

Bendigo Diversified Fixed Interest Fund

Monthly fund update - November 2020

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

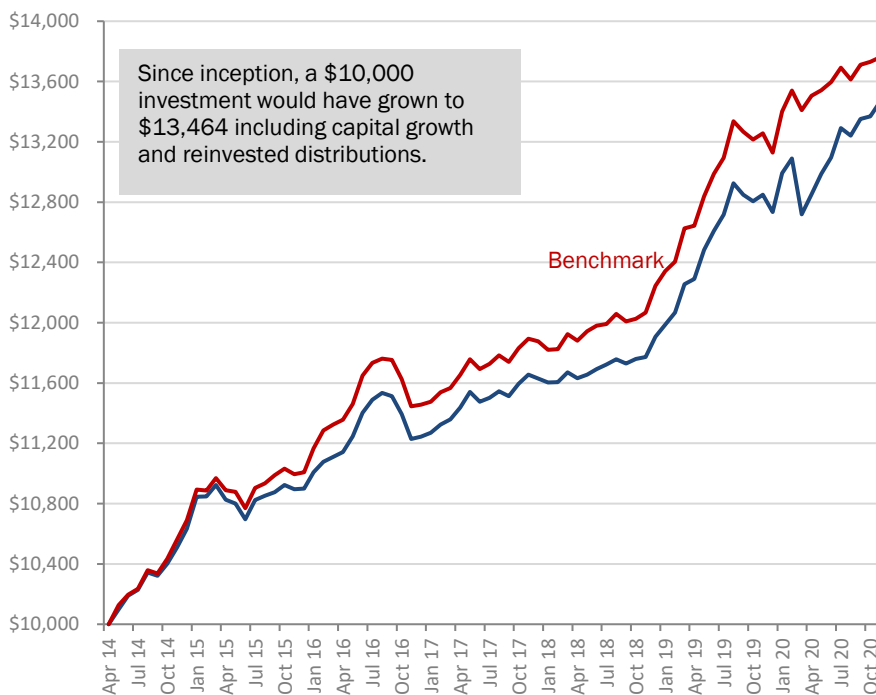
as at 30 November 2020

	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	★★★★	4/52	1.68	4.80	4.92	4.32	4.62
Benchmark ²			1.07	3.79	4.98	4.59	4.97

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 November 2020

Application price	\$1.06217
Withdrawal price	\$1.05973

Distribution details (cents per unit)

31 Dec 19	\$0.00500
31 Mar 20	\$0.00350
30 Jun 20	\$0.01208
30 Sep 20	\$0.00970

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	37.4%	-1.3% ↓
Global Fixed Interest	Pimco Global Bond Fund	37.7%	0.2% ↑
Index Sector Rotation Allocation			
	Australian Fixed Interest	2.6%	0.1% ↑
Australian Fixed Interest	Australian Government Bonds	1.8%	0.1% ↑
	Australian Inflation Linked Bonds	11.7%	0.4% ↑
Global Fixed Interest	Global Sovereign Bonds	0.0%	0.0% →
	International Credit Securities	6.6%	0.3% ↑
Cash	Sandhurst Trustees Limited*	2.2%	1.4% ↑
Total		100.0%	

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

Portfolio performance and market commentary

The Fund outperformed the benchmark for November. The Fund was benefited by outperformance of active fixed income managers Schroder and PIMCO. Our addition of Inflation linked bonds also provided benefit to the Fund, in which acts as insurance in the event inflation emerges. Australian Government bond yields remain volatile, wedged between the Reserve Bank of Australia's intention to keep rates lower for longer and the potential emergence of inflation placing upward pressure on bond yields.

Risk on investor sentiment characterised the month of November. Risk assets bounced back from a mixed October. The US presidential election held in the first week of November dictated market movements early in the month. US equities ended the month 10.4% higher as investors were buoyed by the split powers in government moderating expectations of sweeping tax reforms which would have had a negative impact on corporate earnings. In Australia, lower infections resulted in easing of restrictions which fuelled a reopening rotation trade. This resulted in many beaten down sectors such as Australian Property recording large gains in the month of November. Australian property measured by the S&P/ASX 300 A-REIT Index appreciated 12.9% while the Australian share index appreciated 10.2% (S&P/ASX 300 Index).

US quarterly corporate earnings also concluded in November. For the quarter, a large majority of companies in the broad US equity index reported positive earnings surprises, and positive revenue surprises. This indicates median analyst expectations for earnings and revenue were beaten for most companies and provides a better than expected backdrop of the health of businesses in the US despite rising infections. However, it should be noted that year over year blended earnings growth for the index was negative, so despite better than expected outcomes, companies have certainly felt the economic impacts of restrictions around the world.

Challenges remain on the horizon, with recent data pointing to an increase in infections around the globe. Positive developments in vaccines are supportive of the recovery and positive news flow of efficacy and safety of vaccine trials continues to keep investors optimistic. The investment team is cognisant of the importance of diversification in portfolios and pragmatic risk management will be required through the various stages of the recovery.

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. Bendigo Diversified Fixed Interest Fund received a 4-Star Overall Morningstar Rating™ out of 52 Bonds - Global/Australia funds as of 30 November 2020 and a 5-Star Three year rating out of 52 Bonds - Global/Australia funds as of 30 November 2020.
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The 'Morningstar Rating' is an assessment of a fund's past performance – based on both return and risk – which shows how similar investments compare with their competitors. A high rating alone is insufficient basis for an investment decision. '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
4. 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 November 2020 (unless stated otherwise) and is subject to change without notice.

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