

## Monthly fund update - November 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>

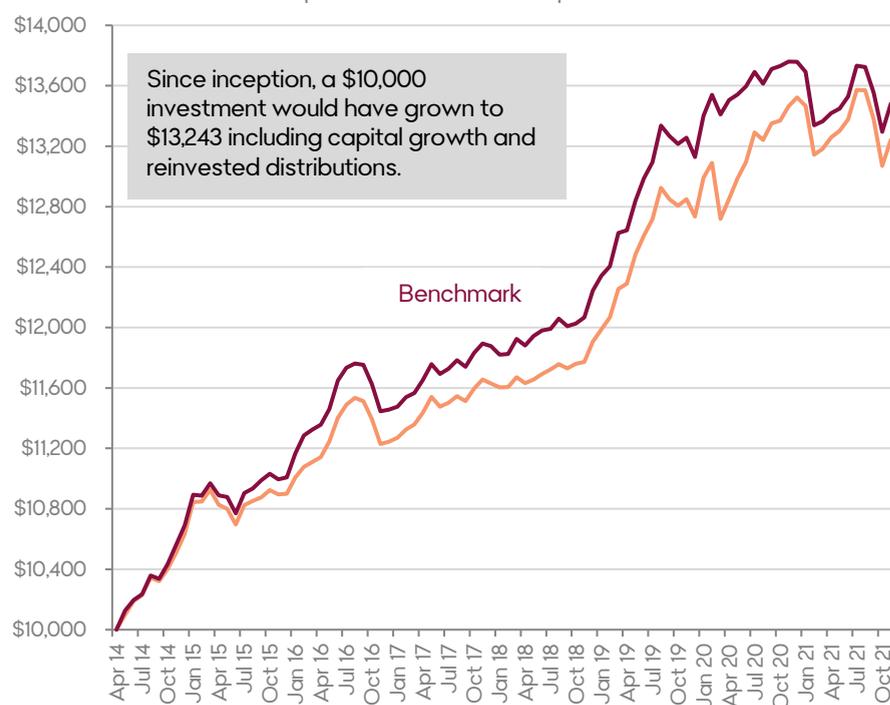
as at 30 November 2021

	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	★★★★	4/49	-2.42	-1.65	4.00	3.36	3.77
Benchmark <sup>2</sup>			-1.76	-2.02	3.77	3.33	4.02

### 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 30 November 2021

Application price	\$1.02637
Withdrawal price	\$1.02401

### Distribution details (cents per unit)

31 Dec 20	\$0.00990
31 Mar 21	\$0.00300
30 Jun 21	\$0.00231
30 Sep 21	\$0.00330

### 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	42.0%	0.5% ↑
<b>Global Fixed Interest</b>	Pimco Global Bond Fund	42.8%	-0.9% ↓
<b>Index Sector Rotation Allocation</b>			
	Australian Fixed Interest	3.2%	0.0% →
<b>Australian Fixed Interest</b>	Australian Government Bonds	1.3%	0.0% →
	Australian Inflation Linked Bonds	8.7%	0.3% ↑
<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*	1.7%	0.1% ↑
<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. Over the period credit securities on aggregate lost ground, while investments in government risk free bonds gained on market jitters. Positioning in Australian fixed interest and inflation linked bonds aided returns. Detracting from performance was underlying manager contribution from Pimco and Schroder, in which overweight positions in credit relative to the benchmark was a headwind for these strategies.

Markets were mixed over the month of November, as an early month rally in risk assets gave way to a selloff promoted by the Omicron variant and a less accommodative monetary stance from the US Federal Reserve. The Australian dollar fell over 5% with bond yields following the same course, as the market repriced global growth expectations lower. Whilst testing is still early, the variant is expected to be milder, however more contagious, than previous versions of the virus.

Data flow continues to suggest economic growth will remain strong moving into 2022. ISM PMI surveys on both the services and manufacturing sectors display robust readings, with measures such as prices and new orders being high relative to historical levels. This coupled with tight customer inventories indicate demand is well supported. Labour statistics back this data, with US job openings above 11 million, well above pre-Covid measures of approximately seven million.

Within Australia, jobs advertisements data from SEEK indicate a tightening employment market. For November, SEEK job ads are up 50% year on year in which is 52% higher than November 2019. Despite the seemingly tighter employment market, the Reserve Bank of Australia has continued to communicate that they do not expect to raise interest rates until 2024. This is contrary to market pricing, in which financial markets have priced in three cash rate rises over the upcoming 12-month period.

Over the month emerging markets displayed some glimmers of hope in which has been a troubling asset class over the past year. Despite strong returns experienced across developed world markets, the CSI 300 Index, which comprises of China listed companies, has fallen over 16% from the high point in February 2021 to the end of November. Whilst predominately self-inflicted, China has steered an easing in credit growth and property speculation in which is aimed at reducing inequality, hence allowing for a more sustainable growth path leading forward. This, coupled with political interference in some of the larger constituents of the Chinese stock market, has led to a loss of investor confidence within the region. More recently the Chinese Government has pledged more support for the economy, in which markets have cheered.

### 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 49 Bonds - Global/Australia funds as of 30 November 2021. In the Morningstar Bonds - Global/Australia Category, the Bendigo Diversified Fixed Interest Fund 3 year return was ranked 4 out of 49 funds as of 30 November 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. For target market determination: [www.bendigobank.com.au/TMD](http://www.bendigobank.com.au/TMD)

The information is current as at 30 November 2021 (unless stated otherwise) and is subject to change without notice.

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