

Monthly fund update - August 2020

Investment approach

Each Fund invests via a selection of index funds that seek to track the performance of selected benchmarks for each asset class. 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).

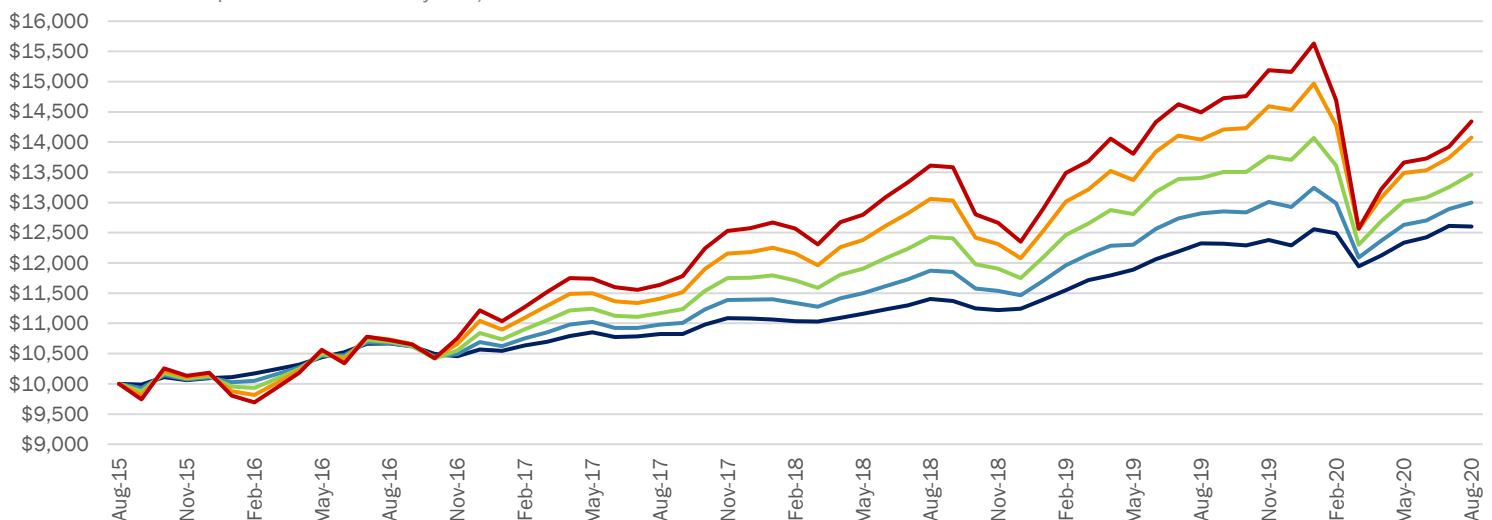
Fund performance¹

as at 31 August 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 Index Fund	★★★★★	2 / 24	2.19	2.25	5.21	4.73	\$116.46
<i>Peer Comparison</i>			1.48	0.19	3.18	3.22	
Bendigo Conservative Index Fund	★★★★★	6 / 120	2.88	1.39	5.79	5.38	\$472.17
<i>Peer Comparison</i>			1.86	0.05	3.54	3.64	
Bendigo Balanced Index Fund	★★★★★	9 / 117	3.45	0.45	6.43	6.13	\$475.98
<i>Peer Comparison</i>			2.89	-0.58	4.26	4.63	
Bendigo Growth Index Fund	★★★★★	13 / 199	4.35	0.24	7.24	7.07	\$337.38
<i>Peer Comparison</i>			3.58	-0.89	4.91	5.30	
Bendigo High Growth Index Fund	★★★★	16 / 123	4.97	-1.05	7.20	7.47	\$52.28
<i>Peer Comparison</i>			4.15	-1.56	5.43	6.06	

An example of how your investment grows

Growth of \$10,000 over 5 years¹

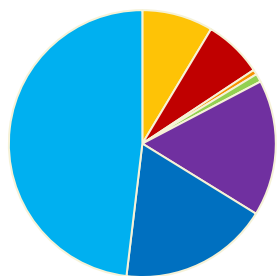
(Based on historic Fund performance over 5 years)



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 Index Fund	STL0031AU	30 Sept 2011	Half yearly	CPI + 1.5%	2 years +	Low	0.39% p.a.	+0.09%/-0.19%
Bendigo Conservative Index Fund	STL0032AU	30 Sept 2011	Half yearly	CPI + 2%	3 years +	Low to medium	0.41% p.a.	+0.08%/-0.13%
Bendigo Balanced Index Fund	STL0033AU	30 Sept 2011	Half yearly	CPI + 3%	4 years +	Medium	0.43% p.a.	+0.08%/-0.13%
Bendigo Growth Index Fund	STL0034AU	30 Sept 2011	Half yearly	CPI + 4%	5 years +	Medium to high	0.45% p.a.	+0.08%/-0.13%
Bendigo High Growth Index Fund	STL0035AU	30 Sept 2011	Half yearly	CPI + 5%	7 years +	High	0.46% p.a.	+0.08%/-0.08%

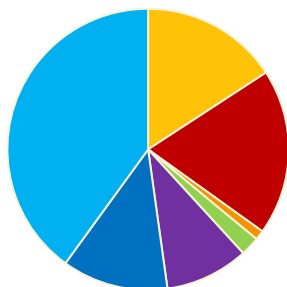
Asset allocation

Bendigo Defensive Index Fund



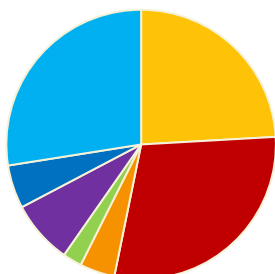
■ Aust Sh	8.6%
■ Int Sh	7.1%
■ Int Sh (Hedged)	0.6%
■ Property & Infra	1.0%
■ Cash	16.5%
■ Int FI	18.1%
■ Aust FI	48.1%

Bendigo Conservative Index Fund



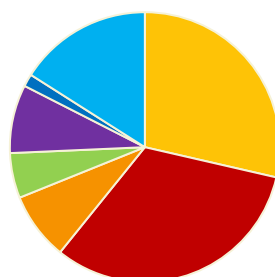
■ Aust Sh	15.8%
■ Int Sh	19.1%
■ Int Sh (Hedged)	1.1%
■ Property & Infra	2.2%
■ Cash	9.6%
■ Int FI	12.2%
■ Aust FI	40.0%

Bendigo Balanced Index Fund



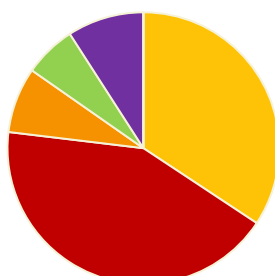
■ Aust Sh	24.1%
■ Int Sh	29.1%
■ Int Sh (Hedged)	4.2%
■ Property & Infra	2.3%
■ Cash	7.6%
■ Int FI	5.2%
■ Aust FI	27.5%

Bendigo Growth Index Fund



■ Aust Sh	28.6%
■ Int Sh	32.2%
■ Int Sh (Hedged)	8.1%
■ Property & Infra	5.4%
■ Cash	8.2%
■ Int FI	1.5%
■ Aust FI	16.0%

Bendigo High Growth Index Fund



■ Aust Sh	34.3%
■ Int Sh	42.6%
■ Int Sh (Hedged)	7.8%
■ Property & Infra	6.2%
■ Cash	9.1%
■ Int FI	0.0%
■ Aust FI	0.0%

Unit prices

as at 31 August 2020

	Application price	Withdrawal price
Bendigo Defensive Index Fund	\$1.17076	\$1.16748
Bendigo Conservative Index Fund	\$1.29439	\$1.29168
Bendigo Balanced Index Fund	\$1.40516	\$1.40222
Bendigo Growth Index Fund	\$1.54233	\$1.53909
Bendigo High Growth Index Fund	\$1.56633	\$1.56382

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

All the Bendigo Index Funds bar the defensive risk profile outperformed the Morningstar peer group over the month. Aiding performance was positions in listed global sharemarkets which rose as investors gained more confidence on the economic recovery. Detracting from performance was overweight positions in Australian inflation linked bonds which returned lower than corporate or fixed nominal bonds.

Given economic and market conditions, diversification is key. The Funds are exposed to a wide variety of currencies, geographic regions and have both deflation and inflation insurance protection through exposures in inflation linked bonds and US treasuries.

Economic commentary

Global equity markets moved higher over the month of August as broadly declining global Coronavirus cases and supportive monetary policy from the US Federal Reserve boosted risk appetite. Whilst markets face uncertainty regarding the upcoming US election, increased tensions with China and the continual threat of the virus, momentum continues to be positive for risk assets.

In Australia, August is a busy time for corporate earnings updates and while companies are generally careful to guide markets ahead of results, it is interesting to see the trends cemented in the updates. Overall, the conditions since the Coronavirus outbreak has divided many stocks, with consumer related companies such as JB Hi-Fi, Kogan, Afterpay and Bunnings Warehouse enjoying the fiscal stimulus, super withdrawals and mortgage deferrals. While travel companies, for example Qantas, Corporate Travel Management and Flight Centre face the opposite fate. Australian banks have been on the wrong side of the ledger with low interest rates eating profit margins as well as rising bad debts and constrained private credit growth. Within listed property, retail trusts such as Scentre Group have seen their price fall by over 40% for the calendar year to August, while industrial property has proven favourable in which Goodman Group is up close to 35% over this same period.

The other interesting dynamic is the current surge in US housing despite the pandemic, where a combination of improved affordability through interest rate declines, a general lack of supply and movement out of major city centres are impacting on the positive price side. This dynamic is playing out in homebuilder companies, with Australian listed building materials company James Hardie experiencing good growth. Australian mining companies have also been benefiting, with commodity prices lifting on the back of government construction programs aimed at stimulating ailing economies.

Whilst conditions have favoured some and not others, looking forward the prices of the beneficiaries reflect this reality. For active managers the easy money appears to be behind them, with the next movements in equity markets highly dependent on monetary and fiscal action. Governments so far have put aside fears of large deficits, putting to the test as to whether government deficits do not actually matter, as a rising voice of monetary theorists claim.

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 Index Fund received a 5-Star Overall Morningstar Rating™ out of 24 Multisector Conservative funds as of 31 August 2020 and a 5-Star Five year rating out of 24 Multisector Conservative funds as of 31 August 2020. Source: www.morningstar.com.au/Funds/FundReport/19288

Bendigo Conservative Index Fund received a 5-Star Overall Morningstar Rating™ out of 126 Multisector Moderate funds as of 31 August 2020 and a 5-Star Five year rating out of 120 Multisector Moderate funds as of 31 August 2020. Source: www.morningstar.com.au/Funds/FundReport/19289

Bendigo Balanced Index Fund received a 5-Star Overall Morningstar Rating™ out of 127 Multisector Balanced funds as of 31 August 2020 and a 5-Star Five year rating out of 117 Multisector Balanced funds as of 31 August 2020. Source: www.morningstar.com.au/Funds/FundReport/19290

Bendigo Growth Index Fund received a 5-Star Overall Morningstar Rating™ out of 208 Multisector Growth funds as of 31 August 2020 and a 5-Star Five year rating out of 199 Multisector Growth funds as of 31 August 2020. Source: www.morningstar.com.au/Funds/FundReport/19291

Bendigo High Growth Index Fund received a 4-Star Overall Morningstar Rating™ out of 136 Multisector Aggressive funds as of 31 August 2020 and a 4-Star Five year rating out of 123 Multisector Aggressive funds as of 31 August 2020. Source: www.morningstar.com.au/Funds/FundReport/19291

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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 August 2020 (unless stated otherwise) and is subject to change without notice.

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