

Monthly fund update - August 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

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

Fund performance¹

as at 31 August 2021

Fund return

3 months %	7.27
6 months %	16.84
1 year %	23.02
3 years %p.a.	9.27
Since inception %p.a.	9.66
Morningstar Rating™ Overall³	27/ 174
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 31 August 2021

Application price	\$1.19646
Withdrawal price	\$1.19288




















Distribution details (cents per unit)

31 Dec 2020	\$0.00400
30 Jun 2021	\$0.03692

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
 VanEck MSCI Australian Sustainable Equity ETF*	33.4%	33.4%		 Australian Shares
 AXA IM SmartBeta ESG Global Equity*	33.9%	-1.4%		 International Shares (Unhedged)
 Altius Sustainable Bond Fund*	5.7%	1.0%		
 Vanguard Australian Inflation-Linked Bond Index Fund	5.8%	-0.5%		 Australian Fixed Interest
 Vanguard Government Bond	2.1%	-0.1%		
 Australian Unity Future of Healthcare Fund	4.5%	-0.2%		 Alternatives
 Sandhurst Strategic Income Fund^	14.6%	-1.4%		 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 %
Commonwealth Bank of Australia	3.5%
Westpac Banking Corp	1.9%
National Australia Bank Ltd	1.9%
Australia Government Inflation Linked Bond 20 Sep 2025	1.8%
Australia & New Zealand Banking Group Ltd	1.8%
Wesfarmers Ltd	1.5%
Australia Government Inflation Linked Bond 20 Sep 2030	1.5%
CSL Ltd	1.5%
Apple Inc	1.2%
Telstra Corp Ltd	1.2%

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.bendigobank.com.au/managedfunds

Portfolio Performance

The Fund made changes to the Australian equity managers over the period. The change of VanEck Australian Sustainable Equity ETF replacing the Russell Investments Australian Responsible ETF was made as it provides stronger diversification and ESG benefits. The VanEck ETF is constructed with a stronger and more clear approach than the outgoing manager, consistent with the values that Sandhurst wish to target. The VanEck portfolio also provided the Bendigo Socially Responsible Growth Fund with exposures that have in the past been underrepresented and caused periods of relative underperformance.

Economic commentary

Over the month of August, global equity markets on aggregate rose. Since April markets have second guessed economic growth and inflation expectations, factoring in a reduced growth outlook. Monetary support continues and over the past three months we have seen impressive price appreciation in high growing companies such as technology stocks. Bond yields and the Australian dollar followed growth expectations lower, providing good returns in fixed income markets. Inflation expectations have followed bond yields lower, but not at the same rate, which suggests the market expects supply inflationary pressures to persist, given covid trade bottlenecks.

Central banks globally have provided guidance in reducing aggressive bond purchase programs, in which the result of these artificially pushes interest rates across all maturities lower. However, neither the Australian Reserve Bank nor the United States Federal Reserve have committed to cash interest rate rises, with communication reflecting their belief that inflationary pressures are mostly transitory.

Within Australia, August provides insight into the health of Australian corporates, with earnings season in full swing. As expected, Australian miners took centre stage, producing spectacular outsized earnings given high commodity prices reflected in a revenue jump, while ongoing cost out programs initiated over the past five years, reflected in bottom line earnings. Bank stocks also reported fantastic earnings growth given the high demand for new loans and reduced credit expenses.

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 174 Multisector Growth funds as of 31 August 2021. In the Morningstar Multisector Growth Category, the Bendigo Socially Responsible Growth Fund 3 year return was ranked 27 out of 174 funds as of 31 August 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 30 June 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.bendigobank.com.au/managedfundsforms, any Bendigo Bank branch or by phoning 1800 634 969 before making an investment decision.

This information is current as at 31 August 2021 (unless stated otherwise) and is subject to change without notice.

