

# OneAnswer

## Product Disclosure Statement

### Part Two – Investment Book

> Investment Portfolio

This Product Disclosure Statement is comprised of:  
**Part One** – Product Book  
**Part Two** – this book

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**Issuer details**

ING Funds Management Limited  
ABN 21 003 002 800  
AFSL 238342

347 Kent Street  
Sydney NSW 2000

**Phone** 133 665

**Fax** 02 9234 6668

**Email** [customer@ing.com.au](mailto:customer@ing.com.au)

**Website** [www.ing.com.au](http://www.ing.com.au)

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# What investment funds are offered through OneAnswer?

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# What asset classes do the investment funds invest in?

## Shares

**Risk level** – high

**Potential return** – high

A share (or stock) is an ownership stake in a company.

The owner of the share has an interest in the company that issued it. The value of shares will typically fluctuate with general economic and industry conditions in addition to the company's profitability. Historically, the value of shares has been more volatile than the other major asset classes and therefore they carry the highest risk of capital loss on your investment but have potentially the greatest return over the long term.

## Property

**Risk level** – medium to high

**Potential return** – medium to high

Property can include investments in direct property, listed property trusts (LPTs) and other property securities. LPTs invest in a range of residential and commercial property, office buildings, hotels and industrial properties. Property investments have a higher risk than fixed interest but less than shares.

## Mortgages

**Risk level** – medium to low

**Potential return** – medium to low

A mortgage fund would typically invest primarily in loans secured by first mortgages over commercial property. Income is earned mainly from interest payments made on the loans held by the mortgage fund. Income may also be generated from mortgage backed securities, other short-term fixed interest securities and cash held by the fund for liquidity purposes. Risk is mitigated through lending criteria and portfolio management policies, including diversifying mortgages across geographical locations and property types. Examples of property types are office, industrial, retail and residential.

## Derivatives

The investment funds may also invest in financial derivatives, such as futures, options or other derivative contracts to gain exposure to investment markets and manage the risk associated with market prices, interest rates and currency fluctuations. Derivatives may also be used by some fund managers to gear an investment fund.

## Inflation

The effects of inflation upon your investment should be considered. Inflation is the overall upward price movement of goods and services in an economy, which is usually measured by the Consumer Price Index (CPI). Inflation reduces your purchasing power over time as the cost of goods and services increases, and the value of \$1 decreases.

## Alternative investments

Alternative investments are investments that do not trade publicly on an organised exchange. Risk can be controlled by limiting exposure to individual investments and seeking diversification of alternative asset opportunities. Examples of alternative assets include:

- private equity
- leveraged leases
- direct property and property related investments (e.g. infrastructure assets)
- commodities.

## Fixed interest

**Risk level** – medium to low

**Potential return** – medium to low

A fixed interest investment is a debt security issued by a corporation or government in return for cash from an investor. The issuer of the debt is effectively a borrower and is required to pay interest on the loan for the life of the bond. Fixed interest investments are relatively low in risk and generally return more than cash assets.

## Cash

**Risk level** – low

**Potential return** – low

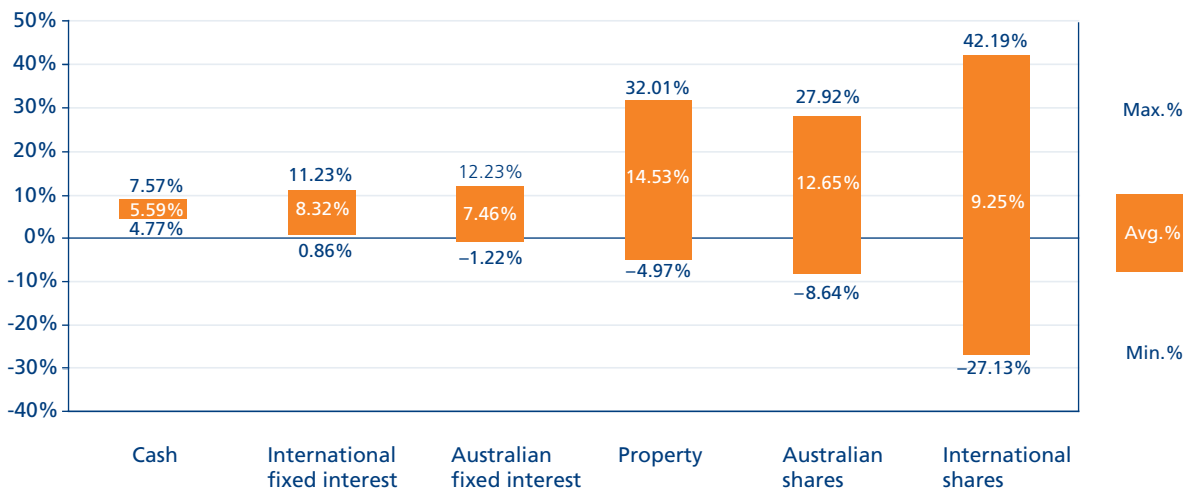
Cash funds are designed to offer a high degree of capital security relative to other asset classes. Examples of 'cash' include bank deposits and investments in securities such as treasury notes with a term of less than one year.

Generally, cash investments do not carry a risk of losing your initial investment.

Enhanced cash vehicles may attempt to generate higher returns by holding a small portion of securities with a longer time to maturity.

## Returns across asset classes

The graph below shows the range of returns that the asset classes have achieved (minimum and maximum) for the calendar years from December 1995 to December 2005. The average return for each asset class for this period is also highlighted.



Source: Datastream

# What are the benefits of diversification?

One of the major benefits of investing in managed funds is diversification.

Diversification is an important way of managing the risks associated with investing. It involves spreading your money across different investments to provide more consistent overall returns. If done well, diversification can reduce investment risk.

## Types of diversification

### Across multiple investment managers

Different investment managers may perform differently at different times depending on their investment style and success in implementing their strategy. Different investment managers adopt different investment styles such as value or growth, or market capitalisation biases such as large cap or small cap. These different investment management styles are generally suited to certain market and economic conditions better than others.

By investing in a portfolio with a mix of investment managers you can potentially smooth out performance fluctuations more effectively than if you only had exposure to the one investment manager.

### Across multiple asset classes

Different asset classes (e.g. cash, fixed interest, property and shares) usually perform differently at different times. By diversifying your investment across asset classes you can reduce your exposure to the risk of an individual asset class. For example, instead of investing only in shares you could diversify across asset classes by investing some of your funds in shares, some in property, some in fixed interest and some in cash.

### Within asset classes

Investing in a range of securities within an asset class means that returns are less dependent on the performance of any one security. Within each asset class your portfolio will be diversified across a number of areas including:

#### Australian shares

Companies

Industries

#### International shares

Companies

Industries

Countries

Currencies

#### Property

Property trusts

Property-related securities

Geographic regions

#### Fixed interest

Government bonds

Corporate bonds

Term to maturity

Credit quality



# Your guide to the investment profiles

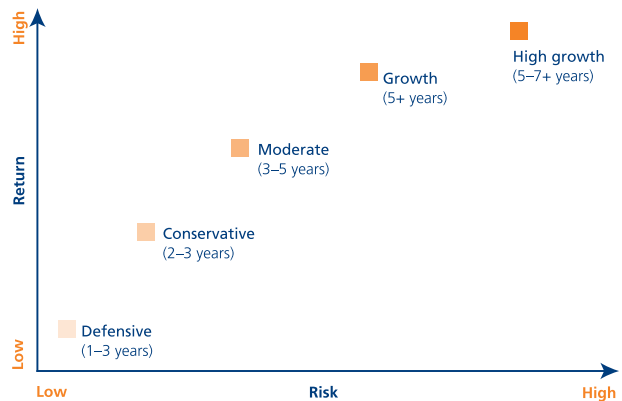
When you invest through OneAnswer, you have access to over 65 quality investment funds. To assist in selecting an appropriate investment fund, or mix of funds, the investment funds have been categorised into the following profiles.

<p><b>Profile 1 - Defensive</b></p> <p>Defensive investment funds are more likely to suit you if you seek to maintain the original value of your investment and you are prepared to accept lower returns for lower risk.</p> <p><b>Asset classes:</b> mainly includes low risk assets such as cash and fixed interest (e.g. Australian and international fixed interest and mortgages).</p>
<p><b>Profile 2 - Conservative</b></p> <p>Conservative investment funds are more likely to suit you if you seek relatively stable returns and accept some risk through a diversified portfolio containing more than one asset class.</p> <p><b>Asset classes:</b> predominantly includes asset classes such as cash and fixed interest and a small allocation to assets such as shares (e.g. Australian and international shares) and property (e.g. listed property trusts and direct property).</p>
<p><b>Profile 3 - Moderate</b></p> <p>Moderate investment funds are more likely to suit you if you seek higher medium-term returns and accept the possibility of negative returns and/or capital losses over short periods.</p> <p><b>Asset classes:</b> includes an exposure to all asset classes including cash, fixed interest, property and shares.</p>
<p><b>Profile 4 - Growth</b></p> <p>Growth investment funds are more likely to suit you if you seek high long-term returns and accept the higher possibility of sustained negative returns over short periods and/or capital losses.</p> <p><b>Asset classes:</b> mainly includes assets such as property and shares and a smaller allocation to cash and fixed interest.</p>
<p><b>Profile 5 - High growth</b></p> <p>High growth investment funds are more likely to suit you if you seek to maximise long-term returns and accept the possibility of greater volatility and short-term capital losses.</p> <p><b>Asset classes:</b> mainly includes assets such as shares and property.</p>

## Risk, return and investment time frame

The graph opposite shows the potential return and risk for each of the investment profiles described above. For each investment profile the suggested investment time frame is shown, which is the minimum period required for an investment fund to meet its objectives.

The investment profiles sitting higher on the axis are more likely to experience returns that may vary significantly and may be negative over short-term periods. However, they are more likely to produce higher returns over the long term.



## How to read an investment profile

Information about each investment fund offered through OneAnswer is detailed in an investment profile. The information below is a guide to understanding the information in each profile.

### Investment objective

The investment objective identifies what return the manager of the investment fund aims to achieve for investors. This is often stated in relation to a relevant index (see below for a description).

#### Index

An index is a sample of stocks or securities selected to represent a particular financial market. For example, an index that can represent returns for the Australian sharemarket is the S&P/ASX 300 Accumulation Index.

The performance of an index can be used as an indicator for the performance of the relevant market. An index return is calculated using the weighted average returns of the stocks that are included in the representative sample.

Unless otherwise stated, all Morgan Stanley Capital International (MSCI) indices referred to in this PDS in relation to international shares are based on total returns with net dividends reinvested.

### Investment strategy

The investment strategy describes how the manager of the investment fund aims to achieve its objective.

An investment strategy usually involves a description of the relevant asset classes and an outline of the investment process, or combination of processes, the manager will use to manage the investment fund.

### Minimum time horizon

As a guide only, each investment fund has a suggested minimum time horizon. This is the minimum period of time you should consider holding your investment in a particular fund. Holding an investment for the suggested time does not guarantee a positive return, but it does make it more likely.

However, if after the suggested minimum time horizon investment markets are performing poorly, the investment may need to be held for a longer period to avoid a negative return.

### Asset allocation

The asset allocation displays the type of assets the investment fund invests in, and in what proportions.

The **benchmark** is the neutral allocation for each asset class.

The **range** indicates the anticipated minimum and maximum allowable allocations for each asset class. The manager may vary the fund's asset allocation within the intended ranges in order to position the investment fund to benefit from prevailing market conditions. Under certain circumstances, the asset allocation for a particular asset class may move outside its range.

In some cases, an investment fund may only have either a benchmark or a range, and not both.



## OptiMix Balanced

<b>Investment objective</b>	The fund aims to achieve returns (before fees, charges and taxes) that on average exceed inflation by at least 5.0% p.a., over periods of five years or more.		
<b>Investment strategy</b>	The fund invests in a diversified portfolio of Australian and international assets through a mix of managers with a bias towards growth assets. This fund is actively managed in accordance with the OptiMix Manage the Managers investment process.		
<b>Minimum time horizon</b>	5 years		
<b>Asset allocation</b>	<b>Asset class</b>	<b>Benchmark (%)</b>	<b>Range (%)</b>
	Cash and Australian fixed interest	16	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	12	5–15
	International property securities <sup>1</sup>	0	0–10
	Australian shares	33	26–45
	International shares	20	18–35
	Global small companies shares	0	0–10
	Global emerging markets shares	5	0–10

The OneAnswer investment funds which are not managed by ING Investment Management Limited (INGIM) or OptiMix have been established specifically for OneAnswer and invest in the noted underlying funds managed by external fund managers. The minimum time horizon relates to the OneAnswer investment funds and not the underlying fund into which the OneAnswer fund invests.

# Multi-manager investment funds

Multi-manager investment funds, also known as Manage the Managers or MTM, combine a number of professionally selected investment managers in one investment portfolio, providing a convenient way to diversify across investment managers.

ING uses specialist MTM manager, OptiMix, to construct the Manage the Managers portfolios offered through OneAnswer.



## OptiMix

OptiMix is ING Australia's specialist Manage the Managers (MTM) 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 and competitive returns over time. In order to achieve this consistency in returns, OptiMix funds are diversified across a range of specialist investment managers – all within a single investment. OptiMix has over a decade of proven performance.

ING Australia has appointed ING Investment Management's specialist MTM investment team to manage the OptiMix process and funds.

## The OptiMix advantage

### Proven expertise

The OptiMix research and investment solution has been in existence for over 10 years. The strength of the OptiMix process is reflected by the OptiMix investment team which consists of highly qualified and experienced investment professionals who are well regarded in the industry.

### Consistent yet competitive returns

Different investment managers have different styles of managing investments. The reality is that relying on one particular style or process can be risky, as markets can frequently change in response to economic and political events. The OptiMix solution aims to deliver consistent yet competitive returns by combining managers with different investment approaches across a range of asset classes.

### Peace of mind

With OptiMix you can be assured that your investments are being managed by a team of experienced investment professionals purely focused on ensuring your investment portfolio is positioned for strong, consistent, long-term investment returns.

### Diversify your funds

Diversification is a key feature of the OptiMix MTM process. Diversification means that as an investor, to reduce risk and protect your portfolio against market volatility, you don't put all your 'eggs into one basket' but spread your money across different investment managers and asset classes to provide more consistent returns. The OptiMix investment team rigorously monitors economic conditions, financial markets and investment managers to ensure the portfolios are sufficiently robust to withstand market fluctuations.


























### Access the world's leading specialist investment managers

To produce superior investment outcomes the OptiMix investment team chooses managers who are not only highly talented but have a proven track record in managing investment portfolios. Some of the managers are not normally available to retail investors, which means by choosing OptiMix you can gain access to some of the most talented and successful investment managers the global funds management industry has to offer.

### Choice of investment funds

Investors have different investment objectives, risk preferences and time frames. OptiMix provides a comprehensive range of portfolio options to suit all kinds of investors regardless of your age, gender, level of financial expertise or risk preference.

## Specialist investment managers

International shares	Australian shares	Property securities	International fixed interest	Inflation linked bonds	Australian fixed interest	Cash
       	     	 	 	 	  	 

\* Manager for OptiMix Global Smaller Companies Shares.

† Manager for OptiMix Global Shares and OptiMix Global Smaller Companies Shares.

‡ Currency manager.

The specialist investment managers are current as at the time of the preparation of this PDS. The investment managers are regularly reviewed and may be removed at any time and the investment objectives and approaches may be changed without notification to you. As a result, the investment managers within may vary throughout the life of this PDS. Up to date information on the specialist investment managers is available on the ING website.

## How the OptiMix investment process works

The OptiMix MTM research and investment solution is active at every stage of the investment process



### Specialist investment manager selection

The OptiMix investment team selects a range of investment managers who have expertise in a particular asset class. Each manager must have a distinct investment style, a proven investment process and a strong track record of performance.

### Economic analysis and tactical asset allocation

The OptiMix investment team looks at factors around the world such as economic growth, inflation and government policies – and assesses how these impact the performance of each asset class. The investment team then adjusts the funds to gain a greater exposure to the asset classes expected to perform well at that particular time in the market cycle.

### Manager allocation within asset classes

The OptiMix investment team blends complementary investment manager styles and adjusts the portfolio in favour of the managers expected to perform well during a particular market cycle.


### Performance measurement


Once selected, managers are closely monitored and evaluated on their ongoing performance. The OptiMix investment team looks at qualitative factors such as the way investment managers construct their portfolios and their investment methods, as well as quantitative measures like the returns of each manager compared with pre-set benchmarks and their competitors.

### Regular independent review


The OptiMix investment committee regularly reviews the OptiMix MTM process and the performance of the specialist investment managers.

## Profile 1 – Defensive


 <b>OptiMix Australian Fixed Interest</b>										
<b>Investment objective</b>	The fund aims to achieve returns (before fees, charges and taxes) that exceed the UBS Australian Composite Bond Index (All Maturities), over periods of three years or more.									
<b>Investment strategy</b>	The fund invests predominantly in a diversified portfolio of Australian fixed interest securities through a mix of managers. The fund is actively managed in accordance with the OptiMix Manage the Managers investment process.									
<b>Minimum time horizon</b>	3 years									
<b>Asset allocation</b>	<table border="1"> <thead> <tr> <th>Asset class</th> <th>Benchmark (%)</th> <th>Range (%)</th> </tr> </thead> <tbody> <tr> <td>Cash</td> <td>0</td> <td>0–100</td> </tr> <tr> <td>Fixed interest</td> <td>100</td> <td>0–100</td> </tr> </tbody> </table>	Asset class	Benchmark (%)	Range (%)	Cash	0	0–100	Fixed interest	100	0–100
Asset class	Benchmark (%)	Range (%)								
Cash	0	0–100								
Fixed interest	100	0–100								

 <b>OptiMix Enhanced Cash</b>													
<b>Investment objective</b>	The fund aims to achieve returns (before fees, charges and taxes) that exceed the UBS Australian Bank Bill Index, over periods of one year or more.												
<b>Investment strategy</b>	The fund invests predominantly in a diversified portfolio of cash and Australian and international fixed interest securities through a mix of managers. The fund is actively managed in accordance with the OptiMix Manage the Managers investment process.												
<b>Minimum time horizon</b>	1 year												
<b>Asset allocation</b>	<table border="1"> <thead> <tr> <th>Asset class</th> <th>Benchmark (%)</th> <th>Range (%)</th> </tr> </thead> <tbody> <tr> <td>Cash</td> <td>80</td> <td>70–100</td> </tr> <tr> <td>Australian fixed interest</td> <td>15</td> <td>0–20</td> </tr> <tr> <td>International fixed interest</td> <td>5</td> <td>0–10</td> </tr> </tbody> </table>	Asset class	Benchmark (%)	Range (%)	Cash	80	70–100	Australian fixed interest	15	0–20	International fixed interest	5	0–10
Asset class	Benchmark (%)	Range (%)											
Cash	80	70–100											
Australian fixed interest	15	0–20											
International fixed interest	5	0–10											


## Profile 2 – Conservative

 <b>OptiMix Conservative</b>																									
<b>Investment objective</b>	The fund aims to achieve returns (before fees, charges and taxes) that on average exceed inflation by at least 3.5% per annum, over periods of three years or more.																								
<b>Investment strategy</b>	The fund invests in a diversified portfolio of Australian and international assets through a mix of managers, with a bias towards defensive assets. The fund is actively managed in accordance with the OptiMix Manage the Managers investment process.																								
<b>Minimum time horizon</b>	3 years																								
<b>Asset allocation</b>	<table border="1"> <thead> <tr> <th>Asset class</th> <th>Benchmark (%)</th> <th>Range (%)</th> </tr> </thead> <tbody> <tr> <td>Cash and Australian fixed interest</td> <td>46</td> <td>33–59</td> </tr> <tr> <td>Australian inflation linked bonds</td> <td>3</td> <td>0–8</td> </tr> <tr> <td>International inflation linked bonds</td> <td>5</td> <td>0–8</td> </tr> <tr> <td>International fixed interest</td> <td>12</td> <td>6–32</td> </tr> <tr> <td>Australian property securities</td> <td>8</td> <td>2–10</td> </tr> <tr> <td>Australian shares</td> <td>13</td> <td>5–25</td> </tr> <tr> <td>International shares</td> <td>13</td> <td>5–20</td> </tr> </tbody> </table>	Asset class	Benchmark (%)	Range (%)	Cash and Australian fixed interest	46	33–59	Australian inflation linked bonds	3	0–8	International inflation linked bonds	5	0–8	International fixed interest	12	6–32	Australian property securities	8	2–10	Australian shares	13	5–25	International shares	13	5–20
Asset class	Benchmark (%)	Range (%)																							
Cash and Australian fixed interest	46	33–59																							
Australian inflation linked bonds	3	0–8																							
International inflation linked bonds	5	0–8																							
International fixed interest	12	6–32																							
Australian property securities	8	2–10																							
Australian shares	13	5–25																							
International shares	13	5–20																							

## Profile 3 – Moderate

		OptiMix Moderate	
Investment objective	The fund aims to achieve returns (before fees, charges and taxes) that on average exceed inflation by at least 4.5% per annum, over periods of four years or more.		
Investment strategy	The fund invests in a diversified portfolio of Australian and international assets through a mix of managers, with a balance of growth and defensive assets. The fund is actively managed in accordance with the OptiMix Manage the Managers investment process.		
Minimum time horizon	4 years		
Asset allocation	Asset class	Benchmark (%)	Range (%)
	Cash and Australian fixed interest	29	15–29
	Australian inflation linked bonds	3	2–8
	International inflation linked bonds	3	0–5
	International fixed interest	15	8–22
	Australian property securities	10	6–16
	International property securities	0	0-10
	Australian shares	23	16–28
	International shares	13	10–22
	Global small companies shares	4	0–5

## Profile 4 – Growth


		OptiMix Balanced	
Investment objective	The fund aims to achieve returns (before fees, charges and taxes) that on average exceed inflation by at least 5.0% per annum, over periods of five years or more.		
Investment strategy	The fund invests in a diversified portfolio of Australian and international assets through a mix of managers with a bias towards growth assets. The fund is actively managed in accordance with the OptiMix Manage the Managers investment process.		
Minimum time horizon	5 years		
Asset allocation	Asset class	Benchmark (%)	Range (%)
	Cash and Australian fixed interest	16	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	12	5–15
	International property securities	0	0-10
	Australian shares	33	26–45
	International shares	20	18–35
	Global small companies shares	0	0–10
	Global emerging market shares	5	0–10




	<h2 style="text-align: center;">OptiMix Growth</h2>		
<b>Investment objective</b>	The fund aims to achieve returns (before fees, charges and taxes) that on average exceed inflation by at least 5.5% per annum, over periods of five years or more.		
<b>Investment strategy</b>	The fund invests in a diversified portfolio of Australian and international assets through a mix of managers, with a strong bias towards growth assets. The fund is actively managed in accordance with the OptiMix Manage the Managers investment process.		
<b>Minimum time horizon</b>	5 years		
<b>Asset allocation</b>	<b>Asset class</b>	<b>Benchmark (%)</b>	<b>Range (%)</b>
	Cash and Australian fixed interest	9	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	12	5–15
	International property securities	0	0–10
	Australian shares	41	20–50
	International shares	22	20–35
	Global small companies shares	0	0–10
	Global emerging markets shares	5	0–10


## Profile 5 – High growth

### Property

	<h2 style="text-align: center;">OptiMix Property Securities</h2>		
<b>Investment objective</b>	The fund aims to achieve returns (before fees, charges and taxes) that exceed the S&P/ASX 300 Property Trusts Accumulation Index, over periods of five years or more.		
<b>Investment strategy</b>	The fund invests predominantly in a diversified portfolio of Australian property securities through a mix of managers. The fund is actively managed in accordance with the OptiMix Manage the Managers investment process.		
<b>Minimum time horizon</b>	5 years		
<b>Asset allocation</b>	<b>Asset class</b>	<b>Benchmark (%)</b>	<b>Range (%)</b>
	Cash	0	0–10
	Property securities	100	90–100

## Australian shares


 <b>OptiMix Australian Shares</b>										
<b>Investment objective</b>	The fund aims to achieve returns (before fees, charges and taxes) that exceed the S&P/ASX 300 Accumulation Index, over periods of five years or more.									
<b>Investment strategy</b>	The fund invests predominantly in a diversified portfolio of Australian shares through a mix of managers. The fund is actively managed in accordance with the OptiMix Manage the Managers investment process.									
<b>Minimum time horizon</b>	5 years									
<b>Asset allocation</b>	<table border="1"> <thead> <tr> <th>Asset class</th> <th>Benchmark (%)</th> <th>Range (%)</th> </tr> </thead> <tbody> <tr> <td>Cash</td> <td>0</td> <td>0–10</td> </tr> <tr> <td>Australian shares</td> <td>100</td> <td>90–100</td> </tr> </tbody> </table>	Asset class	Benchmark (%)	Range (%)	Cash	0	0–10	Australian shares	100	90–100
Asset class	Benchmark (%)	Range (%)								
Cash	0	0–10								
Australian shares	100	90–100								


 <b>OptiMix Geared Australian Shares*</b>										
<b>Investment objective</b>	The fund aims to achieve magnified returns (before fees, charges and taxes) that exceed the S&P/ASX 300 Accumulation Index, over periods of five years or more.									
<b>Investment strategy</b>	The fund invests predominantly in a diversified portfolio of Australian shares through a mix of managers through the underlying OptiMix Wholesale Geared Australian Share Trust.									
<b>Minimum time horizon</b>	5 years									
<b>Asset allocation</b>	<table border="1"> <thead> <tr> <th>Asset class</th> <th>Benchmark (%)</th> <th>Range (%)</th> </tr> </thead> <tbody> <tr> <td>Cash</td> <td>0</td> <td>0–10</td> </tr> <tr> <td>Australian shares</td> <td>100</td> <td>90–100</td> </tr> </tbody> </table>	Asset class	Benchmark (%)	Range (%)	Cash	0	0–10	Australian shares	100	90–100
Asset class	Benchmark (%)	Range (%)								
Cash	0	0–10								
Australian shares	100	90–100								

\* This fund is available from 20 July 2006.


Gearing magnifies both gains and losses and investors may experience increased volatility in the value of their investment. Refer to page 52 in this book for additional information regarding OptiMix Geared Australian Shares.

Global shares

	<h2 style="background-color: #f4a460; padding: 5px;">OptiMix Global Shares</h2>		
<b>Investment objective</b>	The fund aims to achieve returns (before fees, charges and taxes) that exceed the MSCI World Index excluding Australia (A\$ unhedged), over periods of five years or more.		
<b>Investment strategy</b>	The fund invests predominantly in a diversified portfolio of international shares through a mix of managers. The fund is actively managed in accordance with the OptiMix Manage the Managers investment process.		
<b>Minimum time horizon</b>	5 years		
<b>Asset allocation</b>	<b>Asset class</b>	<b>Benchmark (%)</b>	<b>Range (%)</b>
	Cash	0	0–10
	International shares	100	90–100

	<h2 style="background-color: #f4a460; padding: 5px;">OptiMix Global Smaller Companies Shares</h2>		
<b>Investment objective</b>	The fund aims to achieve returns (before fees, charges and taxes) that exceed the S&P/Citigroup GEI BMI <US\$2 billion Index excluding Australia (A\$ unhedged), over periods of five years or more.		
<b>Investment strategy</b>	The fund invests predominantly in a diversified portfolio of international small companies through a mix of managers. The fund is actively managed in accordance with the OptiMix Manage the Managers investment process.		
<b>Minimum time horizon</b>	7 years		
<b>Asset allocation</b>	<b>Asset class</b>	<b>Benchmark (%)</b>	<b>Range (%)</b>
	Cash	0	0–10
	Global small companies shares	100	90–100

## Multi-sector

	<h3>OptiMix High Growth</h3>																				
<b>Investment objective</b>	<p>The fund aims to achieve returns (before fees, charges and taxes) that on average exceed inflation by at least 6.0% per annum, over periods of five years or more.</p>																				
<b>Investment strategy</b>	<p>The fund invests in an actively managed, diversified portfolio of Australian and international shares through a mix of managers. The fund is actively managed in accordance with the OptiMix Manage the Managers investment process.</p>																				
<b>Minimum time horizon</b>	<p>5 years</p>																				
<b>Asset allocation</b>	<table border="1"> <thead> <tr> <th>Asset class</th> <th>Benchmark (%)</th> <th>Range (%)</th> </tr> </thead> <tbody> <tr> <td>Cash</td> <td>0</td> <td>0–20</td> </tr> <tr> <td>Australian shares</td> <td>50</td> <td>25–75</td> </tr> <tr> <td>International shares</td> <td>41</td> <td>25–75</td> </tr> <tr> <td>Global small companies shares</td> <td>0</td> <td>0–15</td> </tr> <tr> <td>Global emerging markets shares</td> <td>9</td> <td>0-15</td> </tr> </tbody> </table>	Asset class	Benchmark (%)	Range (%)	Cash	0	0–20	Australian shares	50	25–75	International shares	41	25–75	Global small companies shares	0	0–15	Global emerging markets shares	9	0-15		
Asset class	Benchmark (%)	Range (%)																			
Cash	0	0–20																			
Australian shares	50	25–75																			
International shares	41	25–75																			
Global small companies shares	0	0–15																			
Global emerging markets shares	9	0-15																			

# Single manager investment funds

Single manager investment funds invest in a diversified portfolio of assets managed by one investment manager. Single manager funds can invest in just one asset class (single sector) or a range of asset classes (multi-sector).

OneAnswer offers a range of single manager funds across all risk profiles, giving a choice of investment approaches to suit varying needs.

The selected fund managers available in OneAnswer are strong, reputable brands that are well supported in the market place, and are subject to rigorous, regular review. Further information on each of these fund managers is provided in the following pages.



## INVESTMENT MANAGEMENT

### ING Investment Management Limited

INGIM manages all OneAnswer ING investment funds excluding ING Mortgages which is managed by ING Australia.

INGIM is part of the specialist investment network of ING Group. World-wide INGIM employs more than 2,400 staff in 31 countries across three broad geographic regions: Europe, the Americas and Asia Pacific. Its global assets under management total more than A\$590 billion as at 31 December 2005.

In Australia, INGIM is one of the ten largest investment managers, with over A\$34 billion of assets under management as at 31 December 2005.

Combining rigorous research and integrated risk management, INGIM has a team of investment professionals who are expert in constructing and delivering progressive and tailored investment solutions across all major asset classes on a truly global scale.

#### INGIM's investment approach

INGIM's investment philosophy maintains that markets have inefficiencies and active portfolio management should generate superior long-term investment returns. INGIM aims to deliver consistently attractive returns for investors over the long term at acceptable levels of risk.

INGIM believes that investment markets are ultimately driven by trends in the economic cycle, and a particular asset class tends to perform differently to other asset classes at any given point in the cycle.

INGIM's active portfolio management aims to take advantage of asset class trends, adding value and managing risk.

INGIM's multi-sector and international share funds have exposure to foreign currency. Foreign currency is actively managed with a view to increasing the return available in Australian dollars for the benefit of the total portfolio. Active currency management means buying undervalued currencies and selling overvalued currencies.

#### Australian shares

INGIM's Australian shares investment process is designed to deliver consistently above-benchmark returns over the medium to long term, while controlling risk. INGIM seeks to identify stocks that are likely to deliver above-average earnings growth in the foreseeable future and are also attractively priced relative to the market. This style of investing is often referred to as 'Growth At a Reasonable Price' (GARP) or core.

INGIM's team of highly experienced analysts undertakes comprehensive ongoing research to assess the earnings prospects and relative valuations of the stocks in their investment universe. INGIM's analysts assess each company's competitive position and the relative attractiveness of the industry in which it operates. Quantitative and qualitative assessments for each company are combined in an overall company score, which is a primary input into INGIM's portfolio construction process. Other inputs to this process include stock liquidity constraints, constraints on the size of individual stock positions, and market sentiment and corporate/market activity considerations.

### **International shares**

INGIM's stock selection processes for international shares are designed to deliver consistently above-benchmark returns over the medium to long term. The focus is on identifying companies with good medium-term earnings growth prospects whose shares are attractively priced relative to the market. The process is driven by in-depth analysis and research, utilising INGIM's network of global resources.

In the management of international share strategies INGIM has the benefit of using the expertise of country, regional and sector teams spread across 31 countries around the world.

Regional asset allocation is supported by INGIM's strategy experts including those from the US and Europe.

INGIM's international share portfolios are all managed against an unhedged benchmark. Foreign currency is actively managed where INGIM believes that this will be beneficial to the portfolio's investment performance.

### **Property securities**

INGIM's property securities investment universe includes listed property trusts and listed property-related securities. Property-related securities include companies where the majority of earnings are sourced from property or property-related activities, including the ownership, development or management of property assets.

INGIM's experienced Listed Property Trust team uses its investment process to select property trusts that offer attractive yields and distribution growth. Property-related securities are selected based on the analysis and recommendations provided by INGIM's Australian Shares team.

When selecting individual property securities, INGIM also assesses the experience of management, quality and diversity of the property portfolio, stability of rental income, level of distribution yield, potential for distribution growth, level of borrowing, interest rate risk and liquidity considerations.

### **Fixed interest and cash**

INGIM aims to add value to its fixed interest and cash portfolios by weighting the portfolio in favour of those sectors that offer the highest potential return for the associated risk, and taking advantage of pricing opportunities that occur at various stages of the economic cycle.

INGIM maintains that the best way to deliver consistently strong returns from a fixed interest portfolio is through a combination of active interest rate management and a well-diversified blend of credit investments.

The active interest rate component of INGIM's portfolio is managed in accordance with its investment process, which combines the analysis of economic fundamentals, market psychology and market valuations.

Within the non-government sector of the market, INGIM uses its investment process to select individual securities. Essentially, analysis focuses on calculating an appropriate price for each security relative to the associated credit risk, with the aim of ensuring that the reward offered by borrowers to lenders is sufficient to compensate them for the associated risk. Security and issuer analysis is undertaken by INGIM's dedicated credit analysts, who draw upon the research undertaken by INGIM's Australian Shares team.

Foreign currency exposures within the international fixed interest component of ING's multi-sector funds are normally hedged into Australian dollars.

### **Mortgages**

ING Australia manages mortgages for ING investment funds. ING Australia invests in loans secured by mortgages over real property.

ING Australia employs stringent lending criteria with a focus on both the quality of the property security and the cash flows available to meet interest commitments. ING mortgage funds are diversified across property types such as commercial, industrial, residential and retail, predominantly focusing on the major population areas of Australia and New Zealand. The portfolios contain a mix of both fixed and variable rate loans.

The funds may also invest in cash, mortgage backed securities and other interest earning assets.

	<p><b>AMP Capital Investors</b>  ABN 59 001 777 591  Established 1993  Funds under management \$91.1 billion (as at 31 December 2005)</p>
<p>AMP Capital Investors is a leading specialist active investment manager within the Australian and New Zealand markets. AMP Capital Investors focuses exclusively on the business of investment management, from core financial products to innovative, niche and more complex structures. It has almost 200 investment professionals assessing markets, developing strategy and managing money. AMP Capital Investors' investment business covers a wide range of assets including shares, fixed interest, property, infrastructure and private equity.</p> <p>Due to its size, strength and longevity in this market, it has the depth to furnish its investment professionals with specialist in-house functions, including economic analysis, risk management, technology services and product development. AMP Capital Investors also works in strategic partnership with like-minded investment specialists, where it enhances its ability to generate better returns, or where it can leverage their respective expertise to pioneer the development of new investment techniques or products.</p>	
	<p><b>Ausbil Dexia</b>  ABN 26 076 316 473  Established 1997  Funds under management \$5.1 billion (as at 31 December 2005)</p>
<p>Ausbil Dexia Limited (Ausbil Dexia), an Australian equities specialist, is a joint venture between senior members of Ausbil's Australian investment/management team and Dexia Asset Management, the asset management arm of the Dexia group, a major European bank.</p>	
	<p><b>AXA (National Mutual Funds Management Ltd.)</b>  ABN 32 006 787 720  Established 2000  Funds under management \$49.6 billion (as at 31 December 2005)</p>
<p>AXA Australia and Alliance Capital US have joined forces to form an Australian investment operation, Alliance Capital Management Australia, that will give Australian investors access to Alliance Capital US globally integrated style and proven performance. Alliance Capital US acquired Sanford C Bernstein (Bernstein) in October 2000. This acquisition allows Alliance Capital US to offer a broad range of investment strategies across the value/growth spectrum.</p>	
	<p><b>Barclays Global Investors</b>  ABN 33 001 804 566  Established 1996  Funds under management \$40.9 billion (as at 31 December 2005)</p>
<p>Barclays Global Investors Australia Limited is the Responsible Entity of the Barclays Managed Investment Funds – Diversified Growth Fund, International Share Fund and Australian Share Fund. Barclays Global Investors (BGI) has offices in the US, Australia, Canada, Europe, Hong Kong, Japan and Singapore and is the asset management arm of Barclays PLC – a public company listed on the London Stock Exchange. BGI is one of the world's largest investment managers and providers of risk controlled active strategies including total return, stock selection, market selection, fixed income, currency and diversified funds, as well as index strategies across developed and emerging markets.</p>	



**BNP Paribas Investment Management (Australia) Limited**

ABN 88 003 498 160

Established 1986

Funds under management \$9.1 billion (as at 31 December 2005)

BNP Investment Management (Australia) Limited currently distributes the MFS Global Equity Trust to Australian investors. Massachusetts Financial Services (MFS) is a subsidiary of Sun Life Assurance Company of Canada (US) and is America's oldest mutual fund organisation with a history of money management dating from 1924.



**BT Financial Group**

ABN 22 000 727 659

Established 1969

Funds under management \$77.3 billion (as at 31 December 2005)

BT Financial Group (BT), Westpac's wealth management business, has more than \$77.3 billion in total assets under management and administration as at 31 December 2005. BT has been helping Australians create and manage wealth since 1969.

BT offers a wide range of services to individuals and businesses including investment, superannuation and retirement solutions by offering access to a comprehensive range of investment management solutions. BT also offers investment platforms including wrap accounts and, margin lending. BT's domestic asset classes are managed by one of Australia's largest investment teams, and for global opportunities, alliances have been formed with some of the world's top investment managers to capitalise on those managers' extensive and highly successful investment skills.

BT is part of the Westpac Banking Corporation. As Australia's first bank, Westpac has been delivering banking and other financial services to Australians since 1817. Westpac now serves more than 8 million customers throughout Australia, New Zealand and the Pacific region. The group employs more than 26,000 people with global assets of more than \$259.8 billion (as at 30 September 2005).



**Challenger**

ABN 94 002 835 592

Established 2003

Funds under management \$11.9 billion (as at 31 December 2005)

Challenger Financial Services Group was born out of the merger between Challenger International and CPH Investment Corp. Since this merger Challenger has begun to emerge as a mainstream player in Australian financial services – broadening and sharpening its focus, making acquisitions, forging alliances and exiting non-core businesses. Challenger is now focused on three core business lines, servicing the needs of financial intermediaries and its clients: Challenger Life, Challenger Wholesale Finance and Challenger Wealth Management. The focus on these three business lines enables Challenger to leverage its capabilities in financial asset and liability management as well as its depth of knowledge of financial markets, and deliver a broad spectrum of financial products and services via financial intermediaries.



We want what you want

**Colonial First State**

ABN 98 002 348 352

Established 1988

Funds under management \$123.1 billion (as at 31 December 2005)

Colonial First State is a wholly-owned subsidiary of the Commonwealth Bank of Australia, a leading financial services organisation. Since 1988 Colonial First State has earned a reputation as a professional, disciplined investment manager, providing investment expertise to individual, corporate and public sector investors. Colonial First State actively manages investments across all major asset classes including Australian and international shares, property, fixed interest and cash.



	<p><b>Credit Suisse Asset Management (Australia) Limited</b>          ABN 57 007 305 384          Established 1990          Funds under management \$19.6 billion (as at 31 December 2005)</p>
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Credit Suisse is a leading global financial services organisation headquartered in Zurich and established in 1856. It is focused on serving its clients in three business lines: Investment Banking, Private Banking, and Asset Management.


The asset management business of Credit Suisse is comprised of the bank's discretionary asset management businesses and manages portfolios, pooled schemes, and other investment vehicles for a broad spectrum of clients, ranging from governments, institutions, and corporations to private individuals around the world. In Australia, strength and structure has helped Credit Suisse fulfil the expectations of a large and diverse group of investors, including superannuation funds, government agencies, large companies and private individuals.

	<p><b>Investors Mutual Limited</b>          ABN 14 078 030 752          Established 1998          Funds under management \$5.7 billion (as at 31 December 2005)</p>
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Investors Mutual Ltd (IML) is a specialist Australian equity manager based in Sydney. IML has a conservative investment style with a long-term focus, and aims to deliver consistent returns for clients. IML achieves this through the disciplined application of a fundamental and value-based approach to investing. The IML investment team is a committed and stable team whose remuneration structure aligns their interest with those of Investors Mutual's clients.

	<p><b>IOOF Investment Management Limited</b>          ABN 53 006 695 021          Established 1846          Funds under management \$25.2 billion (as at 31 December 2005)</p>
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IOOF Investment Management Limited (IOOF) is a progressive Australian funds management organisation. Perennial Investment Partners Limited (Perennial) was launched in August 1999 as IOOF's specialist investment management company and a majority-owned subsidiary of the IOOF Group. Perennial offers investment expertise across all the major asset classes including two styles of Australian equities, international equities, Australian and global fixed interest, cash and multi-sector style products. Additionally, Perennial manages a range of wholesale and retail unit trusts for IOOF.

	<p><b>Merrill Lynch Investment Managers</b>          ABN 45 006 790 629          Established 1976          Funds under management \$8.8 billion (as at 31 December 2005)</p>
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Merrill Lynch Investment Managers Limited is an Australian subsidiary of Merrill Lynch & Co. Inc. (Merrill Lynch). Through its subsidiaries and affiliates, Merrill Lynch provides investment, finance, advisory and related services on a global basis.

	<p><b>Perpetual</b>          ABN 18 000 866 535          Established 1966          Funds under management \$30.3 billion (as at 31 December 2005)</p>
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Perpetual Investment Management Limited (Perpetual Investments) is one of Australia's leading investment managers. Perpetual Investments is part of the Perpetual Group, which has been in operation for over 115 years.

**Platinum Asset Management Limited**

ABN 25 063 565 006

Established 1995

Funds under management \$18.2 billion (as at 31 December 2005)

Platinum Asset Management Limited (Platinum) is an Australian based fund manager that specialises in international equities. Platinum currently manages in excess of \$18 billion with more than 20% of this from overseas investors. Platinum's investment methodology is applied with the aim of achieving absolute returns for investors. Platinum's focus is on managing clients' money rather than gathering funds under management.

**Schroder Investment Management Australia Limited**

ABN 22 000 443 274

Established 1961

Funds under management \$11 billion (as at 31 December 2005)

Schroder Investment Management Australia Limited (SIMAL) is part of the Schroder Group. Schroders is one of the largest and most internationally diverse investment managers, with over 230 investment professionals, providing investment management, research and marketing services from its 34 offices located in 26 countries.

**UBS Global Asset Management (Australia) Ltd**

ABN 31 003 146 290

Established 1985

Funds under management \$793 billion (as at 31 December 2005)

UBS Global Asset Management is a business group of UBS, one of the world's leading financial services groups. UBS Global Asset Management's strong local presence and its integrated global network enable it to understand and meet the domestic and international investment needs of Australian investors.

**Vanguard Investments Australia**

ABN 72 072 881 086

Established 1996

Funds under management \$36.2 billion (as at 31 December 2005)

Vanguard Investments Australia Ltd was established in 1996, as an indexing specialist. The Vanguard Group Inc. is the US parent company and was a pioneer in indexing in the 1970s. It is now managing over A\$1.25 trillion, for more than 18 million individual and institutional investor accounts.

**Zurich Financial Services Australia Limited**

ABN 11 008 423 372


Established 1961

Funds under management \$6.7 billion (as at 31 December 2005)

Zurich Investment Management (Zurich Investments) is a subsidiary of Zurich Financial Services Australia Limited (Zurich), which is part of the worldwide Zurich Financial Services Group based in Switzerland. In Australia, Zurich's core lines of business are general insurance, life risk, investments and superannuation solutions.

Zurich Investments provides exclusive access to specialist investments previously unavailable to retail investors by combining the expertise of specialist fund managers with the distribution and customer service strength of Zurich.


## Profile 1 – Defensive


 <b>Challenger Howard Mortgages</b>										
<b>Investment objective</b>	The fund, by investing in commercial mortgage loans, fixed interest securities and short-term investments, aims to provide regular income, liquidity and capital security.									
<b>Investment strategy</b>	<p>The fund invests in a diversified portfolio of commercial mortgage loans, fixed interest securities and short-term investments. Challenger selects mortgage investments for the fund using the following criteria. Mortgage loans are only made or acquired where:</p> <ul style="list-style-type: none"> <li>• first mortgage security is held</li> <li>• the loan does not exceed 75% of the value of the property security or 85% with mortgage insurance</li> <li>• borrowers must demonstrate an ability to meet loan commitments</li> <li>• a valuation is carried out by a qualified and independent valuer</li> <li>• a valuation is not more than three months old at the time the loan or loan facility was made</li> <li>• the loan is considered at least investment grade.</li> </ul>									
<b>Minimum time horizon</b>	2 years									
<b>Asset allocation</b>	<table border="1"> <thead> <tr> <th>Asset class</th> <th>Benchmark (%)</th> <th>Range (%)</th> </tr> </thead> <tbody> <tr> <td>Cash</td> <td>n/a</td> <td>10–30</td> </tr> <tr> <td>Australian mortgages</td> <td>n/a</td> <td>70–90</td> </tr> </tbody> </table>	Asset class	Benchmark (%)	Range (%)	Cash	n/a	10–30	Australian mortgages	n/a	70–90
Asset class	Benchmark (%)	Range (%)								
Cash	n/a	10–30								
Australian mortgages	n/a	70–90								


Underlying fund: Challenger Howard Wholesale Mortgage Trust


 <b>Colonial First State Global Credit Income</b>							
<b>Investment objective</b>	The fund aims to provide income-based returns in excess of that available from cash over the medium term by investing in a diversified portfolio of higher yielding Australian and international fixed interest investments.						
<b>Investment strategy</b>	The fund's strategy is to earn an income return from predominantly investing in global corporate debt, controlling risk through careful selection and monitoring combined with broad diversification. The increased credit risk of corporate debt means that these investments have the potential to deliver higher returns over the medium term compared to cash. The option uses derivatives to reduce interest rate sensitivity and to hedge currency risk.						
<b>Minimum time horizon</b>	3 years						
<b>Asset allocation</b>	<table border="1"> <thead> <tr> <th>Asset class</th> <th>Benchmark (%)</th> <th>Range (%)</th> </tr> </thead> <tbody> <tr> <td>Cash and fixed interest</td> <td>100</td> <td>n/a</td> </tr> </tbody> </table>	Asset class	Benchmark (%)	Range (%)	Cash and fixed interest	100	n/a
Asset class	Benchmark (%)	Range (%)					
Cash and fixed interest	100	n/a					

Underlying fund: Colonial First State Wholesale Global Credit Income Fund


 <b>ING Cash</b>							
<b>Investment objective</b>	The fund aims to achieve returns (before fees, charges and taxes) that exceed the UBS Australian Bank Bill Index, over periods of one year or more. The unit price will fluctuate in line with movements in underlying assets. This fund does not offer a guarantee.						
<b>Investment strategy</b>	The fund invests predominantly in a diversified portfolio of short-term defensive assets. The fund is actively managed in accordance with INGIM's fixed interest and cash investment process.						
<b>Minimum time horizon</b>	1 year						
<b>Asset allocation</b>	<table border="1"> <thead> <tr> <th>Asset class</th> <th>Benchmark (%)</th> <th>Range (%)</th> </tr> </thead> <tbody> <tr> <td>Cash and fixed interest</td> <td>100</td> <td>n/a</td> </tr> </tbody> </table>	Asset class	Benchmark (%)	Range (%)	Cash and fixed interest	100	n/a
Asset class	Benchmark (%)	Range (%)					
Cash and fixed interest	100	n/a					

 <b>ING Diversified Fixed Interest</b>													
<b>Investment objective</b>	The fund aims to provide income and achieve returns (before fees, charges and taxes) that exceed the UBS Australian Composite Bond Index (All Maturities), over periods of three years or more.												
<b>Investment strategy</b>	The fund invests predominantly in a diversified mix of Australian and international defensive assets. The fund is actively managed in accordance with INGIM's investment process.												
<b>Minimum time horizon</b>	2 years												
<b>Asset allocation</b>	<table border="1"> <thead> <tr> <th>Asset class</th> <th>Benchmark (%)</th> <th>Range (%)</th> </tr> </thead> <tbody> <tr> <td>Cash and Australian fixed interest</td> <td>45</td> <td>0–90</td> </tr> <tr> <td>International fixed interest</td> <td>45</td> <td>0–90</td> </tr> <tr> <td>Australian and international high yield debt</td> <td>10</td> <td>0–20</td> </tr> </tbody> </table>	Asset class	Benchmark (%)	Range (%)	Cash and Australian fixed interest	45	0–90	International fixed interest	45	0–90	Australian and international high yield debt	10	0–20
Asset class	Benchmark (%)	Range (%)											
Cash and Australian fixed interest	45	0–90											
International fixed interest	45	0–90											
Australian and international high yield debt	10	0–20											

 <b>ING Mortgages</b> (ING Mortgage Trust No. 2 in OneAnswer Investment Portfolio)										
<b>Investment objective</b>	The fund aims to provide income and achieve returns (before fees, charges and taxes) that exceed the UBS Australian Bank Bill Index by at least 1.5% per annum, over periods of one year or more.									
<b>Investment strategy</b>	The fund invests predominantly in a diversified portfolio of loans secured by mortgages over real property, mortgage backed securities, cash and other fixed interest securities.									
<b>Minimum time horizon</b>	2 years									
<b>Asset allocation</b>	<table border="1"> <thead> <tr> <th>Asset class</th> <th>Benchmark (%)</th> <th>Range (%)</th> </tr> </thead> <tbody> <tr> <td>Cash and Australian fixed interest</td> <td>15</td> <td>10–40</td> </tr> <tr> <td>Mortgages</td> <td>85</td> <td>60–90</td> </tr> </tbody> </table>	Asset class	Benchmark (%)	Range (%)	Cash and Australian fixed interest	15	10–40	Mortgages	85	60–90
Asset class	Benchmark (%)	Range (%)								
Cash and Australian fixed interest	15	10–40								
Mortgages	85	60–90								


 <b>Merrill Lynch Monthly Income</b>							
<b>Investment objective</b>	The fund aims to generate monthly income significantly in excess of that available from short-term money market securities and cash rates. The fund aims to achieve up to 1.70% p.a. (before fees, charges and taxes) in excess of the UBS Australian Bank Bill Index over the medium term (three years).						
<b>Investment strategy</b>	<p>The fund aims to achieve this objective primarily through the management of credit exposure using research-based knowledge, fundamental credit analysis and the requisite skill base to identify securities with superior risk-adjusted return characteristics in both the domestic and international debt markets. Within a disciplined risk framework, the fund seeks to access the performance potential of a diverse range of these investment opportunities on a global basis.</p> <p>The fund invests in longer date floating instruments and fixed rate instruments swapped back to floating rate exposures and international debt securities (hedged in A\$) swapped back to domestic floating rate exposure.</p>						
<b>Minimum time horizon</b>	3 years						
<b>Asset allocation</b>	<table border="1"> <thead> <tr> <th>Asset class</th> <th>Benchmark (%)</th> <th>Range (%)</th> </tr> </thead> <tbody> <tr> <td>Cash and fixed interest</td> <td>100</td> <td>0–100</td> </tr> </tbody> </table>	Asset class	Benchmark (%)	Range (%)	Cash and fixed interest	100	0–100
Asset class	Benchmark (%)	Range (%)					
Cash and fixed interest	100	0–100					

Underlying fund: Merrill Lynch Monthly Income Fund Class D Units


 <b>UBS Diversified Fixed Income</b>																
<b>Investment objective</b>	This fund aims to provide a total return (after external manager fees, but before taxes and OneAnswer ongoing fees) in excess of the Composite Income Markets Index (Benchmark) when measured over rolling three-year periods.															
<b>Investment strategy</b>	The fund is an actively managed portfolio with respect to market and sector allocation, interest rate exposure and issue selection. The fund normally gains its asset sector exposure by investing in the relevant UBS managed funds. The fixed income assets of the fund are predominantly of investment grade quality. Non-investment grade fixed income assets (high yield and emerging market debt) must not exceed 10% of the total portfolio. The fund may invest in financial derivatives to gain exposure to markets and currencies and to limit the risk of adverse interest rate movements.															
<b>Minimum time horizon</b>	3 years															
<b>Asset allocation</b>	<table border="1"> <thead> <tr> <th>Asset class</th> <th>Benchmark (%)</th> <th>Range (%)</th> </tr> </thead> <tbody> <tr> <td>Cash</td> <td>15</td> <td>0–30</td> </tr> <tr> <td>Australian fixed interest</td> <td>30</td> <td>15–60</td> </tr> <tr> <td>Inflation linked bonds</td> <td>10</td> <td>0–25</td> </tr> <tr> <td>International fixed interest</td> <td>45</td> <td>0–80</td> </tr> </tbody> </table>	Asset class	Benchmark (%)	Range (%)	Cash	15	0–30	Australian fixed interest	30	15–60	Inflation linked bonds	10	0–25	International fixed interest	45	0–80
Asset class	Benchmark (%)	Range (%)														
Cash	15	0–30														
Australian fixed interest	30	15–60														
Inflation linked bonds	10	0–25														
International fixed interest	45	0–80														

Underlying fund: UBS Diversified Fixed Income Fund


## Profile 2 – Conservative

	AMP Capital Enhanced Yield								
Investment objective	The fund's aim is to provide a high level of income, while accepting low to medium levels of volatility in returns. In seeking to achieve the investment objective, the fund aims to provide a regular, distributable yield after costs but before tax and OneAnswer ongoing fees.								
Investment strategy	The fund normally invests in a combination of structured high yield debt, corporate debt, hybrids, cash and cash-like securities. The fund's main source of added value is expected to flow from the individual investment strategies and processes adopted for each asset sector.								
Minimum time horizon	3 years								
Asset allocation	<table border="1"> <thead> <tr> <th>Asset class</th> <th>Benchmark (%)</th> <th>Range (%)</th> </tr> </thead> <tbody> <tr> <td>Cash and fixed interest securities</td> <td>n/a</td> <td>0–100</td> </tr> </tbody> </table>	Asset class	Benchmark (%)	Range (%)	Cash and fixed interest securities	n/a	0–100		
Asset class	Benchmark (%)	Range (%)							
Cash and fixed interest securities	n/a	0–100							


Underlying fund: AMP Capital Enhanced Yield Fund – Class A Units


	Credit Suisse Syndicated Loan																				
Investment objective	To provide exposure to high yielding investments primarily through the US syndicated loan market with additional investments through US corporate debt securities that are rated below investment grade. The fund aims to achieve investment returns (before taxes and OneAnswer ongoing fees) above the UBS Australian Bank Bill Index over the minimum time horizon.																				
Investment strategy	The fund will invest primarily in the US syndicated loan market and seeks to add value through loan and security selection and industry rotation, while maintaining a highly diversified portfolio. The fund will be as close to fully hedged back to Australian dollars as practicable.																				
Minimum time horizon	3 years																				
Asset allocation	<table border="1"> <thead> <tr> <th>Asset class</th> <th>Benchmark (%)</th> <th>Range (%)</th> </tr> </thead> <tbody> <tr> <td>Syndicated loans</td> <td>n/a</td> <td>75–100</td> </tr> <tr> <td>High yield bonds</td> <td>n/a</td> <td>0–20</td> </tr> <tr> <td>Non-rated debt securities</td> <td>n/a</td> <td>0–5</td> </tr> <tr> <td>Collateralised debt obligations</td> <td>n/a</td> <td>0–5</td> </tr> <tr> <td>Cash at bank</td> <td>n/a</td> <td>0–10</td> </tr> </tbody> </table>	Asset class	Benchmark (%)	Range (%)	Syndicated loans	n/a	75–100	High yield bonds	n/a	0–20	Non-rated debt securities	n/a	0–5	Collateralised debt obligations	n/a	0–5	Cash at bank	n/a	0–10		
Asset class	Benchmark (%)	Range (%)																			
Syndicated loans	n/a	75–100																			
High yield bonds	n/a	0–20																			
Non-rated debt securities	n/a	0–5																			
Collateralised debt obligations	n/a	0–5																			
Cash at bank	n/a	0–10																			


Underlying fund: Credit Suisse Asset Management Syndicated Loan Fund

 <b>ING Capital Stable (ING Stable in OneAnswer Pensions)</b>																												
<b>Investment objective</b>	The fund aims to achieve returns (before fees, charges and taxes) that on average exceed inflation by at least 2.5% per annum, over periods of three years or more.  A guarantee applies to this fund for OneAnswer Personal Super only. For more information on the guarantee see page 53 of this book.																											
<b>Investment strategy</b>	The fund invests in a diversified mix of Australian and international assets with a strong bias towards defensive assets. The fund is actively managed in accordance with INGIM's investment process.																											
<b>Minimum time horizon</b>	3 years																											
<b>Asset allocation</b>	<table border="1"> <thead> <tr> <th>Asset class</th> <th>Benchmark (%)</th> <th>Range (%)</th> </tr> </thead> <tbody> <tr> <td>Cash</td> <td>15</td> <td>0–35</td> </tr> <tr> <td>Enhanced cash</td> <td>15</td> <td>n/a</td> </tr> <tr> <td>Australian fixed interest</td> <td>30</td> <td>10–50</td> </tr> <tr> <td>International fixed interest</td> <td>20</td> <td>5–35</td> </tr> <tr> <td>Property securities</td> <td>2.5</td> <td>0–5</td> </tr> <tr> <td>Global property</td> <td>0</td> <td>0–10</td> </tr> <tr> <td>Australian shares</td> <td>15</td> <td>10–20</td> </tr> <tr> <td>International shares</td> <td>2.5</td> <td>0–5</td> </tr> </tbody> </table>	Asset class	Benchmark (%)	Range (%)	Cash	15	0–35	Enhanced cash	15	n/a	Australian fixed interest	30	10–50	International fixed interest	20	5–35	Property securities	2.5	0–5	Global property	0	0–10	Australian shares	15	10–20	International shares	2.5	0–5
Asset class	Benchmark (%)	Range (%)																										
Cash	15	0–35																										
Enhanced cash	15	n/a																										
Australian fixed interest	30	10–50																										
International fixed interest	20	5–35																										
Property securities	2.5	0–5																										
Global property	0	0–10																										
Australian shares	15	10–20																										
International shares	2.5	0–5																										

The maximum asset allocation to growth assets for OneAnswer Personal Super and Pensions is 20% and for OneAnswer Investment Portfolio is 25%.

 <b>ING Diversified High Yield</b>																
<b>Investment objective</b>	The fund aims to provide income and achieve returns (before fees, charges and taxes) that exceed the UBS Australian Bank Bill Index by at least 2.0% per annum, over periods of three years or more.															
<b>Investment strategy</b>	The fund invests predominantly in a diversified mix of Australian and international high yield debt assets and fixed interest securities. The fund is actively managed in accordance with INGIM's fixed interest and cash investment process.															
<b>Minimum time horizon</b>	3 years															
<b>Asset allocation</b>	<table border="1"> <thead> <tr> <th>Asset class</th> <th>Benchmark (%)</th> <th>Range (%)</th> </tr> </thead> <tbody> <tr> <td>Australian investment grade debt and cash</td> <td>0</td> <td>0–100</td> </tr> <tr> <td>International investment grade debt</td> <td>0</td> <td>0–80</td> </tr> <tr> <td>Australian high yield debt</td> <td>60</td> <td>20–100</td> </tr> <tr> <td>International high yield debt</td> <td>40</td> <td>0–80</td> </tr> </tbody> </table>	Asset class	Benchmark (%)	Range (%)	Australian investment grade debt and cash	0	0–100	International investment grade debt	0	0–80	Australian high yield debt	60	20–100	International high yield debt	40	0–80
Asset class	Benchmark (%)	Range (%)														
Australian investment grade debt and cash	0	0–100														
International investment grade debt	0	0–80														
Australian high yield debt	60	20–100														
International high yield debt	40	0–80														

 <b>ING Income Plus</b>													
<b>Investment objective</b>	The fund aims to provide income and achieve returns (before fees, charges and taxes) that on average exceed inflation by at least 3.5% per annum, over periods of three years or more.												
<b>Investment strategy</b>	The fund invests in a diversified mix of Australian assets with a bias towards income producing defensive assets. The fund is actively managed in accordance with INGIM's investment process.												
<b>Minimum time horizon</b>	3 years												
<b>Asset allocation</b>	<table border="1"> <thead> <tr> <th>Asset class</th> <th>Benchmark (%)</th> <th>Range (%)</th> </tr> </thead> <tbody> <tr> <td>Mortgages, cash and Australian fixed interest</td> <td>65</td> <td>n/a</td> </tr> <tr> <td>Property securities</td> <td>15</td> <td>n/a</td> </tr> <tr> <td>Australian shares</td> <td>20</td> <td>n/a</td> </tr> </tbody> </table>	Asset class	Benchmark (%)	Range (%)	Mortgages, cash and Australian fixed interest	65	n/a	Property securities	15	n/a	Australian shares	20	n/a
Asset class	Benchmark (%)	Range (%)											
Mortgages, cash and Australian fixed interest	65	n/a											
Property securities	15	n/a											
Australian shares	20	n/a											

 <b>Perpetual Conservative Growth</b>																						
<b>Investment objective</b>	The fund aims to achieve moderate growth over the medium term and income through investment in a diversified portfolio with an emphasis on cash and fixed interest securities.																					
<b>Investment strategy</b>	Perpetual invests in a diverse mix of assets* (such as Australian shares, international shares, fixed interest securities, property securities, mortgages and cash). Tactical asset allocation strategies (utilising derivatives) may be applied to Australian shares, fixed interest securities and cash (the fund may adjust its exposure to these three asset classes on a regular basis). PI Investment Management Limited manages the international shares component and Perpetual manages all other asset classes. Currency risk is actively managed.																					
<b>Minimum time horizon</b>	3 years																					
<b>Asset allocation</b>	<table border="1"> <thead> <tr> <th>Asset class</th> <th>Benchmark (%)</th> <th>Range (%)</th> </tr> </thead> <tbody> <tr> <td>Cash<sup>†</sup></td> <td>25</td> <td>15–45</td> </tr> <tr> <td>Fixed interest</td> <td>40</td> <td>25–55</td> </tr> <tr> <td>Mezzanine mortgages</td> <td>5</td> <td>0–10</td> </tr> <tr> <td>Property securities</td> <td>5</td> <td>0–10</td> </tr> <tr> <td>Australian shares<sup>‡</sup></td> <td>20</td> <td>10–30</td> </tr> <tr> <td>International shares</td> <td>5</td> <td>0–10</td> </tr> </tbody> </table>	Asset class	Benchmark (%)	Range (%)	Cash <sup>†</sup>	25	15–45	Fixed interest	40	25–55	Mezzanine mortgages	5	0–10	Property securities	5	0–10	Australian shares <sup>‡</sup>	20	10–30	International shares	5	0–10
Asset class	Benchmark (%)	Range (%)																				
Cash <sup>†</sup>	25	15–45																				
Fixed interest	40	25–55																				
Mezzanine mortgages	5	0–10																				
Property securities	5	0–10																				
Australian shares <sup>‡</sup>	20	10–30																				
International shares	5	0–10																				


Underlying fund: Perpetual's Wholesale Conservative Growth Fund

\* Perpetual may allocate up to 10% of the portfolio to other investments including but not limited to infrastructure, high yield fixed interest securities and absolute return funds. The additional exposure to other assets enhances the fund's diversification and may help reduce the degree to which your investment rises or falls.

† The cash component may invest in quality deposits, money market, mortgages, fixed interest and debt-like hybrid securities.


‡ The fund gains its exposure to Australian shares by investing in an underlying Australian share fund, which has an investment universe that allows it to invest from time to time in stocks listed on sharemarket exchanges outside Australia. To help manage the risk profile of the underlying fund relative to the Australian sharemarket, exposure to stocks listed outside of Australia is limited to 20% and any non-Australian dollar assets are generally fully hedged to the Australian dollar. The above investment guidelines showing the fund's maximum investment in international shares do not include this potential additional exposure.




 <b>UBS Defensive</b>																									
<b>Investment objective</b>	This fund aims to provide a relatively stable pattern of total returns (after external manager fees, but before taxes and OneAnswer ongoing fees) in excess of the benchmark when measured over rolling three-year periods. The benchmark return is calculated using the benchmark asset allocation of the fund and the index returns for each asset class.																								
<b>Investment strategy</b>	The fund normally gains its asset sector exposure by investing in other relevant UBS managed funds. The fund may also invest directly. Derivatives may be used to gain or hedge exposure to markets and currencies. The long-term average mix between income assets and growth assets is expected to be 70% and 30% respectively, of the total portfolio.																								
<b>Minimum time horizon</b>	3 years																								
<b>Asset allocation</b>	<table border="1"> <thead> <tr> <th>Asset class</th> <th>Benchmark (%)</th> <th>Range (%)</th> </tr> </thead> <tbody> <tr> <td>Cash</td> <td>20</td> <td>0–40</td> </tr> <tr> <td>Australian fixed interest</td> <td>30</td> <td>10–60</td> </tr> <tr> <td>Inflation linked bonds</td> <td>0</td> <td>0–20</td> </tr> <tr> <td>International fixed interest</td> <td>20</td> <td>0–50</td> </tr> <tr> <td>Property securities</td> <td>5</td> <td>0–10</td> </tr> <tr> <td>Australian shares</td> <td>15</td> <td>0–25</td> </tr> <tr> <td>International shares</td> <td>10</td> <td>0–25</td> </tr> </tbody> </table>	Asset class	Benchmark (%)	Range (%)	Cash	20	0–40	Australian fixed interest	30	10–60	Inflation linked bonds	0	0–20	International fixed interest	20	0–50	Property securities	5	0–10	Australian shares	15	0–25	International shares	10	0–25
Asset class	Benchmark (%)	Range (%)																							
Cash	20	0–40																							
Australian fixed interest	30	10–60																							
Inflation linked bonds	0	0–20																							
International fixed interest	20	0–50																							
Property securities	5	0–10																							
Australian shares	15	0–25																							
International shares	10	0–25																							

Underlying fund: UBS Defensive Investment Fund


## Profile 3 – Moderate

	ING Balanced																													
Investment objective	The fund aims to achieve returns (before fees, charges and taxes) that on average exceed inflation by at least 4.5% per annum, over periods of four years or more.																													
Investment strategy	The fund invests in a diversified mix of Australian and international assets spread across growth and defensive assets. The fund is actively managed in accordance with INGIM's investment process.																													
Minimum time horizon	4 years																													
Asset allocation	<table border="1"> <thead> <tr> <th>Asset class</th> <th>Benchmark (%)</th> <th>Range (%)</th> </tr> </thead> <tbody> <tr> <td>Cash</td> <td>10</td> <td>0–30</td> </tr> <tr> <td>Australian fixed interest</td> <td>20</td> <td>5–35</td> </tr> <tr> <td>International fixed interest</td> <td>10</td> <td>0–20</td> </tr> <tr> <td>Property securities</td> <td>5</td> <td>0–10</td> </tr> <tr> <td>Global property</td> <td>0</td> <td>0–10</td> </tr> <tr> <td>Australian shares</td> <td>35</td> <td>20–50</td> </tr> <tr> <td>International shares</td> <td>20</td> <td>5–35</td> </tr> <tr> <td>Alternative investments</td> <td>0</td> <td>0–10</td> </tr> </tbody> </table>	Asset class	Benchmark (%)	Range (%)	Cash	10	0–30	Australian fixed interest	20	5–35	International fixed interest	10	0–20	Property securities	5	0–10	Global property	0	0–10	Australian shares	35	20–50	International shares	20	5–35	Alternative investments	0	0–10		
Asset class	Benchmark (%)	Range (%)																												
Cash	10	0–30																												
Australian fixed interest	20	5–35																												
International fixed interest	10	0–20																												
Property securities	5	0–10																												
Global property	0	0–10																												
Australian shares	35	20–50																												
International shares	20	5–35																												
Alternative investments	0	0–10																												

The maximum asset allocation to growth assets is 75%.

 Schroders	Schroder Balanced		
<b>Investment objective</b>	The objective of the Schroder Balanced Fund is to provide unitholders with real returns (before taxes and OneAnswer ongoing fees) in the order of 4% to 5% above inflation (as measured by headline CPI) over the medium to long term (e.g. rolling three-year basis) through investment in a range of Schroder registered managed investment schemes.		
<b>Investment strategy</b>	The fund invests in a diversified mix of Australian and international assets with a bias towards growth assets. The fund is actively managed in accordance with Schroders' investment process. Schroders' approach to managing investments is based on the principle that risk and return are of equal importance. This means that understanding risk and how to allocate it across the portfolio is crucial to successful investment management over time. While Schroders' research also seeks to identify assets that are mispriced relative to medium-term fundamentals, their preference is to find and hold assets that deliver consistent returns over time – in effect, assets that pay the holder to own them.		
<b>Minimum time horizon</b>	4 years		
<b>Asset allocation</b>	<b>Asset class</b>	<b>Benchmark (%)</b>	<b>Range (%)</b>
	Cash	8	0–20
	Fixed interest	15	10–35
	Property trusts	6	0–15
	Higher yielding credit	5	0–15
	Alternatives	6	0–15
	Inflation linked bonds	3	0–10
	Australian and New Zealand equities	37	28–45
	International equities	20	10–30

Underlying fund: Schroder Balanced Fund Wholesale Class


 UBS Global Asset Management	UBS Balanced		
<b>Investment objective</b>	This fund aims to provide a total return (after external manager fees, but before taxes and OneAnswer ongoing fees) in excess of the benchmark when measured over rolling three-year periods. The benchmark return is calculated using the benchmark asset allocation of the fund and the index returns for each asset class.		
<b>Investment strategy</b>	The fund normally gains its asset sector exposure by investing in other relevant UBS managed funds. The fund may also invest directly. Derivatives may be used to gain or hedge exposure to markets and currencies. The long-term average exposure to growth and income assets is expected to be 65% and 35% respectively of the total portfolio.		
<b>Minimum time horizon</b>	4 years		
<b>Asset allocation</b>	<b>Asset class</b>	<b>Benchmark (%)</b>	<b>Range (%)</b>
	Cash	5	0–20
	Australian fixed interest	15	5–40
	Inflation linked bonds	5	0–20
	International fixed interest	10	0–40
	Property securities	10	0–20
	Australian shares	35	25–45
	International shares	20	10–30

Underlying fund: UBS Balanced Investment Fund


## Profile 4 – Growth

BARCLAYS GLOBAL INVESTORS.	Barclays Global Investors Diversified Growth		
<b>Investment objective</b>	The fund aims to achieve superior investment performance through providing returns (before taxes and OneAnswer ongoing fees) that exceed those of the neutral portfolio benchmark by 1.30% p.a. after fees, over rolling three-year periods. The benchmark return is calculated using the benchmark asset allocation of the fund and the index returns for each asset class.		
<b>Investment strategy</b>	The fund invests in a diversified mix of Australian and international assets with a bias towards growth assets. The fund seeks to add value through active stock selection and tactical asset allocation. BGI believes that optimal investment outcome can best be achieved through Total Performance Management – understanding, measuring, forecasting and managing the three dimensions of investment performance: return, risk and cost.		
<b>Minimum time horizon</b>	5 years		
<b>Asset allocation</b>	<b>Asset class</b>	<b>Benchmark (%)</b>	<b>Range (%)</b>
	Cash	5	0–15
	Australian fixed interest	20	10–30
	International fixed interest	5	0–15
	Property securities	5	0–15
	Australian shares	35	25–45
	International shares (10 hedged)	30	20–40

Underlying fund: Barclays Managed Investment Funds – Diversified Growth Fund

 Colonial First State We want what you want	Colonial First State Diversified		
<b>Investment objective</b>	The fund aims to provide medium to long-term capital growth together with some income by investing in cash, fixed interest, property and shares.		
<b>Investment strategy</b>	The broad asset allocation is to be 70% invested in growth assets (shares, property) and 30% in defensive assets (fixed interest, cash). Allocations are reviewed regularly although changes are infrequent, and a reallocation would only be considered in response to a fundamental change in long-term expectations or market demand. Colonial First State seek to add value through a disciplined approach to selection of the shares and other assets held by the option. The option may partially hedge currency risk.		
<b>Minimum time horizon</b>	5 years		
<b>Asset allocation</b>	<b>Asset class</b>	<b>Benchmark (%)</b>	<b>Range (%)</b>
	Cash and Australian fixed interest	30	20–40
	Property securities	5	3–7
	Global property securities	2	0–4
	Australian shares	35	32–38
	International shares	23	20–26
	Global resource shares	5	3–7

Underlying fund: Colonial First State Wholesale Diversified Fund

ING 		ING Active Growth	
Investment objective	The fund aims to achieve returns (before fees, charges and taxes) that on average exceed inflation by at least 5.0% per annum, over periods of five years or more.		
Investment strategy	<p>The fund invests in a diversified mix of Australian and international, growth and defensive assets. The fund is actively managed in accordance with INGIM's investment process.</p> <p>The allocation to assets is varied within broad ranges providing high exposure to investment markets expected to perform well.</p>		
Minimum time horizon	5 years		
Asset allocation	Asset class	Benchmark (%)	Range (%)
	Cash	n/a	0–50
	Australian fixed interest	n/a	0–50
	International fixed interest	n/a	0–50
	Property securities	n/a	0–30
	Global property	n/a	0–20
	Australian shares	n/a	0–80
	International shares	n/a	0–40

The maximum asset allocation to growth assets is 100%.

ING 		ING Managed Growth	
Investment objective	The fund aims to achieve returns (before fees, charges and taxes) that on average exceed inflation by at least 5.0% per annum, over periods of five years or more.		
Investment strategy	The fund invests in a diversified mix of Australian and international assets with a strategic bias towards growth assets. The fund is actively managed in accordance with INGIM's investment process.		
Minimum time horizon	5 years		
Asset allocation	Asset class	Benchmark (%)	Range (%)
	Cash	5	0–30
	Australian fixed interest	15	0–30
	International fixed interest	10	0–20
	Global property	0	0–10
	Australian shares	35	20–50
	International shares	25	10–40
	<i>For OneAnswer Investment Portfolio only</i>		
	Property securities	10	2–18
	Alternative investments	0	0–10
	<i>For OneAnswer Personal Super and Pensions only</i>		
	Property securities	8	0–16
	Alternative investments	2	0–10

The maximum asset allocation to growth assets is 90%.



## ING Tax Effective Income

<b>Investment objective</b>	The fund aims to provide income and achieve returns (before fees, charges and taxes) that on average exceed inflation by at least 5.0% per annum, over periods of five years or more.		
<b>Investment strategy</b>	The fund invests in a diversified mix of Australian assets with a bias towards income producing growth assets. The fund is actively managed in accordance with INGIM's investment process.		
<b>Minimum time horizon</b>	5 years		
<b>Asset allocation</b>	<b>Asset class</b>	<b>Benchmark (%)</b>	<b>Range (%)</b>
	Cash	0	0–25
	Australian fixed interest	30	0–40
	Property securities	30	20–40
	Australian shares	40	30–50



## Merrill Lynch Balanced

<b>Investment objective</b>	The fund aims to provide investors with a combination of capital growth and income returns from a diversified asset portfolio. It aims to outperform the benchmark (before fees, charges and taxes) over rolling five year periods. The benchmark return is calculated using the weighted average benchmark asset allocation of the fund and the index returns for each asset class.		
<b>Investment strategy</b>	The fund invests in a diversified mix of Australian and international assets, investing predominantly in growth assets such as Australian and international shares, as well as property. Investments in growth assets, as well as defensive (e.g. cash and bonds) assets are actively managed based on the combination of in-depth research and market developments. In addition, the mix of asset classes, country and currency weightings are monitored and, where required, adjusted to suit economic and market developments.		
<b>Minimum time horizon</b>	5 years		
<b>Asset allocation</b>	<b>Asset class</b>	<b>Benchmark (%)</b>	<b>Range (%)</b>
	Cash	5	0–25
	Australian bonds	15	0–35
	International bonds	10	0–30
	Direct property	5	0–15
	Listed property	5	0–15
	Australian equities	35	25–45
	International equities	25	15–35

Underlying fund: Merrill Lynch Wholesale Balanced Fund

	Perpetual Balanced Growth		
Investment objective	The fund aims to achieve long-term returns through investment in a diversified portfolio with an emphasis on Australian and international share investments.		
Investment strategy	Perpetual invests in a diverse mix of assets* (such as Australian shares, international shares, fixed interest securities, property securities, infrastructure, mortgages and cash). Tactical asset allocation strategies (utilising derivatives) may be applied to Australian shares, fixed interest and cash (the fund may adjust its exposure to these three asset classes on a regular basis). PI Investment Management Limited manages the international shares component and Perpetual manages all other asset classes. Currency risk is actively managed.		
Minimum time horizon	5 years		
Asset allocation	Asset class	Benchmark (%)	Range (%)
	Cash <sup>†</sup>	10	0–30
	Fixed interest	15	5–35
	Mezzanine mortgages	5	0–10
	Property securities	5	0–15
	Infrastructure	5	0–10
	Australian shares <sup>‡</sup>	35	25–60
	International shares	25	5–30

Underlying fund: Perpetual's Wholesale Balanced Growth Fund

\* Perpetual may allocate up to 10% of the portfolio to other investments including but not limited to infrastructure, high yield fixed interest securities and absolute return funds. The additional exposure to other assets enhances the fund's diversification and may help reduce the degree to which your investment rises or falls.

† The cash component may invest in quality deposits, money market, mortgages, fixed interest and debt-like hybrid securities.

‡ The fund gains its exposure to Australian shares by investing in an underlying Australian share fund, which has an investment universe that allows it to invest from time to time in stocks listed on sharemarket exchanges outside Australia. To help manage the risk profile of the underlying fund relative to the Australian sharemarket, exposure to stocks listed outside of Australia is limited to 20% and any non-Australian dollar assets are generally fully hedged to the Australian dollar. The above investment guidelines showing the fund's maximum investment in international shares do not include this potential additional exposure.


## Profile 5 – High growth

### Property

	AXA Australian Property		
Investment objective	The fund aims to provide income (some of which is tax advantaged) with some long-term capital growth.		
Investment strategy	The fund invests primarily in direct property within Australia and New Zealand, as well as listed property securities and cash to provide liquidity. The key office, industrial and retail sectors each have different performance and risk profiles, so the portfolio manager seeks to maintain a spread of assets across these sectors to promote diversification.		
Minimum time horizon	5 years		
Asset allocation	<b>Asset class</b>	<b>Benchmark (%)</b>	<b>Range (%)</b>
	Cash	n/a	5–30
	Direct property and unlisted property securities	n/a	40–70
	Listed property securities	n/a	10–50

Underlying fund: AXA – Wholesale Australian Property Fund


In certain circumstances, such as if the fund experiences large withdrawals, its level of direct property may go as high as 90% and the level of unlisted property securities may go as low as 5% for extended periods.

	Credit Suisse Property		
Investment objective	To provide exposure primarily to listed property trusts (up to 10% of the fund may be held in cash) for some tax effective income and capital growth potential over the long term. The fund aims to outperform (before taxes and OneAnswer ongoing fees) the S&P/ASX 200 Property Trusts Accumulation Index over the minimum time horizon.		
Investment strategy	The fund focuses on listed property trusts that have proven management expertise, financial strength, secure tenancies and a positive outlook for rental growth. Credit Suisse Asset Management believes that quality listed property trusts with growing and sustainable income streams will outperform and reduce portfolio risk over the long term.		
Minimum time horizon	5 years		
Asset allocation	<b>Asset class</b>	<b>Benchmark (%)</b>	<b>Range (%)</b>
	Cash	0	0–10
	Property securities	100	90–100

Underlying fund: Credit Suisse Asset Management Select Investment Property Fund




 ING	ING Property Securities		
<b>Investment objective</b>	The fund aims to achieve returns (before fees, charges and taxes) that exceed the S&P/ASX 200 Property Trusts Accumulation Index, over periods of three years or more.		
<b>Investment strategy</b>	The fund invests predominantly in a diversified portfolio of property securities selected in accordance with INGIM's property securities investment process.		
<b>Minimum time horizon</b>	5 years		
<b>Asset allocation</b>	<b>Asset class</b>	<b>Benchmark (%)</b>	<b>Range (%)</b>
	Cash	0	0–5
	Property securities	100	95–100

 Vanguard INVESTMENTS	Vanguard Property Securities Index		
<b>Investment objective</b>	The fund aims to match the total return (before fees, charges and taxes) of the S&P/ASX 300 Accumulation Property Index.		
<b>Investment strategy</b>	To closely track the Index, the fund employs optimised replication techniques to select securities, holding all of the securities in the Index (at most times) but allowing individual security weightings to vary marginally from the Index from time to time. The fund may invest in property securities that have been or are expected to be included in the Index.		
<b>Minimum time horizon</b>	5 years		
<b>Asset allocation</b>	<b>Asset class</b>	<b>Benchmark (%)</b>	<b>Range (%)</b>
	Listed property trusts	100	100


Underlying fund: Vanguard Property Securities Index

## Profile 5 – High growth

### Australian shares

		AMP Capital Equity	
Investment objective	The fund aims to provide high returns over the long term while accepting high levels of volatility in returns. The benchmark for the fund is the S&P/ASX 200 Accumulation Index. In seeking to achieve the investment objective, the fund aims to provide a total return, after costs but before tax and OneAnswer ongoing fees, higher than the return from the benchmark on a rolling 12-month basis.		
Investment strategy	The fund applies a 'capital' approach to investment. The capital approach to managing Australian shares is based on the belief that a key driver of share value is a company's ability to manage its capital effectively. AMP Capital Investors' Capital team applies targeted research to assess a company's capital efficiency and focuses on shares that offer long-term returns above their cost of capital. A key element of the style is the search for companies that generate strong, free cash flow and are able to reinvest at a higher rate than their cost of capital.		
Minimum time horizon	5 years		
Asset allocation	Asset class	Benchmark (%)	Range (%)
	Cash and fixed interest	0	0–20
	Australian shares	100	80–100


Underlying fund: AMP Capital Equity Fund – Class A Units

		Ausbil Australian Emerging Leaders	
Investment objective	The fund aims to provide long-term growth with moderate tax effective income.		
Investment strategy	The fund invests to obtain a wide range of assets consisting of listed Australian equities. The securities are primarily chosen from the S&P/ASX 200 Index, but generally exclude securities from the Top 50 Leaders Index. The assets are actively managed with a focus on flexible sector management and adequate diversification to minimise risk.		
Minimum time horizon	7 years		
Asset allocation	Asset class	Benchmark (%)	Range (%)
	Cash	0	0–10
	Australian shares	100	90–100

Underlying fund: Ausbil Australian Emerging Leaders Fund

BARCLAYS GLOBAL INVESTORS.	Barclays Global Investors Australian Shares		
<b>Investment objective</b>	The fund aims to achieve superior investment performance through providing returns (after external manager fees, but before taxes and OneAnswer ongoing fees) that exceed those of the S&P/ASX 300 Accumulation Index (the Index) by 2.20% p.a., over rolling three-year periods, while maintaining a similar level of benchmark investment risk to the Index.		
<b>Investment strategy</b>	The fund invests in a diversified portfolio of Australian shares and adds value through active stock selection. Rather than making large and inherently risky investments in a few individual stocks, the fund makes smaller investments across many individual stocks. This process diversifies active risk across a broad spectrum of stocks in a variety of industries and is designed to provide more consistent, active returns over time.		
<b>Minimum time horizon</b>	5 years		
<b>Asset allocation</b>	<b>Asset class</b>	<b>Benchmark (%)</b>	<b>Range (%)</b>
	Cash	0	0–5
	Australian shares	100	95–100

Underlying fund: Barclays Managed Investment Funds – Australian Share Fund

 BT Financial Group	BT Smaller Companies		
<b>Investment objective</b>	The fund aims to outperform (before taxes and OneAnswer ongoing fees) the S&P/ASX Small Ordinaries Accumulation Index over periods of five years or more.		
<b>Investment strategy</b>	The fund is actively managed and invests in companies outside the top 100 listed on the Australian Stock Exchange and their equivalent on the New Zealand Stock Exchange that BT believes are trading below their assessed valuation, and which BT expects to grow their profits quickly.		
<b>Minimum time horizon</b>	7 years		
<b>Asset allocation</b>	<b>Asset class</b>	<b>Benchmark (%)</b>	<b>Range (%)</b>
	Cash	0	0–20
	Australian shares	100	80–100
	New Zealand shares	0	0–10

Underlying fund: BT Wholesale Smaller Companies Fund



## Colonial First State Imputation

<b>Investment objective</b>	The fund aims to provide long-term capital growth with some tax-effective income by investing in a broad selection of Australian companies.		
<b>Investment strategy</b>	Colonial First State's 'GDP Plus' approach is based on the belief that, over the medium to long term, share prices are driven by the growth in a company's earnings despite the existence of sentiment which can lead to short-term price volatility. The strategy of the option is therefore to invest in quality companies with strong balance sheets, whose earnings are expected to grow at a greater rate than the Australian economy as a whole. The option has an emphasis on companies paying higher dividend yields and some tax effective income. The option predominantly invests in Australian companies and therefore does not hedge currency risk.		
<b>Minimum time horizon</b>	5 years		
<b>Asset allocation</b>	<b>Asset class</b>	<b>Benchmark (%)</b>	<b>Range (%)</b>
	Cash	0	0–10
	Australian shares	100	90–100

Underlying fund: Colonial First State Wholesale Imputation Fund




## ING Australian Shares


<b>Investment objective</b>	The fund aims to achieve returns (before fees, charges and taxes) that exceed the S&P/ASX 300 Accumulation Index, over periods of three years or more.		
<b>Investment strategy</b>	The fund invests predominantly in a diversified portfolio of Australian shares selected in accordance with INGIM's Australian shares investment process.		
<b>Minimum time horizon</b>	5 years		
<b>Asset allocation</b>	<b>Asset class</b>	<b>Benchmark (%)</b>	<b>Range (%)</b>
	Cash	0	0–5
	Australian shares	100	95–100




## ING Blue Chip Imputation

<b>Investment objective</b>	The fund aims to achieve returns (before fees, charges and taxes) that exceed the S&P/ASX 100 Accumulation Index, over periods of three years or more.		
<b>Investment strategy</b>	The fund invests predominantly in a diversified portfolio of large Australian companies which provide a relatively high level of franked income, selected in accordance with INGIM's Australian shares investment process.		
<b>Minimum time horizon</b>	5 years		
<b>Asset allocation</b>	<b>Asset class</b>	<b>Benchmark (%)</b>	<b>Range (%)</b>
	Cash	0	0–5
	Australian shares	100	95–100

 <b>ING Emerging Companies</b>			
<b>Investment objective</b>	The fund aims to achieve returns (before fees, charges and taxes) that exceed the S&P/ASX Small Ordinaries Accumulation Index, over periods of three years or more.		
<b>Investment strategy</b>	The fund invests predominantly in a diversified portfolio of emerging companies in accordance with INGIM's Australian shares investment process.		
<b>Minimum time horizon</b>	7 years		
<b>Asset allocation</b>	<b>Asset class</b>	<b>Benchmark (%)</b>	<b>Range (%)</b>
	Cash	0	0–20
	Australian shares	100	80–100

 <b>ING Select Leaders</b>			
<b>Investment objective</b>	The fund aims to achieve returns (before fees, charges and taxes) that exceed the S&P/ASX 100 Accumulation Index by at least 2.0% per annum, over periods of five years or more.		
<b>Investment strategy</b>	The fund invests predominantly in a concentrated portfolio of Australian shares selected in accordance with INGIM's Australian shares investment process.		
<b>Minimum time horizon</b>	5 years		
<b>Asset allocation</b>	<b>Asset class</b>	<b>Benchmark (%)</b>	<b>Range (%)</b>
	Cash	0	0–10
	Australian shares	100	90–100

 <b>ING Sustainable Investments – Australian Shares*</b>			
<b>Investment objective</b>	The fund aims to achieve returns (before fees, charges and taxes) that exceed the S&P/ASX 300 Accumulation Index, over periods of three years or more.		
<b>Investment strategy</b>	The fund invests predominantly in a diversified portfolio of sustainable Australian shares, selected in accordance with INGIM's sustainable Australian shares investment process. As a general guideline screens are applied to each company analysed, covering both negative 'exclusionary' and positive 'best-in-class' criteria.		
<b>Minimum time horizon</b>	5 years		
<b>Asset allocation</b>	<b>Asset class</b>	<b>Benchmark (%)</b>	<b>Range (%)</b>
	Cash	0	0–5
	Australian shares	100	95–100

\* For information about how INGIM manages sustainable investments, see page 53 of this book.



## Investors Mutual Australian Shares

<b>Investment objective</b>	The fund aims to achieve returns (after external manager fees, but before taxes and OneAnswer ongoing fees) that exceed the S&P/ASX 300 Accumulation Index, on a rolling four-year basis.		
<b>Investment strategy</b>	The fund invests in a diversified portfolio of quality Australian industrial and resource shares, where these shares are identified by the investment team as being undervalued.		
<b>Minimum time horizon</b>	5 years		
<b>Asset allocation</b>	<b>Asset class</b>	<b>Benchmark (%)</b>	<b>Range (%)</b>
	Cash	n/a	0–10
	Australian shares	n/a	90–100

Underlying fund: Investors Mutual Australian Share Fund managed by Investors Mutual Ltd (IML)


IML can vary the asset allocation outside the range from time to time.



## IOOF/Perennial Value Shares


<b>Investment objective</b>	The fund aims to achieve returns (before fees, charges and taxes) that exceed the S&P/ASX 300 Accumulation Index, on a rolling three-year basis.		
<b>Investment strategy</b>	The fund invests in a diversified portfolio of Australian shares. Perennial Value management has selected these companies on the belief that they have sustainable operations and that their share prices offer good value. The cornerstone to this approach is a strong emphasis on company research.		
<b>Minimum time horizon</b>	5 years		
<b>Asset allocation</b>	<b>Asset class</b>	<b>Benchmark (%)</b>	<b>Range (%)</b>
	Cash	0	0–10
	Australian shares	100	90–100

Underlying fund: IOOF/Perennial Value Shares Trust

	Perpetual Australian Shares		
<b>Investment objective</b>	The fund aims to deliver long-term returns through investment in quality industrial and resource shares.		
<b>Investment strategy</b>	<p>Perpetual researches companies of all sizes using consistent share selection criteria. Perpetual's priority is to select those companies that represent the best investment quality and are appropriately priced. In determining investment quality, investments are carefully selected on the basis of four key investment criteria: conservative debt levels, sound management, quality business and recurring earnings (in the case of industrial companies).</p> <p>The fund may use exchange traded derivatives to protect selected shares against adverse movements in market prices, to gain short-term exposure to the market and to build positions in selected companies as a short-term strategy to be reversed as the underlying shares are bought. Derivatives may be used to hedge against currency movements, however these derivatives will not be exchange traded.</p>		
<b>Minimum time horizon</b>	5 years		
<b>Asset allocation</b>	<b>Asset class</b>	<b>Benchmark (%)</b>	<b>Range (%)</b>
	Cash	0	0–10
	Australian shares*	100	90–100

Underlying fund: Perpetual's Wholesale Australian Fund.

\* The fund's investment universe allows it to invest from time to time directly or indirectly in stocks listed on sharemarket exchanges outside of Australia. To help manage the risk profile of the fund relative to the Australian sharemarket, exposure to stocks listed outside of Australia is limited to 20% and any non-Australian dollar assets are generally fully hedged to the Australian dollar.

	Schroder Australian Equity		
<b>Investment objective</b>	The fund aims to achieve returns (before fees, charges and taxes) that exceed the S&P/ASX 200 Accumulation Index, over periods of three years or more.		
<b>Investment strategy</b>	The fund invests in a portfolio of Australian equity securities. Schroders is a fundamental active manager that seeks to invest predominantly in growth stocks where growth is defined as growing shareholder value over the longer term.		
<b>Minimum time horizon</b>	5 years		
<b>Asset allocation</b>	<b>Asset class</b>	<b>Benchmark (%)</b>	<b>Range (%)</b>
	Cash	0	0–5
	Australian shares	100	95–100

Underlying fund: Schroder Wholesale Australian Equity Fund



## Vanguard Australian Shares Index

<b>Investment objective</b>	The fund seeks to match the return (before fees, charges and taxes) of the S&P/ASX 300 Accumulation Index.		
<b>Investment strategy</b>	To closely track the Index, the fund employs optimisation techniques which involve selecting a representative sample of shares in the Index. The fund holds most of the shares in the Index but allows individual share weightings to vary marginally from the Index from time to time. The fund may invest in shares that have been or are expected to be included in the Index.		
<b>Minimum time horizon</b>	5 years		
<b>Asset allocation</b>	<b>Asset class</b>	<b>Benchmark (%)</b>	<b>Range (%)</b>
	Australian shares	100	100

Underlying fund: Vanguard Australian Shares Index

## Profile 5 – High growth

### Global Shares



## AXA Global Equity Value


<b>Investment objective</b>	The objectives are twofold: to provide unitholders with long-term capital growth and to outperform (before taxes and OneAnswer ongoing fees) the MSCI World Ex-Australia Index (net dividends reinvested) in Australian dollar terms, after costs and over rolling five-year periods.		
<b>Investment strategy</b>	Bernstein manages the fund's global equities using a research-driven, active, value style. Value investing involves buying stocks that are priced low in relation to the stream of cash earnings the company is expected to deliver over time.		
<b>Minimum time horizon</b>	5 years		
<b>Asset allocation</b>	<b>Asset class</b>	<b>Benchmark (%)</b>	<b>Range (%)</b>
	Cash/money market securities	0	0–5
	International shares	100	95–100

Underlying fund: AXA – Wholesale Global Equity – Value Fund



BARCLAYS GLOBAL INVESTORS.		Barclays Global Investors International Shares	
Investment objective	The fund aims to achieve returns of 2% p.a. (after external manager fees, but before taxes and OneAnswer ongoing fees) that exceed those of the MSCI World ex-Australia Index (unhedged in AUD with net dividends reinvested) (the Index) over rolling three-year periods while maintaining a similar level of investment risk to the Index.		
Investment strategy	The fund uses a combination of stock selection, country and currency allocation strategies. Active stock selection is conducted using investment processes specifically developed for a region. Active country allocation and currency management decisions are implemented using a range of inputs to measure both the relative value across equity markets and the relative value across currency markets.		
Minimum time horizon	5 years		
Asset allocation	Asset class	Benchmark (%)	Range (%)
	Cash	0	0–5
	International shares	100	95–100

Underlying fund: Barclays International Funds – International Share Fund

CREDIT SUISSE 		Credit Suisse International Shares	
Investment objective	To provide exposure to primarily international shares with potential for a high level of growth over the long term, with the benefit of exposure to world growth opportunities. The fund aims to outperform (before taxes and OneAnswer ongoing fees) the MSCI World ex-Australia Index over the minimum time horizon.		
Investment strategy	The fund aims to invest primarily in a range of quality international share investments with a wide geographic spread and actively manage currency risk to add additional value. The management of international shares combines the skills of Credit Suisse Asset Management for country guidelines and currency management, and Capital International, Inc for stock selection.		
Minimum time horizon	5 years		
Asset allocation	Asset class	Benchmark (%)	Range (%)
	Cash	0	0–10
	International shares	100	90–100

Underlying fund: Credit Suisse Asset Management Select Investment International Shares Fund

ING 		ING Global Emerging Markets Shares	
Investment objective	The fund aims to achieve returns (before fees, charges and taxes) that exceed the MSCI Emerging Markets (Free) Index (A\$ unhedged), over periods of three years or more.		
Investment strategy	The fund invests predominantly in a portfolio of international emerging markets shares selected in accordance with INGIM's investment process.		
Minimum time horizon	7 years		
Asset allocation	Asset class	Benchmark (%)	Range (%)
	Cash	0	0–10
	International shares	100	90–100



## ING Global High Dividend


<b>Investment objective</b>	The fund aims to outperform the MSCI World (Total Return) Index (before fees, charges and taxes) over rolling three-year periods.		
<b>Investment strategy</b>	The fund invests in global shares, including Australian shares, which are supported by sound business fundamentals and which pay a relatively higher level of dividends.		
<b>Minimum time horizon</b>	5 years		
<b>Asset allocation</b>	<b>Asset class</b>	<b>Benchmark (%)</b>	<b>Range (%)</b>
	Cash	0	0–10
	International shares	100	90–100

Underlying fund: ING Wholesale Global High Dividend Fund managed by INGIM




## ING Global Shares

<b>Investment objective</b>	The fund aims to achieve returns (before fees, charges and taxes) that exceed the MSCI World Index excluding Australia (A\$ unhedged), over periods of three years or more.		
<b>Investment strategy</b>	The fund invests predominantly in a diversified portfolio of international shares selected in accordance with INGIM's global share investment processes.		
<b>Minimum time horizon</b>	5 years		
<b>Asset allocation</b>	<b>Asset class</b>	<b>Benchmark (%)</b>	<b>Range (%)</b>
	Cash	0	0–5
	International shares	100	95–100

	MFS Global Equity		
<b>Investment objective</b>	MFS's philosophy is based on a belief that original, fundamental, bottom-up research is the best means of uncovering high-quality companies with above-average, sustainable earnings growth and attractive investment opportunities. The trust is designed for investors seeking capital appreciation over the longer term by investing in a diversified portfolio of international shares (unhedged) and aims to outperform its benchmark (the MSCI World Index in AUD) over rolling three to five-year periods, before taking into account trust fees and expenses (and before taxes and OneAnswer ongoing fees).		
<b>Investment strategy</b>	MFS believes that stock selection is the most reliable method of adding value to a client's portfolio. On the ground research provides an effective opportunity to identify inefficiencies in global markets and to invest in high-quality companies (at attractive valuations) which have above-average sustainable growth. Screens applied reduce a universe of 5,000 securities to 2,000–2,500 (excludes companies with unattractive fundamentals, are relatively illiquid or are domiciled in countries with obvious political risk or economic crises). Buy, hold or sell ratings are assigned using earnings models and forecasts. Approximately 400–450 stocks merit a 'buy' rating. Relative value analysis completes the portfolio construction process with the selection of approximately 90–110 stocks.		
<b>Minimum time horizon</b>	5 years		
<b>Asset allocation</b>	<b>Asset class</b>	<b>Benchmark (%)</b>	<b>Range (%)</b>
	Cash	0	0–5
	International equities	100	95–100

Underlying fund: MFS Global Equity Trust

	Perpetual International Shares		
<b>Investment objective</b>	The fund aims to achieve long-term returns through investment in international shares and other securities.		
<b>Investment strategy</b>	Perpetual adopts a fundamental bottom-up approach to stock selection focusing on quality companies (strong balance sheets, earnings visibility and competitive position) with attractive valuations within a global framework. The currency exposure of international assets is monitored and hedging strategies may be implemented with the aim of reducing the impact of adverse currency movements.		
<b>Minimum time horizon</b>	5 years		
<b>Asset allocation</b>	<b>Asset class</b>	<b>Benchmark (%)</b>	<b>Range (%)</b>
	Cash	0	0–10
	International shares	100	90–100

Underlying fund: Perpetual's Wholesale International Share Fund



## Platinum International

<b>Investment objective</b>	The fund aims to provide capital growth over the long term through searching out undervalued listed and unlisted investments around the world.		
<b>Investment strategy</b>	The fund primarily invests in securities listed on sharemarkets around the world. The portfolio ideally consists of 100-200 stocks that Platinum believes to be undervalued by the market. Where undervalued stocks cannot be found, funds may be invested in cash. Platinum may short sell securities that it considers overvalued. Typically, the fund's portfolio will have 50% or more net exposure to stocks. Currency is actively managed.		
<b>Minimum time horizon</b>	5 years		
<b>Asset allocation</b>	<b>Asset class</b>	<b>Benchmark (%)</b>	<b>Range (%)</b>
	International equities	n/a	0-100*

\* Derivatives may be used to increase the effective exposure of the fund to 150% of the fund's net asset value.

Underlying fund: Platinum International Fund



## Vanguard International Shares Index


<b>Investment objective</b>	The fund seeks to match the return (before fees, charges and taxes) of the MSCI World ex-Australia Index (with net dividends reinvested) in AUD.		
<b>Investment strategy</b>	To closely track the Index, the fund employs optimisation techniques which involve selecting a representative sample of shares in the Index. The fund holds most of the shares in the Index but allows individual share weightings to vary marginally from the Index from time to time. The fund may invest in shares that have been or are expected to be included in the Index.		
<b>Minimum time horizon</b>	5 years		
<b>Asset allocation</b>	<b>Asset class</b>	<b>Benchmark (%)</b>	<b>Range (%)</b>
	International shares	100	100

Underlying fund: Vanguard International Shares Index



## Vanguard International Shares Index (Hedged)


<b>Investment objective</b>	The fund aims to match the total return (before fees, charges and taxes) of the MSCI World ex-Australia Index (with net dividends reinvested), hedged to Australian dollars.		
<b>Investment strategy</b>	To closely track the Index, the fund employs optimisation techniques which involve selecting a representative sample of shares in the Index. The fund holds most of the shares in the Index but allows individual share weightings to vary marginally from the Index from time to time. The fund may invest in shares that have been or are expected to be included in the Index.		
<b>Minimum time horizon</b>	5 years		
<b>Asset allocation</b>	<b>Asset class</b>	<b>Benchmark (%)</b>	<b>Range (%)</b>
	International shares	100	100

 ZURICH	Zurich International Shares		
Investment objective	To provide to investors with long-term capital growth the benefits of global diversification. The fund aims to outperform (before taxes and OneAnswer ongoing fees) the MSCI World (ex-Australia) Accumulation Index in \$A (net dividends reinvested), over periods of five or more years.		
Investment strategy	The fund generally invests in a broad selection of securities listed on foreign stock exchanges.		
Minimum time horizon	5 years		
Asset allocation	Asset class	Benchmark (%)	Range (%)
	Cash	0	0–10
	International shares	100	90–100

Underlying fund: Zurich Investments International Share Fund

## Profile 5 – High growth

### Multi-sector

 ING	ING High Growth		
Investment objective	The fund aims to achieve returns (before fees, charges and taxes) that on average exceed inflation by at least 6.0% per annum, over periods of five years or more.		
Investment strategy	The fund invests predominantly in a diversified portfolio of Australian and international shares selected in accordance with INGIM's Australian shares and global share investment processes.		
Minimum time horizon	5 years		
Asset allocation	Asset class	Benchmark (%)	Range (%)
	Cash	0	0–5
	Australian shares	50	40–60
	International shares	50	40–60

# Other important information

## OptiMix Geared Australian Shares

OptiMix Geared Australian Shares invests primarily in Australian shares and gears to magnify returns.

### What is gearing?

Gearing is the process of borrowing money to purchase more assets. As a result, gearing magnifies returns or losses and increases the volatility and risk from investments relative to the returns of a comparable non-g geared investment. In other words, the fund has the potential for larger variations in returns as a result of its borrowings.

### Underlying investment

The fund invests into OptiMix Wholesale Geared Australian Share Trust (Wholesale Trust). The Wholesale Trust borrows and in turn invests into OptiMix Wholesale Australian Share Trust.

### Benefits

Benefits of geared investing through the fund include:

- magnified returns
- access to OptiMix Wholesale Australian Share Trust, which provides diversification across a range of specialist investment managers
- borrowing at favourable institutional interest rates compared to interest rates available to individuals
- potential for increased franking credits as a result of higher investment in Australian shares
- professionals managing the gearing level for you
- access to gearing for superannuation investors.

There are also benefits to investing in the fund when compared to margin lending. Gearing is similar to margin lending in its ability to increase exposure to shares, however it has the following benefits:

- You are not subject to margin calls.
- You do not provide additional security from other assets because lenders have no recourse to you beyond the assets of the fund.
- Interest costs are usually lower because the wholesale fund borrows at institutional interest rates.

## Managing the gearing level of the Wholesale Trust

The Wholesale Trust aims to magnify returns through gearing. We have appointed INGIM to manage and monitor the gearing levels of the Wholesale Trust. An important objective of INGIM is to manage gearing to the level supported by expected dividends and borrowing costs. That is, INGIM aims to set the gearing ratio from time to time so that income earned from the Wholesale Trust covers interest payments. As a result, the gearing ratio is primarily determined by the relationship between dividend yields and average borrowing rates. For example, when interest rates are high relative to dividend yields, then the gearing ratio may be relatively low, and vice versa.

The Wholesale Trust has a targeted gearing ratio of 50%. This means that for every \$1 invested, the Wholesale Trust borrows another \$1 to increase the investment to \$2.

The level of gearing will automatically move with market movements and daily revaluation of the underlying investments. Sudden falls in underlying market values will automatically increase the gearing level. Gearing levels will be monitored on a daily basis. However, movements in gearing levels will not necessarily result in re-balancing to the gearing benchmark. Important considerations in determining gearing levels will include the dividends and borrowing costs of the Wholesale Trust and gearing ranges.

The gearing of the Wholesale Trust will be implemented through leading funding providers (lenders) and will be based on commercial terms. Members of the ING Group will be considered as possible lenders. The lenders will receive interest payments and other fees appropriate for providing such facilities and these amounts will be paid by the Wholesale Trust.

Lenders have priority over investors for interest and principal repayments, in line with the loan facilities. To minimise the risk to investors, lenders do not have additional recourse to investors if the fund or the wholesale trust is unable to meet its obligations under the loan facilities.

### Risks

Gearing incurs additional investment risks as gearing magnifies returns or losses and as a result increases the volatility of returns and reduces the security of capital invested.

Geared investments may significantly underperform equivalent non-g geared investments when the underlying assets experience negative returns or 'bear' markets. In extreme market declines, all capital invested could be lost.

## Tax implications of gearing

By investing in the fund you may benefit from the tax advantages of franking credit distributions on dividend income derived from shares held in the underlying investment.

It is possible that deductible interest and other expenses may exceed income (including capital gains), resulting in a tax loss. If a loss arises, the fund is not able to distribute franking credits to investors. This risk is reduced at the Wholesale Trust level by the regular monitoring and management of the gearing levels. The Responsible Entity also has the ability to further reduce this risk to the fund and the Wholesale Trust by waiving some or all of its fees and issuing units in lieu.

## Fees

Instead of receiving a cash fee, we can receive units in the fund as consideration for managing the fund. This assists with the objective of maintaining positive net income for the fund each year after payment of interest and other expenses. Costs of borrowing are offset against income and therefore not included in the management fee.

**Gearing significantly increases the risk of investing. We strongly recommend that you consult your financial adviser before deciding to use this investment strategy.**

## Guarantees

ING Capital Stable offered through OneAnswer Personal Super offers a guarantee.

For units held for at least three years, the unit price used to calculate the withdrawal amount is guaranteed by us not to be less than the highest unit price on any day between the date units were issued and three years before the date of withdrawal. If units are held for less than three years, this guarantee will be 80% of the price at which the units were issued. If units withdrawn comprise of units issued both more and less than three years before the date of withdrawal, these units will be treated as comprising units from both the above categories pro rated.

Except to the extent that has been stated:

- an investment in OneAnswer is not guaranteed
- the value of your investment can rise and fall.

## What standards do we adhere to when investing?

The issuers of OneAnswer do not take into account labour standards, environmental, social or ethical considerations for the purpose of selecting, retaining or realising investments. Such factors are also not considered when selecting fund managers and the investment funds to be made available through OneAnswer.

With the exception of ING Sustainable Investments – Australian Shares, INGIM does not explicitly take into account labour standards, environmental, social or ethical considerations for the purpose of selecting, retaining or realising investments. However, where such issues may materially impact financially on a company in which INGIM holds an investment, INGIM may divest itself of that investment. For this reason, these factors are implicitly taken into account when making investment decisions.

OptiMix and the other managers of the investment funds offered through OneAnswer may have various policies regarding the extent to which they take into account these issues when investing.

## Standards INGIM uses when managing ING Sustainable Investments – Australian Shares

When managing this fund INGIM applies sustainability criteria. Sustainability criteria may cover issues relating to how a company performs in relation to:

- corporate governance;
- the environment;
- their staff; and
- the wider community.

INGIM enlists the services of an independent specialist sustainable adviser who reviews the practices of companies that meet INGIM's financial criteria.

INGIM may seek further review from time to time. If an investment no longer meets INGIM's basis for selection or continuation (as it exists from time to time) then that investment will generally be changed.

INGIM may exclude from the portfolio companies fundamentally engaged in activities that contravene generally accepted values and standards in relation to society and the environment.



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## Customer Services

**Phone** 133 665

**Fax** 02 9234 6668

**Email** [customer@ing.com.au](mailto:customer@ing.com.au)

### Postal address

Customer Services  
GPO Box 5306  
Sydney NSW 2001

**Website** [www.ing.com.au](http://www.ing.com.au)

## Adviser Services

For use by financial advisers only

**Phone** 1800 804 768

**Fax** 02 9234 6668

**Email** [adviser@ing.com.au](mailto:adviser@ing.com.au)



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