

# Bendigo Socially Responsible Growth Fund

## Monthly fund update - July 2020

### Investment objective and return

The Fund has been designed to invest via a selection of high quality investment managers that specialise in managing specific asset classes which incorporate socially responsible investment elements into the overall investment philosophy. We target that at a minimum, 75% of the Fund will be allocated to investment managers who incorporate applying a range of socially responsible investment selection criteria, including environmental, social, ethical and governance (ESG) considerations.

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). Inflation is measured by the Australian Consumer Price Index (CPI) as published by the Australian Bureau of Statistics.



### 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 Program<sup>2</sup>

For more information about the RIAA Certification program please visit [www.responsibleinvestment.org](http://www.responsibleinvestment.org)

### Fund performance<sup>1</sup>

as at 31 July 2020

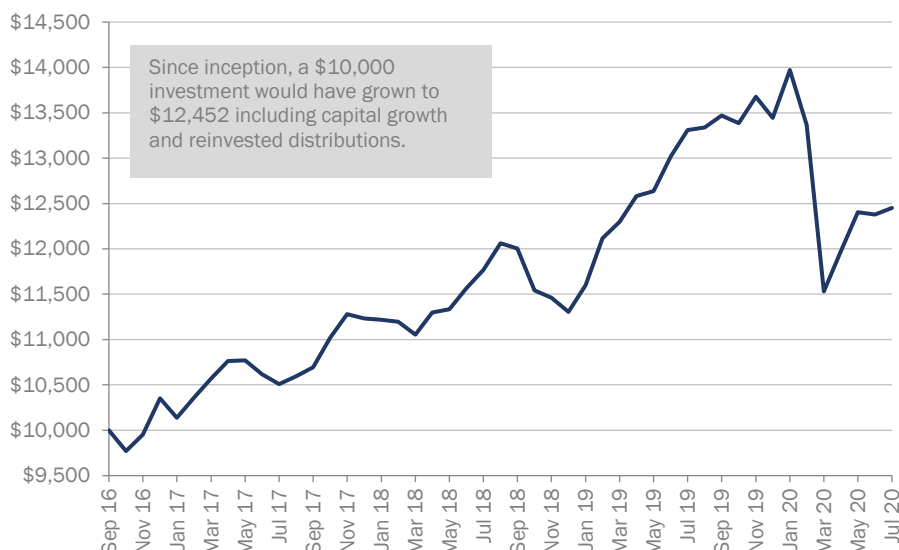
Fund return

3 months %	3.95
6 months %	-10.88
1 year %	-6.45
3 years %p.a.	5.82
Since inception %p.a.	5.89
<b>Morningstar Rating™ Overall<sup>3</sup></b>	<b>34 / 205</b>
<b>Morningstar Category Rank - 3 year<sup>3</sup></b>	<b>★★★★</b>

### 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	STL0055AU
Fund inception date	20 September 2016
Distribution frequency	Half yearly
Management costs <sup>4</sup>	0.99% p.a.
Buy / Sell spread <sup>4</sup>	+0.11% / -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 July 2020

Application price	\$0.98078
Withdrawal price	\$0.97823








### Distribution details (cents per unit)

31 Dec 2019	\$0.00900
30 Jun 2020	\$0.03738

### 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 investment managers;
- ▶ an investment that aims for long term capital growth with moderate income.

## Asset allocation

	Weight %	Weight % $\Delta$ /mth		Key
 Russell Australia RI ETF*	31.1%	-0.1%	↓	Australian Shares
 AXA IM SmartBeta ESG Global Equity*	35.6%	-1.4%	↓	International Shares (Unhedged)
 Pental Property Securities Fund*	6.9%	-0.2%	↓	Property and Infrastructure (Australian)
 Altius Sustainable Bond Fund*	6.9%	0.0%	↑	Australian Fixed Interest
 Vanguard Australian Inflation-Linked Bond Index Fund	5.8%	0.2%	↑	
 Vanguard Government Bond	7.3%	0.0%	↓	
 Sandhurst Strategic Income Fund^	6.4%	1.5%	↑	Cash
<b>Total</b>	<b>100.0%</b>			

\* These funds incorporate ESG considerations.

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

## Top 10 holdings of ESG investment managers<sup>5</sup>

Portfolio	Weight %
Australian Government Inflation Linked Bond	5.7%
Australian Government Bond	4.9%
Commonwealth Bank	3.1%
Australian Sovereign Bonds	2.3%
Australian Unity Green Bond	2.1%
CSL Ltd	2.0%
Westpac Banking Group	1.6%
Goodman Group	1.6%
ANZ Banking Group	1.4%
National Australia Bank	1.4%

## 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<sup>®</sup> to add to your investment at any time with as little as \$500. See your statement for your BPAY reference number.

<sup>®</sup> Registered to BPAY Pty Ltd ABN 69 079 137 518

Do you have any questions?

For further information contact us on  
1800 634 969 or visit  
[www.sandhursttrustees.com.au](http://www.sandhursttrustees.com.au)

## Portfolio Performance

The Fund underperformed the peer group benchmark over the month. Detracting from returns was underperformance in the Australian equity portion of the portfolio, in which overweight positions in financials and limited exposure to commodities hurt relative returns. Financials continue to come under pressure given the likely impact on credit serviceability by homeowners and corporates. Commodities more recently have moved higher given fiscal response targeted at the construction sector.

## Economic commentary

Equity markets drifted higher over the month, with emerging markets the standout. The July period is a busy time for corporate reporting in the United States, in which earnings reiterated the relative outperformance of technology companies. Given a shift to working from home and online retail, big technology companies did not disappoint, surprising on the upside. Economic developments continued to be choppy with the reopening of many economies leading to a bounce in a variety of economic conditions, although there is a lot of ground to make up.

Within Australia the RBA confirmed the cash rate will remain at 0.25% for the foreseeable future as the global economy digests one of its weakest periods since the great depression. The RBA maintains it will continue to support the bond market with targeted short end yield curve control (artificially holding rates lower). More recently the RBA's involvement in bond markets has been more muted as deflationary conditions continue to place downward pressure on bonds yields.

The AUD relative the USD has performed strongly over the past three months. The more aggressive money printing program by the Federal Reserve relative to other regions has seen the USD weaken against most developed world currencies. Further, rising commodity prices has led to some AUD outperformance given the demand for Australia's major export in iron ore.

Looking forward markets are likely to be shaped by fiscal government policy, in which high unemployment and weak economic growth are likely to continue to persist. Government budget deficits are set to expand and calls from prominent economists demanding direct money printing, are likely to have significant ramifications on markets if they prevail.

### 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. Bendigo Socially Responsible Growth Fund received a 4-Star Overall Morningstar Rating™ out of 205 Multisector Growth funds as of 31 July 2020 and a 4-Star Three year rating out of 205 Multisector Growth funds as of 31 July 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/41513](http://www.morningstar.com.au/Funds/FundReport/41513)

4. 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 2020 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. Only indirect exposures greater than 1.4% are included in the above table; investors will have additional exposure to other assets not represented.

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](http://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 31 July 2020 (unless stated otherwise) and is subject to change without notice.

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