

Fund update - March 2022

Investment approach

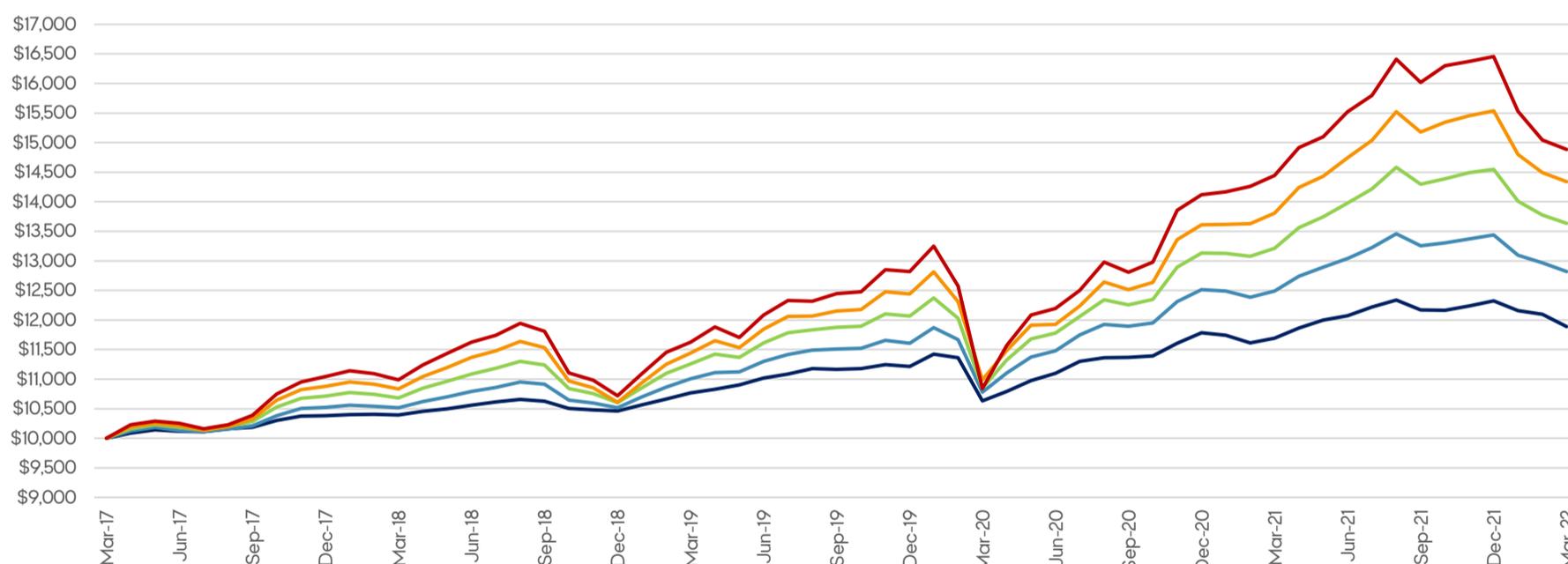
Each Fund invests via a selection of expert asset managers that specialise in managing specific asset classes. Sandhurst will invest the Fund's assets across a variety of asset classes. Together through the selection of expert asset managers and the asset allocation, Sandhurst will seek to meet or exceed 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 performance¹ as at 31 March 2022

	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 / 19	-3.52 -2.97	1.67 -0.48	3.36 1.91	3.52 2.55	\$34.51
Bendigo Conservative Wholesale Fund <i>Peer Comparison</i>	★★★★★	4 / 104	-4.64 -3.02	2.62 1.72	5.22 3.13	5.09 3.48	\$157.49
Bendigo Balanced Wholesale Fund <i>Peer Comparison</i>	★★★★★	6 / 110	-6.28 -2.50	3.19 4.82	6.60 5.39	6.40 5.29	\$197.98
Bendigo Growth Wholesale Fund <i>Peer Comparison</i>	★★★★	28 / 172	-7.72 -3.33	3.86 6.57	7.82 6.90	7.47 6.57	\$81.78
Bendigo High Growth Wholesale Fund <i>Peer Comparison</i>	★★★	62 / 124	-9.53 -3.51	3.07 9.14	8.60 9.00	8.28 8.41	\$44.78

An example of how your investment grows

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

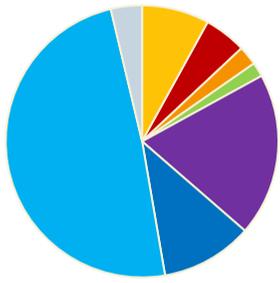


Fund Facts

	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	0.61 % p.a.	+0.12%/-0.15%
Bendigo Conservative Wholesale Fund	STL0012AU	6 June 2002	Half yearly	CPI + 2%	3 years +	Low to medium	0.75% p.a.	+0.15%/-0.17%
Bendigo Balanced Wholesale Fund	STL0013AU	6 June 2002	Half yearly	CPI + 3%	4 years +	Medium	0.86% p.a.	+0.17%/-0.17%
Bendigo Growth Wholesale Fund	STL0014AU	6 June 2002	Half yearly	CPI + 4%	5 years +	Medium to high	0.97% p.a.	+0.20%/-0.20%
Bendigo High Growth Wholesale Fund	STL0030AU	30 Sept 2011	Half yearly	CPI + 5%	7 years +	High	1.06% p.a.	+0.23%/-0.23%

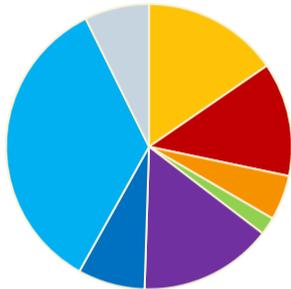
Asset allocation

Bendigo Defensive Wholesale Fund



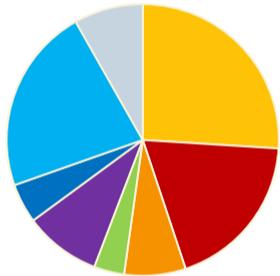
Aust Sh	8.0%
Int Sh	5.0%
Int Sh (Hedged)	2.3%
Property & Infra	1.7%
Cash	19.4%
Int FI	10.9%
Aust FI	49.0%
Alternative	3.7%

Bendigo Conservative Wholesale Fund



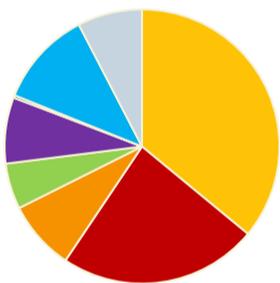
Aust Sh	15.4%
Int Sh	12.9%
Int Sh (Hedged)	5.1%
Property & Infra	2.0%
Cash	15.1%
Int FI	7.6%
Aust FI	34.6%
Alternative	7.3%

Bendigo Balanced Wholesale Fund



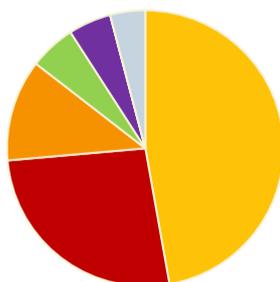
Aust Sh	26.0%
Int Sh	18.9%
Int Sh (Hedged)	7.3%
Property & Infra	3.6%
Cash	9.1%
Int FI	4.7%
Aust FI	22.2%
Alternative	8.2%

Bendigo Growth Wholesale Fund



Aust Sh	36.0%
Int Sh	23.4%
Int Sh (Hedged)	8.2%
Property & Infra	5.4%
Cash	7.8%
Int FI	0.3%
Aust FI	11.3%
Alternative	7.6%

Bendigo High Growth Wholesale Fund



Aust Sh	47.2%
Int Sh	26.4%
Int Sh (Hedged)	11.9%
Property & Infra	5.4%
Cash	5.0%
Int FI	0.0%
Aust FI	0.0%
Alternative	4.1%

Unit prices

as at 31 March 2022

	Application price	Withdrawal price
Bendigo Defensive Wholesale Fund	\$1 .05901	\$1 .0561 6
Bendigo Conservative Wholesale Fund	\$1 .04923	\$1 .04587
Bendigo Balanced Wholesale Fund	\$1 .01 508	\$1 .01 1 64
Bendigo Growth Wholesale Fund	\$0.96581	\$0.961 95
Bendigo High Growth Wholesale Fund	\$1 .36336	\$1 .3571 1

Quarterly commentary

Performance

The majority of risk profile funds underperformed the Morningstar peer group over the period, falling short of our expectations. Leading to the result was the on-aggregate underperformance of our Australian and global equity managers. The Funds have held tactical positions in inflation linked bonds, gold, energy and cash, all of which aided given their inflation hedge dynamics. However, the underperformance from the Funds growth equity managers and the lack of protection from our defensive equity managers, led to on-aggregate low returns.

The past quarter has seen a large divergence from the type of investments that worked well over the past decade, with resources now outperforming technology companies. Over the quarter we have acted to down weight underlying managers that we believe are not adapting to the changing environment and introduced several new exposures such as healthcare, consumer staples, energy and increased weights to gold and defensive equity managers in AB Managed Volatility.

Economic

Markets were generally weaker through the March quarter as inflation concerns and the Ukraine Russia conflict dragged on investor sentiment. Bond yields rose strongly with the Australian Government 10-year bond entering the calendar year at 1.67% before closing the March quarter at 2.84%. Equity markets outside of commodities were weaker, in particular high growth technology companies, which fell substantially on the back of rising inflation and bond yields. The Australian share market fared much better relative to other regions, with European markets heavily impacted by rising energy costs and US markets dragged down by a re-rating of growth companies.

Holding up the Australian sharemarket was the high exposure of the index to resource stocks, with BHP rising 30% for the quarter. Over the past decade resource companies globally have been cautious on expansion spending and hence there is a broad lack of supply of many key commodities. With the economy shifting to cleaner energy, demand is strong for commodities in a tight supply market. Adding fuel to the fire is the Ukraine Russia conflict, in which commodities produced in these regions have added to supply shortages. These impacts have played out in bond markets, with rises in yield curves reflecting the inflation impacts of tight commodity supply.

Looking forward global equities face multiple headwinds. Recession is now looming over Europe, and increased costs on everyday goods is sure to weigh on consumer demand, resulting in potential lower earnings for corporates. Equity markets relative to historical levels are expensive and the US Federal Reserve is set to raise interest rates, withdrawing liquidity from the market, in a period where share prices are looking vulnerable. The bright areas include commodities and energy, and consumer staples. With rates now materially higher, returns are more attractive across fixed income markets.

Do you have any questions?

For further information contact us on 1800 634 969 or visit our website: www.bendigobank.com.au/managedfunds

Asset positioning commentary

Our outlook for the global economy is continued stubborn inflation combined with the withdrawal of liquidity by central banks. The outcome of this is likely to be troublesome for equity prices over the upcoming six months, particularly companies that are richly priced for growth. Overall, the Funds are tilted towards an inflationary environment with the combination of inflation linked bonds, gold and commodity equities. The Funds also hold defensive positions being underweight equities, with a bias towards defensive investments such as global infrastructure.

Australian Shares

Over the quarter we moved to an overweight exposure to Australian Equities. We favour the commodity exposure that the benchmark index provides, in which we believe due to factors such as the under investment in resources and energy over the past decade coupled with ongoing demand, should hold well for these investments. Observations over the period from market movements indicate a strong support for our domestic market from offshore investors, in which daily price movements have been much less volatile than offshore markets. The Australian sharemarket, on relative perspective, has benefited from the Ukraine Russia conflict, in which this has lifted commodity prices globally.



Overweight

International Shares

We hold an underweight exposure to global equities. The global equity benchmark is predominately made up of US and European equities. European markets are heavily impacted by the Russian Ukraine situation, in which they are experiencing troublesome inflation led by soaring energy costs. The US market trades at premium price relative to earnings, in which high priced equities are more sensitive to rises in inflation and interest rates. We currently hold 50% hedged position on our offshore global equity exposures, in which we have lifted over the period due to our positive outlook on commodity prices moving the Australian dollar higher.

Hedge ratio 50% of OS equities



Underweight

Property & Infrastructure

Over the period we have lifted our exposure to global infrastructure to approximately 5% of total assets. This asset class possesses strong defensive characteristics with inflation linked revenues. Given our cloudy outlook for the economy and markets moving forward, we feel this exposure will add to performance. We currently have little holdings in listed property given it generally does not perform well in rising rate environments.



Slightly overweight

Fixed Income

Overall we hold a slight underweight exposure to fixed income. The majority of our duration exposure sits within inflation Australian linked bonds. We believe that these are attractively priced given the risk that inflation could rise significantly given disruptions from the Ukraine Russian conflict and lockdowns in China.



Slightly underweight

Alternatives

Over the quarter we increased our exposure to alternatives, in particular gold. We see gold as a good hedge in the portfolio, in which it can work in a rapidly rising inflationary environment and further in a market where risk assets are sold down.



Overweight

Cash

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



Slightly overweight

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 19 Multisector Conservative funds as of 31 March 2022. In the Morningstar Multisector Conservative Category, the Bendigo Defensive Wholesale Fund 5 year return was ranked 4 out of 19 funds as of 31 March 2022. Source: www.morningstar.com.au/Funds/FundReport/19293

Bendigo Conservative Wholesale Fund received a 5-Star Overall Morningstar Rating™ out of 106 Multisector Moderate funds as of 31 March 2022. In the Morningstar Multisector Moderate Category, the Bendigo Conservative Wholesale Fund 5 year return was ranked 4 out of 104 funds as of 31 March 2022. Source: www.morningstar.com.au/Funds/FundReport/13196

Bendigo Balanced Wholesale Fund received a 5-Star Overall Morningstar Rating™ out of 116 Multisector Balanced funds as of 31 March 2022. In the Morningstar Multisector Balanced Category, the Bendigo Balanced Wholesale Fund 5 year return was ranked 6 out of 110 funds as of 31 March 2022. Source: www.morningstar.com.au/Funds/FundReport/13195

Bendigo Growth Wholesale Fund received a 4-Star Overall Morningstar Rating™ out of 178 Multisector Growth funds as of 31 March 2022. In the Morningstar Multisector Growth Category, the Bendigo Growth Wholesale Fund 5 year return was ranked 28 out of 172 funds as of 31 March 2022. Source: www.morningstar.com.au/Funds/FundReport/13197

Bendigo High Growth Wholesale Fund received a 3-Star Overall Morningstar Rating™ out of 129 Multisector Aggressive funds as of 31 March 2022. In the Morningstar Multisector Aggressive Category, the Bendigo High Growth Wholesale Fund 5 year return was ranked 62 out of 124 funds as of 31 March 2022. 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.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

The information is current as at 31 March 2022 (unless stated otherwise) and is subject to change without notice.