

Quarterly fund update - June 2022

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

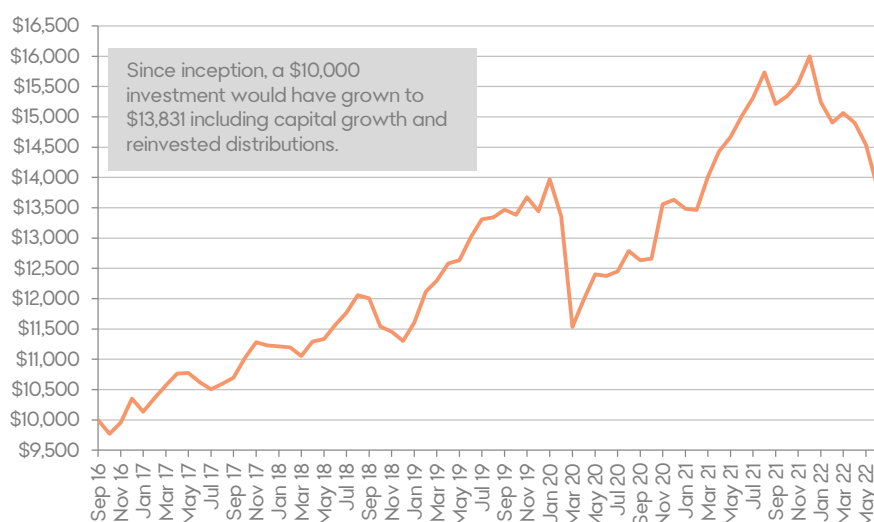
The Fund has been certified by the Responsible Investment Association of Australasia (RIAA) according to the strict disclosure practices required under the Responsible Investment Certification Program²

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

An example of how your investment grows

Growth of \$10,000¹

(Based on historic Fund performance since inception)



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.

Refer to the last page for footnotes

Fund performance¹

as at 30 June 2022

Fund return

3 months %	-8.17
6 months %	-13.56
1 year %	-7.95
3 years %p.a.	2.04
Since inception %p.a.	5.80

Morningstar Rating™ Overall³ ★★☆☆

Morningstar Category Rank - 3 year³ 127/ 186

Fund facts

Fund APIR code	STL0055AU
Fund inception date	20 September 2016
Distribution frequency	Half yearly
Management costs ⁴	1.00% p.a.
Buy / Sell spread ⁴	+0.09% / -0.10%
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 June 2022

Application price	\$1.01259
Withdrawal price	\$1.01067

Distribution details (cents per unit)

31 Dec 2021	\$0.00850
30 Jun 2022	\$0.03053

Asset allocation

	Weight %	Weight % Δ /mth		Key
 VanEck MSCI Australian Sustainable Equity ETF*	30.3%	-0.2%		 Australian Shares
 AXA IM SmartBeta ESG Global Equity*	38.1%	1.1%		 International Shares (Unhedged)
 Altius Sustainable Bond Fund*	6.2%	0.1%		 Australian Fixed Interest
 Vanguard Australian Inflation-Linked Bond Index Fund	4.7%	-0.1%		
 Vanguard Government Bond	4.1%	0.1%		
 Australian Unity Future of Healthcare Fund	3.5%	-0.1%		 Alternatives
 Sandhurst Strategic Income Fund^	13.1%	-0.9%		 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 %
Australian Government Bond	7.4%
MERCURY NZ LTD	2.7%
Transurban Group	1.6%
CSL Ltd	1.6%
Australia & New Zealand Banking Group Ltd	1.5%
Telstra Corp Ltd	1.5%
Goodman Group	1.5%
Fortescue Metals Group Ltd	1.4%
APPLE INC	1.4%
New South Wales Treasury Corp.	1.3%

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 our website:
www.bendigobank.com.au/managedfunds

Portfolio Performance

The Fund underperformed the performance benchmark over the quarter but has performed in line with the Morningstar Peer group for the financial year to date. Detracting from performance has been the overweight exposure to listed property stocks within the Australian equities investment of the Fund. Listed property has come under pressure as global interest rates have been on the rise. Goodman Group, the largest industrial REIT in Australia suffered a 22% drawdown in the 3 months to June 30. Benefiting the Fund has been the overweight exposure to unhedged global shares which have outperformed domestic equities over the period.

Economic commentary

For the quarter ended June 30, financial markets' focus shifted from expectations of rising inflation to hawkish Central Bank policy and its potential to slow economic growth and inflation. Inflation continues to remain elevated and has broadened out to the services and core components of CPI. As a result, the policy response has been aggressive to bring supply/demand imbalances back to normal levels over time and asset valuations have been impacted due to rising discount rates. Asset returns have been poor for the 3-month period, Australian equities, as measured by the ASX 200 Index, returned -12.4%, and global equities on a currency hedged basis returned -15.1%, as measured by the MSCI World Index.

In the United States, the Federal Reserve has aggressively raised the federal funds rate 3 times since February opting to raise the cash rate by 75 basis points in June alone. A hike of this size has not been seen in over 25 years indicating the committee's strong intent bring inflation down. The Fed dot plot, a survey of Fed members which is used to express forward expectations of the cash rate, shows no signs of slowing the pace of rate hikes either with the most recent dot plot indicating a federal funds target rate of 3.40% by year end which would mark 340 basis points of rate rises in calendar year 2022.

In Australia, the Reserve Bank has taken a similar stance in its attempt to bring inflation down locally. Year over year inflation is expected to grow to 7% by the end of 2022 which could mark the highest level of inflation since 1990. Current annual headline inflation sits at 5.1% in Australia. At time of writing, the market is pricing a terminal cash rate north of 3% which is expected to put borrowers under financial pressure as mortgage rates continue their ascent as cost of funding increases. The period ahead is shaping up to be one of further complexity as central banks try to walk a fine line between reducing inflation without significantly slowing economic growth.

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 3-Star Overall Morningstar Rating™ out of 186 Multisector Growth funds as of 30 June 2022. In the Morningstar Multisector Growth Category, the Bendigo Socially Responsible Growth Fund 3 year return was ranked 127 out of 186 funds as of 30 June 2022. 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 2022 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. For target market determination: www.bendigobank.com.au/TMD