Sandhurst Trustees

Bendigo SmartOptions Pension®

Supplementary Product Disclosure Statement

This document is a Supplementary Product Disclosure Statement dated 1 July 2017 and must be read together with the Bendigo SmartOptions Pension Product Disclosure Statement dated 21 November 2016.

The trustee and issuer of the Bendigo SmartOptions Pension is Sandhurst Trustees Limited, ABN 16 004 030 737 AFSL 237906, a subsidiary of Bendigo and Adelaide Bank Limited, ABN 11 068 049 178 AFSL 237879.

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About this Supplementary Product Disclosure Statement

This Supplementary Product Disclosure Statement ('SPDS') is issued by Sandhurst Trustees Limited (ABN 16 004 030 737, AFSL No. 237906) ('Sandhurst', 'we', 'us' or 'our'), the trustee and issuer of interests in the Bendigo SmartOptions Pension ('Pension') (USI STL0050AU). The Pension is a part of The Bendigo Superannuation Plan ABN 57 526 653 420 (the Plan).

This SPDS updates information contained in the Bendigo SmartOptions Pension Product Disclosure Statement dated 21 November 2016 ('PDS') and must be read together with the PDS and any updates to the PDS available on our website at www.sandhursttrustees.com.au/PDS/SmartOptions from time to time.

The information given in this SPDS is of a general nature and has been prepared without taking into account your individual objectives, financial situation or particular investment needs. Before making an investment decision, it is important that you consider these things. To help you make an informed decision, you should consider obtaining professional advice from a licensed financial adviser.

Changes to the PDS

Page 3

- The first paragraph in the section 'How the Pension works' is deleted.

- The second paragraph in the section 'How the Pension works' is deleted and replaced with the following:

  There are some key differences between a Standard Pension and a TTR Pension. A TTR Pension has certain restrictions on when you can make lump sum withdrawals while you are still working. There is a maximum amount of income that can be taken each year and the earnings on assets that support a TTR pension are subject to tax.

  For TTR Pensions when you turn 65 we will automatically convert your TTR Pension to a Standard Pension meaning investment earnings will once again be tax exempt. Additionally where you meet a condition of release, with a nil cashing restriction, particularly retirement, a terminal medical condition or permanent incapacity we will convert your TTR Pension to a Standard Pension upon receipt of the appropriate documentation. Please contact us for further information.

  Please note that if your TTR pension is converted to a Standard Pension it will be subject to assessment against the transfer balance cap (please refer to the section 'Your transfer balance cap' for further information).

Page 4

- The fourth paragraph, in the shaded box, is deleted and replaced with the following:

> If you want to commence a pension using other types of contributions (for example if you want to make tax deductible personal contributions), you will need to make this contribution to a personal super account (such as an account in Bendigo SmartOptions Super), accompanied by the Australian Taxation Office (ATO) approved Notice of intent to claim or vary a deduction for personal super contributions form. Once this has been processed, you can then transfer your benefits to start the Pension by completing the Bendigo SmartOptions Pension Application Form and the Request to Transfer Form available on our website.

- The fifth paragraph is deleted and replaced with the following:

  For members making a one-off personal super contribution (or whose spouse makes a contribution for them) that is not tax deductible, the contribution is subject to a non-concessional contribution limit. To determine if you are able to make a non-concessional contribution in a financial year you need to determine your total super balance as at 30 June of the previous financial year. Your total super balance is made up of the balance of all your super and retirement phase pension accounts and rollover amounts not yet included in those amounts less any structured settlement contributions.

  If your total super balance is equal to or greater than $1.6 million* as at 30 June of the previous financial year your non-concessional contributions cap will be **nil** meaning you will not be able to commence a pension this way.

  If your total super balance is less than $1.6 million* as at 30 June of the previous financial year your non-concessional contributions cap will be $100,000*. For members who are under 65 years of age at any time in a financial year you may be able to increase this amount to $300,000* by bringing forward future years non-concessional contributions caps. You can only do this if you have not triggered the bring forward rule already and subject to meeting the below criteria. If your total super balance is less than $1.4 million* the maximum amount you can make as a 'one off' non-concessional contribution is $300,000* using the current year's cap and by bringing forward the next two financial years' non-concessional caps (i.e. $100,000 x 3).

  If your total super balance is greater than $1.4 million* but less than $1.5 million* the maximum amount you can make as a 'one off' non-concessional contribution is $200,000* using the current year's cap and by bringing forward the next financial years' non-concessional caps (i.e. $100,000 x 2).

  Each of these is based on no other non-concessional contributions being made for you in the relevant financial years. Please contact us for further information.

  There is a limit to how much of your super you can transfer from your super accounts to the retirement phase known as a transfer balance cap. Please see the 'Your transfer balance cap' section for more information.

  These limits are imposed by the Federal Government and may change in the future.

- The footnote in the left hand column is deleted and replaced with the following:

  * This is the threshold for the 2017-2018 financial year.

Page 5

- The following is added after the sentence that appears under the heading 'Maximum investment amount':

  The limit you can transfer into the tax free pension phase of super is $1.6 million for the 2017-2018 financial year. Please refer to the following section, 'Your transfer balance cap' for further information.

- The following is added after the section after the 'Maximum investment amount':

  ### Your transfer balance cap

  The transfer balance cap is the total amount you can transfer into the tax free pension phase of super. In the Pension the transfer balance cap applies to Standard Pensions. The transfer balance cap does not include TTR pensions.

  For the 2017-2018 financial year the general transfer balance cap is $1.6 million, subject to indexation. You will have your own transfer balance cap which will be the general transfer balance cap applicable in the financial year that you first start a super pension in the tax-free pension phase. Your transfer balance cap may be subject to indexation based on any unused portion of your transfer balance cap.

  The transfer balance cap includes the value of all of your super pensions as at 30 June 2017 if any (other than TTR pensions) plus the commencement value of any new super pensions you start from 1 July 2017 that are in the tax-free pension phase (e.g. pensions that are not TTR pensions). Your cap applies to all of your super pensions in the tax-free pension phase. If you have pensions in a number of different super funds, all of those amounts are added together. The value of the pensions that are applied to your transfer balance cap are recorded in a transfer balance account which is kept by the ATO. Further investment growth on the pension accounts will not be added to the transfer balance account. Also, pension payments or investment losses will not decrease your transfer balance account. However, commutations of a superpension in the tax-free pension phase will reduce your transfer balance account.

  Your transfer balance account must not exceed your transfer balance cap.

  If you exceed your transfer balance cap you will be required to transfer or withdraw any excess (including any notional earnings on the excess) either back to a personal super account or withdraw it as a lump sum. This also applies to death benefit pensions and reversionary pensions.

  You can elect to voluntarily remove the excess (including any notional earnings) or the ATO will issue a determination and direct you to do so. If you do not take appropriate action, the ATO will issue a commutation authority and direct us to commute your pension and release the relevant amount from the pension.

  If you exceed your transfer balance cap you will be liable to pay excess transfer balance tax on notional earnings from the excess amount. Please refer to the 'Taxation' section for further information on the tax penalties of exceeding the transfer balance cap.

Page 7

- After the second paragraph in the left hand column the following is added:

  It should be noted that a reversionary pension will count towards your nominated reversionary beneficiary's transfer balance cap. However, it will not be counted as a credit against their cap until 12 months after your death to allow your beneficiary to make adjustments to their affairs to ensure they do not exceed their transfer balance cap. The amount that will be counted towards their cap will be the entire benefit at the time of your death.

Page 17

- Immediately under the heading 'Taxation' insert the following:

  Any available tax deductions will be passed onto your pension account.

Page 18

- The third paragraph in the left hand column starting with 'Please note…' is deleted.

- The sentence under the heading 'Tax of investment earnings' is deleted and replaced with the following:

  The investment earnings in a Standard Pension account are not taxed.
  The investment earnings in a TTR Pension 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.

- The last sentence in the footnote immediately above the heading 'Tax of death benefits' is deleted and replaced with:

  The current low rate cap is $200,000.

Page 19

- The second paragraph is deleted
- The heading 'Paid as a reversionary pension' and the first paragraph (including the four bullet points) are deleted and replaced with the following:

  Paid as a pension
  If a death benefit is payable as a pension, including as a reversionary pension to an eligible pension beneficiary and:

  - you are aged 60 or over when you die, then the income stream paid to the beneficiary will be tax free (regardless of the age of the beneficiary);
    or
  - you are under 60 when you die and:
    - the beneficiary is 60 or older, then the income stream will be tax free
    - the beneficiary is less than age 60, then the tax-free component is tax free , and the taxable component must be included in their tax return and will be taxed at their marginal tax rate. A 15% tax offset will apply to this taxable portion of the payment.

- The following is added prior to the section 'Surcharge on previous contributions':

  Excess transfer balance tax

  If you exceed your transfer balance cap you will be liable to pay excess transfer balance tax on earnings from the excess amount for the period you exceeded the cap. The rate of the excess transfer balance tax is 15% for the first time you exceed the cap and then 30% for second and subsequent breaches. The tax is applied to a notional earning rate on the excess amount rather than the actual earnings.

- The section "Temporary budget repair levy" is deleted.

Bendigo SmartStart Pension PDS (07/17)

Proudly part of Bendigo and Adelaide Bank

Bendigo SmartOptions Pension®

Product Disclosure Statement

Dated 21 November 2016

The trustee and issuer is Sandhurst Trustees Limited,
ABN 16 004 030 737 AFSL 237906, a subsidiary of Bendigo and Adelaide Bank Limited,
ABN 11 068 049 178 AFSL 237879.

Bendigo SmartOptions Pension

This Product Disclosure Statement ('Statement' or 'PDS') is issued by Sandhurst Trustees Limited (ABN 16 004 030 737, AFSL No. 237906) ('Sandhurst', 'we', 'us', or 'our'), the trustee and issuer of interests in Bendigo SmartOptions Pension ('the Pension') that is part of the Bendigo Superannuation Plan (ABN 57 526 653 420) (the Plan).

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 Pension. We may also enter into financial or other transactions with related bodies corporate in relation to the assets of the Pension. 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.

Important information

This PDS contains important information relating to the Pension and will help you decide whether this product will meet your needs.

It should be read in conjunction with the 'Bendigo SmartOptions Investment Guide' ('Investment Guide') which forms part of this PDS.

The information in the PDS is of a general nature. The information is not advice or a recommendation to invest in the Pension. This PDS 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 Pension. Before making an investment decision, we recommend that you obtain financial advice tailored to your personal circumstances from a licensed financial adviser. The Australian Securities and Investment Commission (ASIC) can help you check if your adviser is licensed. You can contact ASIC on 1300 300 630 or via the website www.asic.gov.au, or call us on 1800 033 426 to arrange to see a Bendigo financial planner.

Sandhurst, the Bank and its related entities do not guarantee the repayment of capital invested, the payment of income or the Pension's investment performance. An investment in the Pension 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. Sandhurst is not an authorised deposit-taking institution within the meaning of the *Banking Act* 1959.

The Bank has given and has not, before the date of the PDS, withdrawn its written consent to be named in the PDS and to the statements in this PDS concerning its role and activities, in each case in the form and context in which it is included or named.

Accessing up-to-date information

Information in this PDS 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 PDS (including the Investment Guide) and/or the updated PDS information free of charge by contacting our Client Services Team on 1800 033 426.

Contact details

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Our website: www.sandhursttrustees.com.au/super

Other information

The offer to invest in the Pension is available to persons receiving a copy (electronic or otherwise) of the most up-to-date PDS for the Pension 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 this PDS are in Australian currency.

Contents

About the Pension

Bendigo SmartOptions Pension (USI STL0003AU) is part of the Bendigo Superannuation Plan (ABN 57 526 653 420) which was established by a trust deed dated 3 June 1988 (as amended from time to time). Sandhurst is the trustee of the Bendigo Superannuation Plan and the issuer of this product.

Established in 1888, Sandhurst is a highly experienced provider of financial services aiming to create, enhance and protect wealth. Sandhurst offers a range of products and services including investment and funds management, superannuation (super), pensions, access to funeral bonds, the management of estates and trusts, and the provision of corporate trustee and custodial services.

The Bendigo SmartOptions Pension is an account-based pension which aims to provide an easy-to-use solution to help you in your retirement or as you transition to retirement.

An account-based pension is a flexible and tax-effective means of converting a lump sum retirement benefit into a regular income stream that you receive in your retirement or when you reach Preservation Age (to find out more about your Preservation Age and when you can access your money in a pension refer to the 'How the Pension works' section).

Members of the Pension, can start one of two types of pensions:

- **A Standard Pension**

  This enables individuals who have permanently retired and have reached their Preservation Age to convert their super savings into a tax-effective income stream.

- **A Transition to Retirement Pension (TTR Pension)**

  If you have reached your Preservation Age, but are still working, you can still use your super to commence a tax-effective income stream. You can do this in combination with reducing your hours of work to slowly ease into retirement. Or it can be used to boost your income while you are still contributing to super from your salary.

Unless specified, references to 'Pension/s' in this PDS refers to both the Standard and TTR Pensions.

The Pension offers a range of investment options including over 50 managed funds (including annuity funds), your Cash Account, a cash product, term deposits and S&P/ASX 200 listed securities. For details of the types and the key features of the available investment options in the Pension and information on how we invest your money please refer to the Investment Guide, located at www.sandhursttrustees.com.au/PDS/SmartOptions.

You can also access your pension account online so that you can keep up to date on how your pension is going.

You can also access additional information on both Sandhurst and its products on our website, at www.sandhursttrustees.com.au/super, including product dashboards for the Pension's investment options (when made available), director details, executive remuneration disclosure and other governance documents.

How the Pension works

Please note that a number of proposed super reforms were announced in the May 2016 Federal Budget and subsequently. These proposed changes include (but are not limited to) a reduction in concessional and non-concessional contribution caps, changes to the taxation (tax) treatment of assets funding transition to retirement pensions and a cap on the amount of super that can be transferred into a retirement phase account such as a superannuation pension. We note that the proposed changes are not yet law. We recommend that you seek advice in relation to whether or how the proposed reforms may affect you.

The benefits and features are generally the same for both a Standard Pension and TTR Pension. However, a TTR Pension has certain restrictions on when you can make lump sum withdrawals while you are still working and there is a maximum amount of income that can be taken each year.

Eligibility to invest

Standard Pension

In order to commence a Standard Pension you must satisfy one of the following conditions:

- permanently retire from the workforce and have reached your Preservation Age (this depends on your date of birth, as shown in the table below);
- reach age 65;
- leave or change your job after age 60; or
- suffer permanent incapacity.

TTR Pension

You can commence a TTR Pension if you have reached your Preservation Age but are still working.

Preservation Age

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

Setting up your Pension

How to open an account

To open a Pension account complete the Application Form contained in the Bendigo SmartOptions Pension Application Booklet ('Application Booklet') available on our website. The Application Booklet also contains an Investment Instruction Form, a Binding Death Benefit Nomination Form and a Request to Transfer Form. Please send the completed forms to us in accordance with the forms' instructions.

You can start your Pension by:

- rolling over funds from another super fund;
- using some or all of your balance in your Bendigo SmartOptions Super or Bendigo SmartStart Super account;
- making a one off personal contribution (that is not tax deductible); or
- a combination of the above.

If you wish to commence a pension by rolling over funds from another super fund, you will need to complete a Request to Transfer Form. A copy of the Request to Transfer Form is also available from our website.

If you want to commence a pension using other types of contributions (for example if you are self-employed and want to make tax deductible personal contributions), you will need to make this contribution to an accumulation super account (such as an account in Bendigo SmartOptions Super), accompanied by the Australian Taxation Office (ATO) approved *Notice of intent to claim or vary a deduction for personal super contributions form*. Once this has been processed, you can then transfer your benefits to start the Pension by completing the Bendigo SmartOptions Pension Application Form and the Request to Transfer Form available on our website.

For members who are under 65 making personal or spouse contributions that are not tax deductible, there is currently a maximum of $540,000* that you can make as a 'one off' contribution using the current year's cap and by bringing forward the next two financial years' non-concessional caps (i.e. $180,000 x 3). However, you cannot use the bring forward rule if you have triggered it at any time in the last two financial years. For those members 65 and over, the maximum amount is $180,000*. Each of these limits is based on no other non-concessional contributions being made for you in the relevant financial years. These limits are imposed by the Federal Government and may change in the future. Please refer to the 'Taxation' section for further information on proposed changes.

* This is the threshold for the 2016-2017 financial year.

If you have money in more than one super or pension account, you can consolidate your accounts in the Pension before commencing your pension payments. No additional contributions can be made once your pension has been established. If you intend to make additional contributions, you would have to set up a separate pension, or commute your existing pension (if eligible) and consolidate your funds before commencing a new pension.

Identification

You will be required to provide appropriate documentation with your Application Form to enable us to identify you. The following lists the acceptable documents that you can provide for this purpose.

Either

One of the following documents only:

- Driver's licence issued under State or Territory law; or
- Passport

Or

One of the following documents		One of the following documents
• Birth certificate or birth extract;	**AND**	• Letter from Centrelink regarding a Government assistance payment: or
• Citizenship certificate issued by the Commonwealth; or		• Notice issued by Commonwealth, State or local council within the past twelve months that contains your name and residential address. For example : – Tax Office Notice of Assessment – Rates notice from local council.
• Pension card issued by Centrelink that entitles the person to financial benefits.		

Certification of personal documents

All copied pages of ORIGINAL proof of identification documents (including any linking documents) need to be certified as true copies by any individual approved to do so (see below).

The person who is authorised to certify documents must:

- sight the original and the copy and make sure both documents are identical; and
- make sure all pages have been certified as true copies by writing or stamping 'certified true copy' followed by their signature, printed name, qualification (e.g. Justice of the Peace, Australia Post employee, etc) and date.

The following people can certify copies of the originals as true and correct copies:

- Chiropractor
- Dentist
- Legal practitioner
- Medical practitioner
- Nurse
- Optometrist
- Patent attorney
- Pharmacist
- Physiotherapist
- Psychologist
- Trade marks attorney
- Veterinary surgeon

There are a number of other persons who can also certify copies of originals. Please refer to the document 'People Authorised to Certify Copies of Original Documents' on our website for a full list.

Insurance

There is no insurance offered with the Pension. You should consider the impact that rolling over funds in order to commence the Pension will have on your current insurance arrangements within super.

Minimum investment amount

The minimum investment amount for commencement of your Pension account is $30,000. Sandhurst reserves the right to increase or decrease this amount in the future.

Maximum investment amount

There is no maximum investment amount.

Appointment of representative (financial adviser authority)

If you are investing through a financial adviser, then your financial adviser and their staff (your financial adviser) are automatically authorised 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.

For example, your financial adviser may submit switching or portfolio reweight instructions and/or establish or change your Standing Instructions. Your financial adviser may also apply for Family Fee Aggregation (refer to the 'Fees and other costs' section in this PDS for more information) on your behalf using Bendigo SmartOptions Online.

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.

There are also other instructions which we will not accept from your financial adviser. Refer to '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.

Your pension payments

You can choose to receive your pension payments:

- monthly;
- quarterly;
- half-yearly; or
- annually.

Just tick the appropriate box on the Application Form. You can vary your pension payments by completing a Change of Details Form available from our website.

How long will your pension last

How long your pension will last depends on a number of factors, including:

- the amount of your initial investment;
- the returns you earn in your chosen investment option/s;
- the pension payment amounts and payment frequency; and
- whether you make any lump sum withdrawals (if you are eligible to do so).

Pension payments will continue until your account balance is nil.

It is possible that your pension may not provide you with an adequate income for the rest of your life. This risk is commonly called 'longevity risk'. We recommend you seek professional advice about this.

Pension payments you can receive each year

You must take a minimum pension payment from your account each year. As at the date of this PDS the minimum payment is calculated as a percentage of your account balance based on your age, as follows:

Age at 1 July each year	Minimum annual payment (as % of account balance)
Under 65	4
65 - 74	5
75 - 79	6
80 - 84	7
85 - 89	9
90 - 94	11
95 or over	14

Above amounts maybe subject to change from time to time.

The annual amount of your pension payments are re-calculated each 1 July based on the 30 June closing balance of your account. You can elect to have your pension payments adjusted by the Consumer Price Index (CPI) or by a certain percentage. If you commence your Pension after 1 July, your minimum income limit will be calculated on a pro-rata basis for the first year. If the commencement date of your Pension is on or after 1 June in a financial year, no payment is required to be made for that financial year.

For a Standard Pension there is no maximum amount of income that you can take each year. The maximum amount that you can draw each year from a TTR Pension is 10% of the account balance. We recommend that you seek advice when working out how much income you will need each year, to make sure you can maintain the income from your pension over your retirement years.

You have the ability to adjust your pension payment amount and frequency at any time, subject to meeting the applicable minimum and maximum limits (described previously). If you would like to change the amount or frequency, you can advise us using a Change of Details Form available from our website.

When can you withdraw or commute lump sums from your pension?

Standard Pension

For a Standard Pension, full or partial lump sum withdrawals (known as commutations) can be made at any time.

The minimum withdrawal amount is $1,000. If a withdrawal would leave your account balance below $1,000, you must withdraw the total account balance.

TTR Pension

Lump sum payments can only be made from a TTR Pension in the following limited circumstances:

- to access an unrestricted non-preserved benefit;
- to pay a super contributions surcharge;
- to pay a Family Law split;
- upon receipt of a release authority from the ATO;
- to purchase another non-commutable income stream;
- as a payout on your death or terminal illness; or
- to rollover to another complying super fund.

Lump sum withdrawals will affect your account balance.

If you are considering making a lump sum withdrawal, we recommend you seek advice from a licensed financial planner to discuss the issues mentioned above and any tax or other implications that may apply.

Death benefits

As a member of the Pension, 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.

You can choose one of two ways of nominating who you would like to receive your benefit upon your death:

- binding death benefit nomination; or
- reversionary beneficiary nomination.

If you do not make a binding death benefit nomination or a reversionary beneficiary 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 and pension purposes** are:

- your spouse (this includes a legally married, de facto spouse or another person (whether of the same sex or different sex) with whom the person is 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 re-confirmed by you every three years. If you make a valid binding death benefit nomination, we are bound to follow your instructions regardless of whether circumstances have changed (e.g. you have re-married or have had children since you made the nomination) so it is important to ensure that you keep your binding death benefit 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 SmartOptions Online.

Reversionary beneficiary nomination

When you apply to join the Pension, you have the ability to nominate one of your dependants as your reversionary beneficiary. If accepted by Sandhurst, upon your death your pension payments will automatically revert to the nominated person.

Upon acceptance by us, a reversionary beneficiary nomination is binding on us and irrevocable whilst your pension account is in operation and subject to the person nominated being an eligible pension beneficiary at the time of your death as explained below. This means you cannot change your reversionary beneficiary without commuting your current pension and starting a new pension.

If you have nominated a reversionary beneficiary your benefit will be paid to that person as a pension (subject to your nomination meeting the requirements below), or they can request to redeem the remaining money as a lump sum payment. There may be tax implications if they withdraw the benefit as a lump sum payment.

To make a reversionary beneficiary nomination, please complete the relevant section on the Application Form.

If you would like your death benefit to be paid as a reversionary pension, then:

- you must nominate only one person on your Application Form; and
- that person must be an eligible pension beneficiary. An eligible pension beneficiary includes a person who is at the time of your death:
    - your spouse (legally married or de facto spouse)
    - your child
        - under the age of 18
        - 18 years or over but:
            - under 25, if financially dependent on you; or
            - with a disability as defined under section 8(1) of the Disability Services Act 1988;
    - a person with whom Sandhurst is satisfied you have an “interdependency relationship” with when you die; or
    - any other person who is wholly or partially financially dependent on you when you die.

Any reversionary pension paid to a child will terminate when the child turns 25, and any remaining balance will be paid as a lump sum to the child (unless the child is disabled, as defined above).

This means that a child over the age of 25 cannot be nominated as a reversionary beneficiary unless they are disabled.

Monitoring your Pension

Once you become a member of the Pension, you can register and login via our secure online website Bendigo SmartOptions Online and access:

- your account balance
- your investment portfolio; and
- your transaction history.

Once you have website access you also have the ability to switch investments and update your personal details online.

Maintaining your Pension

We understand that your circumstances can change after you commence your pension and that you may want to alter your initial pension arrangements (or instructions), such as your chosen investments, your pension payment amount or frequency, binding death benefit nominations and your personal details. To help ensure your pension meets your current requirements we have developed a number of simple forms for your use which you can access:

- on our website; or
- by contacting our Client Services Team on 1800 033 426.

Member statements and annual report

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.

You can elect via our secure online website - Bendigo SmartOptions Online, to receive your annual statements electronically.

If you elect to receive your annual statements electronically, we will send them to your nominated email account until you tell us otherwise.

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.

You may also arrange to view copies of the audited accounts, the auditor’s report and the Trust Deed.

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 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 other costs’ section) may apply.

Risks

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 Pension. This section is a summary of what we consider to be the significant risks that should be considered before you decide to invest in the Pension. We have broadly categorised the types of risks as either Pension 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 the Pension, 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 Pension, the investments that make up your investment portfolio and your attitude to investment risk.

Pension risks

There are risks in choosing to invest in the Pension, referred to here as ‘Pension risks’.

The risk	What this risk is about	How this risk is managed
Changes to the trustee and/or administration of the Pension	Specific risks in relation to the administration of the Pension include: • the Pension or the Plan could terminate; • Sandhurst could change the Plan’s governing rules, including fees, expenses, notice periods or withdrawal features; • Sandhurst could be replaced as the trustee of the Plan; • a service provider could fail to comply with its obligations under the relevant agreement and need to be replaced; and/or • the Pension’s administrator could alter its fees.	Sandhurst is obliged to always act in accordance with the Trust Deed and in the best interests of members. Subject to the terms of the Trust Deed, Sandhurst will notify members and may issue a replacement PDS, a supplementary PDS or website update if material changes in the administration of the Pension occur. Sandhurst has entered into agreements with its key service providers to the Pension that allows Sandhurst to monitor their performance and solvency, and to be notified in advance of any changes in their fees.
Changes to super and tax laws	Changes are often made to super and tax rules and laws, which may impact on the management of the Pension, costs of investing in the Pension, and your ability to access your benefits.	Sandhurst monitors super and tax related changes and provides updated information to members in the Plan’s annual report and/or on our website.
Longevity risk	This is the risk that you will outlive your retirement savings. Your account balance or the pension payments you receive is not guaranteed and can go up and down as a result of many factors, including investment and market performance. The amount of income you receive from your account may not be sufficient to meet your needs.	Sandhurst provides an annual statement to all members as well as daily access to their account balance information via Bendigo SmartOptions Online. We also provide various calculation tools through our education centre online that aim 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.

Investment risks

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

The risk	What this risk is about	Investment type to which this applies
Individual investment risk	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. fixed interest securities, term deposits and cash).	All investment options
Investment manager risk	This risk is specific to managed funds. The investment managers of the managed funds offered in the Pension 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
Investment fund risk	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
Investment option risk	This is the risk that Sandhurst may change the Pension's overall investment strategy or add or remove certain investment options available in the Pension during your membership. In the event of this occurring, Sandhurst will notify you via its website or in writing.	All investment options
Market, country and political risk	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
Credit risk	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.	Multi-asset class funds Single asset-class funds – fixed interest and, income and mortgage Cash product Term deposits Annuity funds
Concentration risk	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.	Bendigo Socially Responsible Growth Fund Australian Ethical Australian Share Fund (Wholesale) Generation Wholesale Global Share Fund Altius Sustainable Bond Fund

The risk	What this risk is about	Investment type to which this applies
Liquidity risk	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.	Managed funds Term deposits S&P/ASX 200 listed securities
Interest rate risk	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
Currency risk	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 can change. As part of formulating your investment strategy, you should make an assessment of the investment option’s currency risk and its suitability to your strategy.	Multi-asset class funds International shares International shares (hedge fund)
Counterparty risk	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
Derivatives risk	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.	Managed funds This risk may be particularly high for Australian shares (hedge fund) and international shares (hedge fund).
Hedge fund risks	Hedge funds as defined by ASIC guidelines carry some unique and specific risks as their investment strategies are different in nature to traditional managed funds. Hedge funds will use at least 2 of the following: • leverage; • derivatives; • short-selling; • frequent complicated investment strategies; and/or • charge performance fee.	Australian shares (hedge fund) International shares (hedge fund)

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.

Fees and other costs

Our fees and costs disclosure is prepared in accordance with ASIC Class Order 14/1252.

DID YOU KNOW?

Small differences in both investment performance and fees and costs can have a substantial impact on your long-term returns.

For example, total annual fees and costs of 2% of your account balance rather than 1% could reduce your final return by up to 20% over a 30 year period (for example, reduce it from $100,000 to $80,000).

You should consider whether features such as superior investment performance or the provision of better member services justify higher fees and costs.

You or your employer, as applicable, may be able to negotiate to pay lower fees. Ask the fund or your financial adviser.*

TO FIND OUT MORE

If you would like to find out more, or see the impact of fees based on your own circumstances, the **Australian Securities and Investments Commission (ASIC)** website (www.moneysmart.gov.au) has a superannuation calculator to help you check out different fee options.

**This text is required by law to be included in all PDSs. However the Pension's fees and other costs are not negotiable.*

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

Other fees, such as activity fees and advice fees for personal advice, may also be charged, but these will depend on the nature of the activity or advice chosen by you.

Taxes are set out in another part of this PDS.

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

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

The fees and other costs will depend on each investment option you select. The fees and costs for each particular investment option you select are set out in the relevant disclosure document available on our website and should be read in conjunction with the below information.

Important note: The fees and costs table below relate to those fees and costs incurred at the Pension 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 the default 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, term deposit and the cash product has its own product disclosure statement or offer document, available on our website, which you should read when you are considering to invest.

<table>
<tr><th>TYPE OF FEE OR COST</th><th colspan="2">AMOUNT</th><th>HOW AND WHEN PAID</th></tr>
<tr><td>Investment fee</td><td colspan="2">Nil</td><td>Not applicable</td></tr>
<tr><td rowspan="6">Administration fee</td><td>Account balance</td><td>Fee</td><td rowspan="6">The tiered fee is calculated daily on your account balance.
It is charged monthly in arrears and is deducted from your Cash Account at the end of each month (or upon exit if earlier).
The minimum administration fee is calculated monthly in arrears. If it is greater than the tiered fee calculated, the minimum amount is deducted from your Cash Account at the end of the month (or upon exit if earlier).
Where you are only a member for a portion of the month, the minimum fee will be charged on a pro-rata basis.</td></tr>
<tr><td>Up to $250,000</td><td>0.70% p.a.</td></tr>
<tr><td>From $250,001 to $500,000</td><td>0.50% p.a.</td></tr>
<tr><td>From $500,001 to $1,000,000</td><td>0.20% p.a.</td></tr>
<tr><td>Above $1,000,000</td><td>Nil</td></tr>
<tr><td colspan="2">The above tiered fee is subject to a minimum fee of $480 p.a.</td></tr>
<tr><td rowspan="4">Buy-sell spread</td><td colspan="2">Cash Account
Nil</td><td>Not applicable</td></tr>
<tr><td colspan="2">Managed funds and cash product
Nil at Pension level*</td><td>Managed funds and cash product: Not applicable</td></tr>
<tr><td colspan="2">Default investment option (Bendigo Conservative Index Fund)
0.11% (buy) / 0.11% (sell)**</td><td>Added to, or deducted from (as applicable), the unit price of the relevant managed fund.</td></tr>
<tr><td colspan="2">S&P/ASX 200 listed securities
Brokerage fee: 0.205% of the gross value of each trade, subject to a minimum of $38.44</td><td>Brokerage fee: Applies to each order to buy or sell a listed security, and is deducted from your Cash Account at the time of transaction.</td></tr>
<tr><td>Switching fee</td><td colspan="2">Nil</td><td>Not applicable</td></tr>
<tr><td>Exit fee</td><td colspan="2">Nil</td><td>Not applicable</td></tr>
<tr><td>Advice fees
Relating to all members investing in a particular investment option.</td><td colspan="2">Nil</td><td>Not applicable</td></tr>
<tr><td>Other fees and costs</td><td colspan="3">Refer to the ‘Additional explanation of fees and other costs’ section below</td></tr>
<tr><td rowspan="4">Indirect cost ratio (ICR)***</td><td colspan="2">Cash Account
Nil</td><td rowspan="4">Calculated daily and deducted from the managed funds net assets prior to the calculation of the unit price.</td></tr>
<tr><td colspan="2">Managed funds (excluding annuity funds) and cash product
Nil at Pension level***</td></tr>
<tr><td colspan="2">Default investment option (Bendigo Conservative Index Fund)
0.411% p.a.****</td></tr>
<tr><td colspan="2">No ICR applies to annuity funds, term deposits and the S&P/ASX 200 listed securities.</td></tr>
</table>

* Please note the buy-sell spread is not charged at Pension level but is charged at the level of the investment (i.e. an investment option that is not the default or the Cash Account). To determine the buy-sell spreads that apply to a specific financial product that is available as an investment option, refer to the relevant disclosure document(s) available on our website.

** These are estimates only and may change in the future. This buy-sell spread is not charged at Pension level but is charged at the level of the managed fund.

*** While there is no indirect cost ratio that is applied at the Pension level, where you choose a specific financial product that is available as an investment option (i.e. an investment option that is not the default 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 fund options), to fully understand the fees and costs that apply when investing in the chosen investment option through the Pension. Refer to the relevant disclosure document(s) available on our website for the fees and costs that relate to the specific financial product.

**** The indirect cost ratio for the default investment option includes transactional and operational costs. Refer to ‘Additional explanation of fees and costs’ below for further information.

Example of annual fees and other costs

This table gives an example of how the fees and other costs for the Bendigo Balanced Wholesale Fund investment option can affect your pension investment over a one year period. You should use this table to compare this pension product with other pension products.

Example: Bendigo Balanced Wholesale Fund			**Balance of $50,000**
Investment fees	NIL		For every $50,000 you have invested in the pension product, you will be charged $0 each year.
PLUS Administration fees	**Account balance**	**Fee**	**And**, you will be charged $480^ in administration fees.
	Up to $250,000	0.70% p.a.	
	subject to a minimum fee of $480 p.a.		
PLUS Indirect costs for the pension product	Nil at Pension level**		**And**, indirect costs of $0 each year will be deducted from your investment.
EQUALS Cost of product			If your balance was $50,000, then for that year you will be charged fees of **$480*** for the pension product.*

* Additional fees may apply. **And**, if you leave the super entity, you may be charged an **exit fee** of **Nil** and a **buy-sell spread** which also applies whenever you make a contribution, exit, rollover or investment switch. The **buy-sell spread** for exiting is **Nil at Pension level***** (this will equal to **Nil** for every $50,000 you withdraw).

** While there is no indirect cost ratio that is applied at the Pension level, where you choose a specific financial product that is available as an investment option (i.e. an investment option that is not the default 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 fund options), to fully understand the fees and costs that apply when investing in the chosen investment option through the Plan. Refer to the relevant disclosure document(s) available on our website for the fees and costs that relate to the specific financial product.

*** The buy-sell spread is not charged at Pension level but is charged at the level of the investment. To determine the buy-sell spread that applies to a specific financial product that is available as an investment option (i.e. an investment option that is not the default or the Cash Account), refer to the relevant disclosure document(s) available on our website.

^The actual amount of the administration fee will depend on your account balance, the minimum administration fee and any family fee aggregation.

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**® 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 cease making these payments.

Additional explanation of fees and other costs

Defined fees

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 exit fee, an advice fee or an insurance fee.

Family Law Fees

Family Law Fees may apply where you request information from us under the provisions of the Family Law Act 1975. We will charge $125 per hour for processing family law-related requests, subject to the following minimum charges;

- Application for information – minimum $100. This will be charged to the non-member spouse only.
- Payment flagging – minimum $100. When charged, this amount will be debited directly from your account.
- Payment splitting – minimum $100. When charged, $50 will be debited directly from each account at the time of the payment split.

Administration fees

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

a) relate to the administration or operation of the entity; and

b) are not otherwise charged as an investment fee, a buy-sell spread, a switching fee, an exit fee, an activity fee, an advice fee or an insurance fee.

Family fee aggregation

Family fee aggregation (**fee aggregation**) allows you to link up to four Bendigo SmartOptions account(s) for the purpose of potentially reducing the Administration Fee payable and the minimum Administration Fee of $480 p.a. per account will be waived where the aggregated total of the 'linked' accounts exceeds the first Administration Fee tier. This can mean a reduction in the Administration Fee payable by all 'linked' members.

Fee aggregation allows you to link your accounts:

- within Bendigo SmartOptions Super and Bendigo SmartOptions Pension; and
- with your immediate family members' (as described below) accounts in Bendigo SmartOptions products.

Conditions apply:

- Each member applying to link accounts, for the purpose of fee aggregation, must be a member of the same immediate family (husband, wife, son, daughter, step son, step daughter, de facto, partner, father, mother, brother or sister), and have the same financial adviser.
- A fee aggregation nomination can be rejected and linking can be cancelled at any time by us at our discretion.
- Any new fee aggregation nomination will either need to be signed by all linked members or requested by your financial adviser (refer to the Appointment of representative (financial adviser authority) in the 'How the Pension works' section in this PDS).
- Any new fee aggregation nomination will override any previous nomination.
- Where you change or remove your financial adviser, linking of your account for the purpose of calculating the Administration Fee will be cancelled.
- A maximum of four accounts are allowed to be linked.

Advice fee

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 exit 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 and/or an ongoing Member Advice Fee with your financial adviser, for advice in relation to your investment in the Pension.

- 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 Pension 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 are 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 fee 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 Pension 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).

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.

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.

If you invest in, or withdraw from a managed fund a buy-sell spread generally applies. However, the buy-sell spread applies at the managed fund level not at the Pension level.

The buy-sell spread is the difference between the price at which units in a managed fund are bought and sold. The buy-sell spread is not paid to the Pension, rather, it is charged and retained by the managed fund to cover transaction costs (such as brokerage) that are incurred.

For Bendigo Conservative Index Fund, the buy-sell spread is 0.11%.

To determine the buy-sell spreads that apply to a specific financial product that is available as an investment option (i.e. an investment option that is not the default or the Cash Account), refer to the disclosure document(s) available on our website.

As an example of how the buy-sell spread operates, if you invest (buy) $50,000 in the Bendigo Conservative Index Fund, the cost to you would be $55.

No buy-sell spreads are charged on S&P/ASX 200 listed securities, term deposits, your Cash Account or the cash product. However, a brokerage fee applies to the S&P/ASX 200 listed securities. Refer to 'Brokerage fee' later in this section for more information.

Brokerage fee

You may incur a brokerage fee if you buy or sell listed securities through the S&P/ASX200 listed securities investment option, including where you switch into, out of or between listed securities. There is a minimum trade of $5,000 per listed security transaction.

The brokerage fee is 0.205% of the gross value of each trade, subject to a minimum of $38.44.

The Plan will use our broker when we receive instructions from you to buy or sell listed securities which are available through the Pension.

Exit fees

An **exit fee** is a fee to recover the costs of disposing of all or part of members' interests in the 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 investment option, to the total average net assets of the super entity attributed to the investment option.

Note: A dollar-based fee deducted directly from a member's account is not included in the indirect cost ratio.

In relation to the default investment option, where you do not actively choose a specific financial product to invest in, the ICR for the investment option reflects the indirect costs based on the prior financial year that reduces the return on that investment option (and reflects the indirect costs incurred by the underlying managed fund).

The ICR for the Bendigo Conservative Index Fund, based on the 2015-2016 financial year's indirect costs is 0.411% p.a.

Based on the estimated transactional and operational costs in the 2016-2017 financial year, the estimated ICR of the Bendigo Conservative Index Fund for the current financial year is 0.417% p.a.

In relation to the investment options where you choose to invest in specific financial products (i.e. an investment option that is not the default or the Cash Account), there are no costs incurred at the Pension 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 Pension. Refer to the relevant disclosure document(s) available on our website for the fees and costs that relate to the specific financial product (i.e. an investment option that is not the default investment option or the Cash Account).

The below example shows the cumulative effect of costs at the Pension level and the investment level of investing $50,000 in the Bendigo Balanced Wholesale Fund.

Example: Bendigo Balanced Wholesale Fund			**Balance of $50,000**
Investment fees	NIL		For every $50,000 you have invested in the pension product you will be charged $0 each year.
PLUS Administration fees (charged at the Pension level)	**Account balance**	**Fee**	**And**, you will be charged $480^ in administration fees.
	Up to $250,000	0.70% p.a	
	subject to a minimum fee of $480 p.a.		
PLUS management costs and transactional and operational costs of the selected investment	0.874% p.a.		**And**, management costs and transactional and operational costs of the selected investment of $437 each year will be deducted from your investment.
EQUALS Cost of investing			If your balance was $50,000, then for that year you will be charged fees of **$917** for investing in the selected investment option via the pension product.

^ The actual amount of the administration fee will depend on your account balance, the minimum administration fee and any family fee aggregation.

No ICR applies to annuity funds, Cash Account, cash product, term deposits and the S&P/ASX 200 listed securities.

Transactional and operational costs

The Pension may incur transactional and operational costs as a result of holding units in the managed fund that makes up the default. These costs are incurred when the managed fund acquires and disposes 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 this managed fund. These costs are paid for by the relevant managed fund when they are incurred and are reflected in the fund's unit price. These costs are not paid to Sandhurst or the responsible entity as a fee and are not charged directly to investors, rather they are deducted from the income or assets of the relevant managed fund. These amounts are an additional cost to members and are reflected in the ICR for the relevant managed fund that makes up the default option (i.e. the Bendigo Conservative Index Fund).

These costs were 0.001% p.a. for the 2015-2016 financial year.

These costs may vary depending on the level of fund transactions. These costs for the 2016-2017 financial year are estimated to be 0.007% p.a.

Investment fees

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

a) fees in payment for the exercise of care and expertise in the investment of those assets (including performance fees); and
b) costs, other than 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 that:
   (i) relate to the investment of assets of the entity; and
   (ii) are not otherwise charged as an administration fee, a buy-sell spread, a switching fee, an exit fee, an activity fee, an advice fee or an insurance fee.

Switching fees

A **switching fee** for a MySuper product has the meaning given by subsection 29V(5) of the SIS Act and, for super products 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.

Other costs and expenses

The Trust Deed provides that certain costs and expenses of operating the Pension 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 fees and other 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 pension payments) may result in your Cash Account balance temporarily going into negative until such time as your balance is restored. Please refer to 'Your Cash Account' in the Investment Guide.

Taxation

For general tax information relating to your pension account refer to the 'Taxation' section of this PDS.

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 Pension).

Taxation

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

It is based on taxation laws, and the way they are interpreted, as at the date of this PDS, 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 tax matters.

Please note that a number of proposed super reforms were announced in the May 2016 Federal Budget and subsequently that may affect the taxation of super. These proposed changes include (but are not limited to) a reduction in concessional and non-concessional contribution caps, changes to the tax treatment of assets funding transition to retirement pensions and a cap on the amount of super that can be transferred into a retirement phase account such as a superannuation pension. We note that the proposed changes are not yet law. We recommend that you seek advice in relation to whether or how the proposed reforms may affect you.

Pension payments

When you commence a pension, the amount you invest may be divided between two components:

- tax-free; and
- taxable.

How any pension payments and lump sums are taxed will depend on your age and how the amount you initially invest is divided between these two components. The tax-free component of any benefit paid from a pension will be in the same proportion as the percentage of the initial investment that is tax-free. No tax is payable on rollovers to another super fund.

Prior to age 60

Pension payments from your pension account will be split between the tax-free and taxable components as described above.

Prior to age 60 the taxable component of any pension payment will be taxed at your marginal tax rate, plus the Medicare levy. Generally you can claim a 15% tax offset on this part of the payment, provided you have reached your Preservation Age.

Sandhurst will deduct PAYG withholding tax from each pension payment and send you a PAYG Payment Summary each financial year.

Further information is available from the ATO. We strongly recommend that you seek advice from a professional tax adviser on these matters.

Age 60 or over

Pension payments or lump sum withdrawals (where eligible to be made) you receive after you turn 60 are tax-free. You do not need to include them in your taxable income.

Tax of investment earnings

The investment earnings in your pension account are not taxed.

Tax of benefits paid to you as a lump sum

If you make a lump sum withdrawal and do not roll it over or transfer it to another complying super or pension fund, then this amount will be treated as a Super Lump Sum Payment (SLSP). How your SLSP is taxed will depend on its components and your age. Any lump sum withdrawals you make may also affect your social security entitlements.

Component	Tax treatment
Tax-free	Nil
Taxable	**Under Preservation Age** Taxed at 20% (plus Medicare levy) **Between Preservation Age and 59** Nil up to your low-rate cap* and the balance is taxed at 15% (plus Medicare levy) **Age 60 or over** Tax-free

* The low-rate cap is a lifetime cap up to which a member can be taxed on the taxable component of a lump sum benefit at a lower (including nil) rate of tax. The low rate cap amount is reduced by any amount previously applied to the low rate cap. The low-rate cap is indexed each financial year to the Average Weekly Ordinary Time Earnings (AWOTE) in $5,000 amounts. The current low-rate cap is $195,000.

Tax of death benefits

The ways in which a death benefit may be paid under your pension account are set out below.

Paid as a Lump Sum

A lump sum benefit can be paid to a tax dependant or a non-tax dependant.

Tax dependants

Currently your dependants for tax purposes are:

- a spouse (legally married, de facto or former spouse);
- a child under the age of 18 years;
- a person in an “interdependency relationship” with the member on the date of death ; or
- any other person who is wholly or partially financially dependent on you at the time of your death.

If the lump sum benefit is paid to a tax dependant, it will be tax-free.

Non-tax dependants

If the benefit is not paid to a tax dependant, then the benefit will be divided up into two components and taxed as follows:

- Tax-free component – paid tax-free; and
- Taxable component – the taxable component is taxed at 15% plus Medicare levy.

For a lump sum benefit paid from the Pension to be taxed as a death benefit, it must generally be paid by the later of six months after your death or three months of the grant of probate or letters of administration of your estate.

Paid as a reversionary pension

If you have nominated an eligible reversionary beneficiary to receive a reversionary pension, then upon your death Sandhurst will allow your pension to continue to be paid to that beneficiary. If a death benefit from your pension is paid as a reversionary pension to an eligible pension beneficiary and:

- you are aged 60 or over when you die, then the income stream paid to the beneficiary will continue to be tax-free (regardless of the age of the beneficiary); or
- you are under 60 when you die and:
  - the beneficiary is 60 or older, then the income stream will be tax-free
  - the beneficiary is less than age 60, then the amount of pension the beneficiary receives which is taxable must be included in their tax return and will be taxed at their marginal tax rate. A 15% tax offset will apply to this taxable portion of the payment.

Please note, the above information in this section of the PDS assumes that no part of your benefit includes an element untaxed in the Pension. If it does, then a higher rate of tax would apply.

Further information is available from the ATO. We strongly recommend that you seek advice from a professional tax adviser on these matters.

Surcharge on previous contributions

The Super Contributions Surcharge was abolished with effect from 1 July 2005. However, the ATO may assess a liability to super surcharge on contributions made on your behalf before 1 July 2005, and before the commencement of your pension.

Temporary budget repair levy

The Government has introduced a temporary budget repair levy (generally 2%) between 1 July 2014 and 30 June 2017. Tax on amounts that are subject to an individual's marginal tax rate (such as additional tax on excess concessional contributions and benefit payments received by an individual) may increase from amounts outlined above by 2% if the individual's taxable income in the relevant income year exceeds $180,000.

Please visit www.ato.gov.au for more information about the impact of the Temporary Budget Repair Levy.

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 quote your TFN when you join the Pension, there may be adverse consequences (e.g. the Plan will be unable to accept your personal contributions for you (if any), the tax on super benefits may be higher etc).

However if you are under 60 years of age, when you join the Pension and you wish to provide your TFN, you will need to complete a Tax File Number Declaration Form and return it with your Application Form.

Additional information

Cooling-off

If you change your mind, you may write to us and request cancellation of your application. The request must be received within 14 days from the earlier of:

- the time you receive written confirmation of the opening of your account; and
- five days after the opening of your account

The amount refunded will be adjusted to take account of any increases or decreases in the value of the investments you may have selected, any tax payable and any reasonable administration expenses. Please note, you cannot exercise your cooling-off rights if you make any transaction on your account during the cooling-off period.

Complaints

If you have a complaint about the operation or management of the Plan, you should call 1800 033 426 or write to:

Superannuation Enquiries Officer
Bendigo SmartStart Super
GPO Box 529
Hobart TAS 7001

All complaints will be handled in a courteous and confidential manner and will be properly considered and dealt with within the time required under super law. Once we have investigated your complaint, you will receive a written reply explaining our decision.

If you are not satisfied with this decision, or the complaint is not dealt with within 90 days, you may contact the Superannuation Complaints Tribunal on 1300 884 114.

Anti-Money Laundering and Counter-Terrorism Financing (AML/CTF)

To comply with Sandhurst's AML/CTF regulatory requirements, Sandhurst will need to obtain identification information to establish your identity (and the identity of other persons associated with your account). Sandhurst may also do the following:

- require you to provide us or otherwise obtain, any additional information documentation or other information;
- suspend, block or delay transactions on your account or refuse to make payment or provide services to you. We will incur no liability to you if we do so; and/or
- report any, or any proposed transaction or activity to anybody authorised to accept such reports relating to AML/CTF or any law.

By making an application, you acknowledge and warrant to Sandhurst that:

- you have not knowingly done anything to put Sandhurst and the Bendigo and Adelaide Bank Group in breach of AML/CTF laws;
- you will notify Sandhurst if you become aware of anything that would put Sandhurst and the Bendigo and Adelaide Bank Group in breach of AML/CTF laws;
- if requested you will provide additional information and assistance and comply with all reasonable requests to facilitate Sandhurst and the Bendigo and Adelaide Bank Group's compliance with AML/CTF laws; and
- if you fail to provide Sandhurst or the Bendigo and Adelaide Bank Group with additional information and documentation requested of you, your application may be refused or any interest you hold may be compulsorily withdrawn, and/or a withdrawal request by you may be delayed or refused by Sandhurst.

You agree that Sandhurst and the Bendigo and Adelaide Bank Group will not be liable for any losses arising as a result of those circumstances and you are not aware and have no reason to suspect that:

- the money used to fund the investment is derived from or related to money laundering, terrorism financing or similar illegal activities; and
- proceeds of investment made in connection with this product will fund illegal activities.

Bendigo SmartStart Pension PDS (11/16)

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