

Bendigo Defensive Index Fund



BendigoWealth

Product Disclosure Statement Dated 1 October 2011

This Product Disclosure Statement (PDS or Statement) is issued by Sandhurst Trustees Limited (ABN 16 004 030 737, AFSL No. 237906) ('Sandhurst', 'we' or 'our'), as the responsible entity of the Bendigo Defensive Index Fund (ARSN 152 963 801, APIR STL0031AU) ('the Fund').

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

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

Information in this PDS is subject to change from time to time.

Where the changes are not materially adverse, Sandhurst will make updated information available on its website at www.sandhursttrustees.com.au.

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

Important Information

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

It includes references to other important information in a Reference Guide (titled the Bendigo Managed Wholesale Funds Reference Guide) that is taken to form part of this PDS. These references begin with an exclamation mark ! .

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

The information in this PDS is general information only and does not take account of your personal financial situation or needs. You should assess your own objectives, financial situation and needs before deciding to acquire an interest in the Fund. Before making an investment decision, we recommend that you obtain financial advice tailored to your personal circumstances.

Contact details:

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1. About Sandhurst

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

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

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

Sandhurst is part of Bendigo Wealth, Bendigo and Adelaide Bank's wealth division.

Sandhurst has selected Vanguard Investments Australia Limited (Vanguard) as the investment manager to manage the investments of the Fund. Sandhurst reviews the performance of the investment manager on a regular basis. Sandhurst may remove Vanguard and/or add other index managers at any time without notice.

For more information about the investment managers selected to invest for each asset class you should refer to the Reference Guide.



You should read the important information about the Fund's investment managers before making a decision. Go to section 1 of the Reference Guide at www.sandhursttrustees.com.au/pds/diversified. The material relating to the Fund's investment managers may change between the time when you read this Statement and the day when you [sign the Application Form.

2. How the Bendigo Defensive Index Fund works

Structure

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

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

Under the Corporations Act 2001 (Corporations Act), the Fund is required to have a compliance plan lodged with ASIC. The compliance plan is audited annually and sets out

the measures that Sandhurst will implement to ensure that the Fund's operation complies with the Corporations Act and the Constitution. In addition, Sandhurst has established an independent compliance committee to monitor Sandhurst's adherence to the compliance plan.

About units and unit pricing

The Fund is unitised, meaning that when you invest in the Fund, you purchase units that represent a beneficial interest in the Fund's assets (but not to any particular asset).

The unit price is calculated each business day (i.e. any day that is not a weekend or a public holiday in Melbourne, Victoria) by dividing the Fund's net asset value by the number of units on issue, and adjusted for the buy/sell spread (see "Fees and Costs" for further information). Sandhurst reserves the right to delay unit pricing, for example, when markets are closed in relevant overseas countries, or where there are other extenuating factors that prevent the proper and accurate calculation of unit prices. The unit price will vary as the market value of investments in the Fund rises or falls.

Sandhurst has adopted a unit pricing policy setting out the principles which we apply when exercising unit pricing discretions under the Fund's Constitution. You can request a copy of the policy free of charge by calling us or downloading a copy from www.sandhursttrustees.com.au.

Applications and withdrawals

You can make applications and withdrawals at any time, subject to the following minimum requirements (which Sandhurst may change at its discretion):

- Initial investment \$50,000
- Additional investment \$5,000
- Withdrawals \$5,000
- Switches \$5,000
- Minimum account balance \$50,000

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

Initial investment

If a completed Application Form is received and accepted before 12 noon Melbourne time on a business day, the application will be processed using the Fund's application price calculated as at the close of business on that day. Otherwise, the following business day's application price will be used (these conditions also apply to additional investments – see below). Payment can be made by cheque or direct debit (if using direct debit, you will need to complete the Direct Debit Request Form). In certain circumstances, Sandhurst reserves the right to refuse an application or accept only part of an application or change processing times. A copy of the Application Form and the Direct Debit Request Form is available from our website at www.sandhursttrustees.com.au/forms/diversified.

Additional investments

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

Withdrawal requests

You can withdraw some or all of your units by sending us a completed withdrawal request. If a withdrawal request is received and accepted before 12 noon Melbourne time on a business day, the withdrawal will be processed using the Fund's withdrawal price calculated as at the close of business on that day. Otherwise, the following business day's withdrawal price will be used. If you make a withdrawal request which would result in your account balance falling below \$50,000, Sandhurst may, at its discretion, treat your withdrawal request as relating to all of your remaining units in the Fund. A copy of the Withdrawal Request Form is available from our website at www.sandhursttrustees.com.au/forms/diversified.

After receiving a properly completed withdrawal request, the amount withdrawn will ordinarily be paid within 5 business days (however, we are entitled to take up to 30 days). The amount withdrawn will be credited directly to your nominated account. Alternatively, a cheque can be sent to you upon request, although this could take a little longer.

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

Transfers and switching

You can also transfer your units in the Fund to another person or switch from the Fund to other funds operated by Sandhurst.

Income distributions

The Fund may earn income such as dividends and interest, as well as net realised capital gains on the sale of underlying assets, and it is Sandhurst's intention that the full amount of the Fund's taxable income in each financial year be distributed to investors. Distributions are calculated half yearly as at 30 June and 31 December, and normally paid within 2 months.

Your entitlement to distributions is calculated by dividing the total distribution amount by the total number of units on issue at the distribution date, and multiplying the result by the number of units you held on that date. If you withdraw units prior to the distribution date, you will not receive any distribution for the period you held those units in the relevant distribution period. However, the Fund's unit price will incorporate the distribution entitlement up to the withdrawal date.

You can choose to have your distributions:

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

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

Platform investors

If you are investing through a master trust, wrap account or other investor directed portfolio-type service (collectively referred to as a 'Platform'), it is generally the operator of the Platform which becomes the investor in the Fund, not you. Accordingly, they have the rights of an investor and can exercise them in accordance with their arrangements with you. If you invest through a Platform, you may also be subject to different conditions from those outlined in this PDS (such as procedures for making investments and withdrawals, cooling off periods, cut-off times for transacting, timing for distributions, additional fees and costs and investor reporting). Sandhurst is not responsible for the operation of any Platform through which you invest. If you are investing through a Platform, enquiries and complaints should be directed to the operator of that service, not to Sandhurst. In addition to reading this PDS, you should read the document that explains the Platform.



You should read the important information about 'How the Funds work' before making a decision. Go to section 2 of the Reference Guide at www.sandhursttrustees.com.au/pds/diversified. The material relating to the 'How the Funds work' may change between the time when you read this Statement and the day when you sign the Application Form.

3. Benefits of investing in the Bendigo Defensive Index Fund

The Bendigo Defensive Index Fund aims to provide a simple, cost-effective solution to help you save for your future.

- **Ready made diversification:** The Fund provides a ready made diversified solution to investors seeking regular income and a low growth investment option. It invests in index funds with a higher weighting to income producing defensive assets.
- **Comfort of an index management approach:** Over the long-term it is difficult to outperform investment markets by trying to pick winners or attempting to time the market. Index funds are structured to deliver returns, before fees, that closely match one or a number of prescribed indexes. With index funds you are provided a level of certainty around the investment holdings.
- **A reputable index manager:** Sandhurst has selected Vanguard as the investment manager of Australian shares, international shares, property securities and Australian and international fixed interest. Vanguard has established a reputation in Australia as an index specialist providing low cost indexed solutions to investors.
- **Regular income with low capital growth:** The Fund is a short to medium term investment that aims to deliver regular income and low capital growth over the long term. If you choose to reinvest your distributions you'll benefit from the power of compounding, which allows you to generate returns on your reinvested distributions to optimise your investment earnings over the long term.

- **A simple and convenient way to invest:** The Fund is designed to make investing easy for you. We handle all the investment decisions, paperwork and administration, and provide you with regular information and reporting on your investment. Our application process is straightforward and our friendly staff are on hand to assist you with any queries regarding your investment at every step along the way.
- **A responsible entity with a proven record:** Sandhurst aims to create wealth for investors by employing a disciplined and conservative approach to managing quality assets.
- **Foreign currency risk:** The Fund has exposure to investments offered in overseas countries, and if their currencies change in value relative to the Australian dollar, there is a risk that the value of the investment can change. The Fund reduces this uncertainty by choosing index funds that fully hedge their overseas exposures back to Australian dollars. If suitable fully hedged index funds are unavailable for a given asset class, Sandhurst will actively hedge the exposure to reduce the impact of currency fluctuations on investment performance.
- **Fund risk:** The Fund could be terminated, the fees and expenses could change, Sandhurst could be replaced as the responsible entity, the investment managers could be replaced, and other key personnel could change. There is also a risk that investing in the Fund may give different results than investing directly in securities because of income or capital gains accrued in the Fund, and the consequences of investments and withdrawals by other investors. Sandhurst aims to minimise Fund risk by monitoring how these risks may impact on the Fund and by acting in the best interests of investors as a whole.
- **Derivatives risk:** The Fund does not directly invest in derivatives. However, some of the Fund's underlying investments and/or assets may themselves invest in derivatives. Derivatives risk includes the value of derivative positions not moving in line with the movement in the underlying asset, potential illiquidity of the derivative, and being unable to meet payment obligations in relation to derivative contracts. Index funds reduce derivatives risk by only holding derivative contracts where the behaviour of the contract is expected to match that of the underlying index exposures.
- **Liquidity risk:** The Fund's assets may not be able to be converted into cash in a timely manner in order to pay withdrawal requests. Sandhurst manages liquidity risk by investing in assets that ordinarily can be readily converted into cash.
- **Counterparty risk:** Counterparty risk represents the loss that would be recognised if counterparties (i.e. the other parties to the contracts such as custodians, securities dealers or derivative counterparties) fail to perform as contracted. The Fund's investment manager is primarily responsible for managing this risk. We manage this risk by choosing appropriate and reputable investment managers.

4. Risks of Managed Investment Schemes

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

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

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

- the value of investments will vary over time;
- the level of returns will vary and future returns may vary from past returns;
- returns are not guaranteed and you may lose some of your money;
- laws affecting managed investment schemes may change in the future; and
- the level of risk for you will vary depending on a range of factors including age, investment timeframes, where other parts of your wealth are invested and your risk tolerance.

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

- **Individual investment risk:** Individual investments made by the Fund will fluctuate in value, meaning that they can, and do, fall in value for many reasons. This is an inherent risk associated with all managed funds. Sandhurst aims to reduce this risk by choosing index fund managers. Index funds diversify their investments across the market thereby reducing the impact of individual investment risk.
- **Market, country and political risk:** The Fund may be impacted either directly or indirectly by market, country and/or political risk. Market risk relates to the performance of the market as a whole impacting on the Fund's investment returns. Factors that may influence the market include economic, technological, political, taxation, country, and legal conditions, and even market sentiment. There are ways these risks can be mitigated. Sandhurst aims to reduce this risk by adjusting the allocations to each asset class within target ranges depending on our view of prevailing market conditions.

The appropriate level of risk for you will vary depending on various factors including your age, investment timeframe, other investments you may hold and your level of risk tolerance. You should consult with your financial adviser to properly understand the risks associated with the Fund and your attitude to investment risk.

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

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

5. How we invest your money

Sandhurst aims to create wealth for investors by providing diversified investments across a range of asset classes that benefit from investment market performance over the long-term. The Fund aims to achieve this by:

- investing in investment markets via fund managers that specialise in managing and operating index funds; and
- tactically managing the asset allocation of each Fund within the asset class ranges provided in the table below.

The Fund is an 'index' fund meaning it will invest in a group of securities designed to represent a broad market or a portion of the broad market. Indexing is a way of gaining exposure to investment markets whilst not seeking to outperform the relevant markets. This in turn reduces the risk of underperforming the relevant markets (before fees).

Most investment markets have indexes that measure their value over time and index funds seek to replicate particular markets or sectors. The Fund seeks to indirectly invest in a group of securities that broadly mirror the markets and sectors that make up the Fund's performance benchmark.

With Sandhurst's index funds, we determine the allocation of amounts to each asset class on an ongoing basis within the ranges set out below. This dynamic asset allocation aims to achieve a better outcome for investors than the static performance benchmark.

At the date of this PDS, the selected index manager across all asset classes, with the exception of 'cash', is Vanguard. The Fund will obtain its exposure to indexes by investing in wholesale funds managed by Vanguard. Sandhurst manages the cash component of the Fund.

Bendigo Defensive Index Fund

| | | | | |
|--|--|------------|------------|----------------|
| Investment objective: | To match or exceed the performance benchmark (before fees). | | | |
| Investment strategy: | To invest via a selection of index funds and cash that seek to track the performance of selected benchmarks for each asset class. The Fund invests predominantly in income generating defensive assets (Australian fixed interest, international fixed interest and cash) whilst limiting exposure to growth assets (Australian shares, international shares and property securities). | | | |
| Target asset allocation: | | Min | Max | Neutral |
| | Australian shares | 4% | 14% | 9% |
| | International shares | 2% | 12% | 7% |
| | Property securities | 0% | 9% | 4% |
| | Australian fixed interest | 15% | 45% | 30% |
| | International fixed interest | 15% | 35% | 25% |
| | Cash | 10% | 40% | 25% |
| Performance benchmark: | The Fund's performance is measured against a composite benchmark, consisting of the following indices in the proportions indicated: | | | |
| | S&P/ASX 300 Accumulation Index | 9% | | |
| | MSCI World ex-Australia Accumulation Net Index (\$A Hedged) | 7% | | |
| | S&P/ASX 300 Property Accumulation Index | 4% | | |
| | UBS Australian Composite Bond Index | 30% | | |
| | Barclays Capital Global Aggregate Bond Index (\$A Hedged) | 25% | | |
| Investment managers: | Asset allocation, portfolio management and cash: | Sandhurst | | |
| | Shares, fixed interest and property securities: | Vanguard | | |
| Investment timeframe: | Recommended for at least a 2 year investment period. | | | |
| Type of investor to whom this investment is suited: | This Fund is intended to suit an investor seeking an income focused portfolio with low capital volatility. | | | |
| Risk rating: | This Fund is considered a low risk investment. | | | |
| Changes to the Fund | We have the right to terminate the Fund or change the Fund's investment objectives (including the performance benchmark, target asset allocations and investment strategy) and investment managers without providing prior notice to investors in some cases. We will inform investors of any material changes to the Fund in accordance with the law. | | | |

Labour standards, or environment, social or ethical considerations

Sandhurst does not take into account labour standards or environmental, social or ethical considerations in the selection of investment manager(s) for the Fund or the selection, retention or realisation of investments comprising the Fund. The investment managers which manage the underlying investments of the Fund also do not take labour standards or environmental, social or ethical considerations into account when selecting, retaining or realising investments of the Fund.

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

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

6. Fees and costs

DID YOU KNOW?

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

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

TO FIND OUT MORE

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

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

All the fees and costs shown in this section include stamp duty and GST, less any applicable reduced input tax credits, unless otherwise stated.

| TYPE OF FEE OR COST | AMOUNT |
|---|--|
| Fees when your money moves in or out of the Fund | |
| <i>Establishment fee</i> | Nil |
| <i>Contribution fee</i> | Nil |
| <i>Withdrawal fee</i> | Nil |
| <i>Termination fee</i> | Nil |
| Management costs | |
| The fees and costs of managing your investment | As at the date of this PDS, 0.39% p.a. |

Additional explanation of fees and costs

Management costs

Management costs are the total fees and costs incurred in managing the Fund, including the fee paid to Sandhurst as responsible entity, fees and costs of the investment managers, administration expenses and other expense recoveries which are not charged directly to investors. The management costs are included in the Fund's unit price. The Fund's Constitution allows Sandhurst to recover all proper expenses incurred in administering the Fund and our estimate of these administration expenses is included within the management costs. Our management costs are based on the latest available information as at the date of this PDS. Our management costs may increase or decrease over time depending on the fees of the responsible entity, investment managers, administrative expenses or other

expense recoveries. This fee is calculated on the Fund's net asset value, accrued daily, and paid quarterly in arrears to Sandhurst from the Fund's assets as a whole. The fee is reflected in the Fund's unit price (i.e. it is not directly deducted from your investment amount).

Buy/sell spread

A buy/sell spread applies to the Fund. It is the transaction cost charged to you when you buy and sell units in the Fund and is designed to fairly allocate costs associated with buying and selling Fund assets as a result of investors acquiring or withdrawing units in the Fund; it is retained by the Fund and is not a fee payable to Sandhurst. A buy spread of 0.20% applies to each application and a sell spread of 0.20% applies to each withdrawal. For example, if you invested \$50,000 in the Fund, the cost of the buy spread would be \$100. The buy/sell spread may change from time to time without prior notice. The Fund's application and withdrawal prices are updated regularly and can be found at www.sandhursttrustees.com.au.

Changes to fees

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

Differential fee arrangements

From time to time Sandhurst may negotiate fees that differ from those stated above with certain 'wholesale clients' (as defined in the Corporations Act). Such negotiations are undertaken on a case-by-case basis and only for 'wholesale clients' who invest significant amounts of money in the Fund. Any such arrangement will be entered into in accordance with the requirements of the Corporations Act. Sandhurst does not negotiate fees with retail investors.

Example of annual fees and costs

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

| Example: Bendigo Defensive Index Fund | | Balance of \$50,000 including total contributions of \$5,000* during the year |
|---|--------------------------|--|
| Contribution fee | Nil | For every \$5,000 you put in, you will be charged \$0. |
| PLUS Management costs | 0.39% x \$50,000 = \$195 | AND For every \$50,000 you have in the Fund, you will be charged \$195 each year. |
| EQUALS Cost of Fund | | If you contribute \$5,000 during a year and your balance was \$50,000 then for the year, you will be charged \$195.** What it costs you will depend on the investment funds you choose and the fees (if any) you negotiate with your financial adviser. |

* For this Fund, the minimum balance is \$50,000 and the minimum additional investment is \$5,000.

** Assumes the \$5,000 contribution occurs on the last day of the year and there is a constant account balance of \$50,000 throughout the year. The actual amount you will be charged depends on the timing of additional investments. Additional fees may apply, in the form of the buy/sell spread.



You should read the important information about 'Fees and costs' before making a decision. Go to section 3 of the Reference Guide at www.sandhursttrustees.com.au/pds/diversified. The material relating to 'Fees and costs' may change between the time when you read this Statement and the day when you sign the Application Form.



You should read the important information about 'How Managed Investment Schemes are taxed' before making a decision. Go to section 4 of the Reference Guide at www.sandhursttrustees.com.au/pds/diversified. The material relating to 'How Managed Investment Schemes are taxed' may change between the time when you read this Statement and the day when you sign the Application Form.

7. How Managed Investment Schemes are taxed

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

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

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

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

8. How to Apply

To invest in the Fund, complete the Application Form (the Application Form is available at www.sandhursttrustees.com.au/pds/diversified) and send your application money to us in accordance with the instructions contained in the Application Form. If investing by direct debit or making a withdrawal, you may also download our Direct Debit Authority Form and Withdrawal Request Form from www.sandhursttrustees.com.au/pds/diversified

Cooling-off

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

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

- the time you receive written confirmation of your investment; and

- 5 days after the day your investment was issued to you.

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

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

Complaints

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

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

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

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

9. Other Information

Keeping you informed

We will provide you with a statement confirming your initial investment, additional investments, withdrawals and any change of details as soon as is reasonably practicable after the transaction occurs.

We will also send you:

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

Continuous disclosure requirements

In the event the Fund has 100 or more investors, it will be considered a 'disclosing entity' and subject to continuous disclosure requirements under the Corporations Act. Where the Fund is a disclosing entity, it will be subject to regular reporting and disclosure obligations. You will be able to obtain from, or inspect at, an ASIC office copies of any documents lodged with ASIC in relation to the Fund. If applicable, you may also obtain from Sandhurst, free of charge, copies of:

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

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

Related party transactions

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

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

Consents

Vanguard Investments Australia Limited and Bendigo and Adelaide Bank Limited have given and have not, before the date of the PDS, withdrawn their written consent to be named in this PDS and to the statements in the PDS concerning their role and activities, in each case in the form and context in which it is included or named.



BendigoWealth
managed funds