

Fund update - March 2021

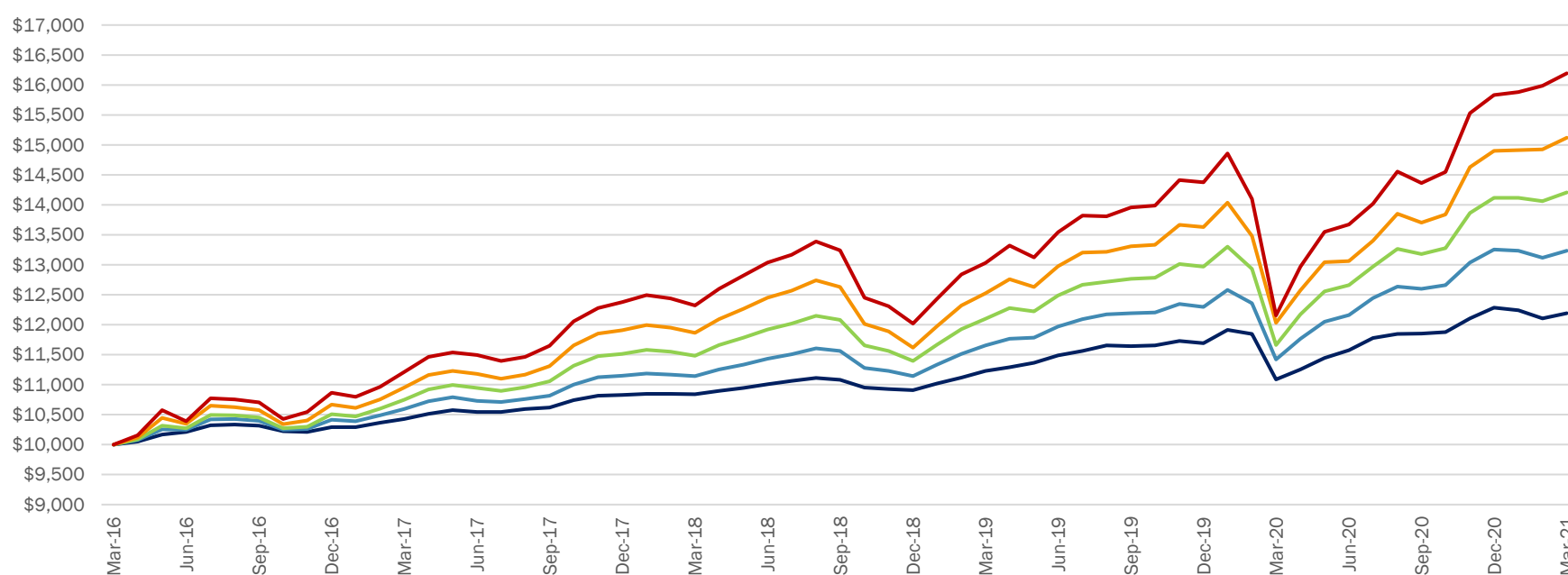
Investment approach

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 ¹ as at 31 March 2021	Morningstar Rating™ Overall ²	Morningstar Category Rank 5 Year ²	3 months %	1 year %	3 years %p.a.	5 years %p.a.	Fund size \$m
Bendigo Defensive Wholesale Fund <i>Peer Comparison</i>	★★★★	4 / 24	-0.74 -0.87	10.00 5.79	4.00 3.17	4.05 3.24	\$36.05
Bendigo Conservative Wholesale Fund <i>Peer Comparison</i>	★★★★★	7 / 116	-0.17 0.53	15.87 9.66	5.90 4.18	5.76 4.26	\$160.18
Bendigo Balanced Wholesale Fund <i>Peer Comparison</i>	★★★★★	13 / 115	0.64 2.27	21.85 17.27	7.35 5.86	7.28 6.11	\$197.16
Bendigo Growth Wholesale Fund <i>Peer Comparison</i>	★★★★★	23 / 191	1.45 3.36	25.66 22.54	8.42 6.96	8.62 7.48	\$81.43
Bendigo High Growth Wholesale Fund <i>Peer Comparison</i>	★★★★	33 / 123	2.28 5.10	33.21 29.68	9.54 8.53	10.12 9.44	\$44.67

An example of how your investment grows

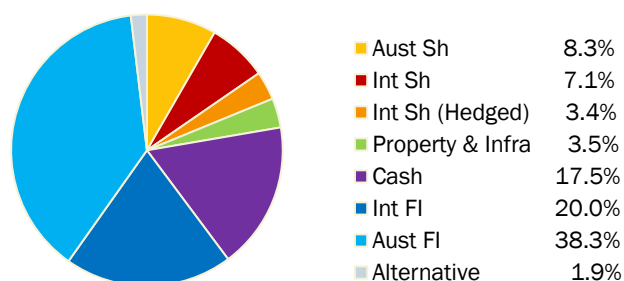
Growth of \$10,000 over 5 years¹
(Based on historic Fund performance over 5 years)



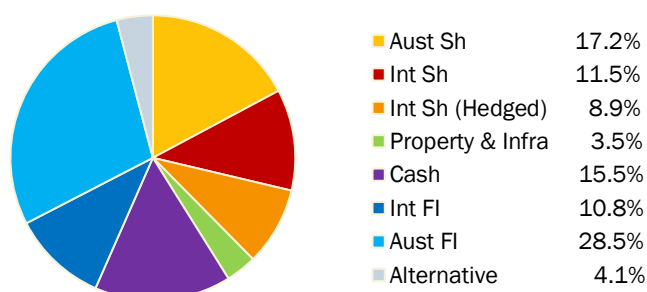
Fund Facts	APIR Code	Fund inception date	Distribution frequency	Return objective	Recommended investment timeframe	Risk level	Management costs ³	Buy / Sell spread ³
Bendigo Defensive Wholesale Fund	STL0029AU	30 Sept 2011	Half yearly	CPI + 1.5%	2 years +	Low	0.600% p.a.	+0.12%/-0.15%
Bendigo Conservative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

Asset allocation

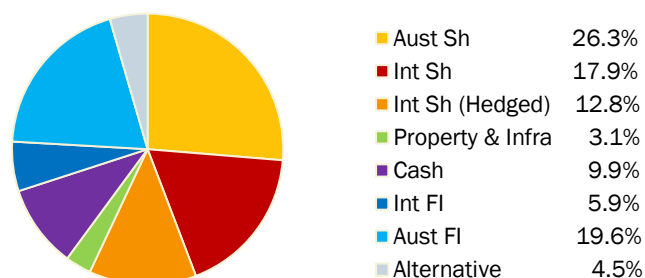
Bendigo Defensive Wholesale Fund



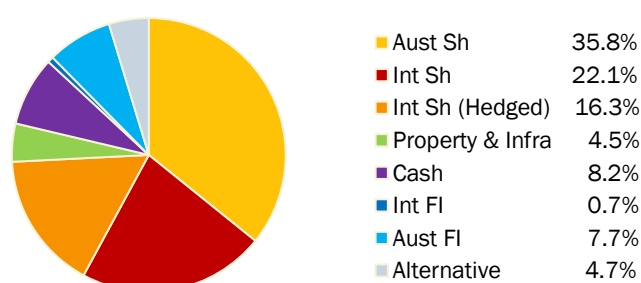
Bendigo Conservative Wholesale Fund



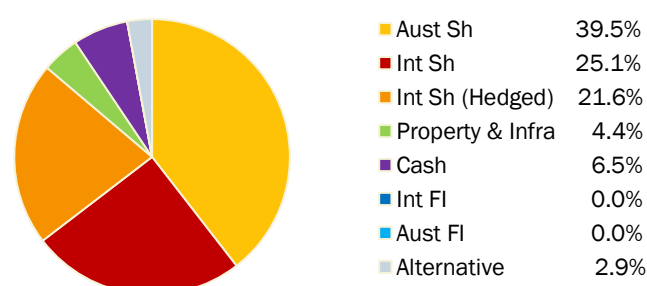
Bendigo Balanced Wholesale Fund



Bendigo Growth Wholesale Fund



Bendigo High Growth Wholesale Fund



Unit prices

as at 31 March 2021	Application price	Withdrawal price
Bendigo Defensive Wholesale Fund	\$1.12717	\$1.12413
Bendigo Conservative Wholesale Fund	\$1.13618	\$1.13255
Bendigo Balanced Wholesale Fund	\$1.09693	\$1.09321
Bendigo Growth Wholesale Fund	\$1.05707	\$1.05285
Bendigo High Growth Wholesale Fund	\$1.48899	\$1.48215

Quarterly commentary

Performance

The Funds' performance was mixed against the peer group for the quarter ended March, however, all risk profiles have strongly outperformed their respective peer groups over the 1 year period. In an environment of rising bond yields an overweight to growth equities detracted from relative performance over the period. This is because growth equities are typically longer duration relative to value stocks which are expected to deliver cashflows in the shorter term and trade at lower multiples. Pleasingly, Antipodes, our pragmatic value manager outperformed the benchmark over the quarter. Reflecting on the past decade, growth has vastly outperformed value due to faster growth of corporate earnings and low interest rates as a result of low inflation. Over the 1 year period, overweights to growth equities significantly benefitted the funds as growth sectors such as technology were the biggest beneficiaries of the coronavirus lockdowns.

Economic

Risk assets continued their strong run through the three months ending March 31. Twelve months on from the lows of March 2020, markets have been buoyed by oversized global fiscal and monetary stimulus efforts and vaccine rollouts. Economic conditions have rebounded, and several economic prints are now at all-time highs, a reflection of the success of efforts made to negate the adverse financial impacts of economic lockdowns during 2020.

Around the globe, forecasts of economic growth for the next 12-to-24-month periods have been upgraded. The IMF expects the world economy to expand 6% in 2021, up from the 5.5% it had forecast in January. This would represent the fastest expansion for the global economy in IMF records dating back to 1980. In 2022, the IMF predicts, international economic growth will decelerate but maintain above average growth of 4.4%.

Despite employment data improving in Australia, the RBA minutes revealed substantial progress is still required to achieve full employment goals. The committee also expects inflation in the short term but is viewing it as transitional and does not expect to need to raise rates until 2024 at the earliest. This view is consistent across the globe with central banks committed to supporting economies until targets of full employment and inflation are achieved.

This expansionary economic backdrop and contained inflation expectations bodes well for risk assets albeit some caution is required in pockets of the market that have appreciated into speculative territory. The investment team is positive on markets given improving economic conditions and recently announced further fiscal and monetary support that will continue to underpin the world economy. The team continues to monitor valuations and indicators of inflation to determine if rising inflation is cyclical or structural in nature.

Do you have any questions?

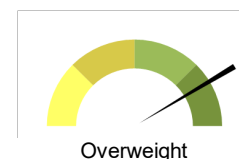
For further information contact us on 1800 634 969 or visit www.sandhursttrustees.com.au

Asset positioning commentary

Given global central bank and governments desire to increase inflation and growth is playing out in accommodative monetary policy conditions and fiscal spending programs, we believe the path to higher inflation is base case rather than a low probability. Hence, we believe the current appropriate mix includes a material allocation to inflation linked bonds, resources (Australian equities), gold and emerging market equities.

Australian Shares

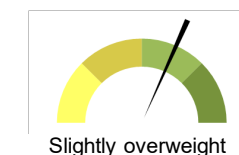
We currently hold an overweight position in Australian equities. We believe the Australian economy is a beneficiary of the global recovery which is seeing a political focus on large scale infrastructure programs. The global increase in capital expenditure is directly benefiting Australian mining companies, in which have performed strongly over recent months. We expect a continued focus from governments around the world to boost economic activity which should continue to be supportive of Australian companies.



International Shares

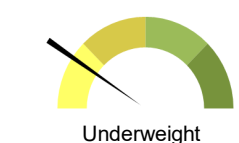
We are currently slightly overweight global equities with a preference to smaller capitalisation stocks and emerging markets. The current economic backdrop is shifting from a consensus low and falling inflation, to a rising inflationary period. In this environment emerging markets tend to outperform due to the weakness in the USD and the stronger economic activity positively impacting emerging markets.

Hedge ratio 62% of OS equities



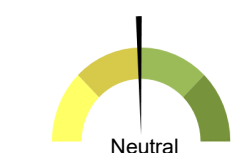
Property & Infrastructure

We currently hold minimum weights in Australian listed property and infrastructure. We believe commercial property is faced with technology headwinds to the sectors of retail and office, with the continual advancement of ecommerce and the movement to working from home arrangements. Whilst pricing is somewhat reflective of these forces, we believe the upside in this asset class is limited. Additionally, relative to other growth investments, property and infrastructure perform best in falling rate environments, in which does not reconcile with our view for rising inflation and long-term interest rates.



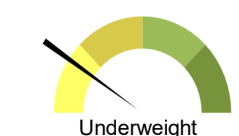
Fixed Income

We continue to hold a neutral position within fixed income with a bias towards inflation linked bonds. We believe the current environment of excessive money printing and large fiscal spending places risks of inflation over the medium term. Given low and negative interest rates globally, we believe fixed government bonds provide little benefit within a diversified portfolio. Globally, central banks are committing to holding rates lower until inflation and employment are persistently higher. With the combination of higher inflation and interest rates held low, this provides a positive backdrop for inflation linked bonds to provide good returns.



Cash

Cash is used as a balancing item based on views of other asset classes.



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. 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 Defensive Wholesale Fund received a 4-Star Overall Morningstar Rating™ out of 24 Multisector Conservative funds as of 31 March 2021. In the Morningstar Multisector Conservative Category, the Bendigo Defensive Wholesale Fund 5 year return was ranked 4 out of 24 funds as of 31 March 2021. Source: www.morningstar.com.au/Funds/FundReport/19293

Bendigo Conservative Wholesale Fund received a 5-Star Overall Morningstar Rating™ out of 121 Multisector Moderate funds as of 31 March 2021. In the Morningstar Multisector Moderate Category, the Bendigo Conservative Wholesale Fund 5 year return was ranked 7 out of 116 funds as of 31 March 2021. Source: www.morningstar.com.au/Funds/FundReport/13196

Bendigo Balanced Wholesale Fund received a 5-Star Overall Morningstar Rating™ out of 125 Multisector Balanced funds as of 31 March 2021. In the Morningstar Multisector Balanced Category, the Bendigo Balanced Wholesale Fund 5 year return was ranked 13 out of 115 funds as of 31 March 2021. Source: www.morningstar.com.au/Funds/FundReport/13195

Bendigo Growth Wholesale Fund received a 5-Star Overall Morningstar Rating™ out of 198 Multisector Growth funds as of 31 March 2021. In the Morningstar Multisector Growth Category, the Bendigo Growth Wholesale Fund 5 year return was ranked 23 out of 191 funds as of 31 March 2021. Source: www.morningstar.com.au/Funds/FundReport/13197

Bendigo High Growth Wholesale Fund received a 4-Star Overall Morningstar Rating™ out of 133 Multisector Aggressive funds as of 31 March 2021. In the Morningstar Multisector Aggressive Category, the Bendigo High Growth Wholesale Fund 5 year return was ranked 33 out of 123 funds as of 31 March 2021. Source: www.morningstar.com.au/Funds/FundReport/19294

'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.

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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, any Bendigo Bank branch or by phoning 1800 634 969 before making an investment decision.

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

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