

Bendigo Managed Wholesale Funds Update

Economic commentary

The past quarter ending 31st March 2011, has seen increased volatility as unforeseen events impacted on financial markets.

In January an uprising in Egypt saw an end to the 29 year rule of Egyptian President Hosni Mubarak. In February conflict escalated in Libya, with rebel forces protesting for President Gaddafi to step down from power prompting the United Nations to step in and establish a no fly zone. On the back of unresolved issues in Libya and fears of conflict arising in neighbouring oil rich countries, West Texas Intermediate Crude Oil rose 16.8% for the March quarter. The rising oil price has created jitters in global sharemarkets with economists fearing stagflation (prices rise and economic growth stalls).

Natural disasters including floods, hurricanes and earthquakes ravaged the globe in the March quarter. The most devastating was the Japan earthquake measuring 9.1 on the Richter scale, the fourth largest in history. The earthquake and resulting tsunami sent the Japan Nikkei tumbling 6.2% on the first day of trade and dropping a further 10.6% the following day. Damaged nuclear power plants sent fear across the world of a nuclear meltdown resulting in investors fleeing Uranium stocks, this concern continues.

Despite all the turmoil global sharemarkets rebounded in the last few weeks of March on the back of encouraging global growth indicators and optimism over future global economic growth.

Domestically the past quarter has seen the RBA pause on rates as floods and cyclones ravaged Queensland in December and January. December inflation data lies within the RBA's comfort level and asset values remain little changed over recent months. Fallout from recent disasters may produce short term inflation due to produce supply constraints; on top of this the rising oil price due to global conflicts may also increase near term inflation. The RBA is expected to be more concerned around inflation linked to limited spare capacity.

The climbing Australia dollar compared to the US has had many broad implications on the Australian market. The strength of the Australian dollar, although good for consumers importing from overseas has adversely impacted many Australian businesses in particular those involved in manufacturing and exporting.

Markets Review

For the March quarter the S&P ASX 300 accumulation index which includes dividends and market movement of the Australian sharemarket closed up 3.1%. By sector, the better performers included Energy +6.4%, Health Care +5.9%, Telecommunications +4.9% and Financials +4.7%.

Led by the US (+5.8%), the world ex Australia accumulation (MSCI) fared slightly better than local equities up 4%. Japan was understandably lower posting a 2.8% loss.

Global listed property returned +5.8% (UBS Global Investors ex Australia Accumulation Index) while Australian listed property produced a 3.7% increase (S&P/ASX 300 Property Trusts Accumulation Index).

Australian fixed income climbed 2% (UBS Warburg Composite index) compared to global fixed income +1% (BarCap Global Aggregate Index Hedged). Cash returned +1.2% (UBS Warburg Bank Index).

Fund information

Performance statistics

| Fund | Withdrawal price | Fund size (million) |
|--------------------------------------|--------------------|---------------------|
| Bendigo Conservative Wholesale Fund | \$0.9394 | \$18.49 |
| Bendigo Balanced Wholesale Fund | \$0.8531 | \$39.54 |
| Bendigo Future Growth Wholesale Fund | \$0.8310 | \$33.88 |
| Fund start date | 7 June 2002 | |

Fund Performance

| Performance period | Fund performance [#] | Average index return [*] |
|---|-------------------------------|-----------------------------------|
| Bendigo Conservative Wholesale Fund | | |
| 3 months | +2.2% | +2.0% |
| 1 year | +6.0% | +5.0% |
| 3 years [^] | +5.1% | +3.7% |
| 5 years [^] | +4.1% | +4.0% |
| Bendigo Balanced Wholesale Fund | | |
| 3 months | +2.3% | +2.5% |
| 1 year | +4.4% | +4.3% |
| 3 years [^] | +2.2% | +1.2% |
| 5 years [^] | +1.7% | +2.0% |
| Bendigo Future Growth Wholesale Fund | | |
| 3 months | +2.4% | +2.9% |
| 1 year | +3.9% | +4.0% |
| 3 years [^] | +0.6% | +0.5% |
| 5 years [^] | +1.0% | +1.3% |

* Morningstar average return index for Growth, Balanced and Conservative.

[^] % performance per annum.

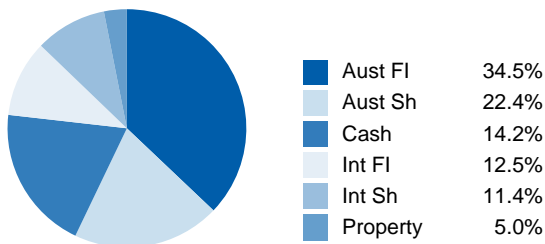
[#] Performance figures are calculated before tax and after fees and costs; using redemption prices and assumes distributions are reinvested. Past performance is not an indication of future performance.

Bendigo Managed Wholesale Funds Update

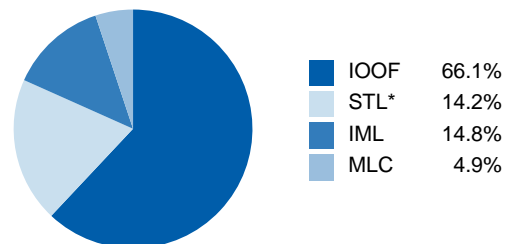
Current asset allocation As at 31 March 2011

Current Investment Manager^ Allocation As at 31 March 2011

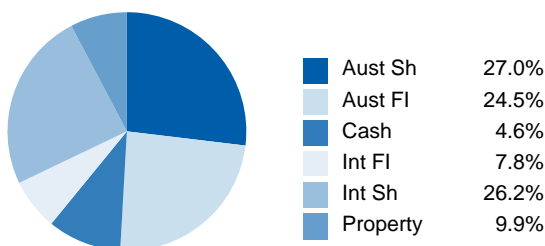
Bendigo Conservative Wholesale Fund



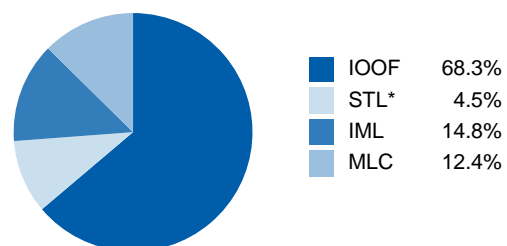
Bendigo Conservative Wholesale Fund



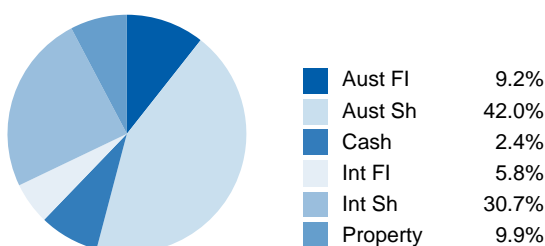
Bendigo Balanced Wholesale Fund



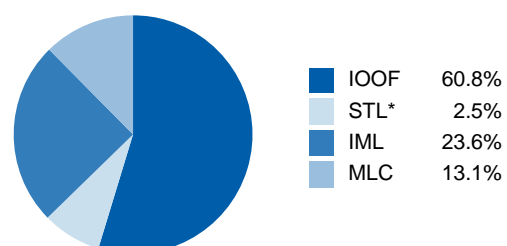
Bendigo Balanced Wholesale Fund



Bendigo Future Growth Wholesale Fund



Bendigo Future Growth Wholesale Fund



^ Current Investment Managers include IOOF Investment Management Limited / Perennial Investment Partners Limited (IOOF), Sandhurst Trustees Limited (STL), Investors Mutual Limited (IML) and MLC Investments Limited (MLC).

* Includes small amounts of cash that are held in Bendigo Bank operating accounts.

For further information contact our Customer Service Centre on 1800 634 969 or visit our website:
www.sandhursttrustees.com.au/investments

The Bendigo Managed Wholesale Funds (Funds) are issued by Sandhurst Trustees Limited (STL) ABN 16 004 030 737 AFSL 237906, a subsidiary of Bendigo and Adelaide Bank Limited (the Bank) ABN 11 068 049 178 AFSL 237879. Each of these companies receive remuneration on the issue of the Funds or the service they provide, full details of which are contained in the Product Disclosure Statement (PDS). Investments in these Funds are not deposits with, guaranteed by, or liabilities of the Bank, or any of its subsidiaries. This update is provided by STL and contains general advice only. Please consider your personal circumstances and read the PDS, available at Bendigo Bank branches or by phoning 1800 634 969, before making an investment decision.