

Monthly fund update - October 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 performance¹

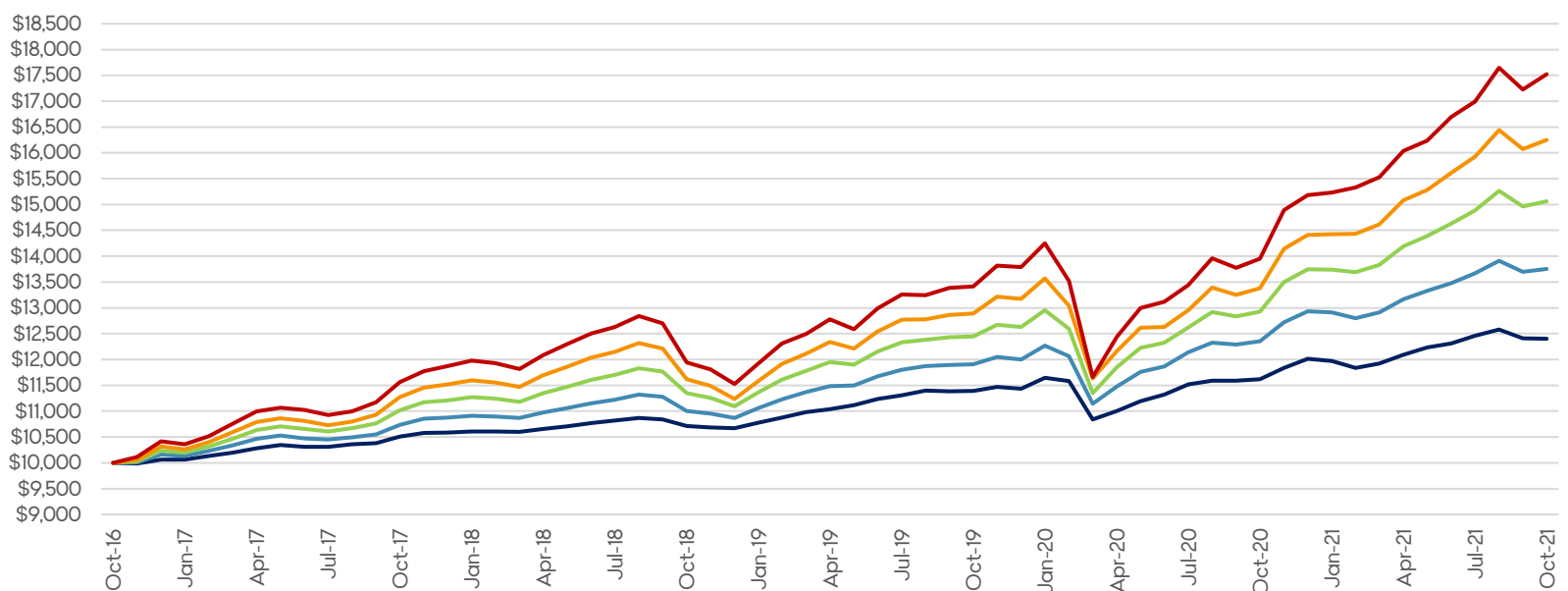
as at 31 October 2021

	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	★★★★	4 / 20	-0.47	6.77	5.01	4.40	\$36.49
<i>Peer Comparison</i>			-1.43	3.44	3.57	3.20	
Bendigo Conservative Wholesale Fund	★★★★★	2 / 105	0.62	11.34	7.72	6.58	\$167.39
<i>Peer Comparison</i>			-0.67	7.48	4.94	4.39	
Bendigo Balanced Wholesale Fund	★★★★★	5 / 110	1.21	16.51	9.90	8.54	\$211.25
<i>Peer Comparison</i>			-0.17	14.09	7.24	6.44	
Bendigo Growth Wholesale Fund	★★★★★	6 / 173	2.04	21.44	11.84	10.20	\$87.81
<i>Peer Comparison</i>			0.48	19.63	9.01	8.15	
Bendigo High Growth Wholesale Fund	★★★★★	17 / 123	3.15	25.59	13.64	11.87	\$49.48
<i>Peer Comparison</i>			1.04	26.94	11.37	10.49	

An example of how your investment grows

Growth of \$10,000 over 5 years¹

(Based on historic Fund performance over 5 years)

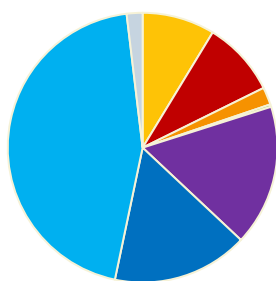


Fund Facts

	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%

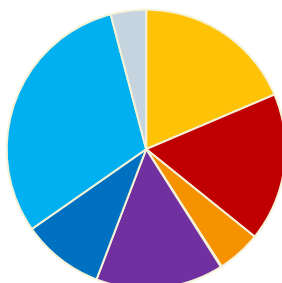
Asset allocation

Bendigo Defensive Wholesale Fund



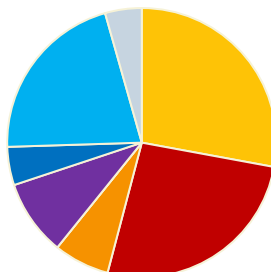
Aust Sh	8.7%
Int Sh	9.0%
Int Sh (Hedged)	2.1%
Property & Infra	0.3%
Cash	16.9%
Int FI	16.3%
Aust FI	44.8%
Alternative	1.9%

Bendigo Conservative Wholesale Fund



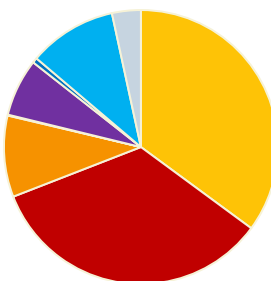
Aust Sh	18.6%
Int Sh	17.2%
Int Sh (Hedged)	5.1%
Property & Infra	0.1%
Cash	14.8%
Int FI	9.5%
Aust FI	30.6%
Alternative	4.1%

Bendigo Balanced Wholesale Fund



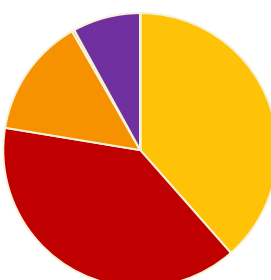
Aust Sh	27.9%
Int Sh	26.2%
Int Sh (Hedged)	6.7%
Property & Infra	0.0%
Cash	9.1%
Int FI	4.6%
Aust FI	21.1%
Alternative	4.4%

Bendigo Growth Wholesale Fund



Aust Sh	35.1%
Int Sh	34.0%
Int Sh (Hedged)	9.6%
Property & Infra	0.1%
Cash	6.8%
Int FI	0.6%
Aust FI	10.4%
Alternative	3.4%

Bendigo High Growth Wholesale Fund



Aust Sh	38.5%
Int Sh	39.1%
Int Sh (Hedged)	14.1%
Property & Infra	0.3%
Cash	8.0%
Int FI	0.0%
Aust FI	0.0%
Alternative	0.0%

Unit prices

as at 31 October 2021

	Application price	Withdrawal price
Bendigo Defensive Wholesale Fund	\$1.08836	\$1.08542
Bendigo Conservative Wholesale Fund	\$1.09325	\$1.08976
Bendigo Balanced Wholesale Fund	\$1.07466	\$1.07102
Bendigo Growth Wholesale Fund	\$1.03569	\$1.03155
Bendigo High Growth Wholesale Fund	\$1.49468	\$1.48782

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.bendigobank.com.au/managedfunds

Performance commentary

Returns for the month ending October were strong with all risk profiles outperforming their relative peer groups. An underweight to government bonds benefitted the funds as bond yields rose over the month. Inflation expectations picked up in October and bonds sold off as CPI data remains elevated indicating some of the transitory inflationary forces will persist for longer than expected. Performance amongst the Funds active managers were mixed. On the positive side of the ledger, Ausbil global resources outperformed given their battery metal and energy commodity exposures. Fidelity Asia detracted from returns as negative investor sentiment towards China weighed down the asset class. The Funds maintain an overweight to global developed world equities which continue to be underpinned by earnings growth at a premium to rest of world equities due to accelerated vaccine access and economic reopening.

Economic commentary

October was a mixed month for asset returns. On the growth side of the ledger, developed world equities (measured by the MSCI World Ex Australia index) returned 1.7%, as corporate earnings were stronger than expected. As of writing, US corporates have reported double digit earnings growth despite fears of rising inflation and pressure on profit margins. Conversely, fixed interest investments came under pressure due to rising bond yields.

Central banks' stance that higher inflation is largely transitory was challenged by the bond market in October as selling resulted in yields moving higher. Annual CPI prints have risen to levels that are now within or above target bands of many central banks (2-3%). Higher energy prices, housing costs and supply chain constraints have played a role in driving expectations for further tapering of bond purchases and cash rate movements earlier than previously thought. Australian bonds, as measured by the Bloomberg Ausbond Govt 0+ Year Index, returned -3.6% in October.

China's engineered economic slowdown continues to concern investors. This coupled with fears of a potential Evergrande (property developer) collapse saw the China dominated MSCI Emerging Market index fall 2.9% in October. Performance outcomes have diverged between developed and emerging market equities over the last 12 months. Global developed world equities have returned 31.4% while emerging market equities have returned 9.4%, opening a 22% performance gap.

Developed world equity valuations appear expensive in an absolute sense but relative to bonds are attractive. Economic growth is slowing from peak levels recorded earlier in the year while inflation prints remain elevated. Company earnings continue to surprise to the upside, while rising vaccination rates should lead to continued opening of economies, with Australia to be a notable beneficiary in the final quarter of the year. The Diversified funds are well placed to navigate through the complexities facing markets with diverse fund exposures set to benefit from a range of outcomes.

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 20 Multisector Conservative funds as of 31 October 2021. In the Morningstar Multisector Conservative Category, the Bendigo Defensive Wholesale Fund 5 year return was ranked 4 out of 20 funds as of 31 October 2021. Source: www.morningstar.com.au/Funds/FundReport/19293

Bendigo Conservative Wholesale Fund received a 5-Star Overall Morningstar Rating™ out of 107 Multisector Moderate funds as of 31 October 2021. In the Morningstar Multisector Moderate Category, the Bendigo Conservative Wholesale Fund 5 year return was ranked 2 out of 105 funds as of 31 October 2021. Source: www.morningstar.com.au/Funds/FundReport/13196

Bendigo Balanced Wholesale Fund received a 5-Star Overall Morningstar Rating™ out of 118 Multisector Balanced funds as of 31 October 2021. In the Morningstar Multisector Balanced Category, the Bendigo Balanced Wholesale Fund 5 year return was ranked 5 out of 110 funds as of 31 October 2021. Source: www.morningstar.com.au/Funds/FundReport/13195

Bendigo Growth Wholesale Fund received a 5-Star Overall Morningstar Rating™ out of 180 Multisector Growth funds as of 31 October 2021. In the Morningstar Multisector Growth Category, the Bendigo Growth Wholesale Fund 5 year return was ranked 6 out of 173 funds as of 31 October 2021. Source: www.morningstar.com.au/Funds/FundReport/13197

Bendigo High Growth Wholesale Fund received a 5-Star Overall Morningstar Rating™ out of 127 Multisector Aggressive funds as of 31 October 2021. In the Morningstar Multisector Aggressive Category, the Bendigo High Growth Wholesale Fund 5 year return was ranked 17 out of 123 funds as of 31 October 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.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 October 2021 (unless stated otherwise) and is subject to change without notice.

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