

Bendigo Socially Responsible Growth Fund

Monthly fund update - April 2020

Investment objective and return

The Fund has been designed to invest via a selection of high quality investment managers that specialise in managing specific asset classes which incorporate socially responsible investment elements into the overall investment philosophy. We target that at a minimum, 75% of the Fund will be allocated to investment managers who incorporate applying a range of socially responsible investment selection criteria, including environmental, social, ethical and governance (ESG) considerations.

ESG considerations are primarily applied to listed shares (both Australian and International) and fixed interest. The investment portfolio is constructed in a manner that Sandhurst believes will meet the investment return objective of a return after fees in excess of 4% above inflation over a full market cycle (typically 7 to 10 years). Inflation is measured by the Australian Consumer Price Index (CPI) as published by the Australian Bureau of Statistics.



RIAA Certification

The Fund has been certified by the Responsible Investment Association of Australasia (RIAA) according to the strict disclosure practices required under the Responsible Investment Certification Program²

For more information about the RIAA Certification program please visit www.responsibleinvestment.org

Fund performance¹

as at 30 April 2020

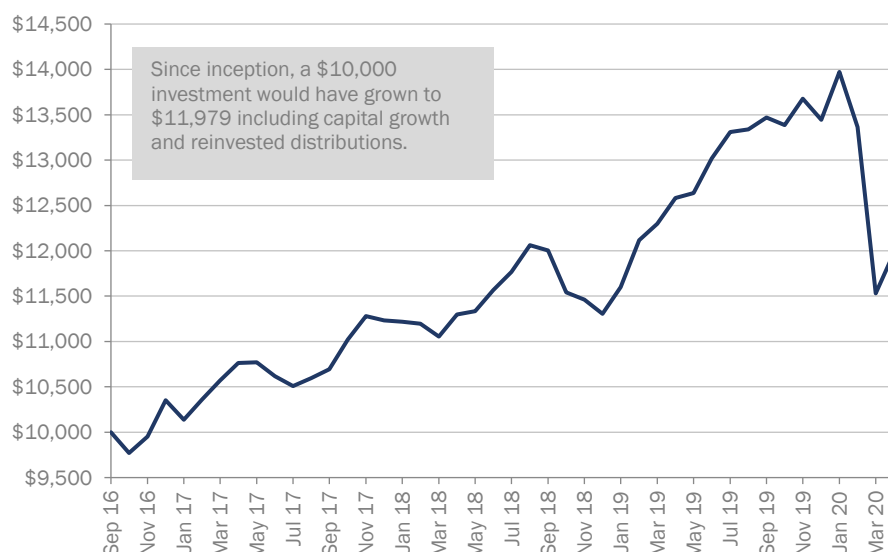
Fund return

3 months %	-14.26
6 months %	-10.51
1 year %	-4.79
3 years %p.a.	3.63
Since inception %p.a.	5.17
Morningstar Rating™ Overall³	40 / 204
Morningstar Category Rank - 3 year³	★★★★

An example of how your investment grows

Growth of \$10,000¹

(Based on historic Fund performance since inception)



Benefits of investing

- ▶ a responsible investment focus;
- ▶ a diversified solution investing across a range of asset classes including equity and fixed interest;
- ▶ access to leading professional and specialist investment managers;
- ▶ an investment that aims for long term capital growth with moderate income.

Fund facts

Fund APIR code	STL0055AU
Fund inception date	20 September 2016
Distribution frequency	Half yearly
Management costs ⁴	0.99% p.a.
Buy / Sell spread ⁴	+0.11% / -0.24%
Investment return objective	CPI + 4%
Minimum investment / minimum balance	\$5,000
Recommended investment timeframe	5 years +
Risk level	Medium to high




















Unit price

as at 30 April 2020

Application price	\$0.98069
Withdrawal price	\$0.97727

Distribution details (cents per unit)

30 Jun 2019	\$0.07542
31 Dec 2019	\$0.00900

Asset allocation		Weight %	Weight % Δ /mth		Key
	Russell Australia RI ETF*	30.5%	0.5%		 Australian Shares
	AXA IM SmartBeta ESG Global Equity*	37.6%	-1.2%		 International Shares (Unhedged)
	Pendal Property Securities Fund*	6.8%	0.2%		 Property and Infrastructure (Australian)
	Altius Sustainable Bond Fund*	7.0%	-0.3%		 Australian Fixed Interest
	Vanguard Australian Inflation-Linked Bond Index Fund	5.5%	-0.3%		
	Vanguard Government Bond	7.5%	-0.5%		
	Sandhurst Strategic Income Fund^	5.1%	1.6%		 Cash
Total		100.0%			

* These funds incorporate ESG considerations.
^ Includes small amounts of cash that are held in Bendigo Bank operating accounts.

Top 10 holdings of ESG investment managers⁵

Portfolio	Weight %
Australian Government Bond	11.5%
Australian State Government Bonds	4.1%
Commonwealth Bank of Australia	2.6%
CSL Ltd	2.3%
Westpac Banking Corp	1.7%
Goodman Group	1.7%
National Australia Bank Ltd	1.3%
ANZ Banking Group	1.3%
Telstra Corp Ltd	1.2%
Scentre Group	0.8%

Make the most of your investment

► 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? 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 \$500. 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

Portfolio Performance

The Fund slightly underperformed peers over the period predominately due to active manager positions. Returns were heavily impacted by the outbreak of the COVID-19 pandemic, with some sectors hit more extreme than others. Detracting from performance was overweight positions in financials and property as all banking institutions globally are faced with rising bad-debts and mortgage stresses due to the virus's toll on employment. The Fund is conservatively positioned and as the economy re-opens and volatility falls, companies with good governance and management practices, such as in this Fund, should fare well.

Economic commentary

Following the 36% selloff on S&P 500 Index from the February peak to the March low, the Australian ASX 200 Index and the US S&P 500 Index rose 8.8% and 12.7% respectively in April, buoyed by unprecedented central bank liquidity and government fiscal support. Whilst perhaps not as eventful as the month of March, April still offered plenty with the oil price collapsing into negative territory. Oil producers remained stubborn to cut supply and the reduction in demand brought on by Coronavirus isolation measures, brought about a large supply to demand imbalance, bringing the price on Western Texas oil (WTI) spot on the 21st of April to negative \$37 a barrel. More recently oil production cuts as well as the gradual reopening of many economies has brought about some stabilisation with the WTI spot price closing at \$18.8 at the end of April.

During the lockdown, the hardest hit industries are among services and entertainment sectors. The uncertainty about the future has spilled over to almost all other business, resulting in significant reduction of production and investment, project delays and reversal of future expectations. Governments and Central Banks around the world have been providing support to struggling households and business, in forms of cash rate cuts, stimulus packages, social welfare assistances, asset purchasing programs and term funding facilities for the banking system. This combination of reactions has provided households with a financial backstop and liquidity to alleviate market dysfunction in its stressed condition.

Looking forward investment markets face a combination of fast evolving forces, being central bank liquidity and fiscal government support, a gradual relaxation of restrictions and the risk of "second wave" which is still present and largely unknown. Some industries are experiencing permanent structural change, while employees adapt to flexible working arrangements. There are undoubtedly negative effects on economies in the short term, however with all the efforts to combat this pandemic, the Reserve Bank of Australia expects the recovery to take us into mid-2022.

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. The Responsible Investment Certification Program does not constitute financial product advice. Neither the Certification Symbol nor RIAA recommends to any person that any financial product is a suitable investment or that returns are guaranteed. Appropriate professional advice should be sought prior to making an investment decision. RIAA does not hold an Australian Financial Services Licence.
3. Bendigo Socially Responsible Growth Fund received a 3-Star Overall Morningstar Rating™ out of 204 Multisector Growth funds as of 30 April 2020 and a 3-Star Three year rating out of 204 Multisector Growth funds as of 30 April 2020.

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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. 'Morningstar Category Rank' is the Fund's performance rank relative to all funds in the same Morningstar Category. Investments are placed into Morningstar Categories based on their compositions and portfolio statistics so that investors can make meaningful comparisons. Source: www.morningstar.com.au/Funds/FundReport/41513

4. Other fees and costs may apply. See the Product Disclosure Statement for full details.
5. The top 10 holdings outlined above are a representation of the largest indirect exposures of the Bendigo Socially Responsible Growth Fund as at 31 March 2020 which may change from time to time. The information has been calculated by Sandhurst based on the cumulative weighted average of each security held by the underlying managers within the Fund. Only indirect exposures greater than 0.8% are included in the above table; investors will have additional exposure to other assets not represented.

The Bendigo Socially Responsible Growth Fund (Fund) is 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 Fund or the service they provide, full details of which are contained in the Product Disclosure Statement (PDS). Investments in the Fund 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 opinion changes. 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 PDS available at www.sandhursttrustees.com.au/pds, any Bendigo Bank branch or by phoning 1800 634 969 before making an investment decision.

This information is current as at 30 April 2020 (unless stated otherwise) and is subject to change without notice.

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