



SUPER
RATINGS

ING DIRECT Living Super Fee Benchmarking Review

January 2018



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1. Introduction

ING DIRECT has engaged SuperRatings Pty Limited ("SuperRatings") to assist in a benchmarking review of its current fee structure for the ING DIRECT Living Super product ("ING Super"). The investment options to be assessed are as follows:

- Balanced;
- Growth;
- High Growth;
- Australian Shares;
- International Shares;
- International Shares (Hedged);
- Australian Listed Property;
- Australian Fixed Interest; and
- International Fixed Interest (Hedged).

As a result, the benchmarking review included in this report provides an analysis of the competitiveness of ING Super's fees across the above-mentioned options, based on a \$50,000 account balance, across the Retail Master Trust ("RMT") sector and across the overall industry ("All Funds").

Additionally, as agreed with ING DIRECT, SuperRatings has provided a high-level assessment of the direct investment platforms offered by superannuation funds, with the aim of observing if ING Super's direct investment platform offering is in line with industry trends.

1.1. Assumptions

The benchmarking review of proposed fees is based on information held within the SuperRatings database as at 31 October 2017. The comparisons are based on a \$50,000 account balance and include member fees, administration fees and total investment management fees (inclusive of indirect costs) 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 RMT medians respective to the various sectors is the calculation of total ongoing fees payable (applicable member fees, administration fees and total investment management fees) on a \$50,000 account balance invested in the applicable investment option of the RMTs tracked by SuperRatings, whereas the All Fund medians respective to the various sectors includes both RMT and Not for Profit ("NFP") superannuation funds tracked by SuperRatings.

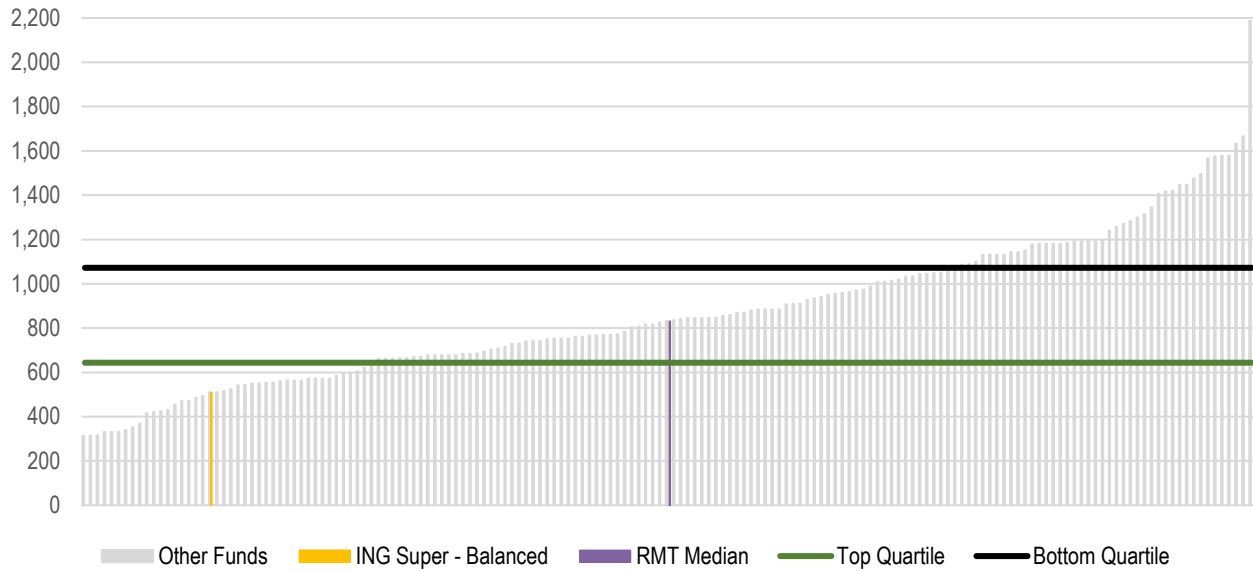
Similar to the previous assessment that was conducted in January 2017, ING Super's growth option has a 70% Growth / 30% Defensive asset allocation, and therefore has been assessed against the SuperRatings Balanced sector (60-76% growth asset allocation).

Additionally, due to a limited sample set, ING Super's International Share and International Share (Hedged) products have been compared against SuperRatings International Share sector which consist of both hedged and unhedged options. This also applies to ING Super's Australian Fixed Interest and International Fixed Interest (Hedged) options which have been compared against the SuperRatings Diversified Fixed Interest sector.

2. Fee Assessment

2.1. Balanced option against the Balanced Sector

Fees based on \$50,000 account balance - Retail Master Trusts

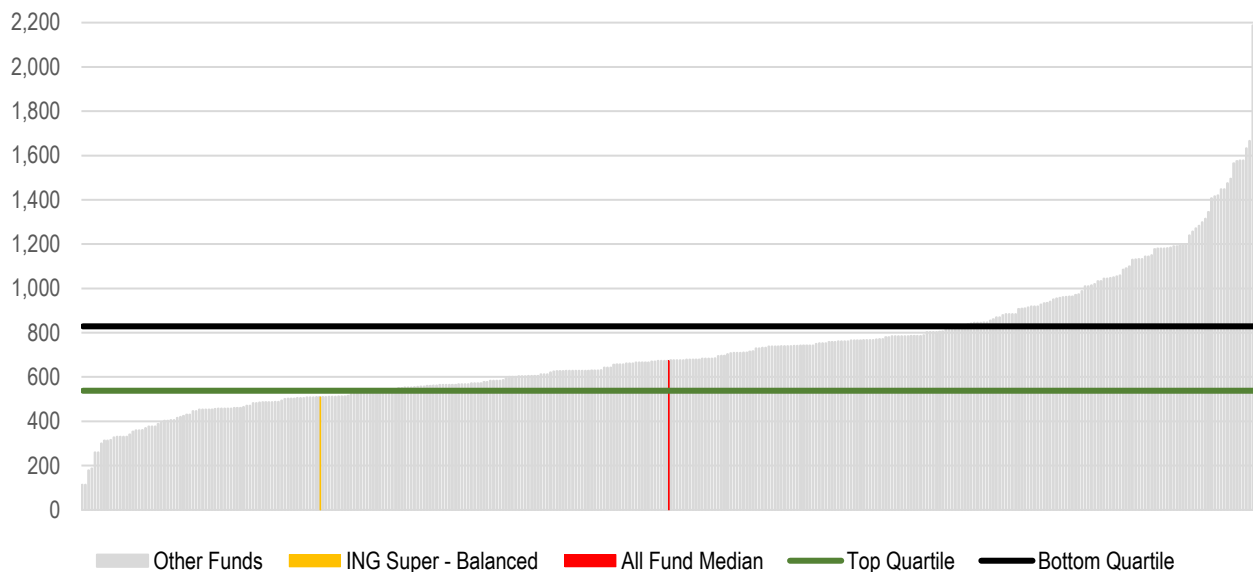


ING Super – Balanced: \$510

Retail Master Trust Median: \$832

Position: ING Super’s Balanced option fees are highly competitive and sit within the top quartile of all RMTs in the Balanced sector.

Fees based on \$50,000 account balance – All Funds



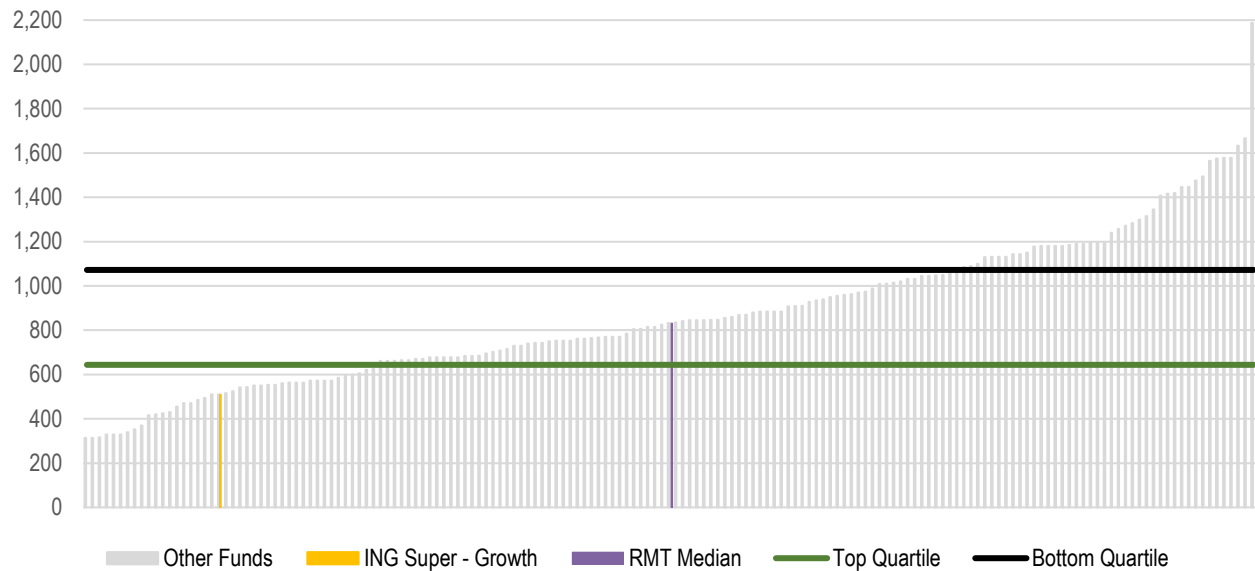
ING Super – Balanced: \$510

All Fund Median: \$673

Position: Similar to the above, ING Super’s Balanced option fees are highly competitive and sit within the top quartile of all funds within the industry in the Balanced sector.

2.2. Growth option against the Balanced Sector

Fees based on \$50,000 account balance - Retail Master Trusts

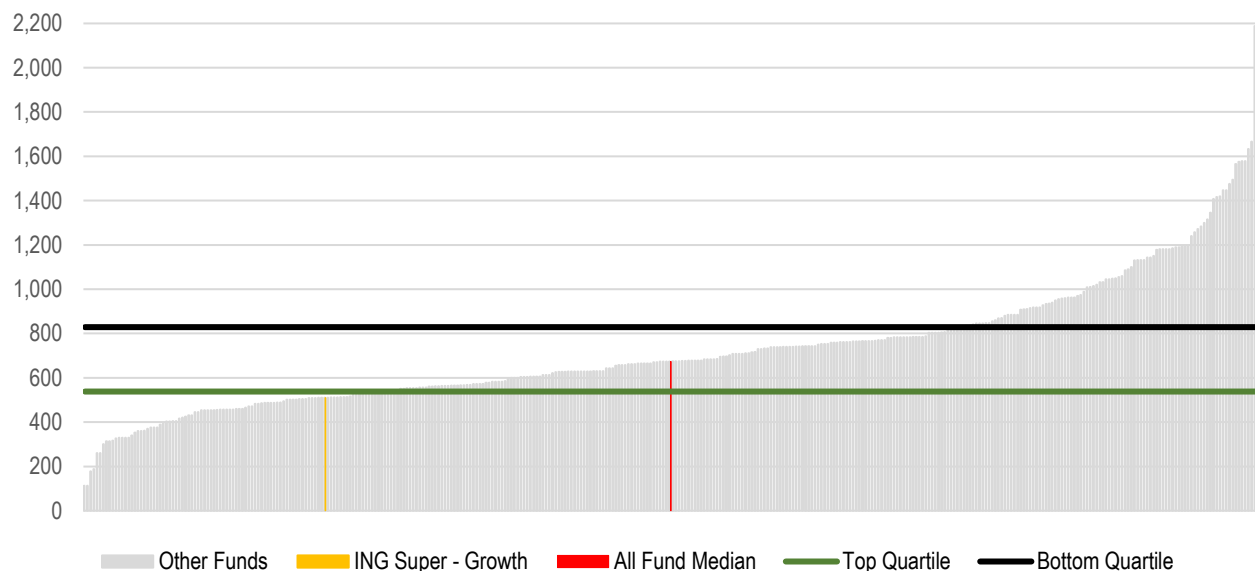


ING Super – Growth: \$510

Retail Master Trust Median: \$832

Position: Given the growth/defensive asset allocation of ING Super’s Growth option, SuperRatings has completed a comparison of this product against the SuperRatings Balanced sector (60-76% growth asset allocation). In light of this, ING Super’s Growth option fees are highly competitive and sit within the top quartile of all RMTs in the Balanced sector.

Fees based on \$50,000 account balance – All Funds



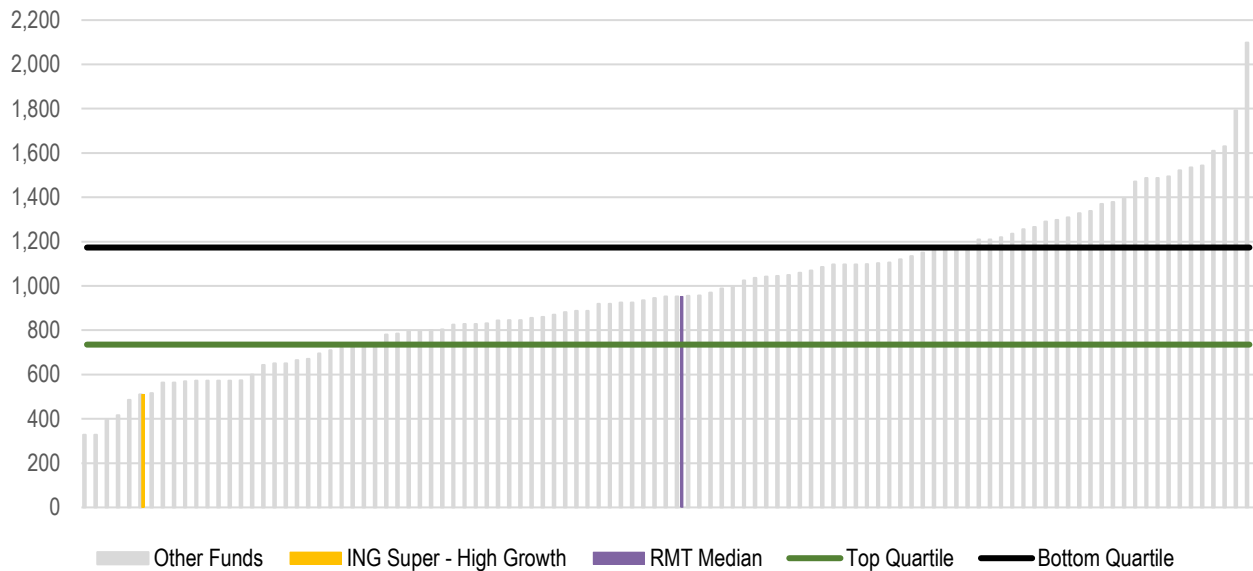
ING Super – Growth: \$510

All Fund Median: \$673

Position: Similar to the first chart above, ING Super’s Growth option fees are highly competitive and sit within the top quartile of all funds within the industry in the Balanced sector.

2.3. High Growth option against the High Growth Sector

Fees based on \$50,000 account balance - Retail Master Trusts

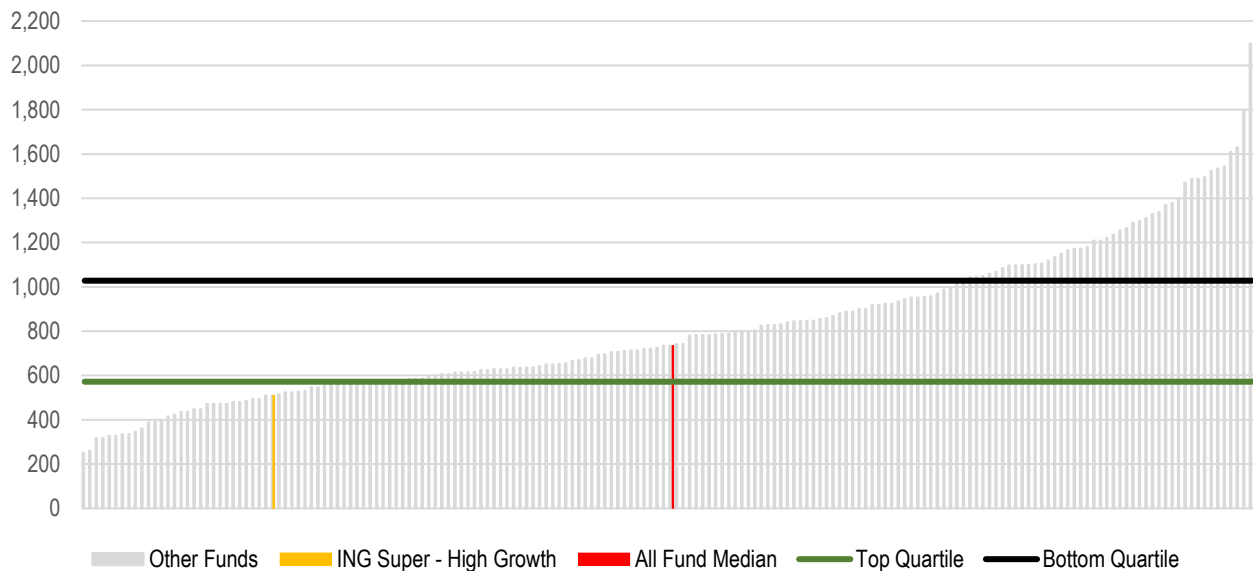


ING Super – High Growth: \$510

Retail Master Trust Median: \$952

Position: ING Super’s High Growth option fees are well below the RMT median and sit within the top quartile of RMTs.

Fees based on \$50,000 account balance – All Funds



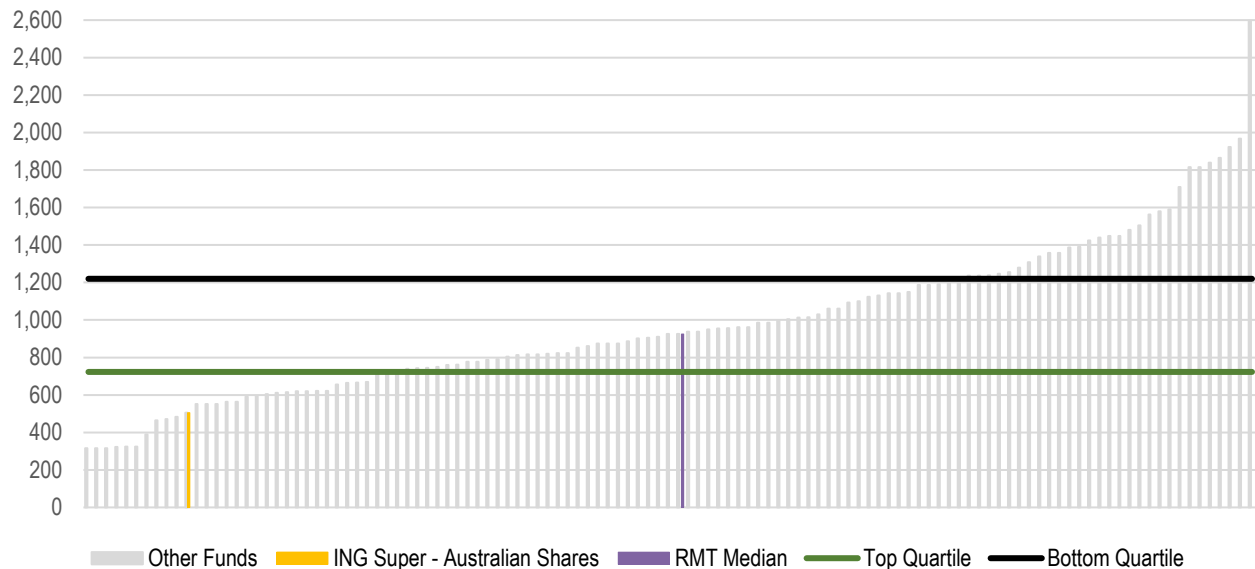
ING Super – High Growth: \$510

All Fund Median: \$735

Position: Similar to the first chart above, ING Super’s High Growth option fees are well below the All Fund median and sit within the top quartile of all funds in the industry.

2.4. Australian Shares option against the Australian Shares Sector

Fees based on \$50,000 account balance - Retail Master Trusts

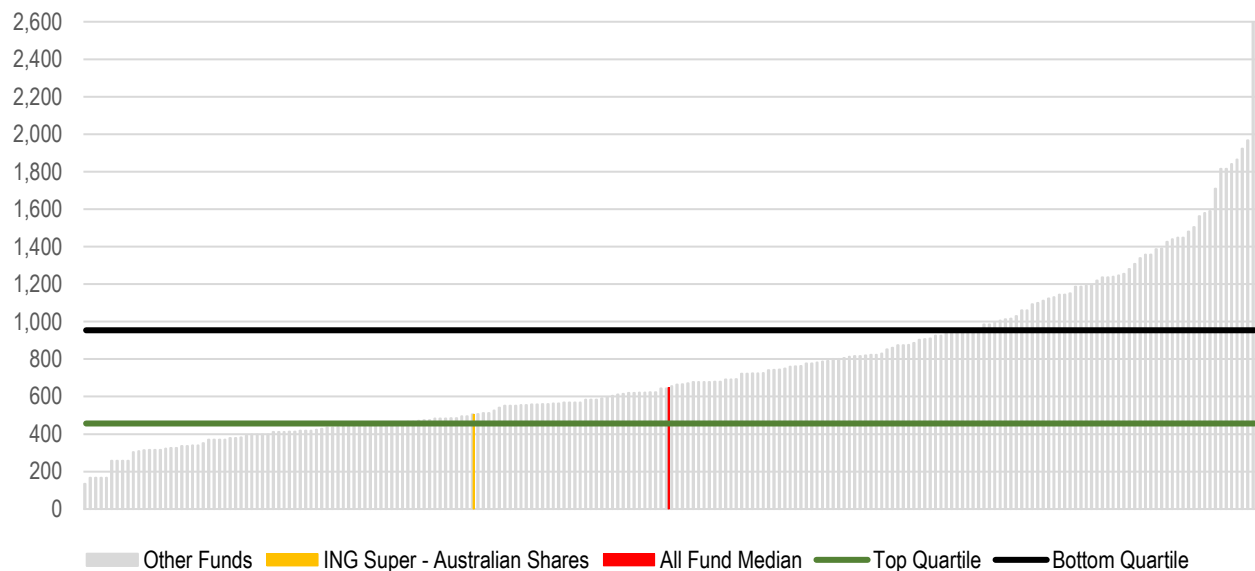


ING Super – Australian Shares: \$505

Retail Master Trust Median: \$925

Position: ING Super’s Australian Shares option fees are significantly lower than the RMT median, and within the top quartile of RMTs.

Fees based on \$50,000 account balance – All Funds



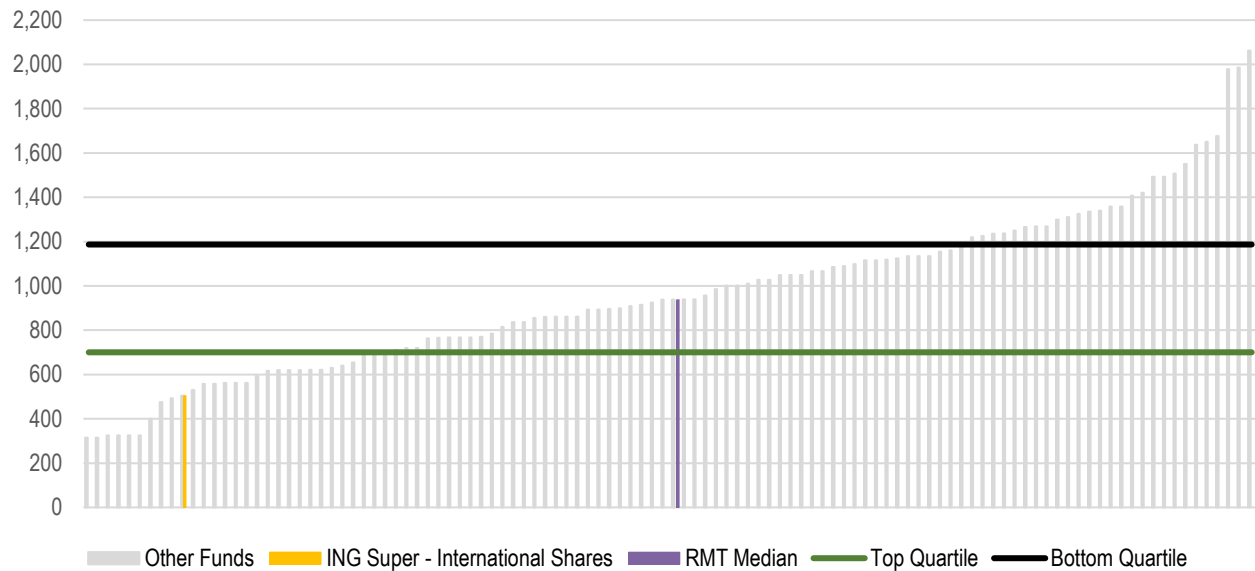
ING Super – Australian Shares: \$505

All Fund Median: \$649

Position: ING Super’s Australian Shares option fees are lower than the All Fund median and are competitive although not positioned within the top quartile.

2.5. International Shares option against the International Shares Sector

Fees based on \$50,000 account balance - Retail Master Trusts

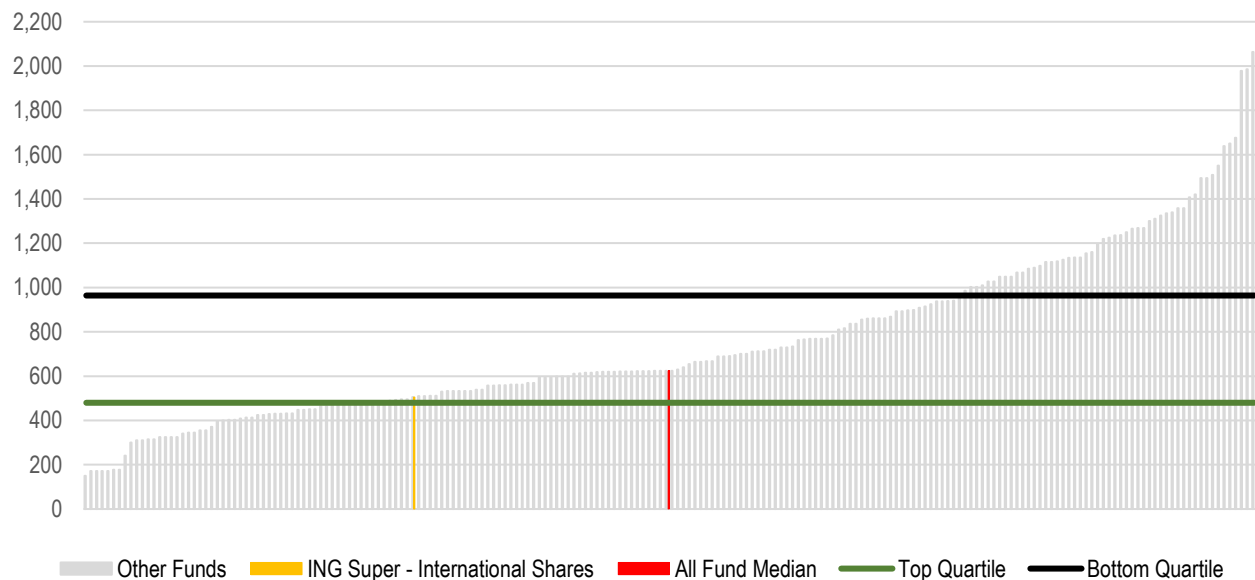


ING Super – International Shares: \$505

Retail Master Trust Median: \$938

Position: ING Super’s International Shares option fees are considerably lower than the RMT median and are in the top quartile of RMTs.

Fees based on \$50,000 account balance – All Funds



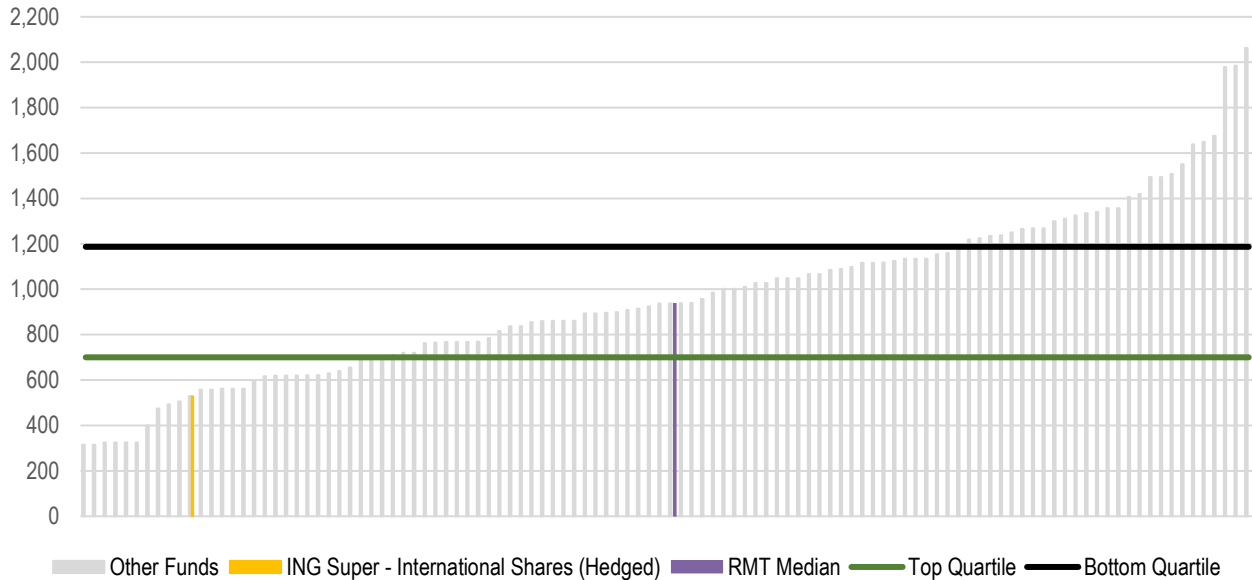
ING Super – International Shares: \$505

All Fund Median: \$624

Position: ING Super’s International Shares option fees are competitive and sit below the All Fund median.

2.6. International Shares (Hedged) option against the International Shares Sector

Fees based on \$50,000 account balance - Retail Master Trusts

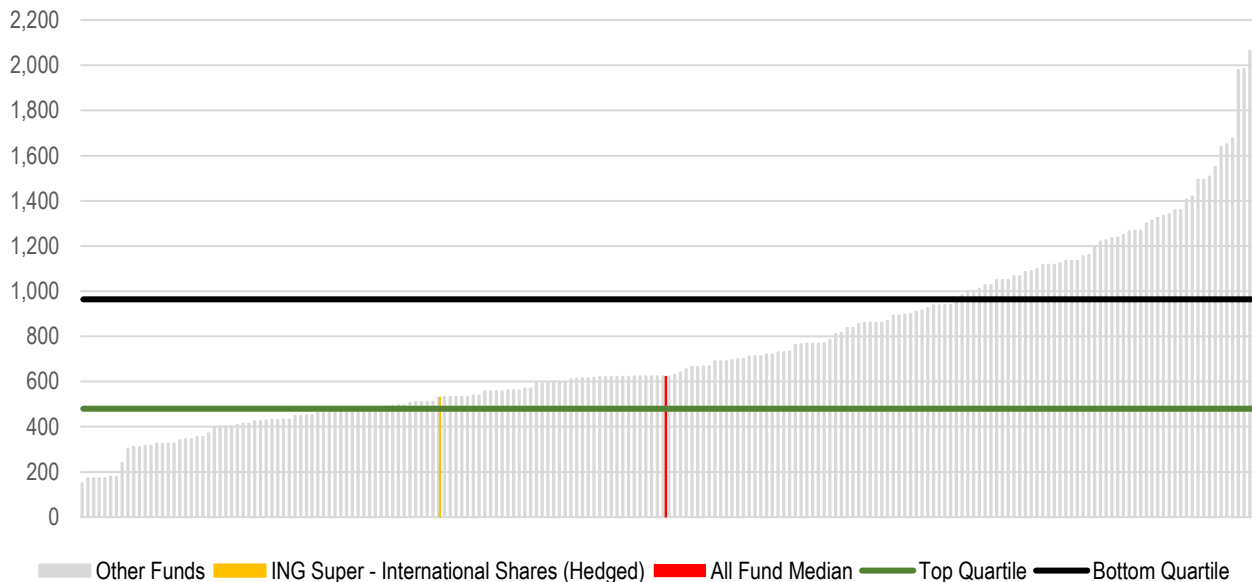


ING Super – International Shares (Hedged): \$530

Retail Master Trust Median: \$938

Position: ING Super’s International Shares (Hedged) option fees sit well below the RMT median and in the top quartile of RMTs.

Fees based on \$50,000 account balance – All Funds



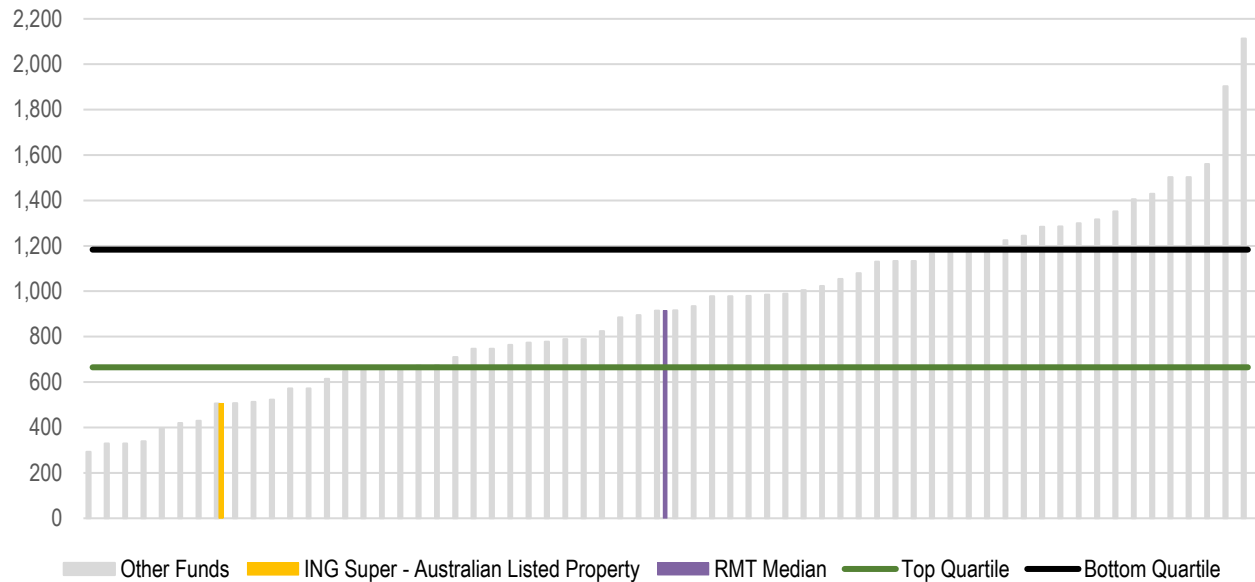
ING Super – International Shares (Hedged): \$530

All Fund Median: \$624

Position: ING Super’s International Shares (Hedged) option fees are competitive and sit below the All Fund median.

2.7. Australian Listed Property option against the Property Sector

Fees based on \$50,000 account balance - Retail Master Trusts

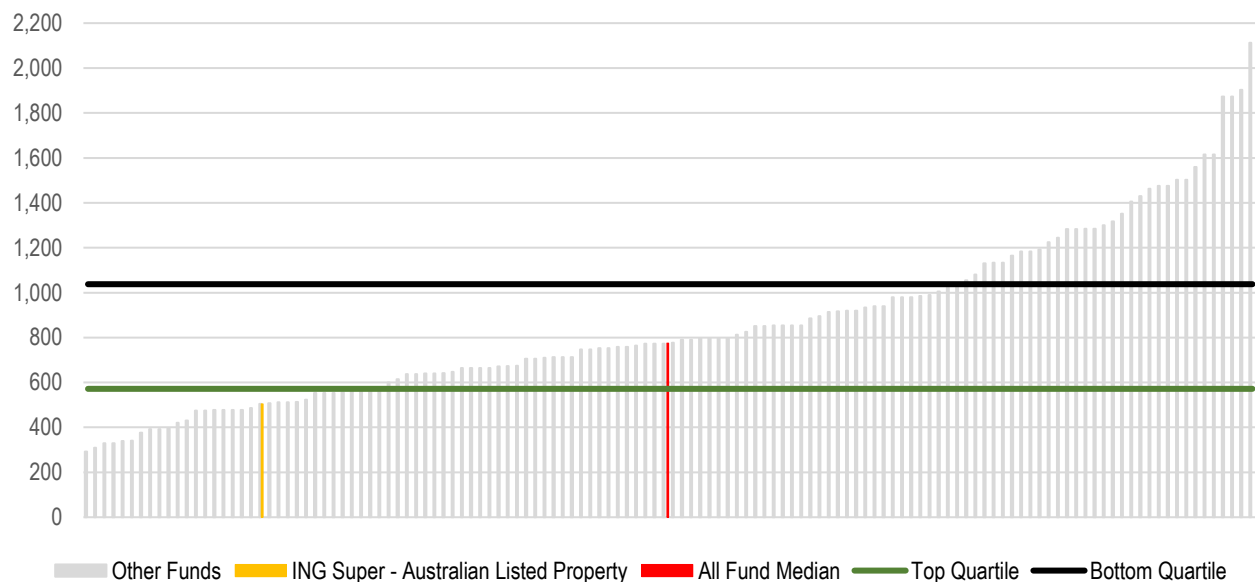


ING Super – Australian Listed Property: \$505

Retail Master Trust Median: \$915

Position: ING Super’s Australian Listed Property option fees are considerably lower than the RMT median and sit within the top quartile of RMTs.

Fees based on \$50,000 account balance – All Funds



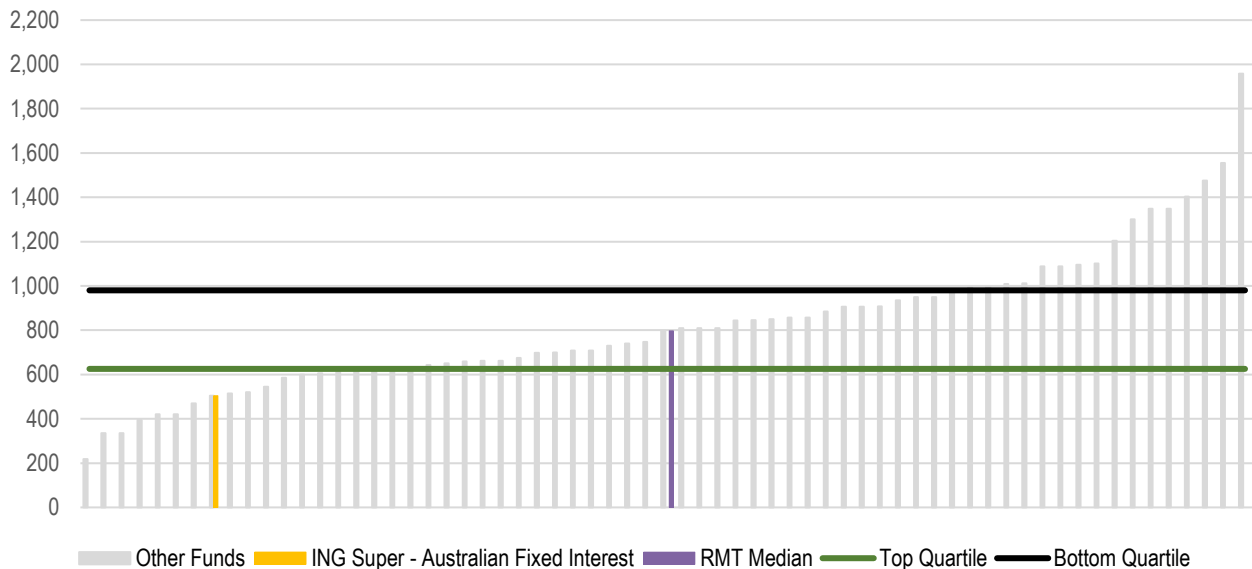
ING Super – Australian Listed Property: \$505

All Fund Median: \$775

Position: Similar to the first chart above, ING Super’s Australian Listed Property option fees are highly competitive and sit within the top quartile of all funds within the industry.

2.8. Australian Fixed Interest option against the Diversified Fixed Interest Sector

Fees based on \$50,000 account balance - Retail Master Trusts

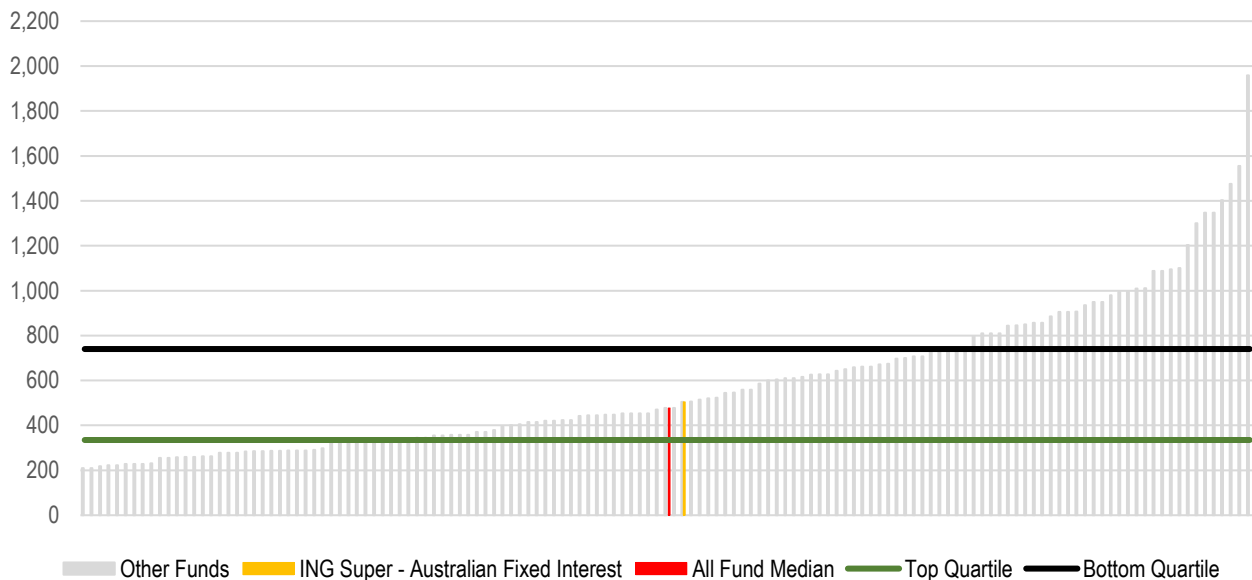


ING Super – Australian Fixed Interest: \$505

Retail Master Trust Median: \$797

Position: ING Super’s Australian Fixed Interest option fees are well below the RMT median and sit within the top quartile of RMTs.

Fees based on \$50,000 account balance – All Funds



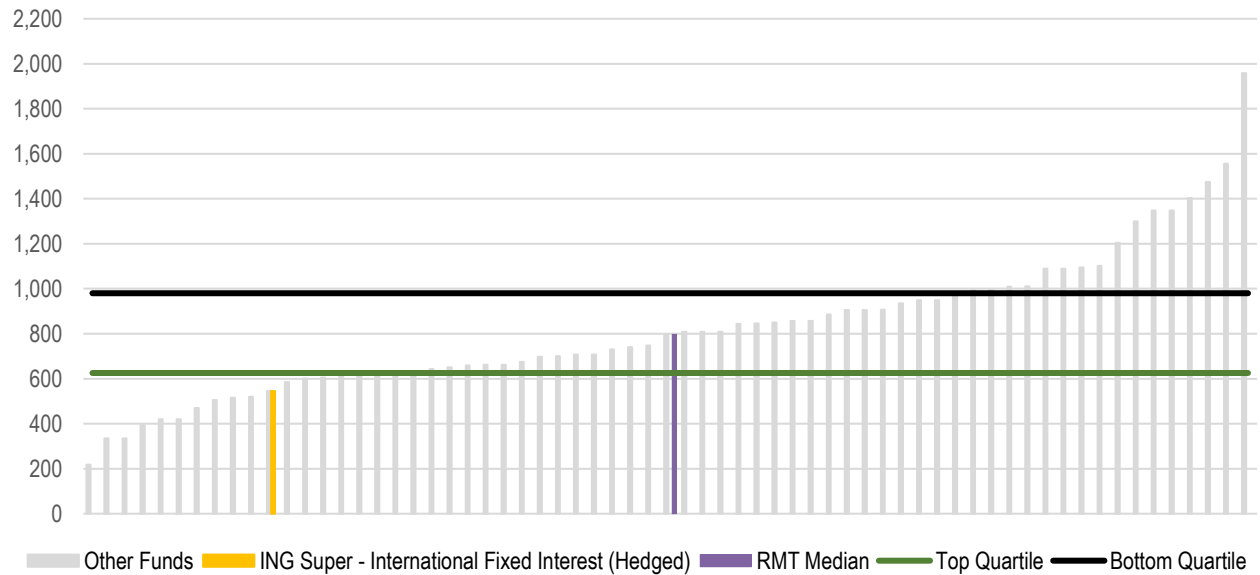
ING Super – Australian Fixed Interest: \$505

All Fund Median: \$478

Position: Contrary to the first chart above, when compared to the overall industry, ING Super’s Australian Fixed Interest option fees are positioned above the All Fund median within the SuperRatings Diversified Fixed Interest sector.

2.9. International Fixed Interest (Hedged) option against the Diversified Fixed Interest Sector

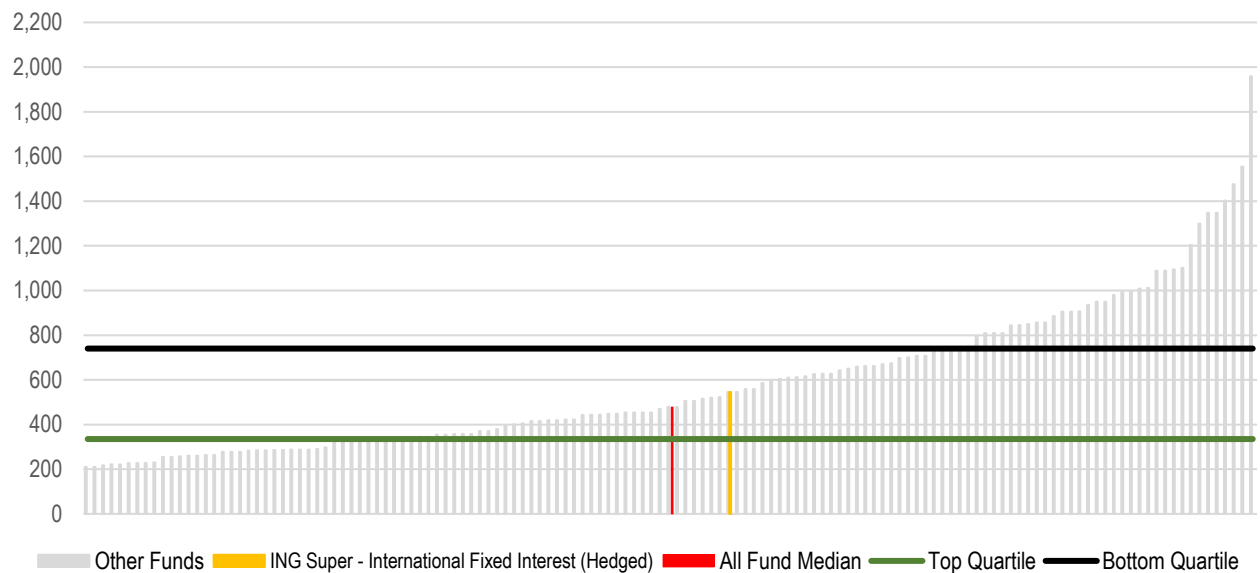
Fees based on \$50,000 account balance - Retail Master Trusts



ING Super – International Fixed Interest (Hedged): \$545 Retail Master Trust Median: \$797

Position: ING Super’s International Fixed Interest (Hedged) option fees sit well below the RMT median and are positioned in the top quartile of RMTs.

Fees based on \$50,000 account balance – All Funds

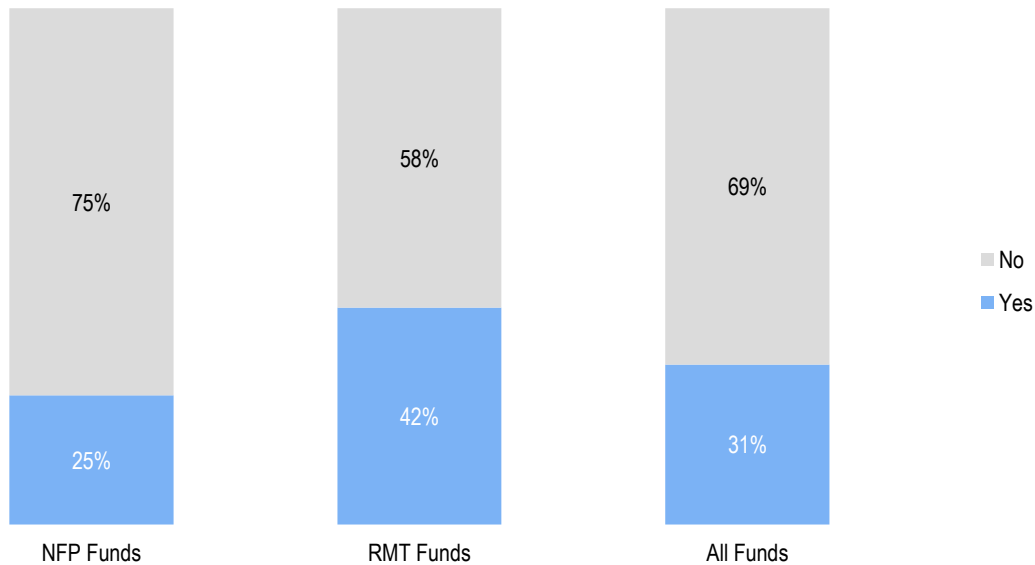


ING Super – International Fixed Interest (Hedged): \$545 All Fund Median: \$478

Position: Similar to the Australian Fixed Interest option, ING Super’s International Fixed Interest (Hedged) option fees are positioned above the All Fund median.

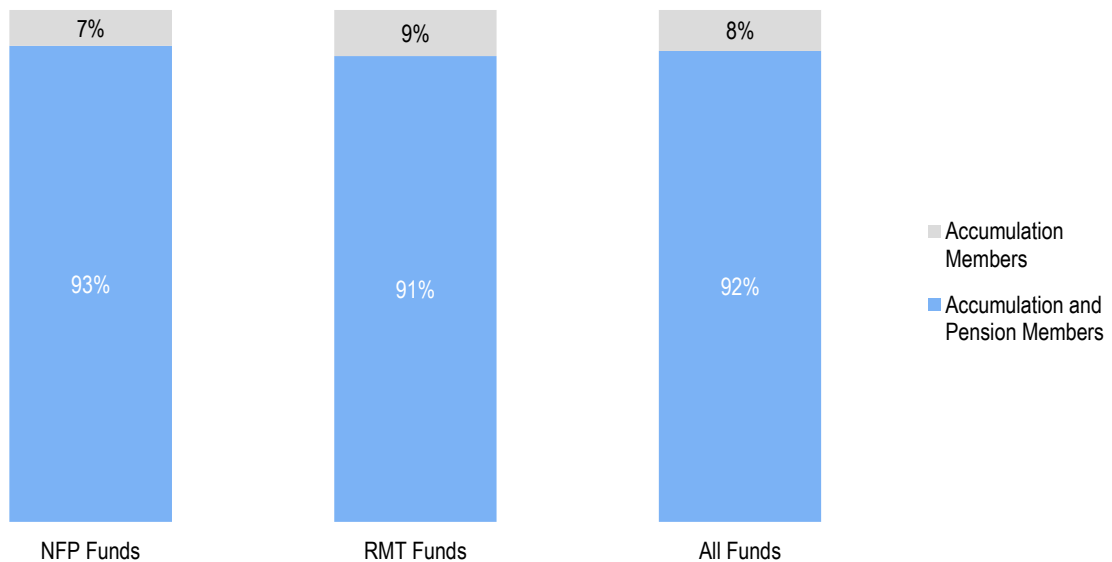
3. Analysis of Direct Investment Platforms

Do you offer a Member Direct Investment Platform?



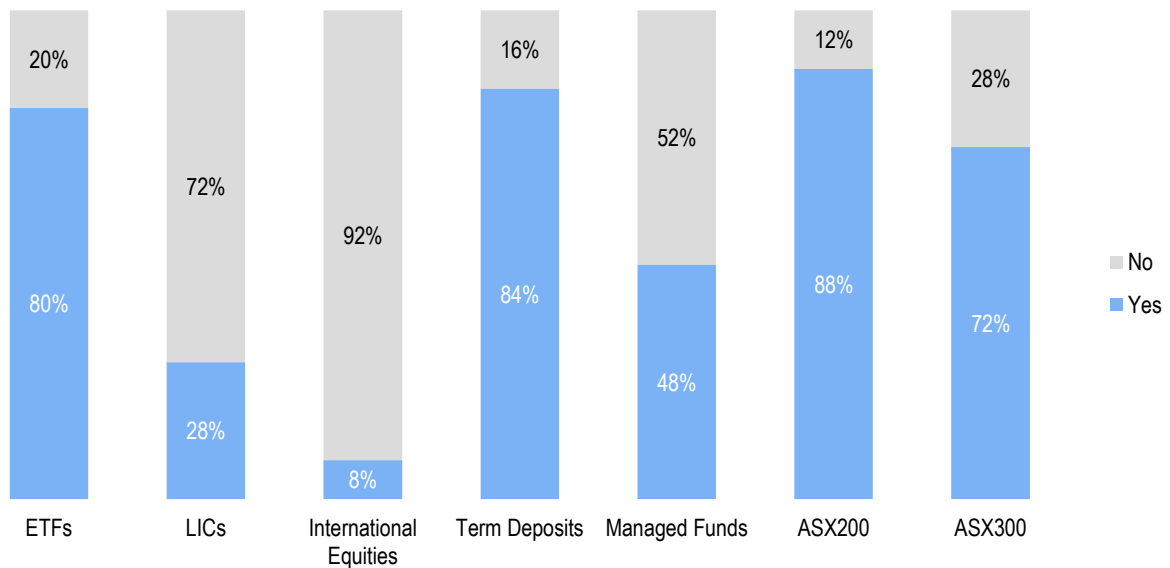
As can be seen above, although less than 50% of RMTs offer Member Direct Investment Platforms, overall a higher percentage of RMTs offer such services when compared to NFP funds. When looking at the overall industry, pleasingly ING Super is amongst the funds that offer a Member Direct Investment Platform.

What members can access the Member Direct Investment Platform?



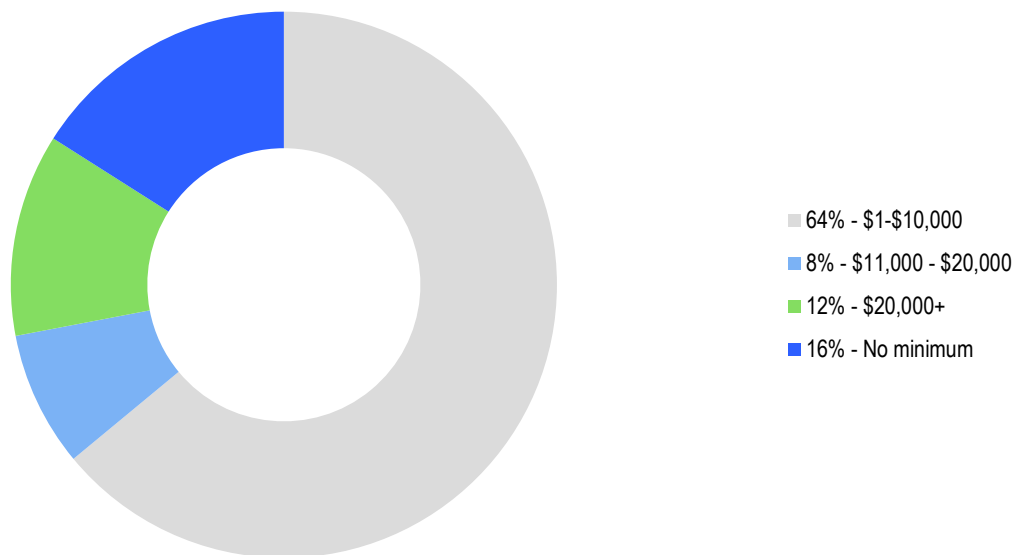
It is pleasing to see that most pension members are not disadvantaged in terms of accessing Member Direct Investment Platforms. Of the funds that do offer a Member Direct Investment Platform, ING Super is amongst the higher proportion of funds that offer this platform to both accumulation and pension members.

Which of the following are currently available on the Member Direct Investment Platform?



As evident from the chart above that most funds that do offer a Member Direct Investment Platform offer ETF's, term deposits and access to shares listed on the ASX200 and ASX300 in their respective Direct Investment Platforms. ING Super offers access to ETFs, LICs, term deposits, managed funds (listed) and shares listed on the ASX300.

What is the minimum balance required to access this service?



ING Super requires a minimum account balance of \$10,000 for members to purchase shares through the Direct Investments Platform. This is in line with most of the industry.

4. Summary and Conclusion

Fees assessment

The table below provides a summary of ING Super's fees for the various investment options offered to members against RMT and All Fund Medians.

Option	Total ongoing fees	Total on \$50k	RMT Median	All Fund Median
Balanced	\$60 + 0.90% p.a.	\$510	\$832	\$673
Growth	\$60 + 0.90% p.a.	\$510	\$832	\$673
High Growth	\$60 + 0.90% p.a.	\$510	\$952	\$735
Australian Shares	\$60 + 0.89% p.a.	\$505	\$925	\$649
International Shares	\$60 + 0.89% p.a.	\$505	\$938	\$624
International Shares (Hedged)	\$60 + 0.94% p.a.	\$530	\$938	\$624
Australian Listed Property	\$60 + 0.89% p.a.	\$505	\$915	\$775
Australian Fixed Interest	\$60 + 0.89% p.a.	\$505	\$797	\$478
International Fixed interest (Hedged)	\$60 + 0.97% p.a.	\$545	\$797	\$478

As evident in the table above and based on SuperRatings' benchmarking of ING Super's fees for the various investment options offered to members within the Living Super product, the total fees payable on an account balance of \$50,000 are highly competitive and significantly lower than the RMT Median. Further to this, for each of the 9 investment options assessed, ING Super's fees are positioned within the top quartile of RMTs.

Similarly, ING Super's fees for the various investment options assessed are also competitively positioned against the SuperRatings All Fund median with the exception of the Australian and International Fixed Interest investment options. Additionally, ING Super's Balanced, Growth, High Growth and Australian Listed Property investment options are positioned within the top quartile of funds within the overall industry.

Direct Investment Platforms assessment

ING Super offers its members the option to further diversify their investments through its Direct Investment Platform, which only 31% of all funds in the industry provide. Members who have their superannuation in ING Super are able to invest in equities listed on the ASX 300, term deposits and ETFs (which the majority of Direct Investment Platforms offer), as well as LICs and managed funds (which are not commonly seen in the superannuation industry). From this, it can be seen that ING Super offers its member with a wide range of investment vehicles through its Direct Investment Platform, providing members with greater flexibility and choice.