

Target Market Determination

For the Sandhurst Select 90 Fund

STL-S90F

Product

This target market determination (TMD) applies to the Sandhurst Select 90 Fund (SS90F).

| | |
|--------------------------------------|---|
| Fund | Sandhurst Select 90 Fund |
| Issuer and Responsible Entity | Sandhurst Trustees Limited ABN 16 004 030 737 AFSL 237906 (Sandhurst Trustees), a subsidiary of Bendigo and Adelaide Bank Limited ABN 11 068 049 178 AFSL / Australian Credit Licence 237879 (Bendigo Bank) |
| ARSN | 090 909 069 |
| APIR | STL0002AU |
| Effective Date | 15/08/2024 |
| Version | 4 |

1. Target market for this product

Target Market

The retail clients for whom this product has been designed are investors who:

- want regular income and capital stability;
- want a low risk investment;
- can make an initial investment of at least the minimum investment amount (generally \$2,000);
- want the ability to make additional contributions to their investment (including through regular periodic contributions) with each contribution fixed for 90 days;
- want to invest in income generating assets, including mortgage backed assets and direct mortgages;
- want access to Bendigo Bank's online banking services; and
- want quarterly income distributions.

Product Description

The SS90F is a managed fund scheme for retail clients who want a low-risk investment in a pool of direct mortgages and mortgage backed assets that are income producing with a focus on capital stability and liquidity. The Fund also seeks to hold non-mortgage assets to generate income and provide liquidity to the Fund. Each contribution is fixed for the first 90 days and is then available for withdrawal under normal circumstances. This fund also allows investors to receive quarterly income distributions.



Product key attributes

The key attributes of this product that make it likely to be consistent with the target market described above, include:

Retail clients who are Australian residents and retail clients who are non-residents residing in Australia.

*TMD indicator key**

The Retail client Attributes for which the product is likely to be appropriate have been assessed using a red/green rating methodology with appropriate colour coding:

-  In target market
-  Not considered in target market

Instructions

In the tables below, Column 1 'Retail client Attributes', indicates a description of the likely objectives, financial situation and needs of the class of retail clients that are considering this product. Refer to the Instructions and Key Definitions document for definitions of Retail client Attributes. Column 2, TMD indicator, indicates whether a retail client meeting the attribute in column 1 is likely to be in the target market for this product. Generally, a retail client is unlikely to be in the target market for the product if:

- **one or more** of their Retail client Attributes correspond to a red rating

Appropriateness

The Issuer has assessed the product and formed the view that the product, including its key attributes, is likely to be consistent with the likely objectives, financial situation and needs of consumers in the target market, as the features of this product in Column 3 of the table below are likely to be suitable for consumers with the attributes identified with a green TMD Indicator in Column 2.

Investment products and diversification

A retail client (or class of retail client) may intend to hold a product as part of a diversified portfolio (for example, with an intended product use of minor allocation). In such circumstances, the product should be assessed against the retail client's attributes for the relevant portion of the portfolio, rather than the retail client's portfolio as a whole. For example, a retail client may seek to construct a balanced or moderate diversified portfolio with a minor allocation to growth assets. In this case, a product with a High risk/return profile may be consistent with the retail client's objectives for that minor allocation notwithstanding that the risk/return profile of the retail client as a whole is Medium. In making this assessment, distributors should consider all features of a product (including its key attributes). The key attributes of this product that make it likely to be consistent with the target market described above include:

| Retail client Attributes | TMD Indicator | Product description including key attributes |
|--|---------------|---|
| Retail client's investment objective* | | |
| Capital Growth | Red | To provide regular income and capital stability by investing assets of the Fund in a broad selection of mortgage-backed assets, direct mortgages and other income producing assets. |
| Capital Preservation | Green | The Fund aims to exceed the Bloomberg AusBond Bank Bill Index after fees and expenses on a rolling 12 month basis. The benchmark is not a guarantee of Fund performance. |
| Capital Guaranteed | Red | The neutral position of the Fund is 85% direct mortgages and mortgage backed assets and 15% non-mortgage assets. |
| Income Distribution | Green | Retail clients who want regular income through quarterly distributions. Retail clients can elect to reinvest distributions or have them paid out. |
| Retail client's intended product use (% of Investable Assets)* | | |
| Whole Portfolio Solution (Up to 100%) | Green | The Sandhurst Select 90 Fund is a managed fund scheme for retail clients seeking a low-risk investment from direct mortgages, mortgage-backed assets and other income producing assets. |
| Major Allocation (Up to 75%) | Green | The strategic asset class allocation: |
| Core Component (Up to 50%) | Green | <ul style="list-style-type: none"> • Direct mortgages and mortgage-backed assets Min 45% - Max 90%; • Deposits, money market securities and government backed securities Min 10% - Max 55%. |
| Minor Allocation (Up to 25%) | Green | In exceptional market conditions the Fund may have asset class allocations outside the stated minimum and maximum for short periods of time. |
| Satellite Allocation (Up to 10%) | Green | |

| Retail client Attributes | TMD Indicator | Product description including key attributes |
|---|-------------------|---|
| Retail client's investment timeframe | | |
| Minimum investment timeframe | 90 days or longer | Minimum suggested investment period is 90 days. |
| Retail client's Risk (ability to bear loss) and Return profile* | | |
| Low | Green | The Fund is considered a low risk investment. The retail client is conservative or low risk in nature, seeks to minimise potential losses (e.g. has the ability to bear up to 1 negative annual return over a 20 year period (SRM 2)) and is comfortable with a low target return profile. |
| Medium | Red | |
| High | Red | |
| Very High | Red | |
| Retail client's need to access capital* | | |
| Within one day of request | Red | Retail clients who generally do not require access to invested funds for at least 90 days (as initial investments and each additional investment are fixed for the first 90 days). |
| Within one week of request | Red | There is no minimum withdrawal amount and retail clients may apply to withdraw some or all of their investment (following the initial 90 day fixed period). |
| Within one month of request | Red | If retail clients make a withdrawal request which would result in their investment balance falling below the minimum investment balance (\$2,000), Sandhurst may at its discretion treat the retail clients withdrawal request as relating to all of their remaining investment in the Fund. |
| Within three months of request | Green | Withdrawal requests are processed as soon as practicable (usually on the same day). However, under the Fund's Constitution we have 12 months to satisfy withdrawal requests and do not have a legal obligation to satisfy any withdrawal request within a shorter period. Sandhurst may also delay or refuse withdrawal requests if it is in the best interests of investors as a whole to do so. |
| Within one year of request | Green | |
| Within five years of request | Green | |

* Refer to the Instructions and Key Definitions Document for further information

2. How this product is to be distributed

Sandhurst Trustees applies certain conditions and restrictions to the distribution of this product so that distribution is likely to be to retail clients within the target market for this product. The conditions and restrictions are:

| Distribution Channel | Distribution conditions/restrictions |
|--|---|
| Approved financial advisers | Financial advisers must: <ul style="list-style-type: none">• by conduct or agreement agree to the terms with the issuer before they can distribute the product.• have the relevant licence and authority to distribute the product |
| Direct through online applications on Sandhurst Trustees website | <ul style="list-style-type: none">• Specific content about the product and information to assist customers in determining the appropriate investment solution for their circumstances is provided on the Bendigo Bank website, which is linked to the Sandhurst Trustees website.• All public facing content about or documentation related to the product must be consistent with the product's PDS and this TMD: and• The fund application process will include questions to filter out applicants who do not fall within the target market and will remind applicants to review the PDS and seek professional advice before making a decision. |
| Bendigo Bank and Community Bank Branches | Branch staff must: <ul style="list-style-type: none">• provide factual product information only;• be trained before providing relevant information about the product to retail clients;• direct retail clients to the relevant information and online application process, with the appropriate consent (if required); and• comply with the fund application process which includes questions to filter out applicants who do not fall within the target market. |
| Bendigo Bank's Wealth Concierge | Wealth Concierge staff must: <ul style="list-style-type: none">• be authorised from an AFS licensee to at least provide general product advice and deal in a financial product.• be trained before providing relevant information about or general advice on the product to retail clients; and• refer retail clients who want personal product advice to a financial adviser. |
| Platform Investors | Platform Investors must: <ul style="list-style-type: none">• by conduct or agreement agree to the terms with the issuer Sandhurst Trustees before they can distribute the product.• have the relevant license and authority to distribute the product; and• provide or direct retail clients to the relevant PDS |

3. Reviewing this target market determination

Sandhurst Trustees will review this TMD as set out below:

| | |
|----------------------------------|--|
| Initial review | Within the first year of the effective date. |
| Periodic reviews | At least every 12 months from the initial review. |
| Review triggers or events | <p>Any event or circumstances arising that would reasonably suggest the TMD is no longer appropriate. This may include (but is not limited to):</p> <ul style="list-style-type: none">• a material change to the design or distribution of the product, including related documentation;• occurrence of a significant dealing;• distribution conditions found to be inadequate in ensuring that the product is issued to retail clients who are likely to be in the target market;• relevant changes in the law or its application, a change in an industry code or decision of a court or other body (including through regulatory guidance) that materially affects the product;• significant changes in metrics, including, but not limited to:<ul style="list-style-type: none">○ a material increase in the number of complaints in relation to a product or aspect of a product; and○ an increase in withdrawals, as a proportion of account balances, from the product; and○ any other event occurs, or information is received that reasonably suggests this TMD is no longer appropriate. |

4. Reporting and monitoring this target market determination

Sandhurst Trustees' third party distributors who are regulated persons will need to collect, keep and report the following information to Sandhurst Trustees:

| Type | Description of information | Frequency of reporting |
|-----------------------------|--|---|
| Complaints | <p>Customer complaints made in relation to this product. This includes:</p> <ul style="list-style-type: none">• written details of the complaint; and• the number of complaints during the reporting period. | <p>Reporting period: Quarterly</p> <p>When does the regulated person have to report:</p> <p>Within 10 business days of the end of the reporting period.</p> |
| Sales data | <p>Sales and customer data in relation to this product as requested by Sandhurst Trustees.</p> | <p>Reporting period: Monthly</p> <p>When does the regulated person have to report:</p> <p>Within 10 business days of the end of the reporting period.</p> |
| Significant dealings | <p>The following information:</p> <ul style="list-style-type: none">• details of the significant dealing;• the date (or range) on which the significant dealing occurred;• why the distributor considers the dealing to be significant (including why it is inconsistent with this TMD); and• how the dealing was identified. | <p>When does the regulated person have to report:</p> <p>Within 10 business days of the distributor becoming aware of the dealing</p> |

Important Information

This target market determination is not a recommendation, opinion or advice that any person acquire the product or is within the target market for the product. It does not summarise the terms or risks of the product and is not an offer of, or invitation to apply for, the product to any person in Australia or elsewhere. Visit bendigobank.com.au/important-information/target-market-determinations for more information about target market determinations. Visit bendigobank.com.au/managedfunds for information about the product and applicable fees and charges.