



ING DIRECT Living Super

Fee assessment

November 2019 | Prepared by Scott Abercrombie and Alex Lim





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1. Introduction

ING DIRECT ('ING') has engaged SuperRatings Pty Limited ('SuperRatings') to perform a fee benchmarking review of its proposed structure for the Living Super – Growth option which has a long-term asset allocation of 70% in growth assets and 30% in defensive assets.

The benchmarking review included in this report provides an analysis of the competitiveness of ING's Living Super – Growth option based on a \$50,000 account balance against options of similar type, being SuperRatings' Balanced (60-76%) Index.

The assessment was conducted against both the Not for profit ('NFP') and Retail Master Trust ('RMT') only sectors and against the overall industry ('Industry').

Assumptions

The benchmarking review of proposed fees is based on information held within the SuperRatings database as at 30 September 2019, which may differ to the results as at 1 December 2019 (the proposed date for ING's new fee structure). 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.

Furthermore, we have relied on the information provided by ING regarding the proposed new structure for the Living Super – Growth option. The proposed fees are summarised as follows;

Fee type	ING Living Super – Growth option (effective from 1 Dec 2019)
Administration fees (\$)	\$60 p.a.
Administration fees (%)	0.52% (inclusive of an ORFR component of 0.02% p.a.) Capped at \$2,500 p.a.
Investment fee	0.25% p.a.
Indirect cost ratio	0.014% p.a.

* * * * *

The remainder of the report provides our assessment of the above.



2. Fee Assessment

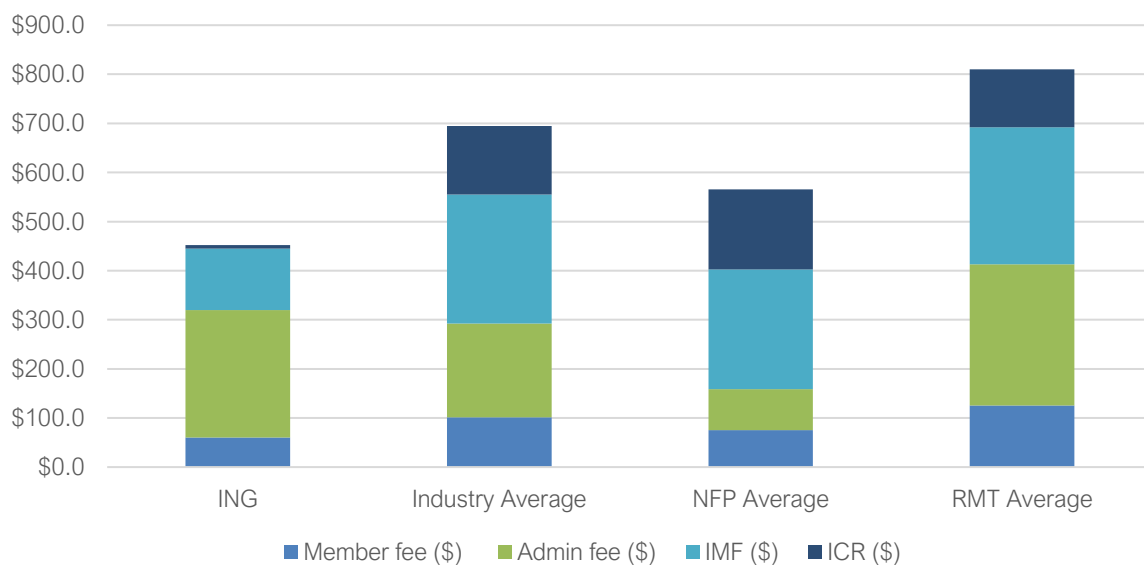
2.1. Fee components

The table below outlines the proposed ongoing annual fees to be levied by ING compared with the SuperRatings averages. For the purposes of comparison, the fees outlined below are based on an account balance of \$50,000 and investment options which are closest to SuperRatings Balanced (60-76% growth asset allocation) Index.

Option name	Member fee	Admin fee	Investment management fees ('IMF')	Indirect Cost Ratio ('ICR')	Total ongoing fees on a \$50k balance
ING Living Super - Growth	\$60.0	0.52%	0.25%	0.014%	\$452.0
Industry average	\$101.7	0.38%	0.53%	0.28%	\$694.5
NFP average	\$75.1	0.17%	0.49%	0.33%	\$565.9
RMT average	\$125.6	0.58%	0.58%	0.24%	\$810.1

ING's Living Super – Growth option charges a lower total ongoing (based on a \$50,000 account balance) compared to the overall Industry average, as well as both the NFP and RMT sector averages.

The chart below provides a graphical representation of the table above.

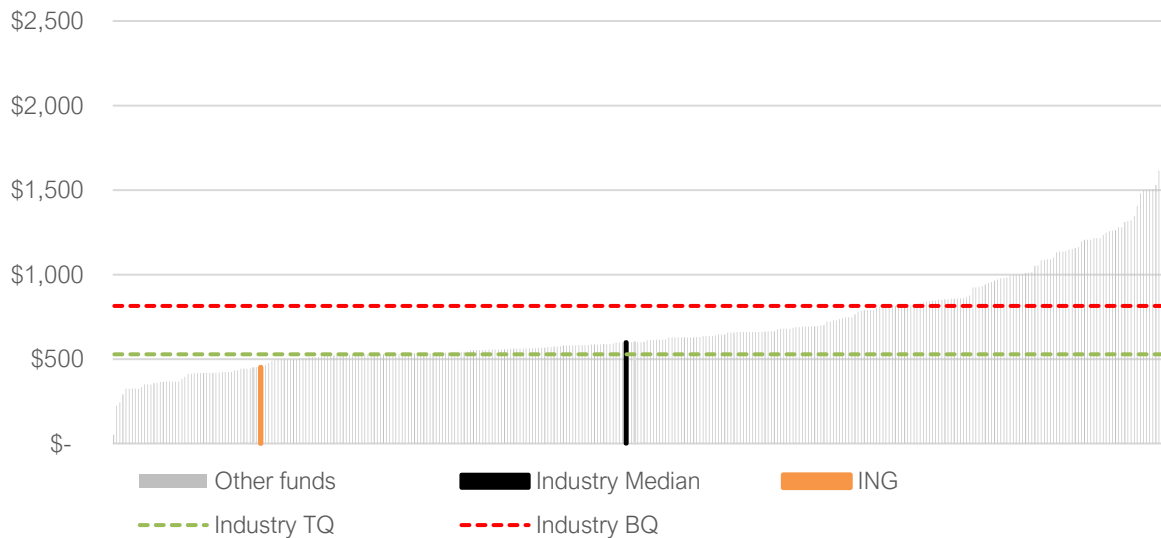


As evident from the chart above, ING's Living Super – Growth option proposed fees are competitively positioned relative to both the Industry and RMT sector averages as well as the wider Industry average, with the exception of the administration fees, which are higher than both the Industry and NFP sector averages, but lower than the RMT sector average.



2.2. Relative to the Industry

The chart below provides an assessment of ING's proposed fees **against the entire Industry (tracked by SuperRatings)**.



ING Living Super – Growth: \$452

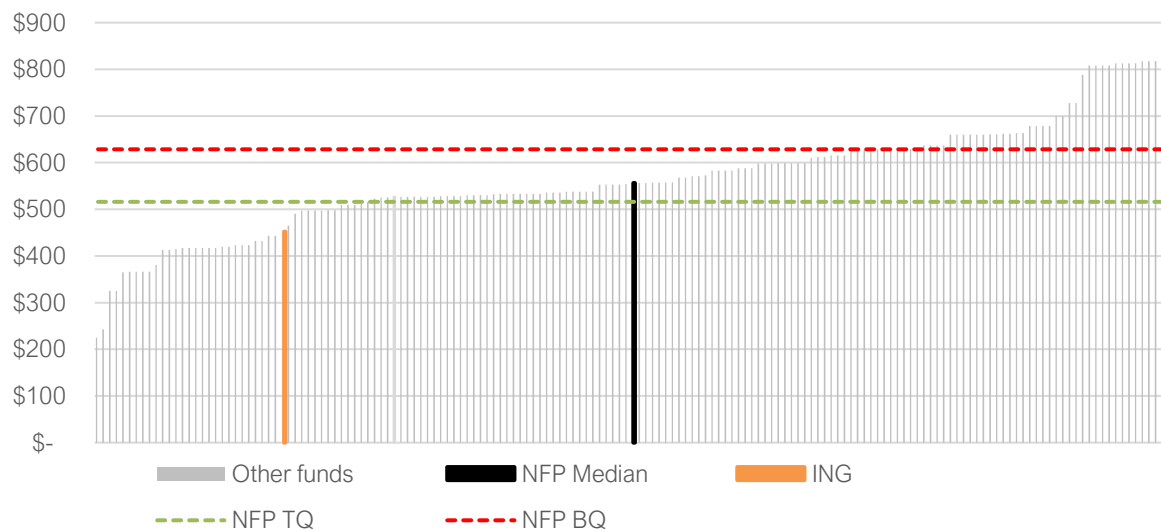
Industry TQ (top quartile): \$528

Industry Median: \$599

Industry BQ (bottom quartile): \$814

2.3. Relative to the Not for Profit ('NFP') sector

The chart below provides an assessment of ING's proposed fees **against the NFP sector**.



ING Living Super – Growth: \$452

NFP TQ (top quartile): \$516

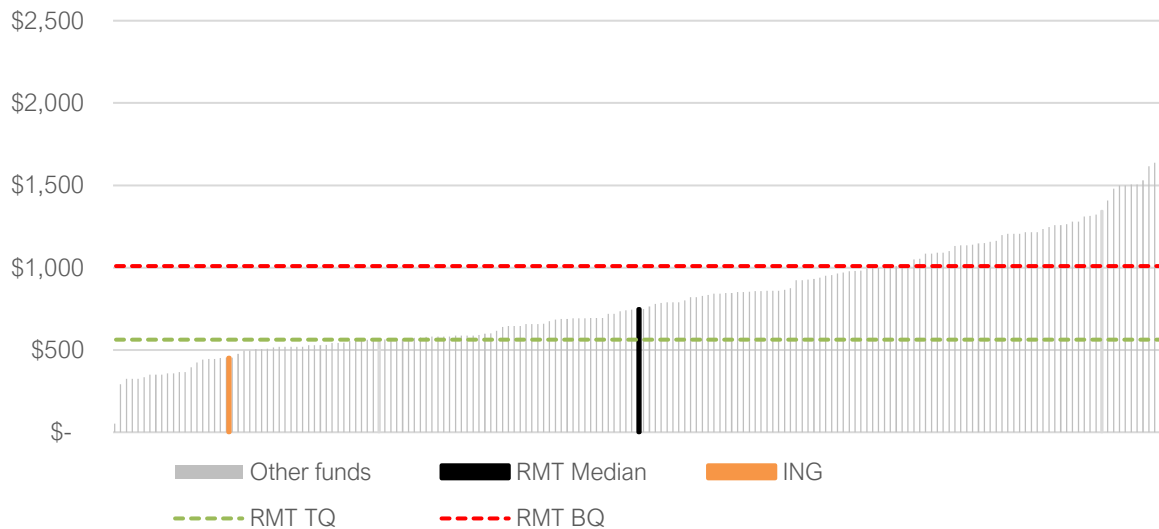
NFP Median: \$557

NFP BQ (bottom quartile): \$629



2.4. Relative to the Retail Master Trust ('RMT') sector

The chart below provides an assessment of ING's proposed fees **against the RMT sector**.



ING Living Super – Growth: \$452

RMT TQ (top quartile): \$563

RMT Median: \$748

RMT BQ (bottom quartile): \$1,010

2.5. Summary

The table below provides a summary of competitiveness of ING's proposed fees for the Living Super – Growth option against the various sectors.

ING Living Super – Growth option competitiveness	
Relative to the entire Industry	Top quartile
Relative to the NFP sector only	Top quartile
Relative to the RMT sector only	Top quartile

As evident in the table above and based on SuperRatings' benchmarking of ING's proposed fees for the Living Super – Growth investment option, the total fees payable on an account balance of \$50,000 are highly competitive and are positioned within the top quartile of both the NFP and RMT only sectors, as well as the overall industry.