

# 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](http://www.sandhursttrustees.com.au) at any Bendigo Bank branch or by contacting our Customer Service Centre on 1800 803 173.

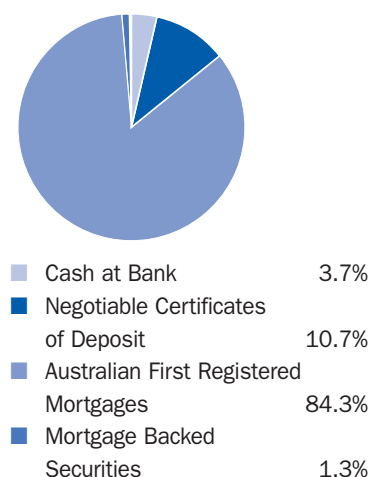
## Fund Performance

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 30 June 2011

Investment profile as at 30 June 2011	
Cash at bank	\$5,624,679
Negotiable Certificates of Deposit	\$16,307,912
Mortgage backed securities	\$2,004,817
Mortgage loans	\$128,187,438
Total assets	\$152,124,846
Mortgage analysis	
Number of loans	267
Average loan size	\$480,103
Largest loan	\$8,918,797
Average loan to value ratio	55.9%
Number of investors	4,857
Fixed/variable loan interest rate split	
Fixed	\$99,129,112
Variable	\$29,058,326

## Fund Investment Portfolio



# Sandhurst Investment Common Fund

## 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 10 August 2009. 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 Fund Product Disclosure Statement dated 25 May 2007, the Update to the Sandhurst Common Fund Product Disclosure Statement dated 10 August 2009 and any other updates to the Product Disclosure Statement available on our website.

### Benchmark 1 - Liquidity

#### **Sandhurst complies with Benchmark 1**

As at 30 June 2011, the Investment Common Fund had liquidity, as defined under the ASIC benchmark (i.e. cash or cash equivalents) of \$21,932,591 or 14.4% 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 30 June 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	5,624,679	3.7
Negotiable Certificates of Deposit	16,307,912	10.7

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.

# Sandhurst Investment Common Fund

## Benchmark 3 - Portfolio Diversification

### Sandhurst complies with Benchmark 3

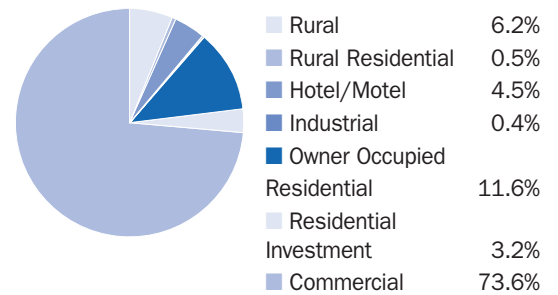
#### Number and value of loans

As at 30 June 2011 there were 267 mortgage loans totalling \$128,187,438.

#### Loans by class of activity

Activity	Amount (\$)	No. of Loans	% by No.
Rural	7,976,546	32	12.0
Rural Residential	615,986	5	1.9
Hotel/Motel	5,754,943	16	6.0
Industrial	520,834	2	0.7
Owner Occupied Residential	14,871,335	56	21.0
Residential Investment	4,059,380	21	7.9
Commercial	94,388,414	135	50.5
<b>Total</b>	<b>128,187,438</b>	<b>267</b>	<b>100.0</b>

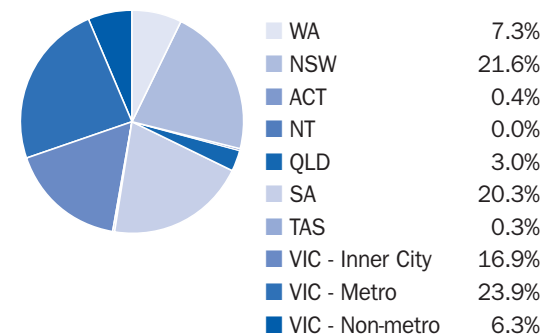
#### Loans by class of activity (% by \$)



#### Loans by geographic region

Geographical profile	Amount (\$)	No. of Loans	% by No.
Victoria			
Inner City	21,670,845	12	4.6
Metro	30,665,113	35	13.1
Non-metro	8,035,320	54	20.2
Other States			
Australian Capital Territory	476,591	3	1.1
New South Wales	27,726,310	90	33.8
Northern Territory	0	0	0
Queensland	3,829,815	18	6.7
South Australia	26,028,418	35	13.1
Tasmania	417,066	2	0.7
Western Australia	9,337,960	18	6.7
<b>Total</b>	<b>128,187,438</b>	<b>267</b>	<b>100.0</b>

#### Loans by geographic region (% by \$)



#### Loans in arrears

As at 30 June 2011 there were 2 loans totalling \$270,057 in arrears greater than 30 days. This represents 0.2% of the total loan portfolio by dollar value.

Days in Arrears	Principal (\$)	Payments in Arrears (\$)	No. of Loans
30 - 60 days	102,628	1,887	1
60 - 90 days	0	0	0
90 days and over	167,429	4,433	1

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

# Sandhurst Investment Common Fund

## Benchmark 3 - Portfolio Diversification continued

### Security type

As at 30 June 2011, all of the 267 loans were secured by way of first registered mortgage over Australian property. No loans were unsecured.

### Largest borrower(s)

As at 30 June 2011, the total loan monies lent to the 10 largest borrowers was \$44,022,098. This represents 3.8% of the number of loans of the portfolio and 34.3% of the value of the portfolio.

The largest borrower had 1 loan of \$8,918,797 representing 7.0% of the value of the portfolio.

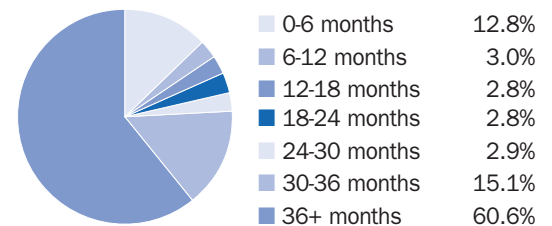
### Undrawn loan commitments

As at 30 June 2011, the Investment Common Fund had 5 loans totalling \$1,607,550 that were approved, but not yet advanced.

### Loans by maturity profile

Maturity Profile	Amount (\$)	No. of Loans	% by No.
0-6 months	16,361,308	21	7.9
6-12 months	3,898,351	11	4.1
12-18 months	3,583,306	6	2.2
18-24 months	3,538,660	11	4.1
24-30 months	3,766,358	11	4.1
30-36 months	19,357,055	20	7.5
36+ months	77,682,400	187	70.1
<b>Total</b>	<b>128,187,438</b>	<b>267</b>	<b>100.0</b>

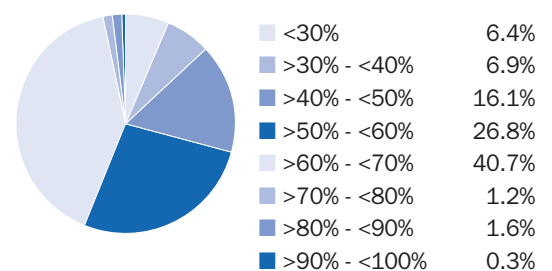
### Loans by maturity profile (% by \$)



### Loans by loan to valuation ratios

Loan to valuation ratio (LVR)	Amount (\$)	No. of Loans	% by No.
<30%	8,260,043	50	18.7
30-40%	8,844,611	33	12.4
40-50%	20,574,798	44	16.5
50-60%	34,428,476	45	16.9
60-70%	52,119,194	80	30.0
70-80%	1,484,003	6	2.2
80-90%	2,095,853	7	2.6
90-100%	380,460	2	0.7
<b>Total</b>	<b>128,187,438</b>	<b>267</b>	<b>100.0</b>

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



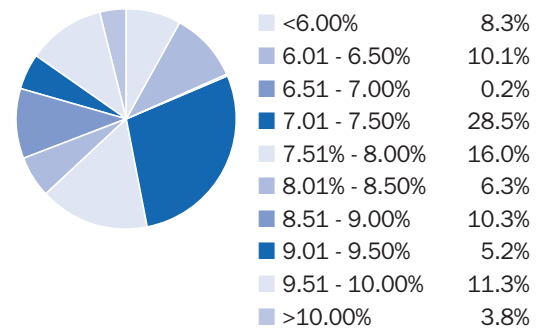
# Sandhurst Investment Common Fund

## Benchmark 3 - Portfolio Diversification continued

Loans by interest rate

Mortgage Split by Interest Rate	Amount (\$)	No. of Loans	% by No.
<6.00%	10,684,111	4	1.5
6.01-6.50%	12,972,256	64	24.0
6.51-7.00%	268,853	1	0.4
7.01-7.50%	36,522,697	28	10.4
7.51-8.00%	20,467,550	16	6.0
8.01-8.50%	8,119,920	22	8.2
8.51-9.00%	13,244,793	72	27.0
9.01-9.50%	6,679,784	16	6.0
9.51-10.00%	14,319,111	27	10.1
>10.00%	4,908,363	17	6.4
<b>Total</b>	<b>128,187,438</b>	<b>267</b>	<b>100.0</b>

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 30 June 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 7.0% of the loan book as at 30 June 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 10 August 2009 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](http://www.sandhursttrustees.com.au)**

The information contained in this update is current as at 30 June 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. (S36035) (07/11)