



**Bendigo** Wealth

# Bendigo Managed Wholesale Funds

(Diversified Options)

**Annual Report 2011**

Bendigo Conservative Wholesale Fund

ARSN 100 445 609

Bendigo Balanced Wholesale Fund

ARSN 100 445 341

Bendigo Future Growth Wholesale Fund

ARSN 100 445 476

The Responsible Entity and issuer of Bendigo Managed Wholesale Funds is Sandhurst Trustees Limited ABN 16 004 030 737 AFSL No 237906  
a subsidiary of Bendigo and Adelaide Bank Limited ABN 11 068 049 178 AFSL No 237879

Issued by **Sandhurst Trustees**

**Bendigo Managed Wholesale Funds (Diversified Options)  
Financial Report for the year ended 30 June 2011**

**Contents**

<b>Directors' Report</b>	2
<b>Statement of Comprehensive Income</b>	9
<b>Statement of Financial Position</b>	10
<b>Statement of changes in Net Assets attributable to Unitholders</b>	11
<b>Statement of Cash Flows</b>	12
<b>Notes to the Financial Statements</b>	13
<b>Declaration to the Unitholders</b>	34
<b>Independent Audit Report</b>	35

**Responsible Entity**

Sandhurst Trustees Limited  
AFSL 237906  
ABN 16 004 030 737

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**Joint Secretaries of the Responsible Entity**

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David Andrew Oatway

**Financial Report Auditor**

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**Bendigo Conservative Wholesale Fund**

**ARSN 100 445 609**

**Bendigo Balanced Wholesale Fund**

**ARSN 100 445 341**

**Bendigo Future Growth**

**Wholesale Fund  
ARSN 100 445 476**

**Report by the directors of the responsible entity**

The Directors of the Responsible Entity, Sandhurst Trustees Limited, present this report on the Bendigo Conservative Wholesale Fund ("Conservative Wholesale Fund"), Bendigo Balanced Wholesale Fund ("Balanced Wholesale Fund") and Bendigo Future Growth Wholesale Fund ("Future Growth Wholesale Fund ") (the "Funds") for the year ended 30 June 2011.

**Directors**

The name of each person who has been a director of Sandhurst Trustees Limited during the financial year and to the date of this report are:

Jennifer Lynn Dawson	Chairman
Ian George Mansbridge	
Marnie Ann Baker	
John Billington	(Appointed 28 September 2010)

**Principal activities**

The principal activity of the Funds during the year was the investment in a portfolio of Australian based wholesale funds which invest in Australian and International equities, Australian and International fixed interest securities, listed property and cash deposits.

The underlying investment managers of the Funds are Perennial Investment Partners Limited, Investors Mutual Limited, MLC Investments Limited and Sandhurst Trustees Limited.

No significant change in the nature of these activities occurred during the year.

**Managed investment scheme**

The Funds are Australian registered schemes, and were constituted on 29 April 2002. Sandhurst Trustees Limited, the Responsible Entity of the Funds, is incorporated and domiciled in Australia.

**Net assets attributable to Unitholders**

Net assets attributable to unitholders are classified and disclosed as a liability in the Statement of Financial Position. Consequently, the Funds have recognised distributions to unitholders as a finance cost in the Statement of Comprehensive Income.

**Report by the directors of the responsible entity (continued)**

**Review of Results and Operations**

<b>Results and distributions</b>	<b>Conservative Wholesale Fund</b>		<b>Balanced Wholesale Fund</b>		<b>Future Growth Wholesale Fund</b>	
	<b>2011</b>	2010	<b>2011</b>	2010	<b>2011</b>	2010
	<b>\$'000</b>	\$'000	<b>\$'000</b>	\$'000	<b>\$'000</b>	\$'000
Net profit/(loss) attributable to unitholders (before finance costs)	<b>1,225</b>	1,904	<b>2,287</b>	4,021	<b>1,990</b>	2,897

Distributions to unitholders paid in respect of the financial year were:

<b>Results and distributions</b>	<b>Conservative Wholesale Fund</b>		<b>Balanced Wholesale Fund</b>		<b>Future Growth Wholesale Fund</b>	
	<b>2011</b>	2010	<b>2011</b>	2010	<b>2011</b>	2010
	<b>\$'000</b>	\$'000	<b>\$'000</b>	\$'000	<b>\$'000</b>	\$'000
Interim Distributions Paid	<b>343</b>	279	<b>629</b>	557	<b>493</b>	414
Final Distributions Paid	<b>448</b>	389	<b>759</b>	815	<b>464</b>	516

The cents per unit of these distributions is disclosed below:

<b>Results and distributions</b>	<b>Conservative Wholesale Fund</b>		<b>Balanced Wholesale Fund</b>		<b>Future Growth Wholesale Fund</b>	
	<b>2011</b>	2010	<b>2011</b>	2010	<b>2011</b>	2010
	<b>CPU*</b>	CPU*	<b>CPU*</b>	CPU*	<b>CPU*</b>	CPU*
Interim Distributions Paid	<b>1.75</b>	1.49	<b>1.34</b>	1.23	<b>1.24</b>	1.16
Final Distributions Paid	<b>2.26</b>	2.05	<b>1.65</b>	1.79	<b>1.11</b>	1.37

\* Denotes Cents Per Unit

**Report by the directors of the responsible entity (continued)**

**Performance**

The annual performance of the Funds over each of the past five years is summarised in the following tables:

<b>Conservative Wholesale Fund</b>	<b>2011</b>	<b>2010</b>	<b>2009</b>	<b>2008</b>	<b>2007</b>
	%	%	%	%	%
Growth return	<b>2.53</b>	7.63	<b>(5.69)</b>	(14.52)	<b>0.37</b>
Distribution return	<b>4.52</b>	4.26	<b>5.05</b>	8.13	<b>11.73</b>
Total return	<b>7.05</b>	11.89	<b>(0.64)</b>	(6.39)	<b>12.10</b>
Benchmark return	<b>0.61</b>	8.20	<b>1.20</b>	0.85	<b>6.50</b>

Benchmark: Morningstar Wholesale Defensive Index

<b>Balanced Wholesale Fund</b>	<b>2011</b>	<b>2010</b>	<b>2009</b>	<b>2008</b>	<b>2007</b>
	%	%	%	%	%
Growth return	<b>2.39</b>	7.77	<b>(12.08)</b>	(20.20)	<b>3.34</b>
Distribution return	<b>3.72</b>	4.02	<b>4.69</b>	8.28	<b>12.28</b>
Total return	<b>6.11</b>	11.79	<b>(7.39)</b>	(11.92)	<b>15.62</b>
Benchmark return	<b>(1.18)</b>	11.50	<b>(11.10)</b>	(8.04)	<b>12.50</b>

Benchmark: Morningstar Wholesale Balanced Index

<b>Future Growth Wholesale Fund</b>	<b>2011</b>	<b>2010</b>	<b>2009</b>	<b>2008</b>	<b>2007</b>
	%	%	%	%	%
Growth return	<b>3.65</b>	8.72	<b>(16.67)</b>	(25.16)	<b>6.12</b>
Distribution return	<b>3.05</b>	3.51	<b>4.22</b>	9.18	<b>15.08</b>
Total return	<b>6.70</b>	12.23	<b>(12.45)</b>	(15.98)	<b>21.20</b>
Benchmark return	<b>(1.39)</b>	11.30	<b>(14.40)</b>	(11.52)	<b>15.70</b>

Benchmark: Morningstar Wholesale Growth Index

The growth return is calculated as the return derived by a unitholder due to changes in capital value over the period. The distribution return is the return derived by a unitholder due to distributions paid by the Fund. The total return is calculated as the investment performance of the Fund assuming the reinvestment of all distributions back into the Fund.

**Significant changes in state of affairs**

No significant changes in the Funds' state of affairs occurred during the year.

**Indirect Cost Ratio**

The Indirect Cost Ratio (ICR) is the ratio of the Funds' management costs over the Funds' average net assets attributable for the year, expressed as a percentage.

Management costs include management fees and other expenses or reimbursements deducted in relation to the Funds but do not include transactional and operational costs such as brokerage. Management costs are not paid directly by the unitholders of the Funds.

The ICR for the Funds for the year ended 30 June 2011 is 0.95% (2010:0.95%).

**Significant events after the balance date**

Effective 25 August 2011, the Bendigo Future Growth Wholesale Fund changed its name to Bendigo Growth Wholesale Fund. There was no change in the Fund's portfolio, investment objective or strategy. Other than the fund name change noted above, there has been no matter or circumstance that has arisen since the end of the financial year that significantly affected, or may affect, the Funds' operations in future financial years, the results of those operations or the Funds' state of affairs in future financial years.

**Likely developments and expected results**

The investment strategy of the Funds will be maintained in accordance with the Funds' Constitutions and investment objectives as detailed in the most recent Product Disclosure Statement.

**Environmental regulation and expected results**

The operations of the Funds are not subject to any particular or significant environmental regulation under a law of the Commonwealth or of a State or Territory. There have been no known significant breaches of any other environmental requirements applicable to the Funds.

**Options**

No options over units in the Funds were granted during or since the end of the year and there were no options outstanding at the date of this report.

**Indemnities and insurance premiums for officers or directors**

Under the Funds' constitutions, the Responsible Entity, including its officers and employees, is indemnified out of the Funds' assets for any loss, damage, expense or other liability incurred by it in properly performing or exercising any of its powers, duties or rights in relation to the Funds.

The Funds have not indemnified any auditor of the Funds.

During the financial year the Responsible Entity paid a premium under a contract insuring each Director and officer of the Responsible Entity against liability and legal expenses incurred in their respective capacities. Such insurance contracts insure against certain liability (subject to specified exclusions) for persons who are or have been directors of the Responsible Entity or executive officers of the Responsible Entity.

Disclosure of the nature of the liability and the amount of the premium is prohibited by the confidentiality clause of the contract of insurance. The Responsible Entity has not provided any insurance to a related body corporate or to an auditor of the Responsible Entity.

**Units on Issue**

The movement in units on issue of the Funds for the year was as follows:

	Conservative Wholesale Fund		Balanced Wholesale Fund		Future Growth Wholesale Fund	
	2011 '000	2010 '000	2011 '000	2010 '000	2011 '000	2010 '000
Units issued	3,178	2,063	5,497	3,949	7,094	5,824
Units redeemed	(2,421)	(1,796)	(4,866)	(2,198)	(3,084)	(752)
Units on issue as at 30 June	19,782	19,025	46,055	45,424	41,681	37,671

	Conservative Wholesale Fund		Balanced Wholesale Fund		Future Growth Wholesale Fund	
	2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000
Value of total Fund assets as at 30 June	18,665	17,480	38,914	37,573	33,892	29,670

The basis for valuation of the Funds' assets is disclosed in Note 2 to the financial statements.

**Interests of the Responsible Entity**

The Responsible Entity and its associates held no units in the Funds during the financial year.

The following fees were paid to Sandhurst Trustees Limited and its associates out of the Funds during the financial year:

	Conservative Wholesale Fund		Balanced Wholesale Fund		Future Growth Wholesale Fund	
	2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000
Management fees paid/payable directly by the Funds	64	59	129	121	107	96

**Auditors' Independence Declaration**

A copy of the auditors' independence declaration is set out on the following page.

**Rounding**

The amounts contained in the financial report and the Directors' report have been rounded off under the option under ASIC Class Order 98/0100. The Funds are entities to which the Class Order applies, and in accordance with that Class Order, amounts in the Financial Report have been rounded to the nearest thousand dollars (where rounding is appropriate).

Signed in accordance with a resolution of the Board of Directors:

A handwritten signature in black ink that reads "Jennifer Dawson". The signature is written in a cursive style with a large, looped initial 'J'.

Jennifer L Dawson  
Director  
25 August 2011

## Auditor's Independence Declaration to the Directors of Sandhurst Trustees Limited, as Responsible Entity for the Bendigo Conservative Wholesale Fund, Bendigo Balanced Wholesale Fund and Bendigo Future Growth Wholesale Fund

In relation to our audit of the financial report of Bendigo Conservative Wholesale Fund, Bendigo Balanced Wholesale Fund and Bendigo Future Growth Wholesale Fund for the financial year ended 30 June 2011, to the best of my knowledge and belief, there have been no contraventions of the auditor independence requirements of the *Corporations Act 2001* or any applicable code of professional conduct.

A handwritten signature in blue ink that reads 'Ernst & Young'.

Ernst & Young

A handwritten signature in blue ink, appearing to be 'T M Dring'.

T M Dring  
Partner  
25 August 2011

**Statement of Comprehensive Income**  
For the year ended 30 June 2011

	Note	Conservative Wholesale Fund		Balanced Wholesale Fund		Future Growth Wholesale Fund	
		2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000
<b>Income</b>							
Finance income	3(a)	10	8	13	10	18	15
Distribution income		815	691	1,415	1,396	952	924
Changes in fair value of investments	12	434	1,236	894	2,649	1,026	1,967
Management fee rebate		30	28	94	87	101	87
		<b>1,289</b>	<b>1,963</b>	<b>2,416</b>	<b>4,142</b>	<b>2,097</b>	<b>2,993</b>
<b>Expenses</b>							
Management fees	11(iv)	(64)	(59)	(129)	(121)	(107)	(96)
<b>Net profit/(loss) attributable to Unitholders (before finance costs)</b>		<b>1,225</b>	<b>1,904</b>	<b>2,287</b>	<b>4,021</b>	<b>1,990</b>	<b>2,897</b>
<b>Finance costs</b>							
Distributions to unitholders	3(b)	(791)	(668)	(1,388)	(1,372)	(957)	(930)
<b>Change in Net Assets attributable to Unitholders</b>		<b>434</b>	<b>1,236</b>	<b>899</b>	<b>2,649</b>	<b>1,033</b>	<b>1,967</b>

The above Statement of Comprehensive Income should be read in conjunction with the accompanying notes to the financial statements.

**Statement of Financial Position**  
As at 30 June 2011

	Note	Conservative Wholesale Fund		Balanced Wholesale Fund		Future Growth Wholesale Fund	
		2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000
<b>Assets</b>							
Cash assets		273	579	354	306	625	485
Trade and other receivables	4	286	252	575	639	417	452
Investments in financial assets At fair value through profit or loss	5	18,106	16,649	37,985	36,628	32,850	28,733
<b>Total Assets</b>		<b>18,665</b>	<b>17,480</b>	<b>38,914</b>	<b>37,573</b>	<b>33,892</b>	<b>29,670</b>
<b>Liabilities</b>							
Trade and other payables	6	17	16	34	34	30	27
Distribution payable		448	389	760	815	464	516
<b>Total liabilities excluding Net Assets Attributable to Unitholders</b>		<b>465</b>	<b>405</b>	<b>794</b>	<b>849</b>	<b>494</b>	<b>543</b>
<b>Net Assets attributable to Unitholders (Liability)</b>	<b>7(b)</b>	<b>18,200</b>	<b>17,075</b>	<b>38,120</b>	<b>36,724</b>	<b>33,398</b>	<b>29,127</b>

The above Statement of Financial Position should be read in conjunction with the accompanying notes to the financial statements.

**Statement of Changes in Net Assets Attributable to Unitholders**  
For the year ended 30 June 2011

	Conservative Wholesale Fund \$'000	Balanced Wholesale Fund \$'000	Future Growth Wholesale Fund \$'000
<b>At 1 July 2009</b>	15,640	32,764	23,185
Net profit/(loss) attributable to unitholders (before finance costs)	1,904	4,021	2,897
Distribution to unitholders	(668)	(1,372)	(930)
Application for units	1,827	3,135	4,579
Redemption of units	(1,628)	(1,824)	(604)
<b>At 30 June 2010</b>	<b>17,075</b>	<b>36,724</b>	<b>29,127</b>
Net profit/(loss) attributable to unitholders (before finance costs)	1,225	2,287	1,990
Distribution to unitholders	(791)	(1,388)	(957)
Application for units	2,930	4,572	5,715
Redemption of units	(2,239)	(4,075)	(2,477)
<b>At 30 June 2011</b>	<b>18,200</b>	<b>38,120</b>	<b>33,398</b>

The above Statement of Changes in Net Assets attributable to Unitholders should be read in conjunction with the accompanying notes to the financial statements.

**Statement of Cash Flows**  
**For the year ended 30 June 2011**

	Note	Conservative Wholesale Fund		Balanced Wholesale Fund		Future Growth Wholesale Fund	
		2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000
<b>Cash flows from operating activities</b>							
Interest received		10	8	13	10	18	15
Distributions received		25	52	102	213	48	100
GST received		5	4	9	9	7	7
Management fees		(67)	(61)	(138)	(124)	(112)	(96)
Management fee rebates		30	27	93	83	97	81
<b>Net cash flows from/(used in) operating activities</b>	<b>8(b)</b>	<b>3</b>	<b>30</b>	<b>79</b>	<b>191</b>	<b>58</b>	<b>107</b>
<b>Cash flows from investing activities</b>							
Proceeds from the sale of securities		2,060	1,666	4,365	1,040	4,897	575
Payments for purchase of securities		(2,326)	(890)	(3,450)	(900)	(7,045)	(3,506)
<b>Net cash flows from/(used in) investing activities</b>		<b>(266)</b>	<b>776</b>	<b>915</b>	<b>140</b>	<b>(2,148)</b>	<b>(2,931)</b>
<b>Cash flows from financing activities</b>							
Proceeds from applications by unitholders		2,257	1,141	3,159	1,555	4,724	3,603
Payments for redemptions by unitholders		(2,239)	(1,628)	(4,075)	(1,824)	(2,477)	(604)
Distribution paid		(61)	(70)	(30)	(39)	(17)	(22)
<b>Net cash (used in)/provided by financing activities</b>		<b>(43)</b>	<b>(557)</b>	<b>(946)</b>	<b>(308)</b>	<b>2,230</b>	<b>2,977</b>
<b>Net (decrease)/increase in cash held</b>		<b>(306)</b>	<b>249</b>	<b>48</b>	<b>23</b>	<b>140</b>	<b>153</b>
Cash at the beginning of the year		579	330	306	283	485	332
<b>Cash at the end of the year</b>	<b>8(a)</b>	<b>273</b>	<b>579</b>	<b>354</b>	<b>306</b>	<b>625</b>	<b>485</b>

The above Statement of Cash Flows should be read in conjunction with the accompanying notes to the financial statements.

## Notes to the Financial Statements

### 1. Corporate information

The financial report of the Funds for the year ended 30 June 2011 was authorised for issue in accordance with a resolution of the directors of the Responsible Entity on 25 August 2011. The Funds are Managed Investment Schemes, constituted on 29 April 2002. Sandhurst Trustees Limited, the Responsible Entity of the Funds, is incorporated and domiciled in Australia. The nature of operations and principal activities of the Funds are described in the Report by the Directors of the Responsible Entity.

### 2. Summary of significant accounting policies

#### (a) *Basis of Preparation*

The financial report is a general purpose financial report, which has been prepared in accordance with the requirements of the Corporations Act 2001, Australian Accounting Standards and other authoritative pronouncements of the Australian Accounting Standards Board. The financial report has been prepared in accordance with the historical cost convention, except for the valuation of investments in financial assets, which have been measured at fair value.

The Statement of Financial Position is presented on a liquidity basis. Assets and liabilities are presented in decreasing order of liquidity and are not distinguished between current and non-current. Additional information regarding this are included in the relevant notes.

The financial report is presented in Australian dollars and all values are rounded to the nearest thousand dollars (\$'000) unless otherwise stated under the option available to the Funds under ASIC Class Order 98/100. The Funds are entities to which the Class Order applies.

#### (b) *Statement of compliance*

The financial report complies with Australian Accounting Standards and International Financial Reporting Standards (IFRS).

#### (c) *Investments*

##### *Classification*

Each of the Funds classifies its financial assets and financial liabilities in accordance with AASB 139.

##### **Financial instruments designated as at fair value through profit or loss upon initial recognition:**

These include equity securities and debt instruments that are not held for trading. These financial assets are designated on the basis that they are part of a group of financial assets which are managed and have their performance evaluated on a fair value basis in accordance with risk management and investment strategies of the Fund.

##### *Recognition*

Each of the Funds recognises a financial asset or a financial liability when, and only when, it becomes a party to the contractual provisions of the instrument.

Purchases and sales of financial assets that require delivery of assets within the time frame generally established by regulation or convention in the market place are recognised on the trade date i.e. the date that the Funds commit to purchase or sell the asset.

##### *Derecognition*

Derecognition occurs when the Funds transfer a financial asset and is no longer exposed to substantially all of the risks and rewards of the asset. Where the Funds neither retain nor transfer substantially all of the risks and rewards of the financial asset, derecognition occurs when the Funds no longer control the asset.

##### *Initial measurement*

All investments are initially recognised at fair value, being the fair value of the consideration paid excluding transaction costs. After initial recognition, financial assets designated as at fair value through profit or loss are revalued to fair value at each reporting date, with changes in their fair value recognised in the profit and loss.

The fair value of units in Managed Investment Schemes is determined by reference to published bid prices at the close of business on the Statement of Financial Position date being the redemption price as established by the underlying Funds' responsible entity.

**(c) Investments (continued)**

*Subsequent measurement*

Gains or losses on investments at fair value through profit or loss are recognised in the Statement of Comprehensive Income. Changes in fair values are recorded in 'Changes in fair value of investments designated at fair value through the profit and loss'. Investments of the Funds which are considered to be at fair value through profit or loss are equity securities, derivatives and interest bearing securities which there is no positive intention to hold to maturity.

**(d) Income Tax**

Under current legislation, the Funds are not subject to income tax provided the unitholders are presently entitled to the income of the Funds and the Funds fully distribute its taxable income. The new legislation Taxation of Financial Arrangements has been implemented effective 1 July 2010. The regime aims to align the tax and accounting treatment of financial arrangements. The Fund made a transitional election to bring pre-existing arrangements into TOFA, which will result in deferred tax balances of affected financial arrangements progressively reversing over a four year period.

**(e) Cash**

For the purpose of the Statement of Cash Flows, cash includes cash at bank and deposits at call, which are readily convertible to cash.

**(f) Revenue Recognition**

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Funds and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised:

*Distributions*

Distributions are recognised as income when the right to receive the payment is established.

*Interest income*

Income on cash deposit is recognised on an accrual basis, using the effective interest rate method, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial instrument.

*Changes in the fair value of investments*

Gains and losses on investments are calculated as the difference between the fair value at sale, or at the year end, and the fair value at the previous valuation point. This includes both realised gains and losses and unrealised gains and losses, but does not include interest or distribution revenue.

**(g) Receivables**

Receivables are recognised and carried at the nominal amount, less a provision for any uncollectible debts. Amounts are generally received within 30 days of being recorded as receivables. Outstanding trade receivables are usually settled within three days.

**(h) Distributions paid/payable**

In accordance with the Funds' Constitutions, the Funds fully distribute their distributable income to unitholders. Distributions are payable at the end of each half year. Such distributions are determined by reference to the taxable income of the Funds. Distributable income includes capital gains arising from the disposal of investments. Unrealised gains and losses on investments that are recognised as income are transferred to net assets attributable to unitholders and are not assessable and distributable until realised. Capital losses are not distributed to unitholders but are retained to be offset against any future realised capital gains.

**(i) Payables**

Liabilities for creditors and other amounts are carried at cost, which is the fair value of the consideration to be paid in the future for goods and services received, whether or not billed to the Funds. Payables include outstanding settlements on the purchase of investments and the distribution payable. The carrying period is dictated by market conditions and is generally less than 30 days. Outstanding trade payables are usually settled within three days.

**(j) *Change in net assets attributable to unitholders***

Non-distributable income is retained in net assets attributable to unitholders and may consist of unrealised changes in the net fair value of investments, accrued income not yet assessable, expenses provided or accrued for which are not yet deductible or net capital losses. Net capital gains on the realisation of any investments (including any adjustments for tax deferred income previously retained in net assets attributable to unitholders) and accrued income not yet assessable will be included in the determination of distributable income in the same year as it becomes assessable for tax.

**(k) *Unit Prices***

Unit Prices are determined in accordance with the Funds' Constitutions and are calculated on the net assets attributable to unitholders of the Funds, less estimated costs divided by the number of units on issue, on a forward pricing basis, as determined by the Responsible Entity.

**(l) *Terms and conditions on units***

Each unit issued confers upon the unitholder an equal interest in the Funds, and is of equal value. A unit does not confer any particular asset or investment of the Funds. Unitholders have various rights under the Constitution and the Corporations Act 2001, including the right to:

- have their units redeemed;
- receive income distributions;
- attend and vote at meetings of unitholders; and
- participate in the termination and winding up of the Funds.

The rights, obligations and restrictions attached to each unitholder are identical in all respects.

*Redeemable units*

Redeemable units are redeemable at the unitholders' option at anytime for cash equal to a proportionate share of the Funds' net asset value (calculated in accordance with redemption requirements) and are classified as financial liabilities. The financial liability is disclosed on the Statement of Financial Position as 'Net Assets attributable to Unitholders (Liability)'. The units are classified as financial liabilities due to the fact that, in addition to the contractual obligation to pay cash to unitholders' upon redemption, the Fund also has compulsory distribution clauses in the Funds' Constitutions.

The liabilities arising from the redeemable units are carried at the redemption amount being the net asset value calculated in accordance with redemption requirements. The Funds' net asset value per unit is calculated by dividing the net assets attributable to unitholders (calculated in accordance with redemption requirements) by the number of units on issue.

This valuation of net assets is different from the IFRS valuation requirements. The difference between the two valuations is presented in Note 7(b) as 'Adjustment from sell-market prices to bid-market prices'.

For the purpose of calculating the net assets attributable to unitholders in accordance with the Fund's redemption requirements, the Fund's assets and liabilities are valued on the basis of mid-market prices.

**(m) *Goods and services tax (GST)***

Income, expenses and assets, with the exception of receivables and payables, are recognised net of the amount of GST to the extent that the GST is recoverable from the taxation authority. Where GST is not recoverable, it is recognised as part of the cost of acquisition of the asset or part of the expense item as applicable.

Expenses incurred by the Funds are recognised net of the amount of GST which is able to be recovered from the Australian Taxation Office (ATO). Reduced input tax credits (RITC) recoverable by the Fund from the ATO are recognised as receivables in the Statement of Financial Position.

Cash flows are included in the Statement of Cash Flows on a gross basis. The GST component of cash flows arising from investing and financing activities, which is recoverable from, or payable to, the taxation authority are classified as operating cash flows.

**Bendigo Managed Wholesale Funds (Diversified Options)**  
**Financial Report for the year ended 30 June 2011**

**(n) Application of Accounting Standards**

Australian Accounting Standards that have recently been issued but are not yet effective have not been adopted for the annual reporting period ending 30 June 2011.

AASB Amendment/ Standard	Title	Nature of change to accounting policy	Application date of Standard	Application date for the scheme
AASB 9	AASB 9 Financial Instruments	AASB 9 includes requirements for the classification and measurement of financial assets resulting from Phase 1 of the IASB's project to replace IAS 39 Financial Instruments: Recognition and Measurement (AASB 139 Financial Instruments: Recognition and Measurement). AASB 9 applies to annual reporting periods beginning on or after 1 January 2013, however it may be early adopted for annual reporting periods ending on or after 31 December 2009. The Fund has not early adopted AASB 9 for the year ended 30 June 2011. Given that the Fund's investments are all currently measured at fair value through profit or loss, it is not anticipated that adoption of AASB 9 will have a significant impact on the Fund.	1 Jan 2013	1 Jul 2013
AASB 2009-11	Amendments to Australian Accounting Standards arising from AASB 9  [AASB 1, 3, 4, 5, 7, 101, 102, 108, 112, 118, 121, 127, 128, 131, 132, 136, 139, 1023 & 1038 and Interpretations 10 & 12]	These amendments arise from the issuance of AASB 9 Financial Instruments that sets out requirements for the classification and measurement of financial assets.	1 Jan 2013	1 Jul 2013
AASB 2009-12	Amendments to Australian Accounting Standards	This amendment makes numerous editorial changes to a range of Australian Accounting Standards and Interpretations.	1 Jan 2011	1 Jul 2011
AASB 124 (Revised)	Related Party Disclosures (December 2009)	The revised AASB 124 simplifies the definition of a related party, clarifying its intended meaning and eliminating inconsistencies from the definition.	1 Jan 2011	1 Jul 2011
AASB 1053	Application of Tiers of Australian Accounting Standards	This Standard establishes a differential financial reporting framework consisting of two Tiers of reporting requirements for preparing general purpose financial statements.	1 Jul 2013	1 Jul 2013
AASB 1054	Australian Additional Disclosures	This standard is as a consequence of phase 1 of the joint Trans-Tasman Convergence project of the AASB and FRSB. It relocates all Australian specific disclosures from other standards to one place and revises certain other disclosures.	1 Jul 2011	1 Jul 2011
AASB 2010-4	Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project [AASB 1, AASB 7, AASB 101, AASB 134 and Interpretation 13]	Emphasises the interaction between quantitative and qualitative AASB 7 disclosures and the nature and extent of risks associated with financial instruments.	1 Jan 2011	1 Jul 2011

**Bendigo Managed Wholesale Funds (Diversified Options)**  
**Financial Report for the year ended 30 June 2011**

(n) *Application of Accounting Standards (continued)*

AASB Amendment/ Standard	Title	Nature of change to accounting policy	Application date of Standard	Application date for the scheme
AASB 2010-5	Amendments to Australian Accounting Standards [AASB 1, 3, 4, 5, 101, 107, 112, 118, 119, 121, 132, 133, 134, 137, 139, 140, 1023 & 1038 and Interpretations 112, 115, 127, 132 & 1042]	This Standard makes numerous editorial amendments to a range of Australian Accounting Standards and Interpretations, including amendments to reflect changes made to the text of IFRS by the IASB. These amendments have no major impact on the requirements of the amended pronouncements.	1 Jan 2011	1 Jul 2011
AASB 2010-7	Amendments to Australian Accounting Standards arising from AASB 9 (December 2010) [AASB 1, 3, 4, 5, 7, 101, 102, 108, 112, 118, 120, 121, 127, 128, 131, 132, 136, 137, 139, 1023, & 1038 and interpretations 2, 5, 10, 12, 19 & 127]	The requirements for classifying and measuring financial liabilities were added to AASB 9. The existing requirements for the classification of financial liabilities and the ability to use the fair value option have been retained.	1 Jan 2013	1 Jul 2013
AASB 2011-1	Amendments to Australian Accounting Standards arising from the Trans-Tasman Convergence project [AASB 1, AASB 5, AASB 101, AASB 107, AASB 108, AASB 121, AASB 128, AASB 132, AASB 134, Interpretation 2, Interpretation 112, Interpretation 113]	This Standard amends many Australian Accounting Standards, removing the disclosures which have been relocated to AASB 1054.	1 Jul 2011	1 Jul 2011

If these accounting standards had been adopted, we do not believe that there would have been a material impact to either the Statement of Comprehensive Income for the year to 30 June 2011 or the Statement of Financial Position as at 30 June 2011.

*Changes in Accounting Policies*

The impact of new or amended Australian Accounting Standards and interpretations has been assessed and to the extent applicable to the Funds for the annual reporting period ended 30 June 2011 are outlined in the table below.

AASB Amendment/ Standard	Title	Nature of change to accounting policy
AASB 2009-5	Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project  [AASB 5, 8, 101, 107, 117, 118, 136 & 139]	Amendments to Standards resulting in accounting changes for presentation, recognition or measurement purposes, some amendments that relate to terminology and editorial changes are expected to have no or minimal effect on accounting.

**(o)** *Significant accounting judgments and estimates*

The preparation of the Funds' financial statements requires management to make judgments, estimates and assumptions that affect the amounts recognised in the financial statements. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in the future.

*Fair value of financial instruments.*

When the fair value of financial assets and financial liabilities recorded in the Statement of Financial Position cannot be derived from active markets, they are determined using a variety of valuation techniques that include the use of mathematical models. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values.

The judgments include considerations of liquidity and model inputs such as credit risk (both own and counterparty's), correlation and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments. The models are calibrated regularly and tested for validity using prices from any observable current market transactions in the same instrument (without modification or repackaging) or based on any available observable market data.

**(p)** *Functional Currency*

The primary objective of the Fund is to generate returns in Australian Dollars, its funding currency. The liquidity of the Funds are managed on a day-to-day basis in Australian Dollars in order to handle the issue and redemption of the Funds' units. The Fund's performance is evaluated in Australian Dollars. Therefore, management considers the Australian Dollar as the currency that most faithfully represents the economic effects of the underlying transactions, events and conditions.

**Bendigo Managed Wholesale Funds (Diversified Options)  
Financial Report for the year ended 30 June 2011**

	Conservative Wholesale Fund		Balanced Wholesale Fund		Future Growth Wholesale Fund	
	2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000
<b>3. Finance income and distributions to unitholders</b>						
(a) <i>Interest Revenue</i> Interest Revenue	10	8	13	10	18	15
(b) <i>Distributions to unitholders</i> Distributions to unitholders	791	668	1,388	1,372	957	930
<i>Distributions to unitholders</i>			2011 \$'000	CPU*	2010 \$'000	CPU*
<b>Conservative Wholesale Fund</b>						
<b>Interim distributions paid</b> 31 December			343	1.75	279	1.49
<b>Final distribution payable</b> 30 June			448	2.26	389	2.05
Distributions to unitholders			791	4.01	668	3.54
<b>Balanced Wholesale Fund</b>						
<b>Interim distributions paid</b> 31 December			629	1.34	557	1.23
<b>Final distribution payable</b> 30 June			759	1.65	815	1.79
Distributions to unitholders			1,388	2.99	1,372	3.02
<b>Future Growth Wholesale Fund</b>						
<b>Interim distributions paid</b> 31 December			493	1.24	414	1.16
<b>Final distribution payable</b> 30 June			464	1.11	516	1.37
Distributions to unitholders			957	2.35	930	2.53

\* Denotes Cents Per Unit

**Bendigo Managed Wholesale Funds (Diversified Options)**  
**Financial Report for the year ended 30 June 2011**

	Conservative Wholesale Fund		Balanced Wholesale Fund		Future Growth Wholesale Fund	
	2011	2010	2011	2010	2011	2010
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>4. <u>Trade and other receivables</u></b>						
Sundry debtors	9	8	25	24	28	25
Distributions receivable	277	244	550	615	389	427
	<b>286</b>	<b>252</b>	<b>575</b>	<b>639</b>	<b>417</b>	<b>452</b>

Refer to Note 2(g) for terms and conditions of trade and other receivables

	Conservative Wholesale Fund		Balanced Wholesale Fund		Future Growth Wholesale Fund	
	2011	2010	2011	2010	2011	2010
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>5. <u>Investments</u></b>						
Unlisted Managed Investment Schemes	18,106	16,649	37,985	36,628	32,850	28,733

**Fair value of financial instruments**

The fair value of units in unlisted managed investment schemes (including investments in schemes that have suspended daily redemptions) is determined by reference to published bid prices at the close of business on the reporting date, being the redemption price as established by the underlying scheme's responsible entity.

The table below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

Level 1 fair value measurements are those instruments valued based on quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 fair value measurements are those instruments valued based on inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3 fair value measurements are those instruments valued based on inputs for the asset or liability that are not based on observable market data (unobservable inputs).

5. Investments (continued)

Fair value of financial instruments (continued)

	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
<b>As at 30 June 2011</b>				
<b>Financial assets at fair value through profit or loss</b>				
Unlisted Managed Investment Schemes				
<b>Conservative Wholesale Fund</b>	-	18,106	-	18,106
<b>Balanced Wholesale Fund</b>	-	37,985	-	37,985
<b>Future Growth Wholesale Fund</b>	-	32,850	-	32,850
<b>As at 30 June 2010</b>				
<b>Financial assets at fair value through profit or loss</b>				
Unlisted Managed Investment Schemes				
<b>Conservative Wholesale Fund</b>	-	16,649	-	16,649
<b>Balanced Wholesale Fund</b>	-	36,628	-	36,628
<b>Future Growth Wholesale Fund</b>	-	28,733	-	28,733

	Conservative Wholesale Fund		Balanced Wholesale Fund		Future Growth Wholesale Fund	
	2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000
<b>6. <u>Trade and other payables</u></b>						
Sundry creditors	17	16	34	34	30	27

Refer to Note 2(i) for terms and conditions of trade and other payables

**Bendigo Managed Wholesale Funds (Diversified Options)**  
**Financial Report for the year ended 30 June 2011**

	Conservative Wholesale Fund		Balanced Wholesale Fund		Future Growth Wholesale Fund	
	2011	2010	2011	2010	2011	2010
	Units '000	Units '000	Units '000	Units '000	Units '000	Units '000
<b>7. Net assets attributable to unitholders</b>						
The terms and conditions attached to units in the Funds can be found in Note 2(l).						
<b>(a) Units on issue</b>						
Balance at the beginning of the year	<b>19,025</b>	18,758	<b>45,424</b>	43,673	<b>37,671</b>	32,599
Applications						
- Cash	<b>2,439</b>	1,267	<b>3,775</b>	1,923	<b>5,845</b>	4,530
- Reinvested distributions	<b>739</b>	796	<b>1,722</b>	2,026	<b>1,249</b>	1,294
Redemptions	<b>(2,421)</b>	(1,796)	<b>(4,866)</b>	(2,198)	<b>(3,084)</b>	(752)
Balance at the end of the year	<b>19,782</b>	19,025	<b>46,055</b>	45,424	<b>41,681</b>	37,671
<b>(b) Reconciliation of net assets attributable to unitholders</b>						
Net assets attributable to unitholders (calculated in accordance with redemption requirements)	<b>18,218</b>	17,090	<b>38,183</b>	36,780	<b>33,473</b>	29,187
Adjustment from nav-market prices to bid-markets prices	<b>(18)</b>	(15)	<b>(63)</b>	(56)	<b>(75)</b>	(60)
Net assets attributable to unitholders (calculated in accordance with AIFRS)	<b>18,200</b>	17,075	<b>38,120</b>	36,724	<b>33,398</b>	29,127
<b>(c) Components of net assets attributable to unitholders</b>						
Included within closing net assets attributable to unitholders are the following amounts:						
Unrealised gains/(losses) on investments	<b>1,337</b>	1,545	<b>2,063</b>	2,824	<b>2,422</b>	1,992
Unrealised gains/(losses) on investments	<b>1,337</b>	1,545	<b>2,063</b>	2,824	<b>2,422</b>	1,992

*Unrealised gains/losses on investments represents the net unrealised gain/loss on investments held by the Funds at balance date, which are not yet distributable to unitholders.*

*For movements in unitholder's funds refer to the Statement of Changes in Net Assets Attributable to Unitholders.*

	Conservative Wholesale Fund		Balanced Wholesale Fund		Future Growth Wholesale Fund	
	2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000
<b>8. Notes to the Statement of Cash Flows</b>						
<b>(a) Reconciliation of cash</b>						
Cash at bank	273	579	354	306	625	485
<b>(b) Reconciliation of change in net assets attributable to unitholders to net cash flows from operating activities</b>						
Change in net assets attributable to unitholders	434	1,236	899	2,649	1,033	1,967
Adjustments for:						
Distributions to unitholders	791	668	1,388	1,372	957	930
Changes in fair value of investments held at fair value through profit or loss	(434)	(1,236)	(894)	(2,649)	(1,026)	(1,967)
(Increase)/decrease in distributions receivable	(33)	93	65	260	38	94
(Increase)/decrease in sundry debtors	(1)	(1)	(1)	(4)	(3)	(7)
Increase/(decrease) in sundry creditors	1	2	-	7	3	7
Participation in dividend reinvestment plans	(755)	(732)	(1,378)	(1,444)	(944)	(917)
Net Cash provided by operating activities	3	30	79	191	58	107
<b>(c) Non-Cash financing activities</b>						
During the year, the following distribution payments were satisfied by the issue of units under the distribution reinvestment plan.	672	685	1,413	1,580	991	976

**9. Financial risk management objectives and policies**

**(a) *Financial risk management objectives, policies and processes***

Risks arising from holding financial instruments are inherent in the Funds activities, and are managed through a process of ongoing identification, measurement and monitoring. The Funds are exposed to market risk, liquidity risk and credit risk. Financial instruments of the Funds comprise investments in financial assets for the purpose of generating a return on the investment for unitholders.

The Responsible Entity is responsible for identifying and controlling the risks that arise from these financial instruments.

The risks are measured using a method that reflects the expected impact on the results and the net assets attributable to unitholders of the Funds from reasonably possible changes in the relevant risk variables. Information about these risk exposures at the reporting date, measured on this basis, is discussed below. Information about the total fair value of financial instruments exposed to risk, as well as compliance with established investment mandate limits, is also monitored by the Responsible Entity. These mandate limits reflects the investment strategy and market environment of the Funds, as well as the level of risk the Funds are willing to accept, with additional emphasis on selected industries.

This information is prepared and reported to relevant parties within the Responsible Entity on a regular basis as deemed appropriate.

**(b) *Credit Risk***

Credit risk represents the risk that a counterparty to the financial instrument will fail to discharge an obligation and cause the Funds to incur a financial loss.

With respect to credit risk arising from the financial assets of the Funds, the Funds exposure to credit risk arises from the default of the counterparty, with the current exposure equal to the fair value of these instruments as disclosed in the Statement of Financial Position. This does not represent the maximum risk exposure that could arise in the future as a result of changes in values, but best represents the current maximum exposure at the reporting date. The risk of counterparty default is deemed to be low as the receivables disclosed in the Statement of Financial Position are mainly distributions receivable.

The Funds hold no collateral as security or any other credit enhancements. There are no financial assets that are past due or impaired, or would otherwise be past due or impaired.

**(c) *Liquidity Risk***

Liquidity risk is the risk that the Funds will encounter difficulty in realising assets or otherwise raising funds to meet commitments associated with financial instruments. To control liquidity and cash flow risk, the Funds invests in financial instruments, which under normal market conditions are readily convertible into cash. In addition, the Funds invests within established limits in order to avoid excessive concentration of risk.

Net assets attributable to unitholders are entirely payable on demand.

***Maturity analysis for financial liabilities***

Financial liabilities of the Funds comprise trade and other payables, distributions payable and net assets attributable to unitholders. Trade and other payables and distributions payable have no contractual maturities but are typically settled within 30 days.

The table below summarises the maturity profile of the Fund's financial liabilities based on contractual undiscounted cash flows.

The analysis into relevant maturity groupings is based on the remaining period at the end of the reporting period to the contractual maturity date. Balances due within 6 months equal their carrying amounts, as the impact of discounting is insignificant.

**Bendigo Managed Wholesale Funds (Diversified Options)  
Financial Report for the year ended 30 June 2011**

(c) *Liquidity Risk (continued)*

Conservative Wholesale Fund	Less than 1 month \$'000	1 to 3 months \$'000	3 to 6 months \$'000	6 to 12 months \$'000	Total \$'000
<b>As at 30 June 2011</b>					
<b>Financial liabilities</b>					
Trade and other payables	17	-	-	-	17
Distribution payable	448	-	-	-	448
Net assets attributable to unitholders	18,200	-	-	-	18,200
	<b>18,665</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>18,665</b>
<b>As at 30 June 2010</b>					
<b>Financial liabilities</b>					
Trade and other payables	16	-	-	-	16
Distribution payable	389	-	-	-	389
Net assets attributable to unitholders	17,075	-	-	-	17,075
	<b>17,480</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>17,480</b>
Balanced Wholesale Fund	Less than 1 month \$'000	1 to 3 months \$'000	3 to 6 months \$'000	6 to 12 months \$'000	Total \$'000
<b>As at 30 June 2011</b>					
<b>Financial liabilities</b>					
Trade and other payables	34	-	-	-	34
Distribution payable	759	-	-	-	759
Net assets attributable to unitholders	38,120	-	-	-	38,120
	<b>38,913</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>38,913</b>
<b>As at 30 June 2010</b>					
<b>Financial liabilities</b>					
Trade and other payables	34	-	-	-	34
Distribution payable	815	-	-	-	815
Net assets attributable to unitholders	36,724	-	-	-	36,724
	<b>37,573</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>37,573</b>
Future Growth Wholesale Fund	Less than 1 month \$'000	1 to 3 months \$'000	3 to 6 months \$'000	6 to 12 months \$'000	Total \$'000
<b>As at 30 June 2011</b>					
<b>Financial liabilities</b>					
Trade and other payables	30	-	-	-	30
Distribution payable	464	-	-	-	464
Net assets attributable to unitholders	33,398	-	-	-	33,398
	<b>33,892</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>33,892</b>
<b>As at 30 June 2010</b>					
<b>Financial liabilities</b>					
Trade and other payables	27	-	-	-	27
Distribution payable	516	-	-	-	516
Net assets attributable to unitholders	29,127	-	-	-	29,127
	<b>29,670</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>29,670</b>

**(d) Market Risk**

Market risk is the risk that the fair value or future cash flows of financial instruments will fluctuate due to changes in market variables such as interest rates, foreign exchange rates, and equity prices. Market risk is managed and monitored using sensitivity analysis, and minimised through ensuring that all investment activities are undertaken in accordance with established mandate limits and investment strategies.

*Currency Risk*

Currency risk is the risk that the fair value of the future cash flows of a financial instrument will fluctuate due to changes in foreign exchange rates. The underlying managed investment schemes into which the Funds invests into intend to prudently manage foreign currency exposures to minimise adverse movements in the dollar arising from changes in exchange rates.

The currency risk disclosures have been prepared on the basis of the Funds direct investments and not on a look-through basis for investments held indirectly through unit trusts, consequently the Funds do not have a direct exposure or concentration of currency risk.

*Interest Rate Risk*

Interest rate risk arises from the possibility that changes in interest rates will affect future cash flows or the fair values of financial instruments. The Funds have established limits on investments in interest bearing assets, which are monitored on a daily basis.

*Equity Risk*

Equity price risk is the risk that the fair value of equities decreases as a result of changes in market prices, whether those changes are caused by factors specific to the individual stock or factors affecting all instruments in the markets. Equity price risk exposure arises from the Fund's investment portfolio.

The effect on the net assets attributable to unitholders and operating profit before distribution due to reasonably possible changes in market factors, as represented by the equity indices, with all other variables held constant as indicated in the following table.

(d) *Equity Risk (continued)*

**Accounting assumptions-Variability of equity prices**

The sensitivity is based on the volatility of change in the individual indices over the last 5 years. The volatility is the standard deviation of the index on a monthly basis. The Funds invest in shares from these indices however this analysis is an indication only of the effect on net assets attributable to unitholders. It cannot be assumed that the funds will move exactly in line with the respective indices.

	2011				2010			
	Changes in equity price		Effect on net assets attributable to unitholders/effect on net profit/(loss)		Changes in equity price		Effect on net assets attributable to unitholders/effect on net profit/(loss)	
	Increase %	Decrease %	Increase \$'000	Decrease \$'000	Increase %	Decrease %	Increase \$'000	Decrease \$'000
<b>Conservative Wholesale Fund</b>								
<b>Market Index</b>								
S&P/ASX 300 Accumulation Index	16	(16)	617	(617)	16	(16)	533	(533)
MSCI World ex Australia Index Accumulation (\$A)	12	(12)	241	(241)	13	(13)	216	(216)
S&P/ASX 300 Property Trust Accumulation Index	23	(23)	200	(200)	24	(24)	200	(200)
UBS Warburg Composite Index 0 + Years	3	(3)	188	(188)	3	(3)	180	(180)
Barclays Capital Global Aggregate (\$A Hedged)	3	(3)	68	(68)	3	(3)	60	(60)
<b>Balanced Wholesale Fund</b>								
<b>Market Index</b>								
S&P/ASX 300 Accumulation Index	16	(16)	1,580	(1,580)	16	(16)	1,641	(1,641)
MSCI World ex Australia Index Accumulation (\$A)	12	(12)	1,167	(1,167)	13	(13)	1,048	(1,048)
S&P/ASX 300 Property Trust Accumulation Index	23	(23)	882	(882)	24	(24)	791	(791)
UBS Warburg Composite Index 0 + Years	3	(3)	281	(281)	3	(3)	286	(286)
Barclays Capital Global Aggregate (\$A Hedged)	3	(3)	91	(91)	3	(3)	88	(88)
<b>Future Growth Wholesale Fund</b>								
<b>Market Index</b>								
S&P/ASX 300 Accumulation Index	16	(16)	2,113	(2,113)	16	(16)	2,023	(2,023)
MSCI World ex Australia Index Accumulation (\$A)	12	(12)	1,218	(1,218)	13	(13)	934	(934)
S&P/ASX 300 Property Trust Accumulation Index	23	(23)	740	(740)	24	(24)	552	(552)
UBS Warburg Composite Index 0 + Years	3	(3)	91	(91)	3	(3)	86	(86)
Barclays Capital Global Aggregate (\$A Hedged)	3	(3)	59	(59)	3	(3)	52	(52)

**10. Segmental information**

The principal activities of the Funds are the investment in one market segment being investment management. The Funds are all domiciled in one geographic segment being Australia. The underlying Managed Investment Schemes in which the Funds invests do hold investments in Australian and International equities, Australian and International fixed interest, Australian property and cash. The Funds have no direct control over these underlying investments. The percentage asset allocation of the underlying investments are as at balance date. These asset allocations may change from time to time.

	Conservative Wholesale Fund		Balanced Wholesale Fund		Future Growth Wholesale Fund	
	2011 %	2010 %	2011 %	2010 %	2011 %	2010 %
Australian listed property	5	5	10	9	10	8
Australian shares	21	20	26	28	40	44
International shares	11	10	26	22	31	25
Australian fixed interest	35	36	25	26	9	10
International fixed interest	13	12	8	8	6	6
Cash	16	17	6	7	4	7
	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>

	Conservative Wholesale Fund		Balanced Wholesale Fund		Future Growth Wholesale Fund	
	2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000
Australian listed property	869	832	3,836	3,297	3,219	2,299
Australian shares	3,857	3,330	9,876	10,256	13,206	12,643
International shares	2,010	1,665	9,724	8,058	10,151	7,183
Australian fixed interest	6,283	5,994	9,382	9,523	3,022	2,873
International fixed interest	2,263	1,998	3,039	2,930	1,971	1,724
Cash	2,825	2,830	2,127	2,564	1,281	2,011
	<b>18,106</b>	<b>16,649</b>	<b>37,985</b>	<b>36,628</b>	<b>32,850</b>	<b>28,733</b>

**11. Related party disclosures**

***Responsible Entity***

- (i) The Responsible Entity of the Funds is Sandhurst Trustees Limited (Sandhurst).

The controlling entity of Sandhurst is Bendigo Bank and Adelaide Limited (ABN 11 068 049 178).

Directors of Sandhurst Trustees Limited during the financial year and to the date of this report are:

Jennifer Lynn Dawson	Chairman
Ian George Mansbridge	
Marnie Ann Baker	
John Billington	(Appointed 28 September 2010)

The above named directors form the key management personnel of the Funds.

- (ii) Directors, officers and employees of the Responsible Entity and related body corporate may hold units in the Funds. Such transactions are completed on an arms length basis, except discounts on the application fee may be offered from time to time subject to provisions of the Corporations Act 2001.

No amounts are paid by the Funds directly to the Directors of the Responsible Entity. Consequently, no compensation as defined in AASB 124 "Related Party Disclosures" is paid by the Funds to the Directors as Key Management Personnel.

- (iii) The Responsible Entity holds no units in the Funds.

- (iv) Management fees paid/payable to Sandhurst Trustees Limited as the (RE) in accordance with the provisions of the Funds' Constitution:

	2011	2010
	\$'000	\$'000
<b>Conservative Wholesale Fund</b>	64	59
<b>Balanced Wholesale Fund</b>	129	121
<b>Future Growth Wholesale Fund</b>	107	96

- (v) As at 30 June 2011, there were no amounts payable to Sandhurst Trustees Limited.

**11. Related party disclosures (continued)**

(vi) Details of investments held by the Funds in other funds, of which Sandhurst Trustees Limited is also the Responsible Entity are set out below:

	Units held '000	Market value of units \$'000	Interest held (%)	Units purchased '000	Units sold '000	Distribution received or receivable \$'000
<b>Conservative Wholesale Fund</b>						
<b>30 June 2011</b>						
Sandhurst Cash Common Fund	734	734	0.23%	30	0	30
Sandhurst Select Mortgage Fund	1,938	1,938	0.19%	506	342	106
Sandhurst IML Industrial Share Fund	2,180	2,375	1.98%	878	109	84
<b>30 June 2010</b>						
Sandhurst Cash Common Fund	704	704	0.34%	23	100	23
Sandhurst Select Mortgage Fund	1,774	1,774	0.17%	607	791	82
Sandhurst IML Industrial Share Fund	1,411	1,438	1.20%	56	0	61
<b>Balanced Wholesale Fund</b>						
<b>30 June 2011</b>						
Sandhurst Cash Common Fund	203	203	0.06%	413	445	13
Sandhurst Select Mortgage Fund	1,638	1,638	0.16%	138	380	88
Sandhurst IML Industrial Share Fund	4,102	4,469	3.72%	418	1,312	204
<b>30 June 2010</b>						
Sandhurst Cash Common Fund	235	235	0.11%	7	-	7
Sandhurst Select Mortgage Fund	1,881	1,881	0.19%	97	740	97
Sandhurst IML Industrial Share Fund	4,996	5,091	4.26%	200	308	216

**11. Related party disclosures (continued)**

(vi) Details of investments held by the Funds in other funds, of which Sandhurst Trustees Limited is also the Responsible Entity are set out below (continued):

	Units held '000	Market value of units \$'000	Interest held (%)	Units purchased '000	Units sold '000	Distribution received or receivable \$'000
<b>Future Growth Wholesale Fund</b>						
<b>30 June 2011</b>						
Sandhurst Cash Common Fund	155	155	0.05%	9	200	9
Sandhurst Select Mortgage Fund	559	559	0.06%	391	1,097	41
Sandhurst IML Industrial Share Fund	3,855	4,200	3.50%	227	2,222	244
<b>30 June 2010</b>						
Sandhurst Cash Common Fund	345	345	0.17%	10	25	10
Sandhurst Select Mortgage Fund	1,264	1,264	0.12%	301	0	51
Sandhurst IML Industrial Share Fund	5,850	5,962	4.99%	604	0	252

(vii) Details of investments held in the Funds by other funds, of which Sandhurst Trustees Limited is also the Responsible Entity are set out below:

	Units held '000	Market value of units \$'000	Interest held (%)	Units purchased '000	Units sold '000	Distribution received or receivable \$'000
<b>30 June 2011</b>						
<b>Bendigo Conservative Fund</b>						
Bendigo Conservative Wholesale Fund	5,326	4,905	26.32	263	721	213
<b>Bendigo Balanced Fund</b>						
Bendigo Balanced Wholesale Fund	8,174	6,777	17.41	297	1,144	247
<b>Bendigo Future Growth Fund</b>						
Bendigo Future Growth Wholesale Fund	5,328	4,279	12.61	157	1,179	127
<b>30 June 2010</b>						
<b>Bendigo Conservative Fund</b>						
Bendigo Conservative Wholesale Fund	5,784	5,190	29.78	225	781	203
<b>Bendigo Balanced Fund</b>						
Bendigo Balanced Wholesale Fund	9,021	7,294	19.44	387	1,934	276
<b>Bendigo Future Growth Fund</b>						
Bendigo Future Growth Wholesale Fund	6,350	4,910	16.57	489	666	161

**11. Related party disclosures (continued)**

(viii) Loans, shares, options and other equity holdings to directors of the Responsible Entity

The Funds have not made or given, guaranteed or secured, directly or indirectly, any loans, shares, options and other equity holdings to the directors or their personally-related entities at any time during the reporting year.

(ix) Cash assets of the Funds are held in cash management accounts with Bendigo and Adelaide Bank Limited, the parent entity of Sandhurst Trustees Limited as Responsible Entity of the Funds. All interest earned as disclosed in Note 3(a) is derived from these accounts.

**12. Changes in net market value of investments**

	<b>Conservative</b>		<b>Balanced</b>		<b>Future Growth</b>	
	<b>2011</b>	2010	<b>2011</b>	2010	<b>2011</b>	2010
	<b>\$'000</b>	\$'000	<b>\$'000</b>	\$'000	<b>\$'000</b>	\$'000
Realised capital gains/(losses) during the year	<b>(903)</b>	(308)	<b>(1,169)</b>	(175)	<b>(1,396)</b>	(25)
Unrealised capital gains/(losses) during the year	<b>1,337</b>	1,544	<b>2,063</b>	2,824	<b>2,422</b>	1,992
	<b>434</b>	1,236	<b>894</b>	2,649	<b>1,026</b>	1,967

**13. Auditor's remuneration**

For the year ended 30 June 2011 audit fees and other service fees were paid by the Responsible Entity.

**14. Contingent liabilities**

No contingent liabilities existed at, or have arisen since, balance date.

**15. Events after the Statement of Financial Position date**

Effective 25 August 2011, the Bendigo Future Growth Wholesale Fund changed its name to Bendigo Growth Wholesale Fund. There was no change in the Fund's portfolio, investment objective or strategy.

Other than the fund name change noted above, there has not been any matter or circumstances not otherwise dealt with in the financial report that has significantly affected or may significantly affect the Funds since 30 June 2011.

**Responsible Entity's declaration to the Unitholders of the Bendigo Conservative Wholesale Fund, Bendigo Balanced Wholesale Fund and Bendigo Future Growth Wholesale Fund**

The Directors of the Responsible Entity declare that:

- (a) the financial statements and notes of the Funds are in accordance with the Corporations Act 2001, including:
  - (i) giving a true and fair view of the financial position of the Funds as at 30 June 2011 and of their performance for the year ended on that date; and
  - (ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations), the Funds' Constitutions and the Corporations Act 2001;
- (b) there are reasonable grounds to believe that the Funds will be able to pay their debts as and when they become due and payable.
- (c) the financial statements are in accordance with the provisions of the Funds' Constitutions; and
- (d) the financial statements and notes also comply with International Financial Reporting Standards as disclosed in Note 2.

This declaration is made in accordance with a resolution of the Board of Directors of the Responsible Entity.



Jennifer L Dawson  
Director  
25 August 2011

## Independent auditor's report to the unitholders of Bendigo Conservative Wholesale Fund, Bendigo Balanced Wholesale Fund and Bendigo Future Growth Wholesale Fund

We have audited the accompanying financial report of Bendigo Conservative Wholesale Fund, Bendigo Balanced Wholesale Fund and Bendigo Future Growth Wholesale Fund ("the Funds"), which comprises the Statement of Financial Position as at 30 June 2011, the Statement of Comprehensive Income, Statement of Changes in Net Assets attributable to Unitholders and Statement of Cash Flows for the year ended on that date, a summary of significant accounting policies, other explanatory notes and the directors' declaration.

### ***Directors' Responsibility for the Financial Report***

The directors of Sandhurst Trustees Limited, as Responsible Entity of the Funds are responsible for the preparation and fair presentation of the financial report in accordance with the Australian Accounting Standards (including the Australian Accounting Interpretations), the *Corporations Act 2001* and the provisions of the Funds' Constitutions. This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances. In Note 2(b), the directors of the Responsible Entity also state that the financial report, comprising the financial statements and notes, complies with International Financial Reporting Standards as issued by the International Accounting Standards Board.

### ***Auditor's Responsibility***

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, we consider internal controls relevant to the Funds' preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Funds' internal controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors of the Responsible Entity, as well as evaluating the overall presentation of the financial report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

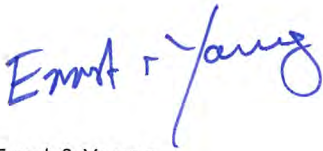
### ***Independence***

In conducting our audit we have met the independence requirements of the *Corporations Act 2001*. We have given to the directors of the Responsible Entity a written Auditor's Independence Declaration, a copy of which is included in the directors' report. In addition to our audit of the financial report, we were engaged to undertake the services disclosed in the notes to the financial statements. The provision of these services has not impaired our independence.

### **Auditor's Opinion**

In our opinion:

1. the financial report of Bendigo Conservative Wholesale Fund, Bendigo Balanced Wholesale Fund and Bendigo Future Growth Wholesale Fund is in accordance with the *Corporations Act 2001*, including:
  - (i) giving a true and fair view of the financial position of Bendigo Conservative Wholesale Fund, Bendigo Balanced Wholesale Fund and Bendigo Future Growth Wholesale Fund at 30 June 2011 and of its performance for the year ended on that date; and
  - (ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Regulations 2001*.
2. The financial report also complies with International Financial Reporting Standards as issued by the International Accounting Standards Board.



Ernst & Young



T M Dring  
Partner  
Melbourne  
25 August 2011



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 **BendigoWealth**  
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