

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

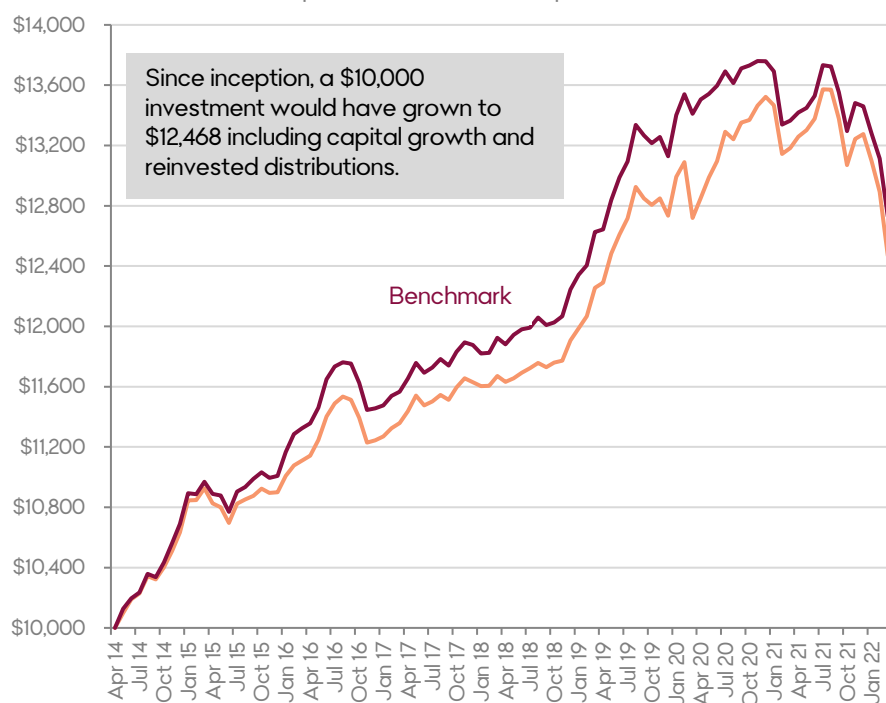
as at 31 March 2022

	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	★★★★	8/44	-6.09	-5.42	0.58	1.88	2.83
Benchmark <sup>2</sup>			-5.43	-4.76	0.27	1.93	3.09

### 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	STL0051 AU
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 (ex distribution)

as at 31 March 2022

Application price	\$0.96377
Withdrawal price	\$0.96155

### Distribution details (cents per unit)

30 Jun 21	\$0.00231
30 Sep 21	\$0.00330
31 Dec 21	\$0.00250
31 Mar 22	\$0.00020

### 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](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	24.2%	-1.85% ↓
<b>Global Fixed Interest</b>	Pimco Global Bond Fund	39.9%	-1.1% ↓
<b>Index Sector Rotation Allocation</b>			
	Australian Fixed Interest	9.1%	0.3% ↑
<b>Australian Fixed Interest</b>	Australian Government Bonds	1.4%	0.1% ↑
	Australian Inflation Linked Bonds	3.7%	0.1% ↑
<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*	21.4%	1.91% ↑
<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 underperformed the benchmark over the quarter largely led by underperformance of Australian fixed income manager Schroder 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.

Markets were generally weaker through the March quarter as inflation concerns and the Ukraine Russia conflict, dragged on investor sentiment. Bond yields rose strongly with the Australian Government 10 year bond entering the calendar year at 1.67% before closing the March quarter at 2.84%. Equity markets outside of commodities were weaker, in particular high growth technology companies, which fell substantially on the back of rising inflation and bond yields. The Australian share market fared much better relative to other regions, with European markets heavily impacted by rising energy costs and US markets dragged down by a re-rating of growth companies.

Holding up the Australian sharemarket was the high exposure of the index to resource stocks, with BHP rising 30% for the quarter. Over the past decade resource companies globally have been cautious on expansion spending and hence there is a broad lack of supply of many key commodities. With the economy shifting to cleaner energy, demand is strong for commodities in a tight supply market. Adding fuel to the fire is the Ukraine Russia conflict, in which commodities produced in these regions have added to supply shortages. These impacts have played out in bond markets, with rises in yield curves reflecting the inflation impacts of tight commodity supply.

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 levels 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. The bright areas include commodities and energy, and consumer staples. With rates now materially higher, returns are more attractive across fixed income markets.

### Footnotes

- 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.
- 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+).
- 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 44 Bonds - Global/Australia funds as of 31 March 2022. In the Morningstar Bonds - Global/Australia Category, the Bendigo Diversified Fixed Interest Fund 3 year return was ranked 8 out of 44 funds as of 31 March 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](http://www.morningstar.com.au/Funds/FundReport/40605)  
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- 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. For target market determination: [www.bendigobank.com.au/TMD](http://www.bendigobank.com.au/TMD)

The information is current as at 31 March 2022 (unless stated otherwise) and is subject to change without notice.