

Australians' love affair with superannuation cash alive and well

Balanced fund returns drive performance for ING DIRECT's Living Super

October 1 2013: Australians' love affair with cash as an asset class in superannuation is far from over despite falling interest rates and stronger equity markets.

At the end of its first year, ING DIRECT's Living Super has more than half a billion dollars under management with the majority of customers' money invested in the Balanced option comprising 50% cash and 50% shares.

ING DIRECT Executive Director of Customer John Arnott says Australians rediscovered the value of cash assets during the GFC and the lessons learnt have endured.

"Cash is a valuable and stabilising asset in any overall portfolio," Mr Arnott said. "Living Super's Balanced fund which has 50% cash has performed strongly against its peer group during its first year."

For the 12 months to 31 August 2013 the Living Super Balanced fund returned 13.3% whilst the median for other funds in the same category, as reported by SuperRatings, returned 11.3%.

The Balanced option charges no admin or management fees, a first for all Australians. It has around \$500m under management with 17,000 accounts opened in the 12 months to August 30th.

Data from the first year of ING DIRECT's Living Super reveals:

- 68% of all super holdings remains in cash (mixture of Term Deposits, at call & 50% Balanced option)
- 52% use the Balanced option (50% cash and 50% shares)
- Males hold 53% of accounts yet hold 60% of all cash under management
- Males hold 82% of share trading accounts
- Average client balance for males aged 60 – 65 years is \$130,636
- Average client balance for females aged 60 – 65 years is \$109,536

"Low cost super does not have to mean low performance super", Mr Arnott said.

"I recommend that anyone with a superannuation account takes the time to read their annual statement and check what they are paying in management and administration fees as these can eat into their overall balance."

Living Super also has access to a range of Australian and International managed funds, direct shares and exchange traded funds.

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About ING DIRECT

ING DIRECT pioneered branchless banking in Australia by offering the first online, high interest, fee free savings account. Our low cost operating model allows us to pass these savings on to the customer in the form of great value products and services. Today, ING DIRECT has more than 1.4 million customers with \$30 billion in deposits and \$38 billion in mortgages and a range of products including transaction accounts and superannuation. **Please note ING DIRECT is never abbreviated to ING.**

