

Important information regarding Sandhurst managed funds - Buy/sell spread changes

In light of changing market conditions, Sandhurst managed fund transaction costs are being regularly reviewed. The first review was conducted in March 2020. During the review, we found a significant increase in market volatility has particularly impacted liquidity in fixed income markets. Reduced liquidity level has caused transaction costs to rise, which was more evident in sell spreads across our managed funds.

Following the recent monthly review performed in June 2020, Sandhurst wishes to advise that many of our managed funds sell spreads are decreasing from the May 2020 rates to reflect the lower transaction costs. Whilst there is an increase of buy spread for a few managed funds, the increase is marginal.

The changes will be effective 15 June 2020.

What is driving the change in buy/sell spreads¹ in June 2020?

Volatility in markets has continued to reduce relative to what has been experienced since March. This has seen fixed income markets liquidity improve and consequently a general reduction in transaction costs, notably in sell spreads.

Why do buy/sell spreads need to change?

The change in buy/sell spreads ensures investors who are transacting (within the fund) are paying the appropriate transaction costs and ensures existing investors are not impacted by the transactions of other investors.

To ensure these costs are fairly allocated, a review of transaction costs was conducted. This has resulted in a number of Sandhurst's managed funds buy/sell spreads being amended to reflect the current costs of transacting in markets.

Do Sandhurst Trustees benefit from increasing buy/sell spreads?

- No, buy/sell spread costs are not paid to Sandhurst as a fee and are not charged directly to investors, rather they are deducted from the income or assets of the fund.
- The buy/sell spread is designed to fairly allocate costs associated with buying and selling assets as a result of investors acquiring or withdrawing units in the fund.

The buy/sell spread range may change from time to time without prior notice.

Please refer to the table below for the new buy/sell spreads.

The new buy/sell spreads will apply from closing unit prices on 15 June 2020 inclusive.

¹What is a buy/sell spread?

Transaction costs are charged to investors when buying and selling units in the form of a buy/sell spread. The buy/sell spread is an additional cost to investors and is designed to fairly allocate costs associated with buying and selling assets as a result of investors acquiring or withdrawing units.

Income Funds	Old - 20 May 2020 (%)			New - 15 June 2020 (%)	
	Buy	Sell		Buy	Sell
Sandhurst Strategic Income Fund - Class A Units	0.05	0.22	↓	0.04	0.15 ↓
Sandhurst Strategic Income Fund - Class B Units	0.05	0.22	↓	0.04	0.15 ↓
Bendigo Diversified Fixed Interest Fund	0.07	0.35	↑	0.08	0.32 ↓

Diversified Funds	Old - 20 May 2020 (%)			New - 15 June 2020 (%)	
	Buy	Sell		Buy	Sell
Sandhurst Conservative Fund	0.10	0.38	↑	0.12	0.26 ↓
Sandhurst Balanced Fund	0.12	0.34	↑	0.13	0.24 ↓
Sandhurst Growth Fund	0.14	0.29		0.14	0.21 ↓
Bendigo Defensive Index Fund	0.09	0.29	↓	0.01	0.05 ↓
Bendigo Conservative Index Fund	0.09	0.19	↓	0.08	0.17 ↓
Bendigo Balanced Index Fund	0.09	0.19	↓	0.08	0.17 ↓
Bendigo Growth Index Fund	0.09	0.19	↓	0.08	0.17 ↓
Bendigo High Growth Index Fund	0.08	0.08		0.08	0.08

Diversified Funds continued over page

Diversified Funds (continued)	Old - 20 May 2020 (%)		New - 15 June 2020 (%)	
	Buy	Sell	Buy	Sell
Bendigo Defensive Wholesale Fund	0.10	0.32		0.26 ↓
Bendigo Conservative Wholesale Fund	0.14	0.34	↓	0.24 ↓
Bendigo Balanced Wholesale Fund	0.16	0.28	↑	0.22 ↓
Bendigo Growth Wholesale Fund	0.19	0.23		0.20 ↓
Bendigo High Growth Wholesale Fund	0.21	0.20		0.20

Responsible Investment Funds	Old - 20 May 2020 (%)		New - 15 June 2020 (%)	
	Buy	Sell	Buy	Sell
Bendigo Socially Responsible Growth Fund	0.11	0.15	0.11	0.15

Australian Share Funds	Old - 20 May 2020 (%)		New - 15 June 2020 (%)	
	Buy	Sell	Buy	Sell
Sandhurst Industrial Share Fund	0.25	0.25	0.25	0.25
Sandhurst Future Leaders Fund	0.25	0.25	0.25	0.25
Sandhurst IML Industrial Share Fund	0.25	0.25	0.25	0.25

International Funds	Old - 20 May 2020 (%)		New - 15 June 2020 (%)	
	Buy	Sell	Buy	Sell
Bendigo Global Share Fund	0.15	0.13	0.15	0.13

Do you have any questions?

For further information contact us on 1800 634 969
or visit www.sandhursttrustees.com.au

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The information is current as at 15 June 2020 and is subject to change without notice.