

Bendigo Socially Responsible Growth Fund

Quarterly fund update - September 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 Program²

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

Fund performance¹

as at 30 September 2023

Fund return

3 months %	-1.30
1 year %	11.67
3 years %p.a.	6.83
5 years %p.a.	5.11
Since inception %p.a.	6.37

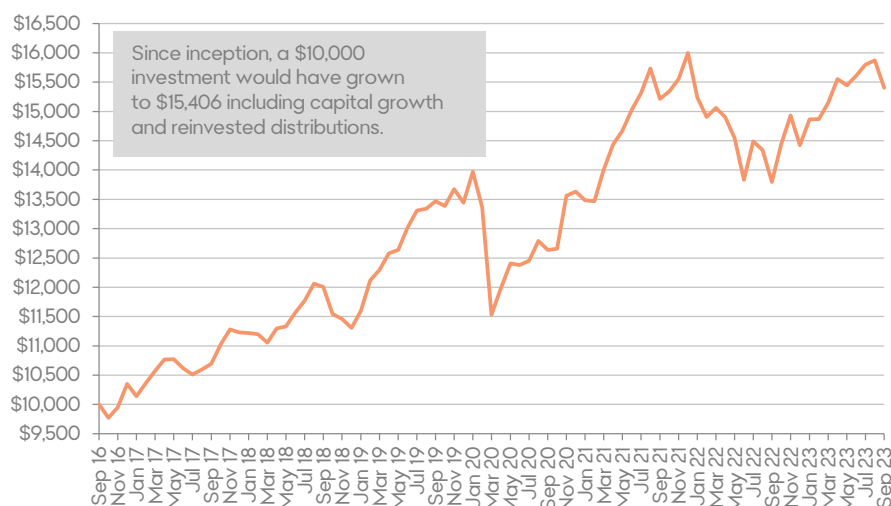
Morningstar Rating™ Overall³ ★ ★ ★ ★

Morningstar Category Rank - 5 year³ 21 / 161

An example of how your investment grows

Growth of \$10,000¹

(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 September 2023

Application price	\$1.11960
Withdrawal price	\$1.11804

Distribution details (cents per unit)

31 Dec 2022	\$0.00000
30 Jun 2023	\$0.00779













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.

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Refer to the last page for footnotes

Asset allocation

	Weight %	Weight % Δ /mth		Key
 VanEck MSCI Australian Sustainable Equity ETF*	31.8%	-1.3%	↓	 Australian Shares
 AXA IM SmartBeta ESG Global Equity*	38.8%	-0.8%	↓	 International Shares (Unhedged)
 Altius Sustainable Bond Fund*	5.5%	0.1%	↑	 Australian Fixed Interest
 Vanguard Australian Inflation-Linked Bond Index Fund	4.9%	0.0%	→	
 Vanguard Government Bond	2.1%	0.0%	→	
 Australian Unity Future of Healthcare Fund	4.2%	0.1%	↑	 Alternatives
 Sandhurst Strategic Income Fund^	12.6%	1.8%	↑	 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 managers⁵

Portfolio	Weight %
APPLE	1.9%
TELSTRA CORP LTD	1.8%
TRANSURBAN GROUP	1.8%
FORTESCUE METALS GROUP LTD	1.7%
GOODMAN GROUP	1.6%
CSL LTD	1.6%
MICROSOFT	1.5%
AUSTRALIA (COMMONWEALTH OF) GOVERNMENT BOND	1.2%
QBE INSURANCE GROUP LTD	1.1%
NEWCREST MINING LTD	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.

® 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

Portfolio Performance

The Fund performed slightly lower than the Morningstar peer group over the period. Overall equity markets and fixed income markets were weaker. Dragging on relative performance was the Funds underweight exposure to unlisted investments such as private equity, property and infrastructure, which did not reprice inline with listed markets. The Fund is positioned slightly underweight growth assets and fixed income, given what we believe is lack of value in these markets and will look for weakness to neutralise our underweights.

Economic commentary

Equity markets on aggregate fell over the quarter. The ASX 300 accumulation was down 0.8%, while international equities on a currency hedged perspective fell 2.9%. Driving asset classes lower was the movement in bond yields. Government bond yields form the risk-free rate in which investments are priced from. Over the 3 month period, US 10 year government bond yields rose from 3.8% to 4.6%. US markets drove global bond yields, with the contributing factors being resilient economic data (interest rates higher for longer), upward movements in energy prices (upward pressure in inflation), together with a large supply of new government bond issuance, due to financing requirements of the US Government.

Whilst economic data in the US has been robust, Australia's economic data has been softer. This highlights the dispersion between economies with longer term fixed mortgage rates, such as the US which are predominately 30 year fixed mortgages, and countries such as Australia which are short term fixed or variable in nature. Given the rise in interest rates, retail sales on a volume perspective are lower for the calendar year, while employment data has recently softened, although from a strong level. Recent GDP numbers indicate soft undertones, with the economy slipping into a per capita recession, meaning on population stable perspective, growth went backwards over the quarter. What is aiding the economy is the record migration lifting consumption and demand for housing and construction.

Looking forward economic conditions appear challenging, interest rates are having their intended effect reducing demand, while core inflation remains stubbornly high. Economic uncertainty persists given the rapid interest rate increases and the less than stable political tension.

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 169 Multisector Growth funds as of 30 September 2023. The Bendigo Socially Responsible Growth Fund returns were ranked 21 out of 161 Morningstar Multisector Growth funds for 5 years to 30 September 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 30 June 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 September 2023 (unless stated otherwise) and is subject to change without notice.

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