

# Credit Suisse and Challenger funds – acquisition by Challenger Financial Services and appointment of new boutique managers changes the underlying fund names and entities

JUNE 2010

On 31 May 2010, Challenger Financial Services Group Limited (Challenger) acquired Credit Suisse Investments (Australia) Limited (Credit Suisse) and appointed Challenger and new boutique manager Bentham Asset Management to manage some of its funds. As a result Challenger has renamed the funds listed below to reflect the new investment managers. In addition, Challenger has established a new equity income boutique, Merlon Capital Partners, which will manage the Challenger Australian Share Income Fund. The fund has been renamed to reflect the new investment manager.

## What does this mean for products which offer Challenger or Credit Suisse funds?

One or more of the impacted funds is available on the investment menus (through the relevant corresponding ING Australia funds) of the following products:

- ANZ OneAnswer (Investment Portfolio, Personal Super, Pension and Term Allocated Pension)
- ANZ Super Advantage
- Corporate Super
- Integra Super

The underlying funds into which the corresponding investment funds invest have changed their names as per the below table:

Previous underlying fund name	New underlying fund name
Credit Suisse Asset Management Select Investment Property	Challenger Professional Property
Credit Suisse Asset Management Select Investment Syndicated Loan	Bentham Professional Syndicated Loan
Challenger Wholesale Australian Share Income	Merlon Wholesale Australian Share Income

The names of the corresponding ING Australia investment funds on the investment menus of our products will be changed in the future to align them with the new names of the underlying funds. This is expected to take place in the second half of 2010 as we update the information in our Product Disclosure Statements (PDS). Until this change is made our PDSs, website, client statements etc. will continue to include the previous names of the funds.

## About Bentham Asset Management

Bentham is a boutique investment manager based in Sydney specialising in global credit investment. The company was founded by Richard Quin, Nik Persic and Mark Fabry. Prior to establishing Bentham, the founders worked together as part of the Credit Suisse investments team in Australia where Richard held the role of Portfolio Manager for three credit related funds.

Bentham's investment philosophy is based on a strong credit culture and a systematic investment process with a focus on preservation of principal and protection against downside risk.

## About Merlon Capital Partners

Merlon Capital Partners is a boutique fund manager based in Sydney, Australia, specialising in equity income strategies. Merlon Capital Partners commenced operation in May 2010, with the ambition of providing high quality, tailored investment management services to investors. The business is controlled by the principals of Merlon Capital Partners, while strategic partner Challenger Financial Services Group (Challenger Group) holds a minority voting shareholding. Challenger Group provides key business and operational services, with this structure allowing the Merlon investment team to focus on the management of client investments. Prior to establishing Merlon Capital Partners, the majority of the principals worked together at Challenger Group for 5 years managing over \$650 million in funds.

## What has changed?

In addition to the change to the name of the underlying fund, there are some changes to the investment profile of the underlying funds.

	Credit Suisse Syndicated Loan	Bentham Syndicated Loan																		
<b>Investment Objective</b>	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 Ongoing Fees) above the UBS Bank Bill Index over the suggested time horizon.	The fund aims 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 Ongoing Fees) above the Credit Suisse Leverage Loans Index (hedged into AUD) over the suggested time horizon.																		
<b>Investment Strategy</b>	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.	To invest primarily in the senior secured syndicated loan market and to seek to add value through loan selection and industry rotation, while maintaining a highly diversified portfolio. The fund also has the ability to invest in second lien loans and high yield bonds and collateralised loan obligations. The fund aims to fully hedge any foreign currency exposure back to the Australian dollar. The fund will also generally include an exposure to cash at bank.																		
<b>Minimum Time Horizon</b>	3 years	3 years																		
<b>Distribution Frequency</b>	Monthly (ANZ OneAnswer Investment Portfolio)	Monthly (ANZ OneAnswer Investment Portfolio)																		
<b>Asset Allocation</b>	<table border="0"> <tr> <td>Syndicated Loans</td> <td>60-100%</td> </tr> <tr> <td>High Yield Bonds</td> <td>0 -15%</td> </tr> <tr> <td>Non-rated Debt Securities</td> <td>0-10%</td> </tr> <tr> <td>Collateralised Debt Obligations</td> <td>0 -5%</td> </tr> <tr> <td>Cash at bank</td> <td>0-20%</td> </tr> </table>	Syndicated Loans	60-100%	High Yield Bonds	0 -15%	Non-rated Debt Securities	0-10%	Collateralised Debt Obligations	0 -5%	Cash at bank	0-20%	<table border="0"> <tr> <td>Syndicated Loans</td> <td>60-100%</td> </tr> <tr> <td>High Yield Bonds</td> <td>0 -15%</td> </tr> <tr> <td>Non-rated Debt Securities</td> <td>0-10%</td> </tr> <tr> <td>Collateralised Debt Obligations</td> <td>0 -10%</td> </tr> </table>	Syndicated Loans	60-100%	High Yield Bonds	0 -15%	Non-rated Debt Securities	0-10%	Collateralised Debt Obligations	0 -10%
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<b>Underlying Fund</b>	Credit Suisse Asset Management Select Investment Syndicated Loan Fund	Bentham Professional Syndicated Loan Fund																		

	Credit Suisse Property	Challenger Property										
<b>Investment Objective</b>	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 Ongoing Fees) the S&P/ASX 200 Property Trusts Accumulation Index over the suggested time horizon.	The fund aims to provide exposure primarily to listed property trusts for some tax-effective* income and capital growth potential over the long-term. The fund aims to outperform (before taxes and Ongoing Fees) the S&P/ASX 200 A-REIT Accumulation Index over the suggested time horizon.										
<b>Investment Strategy</b>	The fund focuses on Australian 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.	Challenger believes to add value to investment portfolios, a combination of top-down macroeconomic and bottom-up company specific research and analysis is required. Challenger's investment approach identifies the major trends in the economy, and looks at how these trends will influence financial and property markets. By analysing both global and domestic economic prospects, Challenger aims to position investment portfolios to take advantage of future economic developments.										
<b>Minimum Time Horizon</b>	5 years	5 years										
<b>Distribution Frequency</b>	Quarterly (ANZ OneAnswer Investment Portfolio)	Quarterly (ANZ OneAnswer Investment Portfolio)										
<b>Asset Allocation</b>	<table border="0"> <tr> <td>Property Securities</td> <td>100</td> <td>90-100%</td> </tr> <tr> <td>Cash &amp; other</td> <td>0</td> <td>0-10%</td> </tr> </table>	Property Securities	100	90-100%	Cash & other	0	0-10%	<table border="0"> <tr> <td>Property Securities</td> <td>80-100%</td> </tr> <tr> <td>Cash</td> <td>0-20%</td> </tr> </table>	Property Securities	80-100%	Cash	0-20%
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<b>Underlying Fund</b>	Credit Suisse Asset Management Select Investment Property Fund	Challenger Professional Property Fund										

\* Tax-effective income refers to the amount of tax deferred income the fund has distributed over the last 10 years.

**Please note** for the **Merlon Australian Share Income** fund, the investment objective and strategy, asset allocation, benchmark, range and minimum time horizon of has not changed.

## Further information

If you have any questions or require further information, please:

- speak with your financial adviser
- call Customer Services on 13 38 63, weekdays between 8am and 8pm (Sydney time)
- email us at [customer@ing.com.au](mailto:customer@ing.com.au)

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