

Target Market Determination

For the Sandhurst Strategic Income Fund

STL-SSIF

Product

This target market determination (TMD) applies to the Sandhurst Strategic Income Fund (SSIF).

Fund	Sandhurst Strategic Income 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 License 237879 (Bendigo Bank)
ARSN	151 201 106
APIR	Class A - STL0027AU Class B - STL0044AU
Effective Date	5 October 2023
Version	3

1. Target market for this product

Target Market

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

- want a regular income;
- want a low risk investment;
- want an investment with a time horizon of at least two (2) years;
- can make an initial investment of at least the minimum investment amount (Class A - generally \$2,000, Class B – Generally \$500,000);
- want the ability to make additional contributions to their investment (including through regular periodic contributions);
- want to invest in a diversified portfolio of mainly domestic interest-bearing securities; and
- want quarterly income distributions.

Product Description

The SSIF is a managed fund scheme for retail clients seeking a low-risk investment. For retail clients looking for regular income by investing in a diversified portfolio of mainly domestic interest-bearing securities with at least a 2 year time horizon. The Fund offers more than one class of unit. Both units are ranked equally on a return of capital basis and have the same investment portfolio. 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 outperform the performance benchmark (after fees) over any two year period.
Capital Preservation	Green	To invest in a diversified portfolio of mainly domestic interest bearing securities across a range of maturities. The Fund will adjust its investments in line with our view of prevailing market conditions to optimise returns and control volatility.
Capital Guaranteed	Red	The fund may be suited to an income portfolio or the defensive asset allocation of the Retail Clients total portfolio.
Income Distribution	Green	
Retail client's intended product use (% of Investable Assets)*		
Solution/Standalone (Up to 100%)	Green	The Sandhurst Strategic Income Fund is a managed fund scheme for retail clients seeking a low-risk investment. For retail clients looking for regular income by investing in a diversified portfolio of mainly domestic interest-bearing securities with at least a 2 year time horizon. The Fund offers more than one class of unit. Both units are ranked equally on a return of capital basis and have the same investment portfolio. This fund also allows investors to receive quarterly income distributions.
Major Allocation (Up to 75%)	Green	The strategic asset class allocation:
Core Component (Up to 50%)	Green	<ul style="list-style-type: none"> • Bank deposits and money market securities Min 20% - Max 100% • Government bonds Min 0% - Max 80% • Semi government and supernational bonds Min 0% - Max 60% • Corporate bonds and floating rate notes Min 0% - Max 60% • Asset backed securities Min 0% - Max 40% • Hybrid securities and other assets Min 0% - Max 10%
Minor Allocation (Up to 25%)	Green	
Satellite Allocation (Up to 10%)	Green	Hybrid securities and other assets Min 0% - Max 10%.

Retail client's investment timeframe		
Minimum investment timeframe	2 years or longer	Minimum suggested investment period is 2 years.
Retail client's Risk (ability to bear loss) and Return profile*		
Low	Green	This 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 return over a 20 year period (SRM 1 to 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 2 years (as the minimum suggested investment period is 2 years).
Within one week of request	Green	Retail clients may make withdrawals, subject to the fund's constitution. Withdrawal requests are processed weekly. A minimum withdrawal amount may apply and funds will be credited to the retail client's nominated account (normally within 5 business days after the request has been processed, although a longer period may apply in certain circumstances).
Within one month of request	Green	Withdrawals for Direct Investors will be processed weekly on Wednesday (or the next business day if Wednesday is a public holiday in Melbourne). Retail Clients can decrease their investment by withdrawing some or all of their units by sending Sandhurst a completed Withdrawal Form. If your Withdrawal Form is received and accepted before 12 noon Melbourne time on a Wednesday, the withdrawal will be processed using the withdrawal price for that Class of units calculated as at the close of business on that day (or the next business day if Wednesday is a public holiday in Melbourne). Otherwise, the withdrawal will be processed on the following Wednesday at the following Wednesday's withdrawal price for that Class of units.
Within three months of request	Green	Should your account fall below the minimum investment balance for its Class of units, we reserve the right to redeem all of your units after giving you 30 days' notice without the need for a Withdrawal Form.
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	<p>Financial advisers must:</p> <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

Distribution Channel	Distribution conditions/restrictions
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	<p>Branch staff must:</p> <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	<p>Wealth Concierge staff must:</p> <ul style="list-style-type: none"> • be authorised from an AFD 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	<p>Platform Investors must:</p> <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 early withdrawals 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	Customer complaints made in relation to this product. This includes: <ul style="list-style-type: none">written details of the complaint; andthe number of complaints during the reporting period.	Reporting period: Quarterly When does the regulated person have to report: Within 10 business days of the end of the reporting period.
Sales data	Sales and customer data in relation to this product as requested by Sandhurst Trustees.	Reporting period: Monthly When does the regulated person have to report: Within 10 business days of the end of the reporting period.
Significant dealings	The following information: <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); andhow the dealing was identified.	When does the regulated person have to report: Within 10 business days of the distributor becoming aware of the dealing.

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.