

# Sandhurst Strategic Income Fund

## Product Disclosure Statement Dated 31 May 2023

This Product Disclosure Statement (PDS or Statement) is issued by Sandhurst Trustees Limited (ABN 16 004 030 737, AFSL No. 237906) ('Sandhurst', 'we' 'us' or 'our'), as the responsible entity of the Sandhurst Strategic Income Fund (ARSN 151 201 106, APIR - Class A STL0027AU, APIR - Class B STL0044AU) ('the Fund').

### Contents

1. About Sandhurst	2
2. How the Sandhurst Strategic Income Fund works	2
3. Benefits of investing in the Sandhurst Strategic Income Fund	4
4. Risks of managed investment schemes	4
5. How we invest your money	5
6. Fees and costs	6
7. How managed investment schemes are taxed	7
8. How to apply	8
9. Other information	8

The latest version of this PDS and the Reference Guide is available at [bendigobank.com.au/managedfundsforms](https://bendigobank.com.au/managedfundsforms)

Information in this PDS is subject to change from time to time. Where the changes are not materially adverse, Sandhurst will make updated information available at [bendigobank.com.au/managedfundsforms](https://bendigobank.com.au/managedfundsforms)

You may request a copy of this PDS, the Reference Guide and any updated information at any time free of charge by contacting your licensed financial adviser, Platform operator, phoning Sandhurst on **1800 634 969** or visiting [bendigobank.com.au/managedfundsforms](https://bendigobank.com.au/managedfundsforms)

### Important Information

This PDS is a summary of significant information relating to the Sandhurst Strategic Income Fund and contains a number of references to important information (each of which forms part of the Statement) and will help you decide whether this product will meet your needs, and compare this product with others you may be considering.

The important information referred to in this PDS is contained in the Sandhurst Strategic Income Fund Reference Guide (Reference Guide) and each of these references in this PDS begins with an exclamation mark **!**

You should consider the information in this PDS in its entirety, before making a decision about the Sandhurst Strategic Income Fund.

The information in this PDS is general information only and does not take account of your personal financial situation or needs. You should assess your own objectives, financial situation and needs before deciding to acquire an interest in the Fund. Before making an investment decision, you should obtain financial advice tailored to your personal circumstances.

### Contact details:

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Funds Administration

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Website:

[bendigobank.com.au/managedfunds](https://bendigobank.com.au/managedfunds)

## 1. About Sandhurst

Sandhurst is the Fund's responsible entity and investment manager. Sandhurst is responsible for overseeing the Fund's operation, and managing and administering the Fund in the best interests of investors.

Sandhurst is a wholly owned subsidiary of Bendigo and Adelaide Bank Limited (ABN 11 068 049 178, AFSL No. 237879) (Bendigo Bank).

We are a highly regarded financial services provider and part of Bendigo Bank's wealth management arm. Established in 1888, we have evolved from a traditional trustee company to a modern full-service wealth manager. Like Bendigo Bank, we have a strong focus in supporting the people, communities and initiatives from which we draw our ongoing success.

## 2. How the Sandhurst Strategic Income Fund works

### Structure

The Fund is a registered managed investment scheme, whereby your money is pooled with other investors' money. Sandhurst invests this money on behalf of all the Fund's investors. This means that you have access to certain investments that you may not otherwise be able to access on your own. The ASIC website [www.moneysmart.gov.au](http://www.moneysmart.gov.au) has more information on managed investment schemes.

The Fund is established under a constitution (Constitution), which sets out your rights and the powers and responsibilities of Sandhurst. You can obtain a copy of the Constitution free of charge by contacting us.

Under the Corporations Act 2001 (Corporations Act), the Fund is required to have a compliance plan lodged with ASIC. The compliance plan is audited annually and sets out measures that Sandhurst will implement to ensure that the Fund's operation complies with the Corporations Act and the Constitution.

### About units and unit pricing

The Fund is unitised, meaning that when you invest in the Fund, you purchase units that represent a beneficial interest in the Fund's assets (but not in any particular underlying asset).

The Fund offers more than one class of unit. The term used in this PDS to describe this type of offering is called "multi-class pricing". An investor who applies directly for units in the Fund is defined as a "Direct Investor" and is issued with Class A units. An investor who applies for units in the Fund through a master trust, wrap account or other investor directed portfolio service (collectively referred to as a Platform) is defined as a "Platform Investor" and is issued with Class B units. Sandhurst may, at its discretion, offer Direct Investors who are wholesale clients as defined under the Corporations Act (Wholesale Client) the opportunity to invest directly in Class B units. However, Sandhurst is not obliged to make such offers. When investing directly into Class B units as a Wholesale Client, the terms and conditions relating to Class B units, as amended from time to time, will apply. These terms and conditions are detailed in section 1 of the Reference Guide.

Both unit classes are ranked equally on a return of capital basis and have the same investment portfolio. The main differences between Class A units and Class B units are the management fee and minimum initial investment limits.

Further information regarding multi-class pricing is set out in section 1 of the Reference Guide under the heading "Multi-class pricing".

The unit price is calculated each business day (i.e. any day that is not a weekend or a public holiday in Melbourne, Victoria) by dividing the Fund's net asset value attributable to that Class by the number of units on issue in that Class, and is adjusted for transaction costs including the buy/sell spread (see section 6 'Fees and costs' in this PDS and section 5 'Fees and costs' in the

Reference Guide for further information). Valuations of the Fund's assets are conducted at any time determined by Sandhurst, at regular intervals appropriate to the nature of the asset, and such times as required in the Constitution. The unit price will vary as the market value of the assets in the Fund rises or falls. The latest unit prices are available at [bendigobank.com.au/managedfundprices](http://bendigobank.com.au/managedfundprices)

Sandhurst has adopted a unit pricing policy setting out the principles which we apply when exercising unit pricing discretions under the Constitution. You can request a copy of the policy and other documents relating to unit pricing discretions free of charge by calling Sandhurst.

### Applications and withdrawals

You can make applications and withdrawals at any time, subject to the following minimum requirements (which Sandhurst may change at its discretion):

	Class A Units	Class B Units <sup>1</sup>
Minimum initial investment	\$2,000	\$500,000
Minimum additional investment	\$500 or \$50 per month via regular savings plan (see below)	
Minimum withdrawals	\$1,000 <sup>2</sup>	
Minimum switches	\$1,000	
Minimum investment balance	\$2,000	\$500,000

Note: Sandhurst may accept lesser amounts at its discretion.

<sup>1</sup>If you are a Platform Investor your Platform operator will set any minimum initial investment, withdrawal and investment holding requirements.

<sup>2</sup> Further conditions apply to withdrawals. Please refer to the withdrawal requests section on page 3 for further information.

Sandhurst will retain any interest earned on application money before it is paid into the Fund.

### Direct Investors

#### Initial investment

To acquire units in the Fund, you will need to complete an Application Form. If a completed Application Form is received and accepted before 12 noon Melbourne time on a business day, the application will be processed using the application price for that Class of units calculated as at the close of business on that day. Otherwise, the following business day's application price will be used (these conditions also apply to additional investments – see below).

Payment can be made by cheque or direct debit (if using direct debit, you will need to complete the relevant section of the Application Form) or other method acceptable to Sandhurst. In certain circumstances, Sandhurst reserves the right to refuse an application or accept only part of an application or change processing times.

The Application Form is available from our website at [bendigobank.com.au/managedfundforms](http://bendigobank.com.au/managedfundforms)

#### Additional investments

You can increase your investment by acquiring units in the Fund at any time, with payment made by BPAY<sup>®</sup>, cheque, direct debit or other method acceptable to Sandhurst. Units will be issued in accordance with the initial investment timings listed above. You should obtain a copy of the most up-to-date PDS for this Fund when making additional investments, as the investment will be made on those terms. In certain circumstances, Sandhurst reserves the right to refuse an additional investment or accept only part of an additional investment, (for example, if the Fund is closed to additional investments) or change processing times.

The Investment Contribution Form is available at [bendigobank.com.au/managedfundsforms](http://bendigobank.com.au/managedfundsforms)

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### Regular savings plan

The Fund offers a regular savings plan with a minimum investment of \$50 per month. Simply complete this election on your Application Form, or alternatively, you can establish a regular savings plan at any time by completing the Investment Contribution Form available at [bendigobank.com.au/managedfundsforms](http://bendigobank.com.au/managedfundsforms) and nominate your contribution amount.

### Withdrawal requests

You can decrease your investment by withdrawing some or all of your 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, Victoria). Otherwise, the withdrawal will be processed on the following Wednesday at the following Wednesday's withdrawal price for that Class of units.

If you make a withdrawal request which would result in your investment balance falling below the minimum investment balance for its Class of units, as set out above under the heading "Applications and withdrawals", Sandhurst may at its discretion, treat your withdrawal request as relating to all of your remaining units in the Fund.

The Withdrawal Form is available at [bendigobank.com.au/managedfundsforms](http://bendigobank.com.au/managedfundsforms)

For each Direct Investor, the total withdrawals you can make for any particular calendar month is capped at \$1,000,000. We have absolute discretion to refuse or partially satisfy or fully satisfy any withdrawal request above this cap. We may, at any time, increase or decrease this maximum withdrawal amount by giving investors 7 days written notice.

After Sandhurst has received and accepted a completed Withdrawal Form, withdrawals are normally paid within 5 business days of the withdrawal date, which is normally weekly on a Wednesday (however, the Constitution allows up to 30 days or such longer period as Sandhurst determines in certain circumstances). Withdrawals will be credited directly to your nominated account or a cheque can be sent to you upon request.

In extraordinary circumstances, Sandhurst reserves the right to suspend withdrawals from the Fund, such as if, in the reasonable opinion of Sandhurst, it is in the best interests of investors as a whole to do so. In some circumstances, such as when there is a freeze on withdrawals, you may not be able to withdraw your units in the Fund within the usual period for withdrawal requests. Sandhurst reserves the right to change processing times.

### Minimum investment balance

If the current value of your investment falls below the minimum investment balance as set out above under the heading "Applications and withdrawals", Sandhurst may at its discretion redeem your interests in the Fund and pay the proceeds to you.

### Switching and transfers

You may switch from the Fund to other funds operated by Sandhurst and which are listed on the Switch Form (available at [bendigobank.com.au/managedfundsforms](http://bendigobank.com.au/managedfundsforms)). When you request a switch we will redeem your existing units in the Fund at the next available redemption price and we will use the proceeds to buy the units in the new fund at the relevant application price. There is currently no charge for switching between funds, however buy/sell spreads do apply. Switching from one fund to another fund may give rise to tax consequences and it is recommended

that you check the tax implications with your accountant or financial adviser before switching.

When making a switch the minimum balance and transaction amounts of the respective fund must be met. You should obtain a copy of the most up-to-date PDS for each fund when requesting a switch, as the switch will be made on the terms of that PDS and the Switch Form. These documents and the Switch Form are available at [bendigobank.com.au/managedfundsforms](http://bendigobank.com.au/managedfundsforms)

You can also transfer your units in the Fund to another person. To discuss what is required for a transfer, please contact us on **1800 634 969**.

### Income distributions

The Fund earns income such as interest and other distributable income, as well as net realised capital gains on the sale of underlying assets. It is Sandhurst's intention that the full amount of the Fund's taxable income in each financial year be distributed to investors. The amount of distributions will vary from period to period and there may be periods in which no distribution is made. Distributions are calculated quarterly as at 31 March, 30 June, 30 September and 31 December and normally paid within 2 months.

Your entitlement to distributions is calculated by dividing the total distribution amount available for the relevant Class of units by the total number of units in the relevant Class of units on issue at the distribution date, and multiplying the result by the number of units you hold on that date. If you withdraw units prior to the distribution date, you will not receive any distribution for the period you held those units in the relevant distribution period. However, the Fund's unit price will incorporate the value of the distribution up to the withdrawal date.

You can choose to have your distributions:

- reinvested in further units in the same Class of units in the Fund; or
- paid to you by direct credit to your nominated account.

If you do not make a choice, or if a direct credit rejection occurs, then your distributions will be automatically reinvested by acquiring additional units in the Fund at the unit price applicable at the end of the relevant distribution period (the buy/sell spread does not apply to reinvested distributions). You can change your choice for receiving distribution payments by advising Sandhurst at least 10 business days before the end of the relevant distribution period. Otherwise, the change to your distribution instructions will not occur until after the next distribution is paid. Distributions will not be paid by cheque.

### Platform Investors

If you are investing through a master trust, wrap account or other investor directed portfolio-type service (collectively referred to as a 'Platform'), it is generally the operator of that Platform or the custodian of the Platform which becomes the investor in the Fund, not you. Accordingly, they have the rights of an investor and can exercise them in accordance with their arrangements with you.

If you invest through a Platform, you are subject to the terms that are prescribed by the operator of that Platform which may differ from the terms outlined in this PDS (such as procedures for making investments, switches and withdrawals, cooling off periods, cut-off times for transacting, timing for distributions, additional fees and costs and investor reporting).

Sandhurst is not responsible for the operation of any Platform through which you invest. In addition to reading this PDS, you should read the PDS for the Platform and other documents that explain the Platform, as issued by your Platform operator.



You should read the important information about 'How the Sandhurst Strategic Income Fund works' and 'Acquisition and disposal of units' before making a decision. Go to sections 1 and 2 of the Reference Guide at [bendigobank.com.au/managedfundsforms](http://bendigobank.com.au/managedfundsforms). The material relating to the "How the Sandhurst Strategic Income Fund works" and 'Acquisition and disposal of units' may change between the time when you read this Statement and the day when you acquire the product.

### 3. Benefits of investing in the Sandhurst Strategic Income Fund

The significant features and the significant benefits of the Fund include:

- **Strategic management of your investment:** Our professional team monitors the markets and analyses fixed income investments which may offer higher returns with a lower level of risk through the market cycle in an effort to outperform a static investment in similar assets.
- **Access to a diversified portfolio:** Providing you with the opportunity to broaden your exposure across a range of securities, therefore reducing your risk exposure and potentially enhancing returns.
- **Regular income:** By investing in a range of interest bearing securities, the Fund aims to provide you with a regular income stream via quarterly distributions.
- **Access to your funds:** You have easy access to your funds and there is no need to worry about rolling over maturing deposits.
- **A simple and convenient way to invest:** The Fund is designed to make investing easy for you. We handle all the investment decisions, paperwork and administration, and provide you with regular information and reporting on your investment. Our application process is straightforward and our friendly staff are on hand to assist you with any queries regarding your investment.
- **Regular savings plan:** The Fund offers the convenience of a regular savings plan so you can add to your investment on a regular basis with as little as \$50 per month. Regular investments can be deducted straight from your bank account.
- **A responsible entity with a proven record:** Sandhurst aims to create wealth for investors by employing a disciplined and conservative approach to managing quality investments.

### 4. Risks of managed investment schemes

The purpose of this section is to inform you of the types of significant risks that may apply to an investment in the Fund and is a summary only. It does not purport to be a comprehensive statement of all the risks.

All investments carry risk. Different investment strategies may carry different levels of risk, depending on the assets that make up the investment strategy. Generally, assets with the highest long-term returns may also carry the highest level of short-term risk.

The significant risks of investing in the Fund are summarised as follows:

- **Individual investment risk:** Investments made by the Fund will fluctuate in value, meaning that they can, and do, fall in value for many reasons. This is an inherent risk associated with all managed funds.
- **Liquidity risk:** The Fund's assets may not be able to be converted into cash in a timely manner in order to pay withdrawal requests. Interest bearing securities may have limited or no liquidity where there has been a default by the issuer or deterioration in the creditworthiness or credit rating. Markets for certain types of assets can have short periods of significantly reduced liquidity making it difficult to sell assets. If these situations occur it may not be in the best interests of

investors, or even possible, to pay redemptions. In this case redemptions may be suspended by Sandhurst or prohibited by the Corporations Act, in each case for the protection of all investors until such time as the Fund is sufficiently liquid to resume paying redemptions.

- **Counterparty risk:** Counterparty risk represents the loss that would be recognised if counterparties (i.e. the other parties to the contracts such as securities dealers or derivative counterparties or responsible entities) fail to perform as contracted.
- **Credit risk:** Creditworthiness of the underlying assets may deteriorate or ratings agencies may downgrade an issuer rating or an issuer may default on its obligation to pay interest and principal when due. These events may lead to less than expected income and possible loss of capital.
- **Concentration risk:** Is the risk that poor performance in a group of investments common to a particular section of the market will significantly affect the overall performance of the Fund.
- **Market risk:** The Fund is impacted by market risk. Factors that may influence the market include changes to economic, technological, climate, political, taxation, country, legal conditions and/or market sentiment. Sandhurst invests in a diversified portfolio of investments within its prescribed asset classes to reduce the impact of market risk.
- **Interest rate risk:** Changes in interest rates will have a positive or negative impact directly or indirectly on investment values or returns. The Fund is expected to move in line with interest rates. Interest rates may affect a company's cost of borrowings as well as the value of asset backed securities reliant upon cash flows to support creditworthiness.
- **Investment manager and/or asset manager risk:** Is the risk the investment strategy is not successful, resulting in underperformance of the Fund, either in absolute terms, or when considered with respect to the market, or relative to its peers. Specialist asset managers may be utilised for their industry specific knowledge to invest in some market sectors.
- **Regulatory risk:** Investment performance may be affected by changes to government policies, regulations and taxation laws.
- **Derivatives risk:** Derivatives may be used from time to time for both gaining and hedging exposure to assets, interest rate risk and/or currencies. Derivatives risk includes the value of derivative positions not moving in line with the movement in the underlying asset, potential illiquidity of the derivative, and the Fund being unable to meet payment obligations in relation to derivative contracts. Sandhurst has processes in place to govern the use of derivatives.
- **Fund risk:** The Fund may not achieve its investment return objective or Sandhurst may underperform other investment managers. The Fund could be terminated, the fees and costs could change, Sandhurst could be replaced as the responsible entity and/or investment manager, or key personnel could change. The repayment of capital from the Fund is not guaranteed. This means you could lose some or all of your investment if the Fund is wound up.

Information on how Sandhurst manages these risks is set out in Section 3 of the Reference Guide under the heading 'Risks of Managed Investment Schemes'.

The significant risks of investing in managed investment schemes include that:

- the value of investments will vary over time;
- the level of returns will vary and future returns may vary from past returns;
- returns are not guaranteed and you may lose some of your money;
- laws affecting registered managed investment schemes may change in the future; and
- the level of risk for you will vary depending on a range of factors including, age, investment time frames, where other parts of your wealth are invested and your risk tolerance.

The performance of the Fund is regularly monitored to assess whether the investment policy and the objectives of the Fund are being met. However, we do not guarantee future profitability, Fund returns, distributions or return of capital.

You should consult with your financial adviser to properly understand the risks associated with the Fund and your attitude to investment risk.

Sandhurst, Bendigo Bank and its related entities do not guarantee the repayment of capital invested, the payment of income or the Fund's investment performance. An investment in the Fund does not represent a deposit with, or a liability of Sandhurst, Bendigo Bank or its related entities. Bendigo Bank does not stand behind or guarantee the performance of Sandhurst.

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

**!** You should read the important information about 'Risks of managed investment schemes' before making a decision. Go to section 3 of the Reference Guide at [bendigobank.com.au/managedfundsforms](http://bendigobank.com.au/managedfundsforms). The material relating to the 'Risks of managed investment schemes' may change between the time when you read this Statement and the day when you acquire the product.

## 5. How we invest your money

Sandhurst aims to create wealth for investors by providing simple and professionally managed investment opportunities.

The Fund seeks to generate returns for a given level of risk (risk adjusted returns) in varying market and economic conditions by strategically managing its exposure to a range of eligible securities. The Fund can invest up to 100% of investor monies in domestic interest bearing securities and is permitted to invest up to 10% in secondary sector securities.

To both manage risk and optimise returns, we group all eligible investments into primary sectors and secondary sectors. Primary sector securities are more accessible and generally less risky than secondary sector securities which are generally less liquid. The Fund may use derivatives to hedge interest rates and currency risk. The Fund will not use derivatives for the purposes of gearing or leverage.

The Fund will generally invest in primary sectors, adjusting the portfolio between these sectors as market conditions change. The Fund will invest in secondary sectors, that are generally higher risk, only when, in the opinion of Sandhurst, they offer optimal returns for the given level of risk.

**Warning:** When choosing whether to invest in the Fund, you should consider:

- the likely investment return;
- the risk; and
- your investment timeframe.

Section 4 of the Reference Guide provides a general description of each asset type. For the latest performance report, including information on the securities held by the Fund please visit our website [bendigobank.com.au/managedfunds/performance](http://bendigobank.com.au/managedfunds/performance)

## Labour standards, or environmental, social or ethical considerations

Sandhurst does not take into account labour standards or environmental, social or ethical considerations in the selection of investment manager(s), for the Fund.

## Sandhurst Strategic Income Fund

Investment return objective	To outperform the Ausbond Bank Bill Index (after fees) over any two year period.			
Investment strategy	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. Sandhurst currently manages both the primary sector and secondary sector securities and may employ the expertise of specialist asset managers to manage these sectors.			
Strategic asset class allocation	Exposure	Max	Min	
	Primary	Bank deposits and money market securities	100%	20%
		Government bonds	80%	0%
		Semi government and supranational bonds	60%	0%
		Corporate bonds and floating rate notes	60%	0%
		Asset backed securities	40%	0%
	Secondary	Hybrid securities and other assets	10%	0%
Primary securities total	100%	90%		
Secondary securities total	10%	0%		
Investment managers	Details of all selected asset managers will be available on the Fund's website at <a href="http://bendigobank.com.au/managedfunds">bendigobank.com.au/managedfunds</a>			
Minimum suggested investment timeframe	Recommended for at least a 2 year investment period.			
Type of investor for whom this investment is suited	This Fund is intended to suit an investor primarily seeking regular income. The Fund may be suited to an income portfolio or the defensive asset allocation of your total portfolio.			
Risk level	This Fund is considered by Sandhurst to be a low risk investment.			
Changes to the Fund	We have the right to terminate the Fund or change the Fund's investment return objective (including without limitation the strategic asset class allocations and investment strategy) without providing prior notice to investors in some cases. We will inform investors of any material changes to the Fund in accordance with the law.			

**!** You should read the important information about 'How we invest your money' before making a decision. Go to section 4 of the Reference Guide at [bendigobank.com.au/managedfundsforms](http://bendigobank.com.au/managedfundsforms). The material relating to the 'How we invest your money' may change between the time when you read this Statement and the day when you acquire the product.

## 6. Fees and costs

### DID YOU KNOW?

Small differences in both investment performance and fees and costs can have a substantial impact on your long term returns. For example, total annual fees and costs of 2% of your account balance rather than 1% could reduce your final return by up to 20% over a 30-year period (for example, reduce it from \$100,000 to \$80,000).

You should consider whether features such as superior investment performance or the provision of better member services justify higher fees and costs.

You may be able to negotiate to pay lower fees. Ask the Fund or your financial adviser.

### TO FIND OUT MORE

If you would like to find out more, or see the impact of the fees based on your own circumstances, the **Australian Securities and Investments Commission (ASIC)** Moneysmart website ([www.moneysmart.gov.au](http://www.moneysmart.gov.au)) has a managed funds fee calculator to help you check out different fee options.

The managed funds fee calculator on the ASIC website ([www.moneysmart.gov.au](http://www.moneysmart.gov.au)) can also be used to calculate the effect of fees and costs on account balances.

Taxation information is set out in section 7 of this PDS.

The following table shows the fees and costs you may be charged. These fees and costs may be deducted from your money, from the returns on your investment or from the assets of the Fund as a whole. This information can be used to compare costs between different simple managed investment schemes.

You should read all the information about fees and costs because it is important to understand their impact on your investment.

All the fees and costs shown in this section include stamp duty and GST less the applicable reduced input tax credits unless otherwise stated.

\* The amount of this fee can be negotiated. See "Differential fee arrangements" under the heading "Additional explanation of fees and costs" in the Reference Guide for more information.

^ These fees do not include amounts payable to a financial adviser. See "Advice fee" under the heading "Additional explanation of fees and costs" in the Reference Guide for more information.

#These spreads can increase materially in stressed market conditions. See "Buy/sell spread" under the heading "Additional explanation of fees and costs" in the Reference Guide for more information.

**Warning:** Additional fees may be paid to a financial adviser if a financial adviser is consulted. Please refer to the financial adviser's Statement of Advice in which details of the fees are set out.

## Fees and costs summary

Sandhurst Strategic Income Fund		
Type of fee or cost	Amount	How and when paid
<b>Ongoing annual fees and costs</b>		
<p><i>Management fees and costs*</i></p> <p>The fees and costs for managing your investment</p>	<p>Class A units: 0.79% p.a.</p> <p>Class B units: 0.45% p.a.</p>	<p>The Fund's management fee is 0.79% p.a. for Class A units and 0.45% p.a. for Class B units and is calculated on the Fund's net asset value, accrued daily and paid monthly in arrears to Sandhurst from the Fund's assets as a whole.</p> <p>Management fees and costs include indirect costs of 0.00% p.a. which are paid when they arise from the fund's assets.</p> <p>The deduction of management fees and costs is reflected in the Funds' unit price.</p>
<p><i>Performance fees</i></p> <p>Amounts deducted from your investment in relation to the performance of the product</p>	Nil	Sandhurst does not charge a performance fee for managing the Fund.
<p><i>Transaction costs</i></p> <p>The costs incurred by the scheme when buying or selling assets</p>	0.00% p.a.	Transaction costs incurred by the Fund are paid as and when they are incurred by a deduction from the Fund, and transaction costs incurred by an interposed vehicle in which the Fund has invested are paid by that interposed vehicle. In each case, these transaction costs are reflected in the Fund's unit price.
<b>Member activity related fees and costs (fees for services or when your money moves in or out of the scheme)^</b>		
<p><i>Establishment fee</i></p> <p>The fee to open your investment</p>	Nil	Not applicable
<p><i>Contribution fee</i></p> <p>The fee on each amount contributed to your investment</p>	Nil	Not applicable
<p><i>Buy-sell spread#</i></p> <p>An amount deducted from your investment representing costs incurred in transactions by the scheme</p>	<p>Buy spread: 0.05%</p> <p>Sell spread: 0.13%</p>	The buy spread applies to each application in the Fund and is deducted from your investment amount upon application. The sell spread applies to each withdrawal and is deducted from your investment amount upon withdrawal.
<p><i>Withdrawal fee</i></p> <p>The fee on each amount you take out of your investment</p>	Nil	Not applicable
<p><i>Exit fee</i></p> <p>The fee to close your investment</p>	Nil	Not applicable
<p><i>Switching fee</i></p> <p>The fee for changing investment options</p>	Nil	Not applicable

## Example of annual fees and costs for the Fund

The following table gives an example of how the fees and costs for the Fund can affect your investment over a one-year period. You should use this table to compare the Fund with other managed investment products.

<b>EXAMPLE:</b> Sandhurst Strategic Income Fund (Class A)		<b>BALANCE OF \$50,000 WITH A CONTRIBUTION OF \$5,000 DURING YEAR</b>
Contribution Fees	Nil	For every additional \$5,000 you put in, you will be charged \$0.
<b>PLUS</b> Management Fees and Costs	0.79% p.a.	<b>And</b> , for every \$50,000 you have in the Sandhurst Strategic Income Fund, you will be charged or have deducted from your investment \$395 each year.
<b>PLUS</b> Performance Fees	Nil	<b>And</b> , you will be charged or have deducted from your investment \$0 in performance fees each year.
<b>PLUS</b> Transaction Costs	0.00% p.a.	<b>And</b> , you will be charged or have deducted from your investment \$0 in transaction costs.
<b>EQUALS</b> Cost of Sandhurst Strategic Income Fund (Class A)		If you had an investment of \$50,000 at the beginning of the year and you put in an additional \$5,000 during that year, you would be charged fees and costs in the range of:  <b>\$395 to \$435</b> <b>What it costs you will depend on the fees you negotiate.</b>

## Additional explanation of fees and costs

### Management fees and costs

Management fees and costs are incurred in managing the Fund, comprising the management fee paid to Sandhurst as responsible entity for administering the Fund, other investment-related expenses and reimbursements in relation to the Fund, amounts paid or payable for investing in the assets of the Fund, and indirect costs (excluding any transaction costs and performance fees, if any). Indirect costs are based on the actual costs of the past financial year.

Indirect costs are any amounts that directly or indirectly reduce the returns on the units that is paid from, or reduce the amount or value of, the income or assets of the Fund (including an underlying investment of the Fund).

The Constitution allows Sandhurst to pay or recover, from the Fund, all costs, charges, expenses and outgoings reasonably and properly incurred by Sandhurst in the proper performance of its duties in administering the Fund. These are included as part of the indirect costs of the Fund.

Management fees and costs are based on the latest available information as at the date of this PDS. Management fees and costs may increase or decrease over time depending on the amounts comprising the management fees and costs described above.

## Performance fees

A performance fee is an amount paid or payable, calculated by reference to the performance of the Fund and interposed vehicles in which the Fund invests, whether from income or capital appreciation (realised or unrealised). Sandhurst does not charge a performance fee for managing the Fund.

## Transaction costs

Transaction costs are incurred when acquiring and disposing of certain assets. These costs may include clearing costs, brokerage, stamp duty and buy/sell spreads charged by us or charged to us by asset managers we engage. The amount of total gross transaction costs are 0.00% p.a. The transaction costs shown in the 'Fees and costs summary' are shown net of any amount recovered by the buy/sell spread charged by Sandhurst as set out in the 'Fees and costs summary'.

## Changes to fees and costs

Fees and costs can be changed at any time by Sandhurst in accordance with the Constitution without your consent. If fees payable to Sandhurst increase, you will be given 30 days' prior notice. Other costs may change at any time without prior notice to you.

## Tax

For information about tax, please see section 7 "How managed investment schemes are taxed".



You should read the important information about 'Fees and costs' before making a decision. Go to section 5 of the Reference Guide at [bendigobank.com.au/managedfundsforms](http://bendigobank.com.au/managedfundsforms). The material relating to the 'Fees and costs' may change between the time when you read this Statement and the day when you acquire the product.

## 7. How managed investment schemes are taxed

**Warning:** Investing in a registered managed investment scheme is likely to have tax consequences. The Australian taxation system is complex and individual investors have different circumstances. Persons are strongly advised to seek professional tax advice.

In summary, when investing in the Fund, investors should note that:

- Registered managed investment schemes generally do not pay tax on behalf of investors.
- Investors will be assessed for tax on any income and capital gains generated by the Fund in the year to which their entitlement relates, irrespective of whether the income is reinvested or the income payment occurs at a later date.
- Tax components of Fund distributions will be allocated to investors on a fair and reasonable basis.
- The Fund will pass through the investors' share of any tax credits received during the year.
- The Fund has made a 'capital election' under the tax regime for managed investment trusts (MIT) and it continues to be an eligible MIT.
- Investors may be liable for tax on capital gains realised on the sale of units in the Fund, either by withdrawal, switch or transfer.
- The brief summary of taxation information provided above relates only to Australian tax residents who hold their Fund units on capital account for income tax purposes. You should not rely on this summary.

**!** You should read the important information about 'How managed investment schemes are taxed' before making a decision. Go to section 6 of the Reference Guide at [bendigobank.com.au/managedfundsforms](http://bendigobank.com.au/managedfundsforms). The material relating to the 'How managed investment schemes are taxed' may change between the time when you read this Statement and the day when you acquire the product.

## 8. How to apply

Investing as a Direct Investor is a two-step process:

1. **Complete the Application Form** which is available at [bendigobank.com.au/managedfundsforms](http://bendigobank.com.au/managedfundsforms); and
2. **Send your application** and initial investment money to Sandhurst in accordance with the instructions contained in the Application Form.

If you are investing via a Platform you should refer any enquiries to your Platform operator.

### Cooling-off

Subject to the Corporations Act and the Corporations Regulations, retail investors have the right to return their units in the Fund to Sandhurst and to have their investment repaid. However, this right does not apply in certain circumstances, such as where the units acquired were offered or issued under distribution reinvestment plans, acquired as additional contributions, and where the units were issued at the time when the Fund is not liquid.

If after investing in the Fund you change your mind and wish to exercise your cooling-off right, you may notify Sandhurst in writing or electronically and request that your investment be repaid. The right to cool off can only be exercised during the period of 14 days from the earlier of:

- the time you receive written confirmation of your investment from Sandhurst; and
- the end of the 5<sup>th</sup> business day after the day on which the units were issued to you.

The amount refunded will be adjusted to take account of any increases or decreases in the price of the relevant units in the Fund and any reasonable administration expenses and transaction costs. If a distribution has occurred between acceptance of your application by Sandhurst and receipt of your notification to cool off during the cooling-off period, there may be taxation implications for you. We suggest that you seek professional tax advice in these circumstances.

If you are a Platform Investor you should refer to your Platform operator about any cooling-off rights that may apply to your investment in or through the Platform.

### Resolving Complaints

We consider internal dispute resolution to be an important and necessary first step in the complaint handling process as it gives us an opportunity to hear when we do not meet our customer's expectations and address them genuinely, efficiently and effectively.

You can raise your complaint with us by:

- contacting us on **1800 634 969** (Monday to Friday 8.30 am to 5.00 pm, Melbourne time)
- emailing us at [managedfunds@sandhursttrustees.com.au](mailto:managedfunds@sandhursttrustees.com.au)
- writing to us at:

Sandhurst Trustees Limited Funds Administration  
GPO Box 4314  
Melbourne VIC 3001

If you are not satisfied with the response provided you can refer your complaint directly to the appropriate external dispute resolution scheme.

We are a member of the Australian Financial Complaints Authority (AFCA). You can contact AFCA at:

GPO Box 3  
Melbourne Vic 3001  
Telephone: **1800 931 678**  
Email: [info@afca.org.au](mailto:info@afca.org.au)  
Web: [www.afca.org.au](http://www.afca.org.au)

Time limits may apply to complain to AFCA and so you should act promptly or otherwise consult the AFCA website to find out if, or when the time limit relevant to your circumstances expire.

## 9. Other information

### Continuous disclosure requirements

The Fund is considered a 'disclosing entity' while it has 100 or more investors. A disclosing entity is subject to regular reporting and continuous disclosure requirements under the Corporations Act. While the Fund is a disclosing entity, copies of documents lodged with ASIC in relation to the Fund may be obtained from, or inspected at, an ASIC office.

If applicable, you may also obtain from Sandhurst, free of charge, copies of:

- the most recent annual financial report lodged with ASIC;
- any half yearly financial report lodged with ASIC; and
- any continuous disclosure notices lodged with ASIC.

Some of these documents (including continuous disclosure notices) will also be available from [sandhursttrustees.com.au](http://sandhursttrustees.com.au)

### Consents

Bendigo Bank has given and has not, before the date of this PDS, withdrawn its written consent to be named in this PDS and/or Reference Guide and to the statements in this PDS and/or Reference Guide concerning its role and activities, in each case in the form and context in which it is included or named.

**!** You should read the important information about 'Other information' before making a decision. Go to section 7 of the Reference Guide at [bendigobank.com.au/managedfundsforms](http://bendigobank.com.au/managedfundsforms). The material relating to the 'Other information' may change between the time when you read this Statement and the day when you acquire the product.