

Living Super Annual Report 2018-19



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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 2018-2019, 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 2019. 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.



It's your other savings account.

Remember, Living Super is your other savings account – but for the long term. This report shows how the market and Living Super have performed in the past financial year. If you have any questions, speak with your financial adviser or call **133 464** and we'll be happy to help.

Visit ing.com.au





CEO report

CEO summary – Living Super

I'm pleased to announce 2019 was another year of solid growth for Living Super. More than 62,000 Australians entrust us with their retirement savings and our funds under management has grown by almost 10% year on year, to \$2.8bn.

This growth reflects our continued commitment to offering cost effective and flexible investment options, delivering value for money and potential to maximise retirement savings for our customers. It's one of the many reasons Living Super maintains its Gold rating from independent research and ratings group, SuperRatings.

Customer experience

Innovation is at the core of what we do. We pride ourselves on providing an industry-leading digital experience with Living Super, which empowers customers to stay a step ahead in planning for retirement. In response to feedback from customer focus groups we introduced a number of improvements to the online portal, making it easier to navigate, manage employee contributions and rollover super from other funds to avoid paying multiple fees.

Communication

With a number of changes impacting the superannuation industry, we recognised a need to provide clear, easy-to-understand information via a new Living Super newsletter – Straight Talk – to keep customers informed. This is personalised for each customer, containing information about their super, how to make the most of it and a list of useful FAQs.

Staying a step ahead

Over the last seven years Living Super has achieved significant success and customer growth. Looking ahead, we will continue our focus on delivering a differentiated customer experience to make managing superannuation a seamless part of customers' everyday lives.

Our no.1 priority is always the responsible management of our customers' retirement savings. I invite you to read on to understand how we address this responsibility with a product that continues to set the standard for value and convenience.



Kind regards,

Uday Sareen
CEO, ING Australia





Legislative changes and product updates



First Home Saver Scheme (FHSS) – release

From 1 July 2018, individuals who have made voluntary contributions to their super under the FHSS can apply to the ATO to release these contributions along with the associated earnings to purchase their first home.

Certain eligibility criteria apply. For more information on FHSS including eligibility, go to the ATO website.

Changes to employer contributions

Due to the Australian Taxation Office (ATO) introducing additional reporting requirements for superannuation funds, from 1 April 2019, we will no longer accept employer contribution payments made by BPAY, cheque or direct credit into Living Super. This is because the information we previously received from your employer via these payment methods are no longer sufficient to meet our new additional reporting requirements.

All employer contribution payments must be made via SuperStream to the Fund. By using SuperStream, the employers will be able to provide all the relevant employee super information in the standard format linked to the contributions made. This will ensure we are able to comply with the additional ATO reporting requirements.

For more information about SuperStream, please refer to the ATO website.

Insurance cover for inactive accounts

From 1 July 2019, individuals who hold insurance in an 'inactive' account (i.e. those who have not made a contribution or rollover into the account for a continuous period of 16 months) will have their insurance cancelled.

In May we wrote to members who were identified as having the potential of holding an 'inactive' account by 1 July 2019 to notify them that we would be cancelling the insurance in their Living Super account. We explained that if they wished to keep their insurance cover, they could do so by either making a contribution or a rollover to their Living Super account (thereby reactivating the account) or instructing us in writing to keep the cover before the 16 month inactive period is reached.

We will continue to notify customers whose accounts have been inactive for 9, 12 and 15 months to alert them to the impending cancellation of insurance once the inactivity period reaches 16 months.

Fee cap introduced for low balance accounts

From 1 July 2019, there will be a cap on the amount of administration fees, investment fees and certain costs that can be charged for low balance accounts (i.e. accounts with a balance of \$6,000 or less on the last day of the financial year or at the time of closing the account).

The maximum amount for administrative fees, investment fees and certain costs is capped at 3% per annum of the member's balance or pro-rated if the account was opened or closed during the financial year.

If the account balance is \$6,000 or less and the total impacted fees charged for the year exceed 3%, a refund will be provided to the account within 3 months from the end of the financial year or when the account is closed.

Inactive low balance accounts transferred to the Australian Tax Office (ATO)

From 31 October 2019, the ATO will introduce new measures to try to match individual's inactive low balance superannuation account/s with their active ones.

An inactive low balance account is one:

- With a balance below \$6,000; and
- For the past 16 consecutive months, the account:
 - Has not received any rollovers, contributions or other amounts into the account;
 - Has not received a request to change investment options;
 - Does not have a binding beneficiary nomination or no amendment to the nomination has been made; and
- The member has not given notice to the Commissioner of Taxation that the account is not an inactive low balance account; and
- The superannuation provider was not owed money.

Accounts identified as inactive low-balance account from 30 June 2019 and continue to be inactive low-balance accounts on 31 October 2019 will be transferred to the ATO by the end of 31 October 2019. The ATO will then try to match it to an active account.





Legislative changes and product updates (continued)

Contributions work test – exemption for retirees

From 1 July 2019, individuals aged 65-74 can make voluntary contributions in the first financial year after they retire without having to meet the work test.

In order to be eligible for the work test exemption, individuals must:

- Have a combined balance within superannuation under \$300,000;
- Have met the work test in the previous financial year;
- Have retired in the previous financial year; and
- Not have utilised the work test exemption in the past.

Changes to contact centre operating hours

Effective from 1 January 2019, super specialists will no longer be available on Saturdays.

What does this mean for you?

We will still try to answer your queries when you call us from 9am-5pm (AEST/AEDT) on Saturdays, however from 1 January 2019, we may need to call you back 8am-8pm (AEST/AEDT) Monday to Friday to answer your super related queries in full.

2019/2020 FEDERAL BUDGET

On 2 April 2019, the Treasurer announced the 2019 Federal Budget. The following proposals were announced but have not yet been legislated. As such the details may change.

Work test exemption for 65 to 66 year olds

The Government has proposed further changes to the work test exemption for the 2020/21 Financial Year for customers aged 65 to 66 years of age to make voluntary contributions, both concessional and non-concessional, to superannuation without meeting the Work Test.

If legislated, these changes will apply from 1 July 2020, and individuals aged between 65 and 66 will be exempt from meeting the Work Test when making voluntary contributions.

Spouse contributions: eligibility extended to 74

Currently, if you are aged between 65 and 69 years, you can make voluntary contributions to your spouse's superannuation account on the condition you met the Work Test before the contribution is made.

The Government has proposed to increase the maximum age that you can make spousal contributions up to 74 without having to meet the work test.

Putting Members First Bill

The Government has re-introduced legislation in parliament to make insurance available only on an opt-in basis to members with an account balance of less than \$6000 and new members under the age of 25.

If legislated, these changes will apply from 1 October 2019.





Market update



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

The past **Financial Year 2018-19** (FY19) has once again provided diversified investors with solid returns but it wasn't all smooth sailing. If we look back at the first six months to December 2018 markets were very nervous on fears of a global slowdown. These fears were founded on the negative implications of a US-China trade war, a slowing Chinese economy, interest rate rises in the US, an end to quantitative easing in the Eurozone, falling property prices and government instability in Australia.

The first six months of FY19 saw the Australian share market return -6.8%, whilst US stock market was down -7.5% and China -14.9%. A typical diversified balanced portfolio, on average returned -3.0% for half year. But the last six months to June 2019 saw a complete turn-around ignoring to an extent the US dispute over trade continues and escalating tensions in the Middle East over oil shipments. The US Federal Reserve ceased raising interest rates with murmurs of possible rate cuts, the Bank of Japan and European Central Bank also hinted at cutting interest rates, and China injected stimulus into their economy through tax reductions and increased subsidies. In Australia, the Reserve Bank of Australia (RBA) changed its view on the direction interest rates should move, favouring lower rates. Bank shares rebounded (biggest one day increase in value in history) thanks to softer recommendations than envisaged from the Banking Royal Commission and to finish off the year, the Morrison government was re-elected.

The second half of FY19 (January to June 2019) saw markets rebound sharply taking back the first six months loses and adding some. The Australian share market returned +19.8% in the six months to 30 June 2019, to provide investors with a return for FY19 of +11.6%. International shares did slightly better in FY19, on an unhedged basis returning +12.0% but +6.6% on a hedged basis. Whilst Australian bonds had a stellar year in a falling interest rate environment returning +9.6%. Best performing asset class came from the Australian listed property trust sector, flat for the first six months of the year but returning +19.3% for the year.

Australian Markets

The Australian stock market delivered once more double digit return for FY19. The S&P/ASX200 Index (including the benefit of dividends) returned +11.6%. The Australian share market was driven by four catalysts:

- Falling domestic and global bond yields pushing yield-hungry investors into riskier assets such as Australian shares
- Re-election of Morrison government and a continuation of the status quo
- RBA interest rate cuts
- Increase in commodity prices due to demand and geo-political concerns

Conditions were markedly different between the first and second halves of the financial year. The calendar year ended 2018 year progressively deteriorated on the back of soft economic data, weak housing credit, sharp falls in home prices, drop in residential building approvals pointing to falling dwelling investment, weakness in car sales, loss of momentum in job ads and vacancies and falls in business conditions. The Australian share market had the worst close since 2011. All 11 sectors finished the 2018 year lower. Biggest falls came from the following sectors; Energy down -18.2%, Resources -7.9%, Financials -7.8% and Utilities -7.0%. The P/E Ratio was 15.3x at the end of the December and below the long-term average of 16.7x.

Six months later and the Australian share market rebounded strongly ending up +11.6% for FY19 with Resources returning +15.0% and Industrials +10.5%. Telecom Services +49.1%, with the help from Telstra gained the most over the year followed by Information Technology and Industrials sectors +19.4%. By the end of FY19 the index finished trading on a P/E Ratio of 17.5x and an equity yield (dividend) of 4.0%.

At an economic level, the environment is predicted for moderate growth. While the effect of interest rate cuts on broader economic activity is questionable, it does demonstrate that policy makers are actively working to avoid a housing-led economic downturn. The reduction in this threat has improved sentiment; Corporate earnings look set to grow in the mid-single-digit range over the near term. Resource stocks – and in-particular iron ore miners – remain in a sweet spot, as do the contracting companies which service them. The bank sector has seen some sentimental improvement alongside the housing sector.

Global Markets

Global shares (excluding Australia) for the year returned +12.0% on an unhedged basis while the hedged return of +6.6% due to the weakened Australian dollar against the world's major currencies.

Through FY19 global equity markets followed the yo-yo path through the year, rising in April before trade related fears weighed on sentiment in May, only to be resurrected in June as markets gained on expectations the US Fed would reverse its stance and ease monetary conditions. The G20 meetings took place in the last days of June and while no definitive agreement was concluded, a resumption of US-China trade talks, the absence of additional tariff announcements and the resumption of US technology exports to Huawei appeared to placate investors. This led the benchmark MSCI World ex Australia (A\$) Index to deliver a +5.2% return for the June quarter. The US second quarter reporting season proceeded in April, with majority of companies reporting earnings ahead of expectations, although earnings growth was considerably muted. Economic data also continued to support sentiment, with first quarter GDP coming in at an annual growth rate of 3.2%. Positive data on consumer sentiment, retail sales and employment growth also supported market sentiment.





Market update (continued)

In the US, for the 12 months to June 2019 the S&P 500 Index climbed +15.7% (in local currency terms), the Dow Jones industrial average registered +14% gain and the technology-heavy Nasdaq composite index lead everybody with +20%. All three were close to their all-time highs driven by the technology and communications service sectors, which cover four of the five leading stocks (Google, Facebook, Amazon and Apple), together make up 30% of the S&P 500 Index.

European equity markets made strong gains in FY19 +4.9% as investors remained hopeful that Trump and Xi would move closer to a trade deal at the G20 summit. At a sector level, Consumer Discretionary, Materials and Industrials were the biggest gainers. Meanwhile, in his latest speech, ECB President Mario Draghi suggested that the Central Bank will further loosen monetary policy (to stimulate economic growth) unless they see an improvement in economic data.

However, Eurozone risks remain with an increased risk of a no deal Brexit which would be considered a hindrance on the UK economy as 46% of its exports go to the EU but a much smaller hindrance to EU growth as only 6% of its exports go to the UK.

Chinese shares performed below the broader market returning FY19 +9.2% on consistent positive trade news flow while the central government indicated its ongoing support for the domestic market. The People's Bank of China stated that it injected approximately US\$108bn into the market in June to maintain liquidity in the banking system. Current and future business conditions towards the end of FY19 were flat however retail sales were up 2.1% month-on-month.

Emerging market shares rallied across the board in FY19 but lagged the broader index returning +1.8% on a hedged basis and unhedged returned +6.6% in FY19. Confidence was boosted by growing expectations that central banks across several countries, including US and China, stand ready to lower interest rates on global growth concerns.

The outlook for global shares in general is likely to remain positive over FY20 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. However, investors should expect increase in volatility and slowing of returns.

Australian and International Property

Returns from Australian listed property trusts (A-REITs) market were close to double their long-term average delivering a healthy +19.3% for FY19 outperforming the broader share market by 7.7%. Office and Industrial were standout sectors on the back of continued strong leasing and transactional condition.

Globally G-REITs were up +14.0% in FY19. Large cap global listed trusts outperformed their smaller peers. Strong returns over the year emanated from Singapore, New Zealand and Japan.

Cash, Fixed Interest and Corporate Bonds

The RBA lowered the cash rate once during FY19 from 1.50% to 1.25% to support employment growth and provide greater confidence that inflation will be consistent with the medium-term target of 2% - 3%.

Australian bonds rallied over FY19 returning +9.6% as yields fell to record lows. Australian 3 and 10 -year yields fell to +0.96% and +1.34% respectively by the end of June. Whilst international fixed interest returned +7.2% for the year.

Corporate bonds spreads, as measured by the difference in yields between a basket of A-rated corporate bonds and Commonwealth Government securities, remained virtually unchanged from a year ago. However, starting in early November 2018, corporate spreads widened as doubts regarding the robustness of the US economy emerged, peaking in January 2019. From there, spreads gradually contracted to finish the financial year at 88bps, up 1bp from June 2018's value.

Australian Dollar (AUD) Exchange Rate

Despite the support of stronger iron ore and coal prices over FY19, the AUD depreciated against all the major currencies. The Aussie finished down 2.5% against the US dollar at US\$0.7222, down 2.6% against the euro, down 7.9% against the yen and down 1.9% against the Chinese yuan.

Outlook

The outlook for 2019-20 is, expect more of the same leading to spells of volatility and sharp rises and falls in investment returns. The threats to world economic growth remain; Trump's trade war with China, global growth indicators indicating movement towards a potential recession, higher oil prices due to risk of escalating US conflict with Iran, UK dragging out its exit from the Eurozone and to add to the uncertainty, the ramping up towards the next US Federal election.

However, the positives are that the fall in global inflation has seen central banks move from increasing interest rates to an easing program to stimulate inflation up, increase wage growth, encourage growth in private debt, all designed to abate a recession looming, extend the investment cycle and keep returns positive. Unemployment should hover around the current level of 5.2% supported by spending on infrastructure projects, export demand due to a lower \$A and tax cuts.

Putting geo-political issues aside, the outlook for the Australian investor for FY20 is expected to be similar to FY19. The RBA is expected to continue cutting interest rates to 0.5% which should drive the domestic share market higher as investors search for yield and the attraction of holding bonds fades. Interest should continue to pick up in the residential property market on the back of low interest rates and an easing in accessing loans. Finally, the \$A could fall as low as US\$0.65. A suitably diversified investment strategy is estimated to provide a return for FY20 of around 6%.





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: **Term Deposits, Single Sector Managed Investments, Multi Sector Managed Investments and Listed Securities.**

| Transaction account | Investment categories | | Insurance |
|---------------------|--|--|---|
| Cash Hub | Term deposits 3 month term deposit 6 month term deposit 1 year term deposit 2 year term deposit (only available for <i>super accounts</i>) | Multi sector managed investment options Balanced option Growth option High Growth option | Automatic Cover Tailored Cover Death and/or TPD <ul style="list-style-type: none"> • Life stage • Fixed premium • Level of cover |
| | Single sector managed investment options Cash option Australian Fixed Interest option Australian Listed Property option Australian Shares option International Fixed Interest (Hedged) option International Shares option International Shares (Hedged) option | Listed securities All constituents of the S&P/ASX 300 index and approved ASX listed exchange traded products | Income Protection Different waiting periods Different benefit periods |

For the curious:² Buy-sell spreads and other incidental transaction costs apply to all managed investment options. 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.

Term Deposits

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

Single Sector Managed Investments

The investment options in the Single Sector Managed Investments category enable you to choose from a variety of single sector managed investments.

Multi Sector Managed Investments

The investment options in the Multi Sector Managed Investments category enable you to choose from a variety of diversified managed investments, each with their own risk rating.

Listed Securities

The Listed Securities 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

Term deposits

- 3 month
- 6 month
- 1 year
- 2 year (only available in Super accounts)

Multi sector managed investments

- Balanced
- Growth
- High Growth

Single sector managed investments

- Australian Shares
- International Shares (Hedged)
- International Shares
- Australian Fixed Interest
- International Fixed Interest (Hedged)
- Australian Listed Property
- Cash option

Listed securities

- S&P/ASX 300 Shares
- Selected exchange traded products

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





Investment menu

The investment objectives, benchmarks, asset allocations and risk labels of the investment options for ING Living Super are as follows:

| Investment | Investment objectives and benchmarks | Investment strategy | Asset allocation | Who is it suitable for and suggested investment timeframe | Risk label | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
|---|--|---|---|--|----------------------------|-------|--------------------------|------------|-----|-------------------|--------|--------|-----------------------------|---|-----|----------------------------|---|-----------|--|---------------|-------|-----------------|-----------|--|----------------------------|--|-------|-----------------------|------------|--|---------------------------|--|-------|-------------|------------|--|------|--|--------|--|-----------|
| Cash option | <p>Aims to achieve a return of the benchmark.</p> <p>Benchmark: RBA Cash Rate before fees and taxes</p> | The strategy for the Cash option is to substantially invest the assets on deposit with ING. | Cash 100% | <p>Conservative or cautious investors seeking security of capital and positive <i>income</i> returns over time.</p> <p>There is no minimum suggested investment timeframe for this investment.</p> | Very low risk | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Term deposits | <p>Aims to provide stable returns with low risk of capital loss.</p> <table border="1"> <thead> <tr> <th>Available terms</th> <th>No. of days</th> <th>Interest crediting frequency</th> </tr> </thead> <tbody> <tr> <td>3 Month</td> <td>90</td> <td>On maturity</td> </tr> <tr> <td>6 Month</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 (not available for TTR or pension)</td> <td>730</td> <td>Annually and upon maturity</td> </tr> </tbody> </table> | Available terms | No. of days | Interest crediting frequency | 3 Month | 90 | On maturity | 6 Month | 180 | On maturity | 1 Year | 365 | On maturity | 2 Year (not available for TTR or pension) | 730 | Annually and upon maturity | The strategy is to invest in wholesale term deposits issued by ING. Investments will be for the term as selected and will be transferred to the <i>Cash Hub</i> on maturity unless you elect to automatically reinvest in a new Term Deposit option of the same term. | Cash 100% | <p>Conservative or cautious investors seeking security of capital and guaranteed returns for fixed investment timeframes.</p> <p>The investment timeframe is between 90 days – 2 years (depending on the term selected).</p> | Very low risk | | | | | | | | | | | | | | | | | | | | | |
| Available terms | No. of days | Interest crediting frequency | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 3 Month | 90 | On maturity | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 6 Month | 180 | On maturity | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 1 Year | 365 | On maturity | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 2 Year (not available for TTR or pension) | 730 | Annually and upon maturity | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Balanced option | <p>Aims to provide medium to long-term capital growth with <i>income</i> built into the unit price.</p> <p>Benchmark: 2.0% average annual return above inflation (<i>CPI</i>) over rolling 6 years after <i>investment fees</i> and taxes.</p> | The long-term asset allocation is 62% <i>growth assets</i> and 38% <i>defensive assets</i> . Asset allocation is balanced back to the long-term target. | <table border="1"> <thead> <tr> <th>Asset class</th> <th>Strategic asset allocation</th> <th>Range</th> </tr> </thead> <tbody> <tr> <td>Australian Shares</td> <td>33%</td> <td></td> </tr> <tr> <td>Australian Shares</td> <td></td> <td>18-45%</td> </tr> <tr> <td>International Shares</td> <td>25%</td> <td></td> </tr> <tr> <td>International Shares</td> <td></td> <td>5-25%</td> </tr> <tr> <td>International Shares (Hedged)</td> <td></td> <td>5-25%</td> </tr> <tr> <td>Property</td> <td>4%</td> <td></td> </tr> <tr> <td>Australian Listed Property</td> <td></td> <td>0-10%</td> </tr> <tr> <td>Fixed Interest</td> <td>10%</td> <td></td> </tr> <tr> <td>Australian Fixed Interest</td> <td></td> <td>0-25%</td> </tr> <tr> <td>Cash</td> <td>28%</td> <td></td> </tr> <tr> <td>Cash</td> <td></td> <td>20-40%</td> </tr> </tbody> </table> | Asset class | Strategic asset allocation | Range | Australian Shares | 33% | | Australian Shares | | 18-45% | International Shares | 25% | | International Shares | | 5-25% | International Shares (Hedged) | | 5-25% | Property | 4% | | Australian Listed Property | | 0-10% | Fixed Interest | 10% | | Australian Fixed Interest | | 0-25% | Cash | 28% | | Cash | | 20-40% | <p>Investors who are seeking a higher return than available from Cash and whom are prepared to accept a moderate exposure to <i>growth assets</i>.</p> <p>The recommended minimum investment timeframe for this investment is 6 years.</p> | High risk |
| Asset class | Strategic asset allocation | Range | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Australian Shares | 33% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Australian Shares | | 18-45% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| International Shares | 25% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| International Shares | | 5-25% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| International Shares (Hedged) | | 5-25% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Property | 4% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Australian Listed Property | | 0-10% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Fixed Interest | 10% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Australian Fixed Interest | | 0-25% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Cash | 28% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Cash | | 20-40% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |





| Investment | Investment objectives and benchmarks | Investment strategy | Asset allocation | | | Who is it suitable for and suggested investment timeframe | Risk label |
|---------------------------------|---|---|-------------------------------|----------------------------|---------|---|------------|
| Growth option | Aims to provide long-term capital growth with <i>income</i> built into the unit price. Benchmark: 2.5% average annual return above inflation (CPI) over rolling 8 years after <i>investment fees</i> and taxes. | The long-term asset allocation is 70% <i>growth assets</i> and 30% <i>defensive assets</i> . Asset allocation is balanced back to the long-term target. | Asset class | Strategic asset allocation | Range | Investors who are seeking a long-term investment with high returns and whom accept the possibility of losses in capital. The recommended minimum investment timeframe for this investment is 8 years. | High risk |
| | | | Australian Shares | 35% | | | |
| | | | Australian Shares | | 25-45% | | |
| | | | International Shares | 30% | | | |
| | | | International Shares | | 5-25% | | |
| | | | International Shares (Hedged) | | 5-25% | | |
| | | | Property | 5% | | | |
| | | | Australian Listed Property | | 0-15% | | |
| | | | Fixed Interest | 15% | | | |
| | | | Australian Fixed Interest | | 0-25% | | |
| Cash | 15% | | | | | | |
| Cash | | 5-25% | | | | | |
| High Growth option | Aims to provide long-term capital growth with <i>income</i> built into the unit price. Benchmark: 3.5% average annual return above inflation (CPI) over rolling 10 years after <i>investment fees</i> and taxes. | The long-term asset allocation is 100% <i>growth assets</i> . Asset allocation is balanced back to the long-term target. | Asset class | Strategic asset allocation | Range | Investors who are seeking a long-term investment with moderate to high returns and whom accept the possibility of losses in capital. The recommended minimum investment timeframe for this investment is 10 years. | High risk |
| | | | Australian Shares | 50% | | | |
| | | | Australian Shares | | 40-60% | | |
| | | | International Shares | 40% | | | |
| | | | International Shares | | 10-30% | | |
| | | | International Shares (Hedged) | | 10-30% | | |
| | | | Property | 10% | | | |
| | | | Australian Listed Property | | 0-20% | | |
| | | | Cash | 0% | | | |
| | | | Cash | | 0-5% | | |
| Australian Shares option | Aims to closely match the return of the Australian share market benchmark, before fees and taxes. Benchmark: The S&P/ASX 200 Accumulation Index. | The option invests in shares and securities listed or to be listed on ASX (directly or indirectly via <i>managed investments</i>). | Asset class | Strategic asset allocation | Range | Investors who are seeking a long-term investment in a <i>diversified portfolio</i> of Australian shares and whom accept the possibility of losses in capital. The recommended minimum investment timeframe for this investment is 7 years. | High risk |
| | | | Australian Shares | 100% | | | |
| | | | Australian Shares | | 95-100% | | |
| | | | Cash | 0% | | | |
| | | | Cash | | 0-5% | | |





| Investment | Investment objectives and benchmarks | Investment strategy | Asset allocation | | | Who is it suitable for and suggested investment timeframe | Risk label |
|---|---|--|---------------------------------------|----------------------------|---------|---|----------------|
| International Shares (Hedged) option | Aims to closely match the return of the international share market benchmark, before fees and taxes. Benchmark: The MSCI World ex-Australia Index (net Dividends reinvested), hedged to Australian dollars. | The option invests in shares and securities listed or to be listed on exchanges outside Australia (directly or indirectly via <i>managed investments</i>). Currency exposures are hedged up to 100% of the value of the portfolio using derivatives. | Asset class | Strategic asset allocation | Range | Investors who are seeking a long-term investment in a <i>diversified portfolio</i> of international shares that is protected against movements in currency exchange rates and whom accept the possibility of losses in capital. The recommended minimum investment timeframe for this investment is 7 years. | High risk |
| | | | International Shares | 100% | | | |
| | | | International Shares (Hedged) | | 95-100% | | |
| | | | Cash | 0% | | | |
| International Shares option | Aims to closely match the return of the international share market benchmark, before fees and taxes. Benchmark: The MSCI World ex-Australia Index (net Dividends reinvested). | The option invests in shares and securities listed or to be listed on exchanges outside Australia (directly or indirectly via <i>managed investments</i>). | Asset class | Strategic asset allocation | Range | Investors who are seeking a long-term investment in a <i>diversified portfolio</i> of international shares and whom accept the possibility of losses in capital. The recommended minimum investment timeframe for this investment is 8 years. | Very high risk |
| | | | International Shares | 100% | | | |
| | | | International Shares | | 95-100% | | |
| | | | Cash | 0% | | | |
| Australian Listed Property option | Aims to closely match the return of the Australian listed property securities market benchmark, before fees and taxes. Benchmark: The S&P/ASX 200 A-REIT Index. | The option invests in property securities listed or to be listed on the ASX (directly or indirectly via <i>managed investments</i>). | Asset class | Strategic asset allocation | Range | Investors who are seeking a long-term investment in a <i>diversified portfolio</i> of listed property securities listed on the ASX and whom accept the possibility of losses in capital. The recommended minimum investment timeframe for this investment is 7 years. | High risk |
| | | | Property | 100% | | | |
| | | | Australian Listed Property | | 95-100% | | |
| | | | Cash | 0% | | | |
| Australian Fixed Interest option | Aims to closely match the return of the Australian fixed interest market benchmark, before fees and taxes. Benchmark: The Bloomberg AusBond Composite Bond Index. | The option invests in bonds from the Bloomberg AusBond Composite Bond Index (directly or indirectly via <i>managed investments</i>). | Asset class | Strategic asset allocation | Range | Investors who are seeking a return higher than Cash from Australian fixed interest securities. Capital losses may occur over the short term. The recommended minimum investment timeframe for this investment is 3 years. | Medium risk |
| | | | Fixed Interest | 100% | | | |
| | | | Australian Fixed Interest | | 95-100% | | |
| | | | Cash | 0% | | | |
| International Fixed Interest (Hedged) option | Aims to closely match the return of the international fixed interest market benchmark, before fees and taxes. Benchmark: The Citigroup World Government Bond ex-Australia Index, hedged to Australian dollars. | The option invests in bonds from the Citigroup World Government Bond ex-Australia Index (directly or indirectly via <i>managed investments</i>). Currency exposures are hedged up to 100% of the value of the portfolio using derivatives. | Asset class | Strategic asset allocation | Range | Investors who are seeking a return higher than Cash from international fixed interest and is protected against movements in currency exchange rates. Capital losses may occur over the short term. The recommended minimum investment timeframe for this investment is 3 years. | Medium risk |
| | | | Fixed Interest | 100% | | | |
| | | | International Fixed Interest (Hedged) | | 95-100% | | |
| | | | Cash | 0% | | | |
| | | | Cash | | 0-5% | | |





| Investment | Investment objectives and benchmarks | Investment strategy | Asset allocation | | | Who is it suitable for and suggested investment timeframe | Risk label |
|--------------------------|---|---------------------|--------------------------------|---|---|--|--|
| Listed Securities | To provide members with direct access to invest in the S&P/ASX 300 index and selected ASX listed exchange traded products through ING Living Super's share broker | | Tier | Maximum holding in any one security as a portion of total account balance | Maximum holding in the tier as a portion of total account balance | Investors who are seeking to invest in one or more single ASX <i>listed securities</i> and whom accept the possibility of losses in capital. The recommended minimum investment timeframe for this investment is 7 years. | Refer to the Shares and exchange traded products fact sheet available on ing.com.au for a full list of the exchange traded products available, which tier they fall under 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 Very High. |
| | | | 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 minimum | | | | |





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. ING may appoint one or more sub-investment managers from time to time to manage the investments within the fund.

Interest rates in Living Super

The interest rate on the Cash Hub, 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 other ING banking products.

Assets held with investment managers

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

| As at 30 June 2019 | Balance |
|------------------------------|----------|
| ING Bank (Australia) | \$1,014m |
| State Street Global Advisors | \$1,531m |

Single assets valued above 5% of total funds under Management

At the end of the 2018-2019 financial year, the Fund had:

- 40% invested in the ING Balanced Option;
- 12% invested in the Cash Hub;
- 11% invested in Listed Securities (through the S&P/ASX 300 and selected exchange traded products);
- 11% invested in the ING High Growth Option;
- 9% invested in Term Deposits with ING; and
- 7% invested in the ING Growth Option.

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 2019. Just remember, past performance is not a reliable indicator of future performance.⁴

Super accounts

| Investment category | Investment option | 1 Mth (%) | 3 Mths (%) | 6 Mths (%) | 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% | 0.91% | 0.93% | 1.17% | 1.46% | 3/9/2012 |
| Single Sector | Cash option | 0.12% | 0.38% | 0.72% | 1.42% | 1.43% | 1.50% | 1.90% | 2.29% | 3/9/2012 |
| Multi Sector Managed | Balanced | 2.79% | 4.04% | 10.96% | 7.53% | 7.72% | 7.91% | 6.52% | 7.83% | 13/8/2012 |
| Single Sector | Australian Fixed Interest | 0.89% | 2.58% | 5.54% | 7.92% | 5.12% | 3.43% | 4.11% | 4.00% | 16/8/2012 |
| Single Sector | Australian Listed Property | 3.80% | 3.61% | 16.85% | 16.76% | 13.88% | 7.69% | 12.14% | 12.44% | 16/8/2012 |
| Single Sector | Australian Shares | 3.23% | 7.01% | 17.10% | 10.78% | 11.40% | 11.86% | 8.86% | 10.81% | 29/8/2012 |
| Multi Sector Managed | Growth | 3.01% | 4.32% | 12.05% | 8.54% | 8.71% | 9.01% | 7.81% | 9.46% | 30/8/2012 |
| Multi Sector Managed | High Growth | 4.07% | 5.56% | 16.36% | 10.54% | 11.27% | 12.46% | 9.92% | 12.44% | 30/8/2012 |
| Single Sector | International Fixed Interest (Hedged) | 1.09% | 2.30% | 4.32% | 5.78% | 3.71% | 2.04% | 3.87% | 4.01% | 16/8/2012 |
| Single Sector | International Shares | 5.00% | 4.97% | 15.70% | 10.97% | 12.27% | 12.75% | 12.03% | 14.95% | 29/8/2012 |
| Single Sector | International Shares (Hedged) | 5.21% | 3.02% | 14.29% | 5.41% | 7.56% | 11.55% | 8.66% | 11.75% | 29/8/2012 |

Transition to Retirement accounts

| Investment category | Investment option | 1 Mth (%) | 3 Mths (%) | 6 Mths (%) | 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% | 0.91% | 0.97% | 1.29% | 1.63% | 3/9/2012 |
| Single Sector | Cash option | 0.12% | 0.38% | 0.72% | 1.42% | 1.43% | 1.59% | 2.13% | 2.53% | 2/10/2012 |
| Multi Sector Managed | Balanced | 2.79% | 4.04% | 10.96% | 7.53% | 7.72% | 8.21% | 6.88% | 8.30% | 2/10/2012 |
| Single Sector | Australian Fixed Interest | 0.89% | 2.58% | 5.54% | 7.92% | 5.12% | 3.44% | 4.47% | 4.10% | 2/10/2012 |
| Single Sector | Australian Listed Property | 3.80% | 3.61% | 16.85% | 16.76% | 13.88% | 7.44% | 12.88% | 13.29% | 2/10/2012 |
| Single Sector | Australian Shares | 3.23% | 7.01% | 17.10% | 10.78% | 11.40% | 12.17% | 9.22% | 12.19% | 2/10/2012 |
| Multi Sector Managed | Growth | 3.01% | 4.32% | 12.05% | 8.54% | 8.71% | 9.33% | 8.24% | 10.13% | 2/10/2012 |
| Multi Sector Managed | High Growth | 4.07% | 5.56% | 16.36% | 10.54% | 11.27% | 12.93% | 10.39% | 13.10% | 2/10/2012 |
| Single Sector | International Fixed Interest (Hedged) | 1.09% | 2.30% | 4.32% | 5.78% | 3.71% | 1.97% | 4.27% | 4.41% | 2/10/2012 |
| Single Sector | International Shares | 5.00% | 4.97% | 15.70% | 10.97% | 12.27% | 13.22 | 12.70% | 15.64% | 26/02/2013 |
| Single Sector | International Shares (Hedged) | 5.21% | 3.02% | 14.29% | 5.41 | 7.56% | 11.78% | 8.83% | 11.01% | 8/03/2013 |





Living Super investments (continued)

Pension accounts

| Investment category | Investment option | 1 Mth (%) | 3 Mths (%) | 6 Mths (%) | 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% | 1.05% | 1.06% | 1.35% | 1.67% | 3/9/2012 |
| Single Sector | Cash option | 0.14% | 0.44% | 0.83% | 1.66% | 1.66% | 1.74% | 2.23% | 2.60% | 2/10/2012 |
| Multi Sector Managed | Balanced | 3.01% | 4.40% | 12.16% | 8.31% | 8.48% | 8.71% | 7.18% | 8.52% | 2/10/2012 |
| Single Sector | Australian Fixed Interest | 1.02% | 2.98% | 6.43% | 9.21% | 5.89% | 3.95% | 4.78% | 4.32% | 2/10/2012 |
| Single Sector | Australian Listed Property | 4.13% | 3.92% | 18.82% | 18.71% | 15.57% | 8.50% | 13.54% | 13.78% | 2/10/2012 |
| Single Sector | Australian Shares | 3.56% | 7.74% | 19.02% | 11.99% | 12.38% | 12.83% | 9.60% | 12.48% | 2/10/2012 |
| Multi Sector Managed | Growth | 3.32% | 4.81% | 13.54% | 9.58% | 9.65% | 9.96% | 8.62% | 10.41% | 2/10/2012 |
| Multi Sector Managed | High Growth | 4.35% | 5.99% | 18.00% | 11.50% | 12.24% | 13.58% | 10.78% | 13.40% | 2/10/2012 |
| Single Sector | International Fixed Interest (Hedged) | 1.26% | 2.66% | 5.03% | 6.72% | 4.30% | 2.36% | 4.50% | 4.58% | 2/10/2012 |
| Single Sector | International Shares | 5.45% | 5.41% | 17.28% | 12.02% | 13.61% | 14.12% | 13.24% | 16.07% | 26/02/2013 |
| Single Sector | International Shares (Hedged) | 5.75% | 3.31% | 16.02% | 5.96% | 8.50% | 12.43% | 9.21% | 11.31% | 8/03/2013 |

For the curious: ⁴ The 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 ING Living Super for the year ended 30 June 2019. 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 2019.

| Statement of Financial Position as at 30 June 2019 | 2019 \$'000 | 2018 \$'000 |
|--|------------------|------------------|
| Investment assets | | |
| Term deposits | 245,753 | 253,704 |
| Australian equities | 299,939 | 287,656 |
| Unlisted unit trusts | 1,972,936 | 1,786,986 |
| Other assets | | |
| Cash and cash equivalents | 357,377 | 356,905 |
| Trade and other receivables | 4,167 | 3,712 |
| Deferred tax assets | - | - |
| Outstanding investment settlements | 1,360 | 1,997 |
| Total assets | 2,881,532 | 2,690,960 |
| Liabilities | | |
| Trade and other payables | 2,613 | 2,640 |
| Outstanding investment settlements | 648 | 1,419 |
| Current tax liabilities | 7,354 | 5,886 |
| Deferred tax liabilities | 16,534 | 9,261 |
| Total liabilities | 27,149 | 19,206 |
| Net assets available to pay benefits | 2,854,383 | 2,671,754 |
| Represented by liabilities for accrued benefits | | |
| Allocated to members' accounts | 2,843,744 | 2,664,514 |
| ORFR Reserve | 6,359 | 2,890 |
| Unallocated to members' accounts | 4,280 | 4,350 |
| Total liability for accrued benefit | 2,854,383 | 2,671,754 |

| Operating Statement for the year ended 30 June 2018 | 2019 \$'000 | 2018 \$'000 |
|---|----------------|----------------|
| Investment revenue | | |
| Interest | 10,221 | 11,701 |
| Dividends | 11,232 | 10,012 |
| Distributions | 93,883 | 63,349 |
| Changes in net market value of investments | 83,600 | 104,829 |
| Total investment revenue | 198,936 | 189,891 |
| Contribution revenue | | |
| Employer contributions | 200,684 | 190,273 |
| Members' contributions | 38,778 | 39,866 |
| Transfers from other funds | 187,997 | 231,233 |
| Total contribution revenue | 427,459 | 461,372 |
| Other revenue | | |
| Group Life Insurance Proceeds | 4,483 | 3,317 |
| Other | 31 | 44 |
| Total other revenue | 4,514 | 3,361 |
| TOTAL REVENUE | 630,909 | 654,624 |
| Direct investment expenses | 4,470 | 3,997 |
| General administration expenses | | |
| Operating expenses | 18,178 | 17,455 |
| Group life insurance premiums | 13,245 | 12,290 |
| Total general administrative expenses | 31,423 | 29,745 |
| TOTAL EXPENSES | 35,893 | 33,742 |
| Benefits accrued as a result of operations before income tax | 595,016 | 620,882 |
| Income tax (expense)/benefit | 36,606 | 36,035 |
| Benefits accrued as a result of operations | 558,410 | 584,847 |

For the curious: ² Buy-sell spreads and other incidental transaction costs apply to all managed investment options. 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.





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 in circumstances where the Trustee pays 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 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.





Finally (continued)

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.

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).

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 the ORFR within the Fund as at 30 June 2019 was **\$6,359,157.93**. The first administration fee – ORFR fund was collected at the end of June 2017.

The Funds' ORFR reserve is currently invested in a separate investment option with State Street which mirrors the super fund's Balanced Option. We reserve the right to change this and/or the investment strategy of the ORFR at any time.

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

| Date | Balance of ORFR Reserve |
|--------------|-------------------------|
| 30 June 2017 | \$177,528.43 |
| 30 June 2018 | \$2,889,829.26 |
| 30 June 2019 | \$6,359,157.93 |

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

The ERF that we have selected is the 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 and 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 (AEST/AEDT) Monday to Friday.

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 (AEST/AEDT) Monday to Friday 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 business name 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. ING may appoint one or more sub-investment managers from time to time to manage the investments within the fund.

Share broker

The share broker for ING Living Super is CommSec Adviser Services, trading as Australian Investment Exchange Limited (AUSIEX) ABN 71 076 515 930, AFSL 241400, a Participant of the ASX Group and Chi-X Australia.

Custodian

The custody of the managed investment assets within ING Living Super and unit pricing are provided by State Street Australia Limited ABN 21 002 965 200, AFSL 241419.

Administrator

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

