Bendigo Managed Wholesale Funds
Active Funds

Quarterly fund update - June 2023

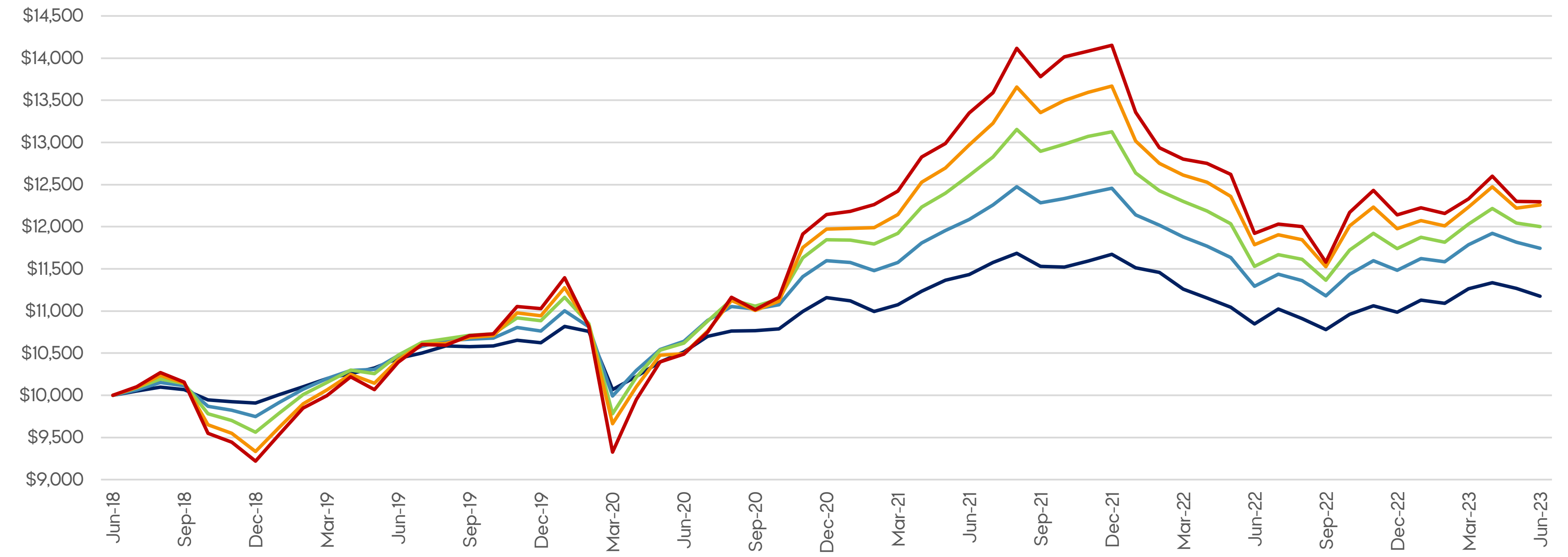
Investment approach

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 June 2023	Morningstar Rating™ Overall[2]	Morningstar Category Rank 5 Year[2]	Distribution (per unit)	3 months %	1 year %	3 years %p.a.	5 years %p.a.	Fund size $m
Bendigo Defensive Wholesale Fund	★★★★	3 / 16	$0.0120	-0.75	3.05	2.06	2.25	$25.62
Peer Comparison				*-0.46*	*2.78*	*0.34*	*1.33*	
Bendigo Conservative Wholesale Fund	★★★★★	8 / 95	$0.0160	-0.36	3.97	3.34	3.27	$119.49
Peer Comparison				*0.32*	*4.41*	*2.16*	*2.32*	
Bendigo Balanced Wholesale Fund	★★★★	43 / 98	$0.0121	-0.25	4.06	4.15	3.71	$158.35
Peer Comparison				*1.35*	*7.51*	*4.89*	*3.88*	
Bendigo Growth Wholesale Fund	★★★	106 / 164	$0.0056	-0.43	3.34	5.10	4.02	$69.91
Peer Comparison				*1.91*	*9.15*	*6.83*	*4.90*	
Bendigo High Growth Wholesale Fund	★★	105 / 113	$0.0067	-0.28	3.12	5.44	4.22	$38.82
Peer Comparison				*3.20*	*12.81*	*9.55*	*6.33*	

An example of how your investment grows

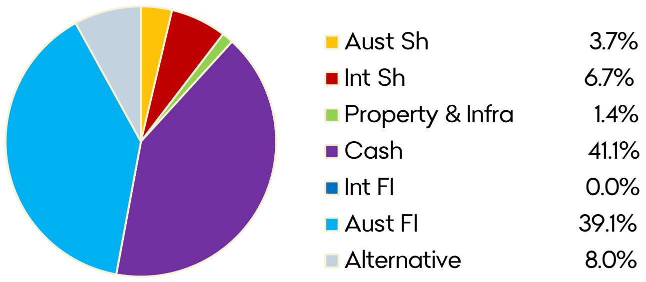
Growth of $10,000 over 5 years[1]
(Based on historic Fund performance over 5 years)



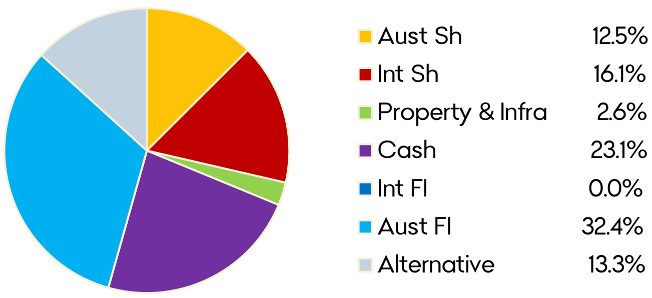
Fund Facts	APIR Code	Fund inception date	Distribution frequency	Return objective	Recommended investment timeframe	Risk level	Management fees & costs[3]	Buy / Sell spread[3]
Bendigo Defensive Wholesale Fund	STL0029AU	30 Sept 2011	Half yearly	CPI + 1%	2 years +	Low	0.61 % p.a.	+0.10%/-0.12%
Bendigo Conservative 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

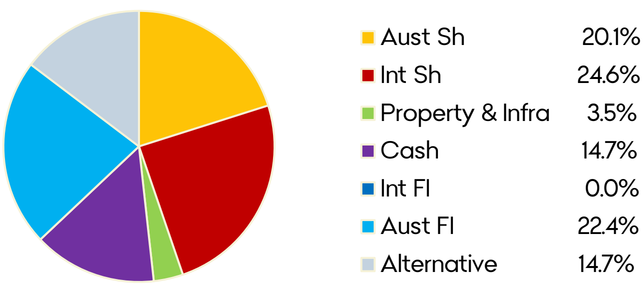
Bendigo Defensive Wholesale Fund



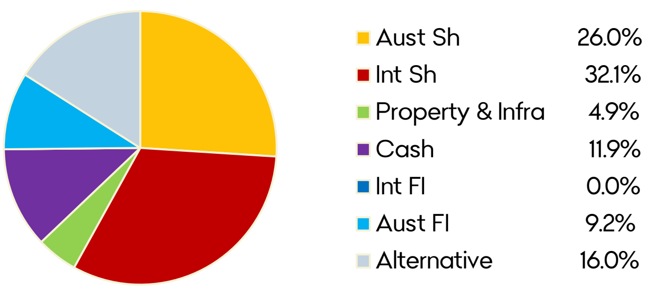
Bendigo Conservative Wholesale Fund



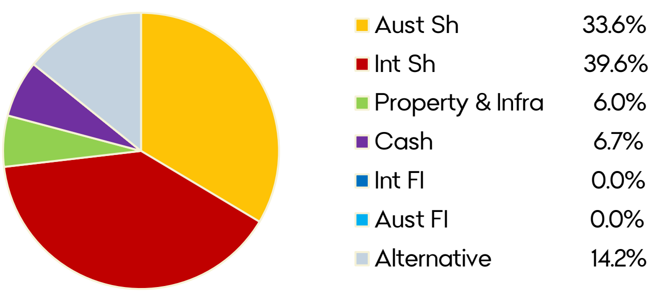
Bendigo Balanced Wholesale Fund



Bendigo Growth Wholesale Fund



Bendigo High Growth Wholesale Fund



Unit prices

as at 30 June 2023

	Application price	Withdrawal price
Bendigo Defensive Wholesale Fund	$1.02937	$1.02711
Bendigo Conservative Wholesale Fund	$0.99665	$0.99377
Bendigo Balanced Wholesale Fund	$0.93689	$0.93371
Bendigo Growth Wholesale Fund	$0.87700	$0.87359
Bendigo High Growth Wholesale Fund	$1.27284	$1.26751

Quarterly commentary

Performance

The Funds have underperformed peers over the period. Driving the relative performance was a preference for cash yielding investments, defensive equities and the net underexposure to US technology companies. We believe equity markets are not an attractive proposition at this point given the headwinds to earnings, high valuations and an attractive alternative in fixed income and cash. Whilst we acknowledge equity markets may move higher over the shorter term, we believe a sustained move higher in prices requires robust earnings growth, in which this ingredient is missing from the market.

Economic

Returns for the quarter were mixed across asset classes, with Australian and European equity markets relatively flat, UK lower, while the US share market rose strongly. Positioning within equities globally has been well below historical averages, with the threat of a global recession driven by rising interest rates holding investors on the sideline. Over the period investors were drawn into large technology stocks of the likes of Apple, Nvidia, Tesla, Microsoft and Meta as the allure of artificial intelligence coupled with safe balance sheets gave the green light for investors starved of good ideas, despite the high valuations of this segment of the market.

We believe equity markets to be particularly challenging. The mechanism of central banks raising interest rates to reduce inflation, is via the demand function. Rising interest costs result in companies scaling back future investments due to the higher cost of capital, and consumer demand falling as interest burdens gain a higher proportion of the household budget. Whilst we have seen some softening in economic conditions, the consumer has been surprisingly resilient, particularly in the US.

Generally, equity markets are expensive relative to historical averages, particularly US technology companies, which we believe do not reflect the headwinds facing the market. Buoying valuations is the large amount of global wealth that was accumulated through the ultra-stimulatory conditions following the pandemic. Whilst there are cheap areas of the market, these are in areas of the market more sensitive to slowing economic conditions such as resources, energy and global banks. Outside of equities, there are good opportunities in debt markets with high interest rates offering attractive yields.

Do you have any questions?

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

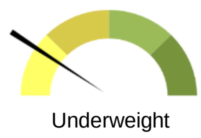
Sandhurst Trustees

Asset positioning commentary

The Funds have maintained tilts away from interest rate sensitive investments with lighter holdings in global government bonds and REITs. We continue to prefer our growth exposure in global equities due to our perception of greater earnings growth potential in comparison to domestic equities. Due to our underweight position in equity risk offsetting government bonds, we prefer a bias to unhedged exposure, with the aim to reduce overall portfolio volatility.

Australian Shares

We hold an 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. The unemployment will be key for bad debt provisioning at the banks and China's lacklustre growth is also important for domestic commodity exposures.

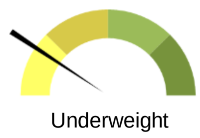


International Shares

We hold an underweight to global equities. We believe the growth is slowing, and as a result earnings are expected to be negatively affected over the upcoming year. Additionally with quantitative tightening and rising interest rates expected to reduce liquidity, uncertainties remain over valuations which are elevated relative to cash yields and historical averages.

We currently have a bias to unhedged exposure over hedged, on an expected interest rate differential basis. We believe the variable nature of the Australian mortgage market, coupled with high debt levels and house prices, means that we are more sensitive to higher interest rates than the US. The US is likely to be able to raise interest rates higher than in Australia. Further, we are concerned with the fallout from China, in which the property pullback appears to be broadening weakness with that economy.

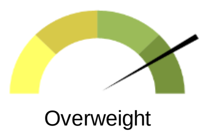
We currently hold a 30% hedged position on our offshore global equity exposures.



Property & Infrastructure

We continue to hold an overweight to listed infrastructure. Listed infrastructure possess defensive characteristics with strong consistent cashflows with inflation protection embed.

We hold minimal 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.



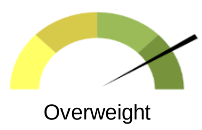
Fixed Income

Overall we hold a slight underweight to fixed income. Most of our duration exposure sits within inflation Australian linked bonds. We like the double-sided hedge this exposure provides, with the market pricing 5 year inflation at around 2.6%. This indicates there is potential upside if inflation becomes sticky. Conversely if central banks are required to cut interest rates, this investment will also provide some benefit through declining yields.

We hold little international fixed interest exposure, in which we believe US bonds are expensive relative to where the Federal Reserve is indicating interest rates will move to, while Japan and Europe offer a poor risk to return dynamic.

Alternatives

We held our exposure to gold steady over the period. The exposure represents the approximate overweight to the USD. Gold has traded at a similar beta to the USD, however in the opposite direction (e.g. USD dollar up, gold down). Gold exposures within the portfolio also provide a fantastic hedge in various left tail events.



Cash

Cash is used as a balancing item based on views of other asset classes. Over the period we added to cash investments through NCDs and term deposits. We have been able to attract rates of return around 5% over the quarter with maturities ranging from 3 to 12 months.

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

   Bendigo Conservative Wholesale Fund received a 5-Star Overall Morningstar Rating™ out of 104 Multisector Moderate funds as of 30 June 2023. The Bendigo Conservative Wholesale Fund returns were ranked 8 out of 95 Morningstar Multisector Moderate funds for 5 years to 30 June 2023. Source: www.morningstar.com.au/Funds/FundReport/13196

   Bendigo Balanced Wholesale Fund received a 4-Star Overall Morningstar Rating™ out of 107 Multisector Balanced funds as of 30 June 2023. The Bendigo Balanced Wholesale Fund returns were ranked 43 out of 98 Morningstar Multisector Balanced funds for 5 years to 30 June 2023. Source: www.morningstar.com.au/Funds/FundReport/13195

   Bendigo Growth Wholesale Fund received a 3-Star Overall Morningstar Rating™ out of 170 Multisector Growth funds as of 30 June 2023. The Bendigo Growth Wholesale Fund returns were ranked 106 out of 164 Morningstar Multisector Growth funds for 5 years to 30 June 2023. Source: www.morningstar.com.au/Funds/FundReport/13197

   Bendigo High Growth Wholesale Fund received a 2-Star Overall Morningstar Rating™ out of 119 Multisector Aggressive funds as of 30 June 2023. The Bendigo High Growth Wholesale Fund returns were ranked 105 out of 113 Morningstar Multisector Aggressive funds for 5 years to 30 June 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 June 2023 (unless stated otherwise) and is subject to change without notice.