



Fund suspensions

Important information regarding fund suspensions

Listed below is information on recent fund suspensions. We will post information and updates relating to fund suspensions on this page.

Click here for information about the suspension of ING's mortgage and Income Plus funds

Click here for information about the suspension of the Challenger Howard Mortgage fund

Click here for information about the suspension of the AMP Capital Enhanced Yield fund

Click here for information about the suspension of the AXA Australian Property fund

Click here for information about withdrawal offers from suspended funds

Click here for information about hardship relief withdrawals from suspended funds

ING's mortgages and Income Plus funds

What has happened?

On 24 October 2008, withdrawals from, and applications to, the ING Mortgage Pool were suspended. ING's mortgage and Income Plus funds invest in mortgages via the ING Mortgage Pool and therefore withdrawals from and applications to these funds cannot currently be processed. Withdrawals can be made under certain circumstances which are outlined below.

What funds are impacted?

The following funds are impacted by the temporary suspension:

- > ING Mortgages - available via ANZ OneAnswer, Corporate Super, Integra Super and ANZ Super Advantage
- > ING Income Plus Funds - available ANZ OneAnswer
- > ANZ Mortgage Fund.

Why has ING taken this course of action?

Like many similar investment funds with exposure to mortgages offered by other providers, ING's mortgages and Income Plus funds recently received a significant increase in withdrawal requests following the uncertainty created by the Federal Government's decision to provide an unlimited guarantee on bank deposits. This has had a significant impact on the liquidity of ING's mortgages and Income Plus funds.

While we understand that our decision to suspend the funds may cause concern to some investors, this decision was not taken lightly and was carried out having regard to our duty to act in the best interests of all investors.

Please note this action is not a reflection of the quality of the assets underlying ING's mortgages and Income Plus funds, which have a strong history of consistently delivering good returns to investors and continue to be professionally managed.

Click here for information about withdrawal offers from the ING mortgage and Income Plus funds.

Click here for information about hardship relief withdrawals from the ING mortgage and Income Plus funds.

Challenger Howard Mortgages fund

What has happened?

On 21 October 2008, Challenger announced that they have temporarily amended their withdrawal process in relation to the Challenger Howard Wholesale Mortgage Fund. The Challenger Howard Wholesale Mortgage Fund is the underlying fund of the Challenger Howard Mortgages fund available via the ANZ OneAnswer suite of products.

This amendment will mean the volume of withdrawals processed will be matched against the liquidity generated by maturing of the underlying fund's loan assets. Accordingly, Challenger will not be processing withdrawal requests at this time and therefore ING has suspended withdrawals from, and applications to, the Challenger Howard Mortgages fund available via ANZ OneAnswer. Withdrawals can be made under certain circumstances which are outlined below.

Why has ING taken this course of action?

Challenger's decision to amend the withdrawal process has had a direct impact on the ability of the Challenger Howard Mortgages fund to process withdrawal requests.

ING's ability to process and pay withdrawal requests is dependent on Challenger's ability to process and pay withdrawal requests.

Click here for information about withdrawal offers from the Challenger Howard Mortgages fund

Click here for information about hardship relief withdrawals from the Challenger Howard Mortgages fund

AMP Capital Enhanced Yield fund

What has happened?

On 10 October 2008, AMP Capital Investors (AMP Capital) announced that they had extended the payment of withdrawal requests on the AMP Capital Enhanced Yield fund to a period of up to 12 months in response to the current extraordinary market conditions. The AMP Capital Enhanced Yield Fund is the underlying fund of the AMP Capital Enhanced Yield fund available via the ANZ OneAnswer suite of products.

AMP Capital believed that it was not in the best interests of investors to pay withdrawals within 10 business days and that extending the withdrawal period to within 12 months was the most responsible course of action in the current environment. This means that AMP Capital will not be processing withdrawal requests at this time and therefore ING has suspended withdrawals from, and applications to, the AMP Capital Enhanced Yield fund available via ANZ OneAnswer.

On 2 December 2008 AMP Capital announced that the underlying fund would allow withdrawals on a quarterly basis with the first offer being made in the first quarter of 2009. We expect to make a withdrawal offer to investors in the AMP Capital Enhanced Yield fund available via ANZ OneAnswer following AMP Capital's withdrawal offer.

Why has ING taken this course of action?

AMP Capital's initial decision to extend the period of payment for withdrawal requests to within 12 months had a direct impact on the ability of the AMP Capital Enhanced Yield fund to process withdrawals.

ING's ability to offer investors opportunities to withdraw from the AMP Capital Enhanced Yield fund is dependent on AMP Capital's ability to pay withdrawal requests each quarter. See below for further details.

Click here for information about withdrawal offers from the AMP Capital Enhanced Yield fund.

AXA Australian Property fund

What has happened?

On 19 August 2008 AXA announced that they proposed to list AXA's Wholesale Australian Property Fund on the Australian Securities Exchange (ASX) subject to unitholder and other approvals. As a result of this proposal, AXA advised that some steps would be required to facilitate the listing and preserve the fund's current liquidity level. These steps included extending the payment of withdrawal requests on AXA's Wholesale Australian Property Fund from daily to a period of up to six months.

AXA's Wholesale Australian Property Fund is the underlying fund of the AXA Australian Property fund available via ANZ OneAnswer. This means that AXA will not be processing withdrawal requests at this time and therefore ING has suspended withdrawals from, and applications to, the AXA Australian Property fund available via ANZ OneAnswer.

On 15 October 2008 AXA announced that following unprecedented volatility in the market that the proposed ASX listing would not proceed prior to the end of 2008.

On 28 November 2008 AXA announced that a new withdrawal regime would be introduced for the AXA Wholesale Australian Property Fund. AXA will make a withdrawal offer to investors but have not as yet indicated when they will make their first withdrawal offer. We expect to make a withdrawal offer to investors in the AXA Australian Property fund available via ANZ OneAnswer following AXA's withdrawal offer.

Why has ING taken this course of action?

AXA's initial decision to extend the withdrawal timeframe from daily to six months directly impacted ING's ability to process and pay withdrawal requests from the AXA Australian Property fund. As a result, ING suspended withdrawals from, and applications to, the AXA Australian Property fund until such time as AXA commences processing and paying withdrawal requests.

ING's ability to now offer investors opportunities to withdraw from the AXA Australian Property fund is dependant on AXA's ability to pay withdrawal requests. See below for further details.

Click here for information about withdrawal offers from the AXA Australian Property fund.

Withdrawal offers from suspended funds

A number of fund managers have indicated that they will make withdrawal offers in relation to their suspended funds from time to time. Details of withdrawal offers are outlined below.

ING's mortgages and Income Plus funds

It is ING's intention to allow quarterly withdrawals subject to the level of liquidity available in each fund. Investors will be advised of any withdrawal offer made and have 21 days to respond. We expect to make the first withdrawal offer in the first quarter of 2009.

The actual withdrawal amount paid to each investor will depend on the value of all withdrawal requests received during the withdrawal offer period and the level of cash available within the Fund to meet the requests at that time. All withdrawal requests will receive the same proportion of their request irrespective of when the request is received.

For example, if the total value of withdrawal requests received in the withdrawal period is \$1,000,000 and the total amount of cash made available within the Fund to meet withdrawal requests is \$500,000, then each investor will receive 50c for each \$1 requested. So if an investor requests a withdrawal of \$20,000, they would receive \$10,000.

Members of superannuation funds (including pension members), can submit withdrawal requests at any time and they will be considered for payment during the next withdrawal offer period. Investors in investment products can only submit withdrawal requests during the withdrawal offer period. We intend to make details of any withdrawal offer available on this website.

Challenger Howard Mortgages fund

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AMP Capital Enhanced Yield fund

AMP Capital has recently indicated they will make periodic withdrawal offers from the underlying fund. We intend to make details of any withdrawal offer available on this website.

AXA Australian Property fund

AXA has recently indicated they will make periodic withdrawal offers from the underlying fund. We intend to make details of any withdrawal offer available on this website.

Hardship relief withdrawals from suspended mortgage funds

On 31 October 2008, the Australian Securities and Investments Commission (ASIC) announced measures to facilitate early withdrawals for investors from suspended mortgage funds in cases of financial hardship. Generally, hardship withdrawals will only be permitted in certain circumstances such as permanent incapacity, on compassionate grounds (e.g. medical costs for serious illness, funeral expenses) or if the investor is unable to meet reasonable and immediate family living expenses. Superannuation members will still need to satisfy any applicable conditions of release under superannuation laws to be able to withdraw from a superannuation fund. Details of how these provisions apply to each of the suspended funds are outlined below.

ING's mortgages and Income Plus funds

ASIC has granted us an exemption from the laws which govern mortgage funds to allow early withdrawals to be made from the suspended funds on hardship grounds. This means that we are now able to allow people who are suffering financial hardship to withdraw an amount from their investment account if they meet the grounds specified by ASIC, that is permanent incapacity, certain specified compassionate grounds or severe financial hardship.

Click here for further information as to what constitutes permanent incapacity, compassionate grounds and severe financial hardship.

To apply for a withdrawal on the basis of hardship relief please speak with your ANZ Financial Planner or call Customer Services on 13 38 63, weekdays between 8am and 8pm.

Challenger Howard Mortgages fund

ASIC has granted Challenger an exemption from the laws which govern mortgage funds to allow early withdrawals to be made from the suspended funds on hardship grounds. This means that they are now able to allow people who are suffering financial hardship to withdraw an amount from their investment account if they meet the grounds specified by ASIC, that is permanent incapacity, certain specified compassionate grounds or severe financial hardship.

Click here for further information as to what constitutes permanent incapacity, compassionate grounds and severe financial hardship.

To apply for a withdrawal on the basis of hardship relief please speak with your ANZ Financial Planner or call Customer Services on 13 38 63, weekdays between 8am and 8pm.

AMP Capital Enhanced Yield fund

The hardship relief outlined above is not available for this fund. ASIC's exemption only applies to mortgage funds.

AXA Australian Property fund

The hardship relief outlined above is not available for this fund. ASIC's exemption only applies to mortgage funds.

Any questions?

If you have any questions or would like further information, please:

- > speak with your ANZ Financial Planner
- > email us at anz.investments@ing.com.au
- > call Customer Services on 13 38 63 weekdays 8am to 8pm (Sydney time).

This Product Update is current as at January 2009 but may be subject to change. This Product Update has been produced by ING Funds Management Limited (ABN 21 003 002 800 AFSL 238342) (INGFM) and ING Custodians Pty Limited (ABN 12 008 508 496 AFSL 238346 RSE L0000673) (INGC) and is intended to be of general advice only and does not represent a recommendation or opinion by INGFM, INGC or the ING Group to purchase, hold or vary any financial product. Before making a decision based on this information, a potential investor should consider its appropriateness having regard to their objectives, financial situation and needs. ANZ OneAnswer Personal Super, ANZ OneAnswer Pension, ANZ OneAnswer Personal Super //Select and ANZ OneAnswer Pension //Select are issued by ING Custodians Pty Limited ABN 12 008 508 496 AFSL 238346 RSE L0000673. ANZ OneAnswer Investment Portfolio and ANZ OneAnswer Investment Portfolio //Select are issued by ING Funds Management Limited ABN 21 003 002 800 AFSL 238342. Before making any decision to acquire, dispose or continue to hold the product or interest in the Fund, investors should consider the relevant Product Disclosure Statement (PDS) which is available at www.anz.com or by calling Customer Services on 13 38 63. Investment performance, earnings and returns in the Funds are not guaranteed. Past performance is not indicative of future performance.

Guide to Hardship Relief Withdrawals from Suspended Funds



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ING has obtained approval from ASIC to allow ING to consider withdrawals from the Fund in certain specified circumstances of hardship.

ASIC has approved 3 grounds on which the Responsible Entity of a suspended fund may consider releasing a limited amount of your investment in the fund. Those grounds are:

1. Severe financial hardship
2. Compassionate grounds
3. Permanent incapacity

Satisfying one of these grounds will NOT automatically lead to a withdrawal being made. Even if you satisfy one of these hardship grounds, it may be that the Responsible Entity cannot approve a withdrawal. Before a withdrawal can be approved, the Responsible Entity must also be satisfied that following the withdrawal the Fund will have sufficient liquid assets for the day to day operation of the scheme.

Below is a summary of the criteria for hardship relief.

What is severe financial hardship?

The criteria to be considered for a withdrawal payment on the grounds of severe financial hardship is that the amount of the withdrawal requested is needed to enable you to meet the reasonable and immediate living expenses for you or your dependants.

Generally speaking, this means you have no other assets or resources which could reasonably be used, in the foreseeable future, to cover the gap between your personal income and expenses associated with the basic necessities of everyday living. In most circumstances, these financial difficulties will be due to a significant reduction in income or increase in expenses.

What are compassionate grounds?

A withdrawal payment based on compassionate grounds may be considered where the amount requested is needed by the member (or a member's dependant):

- (a) to help pay for medical costs (and transport costs) required to treat a life-threatening illness or injury, to alleviate acute or chronic pain, or to alleviate an acute or chronic mental disturbance where 2 registered medical practitioners (at least one of whom must be a specialist) have provided certified statements confirming the medical condition to this effect;
- (b) fund specific modifications (to a principal place of residence or vehicle) that are necessary to accommodate special needs arising from a severe disability;
- (c) to assist with funeral and other expenses related to the death of the former member or a former dependant of the member;
- (d) to enable the member to provide care for a person who is dying from a terminal illness; including home care;
- (e) to prevent a member's mortgagee (lender) from selling the member's principal place of residence;
- (f) to meet a binding financial obligation entered into by a member prior to the responsible entity suspending redemptions from the fund; or
- (g) to meet expenses in other cases consistent with grounds mentioned in (a) to (f);

What are permanent incapacity grounds?

You will qualify for consideration of a withdrawal payment under the permanent incapacity grounds if you have access to no other investments available and have ceased gainful employment by reason of mental or physical ill-health and we are satisfied that you are unlikely ever again to engage in gainful employment of the type for which you are reasonably qualified by education, training or experience.

How much can I receive?

The maximum withdrawal that can be approved by law is the lesser of:

- (a) the amount of the withdrawal request; and
- (b) \$20,000 plus 50% of the balance of your interest in the Fund.

Any questions?

If you have any questions or require further assistance, please

- › Contact your ANZ Financial Planner
- › Call our Customer Services on 13 38 63, weekdays between 8:00am and 8:00pm (Sydney time).
- › Email us on anz.investments@ing.com.au