



**Sandhurst**Trustees

# Bendigo Superannuation Plan

**Annual Report 2016**

Incorporating:

Bendigo SmartStart Super®

Bendigo SmartStart Pension®

Bendigo SmartOptions Super®

Bendigo SmartOptions Pension®

The trustee and issuer of interests in the Bendigo Superannuation Plan, 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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## Contact information

### Client Services Team

(Monday to Friday 8am to 6pm AEST time)

Telephone: 1800 033 426

Facsimile: 03 6215 5800

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

Website: [sandhursttrustees.com.au/super](http://sandhursttrustees.com.au/super)

### Mailing address

Bendigo Super  
GPO Box 529  
Hobart TAS 7001

The following products all form part of the Bendigo Superannuation Plan ABN 57 526 653 420 (the Plan).

Bendigo SmartStart products (USI STL0050AU)

- Bendigo SmartStart Super; and
- Bendigo SmartStart Pension.

Bendigo SmartOptions products (USI STL0003AU)

- Bendigo SmartOptions Super; and
- Bendigo SmartOptions Pension.

The information in this Annual Report relates to the Plan as a whole unless otherwise stated.

## Trustee and Issuer

Sandhurst Trustees Limited (Sandhurst, we, our or us)

ABN 16 004 030 737, AFSL 237906

Sandhurst is a wholly owned subsidiary of Bendigo and Adelaide Bank Limited (the Bank) ABN 11 068 049 178, AFSL 237879.

## Administrator

IOOF Investment Management Limited

(IOOF or the Administrator)

ABN 53 006 695 021

AFSL 230524

## Insurer

TAL Life Limited (TAL or the Insurer)

ABN 70 050 109 450

AFSL 237848

## Important note

Neither Sandhurst, the Bank, nor any other company in the Bendigo and Adelaide Bank Group (nor any of their respective officers, employees or agents) guarantees:

- the repayment of capital invested;
- the payment of income; or
- the investment performance of any of the investment options in the Plan.

An investment in the Plan is not a deposit with, or other liability of, Sandhurst, the Bank or any other company in the Bendigo and Adelaide Bank Group.

Sandhurst is not an authorised deposit-taking institution within the meaning of the Banking Act 1959 (Cth).

This Annual Report is prepared as at 21 November 2016 and it contains important information about the management and financial condition of the Plan for the financial year ending 30 June 2016, unless otherwise stated. The information contained in this document is of a general nature only. Before making a decision about the Plan, you should consider whether the information is appropriate for your personal objectives, financial situation and needs. It may also be beneficial to seek professional advice from a licensed financial planner or adviser.

# From the Chairman

## Welcome to the Bendigo Super 2016 Annual Report.

I am pleased to present the Bendigo Superannuation Plan Annual Report for the year ending 30 June 2016.

This Annual Report includes information you may find useful in managing your superannuation (super), including:

- market and economic commentary in relation to the 12 months ending 30 June 2016;
- super reforms and legislation changes; and
- financial reports.

Your member benefit statement has previously been sent and provides details regarding your investment in the Plan.

Remember that your account information and transaction details can be accessed at any time online through our website. If you haven't already registered, you can complete the online registration process at our website [sandhursttrustees.com.au/super](http://sandhursttrustees.com.au/super). Registering for member online access is quick and easy - all you need is your account number, which appears on the covering letter of your benefit statement.

I would like to thank you for your ongoing support. We are committed to helping you achieve your retirement goals and are proud of the continued success of our award-winning Bendigo SmartStart Super product. In 2016 Bendigo SmartStart Super received a 5-star rating for Outstanding Value from CANSTAR\* for a fourth year in a row, as well as being awarded the highest rating with 5 Heron Quality Stars for 2016/17 from Heron Partnership in the MySuper investment option category<sup>^</sup>. SuperRatings also rated Bendigo SmartStart Super as number one for the lowest average fees payable for a \$50,000 account balance for public offer funds\*\* that anyone can join as at 30 September 2016.

The full audited financial statements and unqualified auditor's report are available upon request.

If you require further information or would like to know more about the Plan, please visit our website or contact our Client Services Team on 1800 033 426.

**Yours faithfully,**



**Jenny Dawson**

Chairman - Sandhurst Trustees Limited

\* Visit [canstar.com.au](http://canstar.com.au) for outstanding value ratings details.

<sup>^</sup> [www.heronpartners.com.au/node/3](http://www.heronpartners.com.au/node/3)

\*\* [www.superratings.com.au/top-tens/fees](http://www.superratings.com.au/top-tens/fees)

## About Sandhurst

Sandhurst has assisted Australian families since 1888 with their financial needs. 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, pensions, access to funeral bonds, the management of estates and trusts, and the provision of corporate trustee and custodial services. Sandhurst embraces a prudent investment philosophy and is committed to delivering high quality investment solutions.

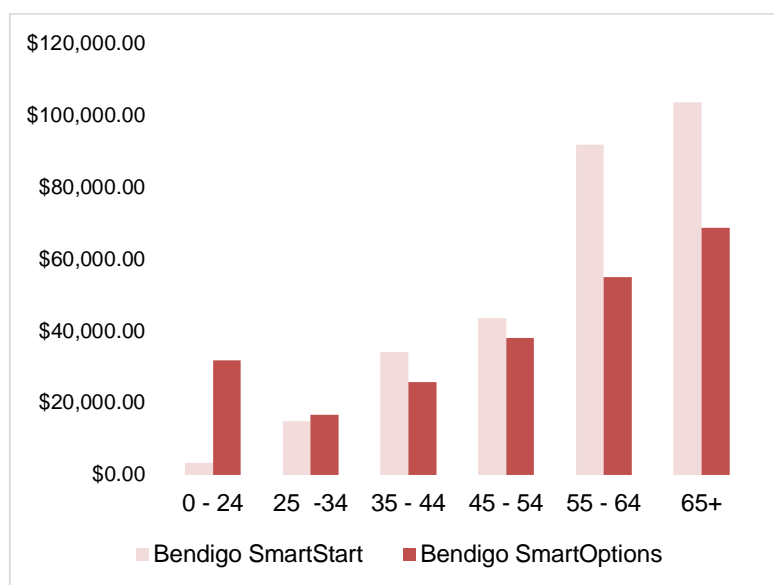
## Fund highlights

- Bendigo SmartStart Super was awarded a 5 star CANSTAR rating. In September 2016 Bendigo SmartStart Super achieved a 5 star rating for Outstanding Value from CANSTAR for the fourth year in a row.
- Total number of Bendigo Super accounts at 30 June 2016 was **17,754** (up by 11.7%).
- Plan size as at 30 June 2016 was **\$845 million** (up by 33%.)
- The number of accounts in Bendigo SmartStart Super Pension increased by **80.7%** from the previous year.

### Bendigo Super members by age as at 30 June 2016



### Average account balance as at 30 June 2016



## Super legislation and changes

Set out below is an update on some of the proposed legislative changes affecting superannuation.

### Announced legislative changes

The Federal Government recently announced a package of reforms in the May 2016 Federal Budget and subsequently, to improve the sustainability, flexibility and integrity of the superannuation system.

**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.

Some of the proposed changes include the following:

- Introduction of a \$1.6 million superannuation transfer balance cap which would limit the total amount an individual can transfer into retirement phase accounts.
- Lowering of the concessional contributions cap to \$25,000 per year.
- Allowing individuals with balances under \$500,000 to carry forward unused concessional caps for up to five years.
- Reduction of the non-concessional contributions cap from \$180,000 to \$100,000 per year. In addition, individuals with a balance of more than \$1.6 million will no longer be eligible to make non-concessional contributions.
- Individuals with combined income and superannuation concessional contributions greater than \$250,000 would be required to pay an additional 15% tax on their concessional contributions. This is a decrease from the current income threshold of \$300,000.
- Introduction of a new Low Income Superannuation Tax Offset to replace the Low Income Superannuation Contribution when it is expected to expire on 30 June 2017.
- All individuals under the age of 75 would be able to claim a tax deduction for personal superannuation contributions made to eligible superannuation funds up to the concessional cap, regardless of their employment circumstances.
- Removal of the anti-detriment payment for death benefits.
- Earnings on assets supporting a transition to retirement income stream would be taxable at the rate of 15%.
- The eligibility for the 18% low income spouse superannuation tax offset would be expanded by increasing the income threshold for the low income spouse from \$10,800 to \$37,000.

**The above information is not an exhaustive list of all proposed legislative changes. Some or all of these changes may not be relevant to your particular circumstances.**

## Market commentary and asset class performance

Over the financial year ending 30 June 2016, the major force driving financial markets was accommodative central bank monetary policy.

Falling global yields benefited those investments paying stable dividend yields with significant gains experienced in fixed income and high dividend paying stocks.

On aggregate, economic activity globally, has been mild with weak company earnings growth. Loose monetary policy has effectively brought returns forward for investors with high asset prices creating headwinds for future price appreciation.

### Australian shares

On face value, investors in Australian shares received little return for risk with the share market producing a flat 0.6% (S&P/ASX 200 Accumulation Index) inclusive of dividends over the financial year. However the headline return masked the strong divergence amongst underlying sectors, meaning that investors' return experiences varied greatly depending on their sector exposures.

Investors with larger holdings in industrials, health care, consumer discretionary and utilities were rewarded handsomely with returns in these sectors ranging between 19% and 24%. On the flip side, materials and energy stocks weighed down by a global supply glut, fell in value.

The largest sector in the ASX being financials declined due to factors such as an expensive property market, leveraged consumers, low credit growth and additional capital constraints enforced by APRA.

### International shares

The same story played out in global shares with strong sector divergence netting at a flat 0.4% return (*MSCI World ex-Australia Index*) inclusive of dividends over the financial year.

### Australian property

The highest returning asset class over the financial year was Australian listed property returning an attractive 24.6% (*S&P/ASX 200 Property Trusts Accumulation Index*). Aided by the tailwind of falling interest rates, investors were drawn to listed property for its consistent income stream.

### Fixed interest

Fixed income investors were rewarded over the year with both Australian and global fixed interest performing strongly.

Australian fixed interest was up 7% (Bloomberg AusBond Composite Index) and global fixed interest returned 9.3% (Barclays Global Aggregate Bond Index).

With falls in the RBA cash rate over the financial year, short dated cash returned 2.2% for investors (Bloomberg AusBond Bank Bill Index).

# Your investment options

The information in this section is of a general nature. We have prepared it without taking into account your individual objectives, financial situation or particular needs. Before making any investment decision, you should assess your own objectives, financial situation and needs, or speak to your financial adviser.

## Investment objective

Sandhurst aims to enable members to choose their own investment mix, by seeking financial advice or independently formulating their investment strategy. Sandhurst has also formulated default investment options for Bendigo SmartStart Super and for its pension products.

You may choose to invest in any number of the available investment options (subject to any product specific investment limits outlined in the relevant product disclosure statement (PDS)), and may switch options within each product at any time.

## Investment strategy

Sandhurst has formulated an investment strategy for each product and each investment option offered.

The investment strategy of the Bendigo SmartStart products is to:

- offer simple investment choices including cash investments, a single age-based life-cycle investment option (Bendigo MySuper), and/or up to 11 diversified managed funds with differing risk and return profiles for Bendigo SmartStart Super;
- offer simple investment choices including cash investments, an income-focused managed fund and/or up to 12 diversified managed funds with differing risk and return profiles for Bendigo SmartStart Pension; and
- allow members to invest in accordance with the default investment strategy for each product respectively.

The investment strategy of the Bendigo SmartOptions products is to:

- offer a range of investment options with differing risk and return profiles, including cash investments, term deposits, managed funds (including annuity funds) and S&P/ASX 200 listed securities, in a comprehensive menu from which individual selections can be made; and
- allow investment choice to all members, including personal super and pension members; and
- allow pension members to invest in accordance with the default investment strategy for Bendigo SmartOptions Pension.

Key provisions of each investment strategy are summarised above. The full investment strategy for each product is available by contacting our Client Services Team.

## Asset types

To gain a return from your investment in super you can take on exposure in different types of assets. Assets are divided into asset classes and the major ones are:

- shares;
- property;
- fixed interest;
- alternatives; and
- cash.

These asset classes can be broken down further into more specific investment sectors and sub-sectors.

## Risk and return

Generally, the different asset classes are categorised as either growth or defensive assets, and provide different levels of risk and return.

There is often a relationship between the risk associated with an investment (the potential for loss) and the return that may be obtained from that investment (the earnings).

Growth assets generally provide relatively higher returns over the longer term, with a corresponding higher level of risk or volatility. In other words they have an increased potential for loss of capital or negative earnings.

Examples of growth assets include shares and property investments.

Defensive assets are generally lower risk, meaning there is less potential for loss or negative earnings. But this comes with the expectation of lower returns over the longer term.

Examples of defensive assets include cash and, generally, fixed interest investments.

Investment markets are difficult, if not impossible, to predict. But one thing to keep in mind is that the different asset classes will usually not perform in the same way, whether well or poorly, at the same time. This is because the main asset classes react differently to influences such as economic growth, inflation, interest rates and exchange rate movements. A change that is positive for one asset class may have a negative effect on another. This is the main reason why diversification of your investments is important.

## Investment principles

Super is about saving for retirement – setting aside money today for use in the future, and treating it just like any other investment. Because it is an investment, you should become familiar with a few investment principles before committing yourself to a retirement savings plan. Here are three important principles:

### Timeframe

It is important to work out your timeframe when looking at an investment. This, together with your age and life expectancy, may influence the type of investment options you should choose when formulating your retirement savings plan.

## Diversification

Diversification is about spreading your investments in order to distribute the risk and minimise the volatility or variability of investment returns. You can spread your investments across a range of individual assets or asset classes and within each asset class. You will have to work out from your individual circumstances how much you want to diversify your investments and how you want to achieve this diversification. Sandhurst has imposed some investment limits in Bendigo SmartOptions to ensure members' accounts are appropriately diversified. Refer to the respective PDS for more information.

## Risk profile

It is important to understand the type of investor you are, in terms of investment risk. This is called your 'risk profile'. 'Risk' refers to how much volatility you are prepared to accept in investment returns. This may mean the potential risk of losing some of your capital in the short term and/or the potential risk that you may not meet your retirement goals in the longer term.

People's risk profiles vary – what you consider acceptable in terms of investment risk may not be acceptable to someone else. Your risk profile may depend on your investment timeframe and your view of the relationship between risk and potential return.

You can expect different managed funds to have different risks and returns, because they have different allocations of growth and defensive assets.

Different funds appeal to investors with different investment profiles:

- long-term investors willing to accept more risk may choose a growth-oriented investment strategy.
- investors with shorter anticipated timeframes, or more risk adverse investment profiles, may choose a more defensive or 'income-based' investment strategy.

Each investment option available in the Plan carries a different level of risk and likelihood of return.

You should choose the investment strategy that suits your personal investment objectives and risk profile. We recommend you seek advice from a licensed financial adviser before deciding which investment option/s are appropriate for you.

## Derivative policy

We do not currently directly use or invest in derivative securities but may do so indirectly, if one of the underlying investment managers uses them.

## Investment menu

Investment options are selected based on a number of factors. These factors include an analysis of the investments (for managed funds), the fund or investment manager (where applicable), the people, processes, investment style and location of the manager.

This selection process provides a diversified menu of investments across:

- asset classes;
- asset allocation;
- risk and return profiles; and
- investment styles.

The investment objective for each managed fund option indicates the investment manager's desired investment outcome for the particular managed fund, usually expressed by means of comparison with a performance benchmark or a desired level of return.

The investment strategy for each managed fund describes the investment manager's plan for acquiring, holding and realising fund assets in a way that is consistent with, and seeks to achieve, the investment objectives adopted for the fund. For more information together with the details of the fees and costs for each of the managed funds, please refer to the specific current disclosure document which can be accessed from our website or by contacting our Client Services Team.

In Bendigo SmartStart Super, you can choose to invest in Bendigo MySuper, which is an age-based lifecycle investment option, where we change the investment mix as you get older.

In Bendigo SmartOptions, you can also choose to invest in term deposits and from S&P/ASX 200 listed securities (investment limits apply).

Cash investments are included on the investment menu of each product.

In choosing your investment strategy, we recommend that you seek financial advice taking into account your own personal needs, circumstances and objectives.

If you would like to speak to a financial planner at Bendigo Bank, contact your local Bendigo Bank branch, or contact our Client Services Team.

The assets relating to your super benefit are specific to the investments you have selected. The asset allocations of your particular investment mix at the end of 30 June 2016 appears on your member benefit statement.

The investment options of the Plan are grouped into the following categories.

	Bendigo SmartOptions		Bendigo SmartStart	
	Super	Pension	Super	Pension
<b>Cash</b>				
The cash investment options (i.e. the Cash Account and the Adelaide Cash Management Account) are interest-bearing deposit accounts.	✓	✓	✓	✓
<b>Term deposits</b>				
A deposit held at a financial institution that provides a fixed rate of return for a nominated period of time.	✓	✓	x	x
<b>Life cycle investment option – Bendigo MySuper</b>				
An age-based lifecycle investment strategy comprised of three age-based life stages. Your account is automatically allocated to the appropriate investment based on your age and will be switched into the next life stage automatically, which means the investment risk is reduced as you get older.	x	x	✓	x
<b>Managed funds</b>				
<b>Multi-asset class funds:</b> invest in a combination of asset classes according to a pre-determined asset allocation.	✓	✓	✓	✓
<b>Single-asset class funds:</b> invest in a single asset class, for example cash, Australian shares, or particular segment of an asset class, such as Australian shares in small companies.	✓	✓	x	✓
<b>Annuity funds:</b> predominantly invest in annuities provided by the life company of the annuity fund that closely match the income and maturity profile of the annuity fund. These funds also invest in derivatives, for the purpose of managing the fund's cash flow and may also hold cash.	✓	✓	x	x
<b>Listed securities investments</b>				
Listed securities available on the S&P/ASX 200 as at the time of purchase. A full list of the S&P/ASX 200 securities can be accessed from our website; this list is updated quarterly. Information about listed securities is available from the Australian Securities Exchange website at <a href="http://asx.com.au">asx.com.au</a> or by contacting your financial adviser.	✓	✓	x	x



## Investment managers

All products include investment options that use Sandhurst itself as an investment manager. Additionally, the Bendigo SmartOptions products include investment options managed by the following fund managers (correct as at 30 June 2016):

- Sandhurst Trustees Limited
- Aberdeen Asset Management Limited
- Altius Asset Management Pty Ltd
- AMP Capital Funds Management Limited
- Antipodes Partners Limited
- APN Funds Management Limited
- Aubrey Capital Management Limited
- Australian Ethical Investment Ltd
- BlackRock Investment Management (Australia) Limited
- BT Investment Management (Institutional) Limited
- Challenger Life Company Limited
- Colonial First State Investments Limited
- Epoch Investment Partners Incorporated (investment manager for Grant Samuel)
- Henderson Global Investors (Australia) Funds Management Limited
- Investors Mutual Limited
- IOOF Investment Management Limited
- Macquarie Investment Management Limited
- Perpetual Investment Management Limited
- PIMCO Australia Pty Limited
- Platinum Investment Management Limited (trading as Platinum Asset Management)
- RARE Infrastructure Limited
- Schroder Investment Management Australia Ltd
- State Street Global Advisors
- UBS Global Asset Management (Australia) Ltd
- Vanguard Investments Australia Limited
- Zurich Investment Management Limited

## Investment performance

Please refer to your member benefit statement to view the actual performance of your account for the year ended 30 June 2016 and the long term performance for the investment options you were invested in as at 30 June 2016.

The Investment Performance Report, available from our website (updated monthly) also includes details of past performance of the managed fund investment options.

## Asset allocation

The table below shows the actual allocation of assets for each managed fund across the various asset sectors or classes as at 30 June 2016. The fund details and investment menu list is correct as at 30 June 2016.

Please refer to your member benefit statement to view the actual asset allocations for your super account as at 30 June 2016.

Investment name	Asset Allocation (%)						
	Cash	Australian shares	Australian fixed interest	International shares	International fixed interest	Property	Other
<b>Multi-asset class funds</b>							
<b>Defensive</b>							
Bendigo Defensive Index Fund	25.90	6.20	35.70	6.40	19.90	5.90	-
Bendigo Defensive Wholesale Fund	29.18	5.18	38.43	5.33	15.30	4.85	1.73
<b>Conservative</b>							
Bendigo Conservative Index Fund	23.10	14.80	25.90	15.20	13.70	7.30	-
Bendigo Conservative Wholesale Fund	26.10	13.10	27.40	13.00	12.20	6.04	2.16
Aberdeen Multi-Asset Income Fund	8.38	29.24	39.87	-	13.92	8.59	-
BT Wholesale Conservative Outlook Fund	13.00	10.14	22.71	7.51	24.63	6.92	15.09
Colonial First State Wholesale Conservative Fund	33.23	14.59	27.92	9.80	9.08	5.38	-
<b>Balanced</b>							
Bendigo Balanced Index Fund	17.10	23.60	17.60	23.30	9.40	9.00	-
Bendigo Balanced Wholesale Fund	23.57	18.00	20.80	18.50	8.00	8.02	3.11
Aberdeen Multi-Asset Real Return Fund	5.95	21.01	6.69	12.96	35.68	1.64	16.06
Australian Ethical Balanced Trust (2)	5.19	32.79	25.61	27.12	-	8.84	0.45
<b>Growth</b>							
Bendigo Growth Index Fund	8.80	32.90	9.70	33.30	5.50	9.80	-
Bendigo Growth Wholesale Fund	15.62	28.70	11.30	28.30	4.70	8.26	3.13
BlackRock Wholesale Balanced Fund	7.00	35.00	14.00	29.00	7.00	8.00	-
UBS Balanced Investment Fund	10.17	29.66	8.64	25.07	12.16	5.00	9.30
Zurich Investments Managed Growth Fund	9.29	29.79	11.01	33.31	11.57	4.89	0.15

Investment name	Asset Allocation (%)						
	Cash	Australian shares	Australian fixed interest	International shares	International fixed interest	Property	Other
<b>High growth</b>							
Bendigo High Growth Index Fund	6.80	41.40	-	41.40	-	10.40	-
Bendigo High Growth Wholesale Fund	14.10	37.66	-	37.70	-	8.25	2.30
<b>Single-asset class funds</b>							
<b>Australian shares</b>							
Sandhurst IML Industrial Share Fund	0.55	99.45	-	-	-	-	-
Aberdeen Australian Small Companies Fund	3.82	84.83	-	-	-	11.34	-
Australian Ethical Australian Shares Fund (Wholesale) – Class B	8.03	91.97	-	-	-	-	-
Australian Ethical Diversified Shares Fund (Wholesale) (2)	5.29	70.47	-	24.23	-	-	-
Colonial First State Wholesale Imputation Fund	3.38	96.62	-	-	-	-	-
Investors Mutual Future Leaders Fund	9.59	82.69	-	-	-	7.72	-
Henderson Australian Equity Fund	4.38	95.62	-	-	-	-	-
Perpetual Wholesale Ethical SRI Fund	5.88	91.07	-	-	-	3.06	-
State Street Australian Equity Fund	0.75	99.25	-	-	-	-	-
Schroder Australian Equity Fund	3.56	96.44	-	-	-	-	-
Vanguard Australian Shares Index Fund	-	91.10	-	-	-	8.90	-
<b>Australian shares (hedge fund)</b>							
BlackRock Australian Equity Opportunities Fund	-	100.00	-	-	-	-	-
<b>International shares</b>							
Antipodes Global Fund (Class P) (2)	12.57	-	-	87.43	-	-	-
BT Wholesale International Share Fund	1.11	-	-	98.89	-	-	-
IOOF MultiMix International Shares Trust	1.06	-	-	98.94	-	-	-
Generation Wholesale Global Share Fund	8.36	2.23	-	89.42	-	-	-
UBS International Share Fund	0.01	-	-	99.99	-	-	-
<b>International shares (hedged)</b>							

Investment name	Asset Allocation (%)						
	Cash	Australian shares	Australian fixed interest	International shares	International fixed interest	Property	Other
Aberdeen Actively Hedged International Equities Fund	3.22	-	-	96.78	-	-	-
BlackRock Hedged Global Small Cap Fund (Class D Units)	0.33	2.09	-	97.58	-	-	-
Grant Samuel Epoch Global Equity Shareholder Yield Fund (Hedged)	0.45	3.42	-	96.12	-	-	-
GVI Aubrey Global Growth & Income Fund-Hedged (2)	-2.78	-	-	102.78	-	-	-
State Street Global Equity Fund	1.92	-	-	98.08	-	-	-
<b>International shares (hedge fund)</b>							
Platinum Asia Fund	13.78	-	-	86.22	-	-	-
Platinum International Fund	11.78	1.03	-	87.19	-	-	-
<b>Australian property</b>							
AMP Capital Listed Property Trusts Fund – Wholesale (2)	3.11	-	-	-	-	96.89	-
APN Property for Income Fund (1)	3.44	-	-	-	-	96.56	-
APN Unlisted Property Fund (3)	8.87	-	-	-	-	91.13	-
BT Wholesale Property Securities Fund	4.02	-	-	-	-	95.98	-
Colonial First State Wholesale Property Securities Fund (2)	3.30	-	-	-	-	96.70	-
Vanguard Australian Property Securities Index Fund	-	-	-	-	-	100.00	-
<b>International property (hedged)</b>							
AMP Capital Global Property Securities Fund - Class A Units	5.07	-	-	3.04	-	91.89	-
<b>International infrastructure</b>							
RARE Infrastructure Value Fund	4.56	11.47	-	83.97	-	-	-
<b>Diversified fixed interest</b>							
Bendigo Diversified Fixed Interest Fund	0.90	-	59.40	-	39.70	-	-
IOOF MultiMix Diversified Fixed Interest Trust	17.07	-	38.49	0.02	44.41	-	-
Macquarie Income Opportunities Fund	12.70	-	39.20	-	48.10	-	-
<b>Australian fixed interest</b>							

Investment name	Asset Allocation (%)						
	Cash	Australian shares	Australian fixed interest	International shares	International fixed interest	Property	Other
Altius Sustainable Bond Fund	6.73	-	93.27	-	-	-	-
Henderson Australian Fixed Interest Fund - Institutional	1.27	-	98.73	-	-	-	-
Vanguard Australian Government Bond Index Fund	-	-	100.00	-	-	-	-
<b>International fixed interest</b>							
PIMCO Global Bond Fund – Wholesale Class	-	-	2.57	-	97.43	-	-
<b>Income and mortgage</b>							
Sandhurst Strategic Income Fund - Class B	23.26	-	76.74	-	-	-	-
Sandhurst Select Mortgage Fund (2)	-	-	100.00	-	-	-	-

(1) This option is closed to both new and additional investments

(2) This option is closed to new investments. However, members with an existing investment in this fund can make additional investments

(3) This option is currently closed for investments and redemptions (other than if a withdrawal facility is made available)

### Accessing up to date information on the investment options

From time to time, information about the investment options as described in each product's PDS may change.

For up to date information on the managed funds investment options, please refer to the:

- Investment Performance Report, available from our website (updated monthly);
- Investment Profiles, available from our secure website (refer to the member internet access section on page 16) or
- Information available online at [sandhursttrustees.com.au/super](http://sandhursttrustees.com.au/super)

# Additional investment information

## How your account is valued

We generally determine the value of a unit in a managed fund, by using the redemption/sell price provided by the fund manager for that particular fund.

The actual method by which prices for managed funds are calculated and the timing at which they are provided may vary in line with the value of each managed fund's assets. This is dependent on the fund manager for that particular fund. Please refer to the product disclosure statement of the particular managed fund for more information about how individual unit prices are calculated.

The value of a listed security is generally determined using the last business days' close price, provided by the ASX, of that particular listed security.

Prices are generally provided each business day and may rise and fall in accordance with market movement.

There may be times when we don't receive updated prices. This might happen when shares are delisted or assets cannot be valued. In these circumstances, we may use different valuation methods.

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

Interest earned on term deposits are calculated daily on the closing balance and is generally credited to your account at maturity or annually.

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

## Concentration of assets

As at 30 June 2016, the following investments exceeded 5% of the total assets of the Plan.

Sandhurst acknowledges that when considered in aggregate (across all investment options in which Sandhurst holds assets on behalf of members), the Plan may be construed as having a total exposure to a single shareholding (or a composite interest in the investment assets of a single issuer) and this exposure may exceed 5% of the total value of the Plan's assets.

Investment option	Percentage (%)
Bendigo Balanced Index Fund	16.99
Bendigo Conservative Index Fund	16.59
Bendigo Growth Index Fund	14.75
Bendigo Balanced Wholesale Fund	8.40
Adelaide Cash Management Account	7.74
Bendigo Conservative Wholesale Fund	7.21

# Additional information about the Plan

## Directors

The Directors of Sandhurst during the reporting period and up to the date of this report were:

- Jenny Dawson (Chairman)
- Ian Mansbridge
- Marnie Baker (resigned 15 January 2016)
- John Billington (resigned 28 September 2015)
- Tony Robinson
- Bruce Speirs (appointed 10 November 2015)
- Richard Baker (appointed 15 January 2016)

Sandhurst was the trustee of the Plan for the whole of the reporting period.

## Indemnity insurance

Professional indemnity insurance is held on behalf of Sandhurst.

## Reserves

The Plan operates on a fully allocated basis, apart from an amount defined as the Expense Reserve Account in accordance with the Trust Deed, which provides that certain costs and expenses of operating the Plan may be deducted from an Expense Reserve Account that does not belong to any individual member (i.e. unallocated revenue). The investment strategy for the Expense Reserve Account is to invest entirely in cash and cash equivalents.

The total of the Expense Reserve Account as at 30 June for the past three years were \$0.69m in 2016, \$0.78m in 2015, and \$1.22m in 2014.

## Allocation of net earnings

Earnings from a particular investment option of the Plan will be allotted into members' accounts in proportion to each member's interest in the investment.

## Online access to your account

The Plan's website provides you with access to news updates, brochures, forms and investment profiles for the investment options. In addition, you can view, monitor and amend your account details, and switch selected investment options online via Bendigo SmartStart Online (for Bendigo SmartStart members) or Bendigo SmartOptions Online (for Bendigo SmartOptions members).

If you have not registered for access, please go to [sandhursttrustees.com.au/super](http://sandhursttrustees.com.au/super) to complete your registration by selecting the login page and follow the instructions provided. You will then have access to your personal account information

and may log on any time.

Whilst logged on, the following personal information may be accessed:

- current balance;
- current investments;
- investment profiles;
- transactions (for any period you care to nominate);
- current managed fund investment option unit prices;
- nominated beneficiaries;
- insurance information;
- investment strategy allocations; and
- for pension members: reports online that detail pension information or Centrelink schedules.

Please ensure that you take all appropriate steps to protect your login details including password from theft. Sandhurst does not accept liability for loss occasioned by misuse of your login details in these circumstances.

## Member access to Plan information

The Plan's website provides you with access to news updates, brochures, forms and investment profiles for the investment options.

We would like to take the opportunity to remind you that members may obtain copies of the following information during normal business hours:

- the Plan's Group Life Insurance Policy;
- the full audited accounts and auditor's report of the Plan;
- the Plan's Trust Deed; and
- the investment strategy of the Plan.

All other enquiries relating to the Plan can be addressed to your financial adviser or our Client Services Team.

## Changes to the Plan

Information on the Plan is subject to change from time to time. Where the changes are not materially adverse, we make the updated information available online at [sandhursttrustees.com.au/super](http://sandhursttrustees.com.au/super).

## Policy committees for the employer-sponsored division of Bendigo SmartStart Super

The ultimate responsibility for the management of the Plan rests with Sandhurst. However many employers find it useful to have a policy committee set up to enable members of employer-sponsored plans to find out about the functions and make suggestions about the management of the employer-sponsored plan.

Super legislation requires the trustee of an employer-sponsored public offer plan (employer-sponsored plan) to establish at least one policy committee if the employer-sponsored plan has 50 or more members. Employer-sponsored plans with 5 to 49 members may also have a policy committee established if a written request is made to the trustee by at least five members.

Each policy committee must consist of equal numbers of employer and member representatives.

At present, the Plan does not have any policy committees established.

## Complaint resolution procedure

You can make an enquiry or complaint about the Plan if you are dissatisfied about your membership or benefits by:

- calling 1800 033 426; or
- writing to:  
Superannuation Enquiries Officer  
Bendigo 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 90 days of receipt. 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 has not been resolved within 90 days, then you may take your complaint to the Superannuation Complaints Tribunal (SCT).

You can contact the SCT by:

- calling 1300 884 114; or
- writing to:  
Superannuation Complaints Tribunal  
Locked Bag 3060  
Melbourne VIC 3001

The SCT is an independent body established to review trustee decisions affecting individual members. If your complaint is within the SCT's jurisdiction, it will attempt to resolve the matter through conciliation. This involves helping you and Sandhurst to come to a mutual agreement. If conciliation is unsuccessful, then the complaint is referred back to the SCT for a determination, which is binding on Sandhurst.

## Keeping your contact details up to date

It is important that you let Sandhurst know when you change your details so that you do not become 'lost', and we can contact you for instructions as necessary. You can advise Sandhurst of your change of address, phone number, or email address online by accessing our secure website. Alternatively, you can write to us using the Change of Details Form available via the website or by contacting our Client Services Team.

## Super surcharge

The Government abolished super surcharge tax on 1 July 2005. However, if applicable, surcharges for prior years may still appear on your latest member benefit statement as a deduction from your account.

There may be times in the future where an original assessment will be issued or an amendment to a surcharge assessment for the financial years 1997 – 2005 is required, and this could result in a liability. Even though the surcharge has been abolished from contributions made from 1 July 2005, the surcharge will still need to be paid in respect of any liabilities that are raised for the financial years 1997 – 2005.

## Privacy

Please read the information regarding the privacy policy which is available at [sandhursttrustees.com.au](http://sandhursttrustees.com.au). If your account has insurance, you should also read TAL's privacy policy. Please visit their website at [tal.com.au](http://tal.com.au) or contact our Client Services Team.



# Financial report

Set out on the following pages is the abridged financial information of the Plan for the year ending 30 June 2016. The operating results of each product are included within the financial information of the Plan as set out on these pages. As at 30 June 2016 the net assets and liability for accrued benefits of Bendigo SmartStart were \$681.39m (2015: \$470.31m) and for Bendigo SmartOptions were \$153.16m (2015: \$160.56m).

## Statement of financial position as at 30 June 2016

	2016 \$	2015 \$
<b>ASSETS</b>		
<b>Investments</b>		
Cash Investments	70,985,331	66,538,819
Direct Equities	1,562,034	1,989,318
Unlisted Unit Trusts	<u>708,849,972</u>	<u>518,789,179</u>
	781,397,337	587,317,316
<b>Other Assets</b>		
Unsettled Investment Sales	3,597,274	761,495
Cash at Bank	25,208,334	18,135,218
Trade and Other Receivables	33,793,925	30,740,034
Deferred Tax Assets	<u>2,214,543</u>	<u>960,949</u>
	64,814,076	50,597,696
<b>Total Assets</b>	<b><u>846,211,413</u></b>	<b><u>637,915,012</u></b>
<b>LIABILITIES</b>		
Unsettled Investment Purchases	3,732,587	-
Trade and Other Payables	1,092,159	783,524
Current Tax Liability	6,036,984	5,360,315
<b>Total Liabilities (excluding net assets available to pay benefits)</b>	<b><u>10,861,730</u></b>	<b><u>6,143,839</u></b>
<b>Net Assets Available to Pay Benefits</b>	<b><u>835,349,683</u></b>	<b><u>631,771,173</u></b>
<i>Represented by:</i>		
<b>Liability for Accrued Benefits</b>		
Allocated to Members' Accounts	834,546,534	630,868,518
Unallocated to Members' Accounts	803,149	902,655
<b>Total Liability for Accrued Benefits</b>	<b><u>835,349,683</u></b>	<b><u>631,771,173</u></b>

Members may request a copy of the full audited financial statements and the Auditor's Report (for contact information see the inside of the front cover).

## Operating statement for the year ending 30 June 2016

	2016 \$	2015 \$
<b>Investment Revenue</b>		
Interest	1,590,945	1,705,487
Dividends	100,428	136,413
Distributions	41,922,772	38,844,140
Changes In Net Market Values	(12,676,340)	(467,786)
Direct Investment Expense	(13,655)	(14,189)
<b>Net Investment Revenue</b>	<b>30,924,150</b>	<b>40,204,065</b>
<b>Contribution Revenue</b>		
Employer Contributions	28,774,941	24,544,613
Member Contributions	60,130,309	48,705,592
Funds Transferred In	166,549,213	141,517,846
<b>Total Contribution Revenue</b>	<b>255,454,463</b>	<b>214,768,051</b>
<b>Other Revenue</b>		
Other Revenue	850,978	582,603
<b>Total Revenue</b>	<b>287,229,591</b>	<b>255,554,719</b>
<b>Group Life Insurance Premiums</b>	3,576,444	2,923,300
<b>General Administration Expenses</b>		
Operating Expenses	5,206,897	4,731,663
<b>Total Expenses</b>	<b>8,783,341</b>	<b>7,654,963</b>
<b>Benefits Accrued as a Result of Operations Before Income Tax</b>	278,446,250	247,899,756
<b>Income Tax Expense/(Benefit)</b>	4,311,807	6,889,183
<b>Benefits Accrued as a Result of Operations</b>	<b>274,134,443</b>	<b>241,010,573</b>

