



Bendigo Wealth

Bendigo Managed Funds

(Diversified Options)

Annual Report 2011

Bendigo Conservative Fund

ARSN 100 172 665

Bendigo Balanced Fund

ARSN 100 172 718

Bendigo Future Growth Fund

ARSN 100 172 736

The Responsible Entity and issuer of Bendigo Managed 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 Funds (Diversified Options)
Financial Report for the year ended 30 June 2011**

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Responsible Entity

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**Bendigo Conservative Fund
ARSN 100 172 665**

**Bendigo Balanced Fund
ARSN 100 172 718**

**Bendigo Future Growth Fund
ARSN 100 172 736**

Report by the directors of the responsible entity

The Directors of the Responsible Entity, Sandhurst Trustees Limited, present this report on the Bendigo Conservative Fund, Bendigo Balanced Fund and Bendigo Future Growth 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 activities of the Funds during the year was the investment in the Bendigo Wholesale Funds. The Funds provide an ongoing investment opportunity to participate in a portfolio comprising a mix of asset classes including Australian and International equities, listed property, Australian and International fixed interest and cash.

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 5 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

Results and distributions	Bendigo Conservative Fund		Bendigo Balanced Fund		Bendigo Future Growth Fund	
	2011	2010	2011	2010	2011	2010
Net profit/(loss) attributable to unitholders (before finance costs)	\$ 294,206	\$ 550,070	\$ 355,974	\$ 816,169	\$ 266,374	\$ 505,404

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

Results and distributions	Bendigo Conservative Fund		Bendigo Balanced Fund		Bendigo Future Growth Fund	
	2011	2010	2011	2010	2011	2010
Interim Distributions Paid	\$ 66,434	\$ 56,617	\$ 73,623	\$ 72,200	\$ 41,825	\$ 48,237
Final Distributions Paid	\$ 89,653	\$ 86,207	\$ 93,097	\$ 114,879	\$ 34,300	\$ 55,945

The cents per unit of these distributions is disclosed below:

Results and distributions	Bendigo Conservative Fund		Bendigo Balanced Fund		Bendigo Future Growth Fund	
	2011 CPU*	2010 CPU*	2011 CPU*	2010 CPU*	2011 CPU*	2010 CPU*
Interim Distributions Paid	1.14	0.90	0.80	0.70	0.67	0.65
Final Distributions Paid	1.61	1.42	1.08	1.21	0.58	0.79

* 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:

Bendigo Conservative Fund	2011	2010	2009	2008	2007
	%	%	%	%	%
Growth return	2.56	7.63	(5.59)	(14.05)	1.39
Distribution return	3.26	2.94	3.86	6.71	8.11
Total return	5.82	10.57	(1.73)	(7.34)	9.50
Benchmark return	0.61	8.20	(0.10)	0.03	6.00

Benchmark: Morningstar Retail Defensive Index

Bendigo Balanced Fund	2011	2010	2009	2008	2007
	%	%	%	%	%
Growth return	2.47	7.82	(11.91)	(20.78)	1.29
Distribution return	2.48	2.69	3.58	8.02	10.47
Total return	4.95	10.51	(8.33)	(12.76)	11.76
Benchmark return	(1.18)	9.90	(10.20)	(8.10)	13.20

Benchmark: Morningstar Retail Balanced Index

Bendigo Balanced Fund	2011	2010	2009	2008	2007
	%	%	%	%	%
Growth return	3.79	8.66	(16.38)	(23.75)	1.23
Distribution return	1.80	2.21	3.17	7.02	15.75
Total return	5.59	10.87	(13.21)	(16.73)	16.98
Benchmark return	(1.39)	9.90	(14.10)	(12.38)	14.90

Benchmark: Morningstar Retail 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.

Report by the directors of the responsible entity (continued)

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 2.10% (2010: 2.10%)

Significant events after the balance date

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.

Report by the directors of the responsible entity (continued)

Units on Issue

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

	Bendigo Conservative Fund		Bendigo Balanced Fund		Bendigo Future Growth Fund	
	2011	2010	2011	2010	2011	2010
Units issued	269,030	230,251	656,415	785,284	489,895	898,047
Units redeemed	(769,733)	(757,307)	(1,539,457)	(2,105,795)	(1,621,759)	(906,508)
Units on issue as at 30 June	5,554,191	6,054,894	8,631,400	9,514,442	5,923,305	7,055,169
	2011	2010	2011	2010	2011	2010
Value of total Fund assets as at 30 June	\$ 4,949,136	\$ 5,251,324	\$ 6,837,655	\$ 7,369,959	\$ 4,308,703	\$ 4,962,510

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 the below units in the Funds during the financial year.

	Bendigo Conservative Fund		Bendigo Balanced Fund		Bendigo Future Growth Fund	
	2011	2010	2011	2010	2011	2010
	-	-	-	-	75,918	75,918

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

	Bendigo Conservative Fund		Bendigo Balanced Fund		Bendigo Future Growth Fund	
	2011	2010	2011	2010	2011	2010
Management fees paid/payable directly by the Funds	\$ 59,074	\$ 62,216	\$ 83,632	\$ 91,241	\$ 53,200	\$ 59,203

Auditors' Independence Declaration

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

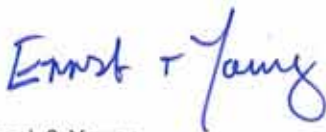
Signed in accordance with a resolution of the Board of Directors:

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

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 Fund, Bendigo Balanced Fund and Bendigo Future Growth Fund

In relation to our audit of the financial report of Bendigo Conservative Fund, Bendigo Balanced Fund and Bendigo Future Growth 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' in a cursive style.

Ernst & Young

A handwritten signature in blue ink, appearing to be 'T M Dring', written in a cursive style.

T M Dring
Partner
25 August 2011

Statement of Comprehensive Income
For the year ended 30 June 2011

	Note	Bendigo Conservative Fund		Bendigo Balanced Fund		Bendigo Future Growth Fund	
		2011	2010	2011	2010	2011	2010
		\$	\$	\$	\$	\$	\$
Income							
Finance income	3(a)	2,141	1,712	3,166	2,388	2,302	2,132
Distribution income		213,020	203,328	247,186	275,932	127,023	161,253
Changes in fair value of investments	12	138,119	407,246	189,254	629,090	190,249	401,222
		353,280	612,286	439,606	907,410	319,574	564,607
Expenses							
Management fees	11(v)	(59,074)	(62,216)	(83,632)	(91,241)	(53,200)	(59,203)
		(59,074)	(62,216)	(83,632)	(91,241)	(53,200)	(59,203)
Net profit/(loss) attributable to Unitholders (before finance costs)		294,206	550,070	355,974	816,169	266,374	505,404
Finance costs							
Distributions to unitholders	3(b)	(156,087)	(142,824)	(166,720)	(187,079)	(76,125)	(104,182)
Change in Net Assets attributable to Unitholders		138,119	407,246	189,254	629,090	190,249	401,222

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	Bendigo Conservative Fund		Bendigo Balanced Fund		Bendigo Future Growth Fund	
	2011	2010	2011	2010	2011	2010
	\$	\$	\$	\$	\$	\$
Assets						
Cash assets	47,102	59,366	69,056	74,673	37,139	51,023
Trade and other receivables	118,992	117,178	133,970	160,186	59,728	86,824
Investments in financial assets At fair value through profit or loss	4,783,042	5,074,780	6,634,629	7,135,100	4,211,836	4,824,663
Total Assets	4,949,136	5,251,324	6,837,655	7,369,959	4,308,703	4,962,510
Liabilities						
Trade and other payables	15,352	16,270	21,768	23,823	13,421	16,382
Distribution payable	89,653	86,207	93,097	114,879	34,300	55,945
Total liabilities excluding Net Assets attributable to Unitholders	105,005	102,477	114,865	138,702	47,721	72,327
Net Assets attributable to Unitholders (Liability)	4,844,131	5,148,847	6,722,790	7,231,257	4,260,982	4,890,183

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

	Bendigo Conservative Fund	Bendigo Balanced Fund	Bendigo Future Growth Fund
	\$	\$	\$
At 1 July 2009			
Net profit/(loss) attributable to unitholders (before finance costs)	5,200,120	7,636,540	4,506,100
Distribution to unitholders	(550,070)	816,169	505,404
Application for units	(142,824)	(187,079)	(104,182)
Redemption of units	189,111	593,252	633,767
	(647,630)	(1,627,625)	(650,906)
At 30 June 2010	5,148,847	7,231,257	4,890,183
At 30 June 2011			
Net profit/(loss) attributable to unitholders (before finance costs)	294,206	355,974	266,374
Distribution to unitholders	(156,087)	(166,720)	(76,125)
Application for units	233,807	507,764	347,414
Redemption of units	(676,642)	(1,205,485)	(1,166,864)
	4,844,131	6,722,790	4,260,982

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	Bendigo Conservative Fund		Bendigo Balanced Fund		Bendigo Future Growth Fund	
		2011	2010	2011	2010	2011	2010
		\$	\$	\$	\$	\$	\$
Cash flows from operating activities							
Interest received		2,141	1,713	3,166	2,388	2,302	2,132
GST received		4,464	4,759	6,604	7,428	4,307	5,176
Management fees		(64,394)	(67,272)	(91,991)	(98,893)	(60,176)	(62,179)
Net cash flows from/(used in) operating activities	8(b)	(57,789)	(60,800)	(82,221)	(89,077)	(53,567)	(54,871)
Cash flows from investing activities							
Proceeds from the sale of securities		671,000	706,000	963,000	1,430,000	957,000	428,000
Payments for purchase of securities		(30,000)	-	-	(43,000)	-	(228,000)
Net cash flows from/(used in) investing activities		641,000	706,000	963,000	1,387,000	957,000	200,000
Cash flows from financing activities							
Proceeds from applications by unitholders		113,106	43,506	339,311	268,720	213,945	508,897
Payments for redemptions by unitholders		(676,642)	(647,630)	(1,205,485)	(1,543,546)	(1,117,371)	(643,775)
Distribution paid		(31,939)	(37,195)	(20,222)	(32,328)	(13,891)	(17,891)
Net cash (used in)/provided by financing activities		(595,475)	(641,319)	(886,396)	(1,307,154)	(917,317)	(152,769)
Net (decrease)/increase in cash held		(12,264)	3,881	(5,617)	(9,231)	(13,884)	(7,640)
Cash at the beginning of the year		59,366	55,485	74,673	83,904	51,023	58,663
Cash at the end of the year	8(a)	47,102	59,366	69,056	74,673	37,139	51,023

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 5 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 Accounting*

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.

(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 into the category below 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 Fund commits to purchase or sell the asset.

Derecognition

Derecognition occurs when the Fund transfers a financial asset and is no longer exposed to substantially all of the risks and rewards of the asset. Where the Fund neither retains nor transfers substantially all of the risks and rewards of the financial asset, derecognition occurs when the Fund no longer controls 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 Statement of Comprehensive Income.

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 fund's 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 their 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 Funds 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 paid/payable

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

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 Fund, 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 unitholder's 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 Funds also have compulsory distribution clauses in the Funds' constitution.

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 are 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 Funds' redemption requirements, the Funds' 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 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

(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 Funds is to generate returns in Australian Dollars, its funding currency. The liquidity of the Funds is 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 Funds (Diversified Options)
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	Bendigo Conservative Fund		Bendigo Balanced Fund		Bendigo Future Growth Fund	
	2011	2010	2011	2010	2011	2010
	\$	\$	\$	\$	\$	\$
3. Finance income and distributions to unitholders						
(a) Interest revenue						
Interest revenue	2,141	1,712	3,166	2,388	2,302	2,132
(b) Distributions to unitholders						
Distributions to unitholders	156,087	142,824	166,720	187,079	76,125	104,182
<i>Distributions to unitholders</i>	2011		2010		2010	
	\$		\$		\$	
Bendigo Conservative Fund						
Interim distributions paid 31 December	66,434		1.14		56,617	0.90
Final distribution payable						
30 June Distributions to unitholders	89,653		1.61		86,207	1.42
	156,087		2.75		142,824	2.32
Bendigo Balanced Fund						
Interim distributions paid 31 December	73,623		0.80		72,200	0.70
Final distribution payable						
30 June Distributions to unitholders	93,097		1.08		114,879	1.21
	166,720		1.88		187,079	1.91
Bendigo Future Growth Fund						
Interim distributions paid 31 December	41,825		0.67		48,237	0.65
Final distribution payable						
30 June Distributions to unitholders	34,300		0.58		55,945	0.79
	76,125		1.25		104,182	1.44

* Denotes Cents Per Unit

**Bendigo Managed Funds (Diversified Options)
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	Bendigo Conservative Fund		Bendigo Balanced Fund		Bendigo Future Growth Fund	
	2011	2010	2011	2010	2011	2010
	\$	\$	\$	\$	\$	\$
4. Trade and other receivables						
Sundry debtors	1,347	1,409	1,784	1,912	1,215	1,410
Distributions receivable	117,645	115,769	132,186	158,274	58,513	85,414
	118,992	117,178	133,970	160,186	59,728	86,824

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

	Bendigo Conservative Fund		Bendigo Balanced Fund		Bendigo Future Growth Fund	
	2011	2010	2011	2010	2011	2010
	\$	\$	\$	\$	\$	\$
5. Investments						
Unlisted Managed Investment Schemes	4,783,042	5,074,780	6,634,629	7,135,100	4,211,836	4,824,663

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 Fund'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 \$	Level 2 \$	Level 3 \$	Total \$
As at 30 June 2011				
Financial assets at fair value through profit or loss				
Unlisted Managed Investment Schemes				
Bendigo Conservative Fund	-	4,783,042	-	4,783,042
Bendigo Balanced Fund	-	6,634,629	-	6,634,629
Bendigo Future Growth Fund	-	4,211,836	-	4,211,836
As at 30 June 2010				
Financial assets at fair value through profit or loss				
Unlisted Managed Investment Schemes				
Bendigo Conservative Fund	-	5,074,780	-	5,074,780
Bendigo Balanced Fund	-	7,135,100	-	7,135,100
Bendigo Future Growth Fund	-	4,824,663	-	4,824,663

	Bendigo Conservative Fund		Bendigo Balanced Fund		Bendigo Future Growth Fund	
	2011	2010	2011	2010	2011	2010
	\$	\$	\$	\$	\$	\$
6. <u>Trade and other payables</u>						
Sundry creditors	15,352	16,270	21,768	23,823	13,421	16,382

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

**Bendigo Managed Funds (Diversified Options)
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	Bendigo Conservative Fund		Bendigo Balanced Fund		Bendigo Future Growth Fund	
	2011 Units	2010 Units	2011 Units	2010 Units	2011 Units	2010 Units
7. Net assets attributable to unitholders						
The terms and conditions attached to units in the Funds can be found in note 2(l).						
(a) Units on issue						
Balance at the beginning of the year	6,054,894	6,581,950	9,514,442	10,834,953	7,055,169	7,063,630
Applications						
- Cash	128,670	50,911	437,789	454,378	371,413	722,437
- Reinvested distributions	140,360	179,340	218,626	330,906	118,482	175,610
Redemptions	(769,733)	(757,307)	(1,539,457)	(2,105,795)	(1,621,759)	(906,508)
Balance at the end of the year	5,554,191	6,054,894	8,631,400	9,514,442	5,923,305	7,055,169
(b) Reconciliation of net assets attributable to unitholders						
Net assets attributable to unitholders (calculated in accordance with redemption requirements)	4,848,943	5,153,937	6,733,124	7,242,730	4,269,377	4,900,167
Adjustment from nav-market prices to bid-markets prices	(4,812)	(5,090)	(10,334)	(11,473)	(8,395)	(9,984)
Net assets attributable to unitholders (calculated in accordance with AIFRS)	4,844,131	5,148,847	6,722,790	7,231,257	4,260,982	4,890,183
(c) Components of net assets attributable to unitholders						
Included within closing net assets attributable to unitholders are the following amounts:						
Unrealised gains/(losses) on investments	226,068	538,605	421,910	1,046,112	514,055	516,449
Non-cash transfers	-	-	-	84,079	49,494	7,130
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.						
Non-cash transfers represent applications and redemptions in which ownership of the units has changed but do not result in a cash flow to the Funds.						
For movements in unitholder's funds refer to the Statement of Changes in Net Assets Attributable to Unitholders.						

Bendigo Managed Funds (Diversified Options)
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	Bendigo Conservative Fund		Bendigo Balanced Fund		Bendigo Future Growth Fund	
	2011	2010	2011	2010	2011	2010
	\$	\$	\$	\$	\$	\$
8. <u>Notes to the cashflow statement</u>						
(a) <i>Reconciliation of cash</i>						
Cash at bank	47,102	59,366	69,056	74,673	37,139	51,023
(b) <i>Reconciliation of change in net assets attributable to unitholders to net cash flows from operating activities</i>						
Change in net assets attributable to unitholders	138,119	407,246	189,254	629,090	190,249	401,222
Adjustments for:						
Distributions to unitholders	156,087	142,824	166,720	187,079	76,125	104,182
Changes in fair value of investments held at fair value through profit or loss	(138,119)	(407,246)	(189,254)	(629,090)	(190,249)	(401,222)
(Increase)/decrease in dividends receivable	(1,876)	40,627	26,088	85,952	26,901	26,264
(Increase)/decrease in sundry debtors	62	22	128	29	195	(154)
Increase/(decrease) in sundry creditors	(918)	(318)	(2,055)	(253)	(2,961)	2,354
Participation in dividend reinvestment plans	(211,144)	(243,955)	(273,102)	(361,884)	(153,827)	(187,517)
Net Cash provided by/(used in) operating activities	(57,789)	(60,800)	(82,221)	(89,077)	(53,567)	(54,871)
(c) <i>Non-Cash financing activities</i>						
During the year, the following distribution payments were satisfied by the issue of units under the distribution reinvestment plan.	120,701	145,605	168,452	240,453	83,976	117,739

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 Funds 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.

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(c) *Liquidity Risk (continued)*

Bendigo Conservative Fund	Less than 1 month \$	1 to 3 months \$	3 to 6 months \$	6 to 12 months \$	Total \$
As at 30 June 2011					
Financial liabilities					
Trade and other payables	15,352	-	-	-	15,352
Distribution payable	89,653	-	-	-	89,653
Net assets attributable to unitholders	4,844,131	-	-	-	4,844,131
	<u>4,949,136</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,949,136</u>
As at 30 June 2010					
Financial liabilities					
Trade and other payables	16,270	-	-	-	16,270
Distribution payable	86,207	-	-	-	86,207
Net assets attributable to unitholders	5,148,847	-	-	-	5,148,847
	<u>5,251,324</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,251,324</u>
Bendigo Balanced Fund	Less than 1 month \$	1 to 3 months \$	3 to 6 months \$	6 to 12 months \$	Total \$
As at 30 June 2011					
Financial liabilities					
Trade and other payables	21,768	-	-	-	21,768
Distribution payable	93,097	-	-	-	93,097
Net assets attributable to unitholders	6,722,790	-	-	-	6,722,790
	<u>6,837,655</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,837,655</u>
As at 30 June 2010					
Financial liabilities					
Trade and other payables	23,823	-	-	-	23,823
Distribution payable	114,879	-	-	-	114,879
Net assets attributable to unitholders	7,231,257	-	-	-	7,231,257
	<u>7,369,959</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>7,369,959</u>
Bendigo Future Growth Fund	Less than 1 month \$	1 to 3 months \$	3 to 6 months \$	6 to 12 months \$	Total \$
As at 30 June 2011					
Financial liabilities					
Trade and other payables	13,421	-	-	-	13,421
Distribution payable	34,300	-	-	-	34,300
Net assets attributable to unitholders	4,260,982	-	-	-	4,260,982
	<u>4,308,703</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,308,703</u>
As at 30 June 2010					
Financial liabilities					
Trade and other payables	16,382	-	-	-	16,382
Distribution payable	55,945	-	-	-	55,945
Net assets attributable to unitholders	4,890,183	-	-	-	4,890,183
	<u>4,962,510</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,962,510</u>

(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 Funds' 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 \$	Decrease \$	Increase %	Decrease %	Increase \$	Decrease \$
Bendigo Conservative Fund								
Market Index								
S&P/ASX 300 Accumulation Index	16	(16)	160,710	(160,710)	16	(16)	162,393	(162,393)
MSCI World ex Australia Index Accumulation (\$A)	12	(12)	57,397	(57,397)	13	(13)	59,375	(59,375)
S&P/ASX 300 Property Trust Accumulation Index	23	(23)	55,005	(55,005)	24	(24)	60,897	(60,897)
UBS Warburg Composite Index 0 + Years	3	(3)	51,657	(51,657)	3	(3)	54,808	(54,808)
Barclays Capital Global Aggregate (\$A Hedged)	3	(3)	17,219	(17,219)	3	(3)	18,269	(18,269)
Bendigo Balanced Fund								
Market Index								
S&P/ASX 300 Accumulation Index	16	(16)	272,816	(272,816)	16	(16)	319,652	(319,652)
MSCI World ex Australia Index Accumulation (\$A)	12	(12)	202,223	(202,223)	13	(13)	204,064	(204,064)
S&P/ASX 300 Property Trust Accumulation Index	23	(23)	152,596	(152,596)	24	(24)	154,118	(154,118)
UBS Warburg Composite Index 0 + Years	3	(3)	48,765	(48,765)	3	(3)	55,654	(55,654)
Barclays Capital Global Aggregate (\$A Hedged)	3	(3)	15,724	(15,724)	3	(3)	17,124	(17,124)
Bendigo Future Growth Fund								
Market Index								
S&P/ASX 300 Accumulation Index	16	(16)	268,884	(268,884)	16	(16)	347,376	(347,376)
MSCI World ex Australia Index Accumulation (\$A)	12	(12)	155,164	(155,164)	13	(13)	150,529	(150,529)
S&P/ASX 300 Property Trust Accumulation Index	23	(23)	93,966	(93,966)	24	(24)	92,634	(92,634)
UBS Warburg Composite Index 0 + Years	3	(3)	11,625	(11,625)	3	(3)	14,474	(14,474)
Barclays Capital Global Aggregate (\$A Hedged)	3	(3)	7,455	(7,455)	3	(3)	8,684	(8,684)

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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.

	Bendigo Conservative Fund		Bendigo Balanced Fund		Bendigo Future Growth Fund	
	2011	2010	2011	2010	2011	2010
	%	%	%	%	%	%
Australian listed property	5	5	10	9	10	8
Australian shares	21	20	26	28	40	45
International shares	10	9	25	22	31	24
Australian fixed interest	36	36	25	26	9	10
International fixed interest	12	12	8	8	6	6
Cash	16	18	7	7	5	7
	100	100	100	100	100	100

	Bendigo Conservative Fund		Bendigo Balanced Fund		Bendigo Future Growth Fund	
	2011	2010	2011	2010	2011	2010
	\$	\$	\$	\$	\$	\$
Australian listed property	239,152	253,739	663,463	642,159	408,548	385,973
Australian shares	1,004,439	1,014,956	1,705,100	1,997,828	1,680,523	2,171,098
International shares	478,304	456,730	1,685,196	1,569,722	1,293,034	1,157,919
Australian fixed interest	1,721,895	1,826,921	1,625,484	1,855,126	387,489	482,466
International fixed interest	573,965	608,974	524,136	570,808	248,498	289,480
Cash	765,287	913,460	431,251	499,457	193,744	337,726
	4,783,042	5,074,780	6,634,629	7,135,100	4,211,836	4,824,663

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 and Adelaide Bank 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 (Appointed 18 September 2009)
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 schemes to the Directors as Key Management Personnel.

- (iii) The Responsible Entity holds the following amounts in the Funds:

	2011		2010	
	\$	Units	\$	Units
Bendigo Future Growth Fund	54,725	75,918	52,621	75,918

- (iv) As a unitholder of the Funds the Responsible Entity received the declared and paid distributions of the Funds to the value of:

	2011	2010
	\$	\$
Bendigo Future Growth Fund	948	1,095

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

	2011	2010
	\$	\$
Bendigo Conservative Fund	59,074	62,216
Bendigo Balanced Fund	83,632	91,241
Bendigo Future Growth Fund	53,200	59,203

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

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(vii) Details of the Funds' investments in other funds, of which Sandhurst Trustees Limited is also the responsible entity are set out below:

	Units held	Market value of units	Interest held (%)	Units purchased	Units sold	Distribution received or receivable
30 June 2011						
Bendigo Conservative Fund						
Bendigo Conservative Wholesale Fund	5,326,347	4,905,499	26.32	263,388	721,144	213,020
Bendigo Balanced Fund						
Bendigo Balanced Wholesale Fund	8,174,239	6,777,147	17.41	297,072	1,144,018	247,187
Bendigo Future Growth Fund						
Bendigo Future Growth Wholesale Fund	5,327,811	4,278,743	12.61	157,125	1,179,293	127,023
30 June 2010						
Bendigo Conservative Fund						
Bendigo Conservative Wholesale Fund	5,784,103	5,190,443	29.78	224,961	781,139	203,328
Bendigo Balanced Fund						
Bendigo Balanced Wholesale Fund	9,021,186	7,293,886	19.44	387,263	1,934,164	275,932
Bendigo Future Growth Fund						
Bendigo Future Growth Wholesale Fund	6,349,979	4,910,218	16.57	489,354	665,864	161,253

(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

	Conservative 2011	2010	Balanced 2011	2010	Future Growth 2011	Future Growth 2010
Realised capital gains/(losses) during the year	(87,949)	(131,359)	(232,656)	(417,022)	(323,806)	(115,227)
Unrealised capital gains/(losses) during the year	226,068	538,605	421,910	1,046,112	514,055	516,449
	138,119	407,246	189,254	629,090	190,249	401,222

13. Auditors' 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

Since 30 June 2011 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.

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

We have audited the accompanying financial report of Bendigo Conservative Fund, Bendigo Balanced Fund and Bendigo Future Growth 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.

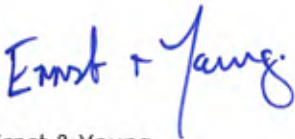
Independence

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 Fund, Bendigo Balanced Fund and Bendigo Future Growth Fund is in accordance with the *Corporations Act 2001*, including:
 - (i) giving a true and fair view of the financial position of Bendigo Conservative Fund, Bendigo Balanced Fund and Bendigo Future Growth 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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(S35273-1) (06/11)



Bendigo Wealth
managed funds