



Bendigo Superannuation Plan Annual Report 2019

Incorporating:

Bendigo SmartStart Super®

Bendigo SmartStart Pension®

Bendigo SmartOptions Super®

Bendigo SmartOptions Pension®



SandhurstTrustees

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Contact information

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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.

The Bendigo SmartOptions products have been closed to new members from 1 July 2019.

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.

This Annual Report is prepared as at 14 November 2019 and it contains important information about the management and financial condition of the Plan for the financial year ending 30 June 2019, 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.



“
Sandhurst Trustees has
celebrated over 130 years
in business.”

Jenny Dawson

From the Chairman Jenny Dawson

I am pleased to present the Bendigo Superannuation Plan Annual Report for the year ending 30 June 2019.

Sandhurst has celebrated over 130 years in business. As we grow from strength to strength, we have never lost sight of our long-standing commitment in supporting the people, communities and initiatives from which we draw our ongoing success.

We continue to stay true to our motto of being mindful, faithful and lasting as we help our members achieve their retirement goals. Our Board and management continually work hard to deliver on our commitment to you as our members.

When longevity and trust become one you know you are in good hands

Sandhurst is run by its own board and has its own governance structure, but we are proudly part of the Bendigo and Adelaide Bank Group. This year, Bendigo Bank was listed in the top ten most trusted Australian brands – according to the Roy Morgan Net Trust Score.

The above is testimony to the values of our organisation and commitment to putting the needs of our members at the centre of everything we do.

The effective operation of the industry responsible for the retirement savings of Australians is critical. We have been through a period of scrutiny over several years including via the Royal Commission into Misconduct in the Banking, Superannuation and Financial Services Industry.

We will continue to focus on the outcomes for our members and remain active and engaged in what is occurring in the industry. We're confident our Board of Directors have the capability, capacity and focus to effectively govern your future retirement savings.

Details of our Board of Directors are available in the "Additional information about the Plan" section of this report.

I would like to take this opportunity to thank our members for entrusting us with their super savings. I would also like to thank the staff for their hard work and dedication over the year.

Your member statement, which you would have already received, includes detailed information about your super with us. You can also access these details at any time through our online member portal. Register for access at sandhursttrustees.com.au/super. It's quick and easy - all you need is your account number, which appears on the covering letter of your member statement.

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.

Jenny Dawson
Chairman – Sandhurst Trustees Limited

From the CEO Justin Hoare

We opened our doors in 1888 as a traditional trustee company. Today we are a reputable provider in the ever-expanding superannuation and funds management industry.

As a modern wealth management business built on honesty, trust and integrity, we offer a range of solutions including:

- investment and funds management,
- superannuation,
- access to funeral bonds,
- commercial loans, and
- the provision of corporate trustee and custodial services.

Helping our members retire with more

This year we are proud to have received 5 quality stars from Heron Partnership Pty Ltd for our Bendigo SmartStart Super product.



Protecting Your Super Package

The Federal Government's Protecting Your Super Package Act came into effect on 1 July 2019. The package is designed to protect Australians' super savings from unnecessary erosion by fees and insurance costs. The legislation included changes to fees, the transfer of inactive low-balance accounts to the Australian Taxation Office (ATO) and cancelling insurance for inactive members effective from 1 July 2019.

Every effort was made to contact members who could have lost their insurance due to the legislative changes. Through this contact 24.9% of these members were able to retain their insurance cover.

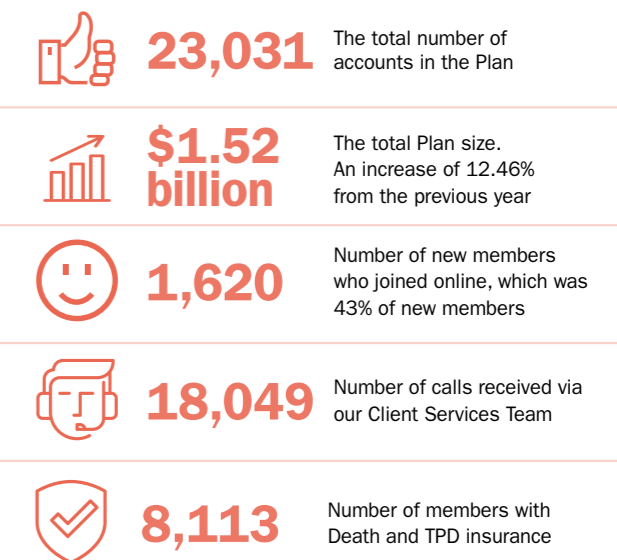
It's your future. See it.

If you are a Bendigo Bank customer and have a SmartStart or SmartOptions* account, you can now view your super balance on Bendigo e-banking along with your other Bendigo accounts. You will not only have the convenience of seeing your banking and super in the one place, you'll also have greater visibility on your overall financial position.

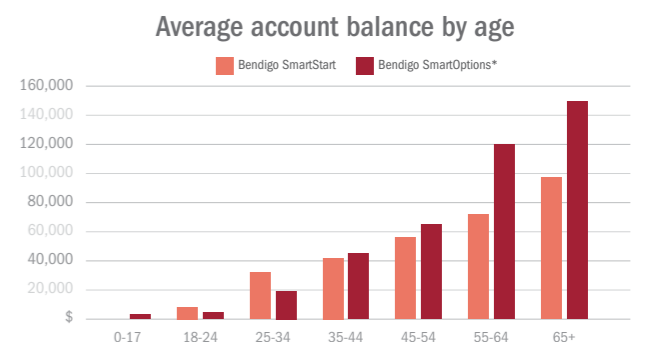
Justin Hoare
CEO – Sandhurst Trustees Limited

Fund highlights

We're growing
As at 30 June 2019:



Average account balance by members' age as at 30 June 2019



*Bendigo SmartOptions products have been closed to new members from 1 July 2019

Super legislation and changes

The following provides an update on some of the recent legislative changes affecting superannuation, as well as some of the proposed changes announced in the 2019 Federal Budget.

Please note: the super and retirement landscape is complex and constantly changing, we therefore recommend that you seek advice in relation to whether, or how, the changes may affect you.

Legislative changes

Protecting Your Super Package

The Protecting Your Super Package introduced a number of changes to help ensure that super accounts are not being eroded by unnecessary fees and insurance premiums. The changes effective from 1 July 2019 included:

- Accounts classified as low balance (those that have less than \$6,000) will have their fees capped at 3% to assist in preventing them being eroded by fees. Any amount in excess of the cap must be refunded. All super fund exit fees have been banned.
- An account will be classified as inactive if no contributions or rollovers have been received over a 16 month period.
- Inactive superannuation accounts which have balances below \$6,000 will have as inactive low balance accounts. These will be transferred to the ATO, who will attempt to auto-consolidate the amounts into the member's active account, if they have one and if the combined balance will be greater than \$6,000. However, if a member has engaged with their account, for example, by changing their investment strategy or insurance cover, then the account will not be inactive.
- Superannuation fund trustees are unable to provide insurance in accounts which have not received a contribution or rollover for 16 months. Members can advise their fund that they wish to continue their insurance cover while their account is not receiving contributions.

Tackling unpaid super

Legislation was passed which targets employer non-compliance with SG obligations. From 1 July 2019 the ATO can now apply for court-ordered penalties for employers who defy directions to make compulsory contributions on behalf of their employees. From this date the Single Touch Payroll system has also been extended to all employers, meaning the ATO will have up-to-date information on how much super employers owe to their workers.

Allowing retirees to make voluntary contributions in the first year of retirement

Legislation was passed so that from 1 July 2019, retirees aged between 65 and 74 with a superannuation balance below \$300,000 are allowed to make voluntary super contributions for the first year that they no longer meet the work test requirements.

Putting members' interests first

The government legislated the Putting Members' Interests First with a commencement date of 1 April 2020. The Act prevents super fund trustees from providing insurance on an opt-out basis to certain members. The changes will apply to members aged under 25 years that begin to hold a new product from 1 April 2020, and also to any members with a balance under \$6,000. Existing members with a balance under \$6,000 from 1 November 2019 will have their cover cancelled on 1 April 2020 unless they advise their super fund if they wish to retain the cover.

Member outcomes

The government introduced new legislation which aims to increase Trustee scrutiny and penalties. Under this new law:

- Trustees of superannuation funds and directors of corporate trustees face new civil and criminal penalties for failing to execute their responsibilities and act in the interests of beneficiaries
- An annual "outcomes assessment" for MySuper and choice products, measured against a series of prescribed benchmarks, replaces the "scale test."
- Trustees must organize an annual meeting – either in-person or online – to enable members to ask questions about all areas of their fund's performance and operation.
- The Australian Prudential Regulation Authority (APRA) has stronger enforcement and supervision powers.
- Trustees or their associates can't urge employers to nominate the superannuation fund as the default fund or influence employers to encourage their employees to choose a particular fund.
- Portfolio holdings disclosure requirements will require publicly accessible fund websites to show detailed asset holding information updated on a semi-annual basis from 31 December 2019. Funds will have three months after each reporting date to publish the information on their website.

Proposed changes

No requirement for the Work Test up to age 66

It's proposed that from 1 July 2020, Australians aged 65 and 66 will no longer need to meet the Work Test before making both concessional and non-concessional voluntary superannuation contributions.

This will benefit people who work limited hours or undertake voluntary work and will align the Work Test with the Age Pension eligibility age, which is scheduled to reach 67 from 1 July 2023.

Extended eligibility for spouse contributions

Currently, anyone aged over 70 cannot receive contributions made by another person on their behalf. However, the intent is to raise the age limit for spouse contributions from 69 to 74 years, which may help a couple even out their superannuation assets and may provide a tax offset to the contributing spouse.

There is no age restriction on the person making the spouse contribution.

Please note that proposed changes are not yet law at the time of writing. Therefore, the measures may not be passed in the form described above and are subject to change.

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

From the Head of Investments

Thad McCrindle

Market commentary

The 2019 financial year has been a solid year as market strength in the second half buoyed investors resulting in many asset classes performing well.

Globally

Despite some market volatility and weaker economic data throughout the year the MSCI World Index finished 12.59% higher. This return was produced in a market where central banks continued their easy monetary policy pathway which offset the ongoing concerns around Brexit, trade wars and the risk of a global recession.

The US market

The US Federal Reserve predicted steady growth and raised interest rates by 0.25% on three occasions in the last financial year.

Europe

Despite market predictions on Europe being resoundingly negative for the last 12 months many domestic facing sectors in the Euro economy remained in good shape. With growth remaining moderate in the low interest rate environment many defensive stocks performed well.

Emerging markets

Emerging market in Australian dollars exhibited smaller positive gains compared in relative term to the rest of the world. The MSCI Emerging Markets index rose over one-year by 6.5%. Traditionally this market has been a difficult region to invest in given the heightened risk associated with currency, political and market volatility.

Asian market

Trade wars with the US dominated Chinese equity markets in the last year. These caused a significant deterioration in relations between both countries and resulted in the imposition of tariffs against each other.

Australian market

On 5 June 2019 the Reserve Bank of Australia (RBA) cut rates by 0.25% lowering the cash rate target to 1.25%. The first cut by RBA in several years signaled their concerns of a weaker domestic economy. While low inflation and low wage growth persist, and the economy continues to be reliant on the highly leveraged consumer and housing sectors, the market is likely to remain supported by easier monetary policy.

Australian stocks were a standout, recording an exceptionally strong gain of 20% in the six months to 30 June 2019. Australian bonds have outperformed global developed market bonds for most of the past year, with yields falling most notably over the last six months in anticipation of rate cuts.

The S&P/ASX 200 enjoyed a solid year returning 11.5% as did the S&P/ASX 200 AREIT index returning in a large 19.3% return for the financial year.

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

The overall investment objective for the Plan is to facilitate members accumulating and/or drawing down on accumulated superannuation assets to supplement their spending through retirement. The specific investment objectives vary across the Plan depending on the nature of the investment option and the product type.

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 a cash account, an income-focused managed fund, an age-based life-cycle investment option for super members (Bendigo MySuper), and/or up to 11 diversified managed funds with differing risk and return profiles for Bendigo SmartStart Super; and
- allow super and pension members to invest in accordance with the default investment strategy for Bendigo SmartStart Super or Bendigo SmartStart Pension respectively.

The investment strategy of the Bendigo SmartOptions products is to:

- offer a range of investment options with differing risk and return profiles, including a cash account, 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;
- 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 at sandhursttrustees.com.au/super or 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; 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:

1. 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.

2. 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 assist members to achieve appropriately diversified accounts. Refer to the Bendigo SmartOptions 'Investment information for existing members' guide for more information.

3. 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

The Plan does 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. It is 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, the default investment option for Bendigo SmartStart Super is the Bendigo MySuper option. This is an age-based lifecycle investment option, where we change the investment mix as you get older. For Bendigo SmartStart Pension the default investment option is the Bendigo Conservative Index Fund. You can also choose to invest in a range of investment options with differing risk and return profiles including Bendigo MySuper (not available to Bendigo SmartStart Pension), managed funds and a cash account.

In Bendigo SmartOptions, as an existing member, you can choose to invest in a wider range of investment options including managed funds, cash products, term deposits and from S&P/ASX 200 listed securities (investment limits apply). Bendigo SmartOptions Super does not have a default investment option, however for Bendigo SmartOptions Pension, the default investment option is the Bendigo Conservative Index Fund.

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, 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 2019 appear on your member benefit statement.

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

	Bendigo SmartStart		Bendigo SmartOptions*	
	Super	Pension	Super	Pension
Cash The Cash Account is an interest-bearing deposit account.	✓	✓	✓	✓
Term deposits A deposit held at a financial institution that provides a fixed rate of return for a nominated period of time.	✗	✗	✓	✓
Lifecycle investment option – Bendigo MySuper 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.	✓	✗	✗	✗
Managed funds				
Multi-asset class funds: invest in a combination of asset classes according to a pre-determined asset allocation.	✓	✓	✓	✓
Single-asset class funds: 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.	✗	✓	✓	✓
Annuity funds: 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.	✗	✗	✓	✓
Listed securities investments 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 asx.com.au or by contacting your financial adviser.	✗	✗	✓	✓

*Bendigo SmartOptions products have been closed to new members from 1 July 2019

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 2019):

- Sandhurst Trustees Limited
- Aberdeen Standard Investments Australia Limited
- Altius Asset Management Pty Ltd
- AMP Capital Investors Limited
- Antipodes Partners Limited
- APN Funds Management Limited
- Australian Ethical Investment Ltd
- BlackRock Investment Management (Australia) Limited
- Challenger Life Company Limited
- Colonial First State AssetManagement(Australia) Limited
- Epoch Investment Partners Incorporated (investment manager for Grant Samuel)
- Fidelity International Limited
- Generation Investment Management Limited
- Janus Henderson (Australia) Funds Management Limited
- Investors Mutual Limited
- IOOF Investment Management Limited
- Macquarie Investment Management Limited
- Pandal Group Limited
- Perpetual Investment Management Global 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, Australia, Ltd
- UBS 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 2019, as well as the long term performance for the investment options you were invested in.

The Investment Performance Report, available from our website (updated monthly) also includes details of past performance of the managed fund investment options. You should note that past performance is not a reliable indicator of future performance.

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 2019. The fund details and investment menu list is correct as at 30 June 2019.

Please refer to your member benefit statement to view your actual asset allocations for your super or pension account as at 30 June 2019.

Investment name	Asset Allocation (%)								
	Cash	Australian shares	Australian fixed interest	Australian listed property	International shares	International fixed interest	International listed property	Other	Unlisted property
Multi-asset class funds									
Defensive									
Bendigo Defensive Index Fund	19.50	6.80	48.70	1.52	5.00	14.60	3.88	-	-
Bendigo Defensive Wholesale Fund	17.88	6.69	41.25	1.52	6.29	22.21	2.96	1.20	-
Conservative									
Bendigo Conservative Index Fund	15.80	14.10	35.90	2.40	16.50	10.40	4.90	-	-
Bendigo Conservative Wholesale Fund	15.73	11.70	28.40	2.39	15.60	17.50	6.38	2.30	-
Aberdeen Multi-Asset Income Fund ⁽²⁾	6.78	34.50	23.27	6.05	-	28.95	-	-	-
Pendal Active Conservative Fund	19.09	10.43	25.67	3.24	9.04	15.98	0.98	15.56	-
Colonial First State Wholesale Conservative Fund	29.28	15.34	26.68	0.18	9.33	14.36	4.83	-	-
Balanced									
Bendigo Balanced Index Fund	9.10	21.80	27.10	3.15	26.60	6.20	6.05	-	-
Bendigo Balanced Wholesale Fund	8.56	20.00	20.60	2.90	24.44	12.90	8.10	2.50	-
Aberdeen Multi-Asset Real Return Fund ⁽²⁾	2.05	16.39	1.75	3.21	17.23	35.87	.	23.50	-
Australian Ethical Balanced Fund (Wholesale) ⁽²⁾	2.86	33.37	27.97	-	26.33	-	-	1.49	7.98
Growth									
Bendigo Growth Index Fund	6.60	28.10	16.70	3.74	35.30	3.00	6.56	-	-
Bendigo Growth Wholesale Fund	6.23	27.50	13.40	3.39	33.40	4.30	9.05	2.73	-
Bendigo Socially Responsible Growth Fund	4.14	34.56	7.75	6.96	38.52	8.07	-	-	-
BlackRock Tactical Growth Fund	7.00	35.00	14.00	6.00	29.00	7.00	2.00	-	-
UBS Balanced Investment Fund ⁽²⁾	5.80	31.70	12.00	-	31.20	7.90	5.10	6.30	-
Zurich Investments Managed Growth Fund	12.47	29.61	6.94	1.95	35.55	10.85	2.50	0.13	-
High growth									
Bendigo High Growth Index Fund	9.20	36.00	2.60	4.10	40.80	-	7.30	-	-
Bendigo High Growth Wholesale Fund	9.87	34.15	3.35	3.36	35.37	-	11.23	2.68	-

Investment name	Asset Allocation (%)								
	Cash	Australian shares	Australian fixed interest	Australian listed property	International shares	International fixed interest	International listed property	Other	Unlisted property
Single-asset class funds									
Australian shares									
Sandhurst IML Industrial Share Fund	0.27	99.73	-	-	-	-	-	-	-
Aberdeen Australian Small Companies Fund	2.82	82.66	-	14.52	-	-	-	-	-
Australian Ethical Australian Shares Fund (Wholesale)	6.70	93.30	-	-	-	-	-	-	-
Australian Ethical Diversified Shares Fund (Wholesale) ⁽²⁾	1.61	73.54	-	-	24.85	-	-	-	-
Colonial First State Wholesale Imputation Fund	2.26	97.74	-	-	-	-	-	-	-
Investors Mutual Future Leaders Fund	6.70	89.68	-	3.62	-	-	-	-	-
Perpetual Wholesale Ethical SRI Fund	9.90	82.77	-	3.09	4.24	-	-	-	-
Schroder Australian Equity Fund	3.30	96.70	-	-	-	-	-	-	-
State Street Australian Equity Fund	0.67	99.33	-	-	-	-	-	-	-
Vanguard® Australian Shares Index Fund	-	100.00	-	-	-	-	-	-	-
International shares									
Antipodes Global Fund (Class P) ⁽²⁾	16.70	-	-	-	83.30	-	-	-	-
Fidelity Global Equities Fund [#]	4.15	-	-	-	95.85	-	-	-	-
Pendal International Share Fund	2.44	-	-	-	97.56	-	-	-	-
Generation Wholesale Global Share Fund ⁽²⁾	6.80	1.01	-	-	92.20	-	-	-	-
IOOF MultiMix International Shares Trust	2.64	-	-	-	97.36	-	-	-	-
UBS International Share Fund ⁽²⁾	2.44	-	-	-	97.56	-	-	-	-
International shares (hedged)									
Aberdeen Actively Hedged International Equities Fund	1.07	-	-	-	98.93	-	-	-	-
Epoch Global Equity Shareholder Yield (Hedged) Fund ⁽²⁾	-0.75	2.04	-	-	98.71	-	-	-	-
State Street Global Equity Fund	1.25	-	-	-	98.75	-	-	-	-
Platinum Asia Fund	19.07	-	-	-	80.93	-	-	-	-
Platinum International Fund	15.87	0.08	-	-	84.05	-	-	-	-
Australian property									
AMP Capital Wholesale Listed Property Trusts Fund ⁽²⁾	1.31	1.29	-	93.43	0.69	-	3.28	-	-
APN Property for Income Fund ⁽¹⁾	3.15	-	-	87.39	-	-	-	-	9.46
Pendal Property Securities Fund	5.14	-	-	94.86	-	-	-	-	-
Colonial First State Wholesale Property Securities Fund ⁽²⁾	2.13	-	-	97.87	-	-	-	-	-
Vanguard Australian Property Securities Index Fund	-	-	-	100.00	-	-	-	-	-

Investment name	Asset Allocation (%)								
	Cash	Australian shares	Australian fixed interest	Australian listed property	International shares	International fixed interest	International listed property	Other	Unlisted property
International property (hedged)									
AMP Capital Global Property Securities Fund – Class A Units	1.61	-	-	5.51	12.46	-	80.41	-	-
International infrastructure									
RARE Infrastructure Value Fund	4.15	8.88	-	-	86.97	-	-	-	-
Diversified fixed interest									
Bendigo Diversified Fixed Interest Fund	0.60	-	73.60	-	-	25.80	-	-	-
IOOF MultiMix Diversified Fixed Interest Trust	5.67	-	43.34	-	50.99	-	-	-	-
Macquarie Income Opportunities Fund	-	-	38.09	-	-	61.91	-	-	-
Australian fixed interest									
Altius Sustainable Bond Fund	5.16	-	94.84	-	-	-	-	-	-
Janus Henderson Australian Fixed Interest Fund – Institutional	-	-	100.00	-	-	-	-	-	-
Vanguard® Australian Government Bond Index Fund	-	-	100.00	-	-	-	-	-	-
International fixed interest									
PIMCO Global Bond Fund – Wholesale Class	-	-	2.82	-	-	97.18	-	-	-
Income and mortgage									
Sandhurst Strategic Income Fund – Class B	15.49	-	84.51	-	-	-	-	-	-
Sandhurst Select Mortgage Fund	-	-	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 was added to the Bendigo SmartOptions investment menu effective 21 December 2018 (Note: Bendigo SmartOptions products have been closed to new members from 1 July 2019).

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);
- Fund Performance Report, available from our secure website (refer to the 'Online access to your account' section on page 22); or
- information available online at 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 between funds and is determined by the fund manager for that particular fund. Please refer to the product disclosure statement of the particular managed fund for more information about how individual unit prices are calculated.

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

Interest earned on term deposits is 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.

Concentration of assets

As at 30 June 2019, 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	20.65
Bendigo Conservative Index Fund	20.19
Bendigo Growth Index Fund	17.48
Bendigo Balanced Wholesale Fund	9.11
Bendigo Conservative Wholesale Fund	8.12

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 (Non-executive director)

Jenny was appointed a director of Sandhurst Trustees in September 2009 and served as an independent Director of the Bendigo and Adelaide Bank board from 1999 to 2014. She has significant corporate governance experience having been a non-executive director for 20 years.

Jenny spent 10 years with Arthur Andersen in the audit and IT controls division and has experience in the areas of financial reporting and audit, IT internal control reviews, internal audit and risk management.

Jenny is currently a member of the Victorian State Council of the Australian Institute of Company Directors, a Trustee of the Anglican Diocese of Bendigo Trust Corporation and a director of its affiliated agencies – Bencourt Care Pty Ltd and New Horizons Welfare Services Pty Ltd. She also Chairs the Coliban Regional Integrated Water Management forum.

Deb Radford (Non-executive director)

Deb was appointed a director of Sandhurst Trustees Limited in July 2019 and served as an independent director of the parent entity Bendigo and Adelaide Bank Limited from 2006 – 2018. During this period she chaired the Credit Committee and served on Audit, Governance and HR and IT Committees. She has over 30 years' experience in the banking industry with international and local banks. She worked in the Victorian State Treasury and ran her own consulting business advising the government on commercial transactions.

Deb also has experience with charitable foundations as the Inaugural Chair of the La Trobe Foundation and managing the Radford Foundation.

Deb is currently Deputy Chancellor of La Trobe University.

Richard Baker (Non-executive director)

Richard was appointed a director of Sandhurst Trustees Limited in January 2016. Richard was previously employed by the Bendigo and Adelaide Bank Group from 1983 – 2018 and held many senior roles including, Manager MD's Office, Capital & Balance Sheet Management, Corporate Insurance, Chief Executive of Sunstate Lenders Mortgage Insurance Pty Ltd, a wholly owned subsidiary captive insurance company, plus 20 years' experience in the Trustee industry in various roles.

Paul Rohan (Executive director)

Paul was appointed a director of Sandhurst Trustees in October 2018. Paul joined Bendigo and Adelaide Bank in February 2011 and is currently Head of Wealth Management. He is a financial services professional with experience exceeding thirty years. His financial services experience covers superannuation, funds management, trustee services, life insurance and financial planning.

Paul's career commenced in a superannuation operational role and for 15 years he worked in management and IT consultancy roles with a focus on process improvement, strategy formulation, sales management, risk management, program management and systems integration.

Paul is currently a director of Bendigo Financial Planning Limited, Australian Friendly Society Limited and the Financial Services Council.

Ian Mansbridge (resigned 23 July 2018)

Bruce Speirs (resigned 27 September 2018)

Tony Robinson (resigned 23 July 2019)

Trustee Confirmation

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 was \$0.21m in 2019, \$0.42m in 2018, and \$0.57m in 2017.

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 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 at 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.

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 take all reasonable steps 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 264
Melbourne VIC 3001

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 an issue has not been resolved to your satisfaction, you can lodge a complaint with the Australian Financial Complaints Authority (AFCA). AFCA provides fair and independent financial services complaint resolution that is free to consumers. They can be contacted on:

Telephone: 1800 931 678 (free call)

Email: info@afca.org.au

Website: www.afca.org.au

In writing to: Australian Financial Complaints Authority, GPO Box 3, Melbourne VIC 3001

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. If your account has insurance, you should also read TAL's privacy policy. Please visit their website at 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 2019. 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 2019 the net assets and liability for accrued benefits of Bendigo SmartStart were \$1,384.33m (2018: \$1,185.83m) and for Bendigo SmartOptions were \$131.97m (2018: \$146.65m).

Statement of financial position as at 30 June 2019

	2019	2018
	\$	\$
ASSETS		
Cash at Bank	83,458,664	32,630,106
Unsettled Investment Sales	2,619,399	4,109,817
Trade and Other Receivables	38,947,445	41,457,584
Investments at Fair Value Through Profit and Loss	1,403,474,107	1,267,072,431
Investments at Amortised Cost – Term Deposit	372,911	196,038
Total Assets	1,528,872,526	1,345,465,976
LIABILITIES		
Unsettled Investment Purchases	27,982	3,526,680
Trade and Other Payables	985,217	1,098,270
Current Tax Liability	7,094,128	6,963,755
Deferred Tax Liability	3,686,264	493,766
Total Liabilities excluding Member Benefits	11,793,591	12,082,471
Net Assets Available for Member Benefits	1,517,078,935	1,333,383,505
Member Benefits	1,516,300,380	1,332,484,678
Net Assets	778,555	898,827
Equity		
General Reserve	778,555	898,827
Total Equity	778,555	898,827

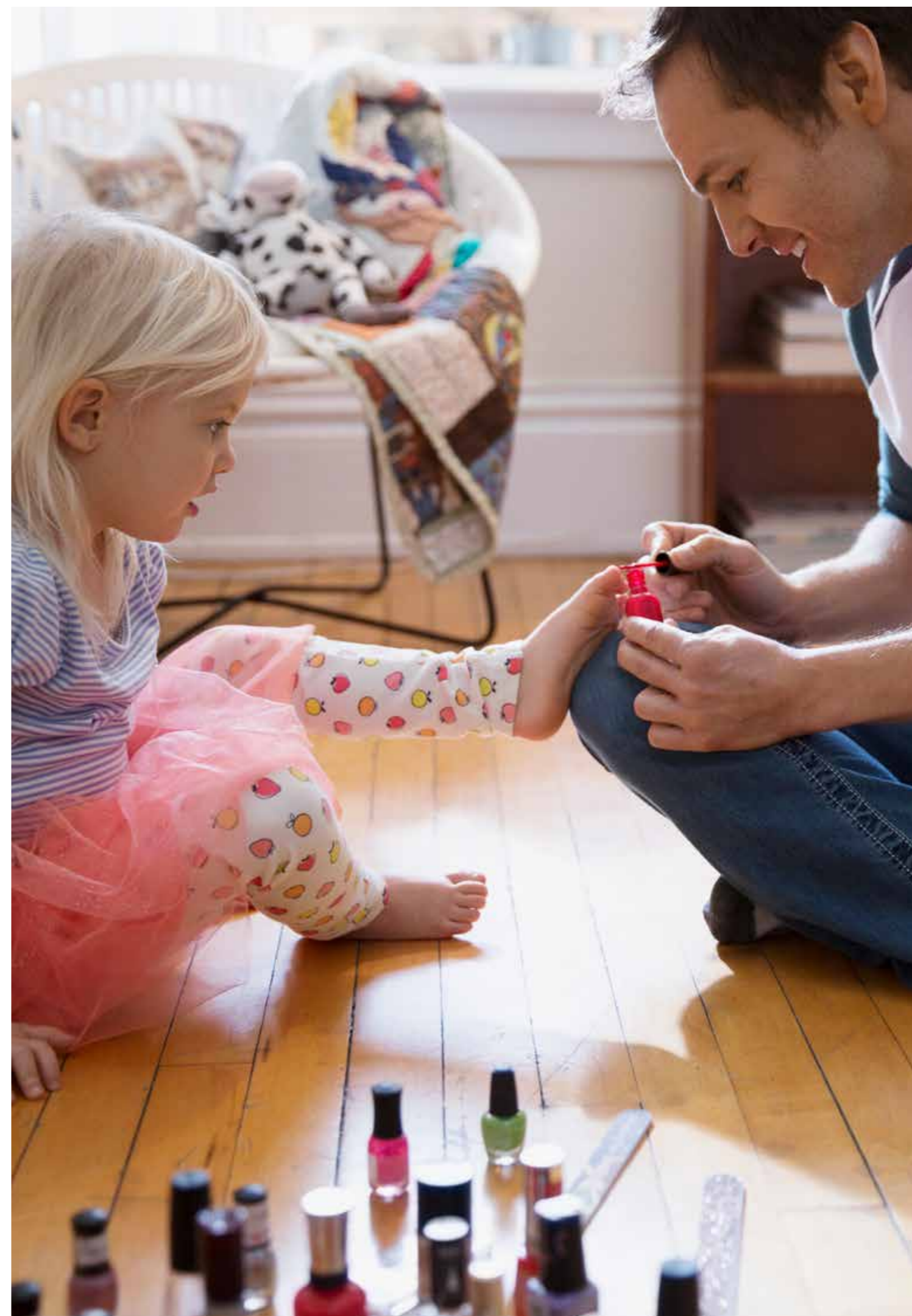
You may request a copy of the full audited financial statements and the Auditor's Report (for contact information see the inside of the front cover).

Income statement for the year ended 30 June 2019

	2019	2018
	\$	\$
Superannuation Activities		
Interest Income from Investments at Fair Value Through Profit and Loss	490,049	819,886
Interest Income from Investments at Amortised Cost	886,682	476,849
Dividends	140,951	84,335
Distributions	56,789,525	57,193,327
Changes In Fair Value of Investments	42,489,338	32,185,876
Other Revenue	473,192	56,328
Total Superannuation Activities	101,269,737	90,816,601
Expenses		
Direct Investment Expense	3,589	12,812
Operating Expenses	7,998,075	7,617,661
Transaction Costs	819	743
Total Expenses	8,002,483	7,631,216
Profit from Operating Activities	93,267,254	83,185,385
Less: Net Benefits Allocated to Members' Accounts	(89,631,762)	(81,252,145)
Profit before Income Tax	3,635,492	1,933,240
Income Tax Expense	3,755,764	2,129,680
Net (Loss)/Profit after Income Tax	(120,272)	(196,440)

Statement of changes in member benefits for the year ended 30 June 2019

	2019	2018
	\$	\$
Opening balance of member benefits	1,332,484,678	1,121,301,995
Contributions:		
Employer	44,176,518	38,972,840
Member	48,736,516	45,714,977
Transfers In from Other Funds	162,974,238	171,087,765
Income Tax On Contributions	(7,974,249)	(7,098,059)
Net after tax contributions	1,580,397,701	1,369,979,518
Benefits to Members/Beneficiaries	(151,782,972)	(117,230,807)
Insurance Premiums charged to Members' Accounts	(3,874,240)	(3,644,643)
Insurance Premiums Proceeds	1,928,129	2,128,465
Benefits allocated to Members' Accounts, comprising:		
Net Investment Income	97,312,511	88,642,690
Administration Fees	(5,081,338)	(4,914,416)
Advisor Fees	(2,599,411)	(2,476,129)
Closing balance of members benefits	1,516,300,380	1,332,484,678



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 (A1353068-1353067) (10/19)

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