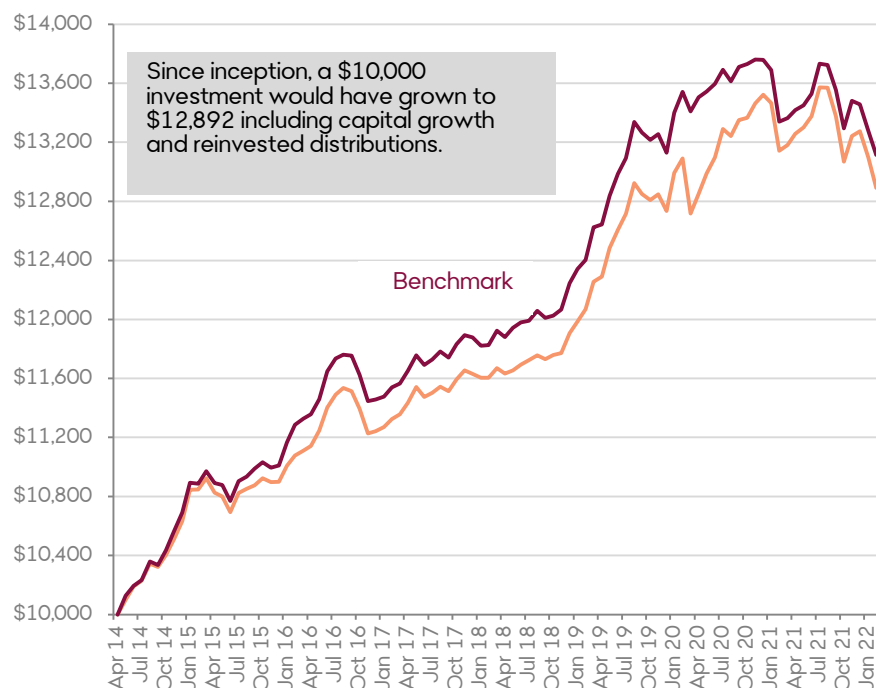
as at 28 February 2022

	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	★★★★	4/50	-2.65	-1.92	2.23	2.63	3.30
Benchmark ²			-2.74	-1.69	1.87	2.59	3.52

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 28 February 2022

Application price	\$0.99673
Withdrawal price	\$0.99444

Distribution details (cents per unit)

31 Mar 21	\$0.00300
30 Jun 21	\$0.00231
30 Sep 21	\$0.00330
31 Dec 21	\$0.00250

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 our website: www.bendigobank.com.au/managedfunds

Asset Allocation

		Weight %	Weight %Δ /mth
Active Manager Allocation			
Australian Fixed Interest	Schroder Fixed Interest Fund - Standard Class	42.7%	0.6% ↑
Global Fixed Interest	Pimco Global Bond Fund	41.0%	-1.3% ↓
Index Sector Rotation Allocation			
	Australian Fixed Interest	8.8%	0.1% ↑
Australian Fixed Interest	Australian Government Bonds	1.3%	0.0% →
	Australian Inflation Linked Bonds	3.6%	0.0% →
Global Fixed Interest	Global Sovereign Bonds	0.0%	0.0% →
	International Credit Securities	0.3%	0.0% →
Cash	Sandhurst Trustees Limited*	2.3%	0.6% ↑
Total		100.0%	

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

Portfolio performance and market commentary

The Fund underperformed the benchmark over the quarter largely led by underperformance of Australian fixed income manager Shroder Investment Management Australia Ltd, in which position in credit and duration both hurt the Fund. Over the period interest rates rose, as fears of inflation intensified on the back of the Ukraine and Russia conflict.

The major focus over the month was the invasion of Russia into Ukraine. Whilst this is a terrible humanitarian event, for markets the ramifications centres around the disruption of global trade, in which outcomes align to a slowing of global growth with inflationary pressures. Russia and Ukraine are major contributors to the world's commodities market, in particular oil and gas, agriculture, fertilizers and steel. Disruptions due to the invasion are likely to result in the increased price of many consumables across the world, throwing further chaos into already fractured supply chains, which have been impacted by Covid lockdowns.

The month of February was a negative month for the majority of risk assets, as concern over Russia escalated. Gold rose, in which this asset class is favourable due to its safe haven status in geopolitical events such as war. Bond yields over the period lifted, due to the concern over supply disruptions pushing inflation higher. Whilst the majority of asset classes returned negative, the outlier was Australian equities, in which a strong reporting period by Australian banks, coupled with buoyed commodity prices which positively impacted our miners, aided the returns in this asset class. Australian equities have held up better than the majority of global indices, in which resource companies aside, the index possesses a large proportion of companies that are less reliant on sales outside of Australia, in particular Europe.

Looking forward global equities face multiple headwinds. Recession is now looming over Europe, and increased costs on everyday goods is sure to weigh on consumer demand, resulting in potential lower earnings for corporates. Equity markets relative to historical are expensive and the US Federal Reserve is set to raise interest rates, withdrawing liquidity from the market, in a period where share prices are looking vulnerable.

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 50 Bonds - Global/Australia funds as of 28 February 2022. In the Morningstar Bonds - Global/Australia Category, the Bendigo Diversified Fixed Interest Fund 3 year return was ranked 4 out of 50 funds as of 28 February 2022.. '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.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