

Monthly fund update - July 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).

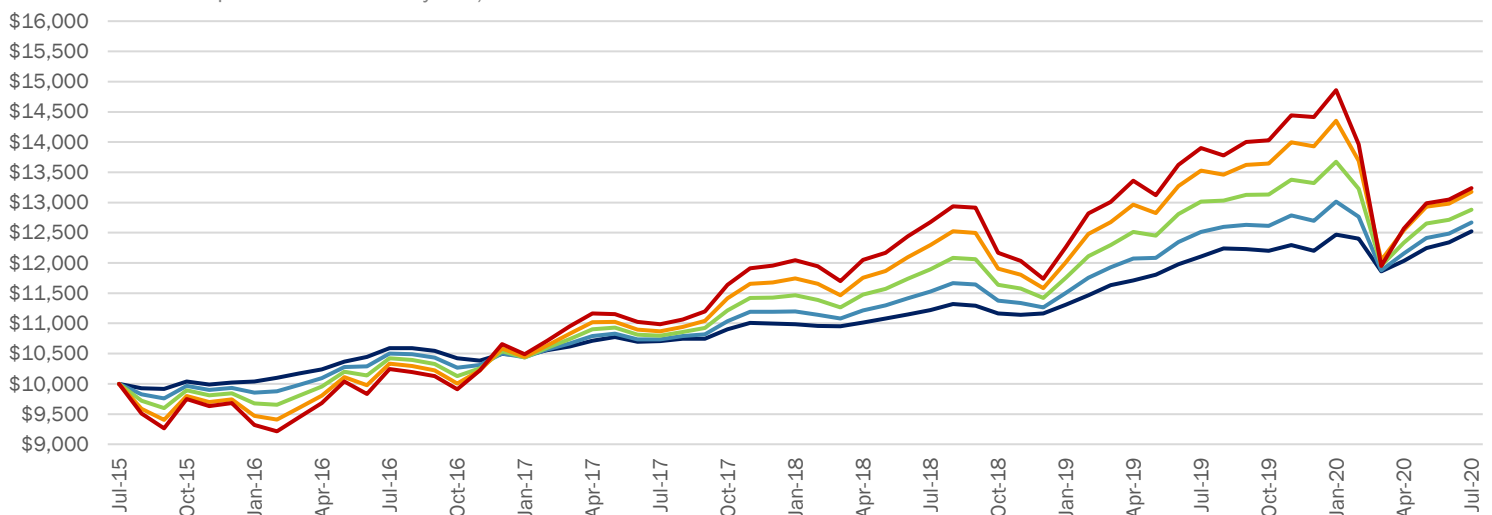
Fund performance¹

as at 31 July 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 <i>Peer Comparison</i>	★★★★★	1 / 24	4.04	3.45	5.36	4.60	\$117.39
			2.32	0.40	3.17	2.95	
Bendigo Conservative Index Fund <i>Peer Comparison</i>	★★★★★	7 / 120	4.25	1.26	5.68	4.85	\$472.08
			2.60	-0.31	3.44	3.21	
Bendigo Balanced Index Fund <i>Peer Comparison</i>	★★★★★	8 / 117	4.43	-1.02	6.06	5.20	\$469.42
			3.63	-2.23	3.89	3.75	
Bendigo Growth Index Fund <i>Peer Comparison</i>	★★★★★	13 / 196	5.03	-2.62	6.62	5.67	\$329.43
			4.20	-3.45	4.42	4.11	
Bendigo High Growth Index Fund <i>Peer Comparison</i>	★★★★	14 / 123	5.34	-4.79	6.41	5.77	\$51.26
			4.73	-5.20	4.74	4.44	

An example of how your investment grows

Growth of \$10,000 over 5 years¹

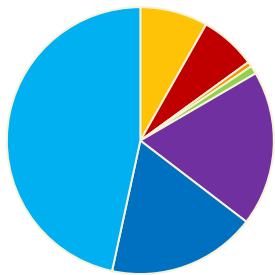
(Based on historic Fund performance over 5 years)



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.	+0.01%/-0.05%
Bendigo Conservative Index Fund	STL0032AU	30 Sept 2011	Half yearly	CPI + 2%	3 years +	Low to medium	0.41% p.a.	+0.08%/-0.17%
Bendigo Balanced Index Fund	STL0033AU	30 Sept 2011	Half yearly	CPI + 3%	4 years +	Medium	0.43% p.a.	+0.08%/-0.17%
Bendigo Growth Index Fund	STL0034AU	30 Sept 2011	Half yearly	CPI + 4%	5 years +	Medium to high	0.45% p.a.	+0.08%/-0.17%
Bendigo High Growth Index Fund	STL0035AU	30 Sept 2011	Half yearly	CPI + 5%	7 years +	High	0.46% p.a.	+0.08%/-0.08%

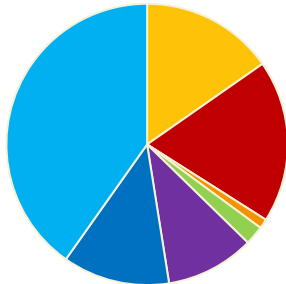
Asset allocation

Bendigo Defensive Index Fund



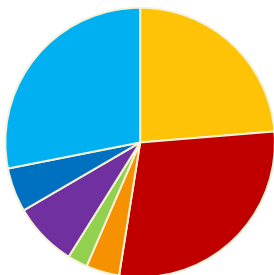
■ Aust Sh	8.2%
■ Int Sh	6.8%
■ Int Sh (Hedged)	0.6%
■ Property & Infra	1.0%
■ Cash	18.8%
■ Int FI	18.0%
■ Aust FI	46.6%

Bendigo Conservative Index Fund



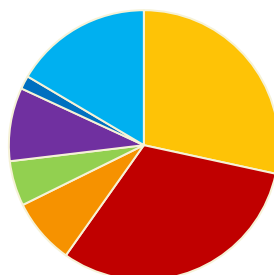
■ Aust Sh	15.3%
■ Int Sh	18.7%
■ Int Sh (Hedged)	1.1%
■ Property & Infra	2.2%
■ Cash	10.2%
■ Int FI	12.3%
■ Aust FI	40.2%

Bendigo Balanced Index Fund



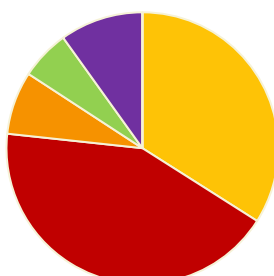
■ Aust Sh	23.7%
■ Int Sh	28.8%
■ Int Sh (Hedged)	4.0%
■ Property & Infra	2.4%
■ Cash	7.7%
■ Int FI	5.3%
■ Aust FI	28.1%

Bendigo Growth Index Fund



■ Aust Sh	28.4%
■ Int Sh	31.4%
■ Int Sh (Hedged)	7.9%
■ Property & Infra	5.4%
■ Cash	8.8%
■ Int FI	1.6%
■ Aust FI	16.5%

Bendigo High Growth Index Fund



■ Aust Sh	34.0%
■ Int Sh	42.7%
■ Int Sh (Hedged)	7.5%
■ Property & Infra	5.9%
■ Cash	9.9%
■ Int FI	0.0%
■ Aust FI	0.0%

Unit prices

as at 31 July 2020

Application price Withdrawal price

Bendigo Defensive Index Fund	\$1.16915	\$1.16845
Bendigo Conservative Index Fund	\$1.28483	\$1.28162
Bendigo Balanced Index Fund	\$1.38338	\$1.37993
Bendigo Growth Index Fund	\$1.50632	\$1.50256
Bendigo High Growth Index Fund	\$1.52108	\$1.51865

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 five Bendigo Index Funds outperformed the Morningstar peer group over the month. Aiding performance was positioning in inflation linked bonds in which falling bond yields coupled with rising inflation expectations, led our position in Australian inflation linked bonds to a strong 3.2% return over the month. Positions in emerging markets also benefited the Funds beating developed world global equities and Australian equities.

The Funds continue to hold a bias to emerging markets over developed world and a large overweight to inflation linked bonds over fixed nominal government bonds, in which we believe provides broader diversification given the uncertain times of central bank money printing.

Economic commentary

Equity markets drifted higher over the month, with emerging markets the standout. The July period is a busy time for corporate reporting in the United States, in which earnings reiterated the relative outperformance of technology companies. Given a shift to working from home and online retail, big technology companies did not disappoint, surprising on the upside. Economic developments continued to be choppy with the reopening of many economies leading to a bounce in a variety of economic conditions, although there is a lot of ground to make up.

Within Australia the RBA confirmed the cash rate will remain at 0.25% for the foreseeable future as the global economy digests one of its weakest periods since the great depression. The RBA maintains it will continue to support the bond market with targeted short end yield curve control (artificially holding rates lower). More recently the RBA's involvement in bond markets has been more muted as deflationary conditions continue to place downward pressure on bonds yields.

The AUD relative the USD has performed strongly over the past three months. The more aggressive money printing program by the Federal Reserve relative to other regions has seen the USD weaken against most developed world currencies. Further, rising commodity prices has led to some AUD outperformance given the demand for Australia's major export in iron ore.

Looking forward markets are likely to be shaped by fiscal government policy, in which high unemployment and weak economic growth are likely to continue to persist. Government budget deficits are set to expand and calls from prominent economists demanding direct money printing, are likely to have significant ramifications on markets if they prevail.

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 July 2020 and a 5-Star Five year rating out of 24 Multisector Conservative funds as of 31 July 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 July 2020 and a 5-Star Five year rating out of 120 Multisector Moderate funds as of 31 July 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 July 2020 and a 5-Star Five year rating out of 117 Multisector Balanced funds as of 31 July 2020. Source: www.morningstar.com.au/Funds/FundReport/19290

Bendigo Growth Index Fund received a 5-Star Overall Morningstar Rating™ out of 205 Multisector Growth funds as of 31 July 2020 and a 5-Star Five year rating out of 196 Multisector Growth funds as of 31 July 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 July 2020 and a 4-Star Five year rating out of 123 Multisector Aggressive funds as of 31 July 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 July 2020 (unless stated otherwise) and is subject to change without notice.

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