

Bendigo Socially Responsible Growth Fund

Monthly fund update - April 2021

Investment objective and return

The Fund invests via a selection of expert asset managers that specialise in managing specific asset classes and which take into account environmental, social, ethical and governance (ESG) considerations in their asset selection. The Fund targets a minimum level of 75% of the total assets of the Fund being managed by asset managers that take into account ESG considerations in their investment decisions. The Fund has an objective of entirely excluding investments in companies that manufacture tobacco or tobacco-related products and controversial weapons. Controversial weapons include anti-personnel landmines, cluster munitions, chemical, biological and nuclear weapons. Other activities Sandhurst monitors and aims to reduce are adult entertainment, alcohol, gambling, animal testing and companies with high event controversy.

ESG considerations are primarily applied to listed shares (both Australian and International) and fixed interest. The investment portfolio is constructed in a manner that Sandhurst believes will meet the investment return objective of a return after fees in excess of 4% above inflation over a full market cycle (typically 7 to 10 years).



RIAA Certification

The Fund has been certified by the Responsible Investment Association of Australasia (RIAA) according to the strict disclosure practices required under the Responsible Investment Certification Program²

For more information about the RIAA Certification program please visit www.responsibleinvestment.org

Fund performance¹

as at 30 April 2021

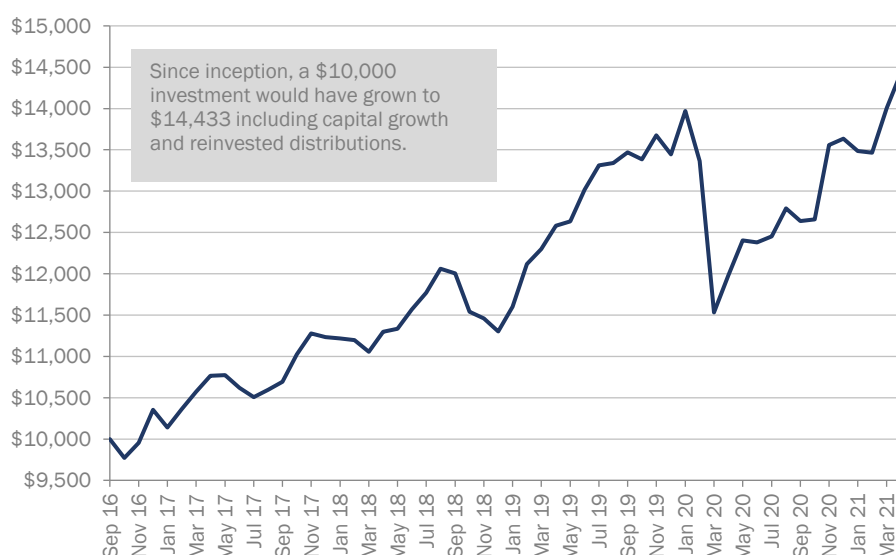
Fund return

3 months %	7.04
6 months %	14.02
1 year %	20.49
3 years %p.a.	8.51
Since inception %p.a.	8.34
Morningstar Rating™ Overall³	27 / 191
Morningstar Category Rank - 3 year³	★★★★

An example of how your investment grows

Growth of \$10,000¹

(Based on historic Fund performance since inception)



Fund facts

Fund APIR code	STL0055AU
Fund inception date	20 September 2016
Distribution frequency	Half yearly
Management costs ⁴	0.99% p.a.
Buy / Sell spread ⁴	+0.15% / -0.15%
Investment return objective	CPI + 4%
Minimum investment / minimum balance	\$5,000
Recommended investment timeframe	5 years +
Risk level	Medium to high

Unit price

as at 30 April 2021

Application price	\$1.13310
Withdrawal price	\$1.12970









Distribution details (cents per unit)

30 Jun 2020	\$0.03738
31 Dec 2020	\$0.00400

Benefits of investing

- ▶ a responsible investment focus;
- ▶ a diversified solution investing across a range of asset classes including equity and fixed interest;
- ▶ access to leading professional and specialist asset managers;
- ▶ an investment that aims for long term capital growth with moderate income.

Asset allocation

	Weight %	Weight % Δ /mth		Key
 Russell Australia RI ETF*	34.6%	-0.2%	↓	Australian Shares
 AXA IM SmartBeta ESG Global Equity*	38.2%	-0.7%	↓	International Shares (Unhedged)
 Pental Property Securities Fund*	0.0%	-5.3%	↓	Property and infrastructure (Australian)
 Altius Sustainable Bond Fund*	5.4%	-0.2%	↓	Australian Fixed Interest
 Vanguard Australian Inflation-Linked Bond Index Fund	7.0%	-0.3%	↓	
 Vanguard Government Bond	2.5%	-0.1%	↓	
 Australian Unity Future of Healthcare Fund	5.2%	5.2%	↑	Alternatives
 Sandhurst Strategic Income Fund^	7.1%	1.7%	↑	Cash
Total	100.0%			

* These funds incorporate ESG considerations.

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

Top 10 holdings of ESG asset managers ⁵

Portfolio	Weight %
Aus Govt. Inflation Linked Bonds	7.7%
Commonwealth Bank of Australia	3.6%
Westpac Banking Corp	2.1%
National Australia Bank Ltd	2.0%
Aus Government Bonds	1.8%
Aust and NZ Banking Group	1.8%
CSL Ltd	1.6%
Wesfarmers Ltd	1.4%
Telstra Corp Ltd	1.2%
Apple Inc	1.1%

Make the most of your investment

► The power of compounding

Compounding can be a powerful tool in wealth creation. Reinvesting distributions can be one of the easiest and cheapest ways to increase your holdings over time. You're compounding your investment's growth by continually adding more units which, in turn, will generate distributions of their own.

Why not reinvest your half yearly distributions?

► The benefits of making it regular

Making regular contributions to your investment can both grow your investment and smooth the effects of market highs and lows.

Why not add a Regular Savings Plan to your investment? Establish one from as little as \$50 per month.

You can also use BPAY® to add to your investment at any time with as little as \$100. See your statement for your BPAY reference number.

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Do you have any questions?

For further information contact us on 1800 634 969 or visit www.sandhursttrustees.com.au

Portfolio Performance

The Fund had a strong month outperforming the Morningstar peer group over the period. Investments in strong growing companies performed well, in particular the technology sector, in which the U.S. company reporting season validated the majority of the markets optimistic earnings expectations. Inflation expectations rose over the month, while bond yields remained stable. This resulted in strong returns for the Funds allocation to Australian inflation linked bonds.

Over the month the Fund introduced a new exposure to the Australian Unity Future of Healthcare Fund. Total exposure is 5% of the Fund's assets. The Fund invests in a variety healthcare related investments including property, private equity, venture capital and listed shares.

Economic commentary

The month of April was positive for the majority of major asset classes. Boosting equity markets over the month was the reporting season in the U.S. At the time of writing, with nearly 90% reported, the earnings growth rate is expected to exceed 50% year on year. The sectors experiencing the largest earnings growth included discretionary stocks up 189% and financials up 138%. The spectacular rise in earnings masks the turbulent journey, in which the cut of the data reflects the period from the market bottom to the recovery today. Financials performed particularly well given the reversal of credit provisions written down during the Covid sell off, and earnings tailwinds in a steeper yield curve and strong credit growth conditions.

Given the base effects of data rebounding from Covid lows, economic growth and inflation prints painted a strong recovery. Global accommodative monetary policy combined with an unprecedented level of government stimulus has brought about one of the most impressive recoveries experienced in any economic downturn. Governments around the world have communicated strong ongoing support for spending programs until full employment is reached, with ambitious social and infrastructure plans.

The Australian sharemarket had another strong month up 3.7% for the month and 31.6% year on year (S&P ASX 300 Total Return Index). The two largest sectors of the Australian market being financials and materials have both fired, with iron ore prices in excess of \$200, boosting the share price of Australia's large miners, while strong credit growth has aided bank earnings.

Over the period the Reserve Bank of Australia has maintained the cash rate at record lows of 0.10%, and continues to purchase government bonds, aiming to hold the three year government bond at 0.1%. This in effect maintains low interest rates for Australian mortgage holders, who can lock in low 3 year fixed rates.

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 Responsible Investment Certification Program does not constitute financial product advice. Neither the Certification Symbol nor RIAA recommends to any person that any financial product is a suitable investment or that returns are guaranteed. Appropriate professional advice should be sought prior to making an investment decision. RIAA does not hold an Australian Financial Services Licence.
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 recommendations.
Bendigo Socially Responsible Growth Fund received a 4-Star Overall Morningstar Rating™ out of 191 Multisector Growth funds as of 30 April 2021. In the Morningstar Multisector Growth Category, the Bendigo Socially Responsible Growth Fund 3 year return was ranked 27 out of 191 funds as of 30 April 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/41513
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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.
5. The top 10 holdings outlined above are a representation of the largest indirect exposures of the Bendigo Socially Responsible Growth Fund as at 31 March 2021 which may change from time to time. The information has been calculated by Sandhurst based on the cumulative weighted average of each security held by the underlying managers within the Fund.

The Bendigo Socially Responsible Growth 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 and opinions provided in this document have not been verified and Sandhurst has no obligation to notify you in the event that any information or opinion changes. 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.

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

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