

Monthly fund update - May 2020

Investment approach

Each Fund invests via a selection of high quality, specialist investment managers across a variety of asset classes. Each Fund's investment portfolio is constructed in a manner that Sandhurst believes will meet 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), where inflation is measured by the Australian Consumer Price Index (CPI).

Fund performance¹

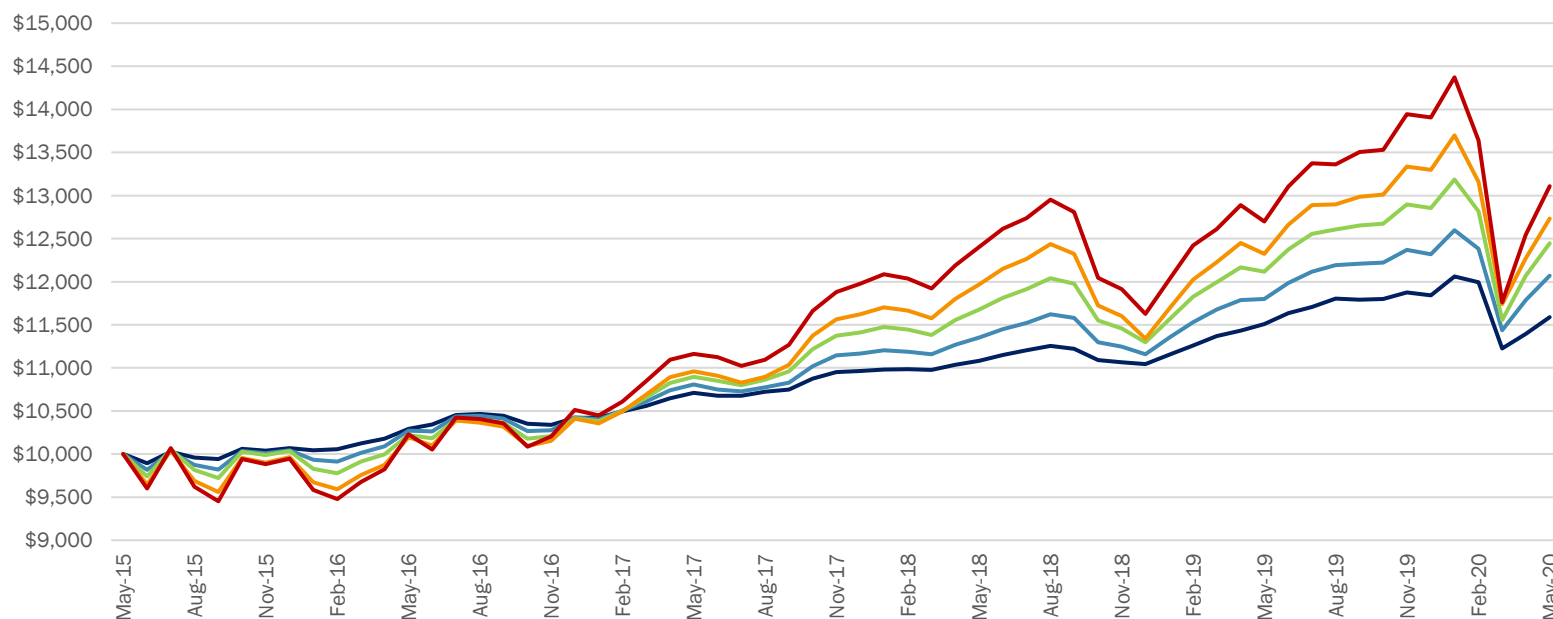
as at 31 May 2020

	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	★★★	6 / 17	-3.37	0.71	2.66	2.99	\$37.00
<i>Peer Comparison</i>			-1.99	1.33	2.78	2.82	
Bendigo Conservative Wholesale Fund	★★★★★	16 / 123	-2.50	2.30	3.76	3.84	\$160.94
<i>Peer Comparison</i>			-2.62	0.98	2.91	2.92	
Bendigo Balanced Wholesale Fund	★★★★★	12 / 117	-2.90	2.73	4.53	4.47	\$185.07
<i>Peer Comparison</i>			-4.01	-0.05	3.27	3.42	
Bendigo Growth Wholesale Fund	★★★★	25 / 200	-3.25	3.30	5.12	4.95	\$71.95
<i>Peer Comparison</i>			-5.13	-0.55	3.62	3.79	
Bendigo High Growth Wholesale Fund	★★★★★	13 / 123	-3.90	3.24	5.50	5.56	\$23.03
<i>Peer Comparison</i>			-6.55	-1.52	3.91	4.12	

An example of how your investment grows

Growth of \$10,000 over 5 years¹

(Based on historic Fund performance over 5 years)

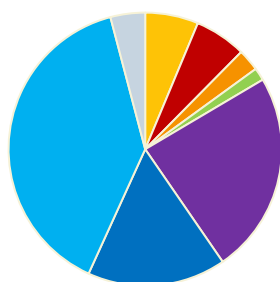


Fund Facts

	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	0.60% p.a.	+0.10%/-0.32%
Bendigo Conservative Wholesale Fund	STL0012AU	6 June 2002	Half yearly	CPI + 2%	3 years +	Low to medium	0.72% p.a.	+0.14%/-0.34%
Bendigo Balanced Wholesale Fund	STL0013AU	6 June 2002	Half yearly	CPI + 3%	4 years +	Medium	0.82% p.a.	+0.16%/-0.28%
Bendigo Growth Wholesale Fund	STL0014AU	6 June 2002	Half yearly	CPI + 4%	5 years +	Medium to high	0.92% p.a.	+0.19%/-0.23%
Bendigo High Growth Wholesale Fund	STL0030AU	30 Sept 2011	Half yearly	CPI + 5%	7 years +	High	0.99% p.a.	+0.21%/-0.20%

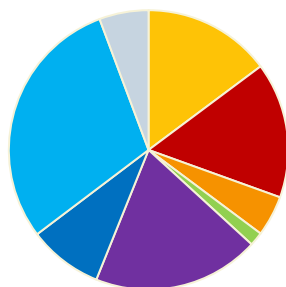
Asset allocation

Bendigo Defensive Wholesale Fund



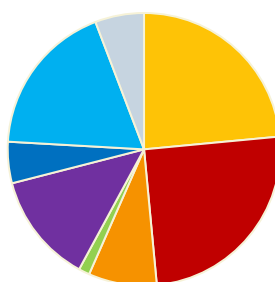
Aust Sh	6.3%
Int Sh	6.1%
Int Sh (Hedged)	2.6%
Property & Infra	1.5%
Cash	23.9%
Int FI	16.4%
Aust FI	39.1%
Alternative	4.1%

Bendigo Conservative Wholesale Fund



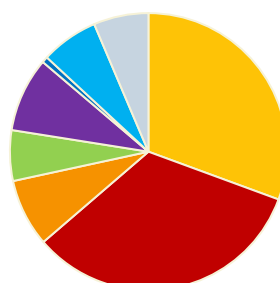
Aust Sh	14.8%
Int Sh	15.7%
Int Sh (Hedged)	4.7%
Property & Infra	1.6%
Cash	19.3%
Int FI	8.6%
Aust FI	29.6%
Alternative	5.7%

Bendigo Balanced Wholesale Fund



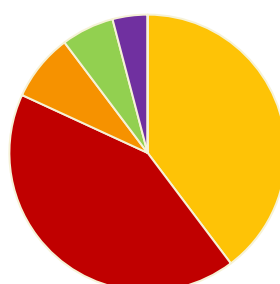
Aust Sh	23.5%
Int Sh	25.0%
Int Sh (Hedged)	8.1%
Property & Infra	1.3%
Cash	13.1%
Int FI	4.9%
Aust FI	18.3%
Alternative	5.8%

Bendigo Growth Wholesale Fund



Aust Sh	30.6%
Int Sh	33.1%
Int Sh (Hedged)	7.9%
Property & Infra	5.9%
Cash	8.7%
Int FI	0.7%
Aust FI	6.7%
Alternative	6.4%

Bendigo High Growth Wholesale Fund



Aust Sh	37.9%
Int Sh	40.2%
Int Sh (Hedged)	7.5%
Property & Infra	5.9%
Cash	3.9%
Int FI	0.0%
Aust FI	0.0%

Unit prices

as at 31 May 2020

	Application price	Withdrawal price
Bendigo Defensive Wholesale Fund	\$1.08867	\$1.08410
Bendigo Conservative Wholesale Fund	\$1.06674	\$1.06163
Bendigo Balanced Wholesale Fund	\$0.99680	\$0.99242
Bendigo Growth Wholesale Fund	\$0.94439	\$0.94043
Bendigo High Growth Wholesale Fund	\$1.28518	\$1.27993

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

Performance commentary

Over the month the suite of funds performed strongly on an absolute basis and relative to peers, as strong performing equity markets lifted returns. The Funds benefited from both strong performance from our active managers and asset allocation positions in inflation linked bonds. Through the March period we accumulated meaningful positions in inflation linked bonds as expectations for inflation fell to zero over the medium and longer term. During May these exposures benefited from a more positive outlook on the economy which saw inflation expectations rise over the period.

The Funds are currently positioned neutral on growth to defensive investments and hold downside protection through US treasuries, gold and US dollar global equity exposure.

Economic commentary

Risk assets performed strongly over the month of May with Australian equities lifting 4.6% (S&P ASX 300 accumulation index) while developed world global equities returned 4.7% (MSCI World ex Australia hedged total return index).

Driving risk assets higher was optimism regarding the falling COVID-19 case count as well as the large monetary stimulus provided by central banks around the world. Over the period the US Federal Reserve stepped up its quantitative easing program extending into corporate credit which in effect lowers the cost of borrowing for corporate entities. The program injected liquidity back into these stressed markets, whilst also buoying the price of risk assets such as equities. The US Federal Reserve has stressed their commitment to use these powers forcefully until they are confident on the road to recovery. Given this, market dynamics are demonstrating a breakdown in fundamentals to equity prices, with a meaningful increase in the price of shares without the corresponding increase in company earnings.

Within Australia, March GDP indicated a contraction, meaning Australia will record its first recession since 1986 given the sharp fall in economic growth expected in the quarter ending June. Australia has been one of the largest spenders on COVID-19 stimulus per GDP in the developed world, however the majority of stimulus plus support from early access of super and delayed mortgage payments are looking to conclude in the last quarter of this year. This obvious fiscal cliff is well known by the government and RBA, in which additional measures will need to be in place to support the economy through this transition.

Looking forward, markets are at the mercy of central banks and government support programs and will react accordingly to policy announcements. The road ahead is likely to be a volatile one, in which holds little resemblance to previous economic and market conditions.

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 3-Star Overall Morningstar Rating™ out of 17 Multisector Conservative funds as of 31 May 2020 and a 3-Star Five year rating out of 17 Multisector Conservative funds as of 31 May 2020. Source: www.morningstar.com.au/Funds/FundReport/19293

Bendigo Conservative Wholesale Fund received a 5-Star Overall Morningstar Rating™ out of 130 Multisector Moderate funds as of 31 May 2020 and a 4-Star Five year rating out of 123 Multisector Moderate funds as of 31 May 2020. Source: www.morningstar.com.au/Funds/FundReport/13196

Bendigo Balanced Wholesale Fund received a 5-Star Overall Morningstar Rating™ out of 126 Multisector Balanced funds as of 31 May 2020 and a 4-Star Five year rating out of 117 Multisector Balanced funds as of 31 May 2020. Source: www.morningstar.com.au/Funds/FundReport/13195

Bendigo Growth Wholesale Fund received a 4-Star Overall Morningstar Rating™ out of 207 Multisector Growth funds as of 31 May 2020 and a 4-Star Five year rating out of 200 Multisector Growth funds as of 31 May 2020. Source: www.morningstar.com.au/Funds/FundReport/13197

Bendigo High Growth Wholesale Fund received a 5-Star Overall Morningstar Rating™ out of 133 Multisector Aggressive funds as of 31 May 2020 and a 5-Star Five year rating out of 123 Multisector Aggressive funds as of 31 May 2020. Source: 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. 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 May 2020 (unless stated otherwise) and is subject to change without notice.

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