

<Date>

<Client Name>
<Address Line 1>
<Address Line 2>
<Address Line 3>

Dear Investor

Notice of fund termination - Bendigo Diversified Fixed Interest Fund

Portfolio number: <Client Number>
Portfolio name: <Client Portfolio Name>
Client name: <Client Name>

Sandhurst Trustees Limited (**Sandhurst**) as responsible entity of the fund has made the decision to terminate the Bendigo Diversified Fixed Interest Fund (**Fund**).

In accordance with, and for the purposes of, clause seven of the Fund's constitution, Sandhurst determines **14 September 2022** as the termination date. The Fund will be wound up in accordance with the Fund's constitution with the net proceeds of the sale of assets distributed to unitholders.

Why have we made this decision?

The Fund was set up in 2014 for the purpose of providing an investment option in a single sector fund exposure. After 3 years of successful growth and distributions, the Fund has experienced a decline in new investors and funds under management.

In recent months, the value of distributions has been severely reduced with the possibility of no distributions in the short to medium term, and the Fund has returned consistent negative growth. After a careful review into the Fund and its performance over the years, it was determined that we would be unable to keep costs sustainable with declining demand for a single asset fund of this type without further impacting the return to investors. Sandhurst Board has concluded that, in its opinion, it is in the best interests of unitholders to wind up the Fund.

We have outlined the steps below and key dates to help you make an informed decision about your investment with us.

What does this mean for you?

This notice commences the process of winding up the assets in the Fund. If you have a Regular Savings Plan, it will cease prior to the next scheduled deduction in September 2022. As part of the wind up of the Fund, the assets will be liquidated into cash before termination. Some, or all, of the assets will be in cash from the date of this letter until the Fund is wound up and as such the Fund returns may align more to cash investments than diversified fixed income over this period. There are three options available to you:

1. Switch into an alternate Sandhurst Managed Fund by withdrawing and purchasing units using our Switch Form. See below for further details. Visit bendigobank.com.au/managedfunds for more information about other Sandhurst Managed Funds.
2. Withdraw all of your units and close your account prior to 13 September 2022, 12pm Melbourne time. The Withdrawal Form is available on bendigobank.com.au/managedfundsforms
3. Do nothing and wait for net proceeds of sale of assets to be deposited into your bank account as shown below or issued via cheque.

Withdrawal or switch requests received by us in writing by 13 September 2022, 12pm Melbourne time will be actioned. We will endeavour to pay withdrawal proceeds within five business days of receiving your request. Withdrawals will be processed based on the withdrawal unit price calculated on the day the withdrawal request is received.

From 14 September 2022, the Fund will be closed to any withdrawal or switch requests. During this time, you will not be able to access your investment in the Fund. Once the realisation of assets is complete, subject to you being a unitholder as at the close of business on 14 September 2022, net proceeds will be paid to you on a pro-rata basis on or before 28 September 2022. We will send you a final confirmation statement and these funds will be transferred to your bank account as below:

BSB: <Client BSB Number>
 Account Number: <Client Bank Account Number>
 Account Name: <Client Bank Account Name>

PLEASE CHECK THE NOMINATED ACCOUNT DETAILS ABOVE. If they are not correct, please contact us on 1800 634 969 before 1 September 2022 to change your account details. We will require notification from you in writing to change bank account details.

If we do not have your bank account details on our system by 1 September 2022 a cheque will be issued.

The termination of the Fund may have taxation implications. We recommend you speak with your tax adviser about your individual circumstances. A tax statement will be sent to you after 30 June 2023.

Key Dates

The below table indicates the key dates and steps that will be taken as part of the Fund closure and what you need to do.

Indicative Key dates	Action by Sandhurst	Action by You
8 August 2022	The Fund is closed to new investors and additional investments.	No action required
8 August 2022	Letters sent to all unitholders advising of the date of termination of the Fund.	You may wish to: 1. Switch into an alternative product. 2. Withdraw all your units and close your account prior to 13 September 2022 12pm Melbourne time. 3. Do nothing and wait for wind-up proceeds to be distributed to your nominated bank account or by cheque
Up to 13 September 2022	The Fund will accept withdrawal or switch requests	Action required if you choose option 1 or 2. Withdrawal or switch requests will continue to be processed up to 13 September 2022, 12pm Melbourne time No action required if you choose option 3 outlined above
14 September 2022	Termination date Sandhurst will begin the orderly wind-up of the Fund.	No action required
21 September 2022	Sandhurst will determine the final entitlements to unitholders	
28 September 2022	Sandhurst will distribute net proceeds on a pro-rata basis to your nominated account.	

Please note these dates are indicative only and they may change. Any changes to these dates will be updated on our website, bendigobank.com.au/managedfunds

Further information regarding the wind up can be found in the enclosed Frequently Asked Questions. If you have any questions, please contact your financial adviser or Sandhurst on **1800 634 969**.

Yours sincerely,



Justin Hoare Head of Sandhurst Trustees Limited

The Bendigo Diversified Fixed Interest Fund is issued by Sandhurst, a subsidiary of Bendigo and Adelaide Bank Limited ABN 11 068 049 178 AFSL 237879 (Bank). Investments in the Fund are not deposits with, guaranteed by, or liabilities of the Bank or any of its subsidiaries and are subject to normal investment risk, including loss of some or all of the principal invested. The information is correct as at 8 August 2022 and subject to change.

Termination of Bendigo Diversified Fixed Interest Fund – Frequently Asked Questions

Questions	Answers
Why did the Sandhurst Board think it was in the best interests of unitholders to wind up the Fund?	<p>The Board was of the view that:</p> <ul style="list-style-type: none"> ▪ There is lack of demand for single asset fund of this type. ▪ The Fund has been underperforming. ▪ Due to the decrease in fund size over the years, the management costs would need to increase which will not be sustainable over the longer term. ▪ The current market trends present that underperformance will continue.
Does the Sandhurst have the right to terminate the Fund without unitholders approval?	<p>Clause 7 of the Fund's constitution provides Sandhurst the right to terminate the Fund by issuing a notice to unitholders. The termination and wind up process does not require a resolution or approval from unitholders.</p>
What does this mean for the Fund?	<p>Once all accounts have been closed and net proceeds have been distributed, the Fund will be deregistered with the Australian Securities and Investments Commission (ASIC). This means that the Fund will cease to exist as a registered managed investment scheme.</p>
I have a Regular Savings Plan (RSP), what do I do?	<p>The Fund is obliged to cease issuing new units when it is being wound up. All existing RSPs will be stopped prior to the scheduled September 2022 deduction so no action is required from you.</p>
Will I or the Fund lose any money because of this closure?	<p>Sandhurst will bear the costs in winding up the Fund including costs associated with the selling the assets. Accordingly, the net asset value (NAV) of the Fund will not be impacted by early withdrawals or the wind-up. All unitholders are treated equally regardless of whether they choose to withdraw their units before the termination date or not. Withdrawals will be valued on the date your withdrawal request is received. The final NAV will be determined on the termination date of 14 September 2022.</p> <p>The unit price will vary between now and the early withdrawal date and the termination date, depending on the movement of market value of the investments in the Fund.</p> <p>The amount you receive may be lower than the amount you initially invested.</p>
Why can't I access my funds during the week commencing 14 September 2022?	<p>The Fund will terminate on 14 September 2022 and then proceed with completing the wind-up process of the Fund. The wind-up process requires Sandhurst to account for all assets and liabilities of the Fund and distribute the net proceeds to unitholders who remain unitholders as at the termination date. Accordingly, no access to funds is allowed to ensure the wind-up process is done in an orderly manner.</p> <p>This process is expected to take up to 2 weeks to complete.</p>
What does 'realise the assets' mean?	<p>This process involves Sandhurst converting the Fund's assets to cash and paying all Fund liabilities and costs. The net cash proceeds will be distributed to unitholders on a pro rata basis according to the number of units held by unitholders remaining in the Fund as at close of business 14 September 2022.</p>
I want to switch into another fund before 14 September 2022, what do I have to do?	<ol style="list-style-type: none"> 1) Visit the Bendigo Bank website bendigobank.com.au/managedfunds to find out more about the other products we have on offer. Please obtain and read the relevant product disclosure statement and any other important information available at www.bendigobank.com.au/personal/investing/managed-funds/forms/ before making an investment decision. 2) Consider your situation and speak with your adviser if you have one, to determine if it is the right product for you. 3) Complete and sign the Switch Form available at www.bendigobank.com.au/globalassets/documents/wealth/managedfunds/switch-form.pdf 4) Send the completed Switch Form to the address below. The switch form must be received prior to 13 September 2022, 12 noon Melbourne time. Sandhurst Trustees Limited Funds Administration GPO Box 4314 MELBOURNE VIC 3001
I have invested into the Fund and have incurred a loss - will you reimburse me?	<p>No, as outlined in the Product Disclosure Statement, investment in the Fund carries a number of risks which can impact your return on your investment, one of which is the Fund could be terminated.</p>
Who can I speak to for more information?	<p>If you have any further questions, please contact one of the following:</p> <ul style="list-style-type: none"> • your financial adviser, • Wealth Concierge via your local branch, or • Call us on 1800 634 969