

Significant event notice

ING DIRECT Living Super changes to come into effect from 1 June 2017

Issue date: 21 April 2017

Changes are coming to Living Super on 1 June 2017, including:

- Changes to the fee structure of Living Super page 1
- Enhancements to our Balanced, Growth and High Growth investment options page 3
- Increase to the maximums available through Share Trading page 5

ING DIRECT's focus is to provide great value products with competitive features. By restructuring Living Super we are ensuring that we continue to build on the features of Living Super and drive investment performance. Please read these changes carefully as they will impact you.

Please note from 1 June 2017, administration and investment fees will apply to the Balanced option. Fee changes for all investment options are detailed in the below table.

1. Changes to the fee structure of Living Super

From 1 June 2017, ING DIRECT and the Trustee are introducing a new fee structure to Living Super. This includes changes to investment fees supporting the enhancements made to the investment options outlined in this document. In addition, changes are being made to administration fees to ensure Living Super remains a sustainable superannuation solution for our customers and we continue to deliver you further enhancements in future. Refer to the below table for details on these changes.

		Cash Hub	Safe (Cash and Term Deposits)	Smart (Balanced option)	Select (Managed funds)	Shares	
Type of fee	What is changing	Amount	Amount	Amount	Amount	Amount	How and when paid
Investment fee	Cash Hub, Safe, Shares, Select – no change. Smart - A 0.25% p.a. investment fee will now apply.	Nil		0.25% p.a. on the account balance in Smart and Select investment categories.		Nil	Cash Hub, Safe, Shares – Not applicable. Smart, Select – Calculated daily and factored into the unit price.
Administration fee	Cash Hub, Safe, Smart, Select and Shares - A \$5 per month dollar-based administration fee will now apply to all Living Super accounts.			\$5 per month (\$60 p.a.)			\$5 per month deducted from the Cash Hub monthly in arrears on the last day of each month or when you close your account. Calculated pro-rata in the month your Living Super account is first opened or closed. If you have more than one account (e.g. a Super account and a TTR account) you will be charged one member fee on each account. This fee will still apply if you are 100% invested in the Cash Hub.
	Cash Hub, Safe, Smart, Select and Shares - Super funds are required 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 Trustee previously fully funded this reserve on behalf of customers, however from 1 June 2017 an estimated charge of 0.14% p.a. will now apply to all customers to fund this reserve on an ongoing basis. Smart - A 0.50% p.a. Administration fee will now apply, capped at \$2,500 p.a. Select - The 0.50% p.a. Administration fee will continue to apply (no change), now capped at \$2,500 p.a. (previously \$1,000 p.a.). Shares - A 0.50% p.a. Administration fee will replace the current \$300 p.a. fee for the Shares investment category, capped at \$2,500 p.a.	PLUS Estimated to be between 0.03-0.14% p.a. on the total account balance invested in Living Super.		PLUS 0.64% p.a. (0.50% p.a. on the account balance in Smart, Select and Shares investment categories capped at \$2,500 p.a. plus an estimated 0.03-0.14% p.a. on the total account balance).			Cash Hub, Safe, Smart, Select, Shares – Calculated daily, deducted from the Cash Hub monthly on the last day of the month or when you close your account. The cap for the Smart, Select and Shares administration fee applies between 1 July and 30 June of each year.
Buy-sell spread	From 1 June 2017, the buy-sell spreads for the Balanced, Growth and High Growth options are changing. Balanced option - buy-sell fees will <u>increase</u> by 0.03% each. Growth option - only the buy fee will <u>increase</u> by 0.01%. The sell fee will not change. High Growth option - the buy/sell fees will <u>decrease</u> by 0.01% each. No change to the other options in the Select investment category.	Nil		Option (Buy-sell) Balanced (0.10%-0.09%) Growth (0.12%-0.10%) High Growth (0.14%-0.12%)		Nil	Cash Hub, Safe, Shares – Not applicable. Smart, Select - Included in the unit price.

The fees and costs expressed in the table on the previous page are inclusive of GST less any reduced input tax credits and will apply from 1 June 2017.

Please note, a minimum total account balance of \$5,000 currently applies to the Balanced option. From 1 June 2017, this rule will no longer apply. If your balance is less than \$100 on 1 June 2017, we may transfer your balance to an eligible rollover fund. If this impacts you, we will communicate to you separately prior to transferring your account.

What will the cost of fees be?

Refer to the tables below for examples of how fees are applicable for the Balanced and Growth investment options:

Example - Living Super's Balanced investment option		Balance of \$50,000
<i>Investment fees</i>	0.25% p.a. on the <i>account</i> balance in Balanced investment option	For every \$50,000 you have in this investment option you will be charged \$125 each year
PLUS <i>Administration fees</i>	\$5 per month (or \$60 p.a.) Plus , 0.64% p.a. (0.50% p.a. on the <i>account</i> balance in Balanced investment option capped at \$2,500 p.a. plus an estimated 0.03-0.14% p.a. on the total <i>account</i> balance)	And , \$60 each year regardless of balance. Plus , for every \$50,000 you have in this investment option you will be charged \$250 each year capped at \$2,500 p.a. Plus , for every \$50,000 you have invested you will be charged up to \$70 p.a.
PLUS Indirect costs for the Living Super's Balanced option	Nil	And , indirect costs of \$0 will be deducted from your investment
EQUALS Cost of product		If your balance was \$50,000, then for that year you will be charged fees of \$505* for this investment option.

*Additional fees may apply. And, if you leave the superannuation entity, you may be charged an exit fee of \$0 and a buy/sell spread which also applies whenever you make a contribution, exit, rollover or investment switch. The buy/sell spread for exiting is 0.09% (this will equal to \$45 for every \$50,000 you withdraw).

Example - Living Super's Growth investment option		Balance of \$50,000
<i>Investment fees</i>	0.25% p.a. on the <i>account</i> balance in Growth investment option	For every \$50,000 you have in this investment option you will be charged \$125 each year
PLUS <i>Administration fees</i>	\$5 per month (or \$60 p.a.) Plus , 0.64% p.a. (0.50% p.a. on the <i>account</i> balance in Growth investment option capped at \$2,500 p.a. plus an estimated 0.03-0.14% p.a. on the total <i>account</i> balance)	And , \$60 each year regardless of balance. Plus , for every \$50,000 you have in this investment option you will be charged \$250 each year capped at \$2,500 p.a. Plus , for every \$50,000 you have invested you will be charged up to \$70 p.a.
PLUS Indirect costs for the Living Super's Growth option	Nil	And , indirect costs of \$0 will be deducted from your investment
EQUALS Cost of product		If your balance was \$50,000, then for that year you will be charged fees of \$505* for this investment option.

*Additional fees may apply. And, if you leave the superannuation entity, you may be charged an exit fee of \$0 and a buy/sell spread which also applies whenever you make a contribution, exit, rollover or investment switch. The buy/sell spread for exiting is 0.10% (this will equal to \$50 for every \$50,000 you withdraw).

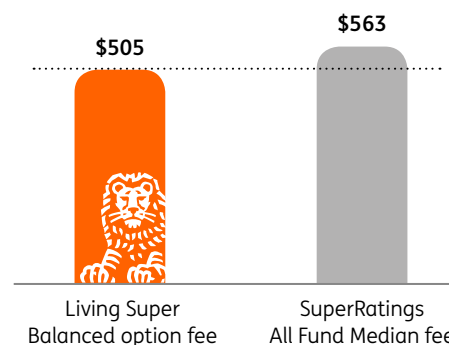
How do fees in Living Super compare to other superannuation funds?*

SuperRatings, an independent research and consulting provider, have conducted an analysis of our new fee structure compared to other superannuation funds. SuperRatings confirm the fees for the Living Super Balanced option remains below the median when compared against retail and industry super fund options with similar asset allocations.

The full report is available at ingdirect.com.au/superratings

'Living Super's Balanced option fees remain below the median when compared against retail and industry super fund options with similar asset allocations.'

-SuperRatings 2017



What does this mean for me?

The changes that will apply from 1 June 2017 will mean different things to different people. So please review your situation and superannuation investments in light of these changes.

We're here for you on 1800 075 785, 8am-8pm Mon to Fri, or 9am-5pm Saturday (AEST/AEDT) for any questions.

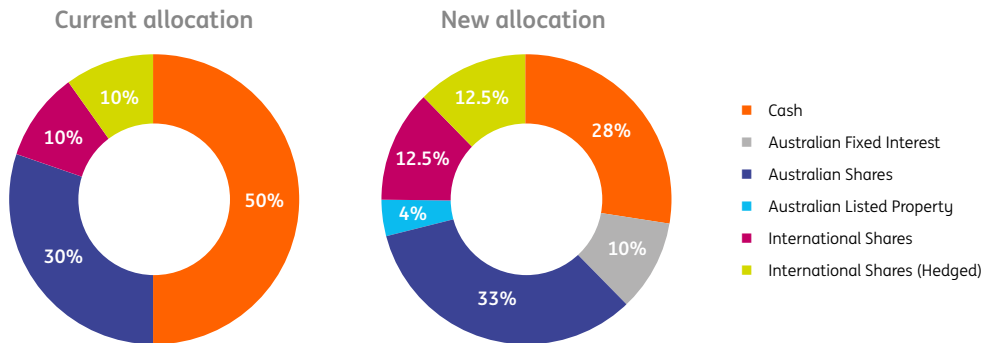
* The comparisons are based on a \$50,000 account balance and include member fees, administration fees and investment management fees as disclosed in the latest Product Disclosure Statement for each accumulation product. Contribution fees, entry fees, exit fees, additional adviser fees or any other fees charged are excluded from this review. The SuperRatings All Fund median is the calculation of total ongoing fees payable (applicable member fees, administration fees and investment management fees) on a \$50,000 account balance invested in the 'Balanced option' (60-76% growth asset allocation) of Retail Master Trusts and Not For Profit (Industry) superannuation funds tracked by SuperRatings. The comparisons were based on information held within the SuperRatings database as at 27 February 2017.

2. Investment enhancements to the Balanced, Growth and High Growth options

Investment performance has been solid across the Balanced (Smart investment category), Growth and High Growth investment options (within the Select investment category) for the past few years. Following a review of the investment strategies and objectives of these three investment options, we are restructuring the Balanced, Growth and High Growth investment options to ensure they are appropriate for the expected future investment environment and remain a suitable investment choice for Living Super customers. These changes aim to provide you with improved performance over the long term by reducing the asset allocation in cash and diversifying investments across a broader range of asset classes.

Balanced option

The Balanced option asset allocation aims to provide medium to long term capital growth with income built into the unit price. The risk level for this option will change from Medium-High to High risk.



New Investment Objective

Aims to achieve a 2.0% average annual return above inflation (CPI) over 6 years after fees and taxes (previously 2.5% over 4 years before fees and tax).

Along with changes to the asset allocation, the asset class allocation ranges will also be updated.

Asset class	Previous ranges	New ranges	Previous target allocation	New target allocation
Australian Shares	15-45%	18-45%	30%	33%
International Shares	0-20%	5-25%	10%	12.5%
International Shares (Hedged)	0-20%	5-25%	10%	12.5%
Australian Listed Property	0%	0-10%	0%	4%
Australian Fixed Interest	0-10%	0-25%	0%	10%
International Fixed Interest (Hedged)	0%	0-10%	0%	0%
Cash	20-60%	20-40%	50%	28%

What does this mean for me?

The changes to the Balanced option will apply from 1 June 2017. If you are currently invested in the Balanced option and do not want the new Balanced option asset allocation, you can choose your own investments or replicate the current Balanced option allocation using the Select investment options. You can do this online any time by following the below instructions:

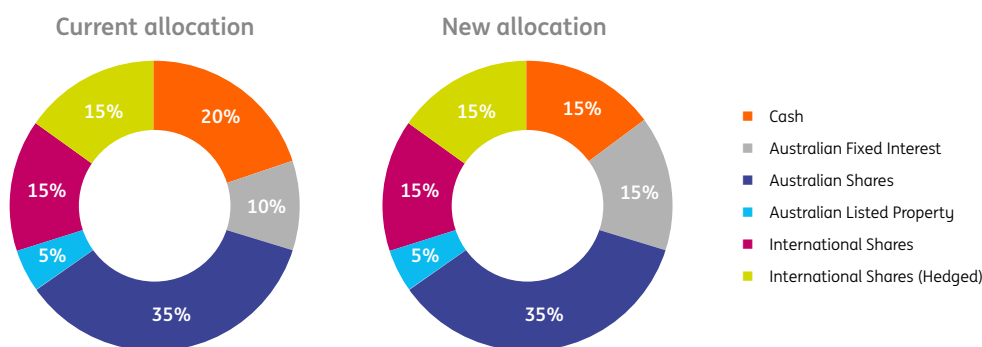
1. Go to ingdirect.com.au and log in with your Client Number and Access Code
2. Click on your Superannuation account
3. In the new screen, click Change your Investments

If choosing your own investments, buy/sell spreads will apply. Remember, before making any investment decisions to consider if it is right for your financial circumstances. Past performance is not an indicator of future performance and when choosing your investment options you should consider the likely investment return, risk and how long you will be investing your super.

We're here for you on 1800 075 785, 8am-8pm Mon to Fri, or 9am-5pm Saturday (AEST/AEDT) for any questions and if you don't already have an adviser and need more help, we can put you in touch with a Money Coach for one free advice session to assist you with choosing the right investments for you.

Growth option

The Growth option aims to provide long term capital growth with income built into the unit price. The risk level of this option will not change.



New Investment Objective

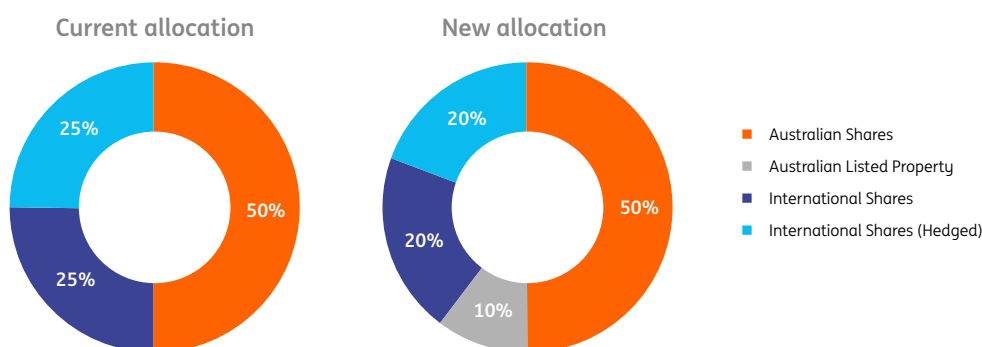
Aims to achieve a 2.5% average annual return above inflation (CPI) over 8 years after fees and taxes (previously 3.0% over 6 years before fees and taxes).

Along with changes to the asset allocation, the asset class allocation ranges will also be updated.

Asset class	Previous ranges	New ranges	Previous target allocation	New target allocation
Australian Shares	20-50%	25-45%	35%	35%
International Shares	10-40%	5-25%	15%	15%
International Shares (Hedged)	10-40%	5-25%	15%	15%
Australian Listed Property	0-10%	0-15%	5%	5%
Australian Fixed Interest	0-20%	0-25%	10%	15%
International Fixed Interest (Hedged)	0%	0-10%	0%	0%
Cash	10-30%	5-25%	20%	15%

High Growth option

The High Growth option aims to provide long term capital growth with income built into the unit price. The risk level of this option will not change.



New Investment Objective

Aims to achieve a 3.5% average annual return above inflation (CPI) over 10 years after fees and taxes (previously 3.5% over 7 years before fees and taxes).

Along with changes to the asset allocation, the asset class allocation ranges will also be updated.

Asset class	Previous ranges	New ranges	Previous target allocation	New target allocation
Australian Shares	25-75%	40-60%	50%	50%
International Shares	0-50%	10-30%	25%	20%
International Shares (Hedged)	0-50%	10-30%	25%	20%
Australian Listed Property	0-5%	0-20%	0%	10%
Cash	0-5%	0-5%	0%	0%

3. Maximums for Shares and Exchange Traded Products (ETPs)

We are changing the share trading maximums to allow greater flexibility when investing in the Shares category. A maximum will apply depending on which share or ETP you invest in, which we have grouped into tiers. We've listened to your feedback and we're now providing more opportunity to diversify and control your investments.

See the table below for details of the new maximums. A list of all ETPs grouped by tier can be found at the end of this update.

These new maximums will apply for any new purchases made from the Shares investment category.

	Tiers	Individual share maximum	Total portfolio maximum
Old maximums	S&P/ASX 300 & ETPs	You can invest a maximum of 20% of your total account balance in any one share.	You can invest up to 80% of your total account balance in shares.
	Direct shares		
New maximums	S&P/ASX 300 constituents	A maximum of 20% of your total account balance can be invested in any one of the S&P/ASX 300 constituents (no change).	A maximum of 100% of your total account balance (subject to the Cash Hub minimum) can be invested in the S&P/ASX 300 constituents.
	ETPs		
	Exchange Traded Product Tier 1	A maximum of 50% of your total account balance can be invested in any one of the Tier 1 Exchange Traded Products (an increase of 30% from the previous limit).	A maximum of 100% of your total account balance (subject to the Cash Hub minimum) can be invested in Tier 1 Exchange Traded Products, an increase of 20% from the previous limit.
	Exchange Traded Product Tier 2	A maximum of 25% of your total account balance can be invested in any one of the Tier 2 Exchange Traded Products (an increase of 5% from the previous limit).	A maximum of 100% of your total account balance (subject to the Cash Hub minimum) can be invested in Tier 2 Exchange Traded Products, an increase of 20% from the previous limit.
Exchange Traded Product Tier 3	A maximum of 10% of your total account balance can be invested in any one of the Tier 3 Exchange Traded Products (a decrease of 10%).	A maximum of 40% of your total account balance can be invested in Tier 3 Exchange Traded Products, a decrease of 40% from previous limit.	
	Please note: If you are invested in any ETP in Tier 3 as at 1 June 2017 and exceed either of the maximums, you will not be able to purchase further ETPs in this tier until you have reduced the balance below the applicable maximum.		

What does this mean for me?

Please review your situation and current superannuation investments in light of these changes. If you need help understanding these changes, you can speak to one of our super specialists on 1800 075 785, 8am-8pm Mon to Fri, or 9am-5pm Saturday (AEST/AEDT).

4. Tiered ETP list

Our shares menu will now be tiered to make it easier for you to identify which maximum applies to which tier.

Investment type	Asset class	Option name	Ticker	Risk band	Risk label	TIER 1, 2, 3
Australian Shares	Australian Shares	[All constituents of the S&P/ASX 300 index]	N/A	6	High	N/A
ETF	Australian Shares	BetaShares FTSE RAFI AUSTRALIA 200	QOZ	6	High	1
ETF	Australian Shares	iShares S&P/ASX 200	IOZ	6	High	1
ETF	Australian Shares	VanEck Vectors Australian Equal Weight ETF	MWW	6	High	1
ETF	Australian Shares	Russell Australian Value ETF	RVL	6	High	1
ETF	Australian Shares	Russell High Dividend Australian Shares ETF	RDV	6	High	1
ETF	Australian Shares	SPDR S&P/ASX 200 Financials EX A-REIT ETF	OZF	6	High	2
ETF	Australian Shares	SPDR S&P/ASX 200 Resources ETF	OZR	6	High	2
ETF	Australian Shares	SPDR MSCI Australia Select High Dividend Yield ETF	SYI	6	High	1
ETF	Australian Shares	SPDR S&P/ASX 50 ETF	SFY	6	High	1
ETF	Australian Shares	SPDR S&P/ASX 200 Fund	STW	6	High	1
ETF	Australian Shares	iShares S&P/ASX 20	ILC	6	High	1
ETF	Australian Shares	iShares S&P/ASX Dividend Opportunities	IHD	7	Very High	1
ETF	Australian Shares	UBS IQ MSCI Australia Ethical ETF	UBA	6	High	1
ETF	Australian Shares	UBS IQ Morningstar Australia Quality ETF	ETF	6	High	1
ETF	Australian Shares	Vanguard Australian High Yield (VHY)	VHY	6	High	1
ETF	Australian Shares	Vanguard MSCI Australian Large Company Index	VLC	6	High	1
ETF	Australian Shares	Vanguard Australian Shares Index	VAS	6	High	1
ETF	Australian Shares	Vanguard MSCI Australian Small Company Index	VSO	6	High	2
ETF	Cash	BetaShares Australian High Cash	AAA	1	Very Low	1
ETF	Commodities	ETFS Physical Precious Metal Basket (ETPMPM)	ETPMPM	7	Very High	3
ETF	Commodities	ETFS Physical Silver (ETPMAG)	ETPMAG	7	Very High	3
ETF	Commodities	ETFS Physical Gold (GOLD)	GOLD	7	Very High	3
ETF	Currency	BetaShares US Dollar (USD)	USD	7	Very High	3
ETF	Fixed Interest	iShares UBS Composite Bond ETF	IAF	6	High	1
ETF	Fixed Interest	iShares UBS Government Inflation Index (ILB)	ILB	6	High	1
ETF	Fixed Interest	iShares UBS Treasury Index (IGB)	IGB	6	High	1
ETF	Fixed Interest	Russell Australian Government Bond	RGB	6	High	1
ETF	Fixed Interest	Russell Australian Semi-Government Bond (RSM)	RSM	6	High	1
ETF	Fixed Interest	Russell Select Corporate Bond (RCB)	RCB	6	High	1
ETF	Fixed Interest	SPDR S&P/ASX Australian Bond Fund	BOND	5	Medium to High	1
ETF	Fixed Interest	SPDR S&P/ASX Australian Government Bond Fund	GOVT	5	Medium to High	1
ETF	Fixed Interest	Vanguard Australian Fixed Interest Index Fund	VAF	5	Medium to High	1
ETF	Fixed Interest	Vanguard Australian Government Bond Index	VGB	5	Medium to High	1
ETF	Global Listed Property	SPDR Dow Jones Global Real Estate	DJRE	6	High	2
ETF	International Shares	BetaShares FTSE RAFI US 1000	QUS	6	High	1
ETF	International Shares	iShares S&P Global Consumer Staples (IXI)	IXI	7	Very High	2
ETF	International Shares	iShares S&P Global Healthcare (IXJ)	IXJ	7	Very High	2
ETF	International Shares	iShares S&P Global 100 (IOO)	IOO	7	Very High	1
ETF	International Shares	SPDR S&P World ex Australian Fund (WXOZ)	WXOZ	7	Very High	1
ETF	International Shares	iShares MSCI Hong Kong (IHK)	IHK	7	Very High	2
ETF	International Shares	iShares MSCI Japan (IJP)	IJP	7	Very High	2
ETF	International Shares	iShares MSCI South Korea (IKO)	IKO	7	Very High	3
ETF	International Shares	iShares MSCI Singapore (ISG)	ISG	7	Very High	2

ETF	International Shares	iShares FTSE China 25 (IZZ)	IZZ	7	Very High	3
ETF	International Shares	iShares Core S&P 500 ETF (IVV)	IVV	7	Very High	2
ETF	International Shares	iShares Core S&P Mid-Cap ETF (IJH)	IJH	7	Very High	2
ETF	International Shares	iShares Core S&P Small-Cap ETF (IJR)	IJR	7	Very High	2
ETF	International Shares	iShares Russell 2000 (IRU)	IRU	7	Very High	2
ETF	International Shares	iShares MSCI BRIC (IBK)	IBK	7	Very High	3
ETF	International Shares	iShares MSCI EAFE (IVE)	IVE	7	Very High	1
ETF	International Shares	iShares S&P Asia 50 (IAA)	IAA	7	Very High	3
ETF	International Shares	iShares S&P Europe 350 (IEU)	IEU	7	Very High	2
ETF	International Shares	iShares MSCI Emerging Markets ETF	IEM	7	Very High	3
ETF	International Shares	VanEck Vectors MSCI World ex Australia Quality ETF	QUAL	7	Very High	1
ETF	International Shares	SPDR S&P Global Dividend Fund	WDIV	7	Very High	1
ETF	International Shares	UBS IQ MSCI USA Ethical	UBU	7	Very High	2
ETF	International Shares	UBS IQ MSCI Europe Ethical ETF	UBE	7	Very High	2
ETF	International Shares	UBS IQ MSCI World Ex-Australia Ethical	UBW	7	Very High	1
ETF	International Shares	Vanguard All-World ex-US Shares Index ETF	VEU	7	Very High	1
ETF	International Shares	Vanguard Emerging Markets Shares Index Fund	VGE	7	Very High	3
ETF	International Shares	Vanguard International Shares Index Fund	VGS	7	Very High	1
ETF	International Shares	Vanguard US Total Market Shares Index ETF	VTS	7	Very High	2
ETF	International Shares (Hedged)	iShares Global 100 AUD Hedged	IHOO	7	Very High	1
ETF	International Shares (Hedged)	iShares S&P 500 AUD Hedged	IHVV	7	Very High	1
ETF	International Shares (Hedged)	SPDR S&P World ex Australian (Hedged) Fund	WXHG	7	Very High	1
ETF	International Shares (Hedged)	Vanguard International Shares Index Fund (Hedged)	VGAD	7	Very High	1
ETF	Property	SPDR S&P/ASX Listed Property Fund (SLF)	SLF	6	High	2
ETF	Property	Vanguard Australian Property Securities Index Fund	VAP	6	High	2
LIC	Australian Shares	Australian Foundation (AFI)	AFI	6	High	1
LIC	Australian Shares	Argo Investments (ARG)	ARG	6	High	1
LIC	Australian Shares	Milton Corporation (MLT)	MLT	6	High	1
LIC	Australian Shares	Djerriwarrh Investments (DJW)	DJW	6	High	1
LIC	Australian Shares	BKI Investment Company	BKI	6	High	1
LIC	International Shares	AMP Capital China Growth (AGF)	AGF	7	Very High	3
LIC	International Shares	Magellan Flagship Fund (MFF)	MFF	6	High	2
LIC	Australian Shares	Mirabooka Investments (MIR)	MIR	6	High	1
LIC	International Shares	Hunter Hall Global Value (HHV)	HHV	6	High	1
LIC	International Shares	Platinum Capital (PMC)	PMC	6	High	1
LIC	Australian Shares	Contango MicroCap (CTN)	CTN	6	High	3
LIC	Fixed Interest	Hastings High Yield Fund (HHY)	HHY	4	Medium	3
LIC	Australian Shares	Australian Leaders Fund Limited (ALF)	ALF	6	High	3
LIC	Australian Shares	AMCIL Limited (AMH)	AMH	6	High	1
LIC	Australian Shares	Diversified United Investment Limited (DUI)	DUI	6	High	1
LIC	Australian Shares	WAM Capital Limited (WAM)	WAM	6	High	3
LIC	Australian Shares	Whitefield Limited (WHF)	WHF	6	High	1
LIC	Australian Shares	Westoz Investment Company Limited (WIC)	WIC	6	High	3

Diversa Trustees Limited ABN 49 006 421 638, AFSL 235153, RSE L0000635 is the Trustee of the ING DIRECT Superannuation Fund ABN 13 355 603 448 (Fund) and the issuer of interests in the Fund. ING DIRECT Living Super is a product issued out of the Fund. ING DIRECT, a division of ING Bank (Australia) Limited ABN 24 000 893 292, AFSL 229823, is the Promoter of the Fund. You should consider the Product Disclosure Statement and Financial Services Guide available at ingdirect.com.au and the product's appropriateness when deciding whether to acquire, or to continue to hold, the product. Buy-sell spreads and other incidental transaction costs apply to managed investment options, including the Balanced option. Buy-sell spreads and other transaction costs are retained within the managed investment and are not fees paid to ING DIRECT 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. The trustee may vary the fees for ING DIRECT Living Super without your consent by giving 30 days' notice. The insurance cover offered by the Fund is provided by MetLife Insurance Limited ABN 75 004 274 882 AFSL 238096. Financial advice is provided by Link Advice Pty Ltd ABN 36 105 811 836, Australian Financial Services Licence 258145. SuperRatings does not issue, sell, guarantee or underwrite this product.

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