



**Sandhurst**Trustees

# Bendigo SmartStart Super<sup>®</sup>

Reference Guide  
Date 1 April 2020



## Important information

The Bendigo SmartStart Super<sup>®</sup> Reference Guide ('Reference Guide') is issued by Sandhurst Trustees Limited (ABN 16 004 030 737, AFSL No. 237906) ('Sandhurst', 'we', 'us' or 'our').

The information contained in this Reference Guide forms part of the Bendigo SmartStart Super<sup>®</sup> Product Disclosure Statement ('PDS') dated 1 April 2020, and should be read in conjunction with the PDS. Bendigo SmartStart Super (USI STL0050AU) (referred to as 'the Plan') is part of The Bendigo Superannuation Plan (ABN 57 526 653 420) ('BSP').

Sandhurst is a wholly owned subsidiary of Bendigo and Adelaide Bank Limited (ABN 11 068 049 178, AFSL No. 237879) (the 'Bank').

Sandhurst offers investments in other funds of which Sandhurst, or a related entity, is trustee, responsible entity or manager. We may also appoint any of our related bodies corporate (including the Bank) to provide services (including banking services) or perform functions in relation to the Plan. We may also enter into financial or other transactions with related bodies corporate in relation to the assets of the Plan. These related bodies corporate may earn fees, commissions or other benefits in relation to any such appointment or transaction and to retain them for their own account.

Sandhurst has policies and procedures in place to ensure that it manages any conflicts of interest that may arise in such arrangements. We will resolve such conflicts of interests fairly and reasonably between members and in accordance with the law, ASIC policy and our own policies. Any transaction we undertake with a related body corporate will be based on arm's length commercial terms.

The information in this Reference Guide is of a general nature. The information is not advice or a recommendation to invest in the Plan. This Reference Guide has been prepared without taking into account your individual objectives, financial situation or particular needs. You should assess your own objectives and financial needs before deciding to acquire an interest in the Plan. Before making an investment decision, we recommend that you obtain financial advice tailored to your personal circumstances from a licensed financial adviser and that you read the entire Reference Guide with the PDS. The Australian Securities and Investments Commission (ASIC) can help you check if your adviser is licensed. You can contact ASIC on 1300 300 630 or via the website [www.asic.gov.au](http://www.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 BSP. Sandhurst is not an authorised deposit-taking institution within the meaning of the Banking Act 1959.

The Bank and The Heron Partnership have given and have not, before the date of the relevant document, withdrawn their written consent to be named in the PDS including the Reference Guide (which forms part of the PDS) as relevant and to the statements in those documents concerning their role and activities, in each case in the form and context in which they are included or named.

## Accessing up-to-date information

Information in this Reference Guide is subject to change from time to time. Where the changes are not considered materially adverse, we will make updated information available on our website.

You may request a paper copy of this Reference Guide and the updated information free of charge by contacting our Client Services Team on 1800 033 426.

## Contact details

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Bendigo SmartStart Super  
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Melbourne VIC 3001

Phone: 1800 033 426

Fax: 03 6215 5800

Email: [superannuation@bendigobank.com.au](mailto:superannuation@bendigobank.com.au)

Our website: [www.sandhursttrustees.com.au/super](http://www.sandhursttrustees.com.au/super)

## Other information

The offer to invest in the Plan is available to persons receiving a copy (electronic or otherwise) of the most up-to-date PDS for the Plan within Australia. If you receive the PDS and Application Form electronically, you should ensure that you have received the complete Application Form and PDS. If you are unsure whether the electronic documents are complete, you should contact our Client Services Team.

The PDS does not constitute an offer in any jurisdiction in which, or to any person to whom, it would not be lawful to make such an offer including, but not limited to, investors in the United States of America.

Applications from outside Australia will not be accepted.

All references to dollar amounts in the PDS and this Reference Guide are in Australian currency.

## Contents

How super works	3
Benefits of investing with Bendigo SmartStart Super	7
Risks of super	8
How we invest your money	11
Fees and costs	22
How super is taxed	27

# How super works

The following section provides further information about how superannuation (super) works and should be read in conjunction with the PDS.

## Choice of Fund

The Plan meets the Choice of Fund requirements for both employers and employees. Choice of Fund is a legislative requirement that gives some employees the right to choose the super fund into which their employer will pay Superannuation Guarantee (SG) contributions on their behalf.

An employee may nominate Bendigo SmartStart Super as their Choice of Fund by completing either the Bendigo SmartStart Choice of Super Fund – Nomination Form or the Standard Choice Form provided by their employer.

As Bendigo SmartStart Super is an authorised MySuper product, an employer may make SG contributions to Bendigo SmartStart Super. An employer may also nominate Bendigo SmartStart Super as their Eligible Choice Fund subject to any other obligations. To do this the employer will need to join the Employer-sponsored division of the Plan. Employees who joined the Plan via their employer will be attributed to Bendigo MySuper until they provide an investment direction. For further information on this please refer to the Bendigo SmartStart Super Employer Guide available from [www.sandhursttrustees.com.au/PDS/SmartStart](http://www.sandhursttrustees.com.au/PDS/SmartStart).

Not everyone, however, is eligible to choose their super fund. It generally depends on the type of award or industrial agreement that an employee is employed under. You can obtain information about Choice of Fund by calling the Australian Taxation Office (ATO) on 13 28 64 or by visiting [www.ato.gov.au/super](http://www.ato.gov.au/super).

## Contributions

Two main types of contributions can be made to the Plan:

- concessional (before-tax) contributions; and
- non-concessional (after-tax) contributions.

Each type of contribution is subject to different taxation (tax) treatment. In addition, there are limits (referred to as 'caps') that apply to certain types of contributions. Tax penalties apply where you exceed these caps. Please refer to the 'How super is taxed' section of this Reference Guide for further information.

### Concessional (before-tax) contributions

Concessional contributions include:

- **SG contributions:** These are the contributions that your employer must make on your behalf on at least a quarterly basis to meet their statutory requirements.
- **Salary sacrifice contributions:** You may be able to negotiate with your employer to have them make salary sacrifice contributions to the Plan from your pre-tax salary. These contributions may be a tax effective arrangement depending on your marginal tax rate.
- **Deductible member voluntary contributions:** These are personal contributions that you are allowed as an income tax deduction. You may be able to claim a tax deduction on contributions made before you turn age 75, if you meet certain tax legislation criteria and limits (for more information speak with your financial adviser).

### Non-concessional (after-tax) contributions

Non-concessional contributions include:

- **Personal contributions:** These are made from your after-tax salary and you do not claim a tax deduction for them. They may attract a Federal Government co-contribution (please refer to the 'How super is taxed' section of this Reference Guide for further information).
- **Spouse contributions:** You can make contributions to the Plan on behalf of an 'eligible spouse' (defined as another person, whether of the same or opposite sex with whom you are in a relationship that is registered under a relevant state or territory law, or another person who, although not legally married to you, lives with you on a genuine domestic basis in a relationship as a couple). Spouse contributions may be a tax-effective arrangement depending on your assessable income. For the avoidance of doubt, a spouse contribution would count as a non-concessional contribution of the receiving spouse.

## Other contributions

### Downsizer contribution

If you are 65 years or older and meet the eligibility requirements, you may be able to choose to make a downsizer contribution into your superannuation of up to \$300,000 from the proceeds of selling your home.

Your downsizer contribution is not a non-concessional contribution and will not count towards your contributions caps. The downsizer contribution can still be made even if you have a Total Superannuation Balance greater than \$1.6 million. However, it would need to remain in the accumulation phase. (Refer to the "How super is taxed" section below for more information about your "Total Superannuation Balance").

To be eligible to make a downsizer contribution you must have sold your home (that has been owned for at least 10 years) after 1 July 2018 and made the contribution within 90 days of receiving the proceeds. **Importantly, you must make a choice in the approved form and give it to us at the time of or before making the relevant contribution for the contribution to be treated as a downsizer contribution.**

For further information about downsizer contributions and eligibility go to [www.ato.gov.au](http://www.ato.gov.au).

### First home super saver scheme

If you voluntarily contribute to your super account you may be eligible to use the amount of voluntary contributions made since 1 July 2017 (plus earnings, less tax) to buy your first home.

The maximum amount of voluntary contributions that may be made under the scheme is \$15,000 per financial year or \$30,000 in total.

Voluntary contributions include concessional contributions (such as salary sacrifice) as well as non-concessional contributions (such as personal after tax contributions).

Any voluntary contributions made under the scheme must be within the concessional and non-concessional contribution caps.

To access the funds for the purchase of your first home you must apply to the ATO. If eligible the ATO can approve the release of up to:

- 85% of eligible concessional contributions;
- 100% of eligible non-concessional contributions; and
- associated earnings calculated using a deemed rate of return.

The released amount of concessional contributions and earnings are subject to tax.

For further information about eligibility and using the scheme go to [www.ato.gov.au](http://www.ato.gov.au).

## Super co-contribution

If you make non-concessional contributions (i.e. don't claim a tax deduction) and your total income\* is below a certain amount, you may be eligible to receive a super co-contribution from the Federal Government.

\*Total income is the sum of your assessable income, reportable fringe benefits, reportable employer super contributions less allowable business deductions.

For the 2019-2020 financial year if you are eligible and if your total income is \$38,564\*\* or less, for each \$1 you contribute from your after-tax salary you will receive a super co-contribution of \$0.50, up to a maximum co-contribution of \$500. For those with total income over \$38,564\*\*, the co-contribution of \$500 progressively reduces so if your total income is \$53,564\*\* or over, no co-contribution applies.

\*\* Thresholds may change each year in line with Average Weekly Ordinary Time Earnings (AWOTE). Please speak with your financial adviser for other years' thresholds.

The ATO will work out whether you are entitled to receive a super co-contribution using information provided by the Plan and your personal income tax return.

If you are entitled to receive the super co-contribution, the ATO will deposit the super co-contribution into your account with the Plan on your behalf (so long as you have given the Plan your TFN). The minimum amount of super co-contribution is \$20.

For further details about eligibility for the super co-contribution, go to [www.ato.gov.au](http://www.ato.gov.au).

## Contribution splitting

You may be able to split your concessional contributions with your spouse or de facto partner (including same sex couples) and transfer them to an account in your spouse or partner's name. You can split contributions if your spouse or partner is either:

- under their preservation age (please refer to 'Preservation age' later in this section for further information); or
- between their preservation age and age 65 and not retired.

The maximum amount that can be split is the lesser of:

- the concessional contributions cap for that financial year (please refer to the 'How super is taxed' section of this Reference Guide for further information); or
- 85% of your total concessional contributions to the Plan in the last financial year before the split application is made, or in the current financial year if the entire benefit is to be transferred or rolled out of the Plan.

Concessional contributions split with your spouse will still count against your concessional contributions cap.

## Contributions eligibility

If you earn \$450 or more (before tax) in a calendar month and are over 18 years of age, or if you are under 18 and working more than 30 hours per week, your employer must pay SG contributions for you.

If you're under 65 years of age, including if you're not working, all types of contributions can be made into your super account including personal and employer contributions.

If you're 65 years of age or over, you can only make personal contributions or salary sacrifice contributions if you:

- are not yet 75 years of age; and
- have been gainfully employed for at least 40 hours over 30 consecutive days during the financial year\*.

\*There is a one-off exemption that may allow you to make the above contributions where you have a small amount in super and did not satisfy the work test in the financial year of the contribution but instead satisfied the work test in the previous financial year.

Employer mandated contributions and downsizer contributions do not require you to meet the work test.

If you are 75 or over only employer mandated and downsizer contributions can be made into your super account.

## Making contributions

Once you have joined the Plan (refer to section 9 of the PDS 'How to open an account'), and provided you are eligible to contribute, then the ways to contribute to the Plan are set out below.

### Individuals

- **Direct debit:** to make regular contributions please complete the Direct Debit Request available on our website; or
- **BPAY®:** to make contributions via BPAY you need to obtain your unique reference numbers. You can do this by either:
  - logging on to your account details via Bendigo SmartStart Online; or
  - contacting our Client Services Team on 1800 033 426.

® Registered to BPAY Pty Ltd ABN 69 079 137 518. Your financial institution may charge you a fee to use the service, so check with them before using it.

### Employers

Please refer to the Bendigo SmartStart Super Employer Guide for further information on how to make contributions for your employees. This guide is designed to provide employers with an overview of Bendigo SmartStart Super and Bendigo MySuper and their obligations to their employees.

## Withdrawals

### Benefits and withdrawals

The Federal Government has placed restrictions on when you can access your super benefits. This is in keeping with the purpose and long term investment nature of super.

You can generally access your super savings once you retire on or after reaching your preservation age (between 55 and 60 depending on your date of birth) or in other circumstances known as "conditions of release" as detailed later in this section.

You can usually transfer your super to another fund at any time. In certain circumstances, Sandhurst must transfer super benefits to the ATO (e.g. inactive low balance accounts, small or unidentifiable lost accounts, unclaimed benefits on or after age 65, and unclaimed benefits of former temporary residents).

Your super benefits are classified into three types depending on how and when paid into the super system:

1. Preserved benefits;
2. Restricted non-preserved benefits;
3. Unrestricted non-preserved benefits.

Whether or not your super benefits may be paid to you depends on which type/s of super benefits you have.

## Preserved benefits

Generally you can only withdraw preserved benefits from the Plan as a lump sum when you first satisfy one of the following conditions of release:

- you permanently retire from the workforce after reaching your preservation age (see below);
- you reach age 65;
- you leave or change your job after age 60;
- you suffer permanent incapacity;
- you are diagnosed as terminally ill;
- you die;
- you qualify for an early release on the grounds of severe financial hardship or specified compassionate grounds (in these circumstances only part of your benefit may be released, in most cases);
- you have previously been classified as a lost member and your benefit is less than \$200; or
- you are an eligible temporary resident and you permanently depart Australia.

## Preservation Age

Your preservation age depends on your date of birth:

Date of birth	Preservation age
Before 1 July 1960	55
1 July 1960 to 30 June 1961	56
1 July 1961 to 30 June 1962	57
1 July 1962 to 30 June 1963	58
1 July 1963 to 30 June 1964	59
After 30 June 1964	60

## Restricted non-preserved benefits

Generally speaking, before you reach your preservation age, you can withdraw restricted non-preserved benefits if:

- your employer has contributed to the Plan on your behalf; and
- your employment terminates.

Once you reach your preservation age, you can withdraw these benefits if you satisfy one of the conditions of release described earlier in this section.

## Unrestricted non-preserved benefits

You can withdraw unrestricted non-preserved benefits at any time, partly or in full, without having to meet a condition of release.

Investment returns that you earn on your unrestricted non-preserved benefits are preserved.

The value of your unrestricted non-preserved benefits in the Plan will decrease if the preserved benefits in your account are not enough to cover any negative investment returns, fees and other costs that may otherwise be paid from your account.

## Temporary residents departing Australia

If you're a temporary resident and you leave Australia permanently you may be eligible for a departing Australia superannuation payment (DASP). Withholding taxes may apply to the DASP. However, if you do not make a claim within 6 months we are required to transfer your super to the Australian Taxation Office (ATO) as unclaimed super. Once your account has been transferred you will need to contact the ATO directly to claim it. For more information please visit [ato.gov.au](http://ato.gov.au).

In accordance with relief provided by the Australian Securities and Investments Commission (ASIC), a notice or exit statement will not be sent to you if your unclaimed your super is transferred to the ATO.

## Accessing insurance benefits

If applicable, insurance benefits, such as death, total and permanent disablement and terminal illness, are paid into your Plan account and may be accessed subject to satisfying a condition of release.

## Rolling over to another super fund

You may transfer your money out of the Plan and into another complying super fund or retirement savings account at any time subject to the liquidity of the underlying investment options and other applicable rules and limits. This includes transferring between the employer and personal divisions and Bendigo SmartStart Pension. A copy of the Bendigo SmartStart Pension PDS is available on our website.

If you are a member of the Employer-sponsored division of Bendigo SmartStart Super you need to advise your employer when you transfer your money out of the Plan and/or choose a different super fund.

Note: Only \$1.6m\* can be transferred into a retirement phase pension account and taken as an income stream. This limit applies across all your superannuation funds.

\* This is the threshold for the 2019-2020 financial year

## Changing jobs

If you are a member of the Employer-sponsored division and you change jobs you are unable to remain a member of your former employer's plan. You can however remain a member of Bendigo SmartStart Super through the Personal division. We will transfer your account balance out of the Employer-sponsored division and into the Personal division when we have been made aware that you have ceased employment with your employer. We will tell you when we have done this.

If you had insurance cover within your Employer-sponsored division account there are certain conditions that must be met in order for it to be transferred to the Personal division.

For further information please refer to the Insurance Guide. Please note that the fees and costs and the amount of cover provided in the Employer-sponsored division and the Personal division may be different.

After you are transferred to the Personal division you may still:

- give Sandhurst your rollover or payment instructions; or
- ask Sandhurst to cancel your insurance cover.

## Tax implications

Whenever you withdraw funds from your super there may be tax implications. Please refer to the 'How super is taxed' section of this Reference Guide for more information. We recommend you seek advice from your tax adviser in relation to this.

## Death benefits

As a member of the Plan, you can nominate for a death benefit to be paid in the event of your death. The amount of the death benefit will be the balance of your account (after any fees and tax) when you die, plus any additional insurance proceeds.

You can nominate who you would like to receive your benefit upon your death by completing a Binding Death Benefit Nomination Form.

If you do not make a binding death benefit nomination, in the event of your death any benefit will be paid to your Legal Personal Representative.

A Legal Personal Representative is the executor of the will or administrator of the estate of a deceased person.

## Binding death benefit nomination

You can direct Sandhurst as to who you want to receive your death benefit. You can do this by completing a Binding Death Benefit Nomination Form.

The beneficiaries you name in your binding death benefit nomination must be either your Dependants for super law purposes or your Legal Personal Representative.

"Dependants", at the time of your death, for **super purposes** are:

- your spouse (this includes a legally married or de facto spouse, or another person (whether of the same sex or a different sex) with whom you are in a relationship that is registered under law);
- your children of any age, which includes step children and adopted children;
- any person who Sandhurst believes is in an "interdependency relationship" with you at the time of your death; or
- another person, who is, wholly or partially, financially dependent on you at the time of your death.

An "interdependency relationship" is a close personal relationship between two people who reside together, where:

- one or both provides the other with financial support; and
- one or both provides the other with domestic support and personal care.

For example, "interdependency relationship" may include:

- same sex couples that do not meet the definition of

a spouse

- two siblings who reside together
- an elderly parent who lives with an adult child.

However, "interdependency relationship" does not include:

- people who share accommodation for convenience (e.g. flatmates)
- people who provide care as part of an employment relationship.

The definition of dependant for tax purposes is different. "Tax dependants" are:

- your spouse (legally married, de facto or former spouse). A spouse includes another person (whether of the same sex or a different sex) with whom the person is in a relationship that is registered under law;
- a child under the age of 18 years;
- a person in an "interdependency relationship" with you on the date of death; or
- any other person who is wholly or partially financially dependent on you at the time of your death.

A binding death benefit nomination must be reconfirmed by you every three years. If you make a valid nomination, we are bound to follow your instructions regardless of whether circumstances have changed (e.g. you have remarried or have had children since you made the nomination) so it is important to ensure that you keep your nomination up to date.

Further information is available on the Binding Death Benefit Nomination Form contained in the Application Booklet or on our website. You can also access a Binding Death Benefit Nomination Form via Bendigo SmartStart Online.

## Family Law and super

The Family Law Act 1975 allows couples to divide their super interests if their marriage breaks down.

The interests:

- may be divided by a formal splitting agreement or by a Family Court order;
- can be divided in the accumulation phase (pre-retirement) either as an agreed amount or percentage; or
- can be divided in the payment phase (when you are in receipt of a pension) as a percentage of the regular pension payments.

If your super interests are split, then:

- a new interest in the Plan can be created for the non-member spouse; or
- their interest may be transferred or rolled over to another regulated super fund. Fees (as described in the 'Fees and costs' section) may apply.

# Benefits of investing with Bendigo SmartStart Super

The following section provides further information about the benefits of investing with Bendigo SmartStart Super and should be read in conjunction with the PDS.

<b>Benefits of investing with Bendigo SmartStart Super</b>	
<b>Low cost super</b>	The Plan aims to provide a low cost solution for saving for your retirement. Refer to the 'Fees and costs' section for more details.
<b>Comprehensive insurance options</b>	The Plan offers a choice of comprehensive insurance covers through both the Default and Tailored Cover including Death Only, Death and Total & Permanent Disablement and Income Protection.
<b>A range of ready-made investment options</b>	The Plan offers a choice of managed funds including a socially responsible option and a Cash Account for you to choose where to invest your money.
<b>Bendigo MySuper</b>	Bendigo MySuper is an age-based default investment strategy that automatically reduces your investment risk as you get older and closer to retirement.
<b>Rollovers</b>	The Plan may accept rollovers from other super funds. Transferring existing super benefits allows you to consolidate your super, making it easier to keep track of and providing possible costs savings.
<b>Keeping you informed</b>	<p>An annual statement is issued to you each year. Your annual statement sets out your current account balance and summarises transactions that occurred during the period including any fees, costs and taxes deducted.</p> <p>You can elect via our secure online website – Bendigo SmartStart Online, to receive your annual statement electronically. If you elect to receive your annual statement electronically, we will send them to your nominated email account until you tell us otherwise.</p> <p>An annual report which includes financial, management and investment information for the Plan is prepared as at 30 June each year and a copy is made available to you via our website or you can request a copy to be sent to you.</p> <p>You may also arrange to view copies of the audited accounts, the auditor's report and the Trust Deed.</p>
<b>Secure online access</b>	<p>You can view, monitor and amend your account details, and switch selected investments online.</p> <p>Once you become a member of the Plan, you can register to access your account details via Bendigo SmartStart Online. To create your own login, please visit our website, select the login page and follow the instructions to complete your registration.</p>
<b>Customer care</b>	Our Client Services Team can provide you with help in understanding the Plan.
<b>Appointment of representative (financial adviser authority)</b>	<p>If you are investing through a financial adviser, you may authorise your financial adviser and their staff (your financial adviser) to operate your account and to give certain instructions on your behalf in relation to your account to us by any method acceptable to us, including electronically.</p> <p>For example, your financial adviser may make enquiries about your account, submit switching or portfolio reweight instructions and/or establish or change your Standing Instructions.</p> <p>This authority restricts your financial adviser from withdrawing any funds from your account, providing or changing your bank account details held on file, or signing any form on your behalf where the law, an external party or Sandhurst requires your signature.</p> <p>There are also other instructions which we will not accept from your financial adviser. Refer to the 'Appointment of Representative (financial adviser authority)' in the 'Member Declaration' section on the Application Form or the Appointment of Representative (financial adviser authority) Form on our website for more information.</p>
<b>Financial adviser access</b>	If you are investing through a financial adviser and their details are included on the application form, your financial adviser will be able to make enquiries regarding your account, provided with copies of correspondence regarding your account and will have access to view your account online. They will not have authority to operate your account. If you would like your financial adviser to be able to operate your account you will need to provide them with a financial adviser authority as detailed above.

# Risks of super

The following section provides further information about risks of super and should be read in conjunction with the PDS.

## Further information about risks of the Plan and its investment options

It is important to understand that there are inherent risks in any investment. The purpose of this section is to inform you of the types of risks that may apply to an investment in the Plan. This section is a summary of what we consider to be the significant risks that should be considered before deciding to invest in the Plan. We have broadly categorised the types of risks as either Plan or investment risks. This section does not purport to be a comprehensive list of all of the risks.

Whilst we are not able to remove all the risks associated with an investment in Bendigo SmartStart Super®, we employ a range of investment and risk management strategies to identify, evaluate and manage these risks.

You should consider consulting with a financial adviser to properly understand the risks associated with the Plan, the investments that make up your investment portfolio and your attitude to investment risk.

### Plan risks

There are risks in choosing to invest in super and in deciding to invest in the Plan, referred to below as 'Plan risks'.

The risk	What is this risk about	How this risk is managed
<b>Changes to the trustee and/or administration of the Plan</b>	<p>Specific risks in relation to the administration of the Plan include:</p> <ul style="list-style-type: none"> <li>the Plan or BSP could terminate;</li> <li>Sandhurst could change BSP's governing rules, including fees, expenses, notice periods or withdrawal features;</li> <li>Sandhurst could be replaced as the trustee of BSP;</li> <li>a service provider could fail to comply with its obligations under the relevant agreement and need to be replaced;</li> <li>the Plan's administrator and/or the insurance provider could alter its fees; and/or</li> <li>the arrangements between Sandhurst and the insurance provider could change.</li> </ul>	<p>Sandhurst is obliged to always act in accordance with the Trust Deed and in the best interests of members.</p> <p>Subject to the terms of the Trust Deed, Sandhurst will notify members and may issue a replacement PDS or website update if material changes in the administration of the Plan occur.</p> <p>Sandhurst has entered into agreements with its key service providers and the insurer to the Plan that allows Sandhurst to monitor their performance and solvency, and to be notified in advance of any changes in their fees.</p>
<b>Changes to super and tax laws</b>	<p>Changes are often made to super and tax rules and laws, which may impact on your eligibility to contribute to the Plan, the management of the Plan, costs of investing in the Plan, the types of contributions you may make and your ability to access your benefits.</p>	<p>Sandhurst monitors super and tax related changes and provides updated information to members in BSP's Annual Report and/or on our website.</p>
<b>Longevity risk</b>	<p>This is the risk that you will outlive your retirement savings. Your account balance is not guaranteed and can go up and down as a result of many factors, including investment and market performance. The amount that you receive from your account may not be sufficient to meet your needs.</p>	<p>Sandhurst provides an annual statement to all members as well as daily access to their account balance information via Bendigo SmartStart Online. We also provide various calculation tools through our education centre online that aims to assist members to identify if there is a gap between their retirement savings and how much they actually need in order to maintain the lifestyle they want in retirement.</p>



## Investment risks

These are the risks associated with choosing particular investment options offered in the Plan.

The risk	What is this risk about	Investment type to which this applies
<b>Individual investment risk</b>	Individual investments made through your investment options will fluctuate in value, meaning that they can, and do, fall in value for many reasons. This is an inherent risk associated with all investment options such as managed funds. However, there tends to be greater risks associated with growth assets (i.e. shares and property). The risks may decrease with more defensive assets (i.e. defensive assets are fixed interest and cash).	All investment options
<b>Investment manager risk</b>	This risk is specific to managed funds. The investment managers of the managed funds offered in the Plan may fail to perform in line with expectations either in absolute terms or when considered with respect to the market, or relative to their peers.	All managed funds
<b>Investment fund risk</b>	The investment fund(s) held could be terminated, the fees and expenses could change, the applicable responsible entity could be replaced, any of the fund investment managers could be replaced, and other key personnel could change. There is also a risk that investing in an investment fund may give different results than investing directly in securities because of income or capital gains accrued in the investment fund, and the consequences of investments and withdrawals by other investors. Sandhurst aims to minimise fund risk by monitoring how these risks may impact the investment options and by acting in the best interests of investors as a whole.	All managed funds
<b>Investment option risk</b>	This is the risk that Sandhurst may change the Plan's overall investment strategy or add or remove certain investment options available in the Plan during your membership. In the event of this occurring, Sandhurst will notify you via its website or in writing.	All investment options
<b>Market, country and political risk</b>	The investment options may be impacted either directly or indirectly by market, country and/or political risk. Market risk relates to the performance of the market as a whole impacting on investment returns. Factors that may influence the market include economic, technological, political, tax, country and legal conditions, and even market sentiment.	All investment options
<b>Credit risk</b>	The risk that the credit quality of underlying investments deteriorates unexpectedly leading to less than expected income and possible loss of capital. The degree of risk varies between investment options. The failure of a debtor or other party to meet its obligations may cause an investment option to incur financial loss.	All investment options
<b>Concentration risk</b>	The risk that a fund's investment strategy gives consideration to socially responsible investment criteria which may lead to the portfolio having higher concentration in some industries and lower, or no, exposure to others meaning the fund's portfolio may be less diversified than a broad index exposed to the same asset classes. The risk that poor performance in a group of investments common to a particular section of the market will significantly affect the performance of the fund.	Bendigo Socially Responsible Growth Fund Sandhurst Strategic Income Fund – Class B

<b>The risk</b>	<b>What is this risk about</b>	<b>Investment type to which this applies</b>
<b>Interest rate risk</b>	Changes in interest rates will have a positive or negative impact directly or indirectly on investment values or returns. The degree of risk varies between investment options.	All investment options
<b>Currency risk</b>	Some investment options may have exposure to overseas countries, and if their currencies change in value relative to the Australian dollar, there is a risk that the value of the investment will change. As part of formulating your investment strategy, you should make an assessment of the investment options' currency risk and its suitability to your strategy	All managed funds
<b>Counterparty risk</b>	Counterparty risk represents the loss that would be recognised if counterparties (i.e. the other parties to an investment related contract) failed to perform as contracted.	All investment options
<b>Liquidity risk</b>	This is the risk that in the event of market disruptions some investments may not be easily converted to cash, which may affect our ability to satisfy withdrawals.	All managed funds
<b>Derivatives risk</b>	Some investment options may give exposure to derivatives. Derivatives risk includes the value of derivative positions not moving in line with the movement in the underlying asset, potential illiquidity of the derivative, and being unable to meet payment obligations in relation to derivative contracts.	All managed funds

Sandhurst recommends that you seek personal financial advice in selecting the investment options that will make up your investment strategy and when changing your investment strategy.

# How we invest your money

The following section provides further information on how we invest your money and should be read in conjunction with the PDS.

## Investment menu for Bendigo SmartStart Super

The Plan's investment menu has been designed to offer you choice and flexibility. How you invest will depend on your personal circumstances and your risk profile. You can choose to invest in a range of managed funds, a MySuper investment option as well as increase the amount allocated to your Cash Account if you wish to hold more than the default minimum of 1.5% (not available to those invested in Bendigo MySuper).

The available investment options are:

Cash Account	
Sandhurst Strategic Income Fund – Class B	
Bendigo MySuper	
Bendigo Defensive Wholesale Fund	Bendigo Defensive Index Fund
Bendigo Conservative Wholesale Fund	Bendigo Conservative Index Fund*
Bendigo Balanced Wholesale Fund	Bendigo Balanced Index Fund*
Bendigo Growth Wholesale Fund	Bendigo Growth Index Fund*
Bendigo Socially Responsible Growth Fund	Bendigo High Growth Index Fund
Bendigo High Growth Wholesale Fund	

\* these funds are the respective Bendigo MySuper lifestage investments.

The key features of each of the above investment options are contained on pages 13 to 19.

## 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

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\*.

\* not applicable if you are invested in Bendigo MySuper.

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

You can nominate your preferred Deposit Instruction on the Application Form.

If you do not provide a Deposit Instruction or you select Bendigo MySuper as your Deposit Instruction your account will be invested in Bendigo MySuper with the default minimum of 1.5% allocated to the Cash Account (for further information on Bendigo MySuper please refer to pages 3 and 4 of the PDS).

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

If your account is invested in Bendigo MySuper and you wish to provide a different Deposit Instruction you will need to switch your holdings from Bendigo MySuper to another investment option(s).

**Note:** your Deposit Instruction is only an instruction on how to invest each 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) held in your account you will need to submit a switching instruction (see page 20).

You can also provide us with a specific instruction concerning a particular contribution received by cheque that differs from your Deposit Instruction by completing an Additional Contribution Form which is available from our website. This option is not available if you are invested in Bendigo MySuper.

### Income Preference

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

Any income 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 if applicable.

Interest earned on your Cash Account will also remain in your Cash Account until we receive a switching instruction from you.

You can nominate your preferred Income Preference on the Application Form. If you do not provide an Income Preference your income method will be set to Re-invest.

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

The Income Preference option is not available to members in Bendigo MySuper. Any income received from the relevant age-based investment option will be reinvested into that option.

### 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, if you are not invested in Bendigo MySuper you will be 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 in the following scenarios:

- at the end of each month (following the deduction of any applicable fees and insurance premiums);
- 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.

If you are not invested in Bendigo MySuper 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 according to the proportion of your account balance (excluding your Cash Account) 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 nominate your preferred Cash Account Preference on the Application Form. If you do not provide an instruction your Cash Account top-up method will be set to Pro-rata.

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

For members in Bendigo MySuper we will top up your Cash Account from the relevant age-based investment option applicable to your age and you are unable to alter this instruction.

For members in Bendigo MySuper who have turned 55 or 60 in the current calendar year and who have yet to have your holdings switched from the previous age-based investment option to the current age-based investment option (refer to page 4 of the PDS), we will top up your Cash Account by redeeming funds from the previous age-based investment option or from the current age-based investment option if there are insufficient funds available.

### Standard Risk Measure

We have provided the Standard Risk Measure in the following tables 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

The following tables outline the key features of each of the Plan's investment options.

Investment option name	Cash Account	
Investment return objective	To provide a consistent 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.	
Risk level (using a Standard Risk Measure)	Very low (Risk band 1)	

Investment option name	Sandhurst Strategic Income Fund – Class B Units (APIR STL0044AU)			
Investment return objective	To outperform the performance benchmark (after fees) over any two year period.			
Investment strategy	To invest in a diversified portfolio of mainly domestic interest bearing securities across a range of maturities. The Fund will adjust its investments in line with our view of prevailing market conditions to optimise returns and control volatility. Sandhurst is the fund's responsible entity.			
Target asset allocation	<b>Exposure</b>		<b>Max</b>	<b>Min</b>
	<b>Primary</b>	Bank deposits and money market securities	100%	20%
		Government bonds	80%	0%
		Semi government and supranational bonds	60%	0%
		Corporate bonds and floating rate notes	60%	0%
		Asset backed securities	40%	0%
	<b>Secondary</b>	Hybrid securities and other	10%	0%
	<b>Primary securities total</b>		100%	90%
	<b>Secondary securities total</b>		10%	0%
Performance benchmarks	Bloomberg AusBond Bank Bill Index Note: the benchmark is not a guarantee of fund performance.			
Risk level (using a Standard Risk Measure)	Low (Risk band 2)			

<b>Investment option name</b>	<b>Bendigo Defensive Wholesale Fund (APIR STL0029AU)</b>		
<b>Investment return objective</b>	To deliver investment returns after fees in excess of 1.5% above inflation over a full market cycle (typically 7 to 10 years). Inflation is measured by the Australian Consumer Price Index as published by the Australian Bureau of Statistics.		
<b>Investment strategy</b>	<p>To invest via a selection of high-quality investment managers that specialise in managing specific asset classes.</p> <p>The responsible entity will select investment managers to invest the fund's assets across a variety of asset classes constructing the investment portfolio in a manner that it believes will meet the investment return objective.</p> <p>Sandhurst is the fund's responsible entity. To view the details of investment managers selected by the responsible entity, please refer to Sandhurst's website at <a href="http://www.sandhursttrustees.com.au/imguide">http://www.sandhursttrustees.com.au/imguide</a></p>		
<b>Target asset allocation</b>	The neutral position of the fund is 20% growth assets and 80% defensive assets.		
		<b>Min</b>	<b>Max</b>
	Australian shares	0%	15%
	International shares	0%	15%
	Property & infrastructure	0%	12%
	Fixed interest	30%	80%
	Alternatives	0%	10%
Cash	10%	60%	
<b>Risk level (using a Standard Risk Measure)</b>	Low (Risk band 2)		

<b>Investment option name</b>	<b>Bendigo Conservative Wholesale Fund (APIR STL0012AU)</b>		
<b>Investment return objective</b>	To deliver investment returns after fees in excess of 2% above inflation over a full market cycle (typically 7 to 10 years). Inflation is measured by the Australian Consumer Price Index as published by the Australian Bureau of Statistics.		
<b>Investment strategy</b>	<p>To invest via a selection of high-quality investment managers that specialise in managing specific asset classes.</p> <p>The responsible entity will select investment managers to invest the fund's assets across a variety of asset classes constructing the investment portfolio in a manner that it believes will meet the investment return objective.</p> <p>Sandhurst is the fund's responsible entity. To view the details of investment managers selected by the responsible entity, please refer to Sandhurst's website at <a href="http://www.sandhursttrustees.com.au/imguide">http://www.sandhursttrustees.com.au/imguide</a></p>		
<b>Target asset allocation</b>	The neutral position of the fund is 40% growth assets and 60% defensive assets.		
		<b>Min</b>	<b>Max</b>
	Australian shares	5%	30%
	International shares	5%	30%
	Property & infrastructure	0%	20%
	Fixed interest	20%	65%
	Alternatives	0%	15%
Cash	5%	40%	
<b>Risk level (using a Standard Risk Measure)</b>	Medium (Risk band 4)		

Investment option name	Bendigo Balanced Wholesale Fund (APIR STL0013AU)		
Investment return objective	To deliver investment returns after fees in excess of 3% above inflation over a full market cycle (typically 7 to 10 years). Inflation is measured by the Australian Consumer Price Index as published by the Australian Bureau of Statistics.		
Investment strategy	<p>To invest via a selection of high-quality investment managers that specialise in managing specific asset classes.</p> <p>The responsible entity will select investment managers to invest the fund's assets across a variety of asset classes constructing the investment portfolio in a manner that it believes will meet the investment return objective.</p> <p>Sandhurst is the fund's responsible entity. To view the details of investment managers selected by the responsible entity, please refer to Sandhurst's website at <a href="http://www.sandhursttrustees.com.au/imguide">http://www.sandhursttrustees.com.au/imguide</a></p>		
Target asset allocation	The neutral position of the fund is 60% growth assets and 40% defensive assets.		
		<b>Min</b>	<b>Max</b>
	Australian shares	10%	40%
	International shares	10%	40%
	Property & infrastructure	0%	20%
	Fixed interest	10%	50%
	Alternatives	0%	20%
Cash	5%	30%	
Risk level (using a Standard Risk Measure)	Medium to high (Risk band 5)		

Investment option name	Bendigo Growth Wholesale Fund (APIR STL0014AU)		
Investment return objective	To deliver investment returns after fees in excess of 4% above inflation over a full market cycle (typically 7 to 10 years). Inflation is measured by the Australian Consumer Price Index as published by the Australian Bureau of Statistics.		
Investment strategy	<p>To invest via a selection of high-quality investment managers that specialise in managing specific asset classes.</p> <p>The responsible entity will select investment managers to invest the fund's assets across a variety of asset classes constructing the investment portfolio in a manner that it believes will meet the investment return objective.</p> <p>Sandhurst is the fund's responsible entity. To view the details of investment managers selected by the responsible entity, please refer to Sandhurst's website at <a href="http://www.sandhursttrustees.com.au/imguide">http://www.sandhursttrustees.com.au/imguide</a></p>		
Target asset allocation	The neutral position of the fund is 80% growth assets and 20% defensive assets.		
		<b>Min</b>	<b>Max</b>
	Australian shares	15%	50%
	International shares	15%	50%
	Property & infrastructure	5%	22%
	Fixed interest	5%	25%
	Alternatives	0%	20%
Cash	0%	25%	
Risk level (using a Standard Risk Measure)	High (Risk band 6).		

<b>Investment option name</b>	<b>Bendigo Socially Responsible Growth Fund (APIR STL0055AU)</b>		
<b>Investment return objective</b>	To deliver investment returns after fees in excess of 4% above inflation over a full market cycle (typically 7 to 10 years). Inflation is measured by the Australian Consumer Price Index as published by the Australian Bureau of Statistics.		
<b>Investment strategy</b>	<p>To invest via a selection of high-quality investment managers that specialise in managing specific asset classes which take into account environmental, social, ethical and governance considerations in the selection, retention or realisation of investments relating to the fund.</p> <p>The responsible entity will select investment managers to invest the fund's assets across a variety of asset classes constructing the investment portfolio in a manner that it believes will meet the investment return objective.</p> <p>Sandhurst is the fund's responsible entity. To view the details of investment managers selected by the responsible entity, please refer to Sandhurst's website at <a href="http://www.sandhursttrustees.com.au/imguide">http://www.sandhursttrustees.com.au/imguide</a></p>		
<b>Target asset allocation</b>	The neutral position of the fund is 80% growth assets and 20% defensive assets.		
		<b>Min</b>	<b>Max</b>
	Australian shares	15%	50%
	International shares	15%	50%
	Property & infrastructure	5%	22%
	Fixed interest	5%	25%
	Alternatives	0%	20%
	Cash	0%	25%
<b>Risk level (using a Standard Risk Measure)</b>	Medium to high (Risk band 5)		

<b>Investment option name</b>	<b>Bendigo High Growth Wholesale Fund (APIR STL0030AU)</b>		
<b>Investment return objective</b>	To deliver investment returns after fees in excess of 5% above inflation over a full market cycle (typically 7 to 10 years). Inflation is measured by the Australian Consumer Price Index as published by the Australian Bureau of Statistics.		
<b>Investment strategy</b>	<p>To invest via a selection of high-quality investment managers that specialise in managing specific asset classes.</p> <p>The responsible entity will select investment managers to invest the fund's assets across a variety of asset classes constructing the investment portfolio in a manner that it believes will meet the investment return objective.</p> <p>Sandhurst is the fund's responsible entity. To view the details of investment managers selected by the responsible entity, please refer to Sandhurst's website at <a href="http://www.sandhursttrustees.com.au/imguide">http://www.sandhursttrustees.com.au/imguide</a></p>		
<b>Target asset allocation</b>	The neutral position of the fund is 97% growth assets and 3% defensive assets.		
		<b>Min</b>	<b>Max</b>
	Australian shares	20%	65%
	International shares	20%	65%
	Property & infrastructure	5%	25%
	Fixed interest	0%	10%
	Alternatives	0%	20%
	Cash	0%	20%
<b>Risk level (using a Standard Risk Measure)</b>	High (Risk band 6)		



<b>Investment option name</b>	<b>Bendigo Defensive Index Fund (APIR STL0031AU)</b>		
<b>Investment return objective</b>	To deliver investment returns after fees in excess of 1.5% above inflation over a full market cycle (typically 7 to 10 years). Inflation is measured by the Australian Consumer Price Index as published by the Australian Bureau of Statistics.		
<b>Investment strategy</b>	<p>To predominantly invest via a selection of index funds that seek to track the performance of selected benchmarks for each asset class.</p> <p>The responsible entity will invest the fund's assets across a variety of asset classes constructing the investment portfolio in a manner that it believes will meet the investment return objective.</p> <p>Sandhurst is the fund's responsible entity. To view the details of investment managers selected by the responsible entity, please refer to Sandhurst's website at <a href="http://www.sandhursttrustees.com.au/imguide">http://www.sandhursttrustees.com.au/imguide</a></p>		
<b>Target asset allocation</b>	The neutral position of the fund is 20% growth assets and 80% defensive assets.		
		<b>Min</b>	<b>Max</b>
	Australian shares	0%	15%
	International shares	0%	15%
	Property & infrastructure	0%	12%
	Fixed interest	30%	80%
	Cash	10%	60%
<b>Risk level (using a Standard Risk Measure)</b>	Low (Risk band 2)		

<b>Investment option name</b>	<b>Bendigo Conservative Index Fund (APIR STL0032AU)</b>		
<b>Investment return objective</b>	To deliver investment returns after fees in excess of 2% above inflation over a full market cycle (typically 7 to 10 years). Inflation is measured by the Australian Consumer Price Index as published by the Australian Bureau of Statistics.		
<b>Investment strategy</b>	<p>To predominantly invest via a selection of index funds that seek to track the performance of selected benchmarks for each asset class.</p> <p>The responsible entity will invest the fund's assets across a variety of asset classes constructing the investment portfolio in a manner that it believes will meet the investment return objective.</p> <p>Sandhurst is the fund's responsible entity. To view the details of investment managers selected by the responsible entity, please refer to Sandhurst's website at <a href="http://www.sandhursttrustees.com.au/imguide">http://www.sandhursttrustees.com.au/imguide</a></p>		
<b>Target asset allocation</b>	The neutral position of the fund is 40% growth assets and 60% defensive assets.		
		<b>Min</b>	<b>Max</b>
	Australian shares	5%	30%
	International shares	5%	30%
	Property & infrastructure	0%	20%
	Fixed interest	20%	65%
	Cash	5%	40%
<b>Risk level (using a Standard Risk Measure)</b>	Medium (Risk band 4)		

<b>Investment option name</b>	<b>Bendigo Balanced Index Fund (APIR STL0033AU)</b>		
<b>Investment return objective</b>	To deliver investment returns after fees in excess of 3% above inflation over a full market cycle (typically 7 to 10 years). Inflation is measured by the Australian Consumer Price Index as published by the Australian Bureau of Statistics.		
<b>Investment strategy</b>	<p>To predominantly invest via a selection of index funds that seek to track the performance of selected benchmarks for each asset class.</p> <p>The responsible entity will invest the fund's assets across a variety of asset classes constructing the investment portfolio in a manner that it believes will meet the investment return objective.</p> <p>Sandhurst is the fund's responsible entity. To view the details of investment managers selected by the responsible entity, please refer to Sandhurst's website at <a href="http://www.sandhursttrustees.com.au/imguide">http://www.sandhursttrustees.com.au/imguide</a></p>		
<b>Target asset allocation</b>	The neutral position of the fund is 60% growth assets and 40% defensive assets.		
		<b>Min</b>	<b>Max</b>
	Australian shares	15%	40%
	International shares	15%	40%
	Property & infrastructure	0%	20%
	Fixed interest	10%	50%
	Cash	5%	30%
<b>Risk level (using a Standard Risk Measure)</b>	Medium to high (Risk band 5)		

<b>Investment option name</b>	<b>Bendigo Growth Index Fund (APIR STL0034AU)</b>		
<b>Investment return objective</b>	To deliver investment returns after fees in excess of 4% above inflation over a full market cycle (typically 7 to 10 years). Inflation is measured by the Australian Consumer Price Index as published by the Australian Bureau of Statistics.		
<b>Investment strategy</b>	<p>To predominantly invest via a selection of index funds that seek to track the performance of selected benchmarks for each asset class.</p> <p>The responsible entity will invest the fund's assets across a variety of asset classes constructing the investment portfolio in a manner that it believes will meet the investment return objective.</p> <p>Sandhurst is the fund's responsible entity. To view the details of investment managers selected by the responsible entity, please refer to Sandhurst's website at <a href="http://www.sandhursttrustees.com.au/imguide">http://www.sandhursttrustees.com.au/imguide</a></p>		
<b>Target asset allocation</b>	The neutral position of the fund is 80% growth assets and 20% defensive assets.		
		<b>Min</b>	<b>Max</b>
	Australian shares	20%	50%
	International shares	20%	50%
	Property & infrastructure	5%	22%
	Fixed interest	5%	25%
	Cash	0%	25%
<b>Risk level (using a Standard Risk Measure)</b>	High (Risk band 6)		

<b>Investment option name</b>	<b>Bendigo High Growth Index Fund (APIR STL0035AU)</b>		
<b>Investment return objective</b>	To deliver investment returns after fees in excess of 5% above inflation over a full market cycle (typically 7 to 10 years). Inflation is measured by the Australian Consumer Price Index as published by the Australian Bureau of Statistics.		
<b>Investment strategy</b>	<p>To predominantly invest via a selection of index funds that seek to track the performance of selected benchmarks for each asset class.</p> <p>The responsible entity will invest the fund's assets across a variety of asset classes constructing the investment portfolio in a manner that it believes will meet the investment return objective.</p> <p>Sandhurst is the fund's responsible entity. To view the details of investment managers selected by the responsible entity, please refer to Sandhurst's website at <a href="http://www.sandhursttrustees.com.au/imguide">http://www.sandhursttrustees.com.au/imguide</a></p>		
<b>Target asset allocation</b>	The neutral position of the fund is 97% growth assets and 3% defensive assets.		
		<b>Min</b>	<b>Max</b>
	Australian shares	25%	65%
	International shares	25%	65%
	Property & infrastructure	5%	25%
	Fixed interest	0%	10%
	Cash	0%	20%
<b>Risk level (using a Standard Risk Measure)</b>	High (Risk band 6)		

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 fund before making an investment decision. Each managed fund has its own product disclosure statement, available on our website, which you should read when you are considering to invest. You can also request a paper copy free of charge by contacting our Client Services Team. The disclosure documents will provide you with further important information about the investment option, including benefits, risks, features and fees and costs that relate to the investment option.

## **Differences between investing in an investment option directly and investing through a super fund**

If you are investing in a specific financial product through a super or pension product such as the Plan, there are a number of differences in the rights you might have if you had invested directly and held the investment options in your own name:

- All investments through a super or pension product are held in Sandhurst's name, not in your name. This means that you will not receive communications from the underlying product issuers in relation to your managed funds.
- You do not have the right to call, attend or vote at meetings of investors in a managed fund because Sandhurst is the legal owner of these investments.
- If you invested directly and not through a super or pension product, you would be able to withdraw your money without the legislative restrictions and other limitations affecting access to super benefits. However, you would not be able to transfer preserved super money into the investment options offered on the Plan's investment menu directly. Nor would you be eligible for concessional tax treatment that is available in respect of super contributions.
- If you invested directly in a managed fund, you would only incur the fees and costs applicable to the managed fund and not the fees and costs applicable to the super or pension product. However you might not be entitled to any wholesale discounts or rebates that Sandhurst can usually negotiate with a fund manager.
- The time for processing transactions may be quicker if you were a direct investor because Sandhurst may be required to deal with several fund managers in order to process a single investor's request.
- If you invested directly in a managed fund, you would usually have the benefit of a 14-day cooling-off period. Sandhurst is not entitled to any cooling-off period because it is a wholesale investor.
- If you invested directly in a managed fund, any queries or complaints would be handled by the inquiry and dispute resolution mechanisms of the managed fund. As a super investor, any queries or complaints must be handled by Sandhurst's inquiry and dispute resolution mechanisms, even if they relate to a managed fund.

## **Valuing your account**

We generally determine the value of a unit in a managed fund by using the redemption/sell price provided by the fund manager for that particular fund. The actual method by which unit prices for managed funds are calculated and the timing at which they are provided may vary between funds and is determined by the fund manager for that particular fund. Please refer to the product disclosure statement of the particular managed fund for more information about how individual unit prices are calculated.

Prices are generally provided each business day and may rise and fall in accordance with market movement. There may be times when we don't receive updated prices. This might happen when shares are delisted or assets cannot be valued. In these circumstances, we may use different valuation methods.

Interest earned on the Cash Account is calculated daily based on an annual rate and credited to your account monthly.

You should be aware that your account balance does not include the tax impact of any unrealised gains or losses that may arise if you request a full withdrawal.

## **Delays in processing investment instructions**

Sometimes it may not be possible to act on your instructions in a timely fashion for example when we have insufficient information, or certain requirements may not have been met, for us to process a transaction. In these cases, you and/or your financial adviser will be contacted. Purchasing or redeeming investments in accordance with your instructions may be delayed when high volumes of transactions are being processed or due to circumstances beyond our control such as unit pricing delays. These delays may occur following the end of an income distribution period. In such cases, Sandhurst accepts no liability for any losses incurred.

## **Switching investment options**

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

No switching fees are charged, however, transaction costs usually will apply to managed funds (in the form of buy-sell spreads). Please see the 'Fees and costs' section for more information.

It is recommended you consult a licensed financial adviser before making any decision to switch between investment options.

## **Changes to the investment menu**

Sandhurst regularly monitors and reviews the investment options available and investment mechanisms to ensure that the existing investment options and mechanisms continue to be appropriate and suit the investment needs of members.

Sandhurst may add, suspend or restrict further investments to an investment option or close an investment option. For example Sandhurst may do this if it becomes aware of new investment opportunities or changes to the existing investment option, such as a change to the investment manager, investment objective and strategy, asset classes, underlying investment managers or underlying investments.

If an investment option is withdrawn from the menu, Sandhurst may continue to hold this investment on your behalf or redeem and transfer your investments held in that option to another investment option which Sandhurst considers has similar risk/return characteristics. If there is no appropriate investment option identified then the redemption proceeds will be transferred to your Cash Account. Sandhurst will notify you of any such change where possible prior to the change or as soon as practicable after the change. At this time you will also be provided with the opportunity to make your own selection.

Any changes to the investment menu, the information about the investment options or the investment mechanism, which Sandhurst considers not materially adverse to you will be communicated to you via our website as soon as practical.

## **Labour standards, or environment, social or ethical considerations**

Sandhurst does not take into account labour standards or environmental, social or ethical considerations in the selection of investment options for the Plan and the selection, retention or realisation of investments comprising the Plan. However, the responsible entities of the investment options and the investment managers who manage the underlying investments of the Plan's investment options may take labour standards or environmental, social or ethical considerations into account when selecting, retaining or realising investments. For example Sandhurst Trustees as responsible entity of the Bendigo Socially Responsible Growth Fund takes into account ethical, social and governance considerations, which may also include labour standards, in the selection and retention of investment managers for that fund.

## Fees and costs

The following section provides further information on fees and costs and should be read in conjunction with the PDS.

The following table shows the fees and costs you may be charged when investing in Bendigo SmartStart Super. The fees and costs for Bendigo MySuper are set out in section 6 of the PDS. Fees and costs may be deducted directly from your account, the returns on your investment or the Plan's assets as a whole. You can use the fees and costs information below to compare costs between different super products.

All the fees and costs shown in this section include stamp duty and GST, less any applicable reduced input tax credits, unless otherwise stated.

**Important note:** The fees and costs table below relates to the non-MySuper investment options. The fees and costs relate to those fees and costs incurred at the super fund level only. In order to fully understand the fees and costs that relate to selecting a specific financial product available as an investment option (i.e. an investment option that is not Bendigo MySuper or the Cash Account), you must consider both the fees and costs in the table below and also the fees and costs in the disclosure document for the relevant financial product. Each managed fund has its own product disclosure statement, available on our website, which you should read when you are considering to invest.

Type of fee	Amount	How and when paid
<b>Investment fee<sup>1</sup></b>	Nil	Not applicable
<b>Administration fee<sup>1</sup></b>	\$98 p.a.	The fee is charged monthly and is deducted from your Cash Account at the end of each month. Where you are only a member for a portion of the month, the fee will be charged on a pro-rata basis.
<b>Buy-sell spread</b>	<b>Cash Account</b> Nil	Not applicable
	<b>Managed fund investment options</b> Varies across the managed funds available with buy spreads ranging from 0.00% to 0.25% and sell spreads from 0.09% to 0.25% <sup>4</sup>	Reflected in the buy and sell unit price of each managed fund investment option when there is a transaction on your account.
<b>Switching fee</b>	Nil	Not applicable
<b>Advice fees</b> <i>Relating to all members investing in a particular MySuper product or investment option.</i>	Nil	Not applicable
<b>Other fees and costs<sup>2</sup></b>		
<b>Indirect cost ratio<sup>1, 3</sup></b>	<b>Cash Account</b> Nil	Not applicable
	<b>Managed fund investment options</b> Nil at Plan level	

<sup>1</sup> If your account balance for a product offered by the superannuation entity is less than \$6,000 at the end of the entity's income year, the total combined amount of administration fees, investment fees and indirect costs charged to you is capped at 3% of the account balance. Any amount in excess of that cap must be refunded.

<sup>2</sup> Refer to the 'Additional explanation of fees and costs' section below.

<sup>3</sup> While there is no indirect cost ratio that is applied at the Plan level, where you choose a specific financial product that is available as an investment option (i.e. an investment option that is not Bendigo MySuper or the Cash Account), it is important to also consider the fees and costs that apply at the level of the investment (e.g. the management costs and transactional and operational costs for the managed funds), to fully understand the fees and costs that apply when investing in the chosen investment option through the Plan. Refer to the relevant product disclosure statement(s) available on our website for the fees and costs that relate to the specific financial product.

<sup>4</sup> The buy-sell spread that applies to each managed fund investment option can change from time to time. To determine the buy-sell spread that applies to a specific managed fund investment option, refer to the "Buy-sell spreads" section in Additional explanation of fees and costs (below).

Sandhurst may make a payment from its own resources to an authorised distributor if your membership was arranged through them. Authorised distributors may include a Bendigo **Community Bank**<sup>®</sup> branch, joint venture or franchise Bank branch or any other related or non-related entity of Sandhurst or the Bank. Amounts are paid by Sandhurst and not by you. However, to the extent that any or all of these arrangements are prohibited by law, including the Future of Financial Advice reforms, Sandhurst will not make these payments.

## Additional explanation of fees and costs

### Defined fees

The fees in this section and referred to in the 'Fees and costs' section of the PDS are defined and explained below.

### Activity fees

A fee is an **activity fee** if:

- (a) the fee relates to costs incurred by the trustee of the super entity that are directly related to an activity of the trustee:
  - (i) that is engaged in at the request, or with the consent, of a member; or
  - (ii) that relates to a member and is required by law; and
- (b) those costs are not otherwise charged as an administration fee, an investment fee, a buy-sell spread, a switching fee, an advice fee or an insurance fee.

### Family Law Fees

**Family Law Fees** may also apply where you request us to process family law related requests under the provisions of the Family Law Act 1975. For payment splitting there is a charge of \$100, with \$50 being debited from both the member spouse and non-member spouse at the time of the payment split. If the non-member spouse is entitled to the whole amount of the payment split then the \$100 will be debited from the non-member spouse's entitlement.

There is no charge on an application for information.

### Administration fees

An **administration fee** is a fee that relates to the administration or operation of the super entity and includes costs that relate to that administration or operation, other than:

- (a) borrowing costs; and
- (b) indirect costs that are not paid out of the super entity that the trustee has elected in writing will be treated as indirect costs and not fees, incurred by the trustee of the entity or in an interposed vehicle or derivative financial product; and
- (c) costs that are otherwise charged as an investment fee, a buy-sell spread, a switching fee, an activity fee, an advice fee or an insurance fee.

### Advice fees

A fee is an **advice fee** if:

- (a) the fee relates directly to costs incurred by the trustee of the super entity because of the provision of financial product advice to a member by:
  - (i) a trustee of the entity; or
  - (ii) another person acting as an employee of, or under an arrangement with, the trustee of the entity; and
- (b) those costs are not otherwise charged as an administration fee, an investment fee, a switching fee, an activity fee or an insurance fee.

## Member Advice Fee

**Warning:** If you consult a financial adviser additional fees may be payable to them. Please refer to the Statement of Advice your financial adviser provides you for the details of any agreed fees which may be deducted from your account.

A fee that you incur for engaging an adviser ('Member Advice Fee') will be an advice fee. You can negotiate a one-off, an ongoing and/or an insurance Member Advice Fee with your financial adviser, for advice in relation to your investment in the Plan.

- **Member Advice Fee – One-Off:** This fee is deducted from your Cash Account and paid to your financial adviser for one-off financial advice and services provided in relation to your super account. You can agree with your financial adviser on the amount of this fee which can be up to \$10,000 (inclusive of GST) per request. A new request must be supplied each time you wish this fee to be applied. If there is insufficient funds in your account to cover this fee, the fee will not be paid to your financial adviser until such time as your account has sufficient balance to meet this payment.
- **Member Advice Fee – Ongoing:** This fee is paid to your financial adviser for ongoing financial advice and services provided to you in relation to your super account. You can agree with your financial adviser on the amount of this fee which can be:
  - up to a maximum of 2.2% p.a. (inclusive of GST) of your account balance (calculated daily); or
  - up to a maximum of \$10,000 p.a. (inclusive of GST).

The amount of this fee is accrued daily and is deducted from your Cash Account at the end of each month. For example, on an average monthly balance (over 12 months) of \$50,000, we would pay your financial adviser up to a maximum of \$1,100 p.a. (based on a Member Advice Fee – Ongoing of 2.2% p.a.) (inclusive of GST).

- **Member Advice Fee - Insurance:** This fee is deducted from your Cash Account on a monthly basis and paid to your financial adviser for ongoing advice and services provided to you in relation to your insurance purchased via group insurance policies offered through the Plan. This fee will only be charged if an insurance premium has been deducted from your Cash Account. You can agree with your financial adviser on the amount of this fee which can be either:
  - up to 50% p.a. (inclusive of GST) of your insurance premium for each type of insurance cover; or
  - up to a maximum of \$10,000 p.a. (inclusive of GST).

Any Member Advice Fee you have agreed to pay must be set out on your Application Form, or advised to us in writing by you or by your financial adviser with your signed acknowledgement. Any agreed Member Advice Fee(s) will be deducted from your account and paid in full to the financial adviser via his/her dealer group, until you instruct us to cease payment, you change your nominated financial adviser or when you no longer have a financial adviser including after we are notified of your death.

## Buy-sell spreads

A **buy-sell spread** is a fee to recover transaction costs incurred by the trustee of the super entity in relation to the sale and purchase of assets of the entity.

The buy-sell spread applied for each managed fund investment option in the Plan is the same as the buy-sell spread for the underlying managed fund and is based on an estimate of costs, and may change in the future. The buy-sell spread of a managed fund investment option is generally the difference between their entry (buy) and exit (sell) unit prices. This difference is an amount to recover the transaction costs (such as brokerage) of buying and selling the underlying securities/assets incurred by the fund manager of the particular managed fund.

The buy-sell spread is incurred when you purchase or redeem units in a managed investment fund option, by applying the buy price or sell price (as applicable) at the time of the transaction.

The buy-sell spread for each managed fund investment option offered through the Plan are as follows:

Investment Option Name	Buy Spread	Sell Spread
Cash Account	Nil	Nil
Sandhurst Strategic Income Fund – Class B	0.00%	0.10%
Bendigo Defensive Wholesale Fund	0.12%	0.12%
Bendigo Conservative Wholesale Fund	0.15%	0.15%
Bendigo Balanced Wholesale Fund	0.17%	0.17%
Bendigo Growth Wholesale Fund	0.20%	0.20%
Bendigo Socially Responsible Growth Fund	0.25%	0.25%
Bendigo High Growth Wholesale Fund	0.23%	0.23%
Bendigo Defensive Index Fund	0.09%	0.09%
Bendigo Conservative Index Fund*	0.10%	0.10%
Bendigo Balanced Index Fund*	0.10%	0.10%
Bendigo Growth Index Fund*	0.10%	0.10%
Bendigo High Growth Index Fund	0.10%	0.10%

As an example of how the buy-sell spread operates, if you invest (buy) \$50,000 in the Bendigo Growth Index Fund (Bendigo MySuper), the cost to you would be \$50.

Sandhurst often buys and sells units in a managed fund investment option on the same day. We intend to deal as a net buyer or net seller of units on any given day. As a result, no transaction may need to be made at all to give effect to your investment instructions. However, you will still receive the prevailing sell or buy price applied to your particular investment transaction. Any benefit that may arise from the netting of transactions will be credited to a reserve of BSP.

## Exit fees

An **exit fee** is a fee, other than a buy-sell spread, that relates to the disposal of all or part of a member's interests in a super entity.

## Indirect cost ratio

The **indirect cost ratio (ICR)** for a MySuper product or an investment option offered by a super entity is the ratio of the total of the indirect costs for the MySuper product or investment option, to the total average net assets of the super entity attributed to the MySuper product or investment option.

**Note:** A fee deducted from a member's account or paid out of the super entity is not an indirect cost.

In relation to Bendigo MySuper, where you do not actively choose a specific financial product to invest in, the ICR for each life stage of the investment option reflects the indirect costs that reduces the return on that investment option (and reflects the indirect costs incurred by the underlying managed funds of that life stage).

The ICR for the managed funds that make up Bendigo MySuper based on the estimated past financial year's indirect costs are as follows (as outlined in the fees and costs section of the PDS):

Bendigo Growth Index Fund	0.469% p.a.
Bendigo Balanced Index Fund	0.450% p.a.
Bendigo Conservative Index Fund	0.434% p.a.

In relation to non-MySuper investment options where you choose to invest in specific financial products (i.e. an investment option that is not Bendigo MySuper or the Cash Account), there are no costs incurred at the Plan level that would reduce your return on that investment. All of the costs that would reduce your return are incurred at the investment level and reduce the return at the investment level.

It is important to also consider the fees and costs that apply at the level of the investment (e.g. the management costs and transactional and operational costs for the managed funds), to fully understand the fees and costs that apply when investing in the chosen investment option through the Plan. Refer to the relevant product disclosure statement available on our website for the fees and costs that relate to the specific financial product (i.e. an investment option that is not Bendigo MySuper or the Cash Account).



The below example shows the cumulative effect of costs of the Plan and the investment level of investing \$50,000 in the Bendigo Growth Index Fund.

Example: Bendigo Growth Index Fund		Balance of \$50,000
Investment fees	Nil	For every \$50,000 you have invested in the super product you will be charged \$0 each year.
<b>PLUS</b> Administration fees (charged at the Plan level)	\$98	<b>And</b> , you will be charged \$98 in administration fees regardless of your balance.
<b>PLUS</b> management costs and transactional and operational costs of the selected investment	0.469% p.a.	<b>And</b> , management costs and transactional and operational costs of the selected investment of \$235 each year will be deducted from your investment.
<b>EQUALS</b> Cost of investing		If your balance was \$50,000, then for that year you will be charged fees of <b>\$333</b> for investing in the selected investment option via the super product.

### Transactional and operational costs

The Plan may incur **transactional and operational costs** as a result of holding units in the managed funds that make up Bendigo MySuper. These costs are incurred when these managed funds acquire and dispose of certain fund assets. These costs may include clearing costs, brokerage, stamp duty and buy-sell spreads charged by the underlying investment managers to the responsible entity of these managed funds. These costs are paid for by the relevant managed fund when they are incurred.

However, some of these costs are recovered by charging a buy-sell spread, which is reflected in the buy-sell spreads applicable to the relevant managed fund investment options (see above). The estimated net transactional and operational costs are a reflection of the estimated unrecovered transactional and operational costs that may be incurred by and impact on investment performance of the relevant managed fund, and are reflected in its unit price.

The estimated transactional and operational costs based on the past financial year are:

	Total estimated transactional and operational costs	Minus buy/sell spread recovery	Equals estimated net transactional and operational costs
Bendigo Growth Index Fund	0.048% p.a.	0.030% p.a.	0.018% p.a.
Bendigo Balanced Index Fund	0.054% p.a.	0.033% p.a.	0.022% p.a.
Bendigo Conservative Index Fund	0.059% p.a.	0.030% p.a.	0.029% p.a.

These costs may vary depending on the level of fund transactions.

### Investment fees

An **investment fee** is a fee that relates to the investment of the assets of a super entity and includes:

- fees in payment for the exercise of care and expertise in the investment of those assets (including performance fees); and
- costs that relate to the investment of assets of the entity, other than:
  - (i) borrowing costs; and
  - (ii) indirect costs that are not paid out of the super entity that the trustee has elected in writing will be treated as indirect costs and not fees, incurred by the trustee of the entity or in an interposed vehicle or derivative financial product; and
  - (iii) costs that are otherwise charged as an administration fee, a buy-sell spread, a switching fee, an activity fee, an advice fee or an insurance fee

### Switching fees

A **switching fee** for:

- (a) a MySuper product is a fee to recover the costs of switching all or part of a member's interest in a super entity from one class of beneficial interest in the entity to another; and
- (b) a super product other than a MySuper product, is a fee to recover the costs of switching all or part of a member's interest in the super entity from one investment option or product in the entity to another.

### Insurance fees

There are costs associated with insurance cover, which are paid in the form of insurance premiums. Insurance premiums are paid from your account. For information on insurance premiums refer to the 'Insurance in your super' section of the PDS and in the Insurance Guide.

### Other costs and expenses

The Trust Deed provides that certain costs and expenses of operating the Plan may be deducted from an Expense Reserve Account that does not belong to any individual member (i.e. unallocated revenue). As these costs, and the income they are funded from, do not form part of your account balance, they do not impact on your return but are in addition to the management costs set out in the table above.

## **When your Cash Account has a negative balance**

If your Cash Account goes into a negative balance, interest will be charged at the daily rate applicable to the Cash Account for the period that your Cash Account has a negative balance.

Transactions including switches, partial withdrawals and other payments (including fees and insurance premiums) may result in your Cash Account balance temporarily going into negative until such time as your balance is restored. For further information on the Cash Account please refer to 'Your Cash Account' in the 'How we invest your money' section in this Reference Guide.

## **Taxation**

Any available tax deductions will be passed on to your account. Refer to the 'How super is taxed' section in this Reference Guide for more information.

## **Changes to fees**

Sandhurst may change the fees and costs at any time without your consent. You will be given at least 30 days' notice of any increase in fees (unless the increase is a result of an increase in costs to the Plan).

## How super is taxed

The following section provides further information on how super is taxed and should be read in conjunction with the PDS.

This is only a brief summary of the general tax issues you need to consider in relation to the Plan.

It is based on taxation laws, and the way they are interpreted, as at the date of this Reference Guide, and assumes you have provided us with your tax file number. We recommend you seek:

- tax advice based on an understanding of your own personal situation from a qualified tax adviser; and
- information from the ATO in respect of taxation matters.

### Tax on contributions

Tax is generally payable on contributions where those amounts have not been previously subjected to personal tax or where the amounts contributed exceed the concessional contributions cap or the non-concessional contributions cap (see below). Any accrued tax on contributions will be retained in your Cash Account until it is required to be paid to the ATO.

#### Concessional contributions

Concessional contributions are subject to contributions tax of 15% and depending on the level of your income, an additional 15% tax may also apply, see 'High income earners' contributions tax' later in this section.

However, there is a limit on the amount of concessional contributions that are subject to tax at 15%, known as the concessional contributions cap. Any concessional contributions over the cap are:

- subject to additional tax; and
- count towards your non-concessional cap.

Excess concessional contributions are included in your assessable income and taxed at your marginal rate (less a 15% tax offset). You will however also have to pay the excess concessional contributions charge on the increase in your tax liability.

You may elect to have 85% of your excess concessional contributions released from your super fund to pay the bill. Released excess concessional contributions are required to be paid by us to the Commissioner of Taxation.

The amount of excess concessional contributions that is counted towards your non-concessional cap is reduced if you elect that the excess concessional contributions be released. The amount of the reduction is equal to the amount released (grossed up for contributions tax).

If your 'Total Super Balance' (see definition below) was less than \$500,000 on 30 June of the previous financial year, you may be able to carry forward any unused concessional contribution amounts from up to 5 prior financial years and add it to your concessional contributions cap for the relevant financial year. However, the 2018/2019 financial year is the first financial year from which you could start carrying forward unused concessional contributions cap amounts.

#### Non-concessional contributions

Non-concessional contributions are generally not taxed in the Plan.

However, there is a limit on the amount of non-concessional contributions that are not taxed, known as the non-concessional contributions cap.

For the 2019-20 financial year, this cap is \$100,000 per person per financial year subject to you having a total super balance, as at 30 June 2019 of less than \$1.6 million.

Your total super balance is made up of the balance of all your super and retirement phase pension accounts (within BSP and external super funds) and rollover amounts not yet included in those amounts from external super funds less the sum of any structured settlement payments for personal injuries contributed into super.

If your total super balance is \$1.6 million or more and you make non-concessional contributions, they will be treated as excess non-concessional contributions.

If you are under 65 years and you have not already triggered the 'bring forward' rule for the relevant financial year, you may be able to make non-concessional contributions of up to three times the annual non-concessional contributions cap over a three year period. This is known as the 'bring-forward' option. The following bring forward options apply for the 2019-2020 financial year:

Your total superannuation balance on 30 June 2019	Maximum non-concessional contributions cap for the bring forward period*	Bring forward period
Less than \$1.4 million	\$300,000	3 years
\$1.4 million to less than \$1.5 million	\$200,000	2 years
\$1.5 million to less than \$1.6 million	\$100,000	No bring forward period, general non-concessional contributions cap applies
\$1.6 million or more	Nil	Not applicable

\* To be eligible to apply the bring forward rule in any financial year, your total super balance on 30 June of the previous financial year must be less than the general transfer balance cap for the relevant year.

The non-concessional contributions cap limit is assessed on the basis of all non-concessional contributions made for you to all super funds, not just your contributions to BSP. If you make contributions in excess of the non-concessional contributions cap, excess contributions will be taxed at 47%\*.

To avoid the excess non-concessional contributions tax you may elect to withdraw excess non-concessional contributions plus 85% of the associated earnings on the excess contributions.

If you elect to withdraw the excess non-concessional contributions for a financial year plus 85% of the associated earnings on those excess contributions, the amount of the excess non-concessional contributions released will reduce the excess non-concessional contributions amount for that financial year. We will pay this released amount to you. The amount of excess non-concessional contributions released would not be subject to tax when paid to you however the associated earnings would be included in your assessable income and taxed at your marginal rate. You would however be entitled to a 15% tax offset.

If you elect not to withdraw the excess non-concessional contributions, as described above, tax will be imposed on the excess at the rate of 47%\*.

\* This is the threshold for the 2019-2020 financial year.

## Your contributions caps

	Concessional (general cap)	Non-concessional
<b>2019-2020</b>	\$25,000	\$100,000
<b>Tax on amounts over the cap</b>	Included in your income tax return and taxed at your marginal rates (less a 15% tax offset) plus a concessional contributions charge. <sup>1</sup>	47%

<sup>1</sup> This amount is in addition to the 15% contributions tax that applies to concessional contributions.

Please note that the concessional contributions cap limit is assessed on the basis of all concessional contributions made for you to all super funds, not just your contributions to this Plan. You will be required to pay any additional tax as a result of breaching the contributions cap personally. Alternatively, you may ask the Plan to pay the tax from your super account on your behalf.

## Contributions not included in the contribution caps

Contributions that do not count towards either the concessional or non-concessional contributions caps include:

- super co-contributions from the Federal Government;
- rollover amounts from other super funds;
- proceeds from the disposal of eligible small business CGT assets\*;
- personal injury payments under a structured settlement\*;
- downsizer contributions.

\* subject to conditions

## High income earners' contributions tax

Individuals whose adjusted taxable income\* plus concessional contributions exceed \$250,000 in an income year, are subject to an additional tax at the rate of 15% on the lesser of:

- (a) the concessional contributions; or
- (b) the amount by which the individual's adjusted taxable income\* and concessional contributions exceed \$250,000.

\*Adjusted taxable income includes some amounts not included in taxable income.

The amount of this tax is assessed as a personal tax liability by the Commissioner of Taxation and is generally due and payable within 21 days of the Commissioner giving the notice of assessment. This additional tax does not apply to non-concessional contributions as they do not receive concessional tax treatment, or excess concessional contributions.

## Deductible personal contributions

If you are under age 75 you can claim a full tax deduction for personal contributions to super provided you meet certain limits and criteria (e.g. you cannot claim a deduction for salary sacrifice contributions). Contributions to super made by you on which you claim a tax deduction will be treated in the same way as contributions made by employers for the benefit of employees (that is, the concessional contributions cap applies). For information about how to claim a deduction (including the notification you must provide to us) go to [www.ato.gov.au](http://www.ato.gov.au).

## Spouse contributions tax offset

If your spouse makes contributions to your account on your behalf, your spouse may be able to claim an 18% tax offset on super contributions of up to \$3,000 (i.e. \$540).

The rate progressively reduces for each dollar of your assessable income, reportable employer super contributions (such as salary sacrifice amounts) and reportable fringe benefits over \$37,000, and ceases once your assessable income, reportable employer super contributions and reportable fringe benefits reaches \$40,000 or more per annum.

Your spouse would not be eligible for the tax offset if:

- (a) your non-concessional contributions for the financial year exceed your non-concessional contributions cap for the financial year; or
- (b) your total super balance on 30 June 2019 is \$1.6 million or more.

\* This is the threshold for the 2019-2020 financial year.

For further details about eligibility for the spouse contributions tax offset, go to [www.ato.gov.au](http://www.ato.gov.au).

## Tax deductions

Sandhurst is generally able to claim a tax deduction for any fees and insurance premiums we deduct from your account. The benefit of these tax deductions is passed on to your account, reducing the effective cost of your cover by up to 15%.

## Tax on investment earnings

Investment earnings on your account are subject to tax of up to 15%. Lower rates of tax may apply as a result of capital gains tax discounts and tax credits, including dividend imputation and foreign tax credits.

**Important note:** We generally only deduct tax on concessional contributions (including employer contributions), and investment earnings from your account at the time we need to pay it to the ATO. This means that your account will receive interest on this amount until tax is paid to the ATO.

If you intend to claim a tax deduction on your personal contributions, tax will be deducted when we receive your completed ATO Notice of intent to claim or vary a deduction for personal super contributions form.

## Tax on benefits paid to you as a lump sum

When you access your super benefit as a lump sum, part or all of this benefit may be subject to tax, depending upon the taxation components of your benefit and the age at which the benefit is paid.

### From age 60

Benefits received at age 60 or over are tax-free from taxed element in the Plan.

### Before age 60

Benefits received before age 60 consist of two components:

- a tax-free component, which includes non-concessional contributions, the Federal Government's super co-contribution and any pre-1 July 1983 amounts; and
- a taxable component, equal to the total benefit less the tax-free component.

The table below outlines the tax treatment of benefits received before age 60 that form part of the taxed element in the Plan. Different rates apply to 'untaxed' benefits.

Component	Tax payable
Tax-free	Nil
Taxable	<ul style="list-style-type: none"><li>• If under preservation age, taxed up to a maximum rate of 22% (including Medicare Levy).</li><li>• At or above preservation age and under 60, the amount up to your low rate cap amount* is nil, and the balance is taxed up to a maximum rate of 17% (including Medicare Levy).</li></ul>

\*The low rate cap amount is indexed to (AWOTE), but will only increase in \$5,000 increments. The low-rate cap is \$210,000 (for the 2019/20 financial year).

Note: If you are accessing your benefit as a lump sum due to a terminal medical condition, your benefit will be tax-free.

## Tax on death

The tax treatment of death benefits depends on who receives your benefit (i.e. your spouse, other dependants or your estate) and the manner of payment.

Generally, if a lump sum is paid to a 'death benefit dependant' beneficiary, the benefit will be tax-free.

A 'death benefit dependant' beneficiary includes:

- your spouse or de facto partner (including a person with whom you are in a registered relationship under prescribed laws);
- your children under 18 years of age;
- any person who was financially dependent on you at the time of death; and
- any person who had an interdependency relationship with you at the time of death.

The definition of 'death benefit dependant' includes couples, and children of couples, in same-sex relationships.

If a death benefit is paid as an income stream to a 'death benefit dependant' beneficiary it may be subject to tax, depending on the components of the income stream and other matters. If you are:

- age 60 or over when you die, then the tax free component is tax-free. The taxable component is taxed as follows: the taxed element of the income stream paid to your beneficiary will be tax-free (regardless of your beneficiary's age) and the untaxed element taxed at marginal rates, subject to a 10% tax offset; or
- under age 60 when you die and your beneficiary is age 60 or older, then the tax free component is tax-free. The taxable component is taxed as follows: the taxed element of the income stream will be tax-free and the untaxed element taxed at marginal rates, subject to a 10% tax offset; or
- under 60 when you die and your beneficiary is under 60, then the tax-free component will be tax-free. The taxable component of the taxed element and the untaxed elements of the taxable component will be taxed at marginal rates and a 15% tax offset will apply to the taxed element only.

Only lump sum benefits can be paid to non-dependants.

A lump sum death benefit paid to a non-dependant will be divided up into two components and taxed as follows:

- Tax-free component – paid tax-free; and
- Taxable component – the taxed element is taxed at a rate not exceeding 17% (including Medicare levy), and the untaxed element at a rate not exceeding 32% (including Medicare levy).

Under BSP's rules, where there is no binding death benefit nomination a lump sum benefit will be paid to your estate.

Where a death benefit is paid to your estate, tax will depend on the extent to which beneficiaries of the estate are death benefit dependants, and the components making up the benefit.

## Tax on disability benefits

If you receive a total & permanent disability payment as a lump sum payment it will be taxed the same as outlined above in the 'Tax on benefits paid to you as a lump sum' section. However, the tax free component will be increased to include the proportion of the benefit that relates to the period from the date you left employment due to disability until the date you reach 65.

## Tax on Income protection benefits

If you receive an income protection benefit payment the amount will be included in your assessable income and will be taxed at your marginal rate.

## Tax on lump sum benefits paid to temporary residents

If you are a temporary resident and you withdraw a lump sum on your permanent departure from Australia, special tax rates apply. Visit [www.ato.gov.au/super](http://www.ato.gov.au/super).

## **Providing your tax file number (TFN)**

The Plan, under the Superannuation Industry (Supervision) Act 1993 is authorised to seek your TFN which will only be used for lawful purposes, such as administering your account and identifying you. These purposes may change in future as a result of legislative change. The TFN may be disclosed to another super provider, when your benefits are being transferred, unless you request in writing that your TFN is not to be disclosed to any other trustee.

It is not an offence to not quote your TFN. However if you do not provide your TFN when you join the Plan, there may be adverse consequences (e.g. higher tax may apply to your concessional contributions, the Plan will be unable to accept member contributions for you, the tax on super benefits may be higher and it may be more difficult to locate any lost super benefits or consolidate your super).

