



SandhurstTrustees

Sandhurst IML Industrial Share Fund

Reference Guide
Dated 30 June 2017

This Reference Guide is issued by Sandhurst Trustees Limited (ABN 16 004 030 737, AFSL No. 237906) ('Sandhurst', 'we', 'us' or 'our'). The information in this document forms part of the Product Disclosure Statement (PDS) for the Sandhurst IML Industrial Share Fund (ARSN 095 143 294, APIR STL0101AU) ('the Fund') dated 30 June 2017. You should read this information together with the PDS before making a decision whether to invest.

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

An investment in the Fund does not represent a deposit with, or a liability of Sandhurst, the Bank or its related entities. Sandhurst is not an authorised deposit-taking institution within the meaning of the Banking Act 1959 (Cth). The Bank does not stand behind or guarantee the performance of Sandhurst or the Fund.

The information in this Reference Guide is of a general nature. The information is not advice or a recommendation to invest in the Fund. This Reference Guide has been prepared without taking into account your individual objectives, financial situation or particular needs. You should assess your own objectives, financial situation and needs before deciding to acquire an interest in the Fund. Before making an investment decision, we recommend that you seek the help of a person or organisation licensed to provide financial advice. 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, or call us to arrange to see a Bendigo financial planner.

Information in this Reference Guide is subject to change from time to time. Where the changes are not materially adverse, Sandhurst will make updated information available on its website at www.sandhursttrustees.com.au.

If you would like to request a copy of this Reference Guide, the PDS and any updated information free of charge, you can contact your licensed financial adviser, Platform operator, phone Sandhurst on 1800 634 969 or visit www.sandhursttrustees.com.au.

Contact details:

Sandhurst Trustees Limited
Funds Administration
Level 5, 120 Harbour Esplanade
Docklands VIC 3008

Phone: 1800 634 969

Monday – Friday 8.30am - 5.00pm (Melbourne time)
Fax: 1800 835 800

Email: managedfunds@sandhursttrustees.com.au

Website: www.sandhursttrustees.com.au

1. Acquisition and disposal of units

The following section provides more detailed information on the acquisition and disposal of units and should be read in conjunction with the PDS.

Initial investments

Sandhurst will not accept any Application Forms, including certified Know Your Customer requirements, via facsimile or email, for the initial investment into the Fund. Refer to the Application Form for more information, located at www.sandhursttrustees.com.au/forms.

Investment instructions

If you have an existing investment in the Fund and wish to advise Sandhurst of additional applications, withdrawal requests, or notify us of a change in details, you can contact us by using one of the following methods:

Mail: Funds Administration
GPO Box 4314
Melbourne VIC 3001

Email: managedfunds@sandhursttrustees.com.au

Facsimile: 1800 835 800

You can request to change certain details including your telephone number, facsimile number or email by telephone on 1800 634 969. In the event that we are unable to properly confirm your identity over the telephone, we may at our sole discretion, require that you put your request in writing.

Electronic instructions

Whether or not your application or instruction (instruction) is properly authorised will be determined by us (in our discretion) depending on the nature of the instructions you are giving and the method (for example, there may be different requirements depending on whether you are using email, facsimile, or an online form). If we are not satisfied that you have appropriately authorised the instruction, we may require you to send us a signed hard copy request and/or relevant identification. Sandhurst will not compensate you for any loss relating to electronic instructions (including instances of fraud or incorrectly completed instructions) unless required by law.

Contributions using BPAY®

Please be aware that even though your BPAY payment may immediately leave your bank account, the funds may take some time to be transferred to Sandhurst from your financial institution. Provided your BPAY request is made before your financial institution's cut-off time (usually 5:00pm Melbourne time), Sandhurst will typically receive your funds the following business day (usually before 12 noon Melbourne time). Where Sandhurst receives your funds before 12 noon Melbourne time on a business day, the application will be processed using the Fund's application price calculated as at the close of business on that day. Otherwise, the following business day's application price will be used.

In certain circumstances, Sandhurst reserves the right to refuse an additional investment or accept only part of an additional investment (for example, if the Fund is closed to additional investments) or change processing times.

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Regular savings plan

Our regular savings plan option allows you to build your investment steadily by acquiring additional units over a time frame that suits you. You can start with an initial investment of \$50,000 and add regular monthly payments of \$50 or more. To set up a regular savings plan you can complete this election on your Application Form, or alternatively, you can establish a regular savings plan at any time by completing the Investment Contribution Form located at www.sandhursttrustees.com.au/forms.

Amounts will usually be debited from your nominated account on the 15th day of each month (or the next business day). You can stop or vary your contribution amount or change your nominated account details by completing the Investment Contribution Form located at www.sandhursttrustees.com.au/forms. Please note that new applications or change requests must be received at least 14 days prior to the deduction date. Each regular investment will be made on the terms of the most up-to-date PDS. If your financial institution is unable to pay the agreed amount, they may charge you a failed transaction fee.

Transfers

You may dispose of units by transferring units in a Fund to another person, if that person is an existing investor in the Fund or completes an Application Form to become an investor in the Fund. However, we may, at our sole discretion, refuse to register a transfer of units. To discuss what is required for a transfer, please contact us on 1800 634 969.

Transfer requests received and accepted before 12 noon Melbourne time on a business day will be processed at the close of business on that day. Otherwise the transfer will be processed at the close of business on the following business day.

Transferring units may give rise to tax consequences and it is recommended that you check the tax implications with your accountant or financial adviser before making a decision.

Impact of income distributions on unit prices

Where you buy units in a Fund before a distribution date, the application price will include income accumulated in the Fund since the last income distribution was made. This income will subsequently be distributed and will form part of your taxable income. Following a distribution, a Fund's unit price will drop to reflect the distribution that has been paid.

Use of standard forms

Standard forms are used for all transactions including applications, withdrawals and transfers. These forms can be downloaded from www.sandhursttrustees.com.au/forms.

2. Fees and costs

The following section provides more detailed information about fees and costs and should be read in conjunction with the PDS for the Fund.

This document shows fees and other costs that you may be charged. These fees and costs may be deducted from your money, from the returns on your investment or from the assets of the managed investment scheme as a whole.

Taxes are set out in Section 3 of this document.

You should read all the information about fees and costs because it is important to understand their impact on your investment.

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

Sandhurst IML Industrial Share Fund		
Type of fee or cost	Amount	How and when paid
Fees when your money moves in or out of the managed investment product^{1,2}		
<i>Establishment fee</i> The fee to open your investment	Nil	Not Applicable
<i>Contribution fee</i> The fee on each amount contributed to your investment	Nil	Not Applicable
<i>Withdrawal fee</i> The fee on each amount you take out of your investment	Nil	Not Applicable
<i>Exit fee</i> The fee to close your investment	Nil	Not Applicable
Management costs*		
<i>The fees and costs for managing your investment²</i>	0.95% p.a. of the net asset value of the Fund consisting of: <ul style="list-style-type: none"> • 0.94% p.a.³ management fee; plus • 0.01% p.a.⁴ expense recoveries 	The management costs (including the management fee) are paid from the assets of the Fund and are reflected in the unit price of the Fund. The management fee is calculated on the Fund's net asset value, accrued daily, and paid quarterly in arrears to Sandhurst following the end of the March, June, September and December quarters. The expense recoveries are paid from the Fund's assets as they are incurred.
Service fees^{1, 5}		
<i>Switching fee</i> The fee for changing investment options	Nil	Not Applicable

* The amount of this fee can be negotiated. (See "Differential fee arrangements" under the heading "Additional explanation of fees and costs" in the PDS.)

1. Transaction costs may apply in the form of a buy/sell spread. (See "Transactional and operational costs" under the heading "Additional explanation of fees and costs" in the PDS.)

2. These fees do not include amounts payable to an adviser. (See "Advice fee" under the heading "Additional explanation of fees and costs" in the PDS.)

3. This amount includes 'indirect costs' (see "Management costs" under the heading "Additional explanation of fees and costs" in the PDS). "Indirect costs" exclude transactional and operational costs (see "Transactional and operational costs" under the heading "Additional explanation of fees and costs" for more information).

4. Expense recoveries are disclosed based on actual expense recoveries for the past financial year (see "Management costs" under the heading "Additional explanation of fees and costs" in the PDS).

5. Additional fees may apply. A service fee may be payable if you agree with your adviser to pay an Advice Fee. (See "Advice fee" under the heading "Additional explanation of fees and costs").

Additional explanation of fees and costs

Maximum fees and waiver

Under the Fund's Constitution, Sandhurst is permitted to charge and retain for its own benefit the following maximum fees (plus GST if applicable):

- **Establishment fee or contribution fee**
Up to 5% of application money.
- **Management fee**
Up to 5% p.a. of the gross asset value of the Fund.
- **Withdrawal fee**
Up to 5% of the aggregate withdrawal price of units withdrawn.
- **Investment switching fee**
Up to 5% of the aggregate redemption price for the units withdrawn.
- **Performance fee**
A performance fee of up to 25% of the net realised and unrealised appreciation in the net asset value of the Fund.

Sandhurst does not currently charge an establishment fee, contribution fee, withdrawal fee, or performance fee, and does not currently intend to introduce such fees.

The Fund's Constitution also gives us the right to accept lower fees than we are entitled to receive under the Constitution, to defer payment or to waive our entitlement to such fees. The buy/sell spread can change at any time in accordance with the Fund's constitution and without prior notice to you.

Advice fee

The advice fee is payable to your adviser and not to Sandhurst. You will not be charged this fee if you have not invested via a financial adviser. In relation to an upfront fee, you can nominate any dollar amount to be deducted from your initial investment for advice sought about your investment.

You can authorise us to pay an optional advice fee to your financial adviser on your behalf from your investments in the Fund as an upfront fee or an ongoing fee as detailed in the PDS. Any advice fee you authorise us to pay is additional and separate to the fees we charge you in respect of your investment in the Fund. You may agree with your adviser to pay an optional advice fee direct from your investment and can direct us to pay this fee by completing the relevant section of the Application Form (www.sandhursttrustees.com.au/forms). This can take the form of an upfront and/or ongoing fee:

- **Upfront fee:** being a fixed dollar amount deducted from your initial investments before they are invested and paid by Sandhurst to your adviser at the end of the month in which you made your initial investment. This payment does not form part of your contribution to the Fund;
- **Ongoing fee:** being a fixed dollar amount paid to your adviser via redemption of interests from your investment on a monthly basis. Buy/sell spreads apply.

The agreed amount will be deducted from your application monies at the time of application and/or your account on an ongoing basis and paid to your adviser.

Sandhurst will continue to deduct the advice fee and forward payments to your adviser unless we are notified by you or your adviser in writing to cancel this fee. The fee you agree with your adviser is inclusive of GST.

The default value of the advice fee for each investor is nil. Each time you and your adviser agree to a fee you need to notify us in writing by completing the relevant section of the Application Form or the Advice Fee Form.

Sandhurst is not liable to refund investor authorised advice fees. If the relevant section of the Application Form or the Advice Fee Form has been incorrectly or fraudulently completed or completed in error, you will need to contact your adviser directly to arrange a refund from your adviser.

Sandhurst does not pay commissions to financial advisers for procuring investments in the Fund.

Taxes

Unless otherwise stated, all fees quoted in the PDS are quoted inclusive of stamp duty and GST less any applicable reduced input tax credits. Please see section 3 of this document and section 7 of the PDS "How managed investment schemes are taxed".

Platform Investors – additional Platform fees

For investors accessing the Fund through a Platform, additional fees and costs may apply. These fees and costs are stated in the offer document provided to you by your Platform operator.

Platform fees

Some wrap Platforms, master trusts or other investment administration services charge Platform fees for having the Fund included on their investment menus. Sandhurst may pay amounts from the management fees we receive to Platforms which make the Fund available on their investment menus. Platform fees will not be paid to the extent that they are prohibited by law.

As these amounts are paid by Sandhurst out of its own resources, they are not an additional cost to investors.

Alternative remuneration

Subject to the law, Sandhurst may provide remuneration to financial advisers and Platform providers indirectly by paying them additional amounts and/or non-monetary benefits. If these amounts or benefits are provided, they are payable out of the fees and costs we receive and are not an additional cost to you.

3. How managed investment schemes are taxed

The following section provides more detailed information about taxation matters relating to the Fund and taxation matters relating to registered managed investment schemes and should be read in conjunction with the PDS for the Fund.

It is intended that no income tax will be payable by the Fund as it will distribute all its income to investors annually.

The income will retain its character as it passes to investors and as a result, you might receive distributions of interest, dividends (which may include franking credits), capital gains, foreign income and other amounts. Tax components will be allocated on a fair and reasonable basis. You may be able to use any franking credits and foreign tax credits to offset some or all of your Australian tax liability.

Tax on your distributions

Australian resident investors will be generally subject to tax on their share of the taxable income of the Fund including amounts reinvested. In 2010 the Federal Government introduced a 'capital election' for eligible managed investment trusts and the election is made on a fund by fund basis.

Tax statements

The way in which investors are taxed will depend on the character of the distributions they receive. We will send you an annual tax statement indicating the components of your distribution, usually within 30 days after the end of each financial year, to assist you in completing your tax return.

Goods and Services Tax (GST)

Fees and costs in respect of acquisitions by the Fund will often be subject to GST. The Fund may not be entitled to claim an input tax credit for the full amount of that GST, however, it may be entitled to reduced input tax credits on any GST paid. The GST included in expenses that cannot be claimed as an input tax credit will be a net cost and can be recouped from the Fund. If the GST rate increases, the Fund's Constitution allows Sandhurst to recoup the extra amount from the Fund.

Capital gains tax when you withdraw from the Fund

Australian residents who invest in the Fund are generally subject to capital gains tax on gains when they deal with their units, including where an investor redeems units, and withdraws money from the Fund. Where the investor is regarded as a trader, short-term investor or institutional investor, such profits may be regarded as ordinary income.

You will have a capital gain if the capital proceeds exceed the cost base of your units in the Fund, or a capital loss if the reduced cost base of your units exceeds the capital proceeds.

If you have a capital gain and you are an individual, trustee or complying superannuation fund and you have held your interest in the Fund for at least 12 months on capital account, you should be entitled to apply the applicable capital gains tax discount.

Quotation of Tax File Number (TFN) or Australian Business Number (ABN)

It is not compulsory for you to quote your TFN or ABN. If you do not quote your TFN or ABN, or claim an exemption, we may be required to withhold tax from distributions at the highest marginal tax rate plus applicable levies.

By quoting your TFN or ABN you authorise us to apply it to your investment and disclose it to the Australian Taxation Office. Collection of TFN or ABN information is authorised, and its use and disclosure is strictly regulated, by the tax laws and under privacy legislation.

Foreign taxes and foreign tax compliance

Australian and foreign taxes may be imposed where the Fund's investments or dealings have some connection with a foreign jurisdiction. Foreign laws are varied and can apply in uncertain ways. If the Fund suffers any amount of Australian or foreign tax, or is required to withhold any amount in respect of Australian or foreign tax, neither Sandhurst nor the Fund will be required to compensate investors for any such tax, and the effects of these amounts will be reflected in the returns of the Fund.

In addition, there are certain consequences that may occur if an investor is, or becomes a foreign entity, a foreign citizen, resides in a foreign country or has some connection with a foreign country. These consequences may apply pursuant to certain global reporting requirements, such as the Foreign Account Tax Compliance Act (FATCA) in the US. The Fund is required to comply with these requirements. Accordingly, Sandhurst may request that you provide certain information about yourself in order for Sandhurst to comply with these obligations.

Pension and benefits

Investments in the Fund may affect social security entitlements. You should, therefore, seek professional advice or consult Centrelink to determine the effect of income received in respect of an investment in the Fund on any social security entitlement.

Taxation reform

The Government has passed new income tax legislation that implements an Attribution Managed Investment Trust (AMIT) tax regime for eligible Managed Investment Trusts (MIT). The legislation applies for tax years commencing 1 July 2016 where the MIT makes an appropriate election.

4. Other information

We are committed to ensuring your privacy is protected and understand your concerns regarding the confidentiality and security of personal information you provide to us. Our privacy policy and details of how we handle your personal information is available by contacting us on 1800 634 969. The privacy policy can also be obtained by visiting www.sandhursttrustees.com.au

