Bendigo Socially Responsible Growth Fund

Quarterly fund update - June 2023

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).

CERTIFIED BY RIAA

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[2]

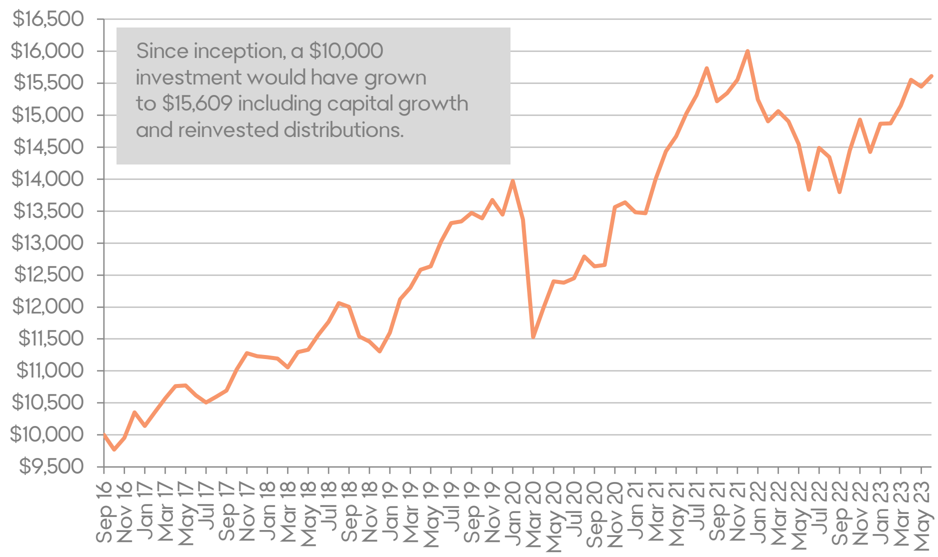
For more information about the RIAA Certification program please visit www.responsibleinvestment.org

Fund performance[1]

as at 30 June 2023	Fund return
3 months %	3.04
1 year %	12.85
3 years %p.a.	8.04
5 years %p.a.	6.18
Since inception %p.a.	6.82
Morningstar Rating™ Overall[3]	★★★★
Morningstar Category Rank - 5 year[3]	9 / 164

An example of how your investment grows

Growth of $10,000[1]
(Based on historic Fund performance since inception)



Fund facts

Fund APIR code	STL0055AU
Fund inception date	20 September 2016
Distribution frequency	Half yearly
Management fees & costs[4]	1.00% p.a.
Buy / Sell spread[4]	+0.07% / -0.07%
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 2023	
Application price	$11.3439
Withdrawal price	$11.3280

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.

Distribution details (cents per unit)

31 Dec 2022	$0.00000
30 Jun 2023	$0.00779

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Refer to the last page for footnotes

Asset allocation

	Weight %	Weight %△/mth	
VanEck MSCI Australian Sustainable Equity ETF*	33.1 %	0.0%	↑
AXA IM SmartBeta ESG Global Equity*	39.6%	1.1 %	↑
Altius Sustainable Bond Fund*	5.4%	-0.2%	↓
Vanguard Australian Inflation-Linked Bond Index Fund	4.9%	-0.3%	↓
Vanguard Government Bond	2.1 %	0.0%	↓
Australian Unity Future of Healthcare Fund	4.1 %	0.1 %	↑
Sandhurst Strategic Income Fund^	10.8%	-0.6%	↓
Total	100.0%		

Key

- Australian Shares
- International Shares (Unhedged)
- Australian Fixed Interest
- Alternatives
- Cash

* 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 %
TRANSURBAN GROUP	1.8%
TELSTRA CORP LTD	1.8%
CSL LTD	1.7%
APPLE	1.7%
WESTPAC BANKING CORP	1.6%
FORTESCUE METALS GROUP LTD	1.5%
GOODMAN GROUP	1.5%
MICROSOFT	1.3%
NEWCREST MINING LTD	1.2%
QBE INSURANCE GROUP LTD	1.0%

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

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Portfolio Performance

The Fund outperformed the performance benchmark over the quarter and overall, for the financial year has performed in line with the Morningstar peer group. Detracting from performance has been the structural underweight to resource stocks within the Australian equities investment of the Fund. Resources have been the beneficiary of overall higher commodity prices over the year, in which stocks such as BHP and RIO rose by approximately 37% and 25% respectively. Benefiting the Fund has been the overweight to global shares which has outperformed domestic equities throughout the year.

Economic commentary

Returns for the quarter were mixed across asset classes, with Australian and European equity markets relatively flat, UK lower, while the US share market rose strongly. Positioning within equities globally has been well below historical averages, with the threat of a global recession driven by rising interest rates holding investors on the sideline. Over the period investors were drawn into large technology stocks of the likes of Apple, Nvidia, Tesla, Microsoft and Meta as the allure of artificial intelligence coupled with safe balance sheets gave the green light for investors starved of good ideas, despite the high valuations of this segment of the market.

We believe equity markets to be particularly challenging. The mechanism of central banks raising interest rates to reduce inflation, is via the demand function. Rising interest costs result in companies scaling back future investments due to the higher cost of capital, and consumer demand falling as interest burdens gain a higher proportion of the household budget. Whilst we have seen some softening in economic conditions, the consumer has been surprisingly resilient, particularly in the US.

Generally, equity markets are expensive relative to historical averages, particularly US technology companies, which we believe do not reflect the headwinds facing the market. Buoying valuations is the large amount of global wealth that was accumulated through the ultra-stimulatory conditions following the pandemic. Whilst there are cheap areas of the market, these are in areas of the market more sensitive to slowing economic conditions such as resources, energy and global banks. Outside of equities, there are good opportunities in debt markets with high interest rates offering attractive yields.

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 mutual 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 170 Multisector Growth funds as of 30 June 2023. The Bendigo Socially Responsible Growth Fund returns were ranked 9 out of 164 Morningstar Multisector Growth funds for 5 years to 30 June 2023. 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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   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.
4. Management fees & 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 2023 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

This information is current as at 30 June 2023 (unless stated otherwise) and is subject to change without notice.