Bendigo Socially Responsible Growth Fund

SandhurstTrustees

Monthly fund update - September 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).

CERTIFIED BY RIAA

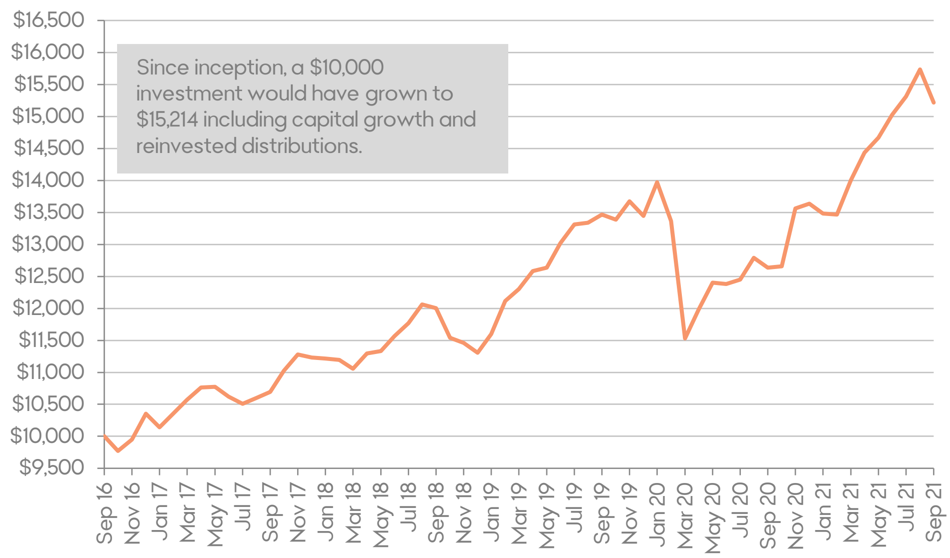
RIAA Certification

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

An example of how your investment grows

Growth of $10,000[1]
(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.

Fund performance[1]

as at 30 September 2021	Fund return
3 months %	1.26
6 months %	8.63
1 year %	20.40
3 years %p.a.	8.22
Since inception %p.a.	8.76
Morningstar Rating™ Overall[3]	47/ 175
Morningstar Category Rank - 3 year[3]	★★★★

Fund facts

Fund APIR code	STL0055AU
Fund inception date	20 September 2016
Distribution frequency	Half yearly
Management costs[4]	0.99% p.a.
Buy / Sell spread[4]	+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 30 September 2021	
Application price	$1.15690
Withdrawal price	$1.15344

Distribution details (cents per unit)

31 Dec 2020	$0.00400
30 Jun 2021	$0.03692

Refer to the last page for footnotes

Asset allocation

	Weight %	Weight %△/mth	
VanEck MSCI Australian Sustainable Equity ETF*	33.2%	-0.2%	↓
AXA IM SmartBeta ESG Global Equity*	33.6%	-0.3%	↓
Altius Sustainable Bond Fund*	5.9%	0.2%	↑
Vanguard Australian Inflation-Linked Bond Index Fund	5.8%	0.0%	→
Vanguard Government Bond	2.1%	0.0%	→
Australian Unity Future of Healthcare Fund	4.5%	0.0%	→
Sandhurst Strategic Income Fund^	14.9%	0.3%	↑
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 %
Commonwealth Bank of Australia	3.5%
Westpac Banking Corp	1.9%
National Australia Bank Ltd	1.9%
Australia Government Inflation Linked Bond 20 Sep 2025	1.8%
Australia & New Zealand Banking Group Ltd	1.8%
Wesfarmers Ltd	1.5%
Australia Government Inflation Linked Bond 20 Sep 2030	1.5%
CSL Ltd	1.5%
Apple Inc	1.2%
Telstra Corp Ltd	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® 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.bendigobank.com.au/managedfunds

Portfolio Performance

The Fund marginally underperformed the peer group over the quarter, producing low positive returns. The Fund's investment managers on aggregate, performed in line with benchmarks. Over the quarter the Fund made changes to the Australian equity manager with VanEck Australian Sustainable Equity ETF replacing the Russell Australian Responsible ETF. This change was made as the new inclusion provides broader investment diversification into exposures that in the past have been underrepresented in the Fund. The VanEck ETF is constructed with a clear responsible investment approach, that is consistent with the values that Sandhurst wish to target.

Economic commentary

The quarter ending September was another eventful period for markets, in which on aggregate provided low positive returns for investors. The first two months of the period a slowdown in growth expectations led by delta variant lockdowns, saw bond yields fall and high growth companies such as technology stocks, outperform the market. In the month of September, bond yields reversed course and rose given supply led inflation shocks linked to rises in energy prices.

Inflation once again was the focus of markets, with inflationary forces appearing less than transitory, in which transitory inflation is predicted by many global central banks. Supply bottlenecks continue to cause pricing issues, with a boost in global goods demand, coupled with covid related supply disruptions, have led to high price rises across a variety of goods. Adding to the issues is the recent spike in global energy prices. Whilst somewhat linked to energy demand driven by the production of above trend goods, supply issues are emerging as the world transitions away from fossil fuels. The recent spike is a timely reminder that the energy transition may result in energy price hiccups, as the delicate dance between a reduction in fossil fuels and new energy creation needs to be managed alongside demand.

Within Australia, the September quarter provided insight into the health of Australian corporates, through the end of financial year earnings reporting. As expected, Australian miners took centre stage, producing spectacular outsized earnings given high commodity prices reflected in a revenue jump, while ongoing cost out programs initiated over the past five years, reflected in bottom line earnings. Bank stocks also reported fantastic earnings growth given the high demand for new loans and reduced credit expenses.

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 175 Multisector Growth funds as of 30 September 2021. In the Morningstar Multisector Growth Category, the Bendigo Socially Responsible Growth Fund 3 year return was ranked 41 out of 175 funds as of 30 September 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
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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 30 June 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.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 September 2021 (unless stated otherwise) and is subject to change without notice.