



31 October 2011

TITLE FIRST NAME LAST NAME  
ADDRESS 1  
SUBURB STATE POST CODE  
COUNTRY

Dear TITLE LAST NAME,

**Customer number:** XXXXXXXX QS0X  
**Account number:** XXXXXXXX

#### **Important information regarding your AMF Yield Fund**

The AMF Yield Fund (**the Fund**) was established in 2005 and aims to provide investors with a return equal to the average 30 day bank bill swap rate (**BBSW**) over a rolling 12 month period by investing predominantly in residential mortgage backed securities (**RMBS**). Since inception, the Fund has honoured all redemptions and generally outperformed BBSW.

Recently, Sandhurst Trustees Limited (**Sandhurst**) as responsible entity of the Fund, has been notified that its long term investment, a RMBS note, is expected to be fully repaid on 15 December 2011. As you may be aware, the Fund is required to hold at least 50% of its investments in long term assets.

The Sandhurst Board, whilst bearing in mind the original objectives of the Fund, has considered either replacing this investment or winding up the Fund. Following this review, the Board has concluded that, in its opinion, it is in the best interests of unitholders to wind up the Fund.

In accordance with, and for the purposes of, clause 20.1 of the Fund's constitution, Sandhurst specifies **15 December 2011** as the date the Fund is to close. After the Fund terminates, it will be wound up in accordance with the Fund's constitution with the net assets repayable to investors.

#### **What does this mean for you?**

Up until the 14 December 2011 1.30pm CDST the Fund will continue to operate as normal, except that from the date of this letter, Sandhurst will not be accepting new unitholders into the Fund. You can continue to transfer funds in and out of your account and, should you choose to do so, you can close your account (by sending us a signed letter) prior to 14 December 1.30pm CDST.

All transaction requests received by us in writing by 14 December 1.30pm CDST will be actioned. From this time onwards, to facilitate the orderly wind up of the Fund, it is necessary to close the Fund to all transaction requests and realise the Fund's assets and liabilities. It is expected that this will take up to a week to complete and during this time you will not be able to access your funds.

Once the realisation of assets and liabilities is complete and subject to you being a unitholder as at the close of business on the 15 December 2011, all entitlements, including your account balance, accrued interest income and any net proceeds available post the realisation of assets and payment of liabilities will be paid to you on or before the 22 December 2011. We will send you a letter to confirm this final payment and these funds will be transferred to the nominated account provided to us on your initial application form (as amended by you from time to time). Details of this account are as follows:

Bank:  
BSB:  
Account Number:

#### **PLEASE CHECK THE NOMINATED ACCOUNT DETAILS ABOVE.**

**If it is not correct, please contact us on 1800 224 124 before the 15 December 2011 to change your account details.**

**(Note: we will require notification from you in writing to change these details).**

## Key Dates

Indicative Key dates	Action by Sandhurst	Action by You
31 October 2011	Letters sent to all investors advising of the date of termination of the Fund.	Between now and 14 December 1.30pm CDST you can choose to close your account and receive your redemption proceeds or transfer your funds to another product.
31 October to 14 December 2011	The Fund is closed to new unitholders.	<b>No action required</b> No new applications will be accepted into the Fund however deposits and withdrawals will continue to be processed for existing unitholders.
12 December 2011	Cheques received from this date will be returned to you.	You can not deposit cheques into your account.
15 December 2011	All AMF Yield Fund accounts will be closed. Sandhurst will begin the orderly wind-up of the Fund.	<b>No action required</b>
15 December to 22 December 2011	Sandhurst will determine the final entitlements of unitholders who did not close their account prior to this date.	<b>No action required</b>
On or before the 22 December 2011	Sandhurst will send a letter to those unitholders who remain in the Fund with a summary of final distribution payments. Sandhurst will transfer all entitlements to the unitholders nominated account.	<b>No action required</b>

Please note these dates are indicative only and are subject to change. Any changes to these dates will be updated on our website, [www.sandhursttrustees.com.au](http://www.sandhursttrustees.com.au).

Further information regarding the wind up can be found in the enclosed fact sheet.

## Bendigo Wealth – alternative products

Sandhurst is a subsidiary of Bendigo and Adelaide Bank Limited, and forms part of Bendigo Wealth, Bendigo and Adelaide Bank's wealth division. Through Bendigo Wealth you can access a broad range of cash, managed fund and investment solutions. Below is a summary of some of the alternate solutions compared against the Fund. Like the Fund, these products are designed to provide investors with a regular income.

Products	Issued by	Returns <sup>1</sup>	Minimum investment
<b>AMF Yield Fund</b>	Sandhurst Trustees Limited	<b>4.90% p.a.</b>	<b>\$50,000</b>
Adelaide Cash Management Trust		4.25% p.a.	\$1,000
Sandhurst Select Mortgage Fund		5.40% p.a. <sup>2</sup>	\$5,000
Sandhurst Strategic Income Fund		6.08% p.a. <sup>3</sup>	\$50,000
3 month Term Deposit	Bendigo and Adelaide Bank Limited	5.65% p.a.	\$5,000

<sup>1</sup> Information is current as at 31 October 2011 and is subject to change.

<sup>2</sup> This is an indicative rate for the quarter ending 31 December 2011, and is subject to change. The indicative rate is not guaranteed, the rate paid may be lower (or higher) than the indicative rate.

<sup>3</sup> Estimated annualised return to 31 October 2011

Further information to assist you in transferring the proceeds of your investment (before it is wound up) into one of Bendigo Wealth's range of cash, managed funds and investment solutions (such as those set out in the table above), can be found in the attached fact sheet and in the relevant product guide or product disclosure statement available at [www.bendigowealth.com.au](http://www.bendigowealth.com.au). Alternatively you can speak with us if you wish to transfer your account prior to the 15 December 2011.

Please note this letter is general in nature and does not take into account your particular circumstance. Sandhurst recommends that you seek professional advice in relation to the likely impact of the termination and wind up of the Fund, including possible tax consequences, as well as in relation to investing in the above or other alternative products.

If you have any questions please contact us on 1800 224 124.

Yours sincerely

**Paul Rohan** Head of Sandhurst Trustees Limited

Before investing in one of the above listed products you should consider your situation and read the relevant product disclosure statement or product guide available at [www.bendigowealth.com.au](http://www.bendigowealth.com.au). Investments in products issued by Sandhurst are not deposits with, guaranteed by, or liabilities of the Bendigo and Adelaide Bank or any of its subsidiaries and are subject to normal investment risk, including loss of some or all of the principal invested.

# AMF Yield Fund Wind Up - Fact Sheet

Questions	Answers
Why is the long term investment being repaid?	<p>The RMBS note has a mechanism that allows the issuer of this security to repay the investment once the balance reaches a certain dollar limit.</p> <p>This investment has paid down steadily over the last 6 years and has finally reached this dollar limit. The issuer has decided they would like to repay all unitholders which includes the AMF Yield Fund.</p> <p>Further information on the Fund's investments can be found on page 7 and 8 of the product disclosure statement located at <a href="http://www.sandhursttrustees.com.au/pds">www.sandhursttrustees.com.au/pds</a>.</p>
Why did the Sandhurst Board think it was in the best interests of unitholders to wind up the Fund?	<p>The Board was of the view that:</p> <ul style="list-style-type: none"> <li>the original investment strategy is no longer appropriate for the Fund given the risk/return profile of the Fund's main investment has changed since the global financial crisis;</li> <li>no suitable investment is available to replace the maturing investment; and</li> <li>the reduced size of the Fund means that the all inclusive management fee may not cover Sandhurst's costs such that Sandhurst will be forced to consider increasing the management fee, thus reducing the return to unitholders.</li> </ul>
Does the Board have the right to wind up the Fund without unitholders approval?	<p>Sandhurst has the right to terminate the Fund in accordance with clause 20.1 of the Fund's constitution by notice to unitholders. The attached letter provides this notice.</p> <p>The termination and wind up procedures do not require a resolution of unitholders (unitholders are not required to vote).</p>
What does this mean for the Fund?	<p>Once all accounts have been closed and all entitlements have been distributed, and unitholders no longer have any interest in the Fund, the Fund will be deregistered by the Australian Securities and Investments Commission (ASIC) and this means that the Fund will cease to exist as a registered managed investment scheme.</p>
Will I or the Fund lose any money?	<p>If you decide to close your account by 14 December 2011 1.30pm CDST you will be paid your current balance plus any accrued income. If you do not close your account by 14 December 2011 1.30pm CDST, you will receive all entitlements, including your account balance, accrued interest income and any net proceeds available post the realisation of assets and payment of liabilities between the 15 December 2011 and 22 December 2011.</p>
Why can't I access my funds during the week 15 – 22 December?	<p>The Constitution for the Fund prohibits redemptions after the Fund terminates. The Fund will terminate on 15 December 2011 and then Sandhurst must wind up the Fund. The wind up process requires Sandhurst to account for all assets and liabilities of the Fund and distribute the net proceeds to investors who remain unitholders as at the Fund's termination date (being 15 December 2011).</p> <p>The Fund will be repaid its investments by close of business on the 15<sup>th</sup>. Following this date the Fund will repay any of the Fund's borrowings, pay any expenses associated with the wind-up and return principal and interest to unitholders. Any net proceeds from this realisation will be distributed to unitholders still invested in the Fund as at 15 December 2011 on a pro rata basis. This process is expected to take up to 1 week to complete.</p>
What does 'realise the assets' mean?	<p>This is a process that the Fund must undertake as required under its constitution. It involves Sandhurst converting the Fund's assets to cash, paying all liabilities and costs and distributing the net cash proceeds (if any) to unitholders on a pro rata basis according to the number of units held by investors remaining in the Fund as at close of business 15 December 2011.</p>
Can I deposit a cheque into my AMF Yield Fund account up until 15 December 2011?	<p>Due to cheque clearing timeframes, we will be unable to process cheque deposits into your account on or after Monday 12 December 2011. If we receive a cheque from you on or after this date we will return the cheque to you in the mail.</p>
I want to open another account or invest in another fund, what do I have to do?	<ol style="list-style-type: none"> <li>1) Speak with <b>us</b> to find out more about the options.</li> <li>2) Obtain and read a copy of the relevant product disclosure statement or product guide. You can locate a copy from the Sandhurst website <a href="http://www.sandhursttrustees.com.au">www.sandhursttrustees.com.au</a> or Bendigo &amp; Adelaide Bank's website <a href="http://www.adelaidebank.com.au">www.adelaidebank.com.au</a></li> <li>3) Complete and sign the application form for the relevant product and</li> <li>4) Send the completed application to <b>us</b> prior to 15 December 2011 or to: Sandhurst Trustees – AMF Yield Fund Reply Paid D58 Adelaide SA 5001</li> </ol>
Who can I speak to for more information?	<p>If you have any further questions please contact one of the following:</p> <ul style="list-style-type: none"> <li>your financial adviser;</li> <li>your Bendigo and Adelaide Bank representative; or</li> <li>the Service Centre on 1800 224 124.</li> </ul>