



SandhurstTrustees

Bendigo SmartOptions

Investment information for existing members

Updated 14 August 2020

Bendigo SmartOptions Super and Bendigo SmartOptions Pension

Investment information for existing members

Bendigo SmartOptions Super and Bendigo SmartOptions Pension (collectively referred to as 'the Plan' in this document) are closed to new members. The following provides information regarding the investment options available through the Plan as well as other relevant investment information.

Investment menu

The investment menu has been designed to offer you choice and flexibility. How you invest will depend on your personal circumstances and your risk profile. Whether you choose to invest in a single investment option or a combination of investments you can switch your investments at any time.

In Bendigo SmartOptions Super you are required to maintain a Cash Account with a default minimum of 1.5% of your account balance for operational reasons such as the payment of fees and insurance premiums, if applicable.

You have the ability to increase the allocation to the Cash Account and/or choose to invest in a range of investment options with differing risk and return profiles, including a choice of managed funds and S&P/ASX 200 listed securities.

Types of investment options

- Managed funds:
 - Multi-asset class funds - managed funds that invest in a combination of asset classes and may have a pre-determined asset allocation.
 - Single-asset class funds - managed funds that invest in a single-asset class, for example cash, Australian shares, or a particular segment of an asset class, such as Australian shares in small companies.
- S&P/ASX 200 listed securities – listed securities available on the S&P/ASX 200 as at the time of purchase (updated quarterly). These listed securities are valued according to the quoted market prices from the Australian Securities Exchange.

The investment options currently available via the Plan are listed below.

Investment option name	APIR code	Risk level (using a Standard Risk Measure)*
Cash Account	n/a	Very low (Risk band 1)
Managed Funds		
Multi-asset class funds		
Defensive		
Bendigo Defensive Index Fund	STL0031AU	Low (Risk band 2)
Bendigo Defensive Wholesale Fund	STL0029AU	Low (Risk band 2)
Conservative		
Bendigo Conservative Index Fund	STL0032AU	Medium (Risk band 4)
Bendigo Conservative Wholesale Fund	STL0012AU	Medium (Risk band 4)
Pendal Active Conservative Fund	BTA0805AU	Low (Risk band 2)
Colonial First State Wholesale Conservative Fund	FSF0033AU	Low to medium (Risk band 3)
Balanced		
Bendigo Balanced Index Fund	STL0033AU	Medium to high (Risk band 5)
Bendigo Balanced Wholesale Fund	STL0013AU	Medium to high (Risk band 5)
Aberdeen Multi-Asset Real Return Fund	CRS0002AU	Medium to high

Investment option name	APIR code	Risk level (using a Standard Risk Measure)*
		(Risk band 5)
Growth		
Bendigo Growth Index Fund	STL0034AU	High (Risk band 6)
Bendigo Growth Wholesale Fund	STL0014AU	High (Risk band 6)
Bendigo Socially Responsible Growth Fund	STL0055AU	Medium to high (Risk band 5)
BlackRock Tactical Growth Fund	PWA0822AU	High (Risk band 6)
Zurich Investments Managed Growth Fund	ZUR0059AU	Medium to high (Risk band 5)
High Growth		
Bendigo High Growth Index Fund	STL0035AU	High (Risk band 6)
Bendigo High Growth Wholesale Fund	STL0030AU	High (Risk band 6)
Single-asset class funds		
Australian shares		
Sandhurst IML Industrial Share Fund	STL0101AU	High (Risk band 6)
Aberdeen Australian Small Companies Fund	CSA0131AU	High (Risk band 6)
Australian Ethical Australian Shares Fund (Wholesale)	AUG0018AU	High (Risk band 6)
Colonial First State Wholesale Imputation Fund	FSF0003AU	High (Risk band 6)
Investors Mutual Future Leaders Fund	IML0003AU	High (Risk band 6)
Schroder Australian Equity Fund	SCH0002AU	High (Risk band 6)
State Street Australian Equity Fund	SST0048AU	High (Risk band 6)
Vanguard® Australian Shares Index Fund	VAN0002AU	High (Risk band 6)
International shares		
Pendal Concentrated Global Share Fund No. 3	BTA0056AU	High (Risk band 6)
IOOF MultiMix International Shares Trust	IOF0098AU	High (Risk band 6)
Fidelity Global Equities Fund	FID0007AU	High (Risk band 6)
International shares (hedged)		
Aberdeen Actively Hedged International Equities Fund	CRS0005AU	Very high (Risk band 7)
Platinum Asia Fund	PLA0004AU	High (Risk band 6)
Platinum International Fund	PLA0002AU	High (Risk band 6)
Australian property		

Investment option name	APIR code	Risk level (using a Standard Risk Measure)*
Vanguard® Australian Property Securities Index Fund	VAN0004AU	High (Risk band 6)
International property (hedged)		
AMP Capital Global Property Securities Fund - Class A Units	AMP0974AU	Very high (Risk band 7)
International Infrastructure		
RARE Infrastructure Value Fund	TGP0008AU	High (Risk band 6)
Diversified fixed interest		
Bendigo Diversified Fixed Interest Fund	STL0051AU	Low to medium (Risk band 3)
IOOF MultiMix Diversified Fixed Interest Trust	IOF0096AU	Low to medium (Risk band 3)
Macquarie Income Opportunities Fund	MAQ0277AU	Low to medium (Risk band 3)
Australian fixed interest		
Altius Sustainable Bond Fund	AUS0071AU	Medium (Risk band 4)
Janus Henderson Australia Fixed Interest Fund - Institutional	IOF0113AU	Medium (Risk band 4)
International fixed interest		
PIMCO Global Bond Fund - Wholesale Class	ETL0018AU	Low to medium (Risk band 3)
Income and mortgage		
Sandhurst Select Mortgage Fund	STL0002AU	Low (Risk band 2)
Sandhurst Strategic Income Fund – Class B units	STL0044AU	Low (Risk band 2)
Listed securities		
S&P/ASX 200 listed securities	N/A	N/A

* Further information on the Standard Risk Measure is provided later in this section.

For members seeking to choose an investment option other than the Cash Account you should consider the disclosure document in relation to the relevant managed funds before making an investment decision. Each managed fund has its own product disclosure statement or offer document, available on our website. You can also request a paper copy free of charge by contacting our Client Services Team. The disclosure documents will provide you with important information about the investment option, including benefits, risks, features and fees and costs that relate to the investment option. In relation to the S&P/ASX 200 listed securities, we rely on the ASX disclosure rules to ensure you have sufficient information available to consider and make investment decisions.

The following tables outline the key features of the Cash Account and S&P/ASX 200 listed securities.

Investment profile – Cash Account

Investment option name	Cash Account	
Investment return objective	To provide a flat interest rate for all balances.	
Investment strategy	To provide regular income while seeking to maintain liquidity and capital stability. Funds are held on deposit with the Bank.	
Target asset allocation	Cash	100%
Investment timeframe	No minimum suggested timeframe.	

Type of investor to whom this investment is suited

This investment offers regular income and capital stability. It may be suitable for monies that will be required to meet short term cash flow requirements and for investors who may be close to or in retirement or highly risk adverse.

Investment profile – S&P/ASX 200 listed securities

Objectives	Each company's objectives will differ, the expectation is that a portfolio of S&P/ASX 200 listed securities could, over the long term, generate capital growth and dividend income.
Investment frequency	Anytime during ASX trading hours
Investment limits	Maximum of 15% of your account balance can be in a single security and a maximum of 50% of your account balance.
Risk levels	Very high

Standard Risk Measure

We have provided the Standard Risk Measure above which is based on industry guidance to assist you to compare investment options that are expected to deliver a similar number of negative annual returns over any 20 year period.

The Standard Risk Measure is not a complete assessment of all forms of investment risk, for instance it does not detail what the size of a negative return could be or the potential for a positive return to be less than you may require to meet your objectives. Further, it does not take into account the impact of administration fees and tax on the likelihood of a negative return.

You should still ensure you are comfortable with the risks and potential losses associated with your chosen investment option/s. The principles and guidelines to this measure are set out in the paper 'Standard Risk measure: Guidance Paper for Trustees' available on our website.

Industry Standard Risk Measure

Risk band	Risk label	Estimated number of negative annual returns over any 20 year period
1	Very low	Less than 0.5
2	Low	0.5 to less than 1
3	Low to medium	1 to less than 2
4	Medium	2 to less than 3
5	Medium to high	3 to less than 4
6	High	4 to less than 6
7	Very high	6 or greater

Standing instructions

We will manage the investments in your account and the maintenance of your Cash Account through three separate instructions. These instructions are known as your Deposit Instruction, your Income Preference and your Cash Account Preference. Each of these is explained in further detail below.

Deposit Instruction

For Bendigo SmartOptions Super members:

Your Deposit Instruction tells us how you would like contributions and rollovers to be invested and will include:

- the investment option(s) you wish to invest in for each contribution/rollover;
- the percentage of your contribution/rollover that you want to invest in each investment option; and
- the percentage you would like allocated to your Cash Account. You are required to maintain a percentage of your account balance in the Cash Account. The default minimum is 1.5%, however, you can elect to nominate a higher percentage.

Example Deposit Instruction	
Cash Account	1.5%
Investment A	25%
Investment B	25%
Investment C	48.5%

You can update your Deposit Instruction and switch investments at any stage via Bendigo SmartOptions Online accessed from our website or by completing a Switching Instruction form also available on our website.

You can also provide us with a specific instruction concerning a particular contribution received by cheque that differs from your Deposit Instruction.

For Bendigo SmartOptions Pension members:

Whilst Pension members are unable to make additional deposits (i.e. contributions or rollovers in) to their account after establishment, if you wish to change the amount your Cash Account is topped up to you will need to update your Deposit Instruction (see below for further details on your Cash Account Preference).

You can update your Deposit Instruction and switch investments at any stage via Bendigo SmartOptions Online accessed from our website or by completing a Switching Instruction form also available on our website.

For all members

S&P/ASX 200 listed securities cannot form part of your Deposit Instruction.

To invest a specific amount in any one or more of the S&P/ASX 200 listed securities (subject to investment rules detailed later in this section), you will need to complete the Switching Instruction form or by completing an Additional Contribution Form (super members only), which are available on our website. Refer to the 'Investment limits' section for more information.

Note: your Deposit Instruction is only an instruction on how to invest each (for super members) or your initial (for pension members) contribution and/or rollover and not a method to

manage the overall asset allocation of your account. The actual allocation of your account to the various investment options will continually change with such things as investment performance and the transactions undertaken on your account. Should you wish to alter the amount allocated to a particular investment option(s) you will need to submit a switching instruction.

Income Preference

Your Income Preference tells us how you would like any income distributions received from your managed funds to be managed.

Any income received from the above will be automatically credited to your Cash Account. You will then have the ability to instruct us to either:

- **Re-invest:** this method allows you to automatically re-invest 100% of the income distribution back into the same investment option* that made the payment; or
- **Retain in your Cash Account:** this method allows you to leave all income in your Cash Account. Income will remain in your Cash Account until we receive a switching instruction from you.

Note you can only select one of the above Income Preference options for your account and it will apply to all managed funds.

Interest and or income earned on your Cash Account and S&P/ASX 200 listed securities will also remain in your Cash Account until we receive a switching instruction from you.

If you have not provided an Income Preference your income method would be set to Re-invest.

You can update your Income Preference at any stage via Bendigo SmartOptions Online accessed from our website or by completing a Switching Instruction form also available on our website.

Your Cash Account

You are required to maintain a percentage of your account balance in your Cash Account for operational reasons and if its balance falls to zero or below we will periodically top it up by selling some of your investment options.

For all members the default minimum percentage is 1.5%. However you are able to nominate a higher percentage allocation to your Cash Account.

Cash Account Preference

In order to maintain the required allocation to your Cash Account we will review its balance only in the following scenarios:

- at the end of each month (following the deduction of any applicable fees and insurance premiums);
- after pension payments (pension members only);
- after tax has been deducted; and
- after partial withdrawals.

If the balance of your Cash Account is zero or below, we will top it up to 1.5% of your account balance or the percentage nominated in your Deposit Instruction, if applicable.

We will top up your Cash Account, if required, using one of the following methods (only one method can be selected):

- **Pro-rata:** funds will be redeemed across all managed funds (excluding annuity funds) according to the proportion of your account balance (excluding your Cash

Account, Annuity funds, Term deposits and S&P/ASX 200 listed securities) that they represent; or

- **Redemption Instruction - Percentage:** funds will be redeemed from specified managed funds according to the percentage allocation nominated by you*.

* Please note that if a Redemption Instruction – Percentage is provided and any investment options in that instruction have been sold in full, we will adjust your instruction by re-proportioning the remaining investment options in that instruction. If all investment options in your instruction have been sold in full your Cash Account will be restored by using the Pro-rata method.

You can change your preference at any time via Bendigo SmartOptions Online accessed from our website or by completing a Switching Instruction form also available on our website.

S&P/ASX 200 listed securities cannot form part of your Cash Account Preference.

Additional information

Investing in annuity funds

Early withdrawal discount

Annuity funds are designed to be held for the term you choose, however full or partial withdrawals are permitted prior to the end of the investment term. If you request to withdraw your investment before the maturity date you will receive the early withdrawal unit price which will incorporate a discount factor to the terms of the securities that are required to be realised in order to meet your early withdrawal request. You should read the product disclosure statement for your chosen annuity fund, available on our website, for further information on the discount factor and how it is applied.

Term deposits

Early redemption

Term deposits in general are not intended to be redeemed before their maturity date as they are designed to be held for the term you choose. The term deposit provider may, at its discretion, not permit the withdrawal or transfer for up to 31 days. We have the right on your behalf to redeem a term deposit early where you have insufficient funds to meet required payments from your Cash Account. An early redemption of term deposits before their maturity date may result in the term deposit interest rate being reduced. You should read the offer document for your chosen term deposit, available on our website, for further information on early redemptions.

S&P/ASX 200 listed securities

You may invest in any listed securities on the S&P/ASX 200 at the time of purchase (updated quarterly). These listed securities are valued according to the quoted market prices from the Australian Securities Exchange (ASX).

A full list of the S&P/ASX 200 listed securities is available on our website and is updated quarterly.

Information about the S&P/ASX 200 listed securities is available from the ASX or via their website www.asx.com.au or by contacting your financial adviser or stockbroker.

For information on the past price of an S&P/ASX 200 listed security offered by the Plan, you can refer to the ASX website at www.asx.com.au, ask your financial adviser or visit our website.

You will be charged a brokerage fee when you invest in any of these listed securities. Please refer to the Bendigo SmartOptions Super Fees and costs information for existing members or the Bendigo SmartOptions Pension Fees and costs information for existing members documents available from our website for more information.

You can select any number of S&P/ASX 200 listed securities, however investment limits apply. Please refer to 'Investment Limits' later in this section for more information.

If you choose to invest in an S&P/ASX 200 listed security, then you may stipulate a maximum buy price. That is, the maximum price at which you wish Sandhurst to purchase the relevant investment on your behalf. You can do this by either completing a Switching Instruction form or by completing an Additional Contribution Form (for Bendigo SmartOptions Super members only), which are available on our website.

You may also give directions as to how Sandhurst should apply your money if the broker is unable to purchase the relevant security at or below the maximum buy price within 30 business days from the date of your instructions. The request will be valid for 30 business days and, until the purchase is complete, Sandhurst will hold your money:

- in your Cash Account if it is a new investment; or
- in the existing investment if you have requested an investment switch.

If the broker is unable to purchase the relevant security at or below the maximum buy price within 30 days, then Sandhurst will retain the amount set aside for purchase in your Cash Account until we receive a switching instruction from you or it is used to fund expenses as they fall due.

Sandhurst is the legal owner of the S&P/ASX 200 listed securities held by the Plan. We will receive and review all communications in relation to the listed security holding, including corporate action and proxy voting notices, and will only pass on information that we feel will have a material financial effect on your holding. All responses to these communications will be completed by us, in line with the terms outlined below.

We will assess corporate actions, such as share purchase plans, rights/entitlements issues, buy backs and call payments, and decide on the best course of action on a case by case basis. We do not have any obligation to consult you in relation to these corporate actions, and we will determine how to respond to them at our absolute discretion. However, we generally will contact you for instructions when there is an opportunity for you to participate in a specific corporate action such as rights/entitlements issues and call payments. There may be tax consequences for you as a result of Sandhurst's decision in relation to these corporate actions.

You may not be eligible for certain benefits that arise from directly holding the listed securities (such as shareholder discounts). It may also restrict our ability to apply for the maximum benefits an individual may be able to receive on corporate actions such as rights issues and share purchase plans.

The guiding principle on proxy voting is for Sandhurst to make decisions that are in the best interest of the Plan's members. Voting, if undertaken, must be done with a full understanding of the matter at hand and a full consideration of the implications of voting one way or another.

It should be noted that a listed security moving off the S&P/ASX 200 listed securities listing is not considered a change to the investment menu. Holdings in these listed securities will be retained, unless you decide to switch out of the investment or Sandhurst determines it is no longer an appropriate investment.

Investment limits

In order to maintain diversification in your account, Sandhurst has set limits on the amount of your account balance which can be allocated to particular investments. The limits are set out in the following table and are only assessed at the time an investment is made.

Sandhurst will generally monitor these limits on an annual basis and will generally not sell down your investments if these limits are exceeded, other than where necessary to maintain liquidity in your account or for any other reason where Sandhurst determines the sale to be in your best interests or the best interests of the Plan as a whole.

	S&P/ASX 200 listed securities		
Minimum amount	The minimum is \$5,000 for each listed security transaction.		
Maximum investment proportion of super balance*	<p>The value of any single listed security cannot exceed 15% of your account balance as at the time of purchase.</p> <p>The value of all listed securities cannot exceed 50% of your account balance as at the time of purchase.</p>		

* The maximum overall combined investment weighting you can hold in annuity funds, listed securities and term deposits is 80% of your account balance.

Please note that, if you hold a listed security and you want to increase your holding in that listed security, then you will only be able to do this if that listed security is listed on the S&P/ASX 200 at the time of purchase, and these transactions will be subject to the restrictions on holdings of listed securities described above.

Switching investment options

You have the ability to change your selected investment options in the Plan. You can switch into and out of your selected investment options via Bendigo SmartOptions Online or by completing a Switching Instruction form available from our website.

S&P/ASX200 listed securities

We normally lodge trades within 48 hours from the date all requirements are received. If you are redeeming funds from other investments within your account for these trades, there may be a delay as we wait for the redemption proceeds to become available.

Important information

Bendigo SmartOptions Super and Bendigo SmartOptions Pension are issued by Sandhurst Trustees Limited (ABN 16 004 030 737, AFSL No. 237906) ('Sandhurst', 'we', 'us' or 'our').

The Bendigo SmartOptions Super (USI STL003AU) and Bendigo SmartOptions Pension (USI STL003AU) products are part of The Bendigo Superannuation Plan (ABN 57 526 653 420).

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

The information in this document is of a general nature. The information is not advice or a recommendation to invest in the Plan. This document has been prepared without taking into account your individual objectives, financial situation or particular needs. You should consider the appropriateness of this information having regard to your own objectives and financial needs before acting on it. Before making an investment decision, we recommend that you obtain financial advice tailored to your personal circumstances from a licensed financial adviser. The Australian Securities and Investment Commission (ASIC) can help you check if your adviser is licensed. You can contact ASIC on 1300 300 630 or via the website asic.gov.au.

Sandhurst, the Bank and its related entities do not guarantee the repayment of capital invested, the payment of income or the Plan's investment performance. An investment in the Plan does not represent a deposit with, or liability of Sandhurst, the Bank or its related entities. The Bank does not stand behind or guarantee the performance of Sandhurst in its capacity as trustee of The Bendigo Superannuation Plan. Sandhurst is not an authorised deposit-taking institution within the meaning of the Banking Act 1959.

