Bendigo Socially Responsible Growth Fund

Quarterly fund update - December 2023

Investment objective and return

The Fund invests via a selection of expert asset managers that specialise in managing specific asset classes and which take into account environmental, social, ethical and governance (ESG) considerations in their asset selection. The Fund targets a minimum level of 75% of the total assets of the Fund being managed by asset managers that take into account ESG considerations in their investment decisions. The Fund has an objective of entirely excluding investments in companies that produce or manufacture tobacco products and controversial weapons. Examples of tobacco products are nicotine alternatives (i.e. electronic cigarettes) and tobacco-based products (e.g. cigarettes, cigars). Examples of controversial weapons are anti-personnel mines, biological and chemical weapons, cluster weapons, depleted uranium and nuclear weapons. Other activities Sandhurst monitors and aims to reduce are adult entertainment, alcohol, gambling, non-pharmaceutical animal testing and companies with high event controversy.

ESG considerations are primarily applied to listed shares (both Australian and International) and fixed interest. The screening criteria applied to the Fund does not consider derivatives or certain underlying assets, including inflation-linked and government bonds, property and unlisted assets. 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 10 year period.

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 Program[2]

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

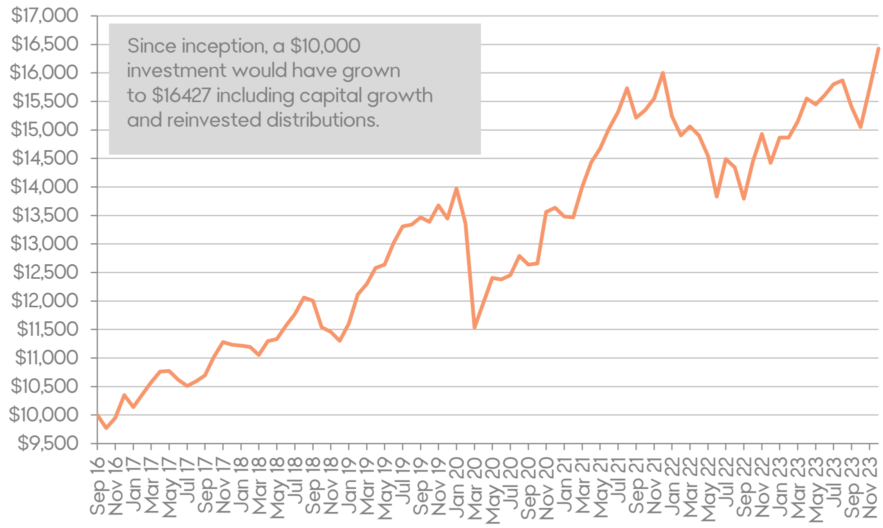
CERTIFIED BY RIAA

Fund performance[1]

as at 31 December 2023	Fund return
3 months %	6.63
1 year %	13.88
3 years %p.a.	6.41
5 years %p.a.	7.76
Since inception %p.a.	7.09
Morningstar Rating™ Overall[3]	★★★★
Morningstar Category Rank - 5 year[3]	19 / 167

An example of how your investment grows

Growth of $10,000[1]
(Based on historic Fund performance since inception)



Fund facts

Fund APIR code	STL0055AU
Fund inception date	20 September 2016
Distribution frequency	Half yearly
Management fees & costs[4]	1.00% p.a.
Buy / Sell spread[4]	+0.07% / -0.07%
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 31 December 2023	
Application price	$1.18397
Withdrawal price	$1.18231

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 asset managers;
- an investment that aims for long term capital growth with moderate income.

Distribution details (cents per unit)

31 Dec 2023	$0.00984
30 Jun 2023	$0.00779

Asset allocation

	Weight %	Weight %△/mth		Key
VanEck MSCI Australian Sustainable Equity ETF*	33.7%	1.9%	↑	Australian Shares
AXA IM SmartBeta ESG Global Equity*	42.5%	3.7%	↑	International Shares (Unhedged)
Altius Sustainable Bond Fund*	5.4%	-0.1 %	↓	Australian Fixed Interest
Vanguard Australian Inflation-Linked Bond Index Fund	5.0%	0.1 %	↑	Australian Fixed Interest
Vanguard Government Bond	3.8%	1.7%	↑	Australian Fixed Interest
Australian Unity Future of Healthcare Fund	4.3%	0.1 %	↑	Alternatives
Sandhurst Strategic Income Fund^	5.3%	-7.4%	↓	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 asset managers [5]

Portfolio	Weight %
Australia Government Bond	8.0%
Foretscure Ltd	1.8%
Telstra Group Ltd	1.7%
Apple	1.7%
Goodman Group	1.6%
Transurban	1.6%
CSL Ltd	1.6%
Microsoft	1.4%
QBE Insurance Group Ltd	1.2%
Newcrest Mining Ltd	1.0%

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 $100. See your statement for your BPAY reference number.

Do you have any questions?

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

Portfolio Performance

The Fund outperformed the Morningstar peer group over the December period. Overall equity markets and fixed income markets were strong with the Federal Reserve pivot. Helping relative performance was the Fund's underweight exposure to unlisted investments such as private equity, property and infrastructure. The Fund is positioned slightly underweight growth assets and fixed income, given the risks we see in these markets. Pleasingly ESG tilted exposures have outperformed broad capitalisation weighted indices in 2023.

Economic commentary

The December quarter of 2023 saw a reversal of economic trends observed over the preceding quarter. In the third quarter US 10-year government bond yields increased nearly 1% on stronger economic data and a hawkish Federal Reserve expectation of two more rate hikes in 2024 than previously assumed. The fourth quarter saw this completely reverse with the 10-year yields back to where they started the financial year at 3.8%. This was caused by softer inflation data and a clear and sudden Federal Reserve dovish pivot. They removed those two additional hikes and signalled clearly that the committee is comfortable reducing interest rates in-line with declining inflation, thus keeping real rates at the same positive level.

Markets cheered this December announcement and by the end of calendar 2023 expectations were for the Federal Reserve to cut six times in 2024. With employment holding firm the 'soft-landing' outcome was coming to the fore and this saw a strong 'Santa Claus rally' across capital markets. In equities the rally extended to lower quality segments of the market with small-caps, and the most shorted companies extending gains - a dynamic commonly seen in 'risk-on' rallies.

Within Australia, on Melbourne Cup day, the Reserve Bank decided to raise interest rates again in response to stickier inflation which caused the Australian Dollar to rally. Key commodity prices slid during the quarter with the exception of Iron Ore which continues to defy the weakness in the Chinese housing market.

Looking forward economic conditions appear mixed. China and Europe are challenged with the US and Australia muddling through. The key question for markets is whether the soft-landing eventuates or not. Historically every major slowdown looks like a soft landing at first, and now markets are priced for it.

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. 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 Socially Responsible Growth Fund received a 4-Star Overall Morningstar Rating™ out of 167 Multisector Growth funds as of 31 December 2023. The Bendigo Socially Responsible Growth Fund returns were ranked 19 out of 157 Morningstar Multisector Growth funds for 5 years to 31 December 2023. '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
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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.
4. Management fees & costs are based on 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.
5. The top 10 holdings outlined above are a representation of the largest indirect exposures of the Bendigo Socially Responsible Growth Fund as at 30 September 2023 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.

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.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

This information is current as at 31 December 2023 (unless stated otherwise) and is subject to change without notice.