

ING Wholesale Superannuation – Capital Guaranteed Fund

Product Disclosure Statement

APIR MMF0025AU

30 June 2008

Who can invest

This Fund and Product Disclosure Statement (PDS) is available for those indirect investors who wish to invest via a complying superannuation scheme who has made the Fund available for investment.

Fund profile

Investment objective

The ING Wholesale Superannuation – Capital Guaranteed Fund (Fund) aims to deliver declared interest rates that exceed the return on cash (after fees, charges and taxes) and the Consumer Price Index (CPI) over periods of three years or more. Declared interest rates are guaranteed not to be negative.

Investment strategy

The Fund invests in a diversified mix of Australian and international assets with a strong bias towards defensive assets.

The Fund is actively managed in accordance with ING Investment Management Limited's (INGIM's) investment process.

Size of Fund (as at 31 March 2008)

\$33.5 million

Commencement date

October 1989

Ongoing Fee

2.00% p.a. (1.70% p.a. after tax)

Please note that this fee includes expenses.

Asset allocation

Asset class	Benchmark (%)*	Ranges (%)
Cash	10	10–12
Enhanced cash	10	8–12
Australian fixed interest	30	28–32
International fixed interest	10	8–12
Indexed bonds	5	4–6
Mortgages	5	4–6
Property securities	10	8–12
Australian shares	17.5	15.5–19.5
International shares	2.5	2–3

* The benchmark is the neutral allocation for each asset class.

Asset allocation benchmarks and ranges may be altered without prior notice to you when the change does not alter the risk profile of the fund.

We aim to maintain the Fund's investments in each underlying asset class within the ranges shown above. However, there may be times when the Fund's investment mix falls outside these ranges. Asset ranges may be altered without prior notice to you.

Fund performance

You can obtain current performance information by calling your Service Operator.

About ING

Our global strength and expertise can help you grow and protect your wealth

ING Australia Limited (ING Australia) is one of Australia's leading fund managers, life insurers and superannuation providers with more than \$45 billion in assets under management. ING Australia is a joint venture between the global ING Group, which owns 51%, and one of Australia's major banks, ANZ, which owns 49%.

ING Australia provides a broad range of financial products and services through an extensive network of professional financial advisers and financial institutions, including its own advice groups.

ING Group is a global financial services company providing banking, investments, life insurance and retirement services. We serve more than 75 million customers in Europe, the United States, Canada, Latin America, Asia and Australia. We draw on our experience and expertise, our commitment to excellent service and our global scale to meet the needs of a broad customer base, comprising individuals, families, small businesses, large corporations, institutions and governments. Based on market capitalisation (31 March 2008), ING is one of the 20 largest financial institutions worldwide.

Investment expertise

ING Australia uses INGIM to manage ING investment fund options. INGIM is ING Group's specialist global investment manager with highly qualified investment professionals in all major asset classes – Australian shares, global shares, property, fixed interest and cash.

Social and environmental responsibilities

At ING Australia we value and appreciate our people, our customers, the environment and the society we live and operate in. We are committed to acting ethically to meet our social and environmental responsibilities.

We are actively involved in the community through charitable programs and sponsorships, supporting a range of Australian charities through the ING Foundation. The Foundation was established in 1978 and manages an ongoing program of grants to charitable causes and cultural institutions. All employees are encouraged to donate their time and skills through fundraising and volunteering programs with our charity partners.

By combining our resources with the wider community we can truly make a difference to the lives of others.

ING Investment Management Limited



ING Investment Management Limited (INGIM) manages all ING investment funds. INGIM is part of the specialist investment network of ING Group. Worldwide, INGIM employs more than 3,500 staff in 35 countries across three broad geographic regions: Europe, the Americas and Asia Pacific. Its global assets under management total more than A\$630 billion as at 31 March 2008.

In Australia, INGIM is one of the largest investment managers with in excess of A\$38 billion of assets under management as at 31 March 2008.

Combining rigorous research and integrated risk management, INGIM has a team of investment professionals who are experts in constructing and delivering progressive and tailored investment solutions across all major asset classes on a truly global scale.

INGIM's investment approach

INGIM's investment philosophy maintains that markets have inefficiencies and active portfolio management should generate superior long-term investment returns. INGIM aims to deliver consistently attractive returns for investors over the long-term at acceptable levels of risk.

INGIM believes that investment markets are ultimately driven by trends in the economic cycle, and a particular asset class tends to perform differently to other asset classes at any given point in the cycle.

INGIM's active portfolio management aims to take advantage of asset class trends, adding value and managing risk.

ING multi-sector and international share funds have exposure to foreign currency. Foreign currency is actively managed with a view to increasing the return available in Australian dollars for the benefit of the total portfolio. Active currency investing means buying undervalued currencies and selling overvalued currencies.

Australian shares

INGIM's Australian shares investment process is designed to deliver consistently above-benchmark returns over the medium to long term, while controlling risk. INGIM seeks to identify stocks that are likely to deliver above average earnings growth in the foreseeable future and are also attractively priced relative to the market.

INGIM's team of highly experienced analysts undertakes comprehensive ongoing research to assess the earnings prospects and relative valuations of the stocks in its investment universe. INGIM's analysts assess each company's competitive position and the relative attractiveness of the industry in which it operates. Quantitative and qualitative assessments for each company are combined in an overall company score, which is a primary input into INGIM's portfolio construction process. Other inputs to this process include stock liquidity constraints, constraints on the size of individual stock positions, and market sentiment and corporate/market activity considerations.

International shares

INGIM's stock selection processes for international shares are designed to deliver consistently above-benchmark returns over the medium to long-term. The focus is on identifying companies with good medium-term earnings growth prospects whose shares are attractively priced relative to the market. The process is driven by in-depth analysis and research, utilising INGIM's network of global resources.

In the management of international share strategies INGIM has the benefit of using the expertise of country, regional and sector teams spread across 35 countries around the world.

Regional asset allocation is supported by INGIM's strategy experts including those from the US and Europe.

INGIM's international share portfolios are all managed against an unhedged benchmark. Foreign currency is actively managed where INGIM believes that this will be beneficial to the portfolio's investment performance.

Property securities

INGIM's property securities investment universe includes listed property trusts and listed property-related securities. Property-related securities include companies where the majority of earnings are sourced from property or property-related activities, including the ownership, development or management of property assets.

INGIM's experienced Property Securities team uses its investment process to select property trusts that offer attractive yields and distribution growth. Property-related securities are selected based on the analysis and recommendations provided by INGIM's Australian Shares team.

When selecting individual property securities, INGIM also assesses the experience of management, quality and diversity of the property portfolio, stability of rental income, level of distribution yield, potential for distribution growth, level of borrowing, interest rate risk and liquidity considerations.

Global property securities

A multi-step portfolio construction process is employed combining top-down portfolio design and bottom-up security analysis. These steps include top-down country/regional allocation, top-down property sector allocation and bottom-up security selection.

Regional and property type allocations are determined following a systematic evaluation of public and private real estate market trends, conditions and research by team members based in local markets throughout the world. A proprietary valuation process is used in the selection of individual securities that identifies investments with superior current income and growth potential relative to their peers.

Fixed interest and cash

INGIM aims to add value to its fixed interest and cash portfolios by weighting the portfolio in favour of those sectors that offer the highest potential return for the associated risk, and taking advantage of pricing opportunities that occur at various stages of the economic cycle.

INGIM maintains that the best way to deliver consistently strong returns from a fixed interest portfolio is through a combination of active interest rate management and a well-diversified blend of credit investments.

While traditional fixed interest portfolios have tended to focus exclusively on domestic securities, the newer form diversified fixed interest strategies have also incorporated a range of international fixed interest and higher-yielding opportunities.

The active interest rate component of INGIM's portfolios is managed in accordance with its investment process, which combines the analysis of economic fundamentals, market psychology and market valuations.

Within the non-government sector of the market, INGIM uses its investment process to select individual securities. Essentially, analysis focuses on calculating an appropriate price for each security relative to the associated credit risk, with the aim of ensuring that the reward offered by borrowers to lenders is sufficient to compensate them for the associated risk. Security and issuer analysis is undertaken by INGIM's dedicated credit analysts.

Foreign currency exposures within the international fixed interest component of ING's multi-sector funds are normally hedged into Australian dollars.

Investments of the Fund

In order to gain exposure to the investment markets, the Fund may invest directly or indirectly via other unlisted trusts managed by ING Australia. Indirect investing is commonly known as interfund investing. The Fund will not incur additional management, entry or exit fees for this type of investing.

The Fund may invest in derivatives, such as futures and options, to gain exposure to investment markets and to manage risks associated with market price, interest rate and currency fluctuations. Derivatives are not used to gear the Fund's assets. Please refer to 'Risks of investing' for details on the risks of derivatives.

Labour standards, environmental, social and ethical considerations

We do not take into consideration labour standards, social, ethical or environmental considerations when making investment decisions. However, where such issues may materially impact financially on a company in which we hold an investment, we may divest ourselves of that investment. For this reason these factors are implicitly taken into account when making investment decisions.

Risks of investing

All types of investment carry some degree of risk. Shares are generally more risky than property, fixed interest and cash investments.

It is our aim to minimise this risk by diversifying investments and actively monitoring investment markets and the Fund's portfolio. We cannot, however, totally eliminate this risk and the Fund's returns may fluctuate significantly over time.

The Fund's value and returns may be affected by a number of variable factors such as:

- **Individual investment risk** – individual investments can change in value for many reasons, such as changes in a company's management, internal operations, or its business environment.
- **Market risk** – economic, technological, political or legal conditions, and even market sentiment, can and do change, and this can mean investments in those markets can change in value.
- **Interest rate risk** – changes in interest rates can have an impact directly or indirectly on investment value or returns – for example the cost of a company's borrowing can increase, or the income return on a fixed interest security can become less favourable.
- **Credit risk** – the risk that an issuer or counterparty may fail to fully meet contractual obligations in meeting interest or other payments.
- **Liquidity risk** – is the risk that, if a security is not actively traded, it may be difficult to buy or sell without an adverse impact on the price of the security.
- **Currency risk** – some Funds invest in other countries, and if their currencies change in value relative to the Australian dollar, the value of the investment may change.

The Fund may invest in derivatives as described in 'Investments of the Fund'. Although there is a risk of loss to the Fund through the use of derivatives, INGIM has risk management guidelines in place for derivative use that aim to limit the size of any negative impact.

It is not possible to predict the returns that will be achieved by the Fund. In addition, the returns of the Fund may vary compared to the returns on a direct investment in the underlying fund due to the effects of cash flows and fees.

The actual return that you receive will also be affected by the date on which you invest, the length of time you hold your investment and

when you choose to withdraw. In general, the longer you maintain your investment, the less likely it is that an overall loss will be incurred.

In addition to the risks described above, there are other risks involved in investing your money in this Fund. These include the risk that we may close or terminate the Fund, change the Fund's investment approach, or that your Service Operator loses its complying superannuation fund status leading to a termination of the Policy by us.

Fees and other costs

Did you know?

Small differences in both investment performance and fees and costs can have a substantial impact on your long term returns.

For example, total annual fees and costs of 2% of your balance rather than 1% could reduce your final return by up to 20% over a 30 year period (for example, reduce it from \$100,000 to \$80,000).

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

You may be able to negotiate to pay lower contribution fees and management costs where applicable. Ask the product issuer or your financial adviser.

To find out more

If you would like to find out more, or see the impact of the fees based on your own circumstances, the **Australian Securities and Investments Commission (ASIC)** website (www.fido.asic.gov.au) has a managed investment fee calculator to help you check out different fee options.

This PDS shows fees and other costs that you may be charged. These fees and costs may be deducted from your money, from the return on your investment or from the Fund's assets as a whole.

You should read all the information about fees and costs because it is important to understand their impact on your investment in the Fund. From time to time, we may increase the fees charged to your investment (up to the maximum amount as prescribed by legislation) on three months prior notice to you.

We may waive or defer our entitlement to any fees or expenses payable without giving any notice.

Type of fee or cost	Amount	How and when paid
Fees when your money moves in or out of the Fund		
Establishment Fee The fee to open your investment.	Nil	Not applicable
Contribution Fee The fee on each amount you contribute to your investment.	Nil*	Not applicable
Withdrawal Fee The fee on each amount you take out of your investment.	Nil†	Refer below
Termination Fee The fee to close your investment.	Nil	Not applicable
Management costs		
Ongoing Fee The fees and costs for managing your investment.	2.00% p.a.‡	This fee is deducted from the assets of the Fund and included in the unit price. Generally, this fee is deducted at month end.
Service fees		
Investment Switching Fee* The fee for changing investment fund.	Nil†	Refer below

* A buy/sell margin may apply. See 'Transaction cost factors' for more information.
† In the event that the Service Operator directs ING to effect more than 4 switches or transfers in the 12 month period immediately preceding policy anniversary, a switch/transfer fee of up to 1% of the additional amounts switched or transferred may be charged. ING have not charged this fee to date.
‡ The fee shown is before taking into account any income tax deduction. Where a tax deduction is available for fees, costs and rebates, that deduction will generally be passed on to you.

Additional explanation of fees and costs

Ongoing Fee

The Ongoing Fee is the sum of the management fee (including an allowance for GST and the benefit of reduced input tax credits) and expenses of the Fund (other than transaction costs) divided by the average net asset value of the Fund over a year.

We do not pay any commission on the Fund.

Transaction cost factors (buy/sell spreads)

Transaction costs are incurred when buying and selling Fund assets. These transaction costs include brokerage, stamp duty and settlement costs incurred when assets are bought and sold.

These costs are applied as an addition to the daily unit price when you invest (buy spread), and deducted from the unit price when you withdraw (sell spread).

Buy/sell spreads are designed to protect investors by ensuring that the expense of buying and selling the underlying assets is borne by those who invest or withdraw from the Fund. The buy/sell spread is an additional cost to you when you invest or withdraw your investment. It is retained in the Fund and is not paid to the manager.

Current buy/sell costs are 0.00% on application and 0.00% on withdrawal. The transaction costs may change if the estimated underlying transaction costs change. Up to date information on the current buy/sell spreads are available at www.ing.com.au

Note: If a transaction cost factor applies to a Fund, then it will apply when switching.

Other charges

We are entitled to pay out of the Statutory Fund or subfund:

- all expenses and outgoings as may be reasonably incurred in purchasing, selling, valuing, maintaining, managing and investing the assets
- the cost of all statutory charges, taxes and duties payable in respect of the income and investments of the Statutory Fund
- other expenses and outgoings associated with administering the policies of the Statutory Fund.

Example of annual fees and costs

This table provides an example of how the fees and costs in the Fund can affect your investment over a one-year period. You should use this table to compare this product with other managed investment products.

Example	Balance of \$50,000 with total contributions of \$5,000 during year	
Contribution Fee	Nil	Not applicable
PLUS Ongoing Fee	2.00% p.a.	And , for every \$50,000 you have in this Fund you will be charged \$1000 each year.
EQUALS Cost of the Fund		If you put in \$5,000* during a year and your balance was \$50,000, then for that year, you would be charged fees of \$1000.

What it costs you will depend on the fees you negotiate with your Service Operator or financial adviser.

* You may also incur a buy/sell spread when your money moves in or out of the Fund. Please refer to 'Transaction cost factors (buy/sell spreads)' for more information.

Unit prices

Unit prices are normally determined each business day. A business day is any day other than Saturday, Sunday or a bank or public holiday in NSW.

The unit price is equal to the value of all assets in the Fund (less any deducted or accrued fees and taxes), divided by the number of units on issue.

Unit prices will fluctuate with changes in the value of the investments held in the Fund's portfolio.

Unit pricing permitted discretions policy

We have a unit pricing permitted discretions policy. It sets out how we will exercise discretions in relation to unit pricing. Examples of where we exercise discretions include how often we strike unit prices and the valuation methodology we use. If we exercise a discretion that is not currently documented, or in a way that involves a departure from the documented policy that is current at the time of exercise, then we will prepare and record a written explanation as to how that discretion was exercised and why it was reasonable. You can obtain a copy of the policy free of charge by calling the ING Wholesale Client Services Team on 1800 031 810.

How to invest

Please complete the relevant form(s) for your master trust or wrap service. You do not need to complete any of our forms.

You do not become a unitholder in the Fund. Instead it is generally the Service Operator that invests in this Fund on your behalf that becomes a unitholder in the Fund. Therefore we do not send you confirmation of transactions, annual reports or annual statements directly. Information about your investment in this Fund will be provided by the Service Operator.

The Service Operator therefore acquires the rights of a unitholder and can exercise or decline to exercise them on your behalf according to the arrangements governing the master trust or wrap service.

Additional investments

You will be required to complete the relevant form(s) of your master trust or wrap service.

Withdrawing your money

Withdrawal requests will normally be paid within five business days from receipt of a request.

You may experience occasional delays in processing your request.

In the event of a large withdrawal from the Fund, a minimum of one month's notice must be given to ING.

If, in the opinion of the Regulator, the payment of any benefit under this Policy would be prejudicial to the financial stability of ING or the interests of ING's policyholders, ING may with the approval of the Regulator, suspend or vary, for such period and subject to such conditions as the Regulator thinks fit, the obligation of ING to make such payments.

You will be required to complete the relevant form(s) of your master trust or wrap service. Your Service Operator may require additional time to organise payment.

Processing your transaction

Generally, we will not process investment or withdrawal requests until all correctly completed documentation and money (where applicable) is received in our head office in Sydney. If received by 12:00pm (Sydney time), transactions will generally be applied at the unit price calculated for that same day. Otherwise, the transaction will be applied using the unit price calculated the next business day.

If we are unable to issue investment units when receiving an application, we are required to hold application monies received from direct investors in a trust account. This may occur if your application is incomplete. We will retain any interest payable by our bank on this account to meet costs we incur operating the trust account.

Eligible investors

Investments into ING Wholesale Superannuation may only be made by a "complying superannuation fund" (Policy Owner) as defined in the Superannuation Industry (Supervision) Act 1993 and regulations, as amended.

If ING at any time becomes aware that the Fund does not satisfy the Relevant Requirements, it may terminate the Policy with immediate effect by notice in writing to the Policy Owner.

Liability

The Policy document limits unitholder's liability in relation to the Fund to the total value for the time being of the Policy accounts as at the date those amounts are payable.

Tax

ING Wholesale Superannuation is a 'tax paid' investment meaning that ING Life pay tax on investment earnings at concessional tax rates.

Tax file number (TFN)

You are not required to supply us with your TFN, however the Service Operator may ask you to supply your TFN. Please refer to their disclosure document for further information.

How to obtain up to date information

The information in this PDS is up to date at the time of preparation. However, some of the information may change from time to time. If a change is considered materially adverse, we will issue a supplementary or replacement PDS. For changes that are not materially adverse, please see below.

We may change the Fund's investment objective and strategy, any procedures or the terms and conditions referred to in this PDS at any time, with reasonable notice.

We will give your Service Operator any updated information about the Fund, so we recommend that you consult your Service Operator for further details.

Cooling-off period

No cooling-off rights apply.

Privacy

We do not receive or collect any of your personal information from your master trust or wrap service.

Keeping track of your investments

Information about your investment in the Fund will be provided by your Service Operator. Enquiries regarding your investment should be directed to your Service Operator.

Resolving complaints

Your first point of contact should be your Service Operator. If you are not satisfied with their response, you can contact the Financial Industry Complaints Service on 1300 780 808.

Where to find us

Your first point of contact should be the Service Operator of your master trust or wrap service.

Office address

ING Life Limited
Wholesale Client Services Team
347 Kent Street
Sydney NSW 2000

Postal address

ING Life Limited
GPO Box 5306
Sydney NSW 2001

Phone 1800 031 810

Fax 02 9234 6733

Email wholesale.unittrust@ing.com.au

Website www.ing.com.au

ING Life Limited (ABN 33 009 657 176, AFSL 238341) (ING Life) is the issuer of this Product Disclosure Statement (PDS) and issuer of the life insurance policy (Policy) for which the funds are invested. ING Life is a subsidiary of ING Australia Limited (ABN 60 000 000 779) (ING Australia). ING Australia is 49% owned by ANZ and 51% owned by ING Group. The investment funds available within ING Wholesale Superannuation are issued from the ING Life No. 4 Statutory Fund.

An investment in ING Wholesale Superannuation is neither a deposit or a liability of Australia and New Zealand Banking Group Limited (ABN 11 005 357 522) (ANZ Group) or its related companies, ING Australia, ING Bank (Australia) Limited (ABN 24 000 893 292) (ING Bank), ING Investment Management Limited (ABN 23 003 731 959) (INGIM) or any other company in the ING Group (ING) other than ING Life.

This PDS contains general information only and does not take into account your personal circumstances or your financial needs and objectives. This PDS explains the main features of ING Wholesale Superannuation and should not be used as a substitute for financial advice. You should read this PDS and speak to a licensed financial planner before investing in ING Wholesale Superannuation. In this PDS, the terms 'us', 'we' and 'our' refer to ING Life.

