Bendigo Managed Wholesale Funds
Index Funds

Quarterly fund update - March 2023

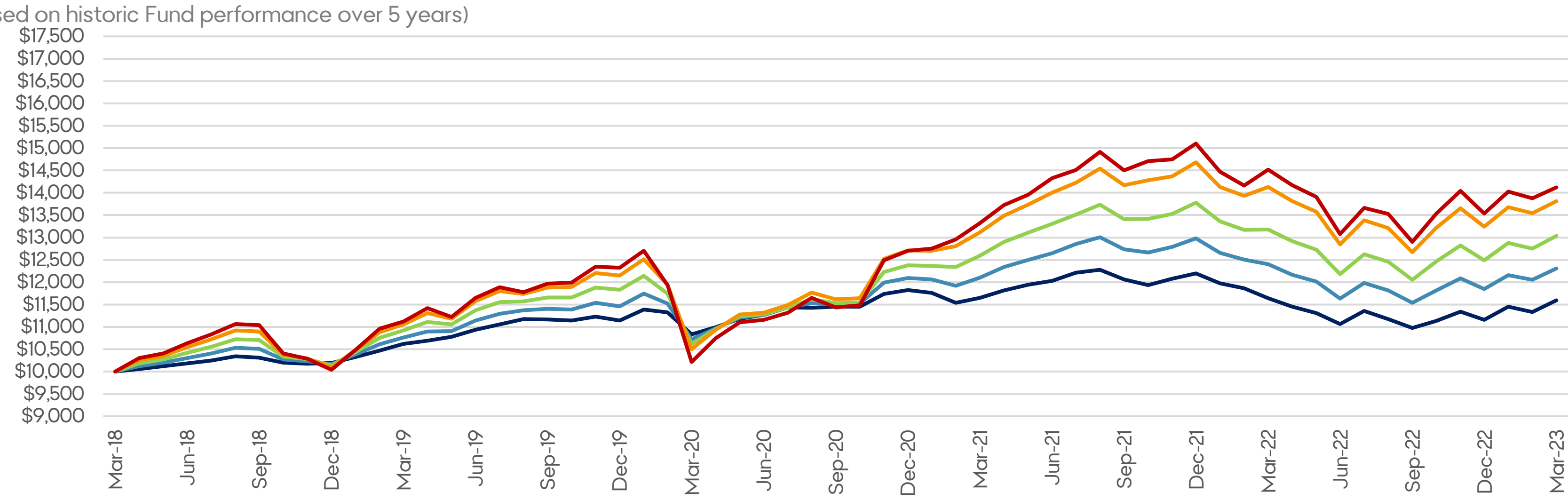
Investment approach

Each Fund invests via expert asset managers that specialise in index strategies that seek to track the performance of selected benchmarks as well as alternative assets and cash. Alternative assets and cash may or may not invest in index strategies. Sandhurst will invest each Fund's assets across a variety of asset classes in a manner that we believe will meet 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), where inflation is measured by the Australian Consumer Price Index (CPI).

Fund performance[1] as at 31 March 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 Index Fund	★★★★	2 / 17	3.92	-0.43	2.30	3.00	$74.76
Peer Comparison			*2.91*	*-1.00*	*1.70*	*1.79*	
Bendigo Conservative Index Fund	★★★★★	6 / 96	3.88	-0.77	4.71	4.24	$383.96
Peer Comparison			*2.98*	*-0.74*	*3.48*	*2.67*	
Bendigo Balanced Index Fund	★★★★★	8 / 100	4.35	-1.12	7.08	5.44	$439.47
Peer Comparison			*3.59*	*-0.59*	*6.58*	*4.21*	
Bendigo Growth Index Fund	★★★★	20 / 167	4.35	-2.20	9.57	6.68	$411.85
Peer Comparison			*4.05*	*-1.07*	*8.94*	*5.27*	
Bendigo High Growth Index Fund	★★★★	45 / 117	4.38	-2.70	11.41	7.15	$85.54
Peer Comparison			*4.84*	*-1.00*	*11.84*	*6.67*	

An example of how your investment grows

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

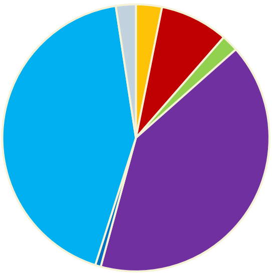


Fund Facts	APIR Code	Fund inception date	Distribution frequency	Return objective	Recommended investment timeframe	Risk level	Management fees & costs[3]	Buy / Sell spread[3]
Bendigo Defensive Index Fund	STL0031 AU	30 Sept 2011	Half yearly	CPI + 1%	2 years +	Low	0.40% p.a.	+0.10%/-0.10%
Bendigo Conservative Index Fund	STL0032AU	30 Sept 2011	Half yearly	CPI + 2%	3 years +	Low to medium	0.42% p.a.	+0.09%/-0.09%
Bendigo Balanced Index Fund	STL0033AU	30 Sept 2011	Half yearly	CPI + 3%	4 years +	Medium	0.44% p.a.	+0.09%/-0.09%
Bendigo Growth Index Fund	STL0034AU	30 Sept 2011	Half yearly	CPI + 4%	5 years +	Medium to high	0.46% p.a.	+0.09%/-0.09%
Bendigo High Growth Index Fund	STL0035AU	30 Sept 2011	Half yearly	CPI + 5%	7 years +	High	0.47% p.a.	+0.09%/-0.09%

Refer to the last page for footnotes

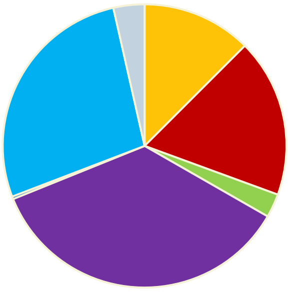
Asset allocation

Bendigo Defensive Index Fund



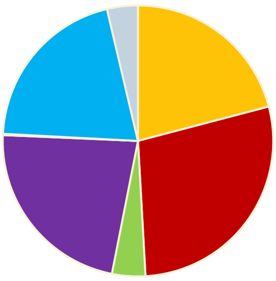
Aust Sh	3.1%
Int Sh	8.3%
Property & Infra	2.0%
Cash	40.8%
Int FI	0.7%
Aust FI	42.7%
Alternative	2.4%

Bendigo Conservative Index Fund



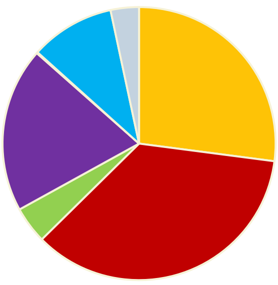
Aust Sh	12.5%
Int Sh	18.1%
Property & Infra	2.7%
Cash	35.6%
Int FI	0.3%
Aust FI	27.3%
Alternative	3.5%

Bendigo Balanced Index Fund



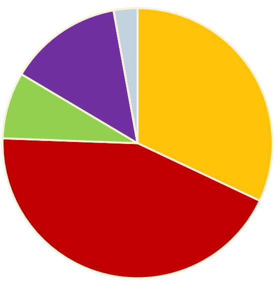
Aust Sh	20.9%
Int Sh	28.2%
Property & Infra	4.0%
Cash	22.6%
Int FI	0.2%
Aust FI	20.5%
Alternative	3.7%

Bendigo Growth Index Fund



Aust Sh	27.1%
Int Sh	35.6%
Property & Infra	4.4%
Cash	19.5%
Int FI	0.1%
Aust FI	10.0%
Alternative	3.4%

Bendigo High Growth Index Fund



Aust Sh	32.0%
Int Sh	43.6%
Property & Infra	8.0%
Cash	13.6%
Int FI	0.0%
Aust FI	0.0%
Alternative	2.8%

Unit prices

as at 31 March 2023

	Application price	Withdrawal price
Bendigo Defensive Index Fund	$1.10219	$1.09999
Bendigo Conservative Index Fund	$1.25874	$1.25647
Bendigo Balanced Index Fund	$1.39709	$1.39458
Bendigo Growth Index Fund	$1.59368	$1.59081
Bendigo High Growth Index Fund	$1.61228	$1.60938

Quarterly commentary

Performance

Returns for the quarter were positive across all risk profiles with the Funds on average performing in line with the peer group. Aiding returns was positions in gold, in which rallied on concerns of bank failures within the US. Detracting from relative returns was underweight exposures to equities. The Funds continue to be positioned cautiously given our view that growth will continue to slow as global central banks hold interest rates in restrictive territory. More recently we have experienced an increase in liquidity within markets that has seen some reduction in the volatility that was experienced over the past year. Looking forward there are many uncertainties present within markets and we believe a well diversified portfolio across currencies, geographies, bonds, equities, gold and cash to be beneficial in smoothing returns over the upcoming period.

Economic

Markets performed strongly for the quarter ending March, with the majority of asset classes materially higher. Corporate earnings for the period ending December within the US and Australia were generally weak and forward guidance on future earnings was soft. Despite this, shares rose, in particular technology stocks, with the technology heavy Nasdaq index up over 20% for the quarter. Technology stocks had a difficult year in 2022, with the Nasdaq falling 33%. The new year has brought renewed optimism in the technology sector with falling inflation, the emergence of potential disruption artificial technology and a new focus on controlling costs.

Driving headlines and moving markets was the sudden collapse of Silicon Valley Bank in the US, this was followed up with failures in Signature Bank and Credit Suisse. Whilst each bank possessed its own unique set of circumstances related to their failure, the broader impacts on markets was to price in a slowing of global growth and inflation due to the effect of banks tightening lending standards. The market implications were outflows out of bank stocks, with the beneficiary assets being gold, government bonds and technology stocks.

Within the US, markets continue to be infatuated with each inflation print. Through the quarter, headline inflation moved lower in most developed regions, led by energy. Core inflation (inflation excluding food and energy), has remained sticky, with the services sector of the economy resilient, supported by a tight labour market. The Federal Reserve has been clear in their forward guidance that they need sufficient slack in the employment market and will raise rates and hold rates at levels consistent to bring inflation down to their 2% target.

Within Australia, the Reserve Bank of Australia (RBA) is nearing the end of its rate hiking cycle, while leaving the door open to further rate increases if the data permits. The RBA's task is a delicate operation. Australia relative globally, has high household debt, meaning Australia is more sensitive to rate rises than the majority of other regions. Lower cash rates than global peers can result in a weakness in the currency as investors chase high interest rates in other regions, this can in turn lead to higher inflation as the costs of imported goods increases as the currency falls in value.

Do you have any questions?

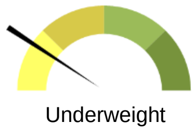
For further information contact us on
1800 634 969 or visit our website:
www.bendigobank.com.au/managedfunds

Asset positioning commentary

Overall the Funds are positioned defensively, with underweights to Australian and global equities. The rise in interest rates globally is likely to significantly reduce demand within the economy.

Australian Shares

We hold an underweight to Australian equities. Driving the exposure is the challenging outlook on the economy. Sticky inflation is having its impact on consumer demand and rapidly rising mortgage rates combined with high private debt levels opens the markets to significant downside risks. With the cash rate expected to hit 4%, we expect property prices to fall significantly in Sydney and Melbourne and this will further dent investor and consumer sentiment.

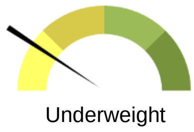


International Shares

We hold an underweight to global equities. We believe the cycle is firmly in the falling growth phase, in which earnings are expected to be negatively affected over the upcoming year. Additionally with quantitative tightening and rising interest rates, this is expected to reduce liquidity, in which there are many excesses throughout the equity universe.

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. Which means the US is likely to be able to raise interest rates higher than in Australia. We are further concerned with the fallout from China, in which the property pullback appears to be broadening weakness with that economy.

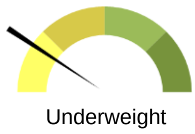
We currently hold a 30% hedged position on our offshore global equity exposures.



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.

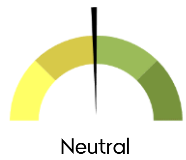


Fixed Income

Overall we hold a slight underweight to fixed income.

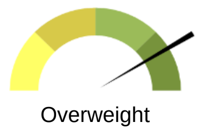
The majority of our duration exposure sits within inflation Australian linked bonds. We like the double sided hedge this exposure provides, with the market pricing 5 year inflation at around 2.6%. This indicates there is potential upside if inflation becomes sticky. Conversely if central banks are required 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.



Cash

Cash is used as a balancing item based on views of other asset classes.



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 managed 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 Index Fund received a 4-Star Overall Morningstar Rating™ out of 16 Multisector Conservative funds as of 31 March 2023. In the Morningstar Multisector Conservative Category, the Bendigo Defensive Index Fund 5 year return was ranked 2 out of 17 funds as of 31 March 2023. Source: www.morningstar.com.au/Funds/FundReport/19288

   Bendigo Conservative Index Fund received a 5-Star Overall Morningstar Rating™ out of 106 Multisector Moderate funds as of 31 March 2023. In the Morningstar Multisector Moderate Category, the Bendigo Conservative Index Fund 5 year return was ranked 6 out of 96 funds as of 31 March 2023. Source: www.morningstar.com.au/Funds/FundReport/19289

   Bendigo Balanced Index Fund received a 5-Star Overall Morningstar Rating™ out of 109 Multisector Balanced funds as of 31 March 2023. In the Morningstar Multisector Balanced Category, the Bendigo Balanced Index Fund 5 year return was ranked 8 out of 100 funds as of 31 March 2023. Source: www.morningstar.com.au/Funds/FundReport/19290

   Bendigo Growth Index Fund received a 4-Star Overall Morningstar Rating™ out of 177 Multisector Growth funds as of 31 March 2023. In the Morningstar Multisector Growth Category, the Bendigo Growth Index Fund 5 year return was ranked 20 out of 167 funds as of 31 March 2023. Source: www.morningstar.com.au/Funds/FundReport/19291

   Bendigo High Growth Index Fund received a 4-Star Overall Morningstar Rating™ out of 121 Multisector Aggressive funds as of 31 March 2023. In the Morningstar Multisector Aggressive Category, the Bendigo High Growth Index Fund 5 year return was ranked 45 out of 117 funds as of 31 March 2023. Source: www.morningstar.com.au/Funds/FundReport/19292

   '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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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 31 March 2023 (unless stated otherwise) and is subject to change without notice.