

## Product Disclosure Statement and Reference Guide updates

This document contains updates to information in the Sandhurst Conservative Fund Product Disclosure Statement (PDS) and the Sandhurst Diversified Funds Reference Guide (Reference Guide) both dated 30 January 2017, where the updated information is not materially adverse.

The updates below should be read in conjunction with the current PDS and Reference Guide (as relevant) which can be found [here](#).

Sandhurst Trustees Limited (Sandhurst) is the responsible entity of the Sandhurst Conservative Fund (Fund).

### 27 March 2020 – Change in buy/sell spread

The nature and volatility of current financial markets and the associated changes in liquidity of investments in those markets as a result of the COVID-19 pandemic has meant that the transaction costs incurred by the Fund in buying and selling assets of the Fund are now materially different to what has previously been the case.

So that the costs associated with buying and selling assets of the Fund in response to applications and withdrawals are fairly allocated, Sandhurst has today changed the buy/sell spread that applies to applications and withdrawals in respect of the Fund.

#### PDS Page 7:

- Under the heading titled 'Transactional and operational costs', the first paragraph is deleted and replaced with:

In addition to management costs, the Fund may incur transactional and operational costs when acquiring and disposing of certain Fund assets. These costs may include clearing costs, brokerage, stamp duty and buy/sell spreads. These costs are paid for by the Fund when they are incurred and are reflected in the Fund's unit price. These costs are not paid to Sandhurst as a fee and are not charged directly to investors, rather they are deducted from the income or assets of the Fund. These costs represented 0.09% of the Fund's net asset value for the past financial year, but Sandhurst expects that these costs will be materially different in the current financial year given the change in the nature and volatility of current financial markets as a result of the COVID-19 pandemic.
- Under the bullet point heading 'Investor buy/sell spread', the second paragraph is deleted and replaced with:

In light of the nature and volatility of current financial markets as a result of the COVID-19 pandemic, the buy spread that applies to each application and the sell spread that applies to each withdrawal is changed from time to time in response to the quantum of the costs associated with buying and selling Fund assets. As such, a buy spread of between 0.00% and 1.00% applies to each application and a sell spread of between 0.00% and 1.00% applies to each withdrawal. For example, if you invested \$50,000 in the Fund, the cost of the buy spread would be between \$0 and \$500. The buy/sell spread range may also change from time to time without prior notice. The Fund's current buy/sell spread can be found at [www.sandhursttrustees.com.au/fund-news](http://www.sandhursttrustees.com.au/fund-news). The Fund's application and withdrawal prices, which incorporate the buy/sell spread applicable from time to time, can be found at [www.sandhursttrustees.com.au/prices](http://www.sandhursttrustees.com.au/prices).

### 1 January 2020 - Fees and costs update

Sandhurst has undertaken an annual review of the fees and costs information disclosed in the PDS and Reference Guide in accordance with regulatory guidance.

The purpose of the review is to update fees and costs contained in the PDS and Reference Guide to reflect costs in relation to the financial year ended 30 June 2019 (instead of the financial year ended 30 June 2016). The review has considered any difference in fees and costs between the financial years ending 30 June 2016 and 30 June 2019 respectively and any information Sandhurst has received since 30 June 2019 to the date of this PDS update. Whilst no product fee changes were made by Sandhurst, there were changes in the cost incurred by Sandhurst in managing the Fund's assets. Changes in transactional and operational costs were identified.

Transactional and operational costs are generally expected to vary from year to year.

#### PDS Page 6:

- Under the 'Management costs' section, the third paragraph is deleted and replaced with the following:

"Indirect costs may include management costs charged by the investment managers of the underlying fund investments, including any applicable performance-related fees. Performance-related fees may be charged by an investment manager if they meet specific investment performance targets."

## Product Disclosure Statement and Reference Guide updates

- Under the 'Performance fees' section, the following additional sentence is added:

'However, some investment managers may charge performance fees which form part of the indirect costs of the Fund.'

### PDS Page 7:

- Under the 'Transactional and operational costs' section, the fourth and fifth sentences are deleted and replaced with the following:

These costs are not paid to Sandhurst as a fee and are not charged directly to investors, rather they are deducted from the income or assets of the Fund, however, some of these costs are recovered through investor buy/sell spreads (see below). The estimated transactional and operational costs, based on the Fund's net asset value for the past financial year are as follows:

Total estimated transactional and operational costs	Minus investor buy/sell spread recovery	Equals estimated net transactional and operational costs
0.13%p.a.	0.04%p.a.	0.09%p.a.

- The 'Example of annual fees and costs for the Fund' table is updated by deleting and replacing Footnote 1 with:

<sup>1</sup> This includes indirect costs and has been calculated taking into account the indirect costs paid in the previous financial year ending 30 June 2019.

### Reference Guide Page 5:

- Immediately under the 'Additional explanation of fees and costs' heading a new section titled 'Performance-related fees' is inserted:

#### Performance-related fees

Some investment managers of the underlying funds charge performance-related fees. Performance-related fees form part of the indirect costs included in the management costs of the Funds. The actual management costs charged will vary as the actual performance-related fees charged will depend on the performance of the underlying investments over the period.

Performance-related fees provide an incentive for investment managers of the underlying funds to achieve superior performance. The Fund invests in a number of asset sectors and through a number of investment managers. This can mean an investment manager may earn a performance-related fee irrespective of the Fund's overall performance. Please note that past performance is not a reliable indicator of future performance and it is impossible to accurately forecast the performance-related fees that will be payable. Performance-related fees are accrued daily. The table below shows the management costs, exclusive and inclusive of performance-related fees for the Fund, based on the net asset value for the past financial year.

	Management costs (excluding estimated performance related fees)	Performance-related fees (estimated for 12-month period to 30 June 2019)	Total estimated management costs (including estimated performance-related fees)
Sandhurst Conservative Fund	1.500%	0.000%	1.500%
Sandhurst Balanced Fund	1.500%	0.000%	1.500%
Sandhurst Growth Fund	1.500%	0.000%	1.500%

### 31 May 2019 - Complaints update

The Financial Ombudsman Service Australia has been replaced by the Australian Financial Complaints Authority.

### PDS Page 8:

- Under the 'Complaints' heading, the last sentence is deleted and replaced with the following:

"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 Australian Financial Complaints Authority on 1800 931 678, [info@afca.org.au](mailto:info@afca.org.au) or [www.afca.org.au](http://www.afca.org.au) for further information."

### 16 June 2017 - Switching between managed funds

Sandhurst has made it easier for customers to change their investments by introducing the ability to switch between most of Sandhurst's managed funds.

#### **PDS Page 3:**

- Under the 'Switching and transfers' section, the first sentence is replaced with the following sentence:  
"You may switch from the Fund to other funds operated by Sandhurst and which are listed on the Switch Form (available from our website at [www.sandhursttrustees.com.au/forms](http://www.sandhursttrustees.com.au/forms))."