

## Quarterly fund update - March 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).



### 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 2023

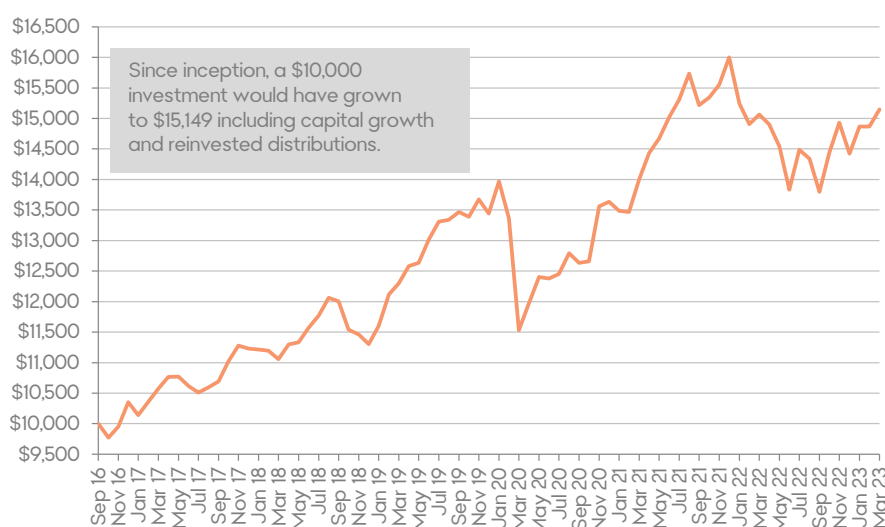
Fund return

3 months %	5.02
1 year %	0.57
3 years %p.a.	9.52
5 years %p.a.	6.50
Since inception %p.a.	6.60
<b>Morningstar Rating™ Overall<sup>3</sup></b>	<b>★★★★</b>
<b>Morningstar Category Rank - 3 year<sup>3</sup></b>	<b>113 / 178</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 fees & costs <sup>4</sup>	1.00% p.a.
Buy / Sell spread <sup>4</sup>	+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 31 March 2023

Application price	\$1.10849
Withdrawal price	\$1.10694






















### Distribution details (cents per unit)

31 Dec 2022	\$0.00000
30 Jun 2022	\$0.03053

### 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
 VanEck MSCI Australian Sustainable Equity ETF*	33.1%	1.5% 		Australian Shares
 AXA IM SmartBeta ESG Global Equity*	38.5%	0.9% 		International Shares (Unhedged)
 Altius Sustainable Bond Fund*	5.6%	0.3% 		Australian Fixed Interest
 Vanguard Australian Inflation-Linked Bond Index Fund	5.2%	0.5% 		Australian Fixed Interest
 Vanguard Government Bond	2.2%	-2.4% 		Australian Fixed Interest
 Australian Unity Future of Healthcare Fund	4.0%	0.2% 		Alternatives
 Sandhurst Strategic Income Fund^	11.5%	-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 <sup>5</sup>

Portfolio	Weight %
CSL LTD	1.7%
TELSTRA CORP LTD	1.7%
TRANSURBAN GROUP	1.6%
WESTPAC BANKING CORP	1.6%
FORTESCUE METALS GROUP LTD	1.6%
GOODMAN GROUP	1.5%
APPLE	1.3%
MICROSOFT	1.0%
NEWCREST MINING LTD	0.9%
QBE INSURANCE GROUP LTD	0.8%

## 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.

<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 our website: [www.bendigobank.com.au/managedfunds](http://www.bendigobank.com.au/managedfunds)

## Portfolio Performance

The Fund beat the Morningstar peer group return by 1.0% over the last quarter and 1.6% throughout the last 12 months ending 31 March 2023. The global equity manager is the major contributor to overall outperformance by overweight to financials and industrial sector. Detracting from performance has been the overweight to consumer staples and underweight to information technology segments. Performance from alternative manager in health care was flat. In light of the recent bankruptcy and concerns in banking system, sovereign debts, including inflation linked government bonds, have been strong and beneficial to the overall performance.

## Economic commentary

Markets performed strongly for the quarter ending March, with the majority of asset classes materially higher. Corporate earnings for the period ending December within the US and Australia were generally weak and forward guidance on future earnings was soft. Despite this, shares rose, in particular technology stocks, with the technology heavy Nasdaq index up over 20% for the quarter. Technology stocks had a difficult year in 2022, with the Nasdaq falling 33%. The new year has brought renewed optimism in the technology sector with falling inflation, the emergence of potential disruption artificial technology and a new focus on controlling costs.

Driving headlines and moving markets was the sudden collapse of Silicon Valley Bank in the US, this was followed up with failures in Signature Bank and Credit Suisse. Whilst each bank possessed its own unique set of circumstances related to their failure, the broader impacts on markets was to price in a slowing of global growth and inflation due to the effect of banks tightening lending standards. The market implications were outflows out of bank stocks, with the beneficiary assets being gold, government bonds and technology stocks.

Within the US, markets continue to be infatuated with each inflation print. Through the quarter, headline inflation moved lower in most developed regions, led by energy. Core inflation (inflation excluding food and energy), has remained sticky, with the services sector of the economy resilient, supported by a tight labour market. The Federal Reserve has been clear in their forward guidance that they need sufficient slack in the employment market and will raise rates and hold rates at levels consistent to bring inflation down to their 2% target.

Within Australia, the Reserve Bank of Australia (RBA) is nearing the end of its rate hiking cycle, while leaving the door open to further rate increases if the data permits. The RBA's task is a delicate operation. Australia relative globally, has high household debt, meaning Australia is more sensitive to rate rises than the majority of other regions. Lower cash rates than global peers can result in a weakness in the currency as investors chase high interest rates in other regions, this can in turn lead to higher inflation as the costs of imported goods increases as the currency falls in value.

### 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 177 Multisector Growth funds as of 31 March 2023. In the Morningstar Multisector Growth Category, the Bendigo Socially Responsible Growth Fund 3 year return was ranked 113 out of 178 funds as of 31 March 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](http://www.morningstar.com.au/Funds/FundReport/41513)  
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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 December 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](http://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](http://www.bendigobank.com.au/TMD)

This information is current as at 31 March 2023 (unless stated otherwise) and is subject to change without notice.