Bendigo Managed Wholesale Funds
Active Funds

Quarterly fund update - September 2023

Investment approach

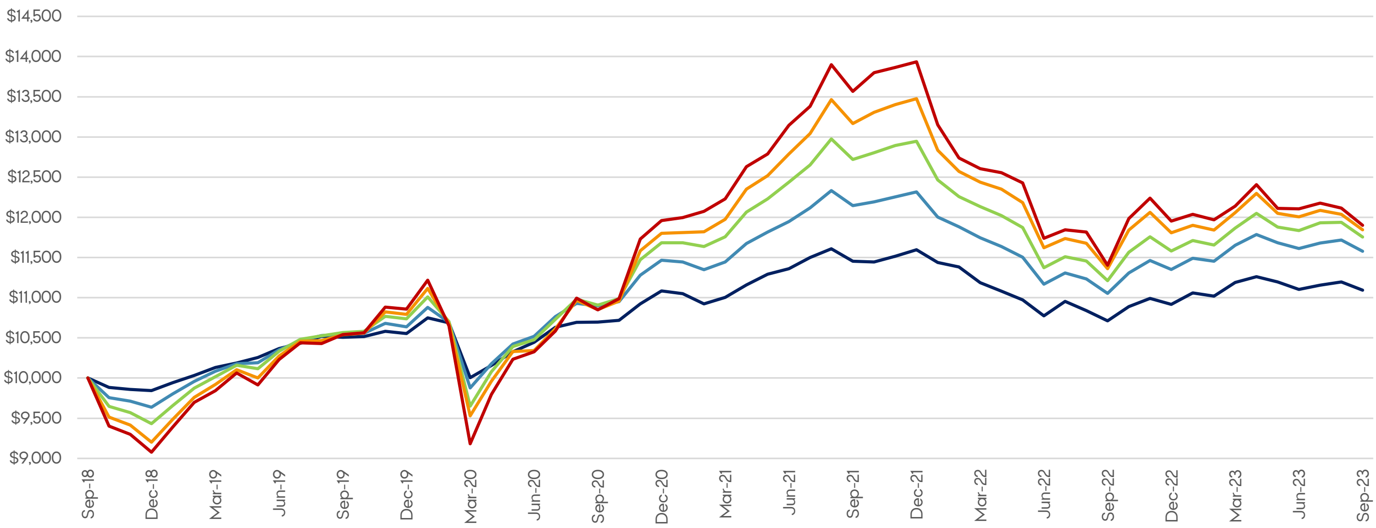
Each Fund invests via a selection of expert asset managers that specialise in managing specific asset classes. Sandhurst will invest the Fund's assets across a variety of asset classes. Together through the selection of expert asset managers and the asset allocation, Sandhurst will seek to meet or exceed 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 performance[1]
as at 30 September 2023

	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	★★★★	3 / 16	-0.10	3.57	1.22	2.10	$24.00
Peer Comparison			*-0.53*	*3.53*	*-0.17*	*1.12*	
Bendigo Conservative Wholesale Fund	★★★★	11 / 92	-0.28	4.73	2.04	2.97	$113.48
Peer Comparison			*-0.60*	*5.19*	*1.70*	*2.08*	
Bendigo Balanced Wholesale Fund	★★★	54 / 95	-0.70	4.82	2.52	3.28	$147.83
Peer Comparison			*-0.79*	*7.79*	*4.01*	*3.38*	
Bendigo Growth Wholesale Fund	★★	120 / 159	-1.34	4.27	2.97	3.45	$64.43
Peer Comparison			*-1.03*	*9.78*	*5.83*	*4.25*	
Bendigo High Growth Wholesale Fund	★★	108 / 108	-1.70	4.35	3.13	3.54	$34.17
Peer Comparison			*-0.94*	*13.43*	*8.46*	*5.55*	

An example of how your investment grows

Growth of $10,000 over 5 years[1]
(Based on historic Fund performance over 5 years)

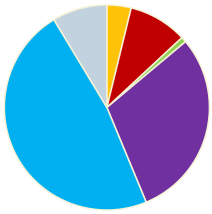


Fund Facts

	APIR Code	Fund inception date	Distribution frequency	Return objective	Recommended investment timeframe	Risk level	Management fees & costs[3]	Buy / Sell spread[3]
Bendigo Defensive Wholesale Fund	STL0029AU	30 Sept 2011	Half yearly	CPI + 1%	2 years +	Low	0.61 % p.a.	+0.10%/-0.12%
Bendigo Conservative Wholesale Fund	STL0012AU	6 June 2002	Half yearly	CPI + 2%	3 years +	Low to medium	0.73% p.a.	+0.14%/-0.15%
Bendigo Balanced Wholesale Fund	STL0013AU	6 June 2002	Half yearly	CPI + 3%	4 years +	Medium	0.83% p.a.	+0.17%/-0.17%
Bendigo Growth Wholesale Fund	STL0014AU	6 June 2002	Half yearly	CPI + 4%	5 years +	Medium to high	0.93% p.a.	+0.20%/-0.19%
Bendigo High Growth Wholesale Fund	STL0030AU	30 Sept 2011	Half yearly	CPI + 5%	7 years +	High	1.00% p.a.	+0.22%/-0.20%

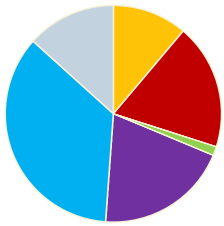
Asset allocation

Bendigo Defensive Wholesale Fund



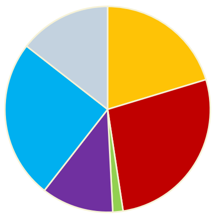
Aust Sh	3.8%
Int Sh	9.3%
Property & Infra	0.8%
Cash	29.8%
Int FI	0.0%
Aust FI	47.6%
Alternative	8.6%

Bendigo Conservative Wholesale Fund



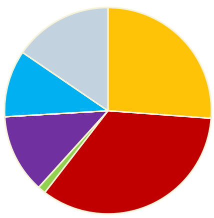
Aust Sh	11.2%
Int Sh	18.8%
Property & Infra	1.3%
Cash	19.9%
Int FI	0.0%
Aust FI	35.5%
Alternative	13.3%

Bendigo Balanced Wholesale Fund



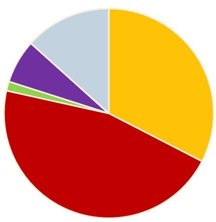
Aust Sh	20.3%
Int Sh	27.2%
Property & Infra	1.6%
Cash	11.4%
Int FI	0.0%
Aust FI	25.0%
Alternative	14.5%

Bendigo Growth Wholesale Fund



Aust Sh	26.2%
Int Sh	34.3%
Property & Infra	1.2%
Cash	12.4%
Int FI	0.0%
Aust FI	10.5%
Alternative	15.4%

Bendigo High Growth Wholesale Fund



Aust Sh	32.6%
Int Sh	45.9%
Property & Infra	1.4%
Cash	6.7%
Int FI	0.0%
Aust FI	0.0%
Alternative	13.3%

Unit prices

as at 30 September 2023

	Application price	Withdrawal price
Bendigo Defensive Wholesale Fund	$1.02832	$1.02606
Bendigo Conservative Wholesale Fund	$0.99382	$0.99094
Bendigo Balanced Wholesale Fund	$0.93029	$0.92713
Bendigo Growth Wholesale Fund	$0.86522	$0.86185
Bendigo High Growth Wholesale Fund	$1.25125	$1.24601

Quarterly commentary

Performance

Performance varied over the quarter, with strong relative performance from the defensive risk profile funds, while the growth and high growth performed close to the peer group. The Funds have held defensive exposures within the growth allocation, preferring cash flow resilient companies and energy companies. The Funds underweight exposure to government bonds, with preference to floating credit and cash has strongly benefited the Funds. In which we believe better opportunities exist in corporate debt rather than the equity side of the balance sheet.

Looking forward the Funds are well setup with defensive equities to withstand equity market volatility while producing good income that has historically been absent from the portfolios. The Funds exposure to gold, inflation linked bonds, agriculture and water provide strong diversifiers in an uncertain market regime.

Economic

Equity markets on aggregate fell over the quarter. The ASX 300 accumulation was down 0.8%, while international equities on a currency hedged perspective fell 2.9%. Driving asset classes lower was the movement in bond yields. Government bond yields form the risk-free rate in which investments are priced from. Over the 3 month period, US 10 year government bond yields rose from 3.8% to 4.6%. US markets drove global bond yields, with the contributing factors being resilient economic data (interest rates higher for longer), upward movements in energy prices (upward pressure in inflation), together with a large supply of new government bond issuance, due to financing requirements of the US Government.

Whilst economic data in the US has been robust, Australia's economic data has been softer. This highlights the dispersion between economies with longer term fixed mortgage rates, such as the US which are predominately 30 year fixed mortgages, and countries such as Australia which are short term fixed or variable in nature. Given the rise in interest rates, retail sales on a volume perspective are lower for the calendar year, while employment data has recently softened, although from a strong level. Recent GDP numbers indicate soft undertones, with the economy slipping into a per capita recession, meaning on population stable perspective, growth went backwards over the quarter. What is aiding the economy is the record migration lifting consumption and demand for housing and construction.

Looking forward economic conditions appear challenging, interest rates are having their intended effect reducing demand, while core inflation remains stubbornly high. Economic uncertainty persists given the rapid interest rate increases and the less than stable political tension.

Do you have any questions?

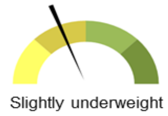
For further information contact us on
1800 634 969 or visit our website:
www.bendigobankcom.au/managedfunds

Asset positioning commentary

The Funds overall are cautiously positioned due to our perception that equity markets are expensive relative to historical price to earnings and relative to bond and cash rates. This coupled with what we believe will be declining liquidity, and a soft economic backdrop given the dampening demand effect that rises in interest rates bring about. We prefer income generating investments and have a material exposure to credit and cash investments.

Australian Shares

We hold a slight underweight to Australian equities. Driving the exposure is the challenging outlook on the economy. Sticky inflation is impacting consumer demand and rapidly rising mortgage rates combined with high private debt levels raises downside risks. With the cash rate expected to remain over 4% for some time, we expect discretionary spending to slow significantly. Although we do see some opportunity in Australian miners in the event China stimulus feeds through to additional demand for Australia's bulk commodities.

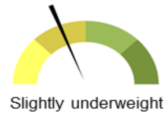


International Shares

We hold an underweight to global equities. We believe that growth is slowing, and as a result earnings are expected to be negatively affected over the upcoming year. In the US, markets are pricing in above average earnings growth of 12%, with current prices well above historical average prices. We believe the combination of this, coupled with potential slowing of the economy results in an unfavourable backdrop for global equities.

Over the period we increased our currency hedging. The Funds have held a large US dollar exposure for an extended time due to our view that the Australian consumer will weaken faster than that of the US, due to the variable rate mortgage system within Australia versus the US 30 year fixed approach of the US. This position has proven favourable in the weakening Australian dollar environment and hence we have taken the opportunity to reduce this position.

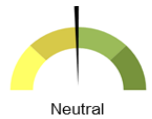
We currently hold a 30% hedged position on our offshore global equity exposures.



Property & Infrastructure

We continue to hold a neutral position to listed infrastructure. Listed infrastructure possesses defensive characteristics with strong consistent cashflows with inflation protection embed.

We have no dedicated exposure to property and believe this asset class to be challenged going forward. Property is highly sensitive to interest rates, in which the current pricing requires interest rates to fall to justify the yields on offer within this market. Additionally, the gradual decline in office space as corporates allow working from home, creates questions regarding the structural demand for this asset class.



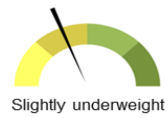
Fixed Income

Overall we hold a slight underweight to fixed income.

We prefer Australian fixed interest over global due to the higher hedged backed yields on offer and we find Australian inflation linked bonds favourable given they offer returns of inflation plus 1.7%.

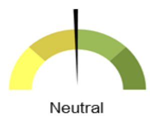
Further we favour short maturity investment grade credit, due to the attractive yields on offer and low risk, in which we have a sizable position within the Australian market.

We hold little international fixed interest exposure, due to the flatter yield curves, lower hedged back yields and wider risk characteristics.



Alternatives

We held our exposure to gold steady over the period. Gold exposures within the portfolio provide a fantastic hedge in various left tail events such as war or excessive inflation. Further we hold exposures to water, agriculture and distressed debt opportunities. These exposures provide meaningful diversification away from interest rates and equity markets, in which we believe have fantastic structural tailwinds. Additionally, within the Wholesale Active Funds we hold a meaningful exposure to Australian private credit through our Metrics exposure, which offers yields close to 10%. .



Cash

Cash h is providing fantastic yields in which we actively roll maturities of 6 to 12 month terms with rates on offer between 4.5% to 5.1%.

We believe cash is an attractive alternative given the risk we perceive in equity and government bonds.

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 mutual 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 17 Multisector Conservative funds as of 30 September 2023. The Bendigo Defensive Wholesale Fund returns were ranked 3 out of 16 Morningstar Multisector Conservative funds for 5 years to 30 September 2023. Source: www.morningstar.com.au/Funds/FundReport/19293

   Bendigo Conservative Wholesale Fund received a 4-Star Overall Morningstar Rating™ out of 105 Multisector Moderate funds as of 30 September 2023. The Bendigo Conservative Wholesale Fund returns were ranked 11 out of 92 Morningstar Multisector Moderate funds for 5 years to 30 September 2023. Source: www.morningstar.com.au/Funds/FundReport/13196

   Bendigo Balanced Wholesale Fund received a 3-Star Overall Morningstar Rating™ out of 105 Multisector Balanced funds as of 30 September 2023. The Bendigo Balanced Wholesale Fund returns were ranked 54 out of 95 Morningstar Multisector Balanced funds for 5 years to 30 September 2023. Source: www.morningstar.com.au/Funds/FundReport/13195

   Bendigo Growth Wholesale Fund received a 2-Star Overall Morningstar Rating™ out of 169 Multisector Growth funds as of 30 September 2023. The Bendigo Growth Wholesale Fund returns were ranked 120 out of 159 Morningstar Multisector Growth funds for 5 years to 30 September 2023. Source: www.morningstar.com.au/Funds/FundReport/13197

   Bendigo High Growth Wholesale Fund received a 2-Star Overall Morningstar Rating™ out of 111 Multisector Aggressive funds as of 30 September 2023. The Bendigo High Growth Wholesale Fund returns were ranked 108 out of 108 Morningstar Multisector Aggressive funds for 5 years to 30 September 2023. 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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   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.
3. Management fees & costs are based on fees and 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 30 September 2023 (unless stated otherwise) and is subject to change without notice.

Sandhurst Trustees