

# Bendigo Socially Responsible Growth Fund

## Monthly fund update - May 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 May 2021

Fund return

3 months %	8.92
6 months %	8.18
1 year %	18.27
3 years %p.a.	8.98
Since inception %p.a.	8.56
<b>Morningstar Rating™ Overall<sup>3</sup></b>	16/ 198
<b>Morningstar Category Rank - 3 year<sup>3</sup></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 May 2021

Application price	\$1.15154
Withdrawal price	\$1.14809









### 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*	34.2%	-0.4%	↓	Australian Shares
 AXA IM SmartBeta ESG Global Equity*	37.3%	-0.9%	↓	International Shares (Unhedged)
 Pental Property Securities Fund*	0.0%	0.0%	→	Property and infrastructure (Australian)
 Altius Sustainable Bond Fund*	5.2%	-0.2%	↓	Australian Fixed Interest
 Vanguard Australian Inflation-Linked Bond Index Fund	6.8%	-0.2%	↓	Australian Fixed Interest
 Vanguard Government Bond	2.4%	-0.1%	↓	Australian Fixed Interest
 Australian Unity Future of Healthcare Fund	5.0%	-0.2%	↓	Alternatives
 Sandhurst Strategic Income Fund^	9.1%	2.0%	↑	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	7.7%
Commonwealth Bank of Australia	3.6%
Westpac Banking Corp	2.1%
National Australia Bank Ltd	2.0%
Aus Government Bonds	1.8%
Aust and NZ Banking Group	1.8%
CSL Ltd	1.6%
Wesfarmers Ltd	1.4%
Telstra Corp Ltd	1.2%
Apple Inc	1.1%

## 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  
[www.sandhursttrustees.com.au](http://www.sandhursttrustees.com.au)

## Portfolio Performance

The Bendigo Socially Responsible Growth Fund marginally outperformed the average peer return over the month of May. A lot of this outperformance was driven by exposures to Australian financials and resource companies, as the reflation and cyclical trades continued to dominate headlines. Australian equities were firmer than their international/ US counterparts, many US Tech giants continued to experience volatility in trading. However, the international equity manager, AXA IM, had a positive month by beating their benchmark. Another positive contributor was the allocation towards Australian government bond rates, over the month the yield on the 10 year bond dropped more than 6 basis points, which resulted in a positive capital gain.

## Economic commentary

Strong corporate earnings, improving economic data and inflation normalising post COVID disruptions buoyed most major asset classes in the month of May. The push and pull between elevated inflation being transitory or structurally higher for longer has puzzled investors and as a result caused divergences in performance between longer and shorter duration asset classes.

Longer duration assets have underperformed relative to their peers as the market has doubted the steadfast stance of central bank officials that recent higher inflation prints are transitory in nature. Federal Reserve and RBA officials expect that CPI prints will normalise towards the end of the calendar year following the easing of disruptions to supply chains and low base effects of data rebounding from COVID lows.

Of all the major equity indices, Australian large capitalisation equities performed strongest in May (up 2.3%) given higher commodity prices which benefited resource stocks and improving operating conditions for financial companies such as the major banks. Global equities underperformed (up 1.0%) as the rotation into cyclical business continued in May, hurting growth sectors trading at elevated multiples which gave back some of their gains from earlier in the year.

Inflation data over the next couple months will be key in understanding the likely path of price rises and its impact on the business cycle. Fiscal and monetary conditions remain accommodative and will continue to support financial assets going forward. The investment team believes a balanced approach to building portfolios will ensure protection from heightened volatility in outcomes related to inflation and will continue to manage the portfolio with regard to changing market conditions.

### 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 May 2021. In the Morningstar Multisector Growth Category, the Bendigo Socially Responsible Growth Fund 3 year return was ranked 16 out of 198 funds as of 31 May 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. 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 2021 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 May 2021 (unless stated otherwise) and is subject to change without notice.

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