

Bendigo Diversified Fixed Interest Fund

Monthly fund update - July 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

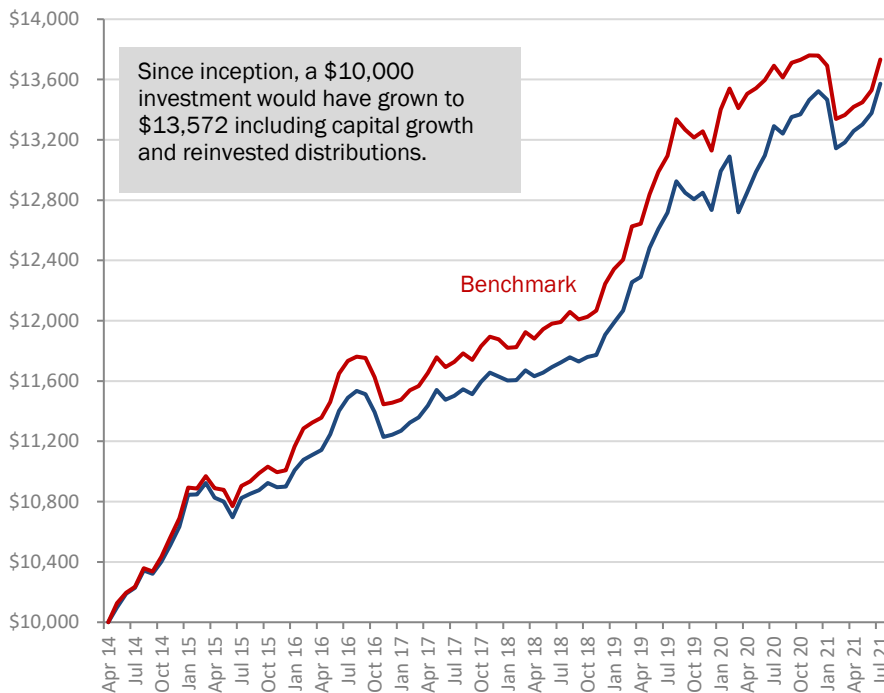
as at 31 July 2021

	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	★★★★	3/50	2.36	2.12	5.00	3.39	4.30
Benchmark ²			2.35	0.30	4.62	3.20	4.47

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 31 July 2021

Application price	\$1.05528
Withdrawal price	\$1.05286

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.sandhursttrustees.com.au

Asset Allocation

		Weight %	Weight % Δ /mth
Active Manager Allocation			
Australian Fixed Interest	Schroder Fixed Interest Fund - Standard Class	42.0%	0.5% \uparrow
Global Fixed Interest	Pimco Global Bond Fund	41.6%	0.5% \uparrow
Index Sector Rotation Allocation			
	Australian Fixed Interest	3.1%	0.0% \rightarrow
Australian Fixed Interest	Australian Government Bonds	1.3%	0.1% \uparrow
	Australian Inflation Linked Bonds	9.1%	0.1% \uparrow
Global Fixed Interest	Global Sovereign Bonds	0.0%	0.0% \rightarrow
	International Credit Securities	0.3%	0.0% \rightarrow
Cash	Sandhurst Trustees Limited*	2.6%	-1.2% \downarrow
Total		100.0%	

* 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 and outperformed its peer group in July. Active manager slight underperformance was offset by strong performance of inflation linked bonds as yields fell while inflation expectations were largely unchanged over the month.

Quarterly earning updates took centre stage in July, as investors were able to see the impact of many parts of the globe reopening on companies' profits and revenues. The latest quarterly results have been strong and above expectations with the largest 500 companies in the US, represented by the S&P 500 Index, reporting double digit sales growth and earnings almost double the amount they were in the same period a year ago. Noting the year-ago period was characterised by lockdowns, creating a low base of comparisons.

Regulatory bodies in China made headlines in July following the actions taken against DiDi (ride hailing service in China) and the private education sector. China cited data protection and national security reasons for its suspension of new user registrations for DiDi. In the same month, the cost of private education in China was put under the microscope as authorities noted these services were charging unsustainably high prices. These actions followed anti-competitive sanctions placed on large dominant companies that were deemed to be abusing their market power at the expense of smaller competitors in recent months. It appears China is seeking to balance its objectives of growth and prosperity for many rather than few.

Within Australia the economy is expected to take a hit in the September GDP print following lockdowns as the Delta variant spread through parts of the nation. Despite this, house prices continue their upward trajectory with record low interest rates and increased borrowing by owner occupiers and investors. The RBA remains committed to maintaining highly accommodative monetary conditions to support the recovery and reach the board's objectives of full employment and inflation sustainably within the 2 to 3% target range.

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 50 Bonds - Global/Australia funds as of 31 July 2021. In the Morningstar Bonds - Global/Australia Category, the Bendigo Diversified Fixed Interest Fund 3 year return was ranked 3 out of 50 funds as of 31 July 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 31 July 2021 (unless stated otherwise) and is subject to change without notice.

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