

Sandhurst Strategic Income Fund



Product Disclosure Statement Dated 29 February 2012

This Product Disclosure Statement (PDS or Statement) is issued by Sandhurst Trustees Limited (ABN 16 004 030 737, AFSL No. 237906) ('Sandhurst', 'we' or 'our'), as the responsible entity of the Sandhurst Strategic Income Fund (ARSN 151 201 106, APIR - Class A STL0027AU, APIR - Class B STL0044AU) ('the Fund').

This PDS is prepared in accordance with Subdivision 4.2C of Division 4 of Part 7.9 of the Corporations Regulations 2001.

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The latest version of this PDS and the Reference Guide is available at our website at www.sandhursttrustees.com.au/pds/income.

Information in this PDS is subject to change from time to time. Where the changes are not materially adverse, Sandhurst will make updated information available on its website at www.sandhursttrustees.com.au.

You can obtain a paper copy of this PDS, the Reference Guide and any updated information free of charge by contacting your licensed financial adviser or by calling Sandhurst on 1800 634 969.

Important Information

This PDS is a summary of significant information relating to the Sandhurst Strategic Income Fund and will help you decide whether this product will meet your needs, and compare this product with others you may be considering.

It includes references to other important information in a Reference Guide (titled the Sandhurst Strategic Income Fund Reference Guide) that is taken to form part of this PDS. These references begin with an exclamation mark(!).

It is important that you consider this PDS in its entirety, including the other important information that forms part of this PDS, before making an investment decision.

The information in this PDS is general information only and does not take account of your personal financial situation or needs. You should assess your own objectives, financial situation and needs before deciding to acquire an interest in the Fund.

Before making an investment decision, we recommend that you obtain financial advice tailored to your personal circumstances.

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1. About Sandhurst

Sandhurst is the responsible entity, investment manager and issuer of units in the Fund. Sandhurst is responsible for the Fund's operation, selecting and monitoring the Fund's investments and any investment manager(s), and managing the Fund in the best interests of investors.

Sandhurst is a wholly owned subsidiary of Bendigo and Adelaide Bank Limited (ABN 11 068 049 178, AFSL No. 237879) and is part of the Bendigo and Adelaide Bank Group, which comprises Bendigo and Adelaide Bank Limited and its related entities. Sandhurst is part of Bendigo Wealth, Bendigo and Adelaide Bank's wealth division.

Sandhurst has assisted Australian families since 1888 with their financial needs. Sandhurst is a highly experienced provider of investment solutions and trustee services that create, enhance and protect wealth. Sandhurst offers a wide range of products and services including investment and funds management, superannuation, commercial loans, access to funeral bonds, the management of estates and trusts, and the provision of corporate trustee and custodial services. Sandhurst embraces a prudent investment philosophy and is committed to delivering high quality investment solutions.

Sandhurst is the investment manager of the Fund. However Sandhurst may appoint other investment managers in the future. We manage the primary sector securities and hybrid securities (which form part of the secondary sector securities) and may employ the expertise of specialist investment managers such as, but not limited to, Bendigo and Adelaide Bank to manage the investment of money market securities, foreign currency hedging and/or to manage foreign bond securities. Please refer to section 5 of this PDS for more information on the sectors the Fund invests in.

We will select specialist investment managers on the basis of a number of qualitative and quantitative factors, including their performance, investment strategy and key personnel. Our monitoring procedures include, but are not limited to:

- regularly reviewing the investment performance of each investment manager;
- maintaining contact and ongoing liaison with key personnel within each investment manager's business;
- reviewing and assessing the use of derivatives by each investment manager;
- reviewing any market research reports on each investment manager;
- addressing any concerns we may have with key personnel of each investment manager; and
- review by a dedicated Board appointed investment committee.

For up-to-date information on the securities held by the Fund, details of all appointed investment managers and the Fund's latest performance summary, please visit our website www.sandhursttrustees.com.au.

2. How the Sandhurst Strategic Income Fund works

Structure

The Fund is a registered, managed investment scheme, whereby your money is pooled with other investors' money. Sandhurst invests this money on behalf of all Fund investors. This means that you have access to certain investments that you may not otherwise be able to access on your own. The ASIC website www.moneysmart.gov.au has more information on managed investment schemes.

The Fund is established under a Constitution, which sets out your rights, as well as the powers and responsibilities of Sandhurst. You can obtain a copy of the Constitution free of charge by contacting us.

Under the Corporations Act 2001 (Corporations Act), the Fund is required to have a compliance plan lodged with ASIC. The compliance plan is audited annually and sets out the measures that Sandhurst will implement to ensure that the Fund's operation complies with the Corporations Act and the Constitution. In addition, Sandhurst has established an independent compliance committee to monitor Sandhurst's adherence to the compliance plan.

About units and unit pricing

The Fund is unitised, meaning that when you invest in the Fund, you purchase units that represent a beneficial interest in the Fund's assets (but not to any particular asset). The unit price will vary as the market value of investments in the Fund rises or falls.

The Fund offers more than one class of unit. The term used in this PDS to describe this type of offering is called "multi-class pricing". An investor who applies directly for units in the Fund is defined as a "Direct Investor" and is issued with Class A units. An investor who applies for units in the Fund through a master trust, wrap account or other investor directed portfolio service (collectively referred to as a Platform) is defined as a "Platform Investor" and is issued with Class B units.

Both units are ranked equally on a return of capital basis and have the same investment portfolio. The main differences between Class A and Class B units is the management fee, withdrawal period, maximum and minimum withdrawal limits and minimum application limits.

Further information regarding multi-class pricing is set out in section 1 of the Reference Guide.

Applications and withdrawals

If you are a Direct Investor the following minimum requirements apply for applications and withdrawals (which Sandhurst may change at its discretion):

- Initial investment \$10,000
- Additional investment \$1,000 or \$100 per month via the regular savings plan (see below)
- Withdrawals \$1,000¹
- Minimum unit holding \$10,000

1. Further conditions apply to withdrawals. Please refer to the withdrawal requests section on page 3 for further information.

If you are a Platform Investor your Platform operator will set any minimum application, withdrawal and unit holding requirements.

Sandhurst is entitled to retain any interest earned on application money before it is paid into the Fund.

Direct Investors (Class A units)

Initial investment

If a completed Application Form is received and accepted before 12 noon Melbourne time on a business day, the application will be processed using the Class A units' application price calculated as at the close of business on that day. Otherwise, the following business day's application

price for Class A units will be used (these conditions also apply to additional investments – see below). Payment can be made by cheque or direct debit (if using direct debit, you will need to complete the Direct Debit Request Form). In certain circumstances, Sandhurst reserves the right to refuse an application or accept only part of an application or change processing times. A copy of the Application Form and the Direct Debit Request Form is available from our website at www.sandhursttrustees.com.au/forms/income.

Additional investments

Additional investments for Class A units can be made at any time, with payment made by cheque or direct debit. You should obtain a copy of the most up-to-date PDS when making additional investments, as the investment will be made on the terms of the most up-to-date PDS. In certain circumstances, Sandhurst reserves the right to refuse an additional investment or accept only part of an additional investment (see processing times above).

Regular savings plan

The Fund offers a regular savings plan from as little as \$100 per month. Simply complete the Direct Debit Request Form available at www.sandhursttrustees.com.au/forms/income and nominate your contribution amount.

Withdrawal requests

Withdrawals for Class A units will be processed weekly on Wednesday (or the next business day if Wednesday is a public holiday in Melbourne). You can withdraw some or all of your units by sending us a completed Withdrawal Form. If a Withdrawal Form is received and accepted before 12 noon Melbourne time on a Wednesday, the withdrawal will be processed using the withdrawal price for Class A units calculated as at the close of business on that day (or the next business day if Wednesday is a public holiday in Melbourne). Otherwise, the withdrawal will be processed on the following Wednesday and the following Wednesday's withdrawal price for Class A units will be used.

If you make a withdrawal request which would result in the value of your unit holding falling below \$10,000, Sandhurst may, at its discretion, treat your withdrawal request as relating to all of your remaining units. A copy of the Withdrawal Form is available from our website at www.sandhursttrustees.com.au/forms/income.

For each Direct Investor, the total withdrawals you can make for any particular calendar month is capped at \$5,000,000. We have absolute discretion to refuse or partially satisfy or fully satisfy any withdrawal request above this cap. We may, at any time, increase or decrease this withdrawal cap for Class A units by giving investors 7 days written notice.

After receiving a properly completed Withdrawal Form, the amount withdrawn will ordinarily be paid within 5 business days of the withdrawal date (however, we are entitled to take up to 30 days). The amount withdrawn will be credited directly to your nominated account or a cheque can be sent to you upon request.

In extraordinary circumstances, Sandhurst reserves the right to suspend or refuse withdrawals from the Fund, if in the reasonable opinion of Sandhurst, it is in the best interests of investors as a whole to do so. In some circumstances, such as when there is a freeze on withdrawals, you may not be able to withdraw your funds within the usual period for withdrawals. Sandhurst reserves the right to change processing times.

Transfers

You may transfer units in the Fund to another person if that person is eligible to be an investor in the Fund. However, we may, at our sole discretion, refuse to register a transfer of units.

To discuss what is required for a transfer, please contact us on 1800 634 969.

Transferring units may give rise to tax consequences and it is recommended that you check the tax implications with your accountant or financial adviser before making a decision. Transaction costs may be charged on transfers.

Income distributions

In each financial year, the full amount of taxable income available for distribution from the Fund is intended to be distributed to investors. Distributions are calculated quarterly as at 31 March, 30 June, 30 September and 31 December and the constitution allows 30 days for payment of the distributions, however it is our intention to make the distribution to investors available sooner.

Your entitlement to distributions is calculated by dividing the total amount available for distribution for Class A units (after making deductions for any accrued but unpaid management fees) by the total number of Class A units on issue at the distribution date, and multiplying the result by the number of Class A units held by each investor on that date. If you withdraw your units prior to the distribution date, you will not receive any distribution for the period you held those units in the relevant distribution period. However, the unit price will incorporate the distribution entitlement up to the withdrawal date.

You can choose to have your distributions:

- reinvested in further units in the Fund; or
- paid to you by direct credit to your nominated account.

If you do not make a choice, or if a direct credit rejection occurs, then your distributions will be automatically reinvested (the buy/sell spread does not apply to reinvested distributions). You can change your choice for receiving distribution payments by advising Sandhurst in writing at least 10 business days before the end of the relevant distribution period. Otherwise, the change to your distribution instructions will not occur until after the next distribution is paid. Please note that distributions will not be paid by cheque.

Platform Investors (Class B units)

If you are investing through a Platform it is generally the operator of the Platform which becomes the investor in the Fund, not you. Accordingly, they have the rights of an investor and can exercise them in accordance with their arrangements with you. If you invest through a Platform, you may also be subject to different conditions from those outlined in this PDS (such as procedures for making investments and withdrawals, cooling off periods, cut-off times for transacting, timing for distributions, additional fees and costs and investor reporting).

As at the date of this PDS, Sandhurst is not responsible for the operation of any Platform through which you invest. If you are investing through a Platform, enquiries and complaints should be directed to the operator of that service, not to Sandhurst. In addition to reading this PDS, you should read the document that explains the Platform as issued by your Platform operator.



You should read the important information about 'How the Sandhurst Strategic Income Fund Works' before making a decision. Go to section 1 of the Reference Guide at www.sandhursttrustees.com.au/pds/income. The material relating to the 'How the Sandhurst Strategic Income Fund Works' may change between the time when you read this statement and the day when you acquire the product.

3. Benefits of investing in the Sandhurst Strategic Income Fund

The Sandhurst Strategic Income Fund aims to provide a simple and effective way to add cash and other interest bearing securities to your investment portfolio. Whilst aiming to maximise your returns, we will monitor and change the Fund's investments over time so that the Fund maintains exposure to favourable interest bearing securities in varying economic conditions and markets.

- **Strategic management of your investment:** Our professional team monitors the markets and analyses fixed income investments which may offer higher returns with a lower level of risk through the market cycle in an effort to outperform a static investment in similar assets.
- **Access to a diversified portfolio:** Providing you with the opportunity to broaden your exposure across a range of securities, therefore reducing your risk exposure and potentially enhancing returns.
- **Regular income:** By investing in a range of interest bearing securities, the Fund aims to provide you with a regular income stream via quarterly distributions.
- **Access to your funds:** You have easy access to your funds and with us managing your investments for you there is no need to worry about rolling over maturing deposits.
- **A simple and convenient way to invest:** We handle all of the paperwork and administration and provide you with consistent information and reporting on your investment. Our application process and regular savings plan is straightforward and our friendly staff are on hand to assist you with any queries regarding your investment at every step along the way.
- **A responsible entity with a proven record:** Sandhurst aims to create wealth for investors by employing a disciplined and conservative approach to managing quality assets.

4. Risks of Managed Investment Schemes

The purpose of this section is to inform you of the types of significant risks that may apply to an investment in the Fund and is a summary only. It does not purport to be a comprehensive statement of all the risks.

All investments carry risk including the potential for loss of income or capital, a less than expected rate of return or a delay in payment. Different investment strategies may carry different risk, depending on the assets that make up the investment strategy. Asset classes perform differently at different times and have different risk characteristics and volatility. Generally, assets with the highest long-term returns may also carry the highest level of short-term risk.

Some of the significant risks of investing in the Fund are summarised as follows:

- **Individual investment risk:** Investments made by the Fund will fluctuate in value, meaning that they can, and do, fall in value for many reasons. This is an inherent risk associated with all managed funds.
- **Liquidity risk:** The risk that assets of the Fund may not be able to be converted into cash in a timely manner in order to pay withdrawal requests.
- **Counterparty default risk:** The risk of counterparties (i.e. derivative counterparties, brokers, custodians and issuers of investments) failing to perform as contracted.
- **Credit risk:** The risk that the credit quality of underlying investments deteriorates unexpectedly leading to less than expected income and possible loss of capital.

- **Concentration risk:** Is the risk that poor performance in a group of investments common to a particular section of the market will significantly affect the performance of the Fund.
- **Market, country and political risk:** Market risk relates to the performance of the market as a whole impacting on the Fund's investment returns. Factors that may influence the market include economic, environmental, technological, political, taxation and legal conditions and even market sentiment.
- **Interest rate risk:** Changes in interest rates will have a positive or negative impact directly or indirectly on investment values or returns.
- **Investment manager risk:** Is the risk the investment strategy is not successful, resulting in underperformance of the Fund, either in absolute terms, or when considered with respect to the market, or relative to its peers. Specialist investment managers may be utilised for their industry specific knowledge to invest in some market sectors.
- **Regulatory risk:** Arises from regulatory or taxation changes introduced by a government or a regulator, which may affect the value of securities in which the Fund invests.
- **Derivatives risk:** This risk includes the value of derivative positions not moving in line with the movement of the underlying asset, potential liquidity of the derivative and being unable to meet payment obligations in relation to derivative contracts.
- **Fund risk:** The risk that the Fund could be terminated, the fees and costs could change, Sandhurst could be replaced as the responsible entity and/or investment manager, or any individual portfolio managers and other key personnel could change.

Information on how Sandhurst manages these risks is set out in section 2 of the Reference Guide.

Other significant risks of investing in managed investment schemes in general include that:

- the value of investments will vary over time;
- the level of returns will vary and future returns may vary from past returns;
- returns are not guaranteed and investors may lose some of their money;
- laws affecting managed investment schemes may change in the future; and
- the level of risk for each person will vary depending on a range of factors including, age, investment time frames, where other parts of the investor's wealth is invested and the investor's risk tolerance.

You should consult with your financial adviser to properly understand the risks associated with the Fund and your attitude to investment risk.

Sandhurst, Bendigo and Adelaide Bank Limited and its related entities do not guarantee the repayment of capital invested, the payment of income or the Fund's investment performance. An investment in the Fund does not represent a deposit with, or a liability of Sandhurst, Bendigo and Adelaide Bank Limited and its related entities. Bendigo and Adelaide Bank does not stand behind or guarantee the performance of Sandhurst.

Sandhurst is not an authorised deposit-taking institution within the meaning of the Banking Act 1959.



You should read the important information about 'Risks of Managed Investment Schemes' before making a decision. Go to section 2 of the Reference Guide at www.sandhursttrustees.com.au/pds/income. The material relating to 'Risks of Managed Investment Schemes' may change between the time when you read this statement and the day when you acquire the product.

5. How we invest your money

The Fund seeks to generate returns for a given level of risk (risk adjusted returns) in varying market and economic conditions by strategically managing its exposure to a range of eligible securities. The Fund can invest up to 100% of investor monies in domestic interest bearing securities and is permitted to invest a limited percentage in global bonds (hedged back to Australian dollars).

To both manage risk and optimise returns, we will group all of the eligible investments into primary sectors and secondary sectors. Primary sector securities are more accessible and generally less risky than secondary sector securities which are generally less liquid and more difficult to access than primary sector securities.

The Fund will generally invest in primary sectors, adjusting the portfolio between these sectors as market conditions change. The Fund will invest in secondary sectors, that are generally higher risk, only when, in the opinion of Sandhurst, they offer optimal returns for the given level of risk.

Warning: When making a decision whether to invest in the Fund, you should consider:

- the likely investment return;
- the risk; and
- your investment timeframe.



You should read the important information about 'How we invest your money' before making a decision. Go to section 3 of the Reference Guide at www.sandhursttrustees.com.au/pds/income. The material relating to 'How we invest your money' may change between the time when you read this statement and the day when you acquire the product.

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Investment return objective:	To outperform the performance benchmark (before fees) over any three year period.			
Investment strategy:	To invest in a diversified portfolio of domestic and global interest bearing securities across a range of maturities. The Fund will adjust its investments in line with our view of prevailing market conditions to optimise returns and control volatility.			
Target exposure limits:	Exposure	Maximum	Minimum	
	Primary	Bank deposits	100%	30%
		Money market securities	70%	0%
		Government bonds	70%	0%
		Semi government and Supranational bonds	50%	0%
		Corporate bonds and floating rate notes	50%	0%
		Asset backed securities	40%	0%
	Secondary	Hybrids and other	30%	0%
		Foreign bonds (hedged)	30%	0%
	Primary securities total		100%	70%
Secondary securities total		30%	0%	
Performance benchmark:	UBS Bank Bill Index plus 1%. Note the benchmark is not a guarantee of Fund performance.			
Investment managers:	Sandhurst currently manages the primary sector securities and hybrid securities (which form part of the secondary sector securities) and may employ the expertise of specialist investment managers to manage the investment of money market securities, foreign currency hedging and/or to manage foreign bond securities. Details of all selected investment managers will be available on the Fund's website at www.sandhursttrustees.com.au .			
Investment timeframe:	Recommended for at least a 3 year investment period.			
Type of investor to whom this investment is suited:	This Fund is intended to suit an investor primarily seeking regular income. The Fund may be suited to an income portfolio or the defensive asset allocation of your total portfolio.			
Risk rating:	This Fund is considered a low to medium risk investment.			
Changes to the Fund:	We have the right to terminate the Fund or change the Fund's investment objectives (including the performance benchmark, target exposure limits and investment strategy) and investment managers without providing prior notice to investors in some cases. We will inform investors of any material changes to the Fund in accordance with the law.			

For up-to-date information on the securities held by the Fund, including a general description of each asset type please visit our website www.sandhursttrustees.com.au.

6. Fees and Costs

DID YOU KNOW?

Small differences in both investment performance and fees and costs can have a substantial impact on your long-term returns. For example, total annual fees and costs of 2% of your fund balance rather than 1% could reduce your final return by up to 20% over a 30 year period (for example, reduce it from \$100,000 to \$80,000). You should consider whether features such as superior investment performance or the provision of better member services justify higher fees and costs.

You may be able to negotiate to pay lower contribution fees and management costs where applicable. Ask the fund or your financial adviser.

TO FIND OUT MORE

If you would like to find out more, or see the impact of fees based on your own circumstances, the **Australian Securities and Investments Commission (ASIC)** website (www.moneysmart.gov.au) has a calculator to help you check out different fee options and effect of fees and costs on account balances.

The following table shows the fees and costs you may be charged when investing in the Fund. Fees and costs may be deducted directly from your money, from the returns on your investment or from the Fund's assets as a whole. You can use the fees and costs information below to compare costs between different managed investment schemes.

All the fees and costs shown in this section include stamp duty and GST, unless otherwise stated.

Type of fee or cost	Amount
Fees when your money moves in or out of the Fund	
Establishment fee	Nil
Contribution fee	Nil
Withdrawal fee	Nil
Termination fee	Nil
Management costs	
The fees and costs of managing your investment	As at the date of this PDS: Class A units – 0.65% p.a. Class B units – 0.45% p.a.
Service fees	
Adviser service fee ¹	<i>Warning: An adviser service fee may be paid to a financial adviser if a financial advisor is consulted. Please refer to the Statement of Advice from your financial adviser.</i> You may agree with your adviser to pay an adviser service fee of up to \$5,000 from your initial and/or subsequent investments for advice sought about your investment.

1. Adviser service fee is described further on page 10 of the Reference Guide. There are a number of proposed reforms to financial services laws which may prohibit or limit the ability of Sandhurst to pay an adviser service fee to your financial adviser in accordance with your directions. If and when those proposed reforms are enacted, Sandhurst may need to cease paying the adviser service fee to your adviser or limit the amount of the payment.

Additional explanation of fees and costs

Management costs

Management costs are the total fees and costs incurred in managing the Fund, including the fee paid to Sandhurst as responsible entity, fees and costs of the investment managers, administration expenses and other expense recoveries which are not charged directly to investors. The Fund's Constitution allows Sandhurst to recover all proper expenses incurred in administering the Fund and our estimate of these administration expenses is included within the management costs. Our management costs are based on the latest available information as at the date of this PDS. Our management costs may increase or decrease over time depending on the fees of the responsible entity, investment managers, administrative expenses or other expense recoveries. This fee is calculated on the Fund's net asset value, accrued daily, and paid quarterly in arrears to Sandhurst from the Fund's assets as a whole. The management fee is reflected in the Fund's unit price (i.e. it is not directly deducted from your investment amount).

Buy/sell spread

A buy/sell spread applies to the Fund. It is the transaction costs charged to you when you buy and sell units in the Fund and is designed to fairly allocate costs associated with buying and selling Fund assets as a result of investors acquiring or withdrawing units in the Fund; it is retained by the Fund and is not a fee payable to Sandhurst.

A buy spread of 0.10% applies to each application and a sell spread of 0.20% applies to each withdrawal. For example, if you invested \$10,000 in the Fund, the cost of the buy spread would be \$10 and the cost of the sell spread would be \$20 when you withdraw \$10,000 from the Fund. The buy/sell spread may change from time to time without prior notice. The Fund's application and withdrawal prices are updated regularly and can be found at www.sandhursttrustees.com.au

Changes to fees

Fees and costs can change at any time in accordance with the Fund's Constitution. If fees and charges payable to Sandhurst increase, you will be given at least 30 days prior notice. Other costs, such as the buy/sell spread may change at any time without prior notice to you. Expense recoveries may be different than those estimated in this PDS.

Example of annual fees and costs

The table below gives an example of how the fees and costs for the Fund can affect your investment over a one-year period. You should use this table to compare the Fund with other managed investment schemes.

Example: Sandhurst Strategic Income Fund		Balance of \$50,000 including total contributions of \$5,000* during the year
Contribution fee	Nil	For every \$5,000 you put in, you will be charged \$0.
PLUS Management costs	0.65% x \$50,000 = \$325	AND For every \$50,000 you have in the Fund, you will be charged \$325 each year.
EQUALS Cost of Fund		If you had an investment of \$50,000 at the beginning of the year and you contribute an additional \$5,000 during that year, you will be charged fees from \$325.00 - \$357.50.** What it costs you will depend on the investment option you choose and the fees (if any) you negotiate with your financial adviser.

* For this Fund, the minimum balance is \$10,000 and the minimum additional investment is \$1,000.

** The actual amount you will be charged depends on the timing of additional investments. Additional fees may apply, in the form of the buy/sell spread.



You should read the important information about 'Fees and costs' before making a decision. Go to section 4 of the Reference Guide at www.sandhursttrustees.com.au/pds/income. The material relating to 'Fees and costs' may change between the time when you read this statement and the day when you acquire the product.

7. How Managed Investment Schemes are Taxed

Warning: Investing in the Fund is likely to have tax consequences. The Australian taxation system is complex and individual investors have different circumstances, so you are strongly encouraged to seek professional taxation advice before investing in the Fund.

In summary, when investing in the Fund, investors should note that:

- Registered managed investment schemes do not pay tax on behalf of investors.
- Investors will be assessed for tax on their share of the net taxable income of the Fund (both income and capital gains) in the year to which their entitlement relates, irrespective of whether the income is reinvested in additional units or the income payment occurs at a later date.
- The Fund will pass through the investors' share of any imputation or tax credits received during the year.

- Sandhurst expects to be eligible to make and will make a 'capital election' under the tax regime for Managed Investment Trusts. However, the target asset allocation will generally be held and taxed on 'revenue account'.
- Investors may be liable for tax on capital gains realised on the sale of units in the Fund, either by withdrawal or transfer.

The brief summary of taxation information provided above relates only to Australian tax residents who hold their Fund units on capital account for income tax purposes. You should not rely on this summary.



You should read the important information about 'How managed investment schemes are taxed' before making a decision. Go to section 5 of the Reference Guide at www.sandhursttrustees.com.au/pds/income. The material relating to 'How managed investment schemes are taxed' may change between the time when you read this statement and the day when you acquire the product.

8. How to Apply

Investing as a Direct Investor is a simple two step process:

1. Complete the Application Form which is available from our website at www.sandhursttrustees.com.au/forms/income;
2. Send your application money to us in accordance with the instructions contained in the Application Form.

If investing by direct debit or making a withdrawal, you may also download our Direct Debit Request Form and Withdrawal Request Form from www.sandhursttrustees.com.au/forms/income.

If you wish to invest through your Platform, you will need to complete the documents required by your Platform operator. Speak to your adviser or Platform operator for further details.

Cooling-off

Subject to applicable law, Direct Investors have access to a cooling-off period relating to their investment, except for investments made under distribution reinvestment plans or as additional investments. There may be other circumstances in which an investor is not entitled to exercise cooling-off rights; for instance, if the Fund is not liquid at the time an investor's investment is made or where investments are made by wholesale clients (as defined in the Corporations Act). For investors that qualify, your cooling-off rights are described below.

If after investing in the Fund you change your mind, you may write to Sandhurst and request cancellation of your application. The request must be received within 14 days from the earlier of:

- the time you receive written confirmation of your investment; and
- 5 days after the day your investment was issued to you.

The amount refunded will be adjusted to take account of any increases or decreases in the value of the investment and any reasonable administration expenses. If a distribution has occurred between acceptance of your application and receipt of your cooling-off period notification, there may be taxation implications for you. We suggest that you seek professional advice in these circumstances.

If you wish to cancel your investment during the cooling-off period, please inform Sandhurst in writing of your intention to exercise this right before the end of the cooling-off period (and before exercising any rights or powers you have in respect of your investment in the Fund).

If you are a Platform Investor you should refer to your Platform operator about any cooling off rights that may apply to your investment in or through the Platform.

Complaints

If you are a Direct Investor and have a complaint about the operation or management of the Fund, you should call 1800 634 969 or write to:

The Complaints Officer
Sandhurst Trustees
Level 5, 120 Harbour Esplanade
Docklands VIC 3008

All complaints will be properly considered and dealt with within 45 days of receipt. Once we have investigated your complaint, you will receive a written reply explaining our decision when required by law.

If you are not satisfied with the handling of your complaint, or the complaint is not dealt with within 45 days, you may contact the Financial Ombudsman Service Limited on 1300 780 808.

If you are a Platform Investor and have a complaint, your first point of contact should be with your Platform operator. If any issues remain unresolved, then you can contact the complaints scheme of which they are a member.

9. Other Information

Keeping you informed

If you are a Direct Investor we will provide you with a statement confirming your initial investment, additional investments (with the exception of regular savings plan contributions), withdrawals and any change of details as soon as is reasonably practicable after the transaction occurs.

We will also send you:

- a quarterly income distribution statement;
- a quarterly transaction statement;
- an annual tax statement to assist with your tax return;
- an annual report if you elect to receive one on the Application Form (the Fund's annual report is also available at www.sandhursttrustees.com.au); and
- any other communications required by law.

If you are a Platform Investor your confirmation of initial contributions, additional investments and withdrawals will be provided to you by your Platform operator in accordance with the arrangements you have with your Platform operator.

Continuous disclosure requirements

In the event the Fund has 100 or more investors, it will be considered a 'disclosing entity' and subject to continuous disclosure requirements under the Corporations Act.

Where the Fund is a disclosing entity, it will be subject to regular reporting and disclosure obligations. You will be able to obtain from, or inspect at, an ASIC office copies of any documents lodged with ASIC in relation to the Fund. If applicable, you may also obtain from Sandhurst, free of charge, copies of:

- the most recent annual financial report;
- any half yearly financial report lodged with ASIC; and
- any continuous disclosure notices lodged with ASIC.

Some of these documents (including continuous disclosure notices) will also be available from www.sandhursttrustees.com.au

Related party transactions

The Fund may, without limitation, invest in other funds, products or Platforms of which we, or a related entity, are the issuer, operator or responsible entity. Sandhurst, in its capacity of responsible entity, may also use services provided by the Bendigo and Adelaide Bank Group such as investment services, distribution, legal, IT and marketing.

Sandhurst has a process for managing conflicts of interest and related party transactions which ensures that all transactions engaged in by Sandhurst are assessed for any conflicts of interest and to ensure they are reasonable 'arm's length' transactions based on appropriate commercial terms.



BendigoWealth
managed funds