

Sandhurst Select Mortgage Fund

Investment Objective

The objective of the Fund is to provide consistent returns, regular income and capital stability by investment of the Fund in a broad selection of Australian first registered mortgage assets and other securities.

5.55% p.a.*

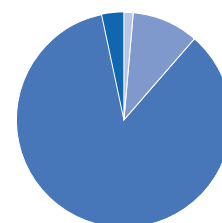
*Indicative rate, net of all fees and costs to 30 June 2011. There is a risk that the rate paid may be lower (or higher) than the indicative rate.

Assets and performance as at 31 March 2011

Investment profile as at 31 March 2011			
Cash at bank			\$15,574,183
Negotiable certificates of deposits			\$99,014,804
Mortgage backed securities			\$32,082,849
Mortgage loans			\$860,522,952
Total assets			\$1,007,194,788
Mortgage analysis			
Number of loans			3,686
Average loan size			\$233,457
Largest loan			\$50,000,000
Average loan to value ratio			47.12%
Number of investors			24,214
Fixed/variable loan interest rate split			
Fixed			\$297,425,638
Variable			\$563,097,314
Past performance [^]			
Annualised Distribution Return		Return to Investors (p.a.)	Indicative Rate (p.a.)
3 months ended	31.03.11	5.70%	5.70%
6 months ended	31.03.11	5.66%	5.66%
Year ended	30.06.10	4.44%	4.12%
	30.06.09	5.55%	5.75%
	30.06.08	6.48%	7.28%
	30.06.07	6.45%	6.33%
	30.06.06	6.28%	5.75%
Non Annualised Distribution Return		Return to Investors	
3 months ended	31.03.11	1.41%	
6 months ended	31.03.11	2.82%	

[^]Unless otherwise stated, performance is calculated using compound returns after fees and costs and assumes reinvestment of income. These figures represent past performance and are not an indication of future performance.

Fund Investment Portfolio



Cash at Bank	1.6%
Negotiable Certificates of Deposit	9.8%
Australian First Registered Mortgages	85.4%
Mortgage Backed Securities	3.2%

To maintain liquidity, a portion of the Fund will be held in cash and readily negotiated assets including negotiable certificates of deposit and bank bills.

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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 addressed 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 31 March 2011, the Select Mortgage Fund had liquidity, as defined under the ASIC benchmark (i.e. cash or cash equivalents) of \$114,588,987 or 11.4% of total assets. The composition and level of liquidity may change over time.

The Select Mortgage 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 24 June 2011 or earlier if required by the Bank. As at 31 March 2011 no funds have been drawn down on this facility and the aggregate undrawn amount is \$250,000,000.

Investment Types	Amount (\$)	% of portfolio
Cash	15,574,183	1.6
Negotiable Certificates of Deposit	99,014,804	9.8

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

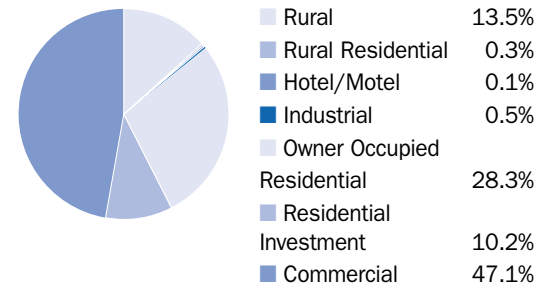
Number and value of loans

As at 31 March 2011 there were 3,686 mortgage loans totalling \$860,522,952.

Loans by class of activity

Activity	Amount (\$)	No. of Loans	% by No.
Rural	116,469,615	375	10.2
Rural Residential	2,578,878	12	0.3
Hotel/Motel	942,638	6	0.2
Industrial	4,338,765	9	0.2
Owner Occupied Residential	243,357,557	1,879	51.0
Residential Investment	87,953,979	519	14.1
Commercial	404,881,520	886	24.0
Total	860,522,952	3,686	100.0

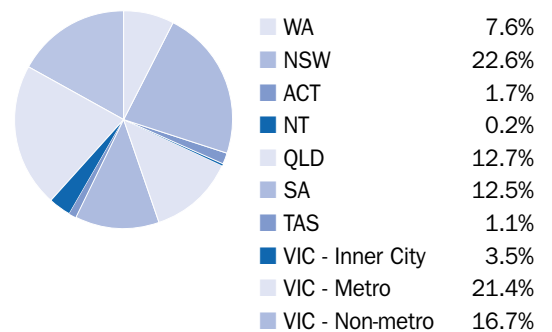
Loans by class of activity (% by \$)



Loans by geographic region

Geographical profile	Amount (\$)	No. of Loans	% by No.
Victoria			
Inner City	30,484,683	27	0.7
Metro	184,501,754	628	17.0
Non-metro	143,603,767	999	27.1
Other States			
Australian Capital Territory	14,238,872	86	2.3
New South Wales	194,622,685	699	19.0
Northern Territory	1,749,542	6	0.2
Queensland	109,294,066	713	19.3
South Australia	107,123,294	261	7.2
Tasmania	9,098,597	46	1.2
Western Australia	65,805,692	221	6.0
Total	860,522,952	3,686	100.0

Loans by geographic region (% by \$)



Loans in arrears

As at 31 March 2011 there were 59 loans totalling \$12,780,079 in arrears greater than 30 days. This represents 1.5% of the total loan portfolio by dollar value.

Days in Arrears	Principal (\$)	Payments in Arrears (\$)	No. of Loans
30 - 60 days	2,082,394	30,411	15
60 - 90 days	255,128	3,620	2
90 days and over	10,442,557	293,363	42

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

Security type

As at 31 March 2011, all of the 3,686 loans were secured by way of first registered mortgage over Australian property. No loans were unsecured.

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Benchmark 3 - Portfolio Diversification continued.

Largest borrower(s)

As at 31 March 2011, the total loan monies lent to the 10 largest borrowers was \$85,109,377. This represents 0.3% of the number of loans of the portfolio and 9.9% of the value of the portfolio.

The largest borrower had 1 loan of \$50,000,000 representing 5.8% of the value of the portfolio.

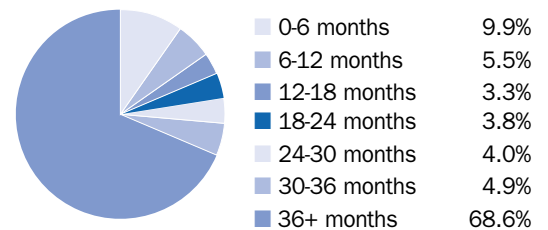
Undrawn loan commitments

As at 31 March 2011, the Select Mortgage Fund had 3 loans totalling \$1,815,000 that were approved, but not yet advanced.

Loans by maturity profile

Maturity Profile	Amount (\$)	No. of Loans	% by No.
0-6 months	85,093,269	254	6.9
6-12 months	46,930,357	91	2.5
12-18 months	28,650,299	84	2.3
18-24 months	33,100,345	86	2.3
24-30 months	34,239,774	95	2.6
30-36 months	42,237,231	75	2.0
36+ months	590,271,677	3,001	81.4
Total	860,522,952	3,686	100.0

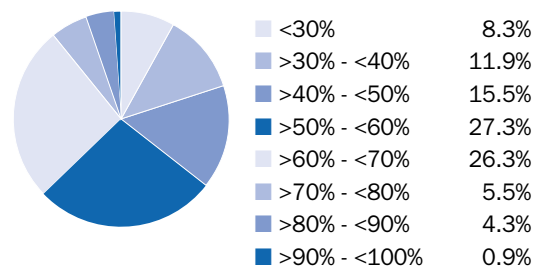
Loans by maturity profile (% by \$)



Loans by loan to valuation ratios

Loan to valuation ratio (LVR)	Amount (\$)	No. of Loans	% by No.
<30%	71,563,199	754	20.5
30-40%	102,430,196	552	15.0
40-50%	132,962,490	652	17.7
50-60%	234,754,460	654	17.7
60-70%	226,409,049	633	17.2
70-80%	47,649,258	248	6.7
80-90%	37,376,002	161	4.4
90-100%	7,378,298	32	0.8
Total	860,522,952	3,686	100.0

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



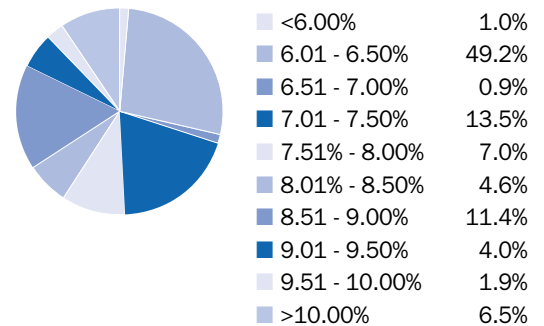
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Benchmark 3 - Portfolio Diversification continued.

Loans by interest rates

Mortgage Split by Interest Rate	Amount (\$)	No. of Loans	% by No.
<6.00%	8,647,776	18	0.5
6.01-6.50%	422,134,265	2619	71.1
6.51-7.00%	8,117,533	14	0.4
7.01-7.50%	115,961,789	172	4.7
7.51-8.00%	60,649,308	105	2.8
8.01-8.50%	39,929,118	82	2.2
8.51-9.00%	98,031,195	345	9.4
9.01-9.50%	34,408,898	149	4.0
9.51-10.00%	16,563,358	38	1.0
>10.00%	56,079,712	144	3.9
Total	860,522,952	3,686	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 March 2011 no funds have been drawn on this facility.

Benchmark 5 - Valuation Policy

Sandhurst complies with Benchmark 5

The Select Common Fund has 1 loan that accounts for 5.8% of the loan book as at 31 March 2011. The LVR of this loan is 53.6%. The valuation of the secured property is on an "as is" basis and is dated 15 June 2006.

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/commonfunds

The information contained in this update is current as at 31 March 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. Indicative rate to 30 June 2011 is an estimated rate calculated by Sandhurst. There is a risk that the rate paid may be lower (or higher) than the indicative rate. 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. (S35979) (07/11)