

### Monthly fund update - January 2021

#### Investment approach

Each Fund invests via a selection of expert asset managers that specialise in managing specific asset classes. Sandhurst will invest the Fund's assets across a variety of asset classes. Together through the selection of expert asset managers and the asset allocation, Sandhurst will seek to meet or exceed the investment return objective of each Fund. Each Fund aims to provide a total return after fees in excess of a stated percentage above inflation over a full market cycle (typically 7 to 10 years).

#### Fund performance<sup>1</sup>

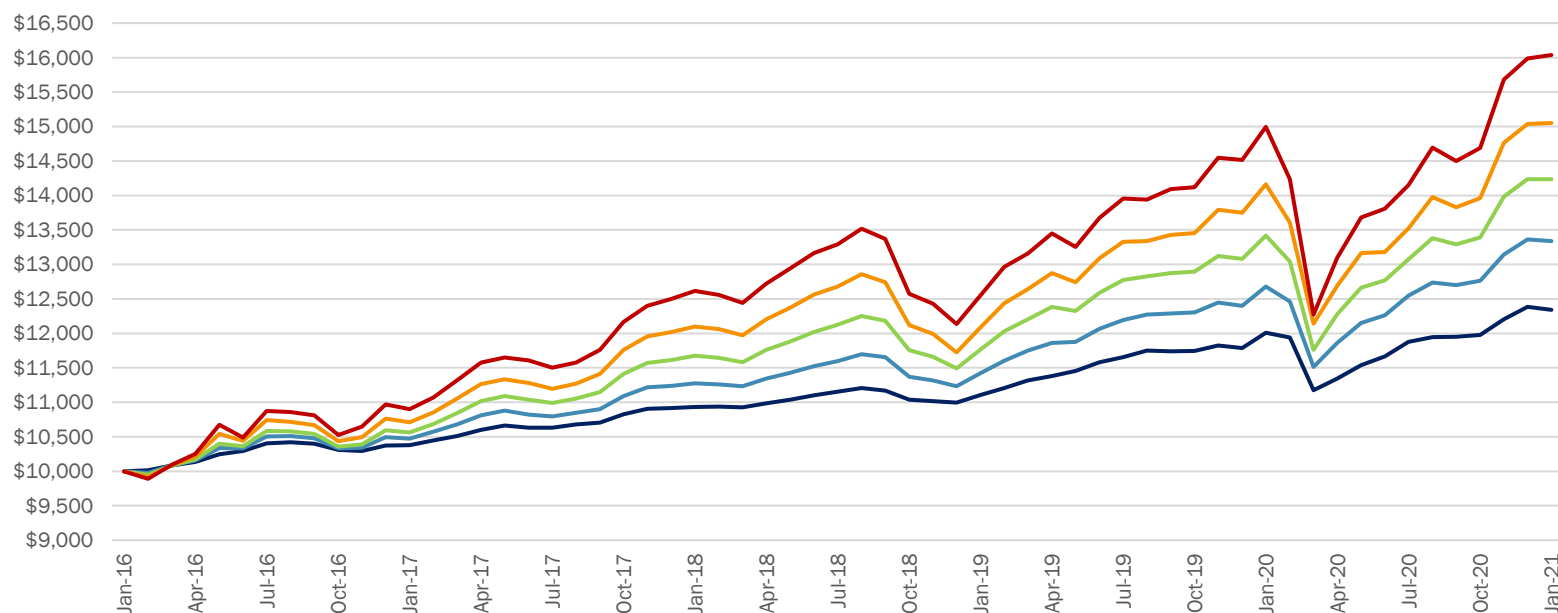
as at 31 January 2021

	Morningstar Rating™ Overall <sup>2</sup>	Morningstar Category Rank 5 Year <sup>2</sup>	3 months %	1 year %	3 years %p.a.	5 years %p.a.	Fund size \$m
<b>Bendigo Defensive Wholesale Fund</b>	★★★★	4 / 24	3.08	2.79	4.13	4.30	\$37.66
<i>Peer Comparison</i>			2.46	2.79	3.37	3.59	
<b>Bendigo Conservative Wholesale Fund</b>	★★★★★	7 / 118	4.52	5.20	5.76	5.93	\$162.19
<i>Peer Comparison</i>			3.67	2.85	3.87	4.20	
<b>Bendigo Balanced Wholesale Fund</b>	★★★★★	10 / 114	6.30	6.09	6.82	7.32	\$197.17
<i>Peer Comparison</i>			6.19	2.87	4.65	5.46	
<b>Bendigo Growth Wholesale Fund</b>	★★★★★	12 / 191	7.79	6.26	7.54	8.52	\$81.32
<i>Peer Comparison</i>			7.79	2.73	5.29	6.38	
<b>Bendigo High Growth Wholesale Fund</b>	★★★★★	18 / 120	9.17	6.93	8.33	9.91	\$43.60
<i>Peer Comparison</i>			9.95	2.73	6.11	7.67	

#### An example of how your investment grows

Growth of \$10,000 over 5 years<sup>1</sup>

(Based on historic Fund performance over 5 years)

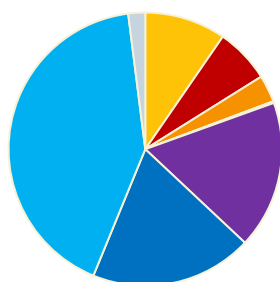


#### Fund Facts

	APIR Code	Fund inception date	Distribution frequency	Return objective	Recommended investment timeframe	Risk level	Management costs <sup>3</sup>	Buy / Sell spread <sup>3</sup>
<b>Bendigo Defensive Wholesale Fund</b>	STL0029AU	30 Sept 2011	Half yearly	CPI + 1.5%	2 years +	Low	0.600% p.a.	+0.12%/-0.15%
<b>Bendigo Conservative Wholesale Fund</b>	STL0012AU	6 June 2002	Half yearly	CPI + 2%	3 years +	Low to medium	0.834% p.a.	+0.15%/-0.17%
<b>Bendigo Balanced Wholesale Fund</b>	STL0013AU	6 June 2002	Half yearly	CPI + 3%	4 years +	Medium	0.962% p.a.	+0.17%/-0.17%
<b>Bendigo Growth Wholesale Fund</b>	STL0014AU	6 June 2002	Half yearly	CPI + 4%	5 years +	Medium to high	1.089% p.a.	+0.20%/-0.20%
<b>Bendigo High Growth Wholesale Fund</b>	STL0030AU	30 Sept 2011	Half yearly	CPI + 5%	7 years +	High	1.280% p.a.	+0.23%/-0.23%

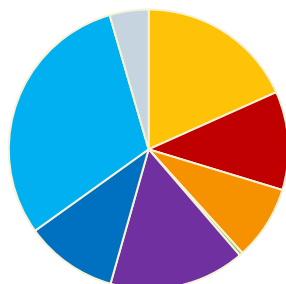
## Asset allocation

### Bendigo Defensive Wholesale Fund



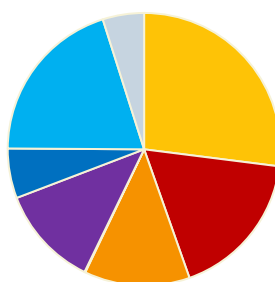
Aust Sh	9.6%
Int Sh	6.5%
Int Sh (Hedged)	3.2%
Property & Infra	0.2%
Cash	17.5%
Int FI	19.2%
Aust FI	41.8%
Alternative	2.0%

### Bendigo Conservative Wholesale Fund



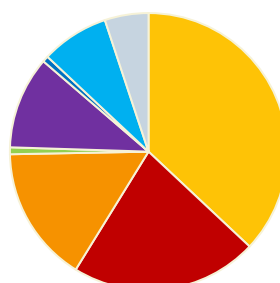
Aust Sh	18.3%
Int Sh	11.4%
Int Sh (Hedged)	8.6%
Property & Infra	0.4%
Cash	15.7%
Int FI	10.7%
Aust FI	30.4%
Alternative	4.5%

### Bendigo Balanced Wholesale Fund



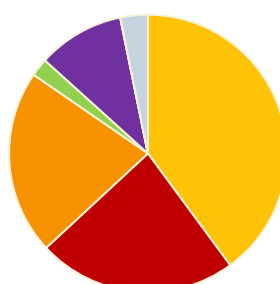
Aust Sh	27.0%
Int Sh	17.6%
Int Sh (Hedged)	12.5%
Property & Infra	0.1%
Cash	12.0%
Int FI	5.9%
Aust FI	20.0%
Alternative	4.9%

### Bendigo Growth Wholesale Fund



Aust Sh	37.0%
Int Sh	21.8%
Int Sh (Hedged)	15.9%
Property & Infra	0.8%
Cash	10.8%
Int FI	0.7%
Aust FI	7.9%
Alternative	5.1%

### Bendigo High Growth Wholesale Fund



Aust Sh	39.9%
Int Sh	23.2%
Int Sh (Hedged)	21.5%
Property & Infra	2.1%
Cash	10.1%
Int FI	0.0%
Aust FI	0.0%
Alternative	3.2%

## Unit prices

as at 31 January 2021

	Application price	Withdrawal price
<b>Bendigo Defensive Wholesale Fund</b>	\$1.13179	\$1.12874
<b>Bendigo Conservative Wholesale Fund</b>	\$1.13614	\$1.13251
<b>Bendigo Balanced Wholesale Fund</b>	\$1.08981	\$1.08611
<b>Bendigo Growth Wholesale Fund</b>	\$1.04280	\$1.03863
<b>Bendigo High Growth Wholesale Fund</b>	\$1.46054	\$1.45383

## Make the most of your investment

You need \$50,000 to start an investment in one of our Bendigo Managed Wholesale Funds

### ► 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? You can 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)

## Performance commentary

Performance across the Wholesale suite of Funds was flat for January, as a late selloff in equity markets eroded early month gains. Over the month interest rates moved higher as markets began to price in higher inflation on the back of proposed government spending by the Biden Administration. The Fund's overweight positions in emerging markets and underweight in listed property aided returns over the month. Detracting from performance was the Funds positioning in Australian inflation linked bonds, in which markets expectations for inflation over the longer term did not move in line with rising bond yields. Active manager returns were mixed, with some outperformance from Bennelong mitigating small underperformance in other parts of the portfolio.

Looking forward, we believe the Funds are well positioned. Higher inflation is our base case, resulting in our overweight exposures to emerging markets, inflation linked bonds and Australian equities over interest rate sensitive investments infrastructure and listed property.

## Economic commentary

The month of January was a tale of two halves as markets rallied following the new year, before giving back gains to close the month mostly flat across the majority of risk assets. The catalyst for the late month correction being complications in vaccine rollouts, new outbreaks, and general concerns the market had got too far ahead of itself. While economic data releases were thin, notable market events include a re-rating in inflation expectations, particularly over the shorter term. US two-year breakeven inflation rates (investment markets expectation for forward inflation), lifted from approximately 2% to 2.4% by month end. This led to losses in bond markets as bond yields followed inflation expectations higher.

The predominate source of higher inflation expectations stemmed from the Georgia Senate runoff elections in early January. Whilst unassuming on face value, the weight of Democratic policy sat on the shoulders of senate candidates 33 year old Jon Ossoff and Reverend Raphael Warnock. The 2020 US election resulted in 48 – 50 Democrat to Republican Senate, with two seats undecided due to Georgia election laws requiring a candidate to obtain a minority 50% of the vote. A tip to an even Senate held large consequences in the Biden's administration to pass legislation, with a Republican victory reminiscent of the second term Obama administration in which a Republican senate majority formed a roadblock for Democrat policy change.

Biden's agenda is inflationary in nature, with large direct payments to households and states, student debt forgiveness, large scale infrastructure expenditure and healthcare support much of which requires Senate approval. Given the victory of the two Democrat candidates, this tipped the power of the Senate towards the Democrats, resulting in the market rapidly rerating inflation.

### 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. Bendigo Defensive Wholesale Fund received a 4-Star Overall Morningstar Rating™ out of 24 Multisector Conservative funds as of 31 January 2021 and a 4-Star Five year rating out of 24 Multisector Conservative funds as of 31 January 2021. Source: [www.morningstar.com.au/Funds/FundReport/19293](http://www.morningstar.com.au/Funds/FundReport/19293)

Bendigo Conservative Wholesale Fund received a 5-Star Overall Morningstar Rating™ out of 124 Multisector Moderate funds as of 31 January 2021 and a 5-Star Five year rating out of 118 Multisector Moderate funds as of 31 January 2021. Source: [www.morningstar.com.au/Funds/FundReport/13196](http://www.morningstar.com.au/Funds/FundReport/13196)

Bendigo Balanced Wholesale Fund received a 5-Star Overall Morningstar Rating™ out of 124 Multisector Balanced funds as of 31 January 2021 and a 5-Star Five year rating out of 114 Multisector Balanced funds as of 31 January 2021. Source: [www.morningstar.com.au/Funds/FundReport/13195](http://www.morningstar.com.au/Funds/FundReport/13195)

Bendigo Growth Wholesale Fund received a 5-Star Overall Morningstar Rating™ out of 200 Multisector Growth funds as of 31 January 2021 and a 5-Star Five year rating out of 191 Multisector Growth funds as of 31 January 2021. Source: [www.morningstar.com.au/Funds/FundReport/13197](http://www.morningstar.com.au/Funds/FundReport/13197)

Bendigo High Growth Wholesale Fund received a 5-Star Overall Morningstar Rating™ out of 132 Multisector Aggressive funds as of 31 January 2021 and a 5-Star Five year rating out of 120 Multisector Aggressive funds as of 31 January 2021. Source: [www.morningstar.com.au/Funds/FundReport/19294](http://www.morningstar.com.au/Funds/FundReport/19294)

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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. 'Peer Comparison' performance refers to the performance of the relevant 'Morningstar Category' for the stated period. Investments are placed into Morningstar Categories based on their compositions and portfolio statistics so that investors can make meaningful comparisons. 'Morningstar Category Rank' is the Fund's performance rank relative to all funds in the same Morningstar Category.

3. 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.

The managed funds detailed in this update (individually referred to as 'Fund' or collectively as 'Funds') are 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 Funds or the service they provide, full details of which are contained in the relevant Product Disclosure Statement (PDS). Investments in the Funds 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 opinions change. 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 relevant 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.

The information is current as at 31 January 2021 (unless stated otherwise) and is subject to change without notice.

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