

NEWS RELEASE

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ING Funds Management announces changes to its Mortgage and Income Plus funds

ING Funds Management (ING) today announced that it had suspended all applications and redemptions from its Mortgage and Income Plus funds ("Funds"), effective immediately. The Income Plus funds invest substantially in mortgages.

The Federal Government's recent decision to provide an unlimited guarantee on bank deposits has created uncertainty in the market resulting in unprecedented levels of redemption requests in the mortgage fund sector, causing a number of fund managers to suspend redemptions.

Importantly, the Funds will continue to pay distributions and the change does not affect the capital position of investors in the Funds. It is ING's intention to allow quarterly redemptions to investors based on the level of funds available as securities mature within the portfolio.

ING has taken this action to protect the best interests of all investors in the Funds.

Ross Bowden, Director of ING Funds Management said: "This suspension announcement has nothing to do with the strength and quality of the Funds. Rather, this is a decision based on protecting the interests of our investors as a result of the large increase in redemptions we have received due to the uncertainty created by the Federal Government's bank deposit guarantee."

"These Funds are long established and well managed with a strong history of consistently delivering good returns to investors. The underlying assets are high quality, well performing mortgages. The Funds will continue to be expertly managed by a team of highly experienced mortgage and investment professionals."

ING's mortgage fund portfolio has approximately \$1.8 billion in funds under management, is well managed and holds a conservative portfolio of mortgage assets with an average loan to value ratio (LVR) of 55 percent.

Ends

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