Investor Update

for **Investment Savings Bond** investors | for the period 1 July 2009 to 30 June 2010

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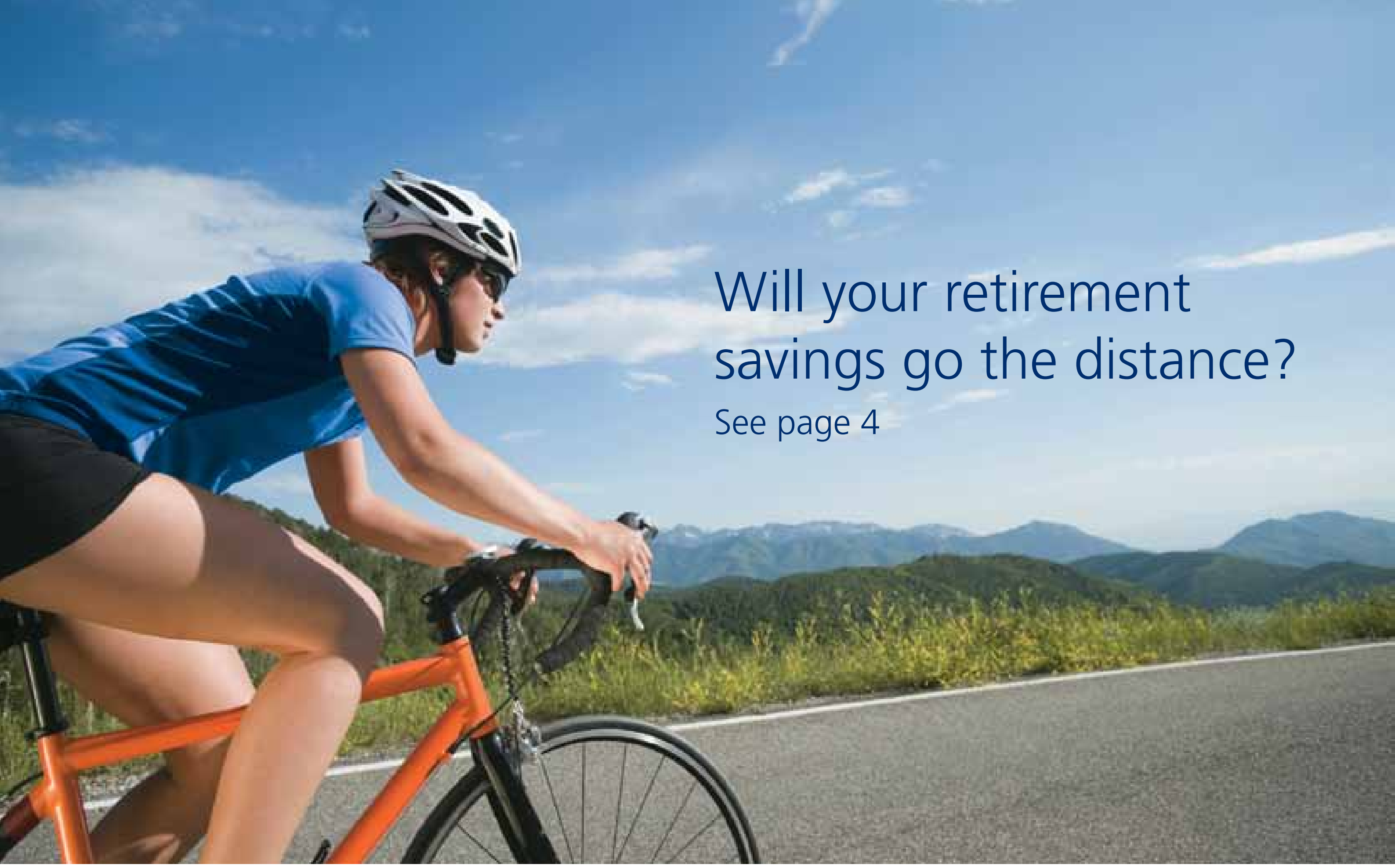


In this issue:

This document includes product, legislative, administrative and investment fund updates and will replace the Annual Report in 2010 for Investment Savings Bond (formerly Tax Effective Investment Bond).

It is important that you read this document as it provides an update on the significant product and regulatory changes that affect your product. You should read the relevant information to understand how the changes may affect you.

Welcome to your Investor Update

Welcome to your end of financial year Investor Update

The Australian economy has continued its upward trend over the past months and this sustained movement in the right direction has certainly been a welcome relief for investors after such a tumultuous period. This recovery is particularly positive when framed in an international context, with many nations in the grip of high unemployment, massive government debt and low consumer spending or ironically, facing the risk of recovering at too fast a pace.

I am pleased to introduce Stewart Brentnall, Chief Investment Officer, Superannuation & Investments. Stewart will be a regular contributor to Investor Update and brings a wealth of experience to our business. In this edition, Stewart provides you with the latest economic commentary and insights.

At the end of each financial year we take the opportunity to provide you with details of any product or regulatory changes that impact your investment. It is important to take the time to review these changes and understand what they may mean for you. See page 10 for an update.

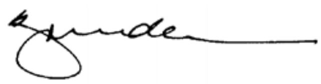
An update on our new brand

In late 2009 ANZ acquired 100% ownership of ING Australia and we are now ANZ's Australian specialist wealth management and protection business.

Since then we have continued to operate under the ING brand but I am pleased to announce that in the coming months we will launch our new name and brand. ING Australia has been helping Australians grow and protect their wealth for over 130 years, and while we are changing our brand you can be assured that our customers remain the key focus.

As our new brand takes shape we look forward to continuing to provide you with the solutions, services and support to meet your needs, now and into the future.

Yours sincerely



Ross Bowden
General Manager
Superannuation & Investments

A new direction for our brand

ING Australia is a leading provider of investment, superannuation and insurance solutions. From May 2002 until late 2009, ING Australia Limited (ING Australia) operated as a joint venture between Australia and New Zealand Banking Group Limited (ANZ) and the global ING Group (ING).

On 30 November 2009 ANZ purchased a 100% shareholding in ING Australia. We are now ANZ's Australian specialist wealth management and protection business.

Later this year we will operate under a distinct new name and brand, which is currently being developed. In the meantime, we will continue to use the ING brand under licence while we transition to our new brand.

During the transition there are likely to be changes to the names of companies, products and investment funds that are operated by ING Australia and its subsidiaries. Information about these changes and other transition updates will be made available in future investor communications and on our website www.ing.com.au. Your financial adviser may also notify you of these changes.

This change signals an exciting new era for ING Australia and ANZ.

About ANZ

ANZ is one of Australia's leading banks and has a history that dates back over 170 years. The bank operates in more than 32 countries including Australia, New Zealand, Asia, the Pacific, the Middle East, Europe and America.

ANZ provides a range of banking and financial products and services to more than 5.7 million retail customers worldwide and employs over 39,000 people.

ANZ aims to become a super regional bank. This involves growing in the Asia Pacific region while also remaining very focused on the business and opportunities that exist in Australia and New Zealand.

ANZ has a strong involvement in the community, leading the way with programs targeting financial literacy, indigenous inclusion, the environment, volunteering and sponsorship.

Economic insights – working through the cycle

With Stewart Brentnall, Chief Investment Officer, Superannuation & Investments, ING Australia.

In profile – Stewart Brentnall

Chief Investment Officer, Superannuation & Investments, ING Australia

Stewart brings over 20 years of investment experience to his new role at ING Australia. He has previously held senior investment roles at a number of major Australian and global financial services companies where he managed Australian and global equity portfolios as well as multi-manager and diversified funds.

Stewart's focus is on the development of new investment products and the creation of innovative and competitive investment solutions to meet our customers' needs.

Where is the Australian economy currently at in the cycle?

The story of Goldilocks springs to mind when thinking about the Australian economy. Remember how she ate the porridge that belonged to the baby bear that was 'not too hot, not too cold'? In my view that would describe the current state of the domestic economy well. Australia did not suffer too badly from the Global Financial Crisis (GFC) and has recovered well, with consumption and business investment improving following an effective stimulus package. In contrast to most of the rest of the world, the Reserve Bank of Australia (RBA) has raised interest rates a number of times and may continue to do so. Australia appears to be well into the recovery part of its economic cycle.

Will the recent pace of economic recovery in Australia continue?

We believe that the domestic economy should grow modestly from here, with unemployment continuing to fall, spare capacity being used up but not too quickly, and only modest inflation ensuing. Business and consumer sentiment (usually important leading indicators of further growth) are high, and growth is decent across Australia, although the mining-dominated states of Queensland and Western Australia are strongest. We are mindful of the comments from Glenn Stevens (Governor of the RBA) indicating that too much impact from low interest rates has gone into the housing market, creating a possible bubble, but we feel that current interest rates (and possible further tightening) will moderate this.

Is China facing the risk of overheating?

The reference to 'a bull in a china shop', implying that things get broken through overactivity, may be quite apt here. Chinese growth has rebounded tremendously aggressively and quickly. From its low of around 3% after the GFC, more recently China grew at more than 11% for the quarter to 31 March 2010 although this has moderated in the second quarter as the nation's rapid expansion has begun to cool. Combined with rising inflation and anecdotal evidence of a massive surplus of buyers for new releases of apartments in large cities, there is some evidence to suggest that China may be growing too quickly.

That said, Chinese bureaucrats have shown that management of the economy has improved greatly in recent years and we expect that, although there may be some surprises along the way, we should not see a boom-bust scenario in China. Stimulus is being removed from the economy and specific measures are being undertaken to help cool down the housing market.

How are other key regions around the world tracking?

This question is probably best answered by distinguishing between the USA, where early signs of recovery are being seen, and Europe and Japan where they are less visible.

In the USA unemployment has peaked, investment spending and hiring is improving, and housing

appears to be picking up, having hit rock bottom. We are still waiting for stronger signs of new job growth and growth in lending to small and medium sized companies, the engine room of so many economies, to return.

Europe and Japan are less positive stories. Europe and the UK in particular, are areas where growth has not yet strongly returned, and unemployment has risen above 10% with limited signs of improvement from these levels. Government debt levels have rocketed as efforts were made to stimulate economies and buy large proportions of non-performing domestic bank sectors. This has left a nasty hangover of high unemployment, lower consumption and high levels of gearing that will not be easy to get rid of. We are seeing the impacts that high government debt is having in some Mediterranean countries and are concerned of flow-on effects into other developing and possibly larger countries. In response to this, the Euro and Pound have both weakened substantially over the past year.

Do you see global sharemarkets rising throughout the remainder of 2010?

With a known set of economic parameters and forecasts, it would be nice if there was a predictable link to sharemarkets. However, there is not, as there are always surprises of one sort or another around the corner. Fortunately these can be positive as well as negative and at the moment we feel there is a lot of negative news 'in the market' and that there may be room for positive surprise. The impact on companies' profits from building inventory in anticipation of higher consumption, as well as continued government stimulus and low interest rates around the world will, we think, support further advances in equity markets – especially in the USA, emerging markets, Asia Pacific and Australia. We think investor sentiment is still quite fragile and that market improvements may not be in a straight line. Rather, they may conform to a gradual 'up the stairs' pattern, with an occasional and rapid, but smaller 'down in the lift' setback, like the one we saw in May this year.

What is your outlook for various major asset classes?

Ideally, one would like to be able to invest in equities while economies recovered and markets went up, retreating to the sanctuary of cash when markets and economies slowed or fell. However, this would require us to be either psychic or to have divine foresight.

On balance, we think that the outlook for corporate profits is strong in Australia and to a smaller extent overseas, and that valuations are fair but not stretched.

Bonds are more of a mixed bag. So much effort (and public money) has gone into keeping interest rates low, at the expense of government bonds. On the other hand, corporate bonds, in particular domestic corporate bonds, are performing well, with yields remaining high in a difficult borrowing environment.

The outlook for property is a harder one to call, but we need to bear in mind that property prices have increased as a result of enticingly low interest rates and this may have an impact on the sector.

In summary, what are some of the big themes you see playing out over the next twelve months?

I think there are four major themes to be considered over the next year:

1. Recovery in consumer demand and small business hiring and investment which should see the core of many economies return to better levels of health.
2. A stabilisation of interest rate levels which have been very low for too long – partly as a forced element of global recovery stimulus measures.
3. A reduction in government and, in some regions, household debt to more sensible and stable levels.
4. Sovereign debt levels in Europe will continue to weigh on peoples' minds, but we feel this will be gradually dealt with through a variety of policy measures.

Let's hope for this outcome – where Goldilocks ('not too hot, not too cold') will triumph.

Going the distance

Will your retirement savings last your lifetime?

Have you ever wondered whether you'll have enough for retirement? Well, you're not alone. Many retirees don't have enough to fund a comfortable retirement and risk that their savings won't last their lifetime.

The Government and superannuation industry have conducted a number of reviews and studies to identify improvements they can make to regulation to encourage people to save more for their retirement. Unfortunately, many Australians do not act until it is too late and as a result can fall short of their retirement savings goals.

How much is enough?

How much you need to fund a comfortable retirement depends on a number of factors. These factors include your desired retirement lifestyle, number of dependants and ongoing living and medical expenses.

Approximately 60% of pre-retirement income is often used as a guide for how much an average income earner may need in retirement each year.

The Association of Superannuation Funds of Australia (ASFA) estimates that a single pensioner who owns their own home requires $39,159 p.a. to support a comfortable retirement ($53,565 p.a. for a couple).* This means being able to afford gifts, occasional meals out and holidays from time to time – hardly a lavish lifestyle. To achieve an annual pension of this amount for a single pensioner requires approximately $540,000 in savings at age 65.[†]

Unfortunately, many retirees may find they need to depend on the Government if they don't save additional funds for retirement. The Government Age Pension of $18,228 p.a.[‡] falls far below the estimated comfortable retirement amount.

Why are we falling short?

There are a number of factors which influence why retirees may not have enough to fund a comfortable retirement:

- **Increased life expectancy** – This is the risk that you will out-live your savings. Over the past century, life expectancy at birth has increased by 24 years.[§] The likelihood of spending 30 years in retirement is increasing, so many people may spend almost as much time in retirement as they did in the workforce.
- **Saving for retirement** – Many people do not save enough for their retirement or they start investing much later in life. This often affects low to mid income earners and anyone who has ever worked part time or taken a career break as they often miss some of the benefits of regular super contributions. Your Investment Savings Bond allows you to contribute more to your investments without being affected by contributions caps.[||]
- **Investment risk** – Different investments carry different levels of risk and expected return. Markets continuously experience volatility. It is important to invest according to your risk tolerance and time horizon to help ensure you meet your goals. Learn more about ING Australia's range of investment funds at www.ing.com.au or speak to your financial adviser.

So what's the solution?

Contribute more

The earlier contributions can be made, the greater the potential for growth to take effect. That is, generating earnings on previous earnings.

Take control now

There are a range of effective strategies which could help you reach your financial goals. Speak to your financial adviser about how you can take control of your retirement savings and help ensure you're better placed for a comfortable retirement. There may be options available to you, and your financial adviser is best placed to help you explore options suitable to your personal situation.

Speak to your financial adviser about how you can take control of your retirement savings.

How do you want to live in retirement?

A comfortable retirement means maintaining a standard of living to which you are accustomed. This may include going on holidays, owning a nice car, opting for private health insurance, updating your wardrobe, purchasing gifts for friends and family, and buying household and electronic goods.[†]

Remember, over the course of your retirement (which could be over 30 years) there may be added expenses outside of the day to day that you may not have budgeted for, such as household repairs or costs associated with your health.

* ASFA Retirement Living Standard, March 2010.

† Based on ASFA Retirement Living Standard, March 2010. Based on a single person, retirement at age 65, female life expectancy, owns their own home when they retire. Assumes 8% p.a. return is reinvested. Regular payment is made annually at end of year and is indexed by 3% p.a. Calculations do not take into account any tax payable or Age Pension and are in today's dollars.

‡ Maximum Government Age Pension for a single pensioner at 20 March 2010.

§ Deaths 2008, Australian Bureau of Statistics, November 2009.

|| Within the 125% rule which is explained on page 7.

Already retired?

There are a number of options available to retirees who are concerned about their savings running out.

Many retirees are eligible for a full or part government age pension, pension bonus or other allowances and supplements.

Your financial adviser can help you work out how you can invest tax-effectively while accessing government assistance where possible.

Review your financial plan with your adviser to ensure it continues to meet your needs. You may be interested in increasing the growth portion of your asset mix or conversely, moving to a safer asset such as cash or fixed interest to avoid further losses.

Get the most out of your bond

You may be using your Investment Savings Bond with a particular purpose in mind, such as saving for your child's or grandchild's future in a tax effective way. But did you know that the Bond has several other benefits? Below we outline a number of other benefits you may like to consider.

With the Bond you can:

- fund an early retirement
- minimise income-tested aged care fees
- tax-effectively transfer assets to a child
- save for retirement without the limitations of super contribution caps
- take advantage of flexible estate planning
- implement a bankruptcy protection plan.

Fund an early retirement

Unlike superannuation, investments in the Bond are not subject to preservation rules. This means that your savings can be accessed before the age of 55, which is ideal if you're looking to fund an early retirement.

Tax-effectively transfer assets to a child

When a parent or grandparent transfers assets to a child or grandchild under age 18, punitive tax rates may apply to the investment returns on the transferred assets. A 'child advancement policy' can be used for the tax effective transfer of assets to a child or grandchild. The child simply assumes control of the investment at the nominated age (within a prescribed range) without any stamp duty or capital gains implications

Save for retirement without the limitations of super contribution caps

Contribution caps limit how much you and your employer can contribute to your super before additional tax is charged. The concessional contribution cap is $25,000 for individuals under age 50, with a transitional cap of $50,000 for those age 50 and over until 30 June 2012. The Government proposed a permanent cap of $50,000 for investors age 50 and over with a total super balance of less than $500,000 from 1 July 2012.

The cap discourages high income earners contributing additional money to super via salary sacrifice. These impacted investors may wish to consider the Bond as part of a long-term wealth accumulation strategy. This strategy is most effective when the 125% rule is not breached; the 125% rule is explained in the box above.

Minimise income-tested aged care fees

If you or any of your loved ones are entering an aged care facility, such as a nursing home, you may like to consider investing in the Bond through a private trust to minimise income-tested fees.

Take advantage of flexible estate planning

If you are invested in the Bond you have the freedom to nominate any number of individuals, companies or trusts as a beneficiary in the event of your death. This means you are not limited to 'dependants', as you are with superannuation. In addition, the amount can generally be passed to your beneficiary without any tax liability.*

Implement a bankruptcy protection plan

Bankruptcy legislation provides protection for certain assets. Assets such as life insurance policies (including insurance bonds) fall under the definition of protected property, provided the intention is not to defraud creditors.

For further information on the taxation regarding your bond, please speak to your financial adviser.

* Terms and conditions apply. Please refer to the Investment Savings Bond Product Disclosure Statement (PDS) for further information.

Speak to your financial adviser today to find out if the Investment Savings Bond can help you reach your financial goals.

Tax paid investing and the '10 year rule' explained

Investment returns within the Bond are taxed at the corporate tax rate (currently 30%), and all proceeds can generally be withdrawn without additional tax payable so long as the '10 year rule' is not breached.

The '10 year rule' generally applies so that ten years after the commencement* of the Bond, all proceeds will be available without any additional taxation liability, provided each year's contributions to the Bond don't exceed 125% of the previous year's contributions. Breaching the 125% amount will retrigger the ten year period.

We send you a reminder three months before the policy year of the Bond, as well as a reminder a year before your policy year ends. These letters are as a courtesy and it remains your responsibility to monitor the additional contributions made to your investment throughout the policy year. All contributions including those made via BPAY®, cheque or direct debit count towards the 125% opportunity.

* The 10 year rule will begin from the date that your policy commences.

® Registered to BPAY® Pty Ltd ABN 69 079 137 518.

A winning partnership with your financial adviser

Just like an elite athlete uses a coach to enhance their performance, your financial adviser has the knowledge, training and experience to help you make important decisions and secure your financial future.

Advisers specialise in dealing with financial questions every day so they can explain how different strategies might work for you, taking into account your personal circumstances and goals. Understanding the laws and technical information that may apply to specific strategies can take a lot of time. Your adviser will take into consideration the rules and regulations affecting your money and assess how various strategies fit your needs and preferences.

Maintaining an ongoing relationship with your financial adviser is the best way to ensure that your financial plan is up to date and reflects your changing circumstances.

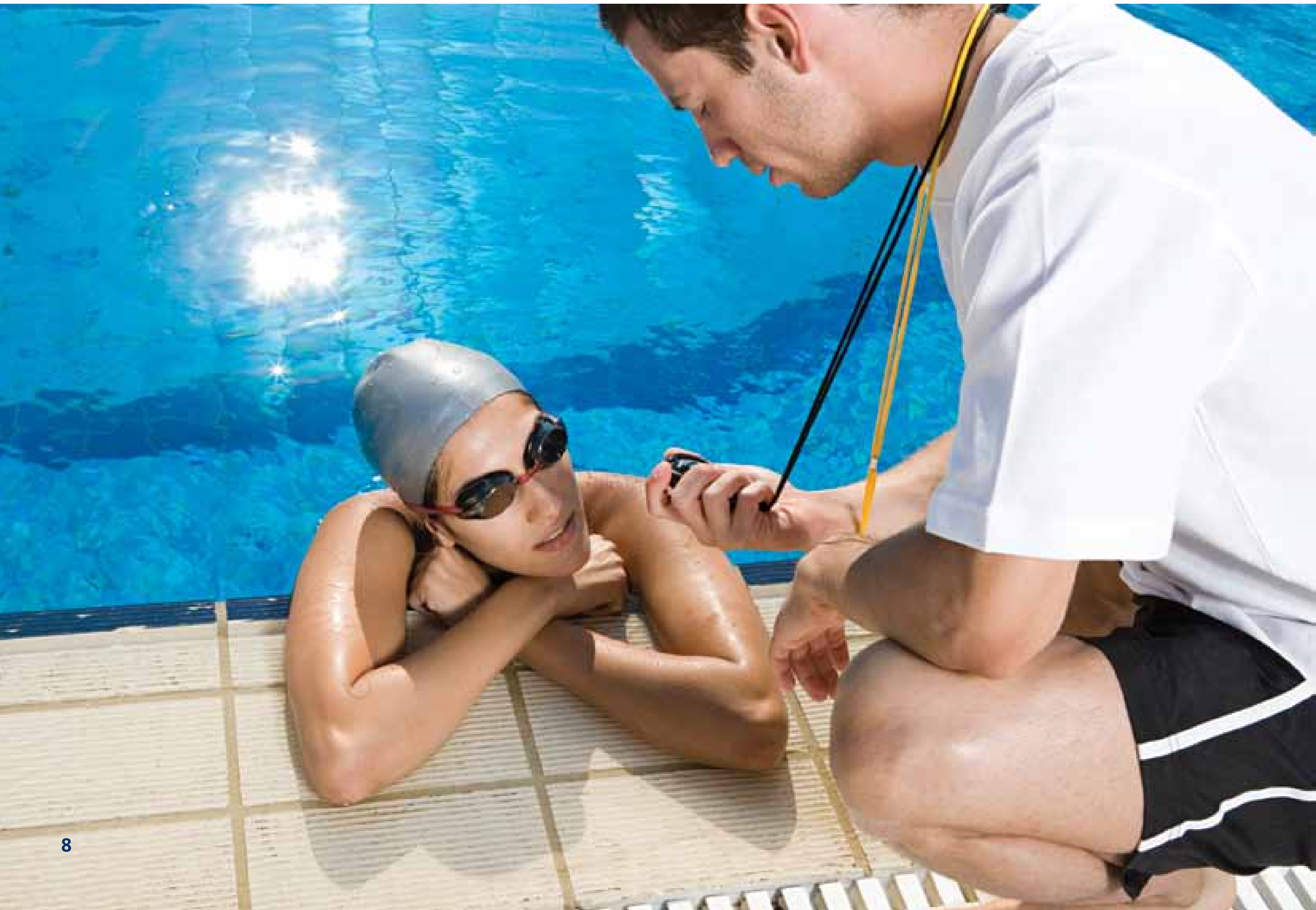
A good financial plan can help you:

- build your wealth
- protect your wealth
- make debt work for you
- have the money you need to achieve a comfortable retirement
- invest tax-effectively.

Be proactive with your investments – it might be one of your main sources of income one day.

Speak to your financial adviser if you have any concerns about meeting your financial goals or to discuss the solutions available to you.

If you do not already have a financial adviser, simply call 133 665 and we will assist you to find one.



InvestorBenefits

Let your investment reward you today!

Investors of Investment Saving Bond have access to InvestorBenefits – ING Australia's investor benefits package. InvestorBenefits provides you with discounts and special offers from our following partners. Reward yourself today. **Simply login at www.ing.com.au and click on My rewards.**

Special offers for readers of Investor Update

3rd weekend day free* plus a free upgrade* with Avis.

Call 136 333 for full details and quote TPPA010 to redeem the offer.

* Terms and conditions apply. Subject to vehicle availability. An advance reservation with request for upgrade is required.

Save!

15 day Europe river cruising from $6,612pp plus Fly Free year round.†

Call Travel Hotline on 1300 204 501 for full details and quote 'ING' to redeem the offer.

† Customers should visit www.aptouring.com.au/ING for full terms and conditions. Price includes 5% member discount.

Save!

Join hospital and extras cover with MBF by 30 September 2010 and receive a double pass Gold Class movie ticket.‡

Call 1300 653 525 and quote the corporate group number 402668 to redeem the offer.

‡ For terms and conditions visit www.mbf.com.au/HealthInsurance/Campaigns/ing

Save!

Choose the investment funds that suit you

Did you know that with ING Australia's Investment Savings Bond you can choose from 19 different investment funds?

These cover an extensive range of asset classes and investment styles. The funds can also have in-built diversification, for example the OptiMix range of funds, or invest in specific targeted asset types, for example ING Australian Shares.

Investment Savings Bond is a tax effective way to reach your investment goals. You can access a comprehensive range of investment funds including ING Sustainable Investments – Australian Shares and ING Protected Growth Fund No.2.

You and your adviser can choose up to 19 investment funds in which to invest according to your risk/return tolerance and financial goals.

To make an investment switch, speak to your financial adviser or simply login to My ING at www.ing.com.au and select Account Access.

Remember to speak to your financial adviser before making any investment changes to ensure your choice continues to meet your long-term financial goals.

The OptiMix solution

OptiMix is a multi-manager research and investment solution. The OptiMix investment process is based on the principle that broad diversification of investments can actively reduce fluctuations and provide consistent strong returns over time. In order to try to achieve this consistency in returns, OptiMix funds are diversified across a range of specialist investment managers – all within the one fund.

The OptiMix range of funds aims to help you:

- achieve strong consistent returns
- access multiple levels of diversification
- gain exposure to the world's leading investment managers.

Visit www.ing.com.au > Performance & updates to learn more about the investment funds offered through Investment Savings Bond.

Investment performance

Actual yearly return as at 30 June (% p.a.) unless otherwise stated and net of management fees.

Investment fund	Fee option	2010	2009	2008	2007	2006	Five year return	Ten year return
ING Capital Guaranteed*	Entry Fee	0.00	0.00	2.35	6.15	5.55	2.78	3.12

Yearly returns for the ING Capital Guaranteed fund are the declared rate which is calculated as the weighted average of the earnings over the previous three years, less management costs and taxes. Five year return and ten year return for the ING Capital Guaranteed fund is the compound average return of the yearly returns over the last five years and ten years respectively.

Investments can go up and down. Past performance is not indicative of future performance. While every care has been taken in the preparation of this information, no warranty is given as to the correctness of the information contained in the investment returns table and no liability is accepted by ING Custodians, ING Life or any other ING Group company for any error or omission.

* Closed to new investors.

Important information regarding your product

Below we outline any significant product and regulatory changes that may impact your investment. It is important to take the time to review these changes and understand what they may mean for you.

Are your details up to date?

It is important that we always have your current details on record so that we can keep you informed about your investment and pay any benefits directly to you. Check out your enclosed Annual Statement and let us know if anything has changed or has not been reported accurately, for example address details – both postal and residential – or beneficiaries.

To update your details, please contact us on 133 665 or write to us.

Your Annual Statement - additional explanatory notes

Each year, we provide additional explanatory notes that are to be read together with your Annual Statement. These can be viewed at www.ing.com.au > Performance & updates > Product updates.

Unpresented cheques

Cheques issued to investors which remain unpresented may be paid as unclaimed money to the Office of State Revenue.

Investment fund changes

We regularly monitor the investment funds offered through Investment Savings Bond.

To maintain the quality and diversity of the funds, we may make changes at any time, including:

- adding, closing or terminating an investment fund
- removing, replacing or adding a fund manager
- changing an investment fund's objective, investment strategy (including the benchmark), asset allocation, neutral position and range, currency strategy and the number of asset classes
- changing the rules that govern an investment fund (e.g. changing fees, notice periods or withdrawal features).

In some cases we may make these changes without prior notice to you.

Any changes will be considered in light of the potential positive or negative impact on investors.

Fund managers can, over time, make changes to the funds they manage, including their investment approach, the type of assets the fund buys and redemption processes. Prior to making an investment or acquisition it's important you ensure that you have the most up to date information on the fund, and any materially adverse changes or significant events that may affect your investment decision. If this information is material we will write to you, but please speak to your financial adviser and refer to our website at www.ing.com.au for the most up to date information.

Changes to investment funds

Changes to the investment funds below are effective now and are detailed on the following pages:

- ING Balanced
- ING Managed Growth
- OptiMix Balanced
- OptiMix Growth
- OptiMix Moderate.

ING Balanced

Confirmation of asset allocation benchmarks and ranges

Asset class	Benchmark (%)	Range (%)
Cash	10	0–30
Diversified fixed interest	20	5–35
International fixed interest	10	0–20
Property securities	3	0–10
Global property securities	2	0–10
Australian shares*	33	20–50
International shares	20	5–35
Alternative assets (growth)	2	0–5
Alternative assets (defensive)	0	0–10

New footnote

* A portion of the assets in this asset class may be invested in a long/short strategy.

ING Managed Growth

Confirmation of asset allocation benchmarks and ranges

Asset class	Benchmark (%)	Range (%)
Cash	3	0–30
Diversified fixed interest	15	0–30
International fixed interest	10	0–20
Property securities	6	2–18
Global property securities	4	0–10
Australian shares*	35	20–50
International shares	25	10–40
Alternative assets (growth)	2	0–5
Alternative assets (defensive)	0	0–10

New footnote

* A portion of the assets in this asset class may be invested in a long/short strategy.

OptiMix Balanced

New asset allocation* benchmarks and ranges

Asset class	Benchmark (%)	Range (%)
Cash and Australian fixed interest	13	9–30
Australian inflation linked bonds	0	0–9
International inflation linked bonds	5	0–9
International fixed interest	9	2–18
Australian property securities	6	0–12
International property securities	0	0–12
Australian shares	33	26–45
International shares	20	13–35
Global small companies shares	2	0–5
Global emerging markets shares	5	0–10
Alternative assets (growth)	4	0–8
Alternative assets (defensive)	3	0–5

* The maximum combined exposure to Australian and international property securities is 12%.

OptiMix Growth

New asset allocation* benchmarks and ranges

Asset class	Benchmark (%)	Range (%)
Cash and Australian fixed interest	6	4–23
Australian inflation linked bonds	0	0–9
International inflation linked bonds	5	0–9
International fixed interest	6	1–14
Australian property securities	6	0–12
International property securities	0	0–12
Australian shares	41	20–50
International shares	22	10–35
Global small companies shares	2	0–5
Global emerging markets shares	6	0–10
Alternative assets (growth)	4	0–10
Alternative assets (defensive)	2	0–7

* The maximum combined exposure to Australian and international property securities is 12%.

OptiMix Moderate

New asset allocation* benchmarks and ranges

Asset class	Benchmark (%)	Range (%)
Cash and Australian fixed interest	25	15–42
Australian inflation linked bonds	3	2–8
International inflation linked bonds	3	0–5
International fixed interest	15	8–22
Australian property securities	5	0–12
International property securities	0	0–12
Australian shares	23	16–28
International shares	13	10–22
Global small companies shares	3	0–5
Global emerging markets shares	3	0–5
Alternative assets (growth)	3	0–5
Alternative assets (defensive)	4	0–8

* The maximum combined exposure to Australian and international property securities is 12%.

OptiMix investment manager changes

OptiMix's active approach to researching and monitoring investment managers is an integral part of the OptiMix investment process and ensures the optimal mix of investment managers are appointed to achieve the best outcome for investors. This active approach has resulted in a number of recent investment manager changes.

Optimix Australian Shares manager change

Hyperion Asset Management Limited (Hyperion) has been appointed as a manager of the Australian equities portfolio effective March 2010.

Arnhem Investment Management (Arnhem) has been appointed as a manager of the Australian equities portfolio effective April 2010.

Funds impacted by the change:

- OptiMix Australian Shares
- OptiMix Balanced
- OptiMix Geared Australian Shares
- OptiMix Growth
- OptiMix Moderate.

OptiMix Global Fixed Income manager change

Wellington Management Company, LLP (Wellington) and Omega Global Investors Pty Ltd (Omega) have been appointed as managers of the global fixed income portfolio effective November 2009.

Funds impacted by the change:

- OptiMix Balanced
- OptiMix Growth
- OptiMix Moderate.

OptiMix Global Inflation Linked Fixed Interest Bonds manager change

Crédit Agricole Asset Management Australia Limited (CAAM) has been appointed as a manager of the global inflation linked fixed interest bonds portfolio effective November 2009, and Sinopia Asset Management (Asia Pacific) Limited (Sinopia) has been removed.

Funds impacted by the change:

- OptiMix Balanced
- OptiMix Growth
- OptiMix Moderate.

OptiMix Global Shares manager change

Aberdeen Asset Management Ltd. (Aberdeen), RealIndex Investments (RI) and Aurora Sandringham Global Earnings Trust (Aurora) have been appointed as managers of the global shares portfolio effective December 2009, and Franklin Templeton Investments, AllianceBernstein L.P. and Capital International, Inc. have been removed.

Funds impacted by the change:

- OptiMix Balanced
- OptiMix Global Shares
- OptiMix Growth
- OptiMix Moderate.

OptiMix Global Smaller Companies manager change

Epoch Investment Partners, Inc. (Epoch) has been appointed as a manager of the global smaller companies portfolio effective December 2009, and AXA Rosenberg (AXA) has been removed.

Funds impacted by the change:

- OptiMix Balanced
- OptiMix Growth
- OptiMix Moderate.

Customer Services

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