

## Product Disclosure Statement and Reference Guide updates

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

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

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

16 May 2018

### Fees and costs update

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

The purpose of the review is to update fees and costs contained in the PDS and Reference Guide to reflect costs in relation to the financial year ended 30 June 2017 (instead of the financial year ended 30 June 2016). The review has considered any difference in fees and costs between the financial years ending 30 June 2016 and 30 June 2017 respectively and any information Sandhurst has received since 30 June 2017 to the date of this PDS update. Whilst no product fee changes were made by Sandhurst, there were changes in the cost incurred by Sandhurst in managing the Fund's assets. Changes in the Management costs and in Transactional and operational costs were identified.

The change in the Management costs were solely attributed to performance-related fees being charged by the underlying investment managers as a result of outperformance. The change in Transactional and operational costs are generally expected to vary from year to year, however the change between the 2016 and 2017 financial years was largely attributed to revised regulatory guidance on how these costs should be determined.

**As a result, the PDS is updated as follows:**

#### Page 6:

- The Fees and costs table is updated by deleting and replacing the last row with:

The fees and costs for managing your investment <sup>2</sup>	Estimated to be 1.550%p.a. <sup>3</sup> on the net asset value of the Fund.
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- Under the 'Management costs' section, the third paragraph is deleted and replaced with the following:

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

#### Page 7:

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

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

Total estimated transactional and operational costs	Minus investor buy/sell spread recovery	Equals estimated net transactional and operational costs
0.283%p.a.	0.032%p.a.	0.251%p.a.

## Product Disclosure Statement and Reference Guide updates

### Page 7 continued:

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

<b>PLUS</b> Management Costs	1.550%p.a.	<b>And</b> , for every \$50,000 you have in the Sandhurst Conservative Fund, you will be charged \$775 each year.
<b>EQUALS</b> Cost of Sandhurst Conservative Fund		If you had an investment of \$50,000 at the beginning of the year and you put in an additional \$5,000 during that year, you would be charged fees of:  <b>\$775*</b>

- Footnote 1 is deleted.

### The Reference Guide is updated as follows:

#### Page 4:

- The 'Management costs' section in the Fees and costs table is updated by deleting and replacing the ninth row with:

The fees and costs for managing your investment <sup>2</sup>	<ul style="list-style-type: none"> <li>Sandhurst Conservative Fund: 1.550% p.a.<sup>3</sup></li> <li>Sandhurst Balanced Fund: 1.550% p.a.<sup>3</sup></li> <li>Sandhurst Growth Fund: 1.560% p.a.<sup>3</sup></li> </ul>	<p>The management costs (including the management fee) are paid from the assets of the relevant Fund and are reflected in the unit price of the Fund.</p> <p>The management costs are 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.</p>
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#### Page 5:

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

#### Performance-related fees

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

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

	Management costs (excluding estimated performance related fees)	Performance-related fees (estimated for 12-month period to 30 June 2017)	Total estimated management costs (including estimated performance-related fees)
Sandhurst Conservative Fund	1.500%	0.050%	1.550%
Sandhurst Balanced Fund	1.500%	0.050%	1.550%
Sandhurst Growth Fund	1.500%	0.060%	1.560%

16 June 2017

### Switching between managed funds

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

As a result of this improvement, the Product Disclosure Statement (PDSs) dated 30 January 2017 for the Sandhurst Conservative Fund, Sandhurst Balanced Fund and Sandhurst Growth Fund are amended as follows:

**Page 3**, 'Switching and transfers' section, first sentence is replaced with the following sentence:

You may switch from the Fund to other funds operated by Sandhurst and which are listed on the Switch Form (available from our website at [www.sandhursttrustees.com.au/forms](http://www.sandhursttrustees.com.au/forms)).

This update should be read in conjunction with the current PDSs and Reference Guide which can be found [here](#).