

# Bendigo Socially Responsible Growth Fund

## Quarterly fund update - September 2024

### 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 3.5% above inflation over a 10 year period.



### RIAA Certification

The Fund has been certified by the Responsible Investment Association of Australasia according to the operational and disclosure practices required under the Responsible Investment Certification Program.<sup>2</sup>

See [www.responsiblereturns.com.au](http://www.responsiblereturns.com.au) for details.

### Fund performance<sup>1</sup>

as at 30 September 2024

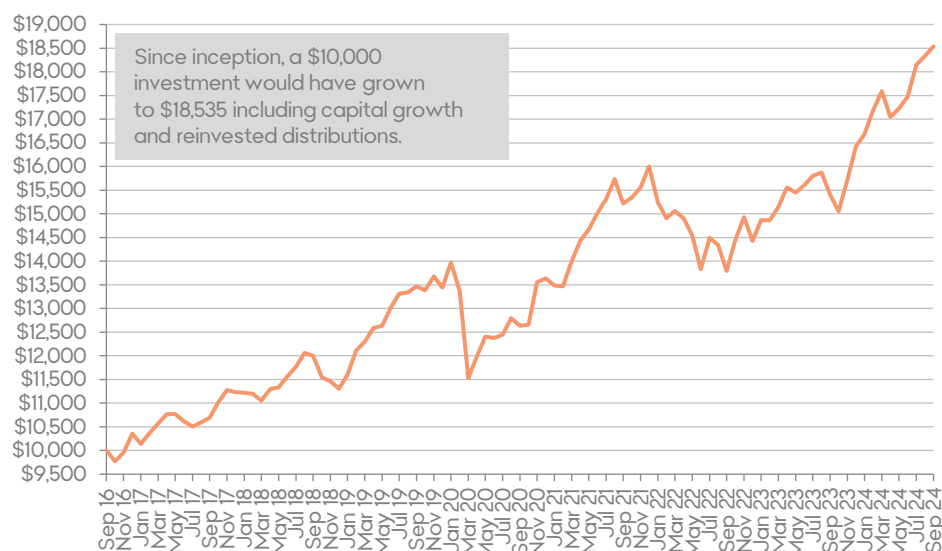
Fund return

3 months %	6.06
1 year %	20.31
3 years %p.a.	6.80
5 years %p.a.	6.59
Since inception %p.a.	8.02
<b>Morningstar Rating™ Overall<sup>3</sup></b>	<b>★★★★</b>
<b>Morningstar Category Rank - 5 year<sup>3</sup></b>	<b>43 / 1 49</b>

### An example of how your investment grows

#### Growth of \$10,000<sup>1</sup>

(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 <sup>4</sup>	1.00% p.a.
Buy / Sell spread <sup>4</sup>	+0.07% / -0.07%
Investment return objective	CPI + 3.5%
Minimum investment / minimum balance	\$5,000
Recommended investment timeframe	5 years +
Risk level	Medium to high

### Unit price

as at 30 September 2024

Application price	\$1.27421
Withdrawal price	\$1.27243



















### Distribution details (cents per unit)

31 Dec 2023	\$0.00984
30 Jun 2024	\$0.05810

### Fund features

- ▶ 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.

## Asset allocation

	Weight %	Weight % $\Delta$ /mth	Key
 VanEck MSCI Australian Sustainable Equity ETF*	33.1%	0.2% 	 Australian Shares
 AXA IM SmartBeta ESG Global Equity*	42.2%	-5.2% 	 International Shares (Unhedged)
 Altius Sustainable Bond Fund*	4.7%	-0.6% 	 Australian Fixed Interest
 Vanguard Government Bond	8.3%	0.0% 	 Australian Fixed Interest
 Australian Unity Future of Healthcare Fund	6.0%	1.0% 	 Australian Fixed Interest
 Sandhurst Strategic Income Fund^	5.6%	4.6% 	 Alternatives
<b>Total</b>	<b>100.0%</b>		

\* 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 <sup>5</sup>

Portfolio	Weight %
Australia Government Bond	3.0%
CSL Ltd	2.4%
Goodman Group	2.3%
Telstra Group Ltd	2.3%
Transurban Group	2.2%
Westpac Banking Corp	2.2%
QBE Insurance Group Ltd	1.5%
James Hardie Industries plc	1.4%
Suncorp Group Ltd	1.3%
Cochlear Ltd	1.3%

## 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<sup>®</sup> to add to your investment at any time with as little as \$100. See your statement for your BPAY reference number.

<sup>®</sup> Registered to BPAY Pty Ltd ABN 69 079 137 518

## Do you have any questions?

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

## Portfolio Performance

The Fund had a strong quarter rising 6.1%, with the Fund up more than 20% on a one year basis. Over the period inflation continued to ease and surprised largely to the downside, this benefited both equities and bonds delivering great returns for investors. The strongest contributor to the Fund was Vanneck Australian Sustainable Equities which rose over 10% in the quarter.

## Economic commentary

The September quarter was another positive period for risk assets, in which Australian shares (S&P ASX 300 Accumulation) rose 7.8%, while hedged global equities rose 4.4% (MSCI World Ex Australia Hedged AUD Total Return Index). Australian banks drove the ASX higher, while mining stocks staged a rally late in the quarter driven by announced China stimulus. Australian and global banks have performed particularly well over the past twelve months, while domestic conditions of an expansion of credit and rising home values have supported bank share prices. Currently relative to historical metrics, Australian banks are expensive to both historical price to earnings ratio and on a dividend yield versus risk free interest rates perspective.

Late in the quarter China stimulus spurred Chinese stocks and mining shares, in which these areas have been particularly weak and unloved for an extended period of time. In September the Hang Seng rose 17.5% on the back of multi-targeted stimulus, and the expectation that the Chinese government will continue to expand stimulus measures.

September saw a flurry of central banks cut interest rates, the European Central Bank has now cumulative cut interest rates by 0.85% since June, the Bank of Canada in total 0.75%, Bank of England 0.25% and the highly anticipated Federal Reserve dropped their cash rate by 0.5% in September's meeting. Against the grain, BOJ has hinted at further rate hikes, while Australia's RBA have advised they are a while away from easing interest rates. Driving the divergence is the inflation backdrop, in which Australia's core inflation (excluding energy and volatile items) continues to remain sticky, with domestic factors such as rent inflation, which is linked to a housing demand/supply imbalance, poor productivity.

Looking forward markets appear well supported into the year end through tailwinds from global fiscal and monetary policy. The outcome from the US elections is likely to shape winners and losers in which will impact markets in the last quarter.

### 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 155 Multisector Growth funds as of 30 September 2024. The Bendigo Socially Responsible Growth Fund returns were ranked 43 out of 149 Morningstar Multisector Growth funds for 5 years to 30 September 2024. '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](http://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 June 2024 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](http://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](http://www.bendigobank.com.au/TMD)

This information is current as at 30 September 2024 (unless stated otherwise) and is subject to change without notice.