

Living Super Annual Report 2017-18



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For the curious: Diversa Trustees Limited ABN 49 006 421 638, AFSL 235153, RSE L0000635 is the Trustee of the ING Superannuation Fund ABN 13 355 603 448 (Fund) and the issuer of interests in the Fund. ING Living Super is a product issued out of the Fund. The insurance cover offered by the Fund is provided by MetLife Insurance Limited ABN 75 004 274 882 AFSL 238096. ING, a business name of ING Bank (Australia) Limited ABN 24 000 893 292, AFSL 229823, is the Promoter of the Fund. Other products are issued by ING. The Trustee is required to provide you with information that reasonably allows you to understand your benefit entitlements. This Annual Report to members 2017-2018, which provides general information about the performance, management and financial condition of the Fund, should be read in conjunction with your Annual Statement as at 30 June 2018. The information in this Annual Report is of a general nature only and doesn't consider your particular investment objectives, circumstances, financial situation or needs and you should consider whether it is appropriate for you. You should consider the Product Disclosure Statement and Financial Services Guide available at ing.com.au in deciding whether to acquire, or to continue to hold, the product.

CEO report

CEO summary – Living Super

With Living Super we're on a mission to help Australians take control of their investments and future, bringing a more customer-focused experience to superannuation. Our customer base continues to grow with 61,000 Australians now entrusting their retirement savings to Living Super and our funds under management has grown to \$2.6 billion – up from \$2.5 billion in June 2017.

Value

We continue to receive industry accolades that reaffirm the flexibility and value of our superannuation product. In 2018 we maintained our Gold rating from independent group SuperRatings, indicating good value for Living Super's superannuation and pension products.

While Living Super has already achieved a great deal we must continue to respond to the evolving needs of our customers, particularly in the range of investment options on offer.

Over the last 12 months we doubled the number of ASX-listed Exchange Traded Products available for customers, giving more choice to diversify their investment portfolio.

Convenience

We empower customers to take control of their superannuation. Our new Rapid Rollover tool helps customers identify super accounts in seconds and consolidate those accounts, avoiding multiple administration fees and making their money work harder for them.

Delivering a customer-centric digital experience is at the core of everything we do. That's why existing ING customers can now apply for a Living Super account via our award-winning ING app. Our new online booking system makes it easier for customers to access expert superannuation advice and our updated Living Super website provides an improved user experience.

Looking to the future

Living Super has set new benchmarks for positive change across the industry. We put customers firmly in the driving seat with 24/7 digital access to monitor their super, and more choice and control over their investments. We want our customers to stay a step ahead, now and in retirement. With Living Super we aim not only to provide strong financial performance, but also to give our customers the confidence to remain in control of their future.

This report provides an overview of Living Super, its financial performance and how it has evolved over the past year to meet our customers' needs for increased choice and flexibility.



Kind regards,

A handwritten signature in black ink that reads "Uday Sareen". The signature is fluid and cursive.

Uday Sareen

CEO ING

Legislative changes

Changes to early release of superannuation on compassionate grounds

From 1 July 2018, the Australian Taxation Office (ATO) will take over the responsibility of administering the early release of superannuation on compassionate grounds from the Department of Human Services. Members will be able to apply directly via myGov and a link to this can be found on the ATO website.

Australian Financial Complaints Authority (AFCA)

From 1 November 2018, the Australian Financial Complaints Authority will replace the Superannuation Complaints Tribunal (SCT), the Financial Ombudsman Service (FOS) and the Credit and Investments Ombudsman (CIO) as a single external dispute resolution scheme.

The SCT, FOS and CIO will continue to accept lodgment of disputes up until 31 October 2018, however from 1 November 2018 onwards, all matter will need to be lodged with AFCA. AFCA will deal with these new disputes under its own Terms of Reference.

Existing disputes which had not concluded at FOS or CIO will be transferred to AFCA for their ongoing management on 1 November 2018. Existing SCT disputes will continue to be managed by the SCT after 1 November 2018.

ATO Compliance Model for claiming tax deductions on personal contributions

From 1 July 2018, the Government will provide further funding to the ATO to improve the integrity of the current 'Notice of Intent' process for claiming a tax deduction on personal contributions into superannuation.

The funding will enable the ATO to develop a new compliance model, ensuring that any deductible contributions are appropriately taxed by super funds and enabling the ATO to deny deductions to individuals who do not comply with the 'Notice of Intent' requirements.

Carry-forward concessional cap

From 1 July 2018, individuals will be able to carry-forward their unused concessional contributions cap space amounts.

The first year in which an individual can increase their concessional contributions cap by the amount of unused cap is the 2019-20 financial year but only if they have a total superannuation balance of less than \$500,000 at 30 June in the previous year.

The amount an individual will be able to carry forward will depend on the amount they have contributed in previous years starting from 2018-19. Carry-forward amounts **will expire if they remain unused after five years.**

Downsizing contributions can now be made to super

From 1 July 2018, individuals who are 65 years and over will be able to make non-concessional superannuation contributions of up to \$300,000 if the funds are derived from the sale proceeds of their principal residence that was held for at least 10 years. Downsizing contributions will not affect the concessional and non-concessional contribution caps.

First Home Super Saver Scheme (FHSS)

From 1 July 2018, individuals who have made voluntary contributions to their super under the FHSS can now apply to release these contributions along with the associated earnings to help purchase their first home. To be eligible you need to be 18 years or older, have never owned property in Australia and have not previously requested a FHSS release authority. The ATO assesses eligibility on an individual basis.

2018 FEDERAL BUDGET

On 8 May 2018, the Treasurer announced the 2018 federal budget. The following proposals were announced but have not yet been legislated so the details may change.

Preventing Concessional Contribution Cap Breaches for high income earners – Super Guarantee (SG)

The Government has proposed to allow individuals who have multiple employers and income in excess of \$263,157 to nominate that their wages from certain employers to not be subject to the superannuation guarantee (SG) from 1 July 2018.

The measure is intended to allow eligible individuals to avoid unintentionally breaching the current \$25,000 concessional contribution cap as a result of multiple compulsory SG contributions.

Changes to insurance in superannuation

The Government has proposed changes for super funds to offer insurance on an opt-in basis for customers who have balances less than \$6,000, are under the age of 25, or whose accounts are active but have not received a contribution in 13 months.

If legislated, these changes will apply from 1 July 2019, and impacted superannuation members will have a period of 14 months to decide whether they will opt in to their existing cover or allow it to be switch off.

Limit of fees charged to some superannuation customers

From 1 July 2019, the Government has proposed a limit to the amount of investment and administration fees that a superannuation fund can charge to a maximum of 3% p.a. of a customer's super balance where the customer has a balance of less than \$6,000. The Government has also proposed banning exit fees for superannuation funds who charge it.

Legislative changes

(Continued)

Transfer of small and inactive accounts to the ATO

From 1 July 2019, the Government proposes to have all inactive superannuation accounts with balances below \$6,000 transferred to the ATO. The ATO will look to expand its processes to proactively reunite inactive superannuation accounts along with any funds currently held by the ATO with a customer's active super account where possible.

Contributions Work Test – Exemption for Retirees

The Government has proposed to introduce an exemption to the work test for voluntary contributions to superannuation from 1 July 2019, for people aged 65-74 with superannuation balances below \$300,000, in the first year they do not meet the work test requirements.

Changes to the Retirement Income framework

The Government has proposed changes to require trustees to formulate a retirement income strategy for its members. Trustees will be required to offer Comprehensive Income Products for Retirement (CIPRs). These will be products that provide income for life.

Means testing for Lifetime products

The Government has also proposed changes to the aged pension means test rule to encourage the development and take up of lifetime retirement products.

The new rules will assess a fixed 60% of all pooled lifetime product payments as income. 60% of the purchase price of the product will be assessed as assets until the age of 84 years or a minimum of 5 years, then 30 per cent for the rest of the person's life.

The new means test rules will apply to pooled income streams from 1 July 2019 and any pooled lifetime income streams purchased before 1 July 2019 will be grandfathered.

Market update



The material in the Market update section is provided by the Fund's Asset Consultant: Atchison Consultants.

The past **Financial Year 2017-18** (FY18) has once more provided diversified investors with firm returns above the level of inflation whilst cash, bank deposits and bonds continued to provide less attractive returns. Generally, investment markets around the globe have benefited once more from low interest rates and favourable fiscal and monetary policies. The experiment started in 2009 amid the Global Financial Crisis (GFC), as central banks around the world engaged in unprecedented quantitative easing (QE) in an effort to prevent a financial system meltdown. Universally considered a success, the US Federal Reserve Board has started to implement the second half of the experiment by slowly raising short term interest rates and the great unwind of its balance sheet. In expectation of sustained economic expansion, the US Federal Reserve (the Fed) raised interest rates on three occasions over the course of FY18. At year's end, global growth remains solid. However, there are differences in economic performance across the globe and therefore some concerns with specific countries and regions, like Italy and some emerging economies.

Evidence of broad-based improvement in economic conditions across Europe enabled the European Central Bank (ECB) to continue winding down its monetary stimulus measures, expectations are that the ECB will halt its monthly asset purchase program by the end of 2018. In a region as diverse as the Eurozone, country specific economic conditions differed. Late in FY18 Italy's weak economy and the new Italian government's expenditure plans created market concerns.

Growth in Asia remained strong over the year, assisted by China's economy where growth stabilised at a 6.8% annual rate over the past year. Economic indicators were generally positive, with few surprises. China continues to manage a complicated transition in economic growth drivers from industrial activity and exports towards consumption. Industrial production has slowed and settled at a 6% p.a. growth pace while retail sales are growing at 9% p.a. Recognising the need to protect the financial system by controlling rampant growth in bank lending and credit demand, China's central bank increased interest rates.

Elsewhere in Asia, Japan's economy continues to grow but at a sluggish pace relative to other economies.

Global shares returned 10.8% on a hedged basis while the unhedged return of 15.4% was higher because the Australian dollar weakened against the world's major currencies. When the Australian dollar decreases, the value of overseas assets increase. Share market conditions were markedly different in the first and second halves of the financial year.

Despite the recent global turmoil, the Australian share market rewarded investors over the past financial year with the S&P/ASX 200 Index returning 13% for FY18. A solid result given the ongoing Royal Commission into the local banking sector and the negative impact it has had on the share prices of Australian banking stocks. Markets in the past six months have had to consider; unpredictable US policy, US inflation and interest rate concerns, new tariffs and global trade war fears, political instability in Italy, renewed China and emerging market worries and falling Australian house prices. For six months to June 2018 the ASX 200 Index

returned 4.3%, with continued support from the Resources sector on the back of higher oil and commodities prices, providing a healthy return of 11.1% for the six months.

Australian superannuation members have been rewarded in FY18 with robust returns. It is expected that the median superannuation balanced fund delivered around 8% for the year. Central banks have cautiously and gradually been either raising official bank rates, reducing their massive bond holdings or a mix of both to avoid undermining markets and preserve the economic recovery. Investment returns have predominantly been driven by share investments and strong diversification across all asset classes. The better performing superannuation funds for FY18 had higher allocations to international and Australian shares and lower allocations to local and overseas bonds.

Australian Markets

The Australian stock market delivered once again a double digit return for FY18. The S&P/ASX200 Index (including the benefit of dividends) returned 13.0%. There was only one significant sector that posted a negative return on the index, once again it was Telecommunications (-30.9%). Telecommunications continues to grind through structural changes as the industry transitions to the National Broadband Network (NBN), resulting in industry consolidation, increased competition and lower prices. Due to these competitive pressures, Telstra flagged lower earnings and dividends.

The Health Care sector recorded an exceptionally strong year returning 27.7% as many companies have superior profit momentum. Sharply higher global oil prices and a

Market update

(Continued)

takeover offer for Santos benefitted the Energy sector which increased by 41.6%. The resources laden Materials index also performed strongly with a 29.9% rise as prices for metals and bulk commodities such as iron ore strengthened in line with the global economy's growth.

The Financials Ex-AREITs sector returned just 1.6% for FY18 due to numerous headwinds for the major banks such as competitive pressures and low prospective earnings growth. The commencement of the Royal Commission into misconduct of banks and other financial services entities added to the negative sentiment. AMP shares lost considerable value following damaging revelations at the Royal Commission, which led to the resignations of the Chairman and CEO.

The outlook for Australian shares in general seems to be that future returns will start to normalise after two years of very strong performance. Solid growth, still easy money and acceptable valuations should keep returns positive, but they are likely to be constrained and more volatile due to the unpredictable situation the world is currently experiencing with US policy, US inflation and interest rate concerns, new tariffs and global trade war fears.

Global Markets

Global shares for the year returned 10.8% on a hedged basis while the unhedged return of 15.4% was higher due to the weakened Australian dollar against the world's major currencies.

Share market conditions were markedly different in the first and second halves of the financial year.

The global economy's strength and recovery in corporate earnings were important drivers for the first half of the year and into January with a number of markets reaching new highs. However, markets became more circumspect following the release of higher than expected US wage growth data which led to concerns the US Fed would be forced to be more aggressive in raising interest rates. Markets were further unsettled by global trade tensions after the Trump administration-imposed tariffs on a range of products and explicitly targeted Chinese imports.

In the US, the S&P 500 Index gained 13.9% (in local currency terms) and reached record highs in January 2018 following the successful passage of President Trump's corporate and personal tax cut reforms. US economic data was also very supportive, with solid jobs growth, lower unemployment and encouraging business survey results.

European markets delivered modest returns compared to global peers. Germany's DAX index fell 0.2% due to a second half weakness caused by political uncertainty and trade protectionist action by the US, in particular the threat to impose tariffs on car imports. France's share market managed to rise by 7.4% in FY18. Continuing uncertainty about Britain's withdrawal from the European Union (EU) and its impact on the economy failed to adversely impact the performance of the FT100 index, which increased by 8.7%.

In Asia, Japan's Nikkei index rose 13.5% in response to the economy's improvement. After performing strongly in the first half of the year, China's SSE Composite index lost considerable ground and closed 10.8% lower for the year. The imposition of tariffs and fears of a trade war between China and the US were clearly adverse for the market.

However, larger cap Chinese companies listed on the Hong Kong exchange performed better.

The emerging markets sector performed well for much of the financial year as the acceleration in global growth during 2017 benefitted emerging market exports and commodity producers. However, weakness emerged later in the year due to a number of headwinds. Fears of a trade war between the US and China, plus growing protectionism have prompted some investors to move away from riskier investments such as emerging markets. The MSCI Emerging Market Index returned 10.5% on a hedged basis and an unhedged return of 12.3% in FY18.

The outlook for global shares in general is likely to remain positive over 2018-19 as there is no indications in place for a US/global recession. Valuations are reasonable, easy monetary conditions should remain throughout the year which should support the global share market, just investors must expect increase in volatility and slowing of returns.

Australian and Listed Property

Australian listed property trusts (LPTs) performed in line with the broader Australian share market over FY18. The S&P/ASX 200 A-REIT Index returned 13.0% for FY18, of which the dividend income component remained around 4.0%. It is widely regarded the property cycle is at an advanced stage, particularly for the commercial office and industrial sub-sectors. Rental yields are as low or even lower than in previous years.

Although on the surface the LPTs sector is trading at a premium to published net tangible asset (NTA) value, once the value includes corporate activities such as funds

Market update

(Continued)

management, value-adding development activities and property services sector is trading broadly in line with the current valuation of the direct property sector. However, the LPT sector is considered to be trading at a small premium to longer-term “through the cycle” valuation and therefore it is not expected that FY19 will deliver a comparable return to FY18.

International listed property delivered a hedged return of 6.4% for the year. Property market conditions in many countries remain favourable and the sector continues to grow earnings. Other areas of the share market are experiencing better earnings growth prospects, especially in the US following last year’s generous corporate tax cuts. This has constrained the performance of the global listed property sector as investors rotate into higher growth areas of the market. The distribution yield of the sector has also become less compelling as interest rates rise.

Cash, Fixed Interest and Corporate Bonds

The continuation of benign inflation allowed the Reserve Bank of Australia (RBA) to keep interest rates at 1.5% throughout FY18. In fact, the RBA last moved the interest rate in August 2016, from 1.75% to 1.5%.

Local and overseas bonds delivered low single digit returns in FY18 as many central banks continue to tighten policy settings, either by raising rates (as in the US, UK and China) or curtailing monetary stimulus measures (like the ECB).

Australian fixed income managed to generate a return of 3.09% in FY18. Returns from global bonds also managed to provide a positive return for FY18, the major recognised index, the Barclays Global Aggregate Bond Index (hedged into AUD) returning 1.85% for the year.

The first half of the year saw an upward move in yields as bond prices fell due to accelerating global growth, heightened inflation concerns and the US Fed continuing to raise rates. Since January, yields have been stable to slightly lower. However, markets have taken some comfort from the gradual approach taken by the US Fed and other major central banks to tighten monetary policy to avoid undermining markets and preserve the economic recovery that has been successfully engineered.

The US is the most advanced in the withdrawal of monetary stimulus because its economic growth cycle has been the longest and it continues to outpace most of its developed peers. Despite benign inflationary pressures, the Fed still raised interest rates by 0.25% on three occasions during the year due to strong economic growth, a big increase in government spending and low unemployment. Having upgraded its economic growth forecast for 2018 to 2.8%, the Fed has projected two more rate rises totalling 0.5% before the end of the 2018 calendar year.

Australian Dollar Exchange Rate

The Australian dollar started the financial year around US76.87 cents and finished FY18 around US74.07 cents, a fall of around 3.6% over the year. The Aussie traded briefly above US81 cents in January 2018.

The two main drivers of the Australian dollar are the terms of trade (i.e. how much we get for our exports versus how much we pay for imports) and yield differentials (i.e. what an investor can get in Australia versus off shore). Both seem to be pointing towards a much lower Australian dollar.

The Australian dollar is expected to be at US75 cents by December 2018 and US77 cents by December 2019,

according to the latest report from CommBank currency strategists. Previously, the forecast had been US78 cents by December 2018 and US83 cents by December 2019.

Outlook

It is expected that the environment for investors in 2018-19 will be positive but with increased volatility and tempered returns when compared to the past two financial years. Global economic conditions remain strong, widespread and expected to continue at least through to the end 2018 supported by the continuation of accommodative monetary policy. The US Fed only gradually increasing interest rates, while the ECB is still a long way from raising rates whilst Japan is most likely years away. In Australia, economic growth is likely to remain between 2.5% and 3% with continued business investment and infrastructure spending offsetting any negative impact from benign consumer spending and a housing slowdown.

In general, share valuations are not regarded as excessive. Given that the US share market sets the tone for global markets, it is expected that the US, should it be able to contain any significant inflationary pressures as a result of low unemployment and gradual rising wage growth, will provide another year of positive performance from the share market.

The message to investors is that markets move through cycles and therefore good times do come to an end at some point before reversing once more. However, it is not expected that the good times will come to an abrupt halt, but the best times may already be behind us, and therefore the consequence, outlook and return for a balanced portfolio for FY19 is assumed to be more modest than in FY17 and FY18.

Living Super investments²



With ING Living Super, your personal investment strategy can be as simple or as sophisticated as you like.

Investment strategy

The Trustee has established an investment strategy for Living Super that outlines the specific risk and return objectives of each investment option. This strategy has been formulated with regard to the whole of the circumstances of Living Super including investment risk, diversification, liquidity, the ability of the Trustee to discharge existing and future liabilities, whether reliable valuation information is available, the expected tax consequences and costs. In giving effect to this strategy the Trustee may place limits on particular investment options to ensure that appropriate levels of diversification and liquidity are maintained. The investment menu is designed to offer a range of investment options that are straightforward, cost effective and flexible.

ING Living Super investment menu

With ING Living Super, you choose how your money is invested. There is one investment menu, split into four investment categories that you can mix and match. There is also a Cash Hub (transaction account) that allows you to transfer your super between the various investment menu options. The investment menu is designed to offer you a range of investment options that are straightforward, cost effective and provide flexibility throughout your life. The four investment categories are called: **Safe, Smart, Select and Shares.**

Investment categories					Insurance
Cash Hub	Safe Cash & term deposits held by ING	Select A great range of managed investment options	Smart The Balanced option	Shares Trade direct shares and listed securities on the ASX	Automatic cover
					Tailored cover
					Income protection

For the curious:² Buy-sell spreads and other incidental transaction costs apply to all managed investment options, including the Balanced option. Buy-sell spreads and other transaction costs are retained within the managed investment and are not fees paid to ING or the Trustee. The Trustee may replace one or more of the underlying investment managers which may affect the fee structure for the investment options. In addition, other factors may arise which may cause the fee structure for Living Super to change. Should this occur, the trustee may vary the fees for ING Living Super without your consent by giving at least 30 days' notice where an increase applies. Living Super is not available to U.S. Persons.

Living Super investments

(Continued)

Take greater control of your superannuation

ING Living Super makes it easy to diversify and mix and match investments across any or all of these categories.

Safe

The investment options in the Safe investment category are designed for members who want to minimise risk. You have the choice of a unitised Cash option and a range of fixed rate Term Deposits.³

Smart

The Balanced option in the Smart investment category is a pre-mixed investment solution with a strategic allocation of 62% invested in growth assets and 38% invested in defensive assets.

Select

The investment options in the Select investment category enable you to choose from a variety of diversified and single sector managed investments.

Shares

The investment options in the Shares investment category give you the freedom and control to invest in shares included in the S&P/ASX 300 and a range of exchange traded products.

Things you should know

When you are choosing your investment options, you should consider the likely investment return, risk and how long you will be investing your super as well as your particular investment objectives, financial situation and needs.

Investment categories and investment options

Safe	Smart	Select	Shares	Cash Hub (Transaction account)
Cash option	Balanced	Growth	S&P/ASX 300 Shares	The Cash Hub is your transaction account. Depending on which account you're in, the Cash Hub is the transaction account into which all contributions, rollovers and distributions are paid, and out of which all fees, pension payments (if applicable), withdrawals and insurance premiums are paid. All Term Deposits and Shares must be purchased from the Cash Hub and all proceeds from Term Deposits and Shares must be paid into the Cash Hub.
Term Deposits:		High Growth	Exchange Traded Products	
3 months		Australian Shares		
6 months		International Shares (Hedged)		
1 year		International Shares		
2 years (only available in Super accounts)		Australian Fixed Interest		
		International Fixed Interest (Hedged)		
		Australian Listed Property		

For the curious: ³ Living Super rates are available at ing.com.au

Living Super investments

(Continued)

Investment menu

The investment objectives, internal benchmarks and underlying investment managers for ING Living Super are as follows:

Category	Investment options	Investment objectives	Benchmark	Investment strategies	Guidelines, strategic asset allocation and ranges	Who is this suitable for?	Risk label	Investment horizon														
N/A	Cash Hub	Aims to provide security of capital and regular <i>income</i> and achieve a return of the benchmark.	RBA Cash less 0.75% pa before fees and taxes.	The strategy for the <i>Cash Hub</i> is to substantially invest the assets on deposit with ING.	Cash 100%	Your ING Living Super cash transaction account.	Very low risk	Any period														
Safe	Cash option	Aims to provide security of capital and <i>income</i> built into the unit price and achieve a return of the benchmark.	RBA Cash Rate before fees and taxes.	The strategy for the Cash option is to substantially invest the assets on deposit with ING either directly or indirectly (via <i>managed investments</i>).	Cash 100%	Conservative or cautious investors seeking security of capital and positive income returns over time.	Very low risk	Any period														
Safe	Term Deposits	To provide stable returns with low risk of capital loss by investing in Term Deposits. Terms available are: <table border="1" data-bbox="360 997 857 1225"> <thead> <tr> <th>Option</th> <th>No. of days</th> <th>Interest crediting</th> </tr> </thead> <tbody> <tr> <td>3 Months</td> <td>90</td> <td>On maturity</td> </tr> <tr> <td>6 Months</td> <td>180</td> <td>On maturity</td> </tr> <tr> <td>1 Year</td> <td>365</td> <td>On maturity</td> </tr> <tr> <td>2 Year</td> <td>730</td> <td>Accrued annually & paid on maturity</td> </tr> </tbody> </table>	Option	No. of days	Interest crediting	3 Months	90	On maturity	6 Months	180	On maturity	1 Year	365	On maturity	2 Year	730	Accrued annually & paid on maturity	The strategy for this option is to invest in wholesale term deposits issued by ING. Investments will be for the term as selected and will be transferred to the Cash Hub on maturity unless you elect to automatically reinvest in a new Term Deposit option of the same term.	Cash 100%	Conservative or cautious investors seeking security of capital and guaranteed returns for fixed investment periods.	Very low risk	90 days – 2 years depending on the term selected
Option	No. of days	Interest crediting																				
3 Months	90	On maturity																				
6 Months	180	On maturity																				
1 Year	365	On maturity																				
2 Year	730	Accrued annually & paid on maturity																				

Living Super investments

(Continued)

Category	Investment options	Investment objectives	Benchmark	Investment strategies	Guidelines, strategic asset allocation and ranges			Who is this suitable for?	Risk label	Investment horizon
Smart	Balanced	<p>Aims to provide medium to long term capital growth with <i>income</i> built into the unit price.</p> <p>Aims to achieve a 2.0% average annual return above inflation (CPI) over a rolling 6 years after <i>investment fees</i> and taxes.</p>	N/A	<p>The long term asset allocation is 62% <i>growth assets</i> and 38% <i>defensive assets</i>. This option invests in Cash, Australian shares, International shares (Hedged), International Shares, Australian Listed Property and Australian Fixed Interest.</p> <p>The option can invest directly or indirectly (via managed investments).</p> <p>Asset allocation is balanced back to the long term target.</p>	Asset class	Ranges	Target	Investors who are seeking a potentially higher return than available from Cash, who are prepared to accept a moderate exposure to <i>growth assets</i> .	High risk	At least 6 years
					Australian Shares	18 - 45%	33%			
					International Shares	5 - 25%	12.5%			
					International Shares (Hedged)	5 - 25%	12.5%			
					Australian Listed Property	0 - 10%	4%			
					Australian Fixed Interest	0 - 25%	10%			
					International Fixed Interest (Hedged)	0 - 10%	0%			
					Cash	20 - 40%	28%			
Select	Growth	<p>Aims to provide long term capital growth with <i>income</i> built into the unit price.</p> <p>Aims to achieve a 2.5% average annual return above inflation (CPI) over a rolling 8 year period after <i>investment fees</i> and taxes.</p>	N/A	<p>The long term asset allocation is 70% <i>growth assets</i> and 30% <i>income assets</i>. This option invests in Cash, Australian Fixed Interest, International Fixed Interest, Australian Shares, International Shares, International Shares (Hedged) and Australian Listed Property.</p> <p>The option can invest directly or indirectly (via managed investments).</p> <p>Asset allocation is balanced back to the long term target.</p>	Asset class	Ranges	Target	Investors who are seeking a medium to long term investment and moderate - high returns, who accept the possibility of losses in capital.	High risk	At least 8 years
					Australian Shares	25 - 45%	35%			
					International Shares	5 - 25%	15%			
					International Shares (Hedged)	5 - 25%	15%			
					Australian Listed Property	0 - 15%	5%			
					Australian Fixed Interest	0 - 25%	15%			
					International Fixed Interest (Hedged)	0 - 10%	0%			
					Cash	5 - 25%	15%			

Living Super investments

(Continued)

Category	Investment options	Investment objectives	Benchmark	Investment strategies	Guidelines, strategic asset allocation and ranges	Who is this suitable for?	Risk label	Investment horizon		
Select	High Growth	Aims to provide long term capital growth with <i>income</i> built into the unit price. Aims to achieve a 3.5% average annual return above inflation (CPI) over a rolling 10 year period after <i>investment fees</i> and taxes.	N/A	The option can invest directly or indirectly (via managed investments) in Australian Shares, International Shares, International Shares (Hedged) and Australian Listed Property. Asset allocation is balanced back to the long term target.	Asset class	Ranges	Target	Investors who are seeking a long term investment with high returns, who accept the possibility of losses in capital.	High risk	At least 10 years
					Australian Shares	40 - 60%	50%			
					International Shares	10 - 30%	20%			
					International Shares (Hedged)	10 - 30%	20%			
					Australian Listed Property	0 - 20%	10%			
Cash	0 - 5%	0%								
Select	Australian Shares	Aims to closely match the return of the Australian shares market (<i>income</i> and capital growth) before fees, as measured by the S&P/ASX 200 Accumulation Index before fees and taxes.	S&P/ASX 200 Accumulation Index	The option can invest directly or indirectly (via managed investments) in shares and securities listed or to be listed on the ASX.	Asset Class	Ranges	Target	Investors who are seeking a long term investment in a <i>diversified portfolio</i> of Australian shares who accept the possibility of losses in capital.	High risk	At least 7 years
					Australian Shares	95 - 100%	100%			
					Cash	0 - 5%	0%			
Select	International Shares (Hedged)	Aims to closely match the return of the international share market as measured by the MSCI World ex Australia Index (net Dividends reinvested), hedged in Australian Dollars before fees and taxes.	MSCI World ex-Australia Index (net Dividends reinvested), 100% hedged in Australian Dollars.	The option can invest directly or indirectly (via managed investments) in shares and securities listed or to be listed on exchanges outside Australia. Currency exposures are hedged (using derivatives) up to 100% of the value of the portfolio.	Asset Class	Ranges	Target	Investors who are seeking a long term investment in a <i>diversified portfolio</i> of global shares that is protected against the movements in currency exchange rates and who accept the possibility of losses in capital.	High risk	At least 7 years
					International Shares (Hedged)	95 - 100%	100%			
					Cash	0 - 5%	0%			
Select	International Shares	Aims to closely match the return of the international share market as measured by the MSCI World ex Australia Index (net Dividends reinvested), before fees and taxes.	MSCI World ex-Australia Index (net Dividends reinvested).	The option can invest directly or indirectly (via managed investments) in shares and securities listed or to be listed on exchanges outside Australia.	Asset Class	Ranges	Target	Investors who are seeking a long term investment in a <i>diversified portfolio</i> of global shares who accept the possibility of losses in capital.	Very high risk	At least 8 years
					International Shares	95 - 100%	100%			
					Cash	0 - 5%	0%			

Living Super investments

(Continued)

Category	Investment options	Investment objectives	Benchmark	Investment strategies	Guidelines, strategic asset allocation and ranges			Who is this suitable for?	Risk label	Investment horizon
Select	Australian Listed Property	Aims to closely match the return of the listed property securities market, as measured by the S&P/ASX 200 A-REIT Index before fees and taxes.	S&P/ASX 200 A-REIT Index	The option can invest directly or indirectly (via managed investments) in property securities listed or to be listed on the ASX.	Asset Class	Ranges	Target	Investors who are seeking a long term investment in a <i>diversified portfolio</i> of listed property securities and the possibility of losses in capital.	High risk	At least 7 years
					Australian Listed Property	95 - 100%	100%			
					Cash	0 - 5%	0%			
Select	Australian Fixed Interest	Aims to closely match the return of the Australian fixed interest market as measured by the Bloomberg AusBond Composite Bond Index before fees and taxes.	Bloomberg AusBond Composite Bond Index	The option can invest directly or indirectly (via managed investments) in bonds from the Bloomberg AusBond Composite Bond Index.	Asset class	Ranges	Target	Investors seeking a return higher than that available from Cash, capital losses may occur over the short term and the level of <i>income</i> may vary from time to time.	Medium risk	At least 3 years
					Australian Fixed Interest	95 - 100%	100%			
					Cash	0 - 5%	0%			
Select	International Fixed Interest (Hedged)	Aims to match the return of the international fixed interest market - hedged (<i>income</i> and capital growth) as measured by the Citigroup World Government Bond Index ex Australia, 100% hedged to Australian dollars before fees and taxes.	Citigroup World Government Bond Index ex Australia, 100% hedged to Australian dollars.	The option can invest directly or indirectly (via managed investments) in bonds from the Citigroup World Government Bond Index ex Australia, 100% hedged to Australian dollars.	Asset class	Ranges	Target	Investors seeking a return higher than that available from cash from global fixed interest securities that are protected from movements in currency exchange, as well as an <i>income</i> stream. Capital losses may occur over the short term and the level of income may vary from time to time.	Medium risk	At least 3 years
					International Fixed Interest (Hedged)	95 - 100%	100%			
					Cash	0 - 5%	0%			
Shares	Shares	To provide direct access to constituents of the S&P/ASX 300 index and selected exchange traded products.	N/A	Access to the constituents of the S&P/ASX 300 index and selected exchange traded products listed on the ASX is provided through ING Living Super's share broker.	Tier	Maximum % in one security	Maximum % of total account balance	Investors who are looking for an investment in one or more single listed securities who accept the possibility of a loss of capital.	See the shares and exchange traded products fact sheet on ing.com.au for a full list of the exchange traded products available, which tier they are in and their risk labels. For the list of shares on the S&P/ASX 300 see asx.com.au . The risk label for the S&P/ASX 300 is High risk.	At least 7 years
					S&P/ASX 300 Constituents	20%	100%*			
					Tier 1 Exchange Traded Product	50%	100%*			
					Tier 2 Exchange Traded Product	25%	100%*			
					Tier 3 Exchange Traded Product	10%	40%			

* subject to Cash Hub minimums

Living Super investments

(Continued)

Investment managers

ING Bank (Australia) Limited ABN 24 000 893 292, AFSL 229823, ACL 229823 is the investment manager of the managed investment options, Cash Hub and Term Deposits. State Street Global Advisors Australia Limited ABN 42 003 914 225, AFSL 238276 has been appointed by the investment manager as the sub-investment manager of the assets of the managed investments other than the cash assets.

Interest rates in Living Super

The interest rate on the Cash Option and the cash component of the Balanced and Growth Options vary from time to time. This rate is independent to the interest rates on ING's other banking products. This means that future interest rates may be different between those credited within Living Super and on our other banking products.

Assets held with investment managers

The assets of ING Living Super are with two investment managers. The amounts held with these investment managers are below:

As at 30 June 2018	Balance
ING Bank (Australia)	\$1,012m
State Street Global Advisors	\$1,365m

Single assets valued above 5% of total funds under Management

At the end of the 2017-2018 financial year, the Fund had:

- 42% invested in the ING Direct Balanced Fund;
- 13% invested in the Cash Hub;
- 10% invested in Term Deposits with ING;
- 9% invested in the ING Direct High Growth Fund; and
- 5% invested in the ING Direct Growth Fund.

Derivative securities

The Trustee does not invest directly in any futures, options or other derivative instruments. However, external managers may use derivatives in managed investment schemes in which the Trustee invests. The Trustee views the use of Derivatives within the investment options available through the Fund as acceptable for the following purposes:

- To protect the assets of the Fund against, or minimise liability from, a fluctuation in market values;
- To reduce the transaction cost of achieving the desired asset allocation or investment profile for the Fund;
- To obtain prices that may not be available to the Fund in other markets;
- To reduce volatility and the impact on portfolio valuations of market movements; and
- To achieve adjustment of asset exposures within parameters fixed in the investment strategy.

Treatment of net earnings

Net earnings are allocated to member accounts in accordance with changes in the value of their investments (e.g. unit or share prices) or by the crediting of returns to member accounts (e.g. interest).

The Trustee uses four different methods and timings to value the investment options within the menu:

1. Managed investment unit pricing is updated daily;
2. The Cash Hub is valued based on relevant interest rates accrued daily and credited monthly;
3. The 3 months, 6 months and 1 year Term Deposits are valued based on relevant interest rates with interest paid on maturity. The 2 year Term Deposit interest is accrued on anniversary and paid on maturity. An Interest Rate Reduction applies if a Term Deposit is closed before the maturity date;
4. Prices for ASX listed securities are updated via the share broker at the most recent market price.

Living Super investments

(Continued)

Investment Options performance

The tables below detail the historical performance of the investment options for the Super, Transition to Retirement and Pension accounts effective 30 June 2018. Just remember, past performance is not a reliable indicator of future performance.⁴

Super accounts

Investment category	Investment option	1 Month (%)	3 Months (%)	6 Months (%)	1 year (%)	2 years (%pa)	3 years (%pa)	5 years (%pa)	Since inception (%pa)	Inception date
N/A	Cash Hub	0.08%	0.23%	0.46%	0.91%	0.93%	1.06%	1.37%	1.51%	3/9/2012
Safe	Cash option	0.11%	0.35%	0.69%	1.43%	1.53%	1.80%	2.19%	2.44%	3/9/2012
Smart	Balanced	1.45%	4.09%	2.73%	7.92%	8.11%	5.95%	7.05%	7.88%	13/8/2012
Select	Australian Fixed Interest	0.45%	0.69%	1.38%	2.38%	1.25%	2.74%	3.46%	3.35%	16/8/2012
Select	Australian Listed Property	1.97%	8.61%	2.65%	11.07%	3.42%	8.87%	10.67%	11.72%	16/8/2012
Select	Australian Shares	3.00%	7.57%	4.23%	12.02%	12.41%	8.83%	9.97%	10.82%	29/8/2012
Select	Growth	1.54%	4.39%	2.90%	8.89%	9.24%	7.00%	8.63%	9.62%	30/8/2012
Select	High Growth	2.08%	6.09%	3.93%	12.00%	13.43%	9.06%	11.26%	12.77%	30/8/2012
Select	International Fixed Interest (Hedged)	0.28%	0.06%	0.53%	1.67%	0.22%	2.97%	3.88%	3.72%	16/8/2012
Select	International Shares	2.15%	5.10%	5.78%	13.58%	13.65%	9.06%	13.32%	15.64%	29/8/2012
Select	International Shares (Hedged)	0.11%	3.12%	0.98%	9.75%	14.76%	9.12%	11.40%	12.87%	29/8/2012

Transition to Retirement accounts

Investment category	Investment option	1 Month (%)	3 Months (%)	6 Months (%)	1 year (%)	2 years (%pa)	3 years (%pa)	5 years (%pa)	Since inception (%pa)	Inception date
N/A	Cash Hub	0.08%	0.23%	0.46%	0.91%	1.00%	1.17%	1.55%	1.71%	3/9/2012
Safe	Cash option	0.11%	0.35%	0.69%	1.43%	1.67%	2.02%	2.51%	2.72%	2/10/2012
Smart	Balanced	1.45%	4.09%	2.73%	7.92%	8.55%	6.32%	7.69%	8.43%	2/10/2012
Select	Australian Fixed Interest	0.45%	0.69%	1.38%	2.38%	1.27%	3.07%	3.93%	3.44%	2/10/2012
Select	Australian Listed Property	1.97%	8.61%	2.65%	11.07%	3.06%	9.49%	11.65%	12.69%	2/10/2012
Select	Australian Shares	3.00%	7.57%	4.23%	12.02%	12.87%	9.22%	10.78%	12.44%	2/10/2012
Select	Growth	1.54%	4.39%	2.90%	8.89%	9.73%	7.45%	9.41%	10.41%	2/10/2012
Select	High Growth	2.08%	6.09%	3.93%	12.00%	14.14%	9.55%	12.21%	13.56%	2/10/2012
Select	International Fixed Interest (Hedged)	0.28%	0.06%	0.53%	1.67%	0.12%	3.36%	4.46%	4.17%	2/10/2012
Select	International Shares	2.15%	5.10%	5.78%	13.58%	14.36%	9.51%	14.37%	16.53%	26/2/2013
Select	International Shares (Hedged)	0.11%	3.12%	0.98%	9.75%	15.11%	9.26%	12.06%	12.09%	8/3/2013

Living Super investments

(Continued)

Pension accounts

Investment category	Investment option	1 Month (%)	3 Months (%)	6 Months (%)	1 year (%)	2 years (%pa)	3 years (%pa)	5 years (%pa)	Since inception (%pa)	Inception date
N/A	Cash Hub	0.09%	0.26%	0.52%	1.05%	1.07%	1.22%	1.58%	1.73%	3/9/2012
Safe	Cash option	0.13%	0.39%	0.80%	1.66%	1.79%	2.10%	2.56%	2.76%	2/10/2012
Smart	Balanced	1.41%	4.34%	2.83%	8.65%	8.91%	6.56%	7.83%	8.56%	2/10/2012
Select	Australian Fixed Interest	0.43%	0.71%	1.51%	2.68%	1.41%	3.17%	3.99%	3.50%	2/10/2012
Select	Australian Listed Property	2.16%	9.70%	2.92%	12.52%	3.72%	9.96%	11.93%	12.95%	2/10/2012
Select	Australian Shares	2.72%	7.76%	4.11%	12.78%	13.25%	9.47%	10.93%	12.57%	2/10/2012
Select	Growth	1.51%	4.70%	3.03%	9.73%	10.16%	7.73%	9.58%	10.56%	2/10/2012
Select	High Growth	1.99%	6.40%	4.03%	12.98%	14.64%	9.87%	12.41%	13.73%	2/10/2012
Select	International Fixed Interest (Hedged)	0.32%	0.06%	0.60%	1.93%	0.24%	3.45%	4.52%	4.21%	2/10/2012
Select	International Shares	2.54%	5.79%	6.54%	15.22%	15.18%	10.03%	14.69%	16.84%	26/2/2013
Select	International Shares (Hedged)	0.29%	3.64%	1.26%	11.11%	15.81%	9.71%	12.34%	12.35%	8/3/2013

For the curious: ⁴The information in the tables above represents the historical performance of the managed investment options available within ING Living Super. The performance is calculated by measuring the change in the sell price for each managed investment option over the relevant time period. The performance calculation is net of all fees and taxes that are accrued in the calculation of the unit prices, but does not include any fees and taxes that are charged directly to your account. Past performance is not a reliable indicator of future performance.

Abridged financial statements

The abridged financial statements for ING Living Super are based on audited balances extracted from the financial statements of ING Living Super for the year ended 30 June 2018. The full audited financial statements and auditor's report for ING Living Super will be available at ing.com.au by the end of **September 2018**.

Statement of Financial Position as at 30 June 2018	2018 \$'000	2017 \$'000
Investment assets		
Term deposits	253,704	314,531
Australian equities	287,656	262,031
Unlisted unit trusts	1,786,986	1,550,481
Other assets		
Cash and cash equivalents	356,905	368,181
Trade and other receivables	3,712	5,684
Deferred tax assets	-	-
Outstanding investment settlements	1,997	3,470
Total assets	2,690,960	2,504,378
Liabilities		
Trade and other payables	2,640	2,538
Outstanding investment settlements	1,419	2,291
Current tax liabilities	5,886	3,532
Deferred tax liabilities	9,261	658
Total liabilities	19,206	9,019
Net assets available to pay benefits	2,671,754	2,495,359
Represented by liabilities for accrued benefits		
Allocated to members' accounts	2,667,206	2,490,812
ORFR Reserve	2,890	178
Unallocated to members' accounts	1,658	4,369
Total liability for accrued benefit	2,671,754	2,495,359

Operating Statement for the year ended 30 June 2018	2018 \$'000	2017 \$'000
Investment revenue		
Interest	11,701	12,848
Dividends	10,012	8,666
Distributions	63,349	86,690
Changes in net market value of investments	104,829	54,731
Total investment revenue	189,891	162,935
Contribution revenue		
Employer contributions	190,273	183,985
Members' contributions	39,866	100,025
Transfers from other funds	231,233	434,329
Total contribution revenue	461,372	718,339
Other revenue		
Group Life Insurance Proceeds	3,317	1,918
Other	44	5,469
Total other revenue	3,361	7,387
TOTAL REVENUE	654,624	888,661
Direct investment expenses	3,997	1,058
General administration expenses		
Operating expenses	14,763	6,180
Group life insurance premiums	12,290	11,414
Total general administrative expenses	27,053	17,594
TOTAL EXPENSES	31,050	18,652
Benefits accrued as a result of operations before income tax	623,574	870,009
Income tax (expense)/benefit	36,035	33,036
Benefits accrued as a result of operations	587,539	836,973

Product update

Changes to investment option buy/sell spreads

Effective from 27 July 2017, some of the Buy/Sell spreads for entering, exiting or switching investment options have changed following a review. The Buy/Sell spread for the International Fixed Interest investment option has increased, whilst the Buy/Sell spreads for the remaining investment options have decreased or remained the same.

What does this mean for you?

If you are investing in a new investment option or switching investment options, you may now pay a different buy/sell spread. These will be updated in a future version of the ING Living Super Product Guide and are available at ing.com.au.

Investment Menu Review

Following customer feedback, we introduced 79 new Exchange traded funds (ETF) to the Living Super Investment Menu. As of 30 June 2018, the fund has 154 ETFs and Listed Investment Companies (LIC) on offer for investment. A full list can be found at ing.com.au

What does this mean for you?

You may be interested in reviewing your investment option selection to include one or more of the new Exchange Traded Products (ETP). If you are invested in one of the ETP's that is being closed to new monies, you can keep your investment or sell your shareholdings, however you will not be able to purchase any further holdings. Log in to your Superannuation account to invest in Exchange Traded Products.

ING DIRECT Superannuation fund name change to ING Superannuation fund

We progressively changed our name and logo from ING DIRECT to ING. Our fund name changed on 1 September 2017 to 'ING Superannuation Fund' and we will have a new web address – ing.com.au, with new logos on buildings, advertising and marketing materials, customer emails and letters, account statements and on our website. The accounts and services you expect from us will not change.

What does this mean for you?

Keep in mind that our name is changing and you will progressively start to see new documentation with the new name. Everything else will remain the same.

Insurance in Superannuation Voluntary Code of Practice

Diversa Trustees Limited, in conjunction with ING, intends to adopt the Insurance in Superannuation Working Group Code of Practice in principle, upon its commencement on 1 July 2018. Before 31 December 2018, we will publish on ing.com.au our transition plan on how ING Living Super will comply with the standards of the Code by 30 June 2021.

What does this mean for you?

The Code of Practice is being developed by the industry to improve the efficiency and effectiveness of insurance within superannuation. A further update will be provided on the ING website before 31 December 2018.

Increasing prevalence of Fraud within the industry

There is an ever increasing prevalence of fraud within the financial services industry.

What does this mean for you?

In order to protect yourself from fraud, your login details should not be shared with anyone. If you realise or suspect anyone else knows your login details call us immediately.

Finally

Online annual report

ING makes this annual report available online at ing.com.au.

You can request a printed copy by calling 133 464.

Indemnity insurance

The Trustee has taken out indemnity insurance.

Temporary residents

The Australian Government requires temporary residents' unclaimed super be paid to the ATO after at least 6 months have passed since the later of:

- The date a temporary resident's visa ceased to be in effect; and
- The date a temporary resident permanently left Australia.

Once your benefit has been transferred to the ATO, you need to claim it directly from the ATO. We will not notify you or provide you with an exit statement if your benefit has been transferred to the ATO. The Trustee relies on the relief provided by ASIC that it is not obliged to meet certain disclosure requirements in relation to non-residents whose benefits have been transferred as a result of the payment of unclaimed superannuation to the ATO. If your benefit has not yet been transferred to the ATO, you may be able to claim it as a Departing Australia Superannuation Payment (DASP).

Full information regarding DASP procedures and current taxation rates can be found at ato.gov.au.

Privacy Statement

The ING Superannuation Fund Privacy Policy details how we treat your personal information. The following provides an overview of the key aspects of the ING Superannuation Fund Privacy Policy. For the purposes of the ING Superannuation Fund Privacy Policy the terms 'we', 'us' or 'our' refer to the ING Superannuation Fund (Fund) and/or ING in its capacity as promoter of the Fund (ING).

Collection of your personal information

Ordinarily, we'll collect most personal information about you directly from you. For instance, your personal information will be collected when you complete an application form or provide other forms of instructions relating to your account in the Fund, when you apply for insurance or submit an insurance claim or in response to a request for additional information. Occasionally we may need to obtain personal information about you from a third party, but only if you've consented to us collecting the information in this way or you would reasonably expect us to collect the information about you in this way.

Use and disclosure of your personal information

We'll collect personal information to provide you with information about a financial product or service; to assess your application and eligibility for financial products or services including those in relation to the Fund; to establish and manage your account in the Fund; to administer our relationship with you; to communicate with you about us and the products and services we offer, and when it's necessary for, or related to, these purposes.

We'll also need to collect personal information necessary to comply with our legal and regulatory obligations. If you don't provide the personal information that we request, we will generally not be able to provide you with products or services in relation to the Fund. It may be necessary for us to disclose

your personal information to certain ING Group entities or third parties in order to assist us in providing, managing and administering your account in the Fund or for other related purposes. These include:

- the administrator of the Fund undertaking the administration and day-to-day operation of the Fund; including establishing and maintaining member records, processing contributions, rollovers and benefits, and providing regular statements;
- the custodian of the Fund providing custody services;
- the insurer responsible for providing insurance cover and assessing insurance claims to members of the Fund;
- the broker or share trader responsible for buying and selling of listed securities;
- the provider of financial tools and calculators on the designated Fund website;
- the ATO as required by law, to administer your account in the Fund, to conduct searches on the ATO's Lost Member Register and to facilitate the consolidation of your superannuation with your consent;
- Government authorities as required or desirable in administering and conducting the business of the Fund, including in complying with relevant regulatory or legal requirements;
- the trustee of another fund where you request that your superannuation be transferred from another superannuation fund into your interest in the Fund or where you request that your superannuation be transferred into another superannuation fund;
- organisations providing financial planning services with which we have entered into an agreement for them to provide financial planning advice services to members of the Fund;

Finally

(Continued)

- your financial adviser, your power of attorney, or your appointed representative;
- entities in the ING Group in order to service the Fund or other products you may have within these Groups;
- ING Group entities located overseas for administration and security purposes;
- any third party product and service supplier that we have an arrangement with (so that either us or they may provide you with the product or service you have requested or in which you have expressed an interest);
- organisations who perform services or functions on our behalf;
- organisations undertaking reviews of the accuracy and completeness of our information;
- organisations undertaking identity verification services to verify information about you including your identity; and
- doctors, medical services or other organisations providing services in the collection, collation or assessment of personal information (including health information) for the purpose of assessing your claim.

Any example used above to indicate when we might disclose personal information may not be limited to those examples (or examples of a similar kind). Personal information will only be disclosed to third parties other than those listed above if you have consented; if you would reasonably expect us to disclose information of that kind to those third parties; if we are authorised or required to do so by law; or if it is necessary to assist with law enforcement.

We may have to send personal information overseas for example, if required to complete a transaction or where we outsource a function to an overseas contractor. Your personal information may be accessed by staff in ING Group entities in

Singapore and the Netherlands if necessary to administer our relationship with you, for transactional reasons or to comply with regulatory requirements applying to us or the ING Group.

Marketing

We, or other ING Group entities, may provide you with further information about ING Group products and services unless you tell us not to. If you have provided an email address to us, we may contact you using that email address, including to provide you with information about us and the products and services that we and the ING Group offer. You may elect not to receive further information about us or our products and services by contacting us online, calling or writing to us.

Access to your personal information

You may request access to limited amounts of personal information that we hold about you that are readily available – such as your account balance or personal details – by calling us on 133 464. For a more detailed request for access to information that we hold about you, you will need to write to the ING Privacy Officer at GPO Box 4307, Sydney NSW 2001. Please note that requests for access to your personal information may only be made by you or by another person who you have authorised to make a request on your behalf, such as a legal guardian or an authorised agent. We will require you to verify your identity, or the identity of your representative, to our reasonable satisfaction. Depending on the nature and/or volume of the information that you request, an access charge may apply, but not to your request for access itself.

Updating your personal information

We take reasonable steps to ensure that your personal information is accurate, up-to-date, complete, relevant and not misleading. For instance, we may ask you to confirm some of your details when you contact us. However, please

contact us if you learn that any of your personal information that we hold is incorrect, has changed or requires updating.

Privacy Complaints

We are committed to resolving your privacy complaint as quickly as possible and have procedures in place to help resolve any problems or complaints efficiently. For more information on how to make a privacy complaint, please refer to the ING Superannuation Fund Privacy Policy available online at ing.com.au.

How to contact us

If you have any further questions about privacy in relation to the ING Superannuation Fund, please contact us by:

- calling 133 464;
- emailing customer.service@ing.com.au;
- writing to:

ING Privacy Officer
GPO Box 4307
Sydney NSW 2001

Our privacy statement may be updated from time to time as we strive to improve the standard of service we provide to you.

Further information

A copy of the Privacy Policy is available at ing.com.au. The Privacy Policy contains further details about our handling of personal information, including how you may access and update your personal information and how we deal with your concerns.

Surcharge Payments

ATO surcharge payments (if any) are deducted from member accounts.

Finally

(Continued)

Administration Fee – ORFR

Super funds are required by APRA to hold capital reserves to cover the risk of loss to members from an operational risk. This is known as the Operational Risk Financial Requirement (ORFR).

The aim of this is to ensure that trustees have access to resources to compensate members for any operational incident that may adversely impact their benefits.

The Trustee previously funded this reserve on behalf of customers, however from 1 June 2017 an ORFR fee estimated to be between 0.03 – 0.14% p.a. will now apply to all customers to fund this and any associated administration costs on an ongoing basis.

The balance of this fund as at 30 June 2018 was **\$2,889,829.26**. The first administration fee – ORFR fund was collected at the end of June 2017.

The funds in the ORFR are currently held in deposits with ING Bank (Australia) Limited. We reserve the right to change this and/or the investment strategy of the ORFR at any time.

Details of the ORFR Reserve and its balances of the last 3 years are listed below:

Date	Balance of ORFR Reserve
30 June 2016	\$0.00
30 June 2017	\$177,528.43
30 June 2018	\$2,889,829.26

Eligible Rollover Fund

We may transfer your super account or benefits to an Eligible Rollover Fund (ERF) where:

- we cannot get in touch with you;
- you do not respond to our requests to transfer your Super account or benefit to another super fund;
- you have an account balance that's less than \$1,000;
- you have not met the minimum requirements of the Balanced option; or
- any other reason determined by the Trustee.

The ERF that we have selected is Australia's Unclaimed Super Fund (AUSfund). Its postal address is:

PO Box 2468
Kent Town SA 5071

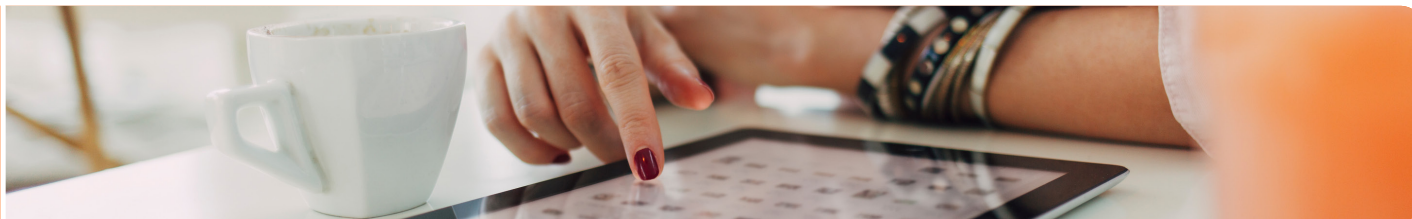
If you would like further information on AUSfund, please contact them on 1300 361 798 or email admin@ausfund.net.au.

Transferring your super account to an ERF will have the following effect on your benefit:

- you will no longer have an account in ING Living Super;
- you will become a member of the ERF and your benefits will be invested according to the investment strategy of the ERF;
- you will have no insurance cover in ING Living Super (**the ERF does not provide any insurance cover**); and
- the ERF will have different fees and charges to that of ING Living Super.



Contact us



At ING Living Super, we will try our best to answer your enquiries over the phone in a prompt manner.

Please call a Customer Care Specialist on:

133 464 between 8am – 8pm, Monday to Friday and 9am – 5pm Saturday (Sydney time).

If it cannot be dealt with over the phone, you can send us a message via Online Banking by selecting My Messages or write to:

ING
GPO Box 4307
Sydney NSW 2001

Making a complaint

At ING Living Super we will try our best to resolve your issues over the phone in a prompt manner.

Please call:

133 464 between 8am – 8pm, Monday to Friday and 9am – 5pm Saturday (Sydney time) to let us know if you have an issue.

If it cannot be dealt with over the phone, you can send us a message via Online Banking and selecting My Messages or write to:

Complaints Officer ING
GPO Box 4307
Sydney NSW 2001

Living Super partners



Trustee

Diversa Trustees Limited, ABN 49 006 421 638, AFSL 235153, RSE L0000635, is the Trustee of the ING Superannuation Fund, ABN 13 355 603 448, (Fund). ING Living Super is a product issued out of the Fund.

Promoter

ING is a division of ING Bank (Australia) Limited, ABN 24 000 893 292, AFSL 229823, and is the Promoter of ING Living Super.

Insurer

The insurance cover offered by ING Living Super is provided by MetLife Insurance Limited ABN 75 004 274 882, AFSL No. 238096.

Investment managers

ING Bank (Australia) Limited, ABN 24 000 893 292, AFSL 229823, ACL 229823, is the investment manager of the managed investment options, Cash Hub and Term Deposits.

State Street Global Advisors, Australia, Limited, ABN 42 003 914 225, AFSL 238276, has been appointed by the investment manager as the sub-investment manager of the non-cash assets of the managed investments.

Share broker

The share broker for ING Living Super is Australian Investment Exchange Limited, ABN 71 076 515 930, AFSL 241400, and is an ASX and Chi-X Australia Participant trading as AUSIEX.

Custodian

State Street Australia Limited, ABN 21 002 965 200, AFSL 241419, is the custodian of the managed investment assets within ING Living Super and provide the unit prices.

Administrator

The administration of the accounts within ING Living Super is provided by Financial Synergy Holdings Pty Limited, ABN 27 005 484 391.