

# Bendigo Socially Responsible Growth Fund

## Monthly fund update - March 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 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 March 2021

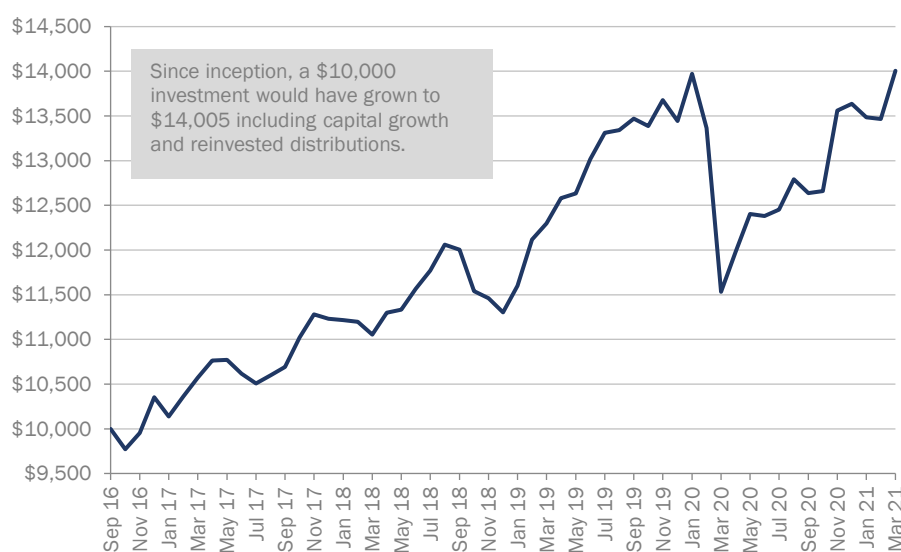
Fund return

3 months %	2.72
6 months %	10.84
1 year %	21.46
3 years %p.a.	8.21
Since inception %p.a.	7.77
<b>Morningstar Rating™ Overall<sup>3</sup></b>	<b>30 / 198</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>	+0.15% / -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 March 2021

Application price	\$1.09948
Withdrawal price	\$1.09618




















### 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 % $\Delta$ /mth	Key
 Russell Australia RI ETF*	34.8%	0.0% 	 Australian Shares
 AXA IM SmartBeta ESG Global Equity*	38.9%	0.9% 	 International Shares (Unhedged)
 Pental Property Securities Fund*	5.3%	0.1% 	 Property and Infrastructure (Australian)
 Altius Sustainable Bond Fund*	5.6%	-0.2% 	 Australian Fixed Interest
 Vanguard Australian Inflation-Linked Bond Index Fund	7.3%	-0.1% 	
 Vanguard Government Bond	2.6%	-0.1% 	
 Sandhurst Strategic Income Fund^	5.4%	-0.7% 	 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 asset managers <sup>5</sup>

Portfolio	Weight %
Aus Govt Inflation Linked Bonds	7.9%
Commonwealth Bank of Australia	3.4%
Aus Govt Bonds	3.0%
National Australia Bank	2.0%
Aust and NZ Banking Group	1.8%
CSL Ltd	1.7%
Westpac Banking Corp	1.7%
Wesfarmers Ltd	1.4%
Apple Inc	1.3%
Goodman Group	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<sup>®</sup> 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](http://www.sandhursttrustees.com.au)

## Portfolio Performance

The Bendigo Socially Responsible Growth Fund returned approximately 2.7% over the 1st quarter of the 2021 calendar year, 0.6% less than peer average. Performance has lagged peers in recent months due to the appreciation of clean energy thematic assets, following the policies and targets of President Biden. The Fund currently holds no managers that specialise in the niche area of thematic investing but is currently reviewing the possibilities. Over the quarter, Russell Investments underperformed their benchmark largely due to the relative underweight to resource companies that are performing strongly. AXA IM also underperformed for similar reasons, in times of strong commodity price appreciation, responsible investments tend to underperform as they are less exposed to the sector due to its risks and negative impacts on the environment.

## Economic commentary

Risk assets continued their strong run through the three months ending March 31. Twelve months on from the lows of March 2020, markets have been buoyed by oversized global fiscal and monetary stimulus efforts and vaccine rollouts. Economic conditions have rebounded, and several economic prints are now at all-time highs, a reflection of the success of efforts made to negate the adverse financial impacts of economic lockdowns during 2020.

Around the globe, forecasts of economic growth for the next 12-to-24-month periods have been upgraded. The IMF expects the world economy to expand 6% in 2021, up from the 5.5% it had forecast in January. This would represent the fastest expansion for the global economy in IMF records dating back to 1980. In 2022, the IMF predicts, international economic growth will decelerate but maintain above average growth of 4.4%.

Despite employment data improving in Australia, the RBA minutes revealed substantial progress is still required to achieve full employment goals. The committee also expects inflation in the short term but is viewing it as transitional and does not expect to need to raise rates until 2024 at the earliest. This view is consistent across the globe with central banks committed to supporting economies until targets of full employment and inflation are achieved.

This expansionary economic backdrop and contained inflation expectations bodes well for risk assets albeit some caution is required in pockets of the market that have appreciated into speculative territory. The investment team is positive on markets given improving economic conditions and recently announced further fiscal and monetary support that will continue to underpin the world economy. The team continues to monitor valuations and indicators of inflation to determine if rising inflation is cyclical or structural in nature.

### 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 198 Multisector Growth funds as of 31 March 2021. In the Morningstar Multisector Growth Category, the Bendigo Socially Responsible Growth Fund 3 year return was ranked 30 out of 198 funds as of 31 March 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](http://www.morningstar.com.au/Funds/FundReport/41513)  
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4. The top 10 holdings outlined above are a representation of the largest indirect exposures of the Bendigo Socially Responsible Growth Fund as at 31 December 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.

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 March 2021 (unless stated otherwise) and is subject to change without notice.

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