

# Sandhurst Cash Common Fund



**Sandhurst**Trustees

## Product Disclosure Statement Dated 15 December 2016

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 Cash Common Fund (ARSN 090 908 400, APIR STL0001AU) ('the Fund').

### Contents

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

The latest version of this PDS is available at our website at [www.sandhursttrustees.com.au/pds](http://www.sandhursttrustees.com.au/pds). 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 on its website [www.sandhursttrustees.com.au](http://www.sandhursttrustees.com.au).

You may request a copy of this PDS and any updated information at any time free of charge by contacting your licensed financial adviser, phoning Sandhurst on 1800 634 969 or visiting [www.sandhursttrustees.com.au](http://www.sandhursttrustees.com.au).

### Important Information

This PDS is a summary of significant information relating to the Sandhurst Cash Common Fund and will help you decide whether this product will meet your needs, and compare this product with others you may be considering.

You should consider the information in this PDS in its entirety, before making a decision about the Sandhurst Cash Common 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:

Sandhurst Trustees Limited  
Funds Administration  
Level 5, 120 Harbour Esplanade  
Docklands VIC 3008

GPO Box 4314  
Melbourne VIC 3001  
Phone: 1800 634 969

Monday – Friday 8:30 – 5:00pm  
(Melbourne time)

Fax: 1800 835 800

Email: [managedfunds@  
sandhursttrustees.com.au](mailto:managedfunds@sandhursttrustees.com.au)

Website:  
[www.sandhursttrustees.com.au](http://www.sandhursttrustees.com.au)

## 1. About Sandhurst

Sandhurst is the Fund's responsible entity and issuer of interests in the Fund. Sandhurst is responsible for overseeing the Fund's operation, investments and for managing 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) and is part of the Bendigo and Adelaide Bank Group, which comprises Bendigo and Adelaide Bank Limited (the Bank) and its related entities.

Sandhurst, formed in 1888, has assisted Australian families with their financial needs for more than 125 years. Sandhurst is a highly experienced provider of investment solutions and trustee services that create, enhance and protect wealth. Sandhurst offers a wide range of products and services including investment and funds management, superannuation, commercial loans, access to funeral bonds, the management of estates and trusts, and the provision of corporate trustee and custodial services. Sandhurst embraces a prudent investment philosophy and is committed to delivering high quality investment solutions.

## 2. How the Sandhurst Cash Common 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 offers the opportunity to invest in an 'at call' cash style investment that exhibits capital stability, provides regular income, a competitive return and access to banking facilities provided by the Bank such as internet banking.

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.

### Interests in the Fund

Investors share in the income generated from the Fund in proportion to their investment. The Fund is not unithold meaning an investor is not issued units in the Fund; rather each investor's interest in the Fund is a fractional and beneficial interest in the whole of the Fund. It is not an interest in any particular part of the Fund or in any asset of the Fund.

The price of interests can vary as the market value of the assets of the Fund rises or falls. However, as the Fund invests in money market securities that are held to maturity and cash, the market value of the assets, and consequently the price of interests in the Fund, in ordinary circumstances do not fluctuate. Therefore, in the normal course of events we would expect the capital proceeds upon withdrawal to be equal to the cost of acquiring interests in the Fund (excluding fees and costs).

### Access to related banking facilities

Fund investors have access to related banking facilities provided by the Bank including internet banking, phone banking, BPAY<sup>®</sup>, Pay Anyone Service, automatic payments and a cheque facility. Information including fees and charges

and terms and conditions applicable to the banking facilities are set out in the Bendigo Personal Accounts and Facilities Terms and Conditions and Bendigo Business Accounts and Facilities Terms and Conditions (collectively the Bank's Terms and Conditions). Each of these documents is made up of three parts and you should read and understand each relevant part of the Bank's Terms and Conditions before using any related banking facility. These documents are available at [www.bendigobank.com.au](http://www.bendigobank.com.au).

Please visit your nearest Bendigo Bank branch or phone 1300 BENDIGO (1300 236 344) if you wish to have access to any of these facilities.

© Registered to BPAY Pty Ltd ABN 69 079 137 518

### 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):

- Minimum initial investment \$1,000
- Minimum additional investment Nil
- Minimum withdrawals Nil
- Minimum investment balance \$1,000

Note: Sandhurst may accept lesser amounts at its discretion.

### Initial investment

To invest in the Fund, you will need to complete and lodge an Application Form and make your initial investment. You can make your initial investment via one of the following methods:

- in person at any Bendigo Bank branch by cheque crossed 'not negotiable' and made payable to Sandhurst Trustees Limited – 'name of investor' or by transfer from an existing Bendigo Bank account; or
- by mailing us a cheque crossed 'not negotiable' and made payable to Sandhurst Trustees Limited – 'name of investor' along with your written instructions including your full name, address and account details; or
- by using one of the Bank's banking facilities including internet banking, phone banking and electronic payment.

Initial investments received before 3:00pm Melbourne time on a business day, will accrue income from the day of receipt (where a complete Application Form has been accepted by Sandhurst). Otherwise, income will accrue from the following business day. Refer to "How to Apply" in section 8 of this PDS for details about completing your application.

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 [www.sandhursttrustees.com.au/forms](http://www.sandhursttrustees.com.au/forms).

### Additional investments

There is no minimum additional investment amount and you can add to your Fund investment at any time by using any of the methods outlined in the Initial Investment section.

If you would like to make additional investments on a regular basis, you can establish these by arranging a Periodic Payment or Electronic Funds Transfer with your sending financial institution.

You should obtain a copy of the most up-to-date PDS when making additional investments, as the investment will be made on the terms of the most up-to-date PDS.

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).

### Withdrawal requests

There is no minimum withdrawal amount and a withdrawal of interests can be requested at any time.

You can withdraw some or all of your investment in the following ways:

- in person – at any Bendigo Bank branch (payable by cheque or transfer only);
- by mail – if your withdrawal request is received by mail, we will forward a cheque to you or deposit the amount directly into your nominated financial institution's account in accordance with your instructions;
- cheque facility – you can withdraw from the Fund using the optional cheque facility provided by the Bank. Please refer to the Bank's Terms and Conditions for further information; or
- internet banking and phone banking – investors can choose to use the internet and phone banking services of the Bank. Investors are able to review balances, transfer funds between nominated Bendigo Bank accounts and your Fund investment, transfer funds using the Pay Anyone Service to any financial institution within Australia and make BPAY® payments.

Same day withdrawal requests can generally be made. Withdrawals over \$500,000 will require advance notice before 11:00am Melbourne time on the day funds are required. Sandhurst reserves the right to change processing times. Withdrawals are not paid in cash.

If you make a withdrawal request which would result in your investment balance falling below \$1,000, Sandhurst may, at its discretion, treat your withdrawal request as relating to all of your remaining interests in the Fund.

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 interests in the Fund within the usual period for withdrawal requests.

### Minimum investment balance

If the current value of your investment falls below the minimum investment balance of \$1,000, Sandhurst may at its discretion redeem your interests in the Fund and pay the proceeds to you.

### Calculation and frequency of income distributions

The Fund may earn income such as interest, and Sandhurst will distribute the full amount of the Fund's taxable income in each financial year to investors.

Income is calculated daily and distributions are paid quarterly to investors after the end of each quarter and after account closure. Your entitlement to distributions is calculated by Sandhurst allocating income of the Fund proportionately amongst investors depending on the amounts invested and the periods over which the investments have been held.

You can choose to have your distributions:

- automatically reinvested; 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. You can change your choice for receiving distribution payments by advising Sandhurst at least 5 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.

### 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 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 conditions that are prescribed by the operator of the Platform which may differ from the conditions outlined in this PDS (such as procedures for making investments and withdrawals, cooling off periods, cut-off times for transacting, timing for distributions, additional fees and costs and investor reporting).

As at the date of this PDS, Sandhurst is not responsible for the operation of any Platform through which you invest. If you are investing through a Platform, enquiries and complaints should be directed to the operator of that Platform, not to Sandhurst. In addition to reading this PDS, you should read the document that explains the Platform, as issued by your Platform operator.

## 3. Benefits of investing in the Sandhurst Cash Common Fund

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

- **Functional 'at call' solution:** The Sandhurst Cash Common Fund aims to provide a functional 'at call' solution to help you manage your cash flow needs and accumulate savings.
- **Comfort of a sound investment strategy:** Our professional investment team manages the portfolio with the aim to preserve capital and generate returns above the performance benchmark (see section 5 for more detail).
- **Regular income:** The Fund is designed to provide you with a regular income stream through quarterly distributions that can be withdrawn or reinvested into your Fund account.
- **Capital stability:** The Fund invests in money market securities and cash with a view to preserving capital.
- **Access to funds:** Investors' interests in the Fund are 'at call' such that investors are generally able to make withdrawal requests at any time and access their funds within 24 hours (refer to withdrawal requests in section 2 of this PDS).
- **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.
- **Access to branch network:** Investors are able to perform transactions or make inquiries at any of the Bank's nationwide branch network.
- **Availability of related banking facilities:** Using the Bank's banking facilities you can have access to your funds via phone and internet banking, BPAY®, Pay Anyone Service, automatic payments and a cheque facility.
- **Competitive return:** The Fund provides a competitive return net of fees and costs to investors comparable to other cash style investments. In addition, there is no entry or exit fees levied on your investment.

**A responsible entity with a proven record:** Sandhurst aims to create wealth for investors by employing a disciplined and conservative approach to managing quality assets.

## 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:

- **Fund risk:** The Fund could be terminated, or Sandhurst could be replaced as the responsible entity. The fees and costs, or key personnel managing the Fund, could change.
- **Interest rate risk:** Changes in interest rates can have a positive or negative impact directly or indirectly on your investment return.
- **Market and political risk:** This risk relates to the performance of the market as a whole impacting on the Fund's investment returns. The Fund may also be impacted directly or indirectly by political risk. Factors that can influence the market include economic, technological, political, taxation and legal conditions.
- **Counterparty and credit risk:** The capital value of investments made by the Fund can fall where there is deterioration in the credit worthiness of the investment issuer. Similarly, it is possible for investors to experience a loss of income or capital if one or more of the investment counterparties failed to perform as contracted (i.e. failed to pay back the Fund some or all of its investment together with any interest earned).
- **Regulatory risk:** The performance of the Fund may be affected by changes to government policies, regulations and taxation laws.

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 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.

Sandhurst's risk management objective is to deliver risk/return outcomes in line with our investment philosophy and strategy. Capital stability is managed by investing in money market securities and deposits issued by financial institutions operating in Australia. The Fund only invests in credit rated institutions and the credit worthiness of each counterparty is assessed before investing. Risks impacting the value of investments and the level of income (e.g. interest rate risk and market risk) are mitigated by only investing in short dated investments that have maturity dates of less than 370 days and by taking into account our view on interest rates when building the investment portfolio. The performance of the Fund is regularly monitored to assess whether the investment philosophy and objectives of the Fund are being met.

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

Sandhurst, the 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, the

Bank and its related entities. The 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.

## 5. How we invest your money

The Fund offers a single investment option.

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. The Fund can invest up to 100% of investor monies in money market securities and cash and strategically manages its exposures to these asset classes.

### Sandhurst Cash Common Fund

|  |   |     |      |
|--|---|-----|------|
| <b>Investment return objective</b>                         | To meet the performance benchmark as set out below.   |     |      |
| <b>Investment philosophy</b>                               | To provide a functional 'at call' cash style investment that exhibits capital stability and provides regular income and convenient access to your money. We aim to preserve the capital of your investment whilst also generating a competitive return when compared to other similar style investments such as cash savings accounts.                |     |      |
| <b>Investment strategy</b>                                 | To invest in a range of cash and money market securities, such as bank bills and negotiable certificates of deposit. The Fund will adjust its investments and duration in line with our view of prevailing interest rates and market conditions and upon our assessment of the credit worthiness of the investment to optimise risk adjusted returns. |     |      |
| <b>Performance benchmark</b>                               | The Fund aims to exceed the Bloomberg Ausbond Bank Bill Index before fees. The benchmark is not a guarantee of Fund performance.  |     |      |
| <b>Strategic asset class allocation</b>                    | Sandhurst intends to invest in money market securities and Cash. The Fund's investment allocation is as follows:  |     |      |
|  |   | Min | Max  |
|  | Cash  | 0%  | 30%  |
|  | Money market securities   | 0%  | 100% |
| <b>Minimum suggested investment timeframe</b>              | As investment returns are calculated daily and paid quarterly (or upon closure of your account), and as there are no establishment, contribution, withdrawal or exit fees, there is no minimum investment timeframe for holding the investment.   |     |      |
| <b>Type of investor for whom this investment is suited</b> | This Fund is intended to suit an investor primarily seeking a cash solution with capital stability and regular income. The Fund may be suited to an income portfolio or the defensive asset allocation of your total portfolio.   |     |      |
| <b>Risk level</b>  | This Fund is considered by Sandhurst to be a low risk investment.   |     |      |
| <b>Changes to the Fund</b>                                 | We have the right to change the Fund's investment return objective (including without limitation the performance benchmark, 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.            |     |      |

## 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, retention or realisation of investments relating to the Fund.

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

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

For up-to-date information on the Fund and the latest quarterly performance summary, please visit our website [www.sandhursttrustees.com.au](http://www.sandhursttrustees.com.au).

## 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 contribution fees and management costs where applicable. 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)** website ([www.moneysmart.gov.au](http://www.moneysmart.gov.au)) has a managed funds fee calculator to help you check out different fee options.

ASIC Class Order [CO 14/1252] applies to this PDS.

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 other costs that 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. The information in the table below 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 maximum applicable reduced input tax credits (RITCs) unless otherwise stated.

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

| TYPE OF FEE OR COST   | AMOUNT  | HOW AND WHEN PAID  |
|---|---|--|
| <b>Fees when your money moves in or out of the managed investment product<sup>1</sup></b> |   |  |
| <i>Establishment fee</i><br>The fee to open your investment                               | Nil   | Not applicable   |
| <i>Contribution fee</i><br>The fee on each amount contributed to your investment          | Nil   | Not applicable   |
| <i>Withdrawal fee</i><br>The fee on each amount you take out of your investment           | Nil   | Not applicable   |
| <i>Exit fee</i><br>The fee to close your investment                                       | Nil   | Not applicable   |
| <b>Management costs*</b>  |   |  |
| <i>The fees and costs for managing your investment<sup>2</sup></i>                        | 1.037% p.a. of the net asset value of the Fund consisting of:<br>a management fee of 1.03% of capital sums invested in the Fund (estimated to be 1.03% p.a. <sup>3</sup> of the net asset value of the Fund); plus expense recoveries of 0.007% p.a. of the net asset value of the Fund | The management fee is payable out of the income of the Fund, calculated daily and paid monthly in arrears.<br>The expense recoveries are paid from the Fund's assets as they are incurred. |
| <b>Service fees</b>   |   |  |
| <i>Switching fee</i><br>The fee for changing investment options                           | Nil   | Not applicable   |

\* The amount of this fee can be negotiated with wholesale clients. (See 'Differential fee arrangements' under the heading 'Additional explanation of fees and costs'.)

<sup>1</sup> Banking facility fees may apply depending on the facilities used. (See "Banking facility fees" under the heading "Additional explanation of fees and costs".)

<sup>2</sup> This fee may include an amount payable to an adviser. (See "Adviser remuneration" under the heading "Additional explanation of fees and costs".)

<sup>3</sup> Management fees are calculated daily at 1.03%p.a. of the capital sums invested. An estimate of this fee as a percentage of the Fund's net asset value for the current financial year has been provided to assist in fund comparisons.

## Additional explanation of fees and costs

### Management costs

Management costs are the total fees and costs incurred in managing the Fund, comprising the management fee paid to Sandhurst as responsible entity and other expense recoveries in relation to the Fund (described below) that do not form part of the Transactional and Operational Costs of the Fund.

The Fund's Constitution allows Sandhurst to pay or recover from the Fund, all proper costs, charges, expenses and outgoings reasonably and properly incurred by Sandhurst in the proper performance of its duties in respect of the Fund (referred to in this PDS as "expense recoveries"). Expense recoveries may include but are not limited to audit, taxation, PDS, legal, third party administration, establishment, stationery, postage and compliance costs. The expense recoveries are disclosed based on actual expense recoveries for the past financial year ending 30 September 2016. Management costs may increase or decrease from one financial year to the next. The management fee is calculated daily at 1.03% p.a. of the Fund's capital sums invested, accrued daily, and paid monthly in arrears from the Fund's income prior to making a distribution. This fee has been converted and shown as a percentage of the Fund's estimated net asset value for the current financial year to assist investors with fund comparisons.

### Transactional and operational costs

The Fund incurs clearing costs to access clearing services in order to acquire and dispose of certain Fund assets. These costs are paid for by the Fund when they are incurred and may vary depending on the number and frequency of Fund transactions. This cost is not paid to Sandhurst as a fee and is not charged directly to investors. However, these costs are an additional cost to the investor as it is deducted from the income or assets of the Fund. The costs represented 0.003% of the Fund's net asset value for the past financial year ending 30 September 2016. Those costs are unlikely to be materially different for the current financial year.

### Adviser remuneration

No trail or upfront commissions are payable by us to financial advisers on any accounts established from 1 July 2013 in the Fund. However, trail commissions on existing investment accounts acquired before 1 July 2013 will continue to be paid to advisers subject to compliance with the law. This amount is paid monthly based on your interests in the Fund. Details of this commission should be set out in the Financial Services Guide and/ or Statement of Advice which your adviser should have given you.

As these amounts are paid by Sandhurst out of its own resources, they are not an additional cost to investors.

### Changes to fees

Fees and costs can be changed at any time by Sandhurst in accordance with the Fund's Constitution without your consent. If fees and charges payable to Sandhurst increase, you will be given at least 30 days' prior notice. Other costs, such as transactional and operational costs may change at any time without prior notice to you. The expense recoveries are based on actual costs in the past financial year and may be different in the future.

### Maximum fees and waiver

Under the Fund's Constitution, Sandhurst is permitted to charge a management fee of up to 1.00% of the capital sums invested plus GST.

The Constitution gives Sandhurst the right to accept lower fees than we are entitled to receive under the Constitution, to defer payment or to waive our entitlement to such fees. The Constitution also allows Sandhurst to pay or recover all proper expenses from the Fund.

### Differential fee arrangements

From time to time Sandhurst may negotiate the charging, rebating or waiving of management fees, as stated above, in circumstances permitted by the Corporations Act or if

applicable relief is granted by ASIC, with certain 'wholesale clients' (as defined in the Corporations Act) and Platform operators. Such negotiations are undertaken on a case-by-case basis and only for wholesale clients and Platform operators who invest significant amounts of money in the Fund. Any such arrangement will be entered into in accordance with the requirements of the Corporations Act. Sandhurst does not negotiate fees with retail investors or individual Platform investors. Requests to negotiate fees must be put in writing to Sandhurst and sent to:

Sandhurst Trustees Limited  
Sandhurst Cash Common Fund  
GPO Box 4314  
Melbourne VIC 3001

### Alternative remuneration

Subject to the law, Sandhurst may provide remuneration to financial advisers and Platform operators indirectly by paying them additional amounts and/or non-monetary benefits. If these amounts or benefits are provided, they are payable out of the fees and costs we receive and are not an additional cost to you.

### Banking facility fees

If you choose to use the Bank's banking facilities, the Bank may charge you fees for these facilities in accordance with the Bank's Terms and Conditions. The Bank's Terms and Conditions documents set out the fees and costs in relation to the banking facilities provided by the Bank. These fees and costs only apply to the extent that you use these services.

These fees are separate to the fees and costs that apply to your investment in the Fund. Banking facility fees will not apply if you do not use these facilities. Banking facility fees are subject to change.

### Tax

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

### 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><br>Sandhurst Cash Common Fund       |             | <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><br>Management Costs                     | 1.037% p.a. | <b>And</b> , for every \$50,000 you have in the Sandhurst Cash Common Fund, you will be charged \$518.50 each year.   |
| <b>EQUALS</b><br>Cost of Sandhurst Cash Common Fund |             | 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 of:<br><b>\$518.50*</b><br><b>What it costs you will depend on the fees you negotiate.</b> |

\* The actual amount you will be charged depends on the timing of additional investments and the actual expense recoveries. This example assumes that the additional contribution of \$5,000 is invested at the end of the year.

## 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 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 has made a 'capital election' under the tax regime for Managed Investment Trusts (MIT) and it continues to be an eligible MIT.

The brief summary of taxation information provided above relates only to Australian tax residents who hold their interests on capital account for income tax purposes. You should not rely solely on this summary.

### Tax on your distributions

Australian resident investors will be generally subject to tax on their share of the taxable income of the Fund including amounts reinvested. In 2010 the Federal Government introduced a 'capital election' for eligible Managed Investment Trusts and the election is made on a fund by fund basis.

### Goods and Services Tax (GST)

Fees and costs in respect of acquisitions by the Fund will often be subject to GST. The Fund may not be entitled to claim an input tax credit for the full amount of that GST, however, it may be entitled to reduced input tax credits on any GST paid. The GST included in expenses that cannot be claimed as an input tax credit will be a net cost and can be recouped from the Fund. If the GST rate increases, the Fund's Constitution allows Sandhurst to recoup the extra amount from the Fund.

### Quotation of Tax File Number (TFN) or Australian Business Number (ABN)

It is not compulsory for you to quote your TFN or ABN.

If you do not quote your TFN or ABN, or claim an exemption, we may be required to withhold tax from distributions at the highest marginal tax rate plus applicable levies.

By quoting your TFN or ABN you authorise us to apply it to your Fund account and disclose it to the Australian Taxation Office. Collection of TFN or ABN information is authorised, and its use and disclosure is strictly regulated by the tax laws and under privacy legislation.

### Pension and benefits

An investment in the Fund may affect social security entitlements. You should, therefore, seek professional advice or consult Centrelink to determine the effect of distribution income received in respect of an investment in the Fund on any social security entitlement.

### Foreign taxes and foreign tax compliance

Australian and foreign taxes may be imposed where the Fund's investments or dealings have some connection with a foreign jurisdiction. Foreign laws are varied and can apply in uncertain ways.

If the Fund suffers any amount of Australian or foreign tax, or is required to withhold any amount in respect of Australian or foreign tax, neither Sandhurst nor the Fund will be required to

compensate investors for any such tax, and the effects of these amounts will be reflected in the returns of the Fund.

In addition, there are certain consequences that may occur if an investor is, or becomes, a foreign entity, a foreign citizen, resides in a foreign country or has some connection with a foreign country. These consequences may apply pursuant to certain global reporting requirements, such as the Foreign Account Tax Compliance Act (FATCA) in the US. The Fund is required to comply with these requirements. Accordingly, Sandhurst may request that you provide certain information about yourself in order for Sandhurst to comply with these obligations.

### Taxation reform

The Government has passed new income tax legislation that implements an Attribution Managed Investment Trust (**AMIT**) tax regime for eligible Managed Investment Trusts (**MIT**). The legislation applies for tax years commencing 1 July 2016 where the MIT makes an appropriate election.

## 8. How to Apply

Investing in the Fund is a two step process:

1. complete the Application Form which is available from our website at [www.sandhursttrustees.com.au/forms](http://www.sandhursttrustees.com.au/forms); and
2. lodge your application form and initial investment:
  - a. in person – at any Bendigo Bank branch or with your financial adviser along with a cheque crossed 'not negotiable' and made payable to Sandhurst Trustees Limited – 'name of investor'; or by transfer from an existing Bank Account; or
  - b. by mail – directly to us along with a cheque crossed 'not negotiable' and made payable to Sandhurst Trustees Limited – 'name of investor'; or
  - c. by any other method expressly permitted by Sandhurst.

Refer to our contact details on page 1 of this PDS.

Sandhurst will issue you with a passbook or investment statement, depending on the preference you indicate when completing the Application Form.

The Application Form is available from our website at [www.sandhursttrustees.com.au/forms](http://www.sandhursttrustees.com.au/forms).

### Cooling-off

Subject to the Corporations Act and the Corporations Regulations, retail investors have the right to exercise their cooling off rights in relation to their initial investment, except in certain circumstances, such as where the interests 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 5th business day after the day on which your interests in the Fund was issued to you.

The amount refunded will be adjusted to take account of any increases or decreases in the interests 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.

## Complaints

If you have a complaint about Sandhurst, the Fund or the complaints handling process itself, you should call 1800 634 969 or write to:

The Complaints Officer  
Sandhurst Trustees  
GPO BOX 4314  
Melbourne VIC 3001

All complaints will be properly considered and dealt with within 45 days of receipt. Once we have investigated your complaint, you will receive a written reply explaining our decision when required by law.

If you are not satisfied with the handling of your complaint, or the complaint is not dealt with within 45 days, you may contact the Financial Ombudsman Service Australia on 1800 367 287.

If you have a complaint regarding the provision of your banking facilities you should contact the Bank on 1300 361 911.

## 9. Other Information

### Keeping you informed

We will provide you with a welcome letter confirming your initial investment.

We will also send you:

- a transaction statement, the default period is:
  - quarterly for statement holders;
  - annually for passbook holders
- an annual report if you elect to receive one on the Application Form (the Fund's annual report is also available at [www.sandhursttrustees.com.au](http://www.sandhursttrustees.com.au)); and
- any other communications required by the law.

We will provide the current rate of return on our website along with a quarterly fund update that provides information on the performance of the Fund.

You can also check your investment balance and transaction history online by registering for the Bank's internet banking service.

### 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, you will be able to obtain from, or inspect at, an ASIC office copies of any documents lodged with ASIC in relation to the Fund. 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 [www.sandhursttrustees.com.au](http://www.sandhursttrustees.com.au).

## Related party transactions

Sandhurst, in its capacity of responsible entity, may use services provided by the Bendigo and Adelaide Bank Group such as distribution, legal, IT and marketing. Any fees paid to a member of the Bendigo and Adelaide Bank Group for these services are paid by Sandhurst from its own resources and not out of the Fund.

Subject to law, we may pay out of our own resources a commission of up to 0.25% p.a. (including GST where applicable) to a Bendigo and Adelaide Bank **Community Bank**<sup>®</sup> branch for introducing their customers to the Fund.

Sandhurst has a process for managing conflicts of interest and related party transactions which ensures that all transactions engaged in by Sandhurst are assessed for any conflicts of interest and to ensure they are reasonable 'arm's length' transactions based on appropriate commercial terms.

## Consents

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

## Privacy

From time to time, Sandhurst will need to collect from you and verify personal information about you (and where applicable, people acting on your behalf) in order to properly administer the financial products you have requested and to comply with its legal obligations. Sandhurst collects, uses, discloses and stores your personal information in accordance with its privacy policy and the *Privacy Act 1988* (Cth).

You can request access to your personal information or Sandhurst's full privacy policy by contacting us on 1800 803 173. The full privacy policy can also be obtained by visiting [www.sandhursttrustees.com.au](http://www.sandhursttrustees.com.au).

(12/16) BEN50BWPD034

Proudly part of



**Bendigo and  
Adelaide Bank**