

Sandhurst Investment Common Fund

Investment Objective

The objective of the Fund is to provide a fixed term investment with capital stability and a choice of investment terms and interest rates by investment of the Fund in a selected portfolio of Australian first registered mortgages and other securities.

A complete list of our current rates is available on our website www.sandhursttrustees.com.au, at any Bendigo Bank branch or by contacting our Customer Service Centre on 1800 803 173.

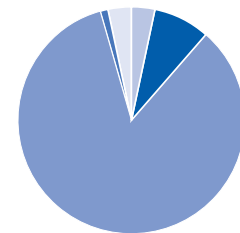
Fund Performance

Since its inception the Fund has always achieved the anticipated rate of return on investment, however Sandhurst does not guarantee the payment of the anticipated rate of return to investors in the future.

Assets and performance as at 31 December 2011

Investment profile as at 31 December 2011	
Cash at bank	\$5,444,577
Bank bills	\$4,991,309
Negotiable certificates of deposit	\$12,926,807
Mortgage backed securities	\$1,970,875
Mortgage loans	\$134,307,548
Total assets	\$159,641,116
Mortgage analysis	
Number of loans	276
Average loan size	\$486,622
Largest loan	\$8,918,797
Average loan to value ratio	49.5%
Number of investors	4,825
Low-documentation loans % to total loans	22.3%
Fixed/variable loan interest rate split	
Fixed	\$112,789,790
Variable	\$21,517,758

Fund Investment Portfolio



Cash at Bank	3.4%
Negotiable Certificates of Deposit	8.1%
Australian First Registered Mortgages	84.1%
Mortgage Backed Securities	1.3%
Bank Bills	3.1%

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Quarterly disclosure update

The Australian Securities and Investment Commission (ASIC) Regulatory Guide 45 - "Mortgage schemes – improving disclosure for retail investors" sets out 8 benchmarks which ASIC has formulated to improve disclosure to retail investors participating in unlisted mortgage schemes. Issuers, like Sandhurst, are not required to meet the benchmarks provided that reasons for not meeting the benchmarks are disclosed on an "if not, why not" basis. Sandhurst addresses each of these benchmarks in the Update to Sandhurst Common Funds Product Disclosure Statement dated 28 September 2011. Sandhurst continually reviews its position with regards to the benchmarks, as some of the information disclosed will change over time.

The following information identifies changes to our previous disclosure under each benchmark and should be read in conjunction with the Sandhurst Common Funds Product Disclosure Statement dated 25 May 2007, the Update to the Sandhurst Common Funds Product Disclosure Statement dated 28 September 2011 and any other updates to the Product Disclosure Statement available on our website.

Benchmark 1 - Liquidity

Sandhurst complies with Benchmark 1

As at 31 December 2011, the Investment Common Fund had liquidity, as defined under the ASIC benchmark (i.e. cash or cash equivalents) of \$23,362,693 or 14.6% of total assets. The composition and level of liquidity may change over time.

The Investment Common Fund has a standby facility in place with Bendigo and Adelaide Bank (the Bank) to assist with the management of short term liquidity should the need arise. This facility is repayable on the 23 June 2012 or earlier if required by the Bank. As at 31 December 2011 no funds have been drawn down on this facility and the aggregate undrawn amount is \$12,000,000.

Investment Types	Amount (\$)	% of portfolio
Cash	5,444,577	3.4
Bank Bills	4,991,309	3.1
Negotiable Certificates of Deposit	12,926,807	8.1

The maturity date of all such deposits and investments is not greater than 200 days.

Benchmark 2 - Scheme Borrowing

Sandhurst complies with Benchmark 2

Refer to Benchmark 1 for details of the standby facility.

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Benchmark 3 - Portfolio Diversification

Sandhurst complies with Benchmark 3

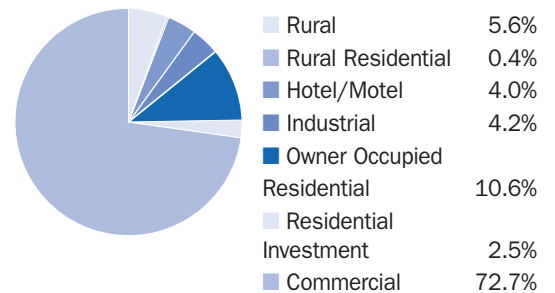
Number and value of loans

As at 31 December 2011, there were 276 mortgage loans totalling \$134,307,548. The total number of mortgagors is 263.

Loans by class of activity

Activity	Amount (\$)	No. of Loans	% by No.
Rural	7,469,776	28	10.1
Rural Residential	601,706	5	1.8
Hotel/Motel	5,436,206	14	5.1
Industrial	5,634,776	4	1.4
Owner Occupied Residential	14,184,400	53	19.2
Residential Investment	3,384,331	17	6.2
Commercial	97,596,353	155	56.2
Total	134,307,548	276	100.0

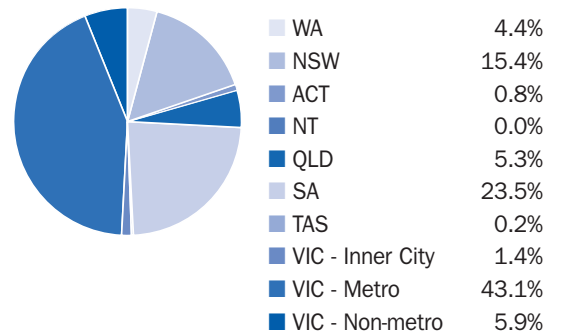
Loans by class of activity (% by \$)



Loans by geographic region

Geographical profile	Amount (\$)	No. of Loans	% by No.
Victoria			
Inner City	1,896,661	2	0.7
Metro	57,902,790	57	20.6
Non-metro	7,919,640	49	17.8
Australian Capital Territory			
Metro	1,122,452	6	2.2
New South Wales			
Metro	14,906,801	46	16.7
Non-metro	5,781,581	26	9.4
Northern Territory			
Metro	0	0	0
Non-metro	0	0	0
Queensland			
Metro	3,473,584	12	4.3
Non-metro	3,673,213	16	5.8
South Australia			
Inner City	13,086,555	5	1.8
Metro	16,898,790	32	11.6
Non-metro	1,580,095	7	2.5
Tasmania			
Inner City	0	0	0
Metro	302,163	1	0.4
Western Australia			
Inner City	151,250	1	0.4
Metro	5,119,455	13	4.7
Non-metro	492,518	3	1.1
Total	134,307,548	276	100.0

Loans by geographic region (% by \$)



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Benchmark 3 - Portfolio Diversification continued

Loans in arrears

As at 31 December 2011, there was 1 loan totalling \$140,436 in arrears greater than 30 days. This represents 0.1% of the total loan portfolio by dollar value.

Days in Arrears	Principal (\$)	Payments in Arrears (\$)	No. of Loans
30 - 60 days	0	0	0
60 - 90 days	0	0	0
90 days and over	140,436	9,202	1

All the above payments in arrears are considered to be recoverable.

Security type

As at 31 December 2011, all of the 276 loans were secured by way of first registered mortgage over Australian property. No loans were unsecured.

Largest borrower(s)

As at 31 December 2011, the total loan monies lent to the 10 largest borrowers was \$44,306,577. This represents 3.6% of the number of loans of the portfolio and 33.0% of the value of the portfolio.

The largest borrower had 1 loan of \$8,918,797 representing 6.6% of the value of the portfolio.

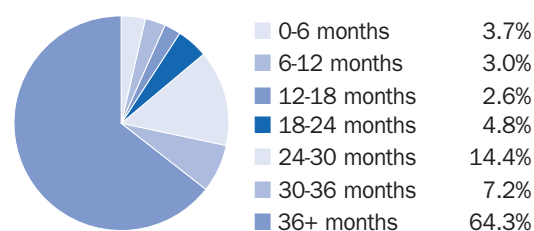
Undrawn loan commitments

As at 31 December 2011, the Investment Common Fund had 3 loans totalling \$440,000 that were approved, but not yet advanced.

Loans by maturity profile

Maturity Profile	Amount (\$)	No. of Loans	% by No.
0-6 months	5,001,912	13	4.7
6-12 months	4,019,130	8	2.9
12-18 months	3,423,707	10	3.6
18-24 months	6,385,893	11	4.0
24-30 months	19,352,249	20	7.2
30-36 months	9,709,958	9	3.3
36+ months	86,414,699	205	74.3
Total	134,307,548	276	100.0

Loans by maturity profile (% by \$)



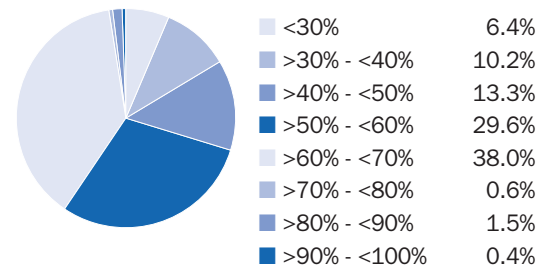
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Benchmark 3 - Portfolio Diversification continued

Loans by loan to valuation ratios

Loan to valuation ratio (LVR)	Amount (\$)	No. of Loans	% by No.
<30%	8,584,150	49	17.8
30-40%	13,735,580	32	11.6
40-50%	17,892,888	46	16.7
50-60%	39,724,729	52	18.8
60-70%	51,094,984	85	30.7
70-80%	846,873	3	1.1
80-90%	1,949,489	8	2.9
90-100%	478,855	1	0.4
Total	134,307,548	276	100.0

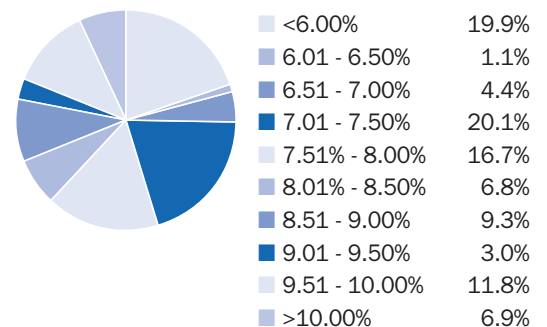
Loans by loan to valuation ratios (% by \$)



Loans by interest rate

Mortgage Split by Interest Rate	Amount (\$)	No. of Loans	% by No.
<6.00%	26,769,115	62	22.5
6.01-6.50%	1,482,224	3	1.1
6.51-7.00%	5,889,921	4	1.4
7.01-7.50%	26,994,397	20	7.2
7.51-8.00%	22,402,961	19	6.9
8.01-8.50%	9,170,870	19	6.9
8.51-9.00%	12,486,149	72	26.1
9.01-9.50%	3,966,238	11	4.0
9.51-10.00%	15,832,072	40	14.5
>10.00%	9,313,601	26	9.4
Total	134,307,548	276	100.0

Loans by interest rate (% by \$)



Benchmark 4 - Related Party Transactions

Sandhurst complies with Benchmark 4

The Fund has a standby facility in place with the Bank. As at 31 December 2011, no funds have been drawn on this facility.

Benchmark 5 - Valuation Policy

Sandhurst complies with Benchmark 5

The Investment Common Fund has 1 loan that accounts for 6.6% of the loan book as at 31 December 2011. The LVR of this loan is 65.3%. The valuation of the secured property is on an "as is" basis and is dated 26 March 2009.

Benchmark 6 - Lending Principles - loan to valuation ratios (LVR)

Sandhurst complies with Benchmark 6(a)

Sandhurst does not comply with Benchmark 6(b)

Sandhurst has elected to continue to hold residential mortgages with LVR's up to 95%, where lender's mortgage insurance is in place. Sandhurst is satisfied in these cases that the loans are adequately insured against loss.

Benchmark 7 - Distribution Practices

Sandhurst complies with Benchmark 7

There has been no change to our response in the Update to Sandhurst Common Funds Product Disclosure Statement dated 28 September 2011 for Benchmark 5 to Benchmark 7.

Benchmark 8 - Withdrawal Arrangements

Sandhurst complies with Benchmark 8

Refer to Benchmark 1 for details of the standby facility.

**For further information, contact our Customer Service Centre on 1800 803 173
or visit our website: www.sandhursttrustees.com.au**

The information contained in this update is current as at 31 December 2011 and is provided by Sandhurst Trustees Limited (Sandhurst), ABN 16 004 030 737 AFSL 237906, a subsidiary of Bendigo and Adelaide Bank Limited (the Bank) ABN 11 068 049 179. Investments in this Fund are not deposits with, guaranteed by, or liabilities of the Bank, or any of its subsidiaries. There is a risk that investors may lose some or all of their principal investment, that the Fund may achieve lower than expected returns and that withdrawal proceeds may not be paid within a reasonable period after the end of the fixed term. Please consider your situation and read the Product Disclosure Statement, available from any Bendigo Bank branch or by phoning 1800 803 173, before making an investment decision. (S38912) (01/12)