Global High Dividend

30 June 2010 For Institutional Investors Only

ING INVESTMENT MANAGEMENT

Strategy Brief

Investment Objective

The global high dividend strategy aims to outperform (gross of fees and expenses) the MSCI World Index ($A,unhedged) over rolling 3 year periods; maintain an average portfolio dividend yield which exceeds that of the MSCI World Index by 1%; and achieve lower volatility of returns than the Index.

Key Benefits

- Provides capital growth opportunities by investing in companies which generate strong earnings and exhibit disciplined capital management.
- Access to a portfolio with defensive qualities and lower downside risk, with a high level of dividends which act to stabilise returns, particularly in declining markets.
- A unique approach to global equity management with diversification benefits as a result of a low correlation to mainstream global equity managers.

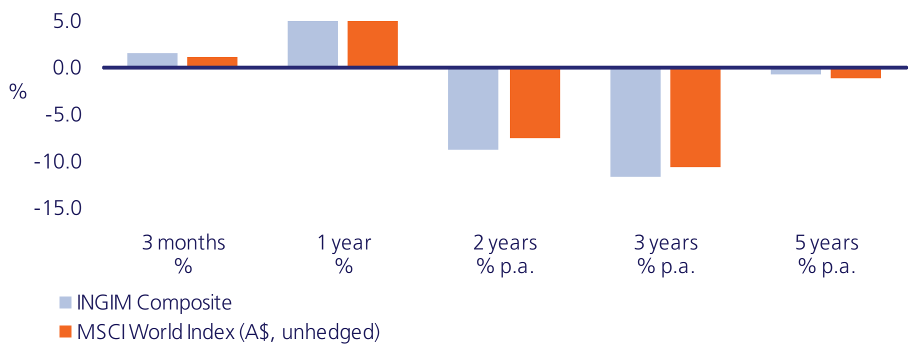
Portfolio Characteristics

Inception	June 2000
Assets under management ($b)*	4.7
Number of securities	107
Market capitalisation bias	Mid-large cap
Benchmark	MSCI World Index (A$, unhedged)
Alpha (3 year, %)	–1.04
Beta (3 year)	0.95
Tracking Error (3 year, %)	4.36
Information ratio (3 year)	–0.11

* This amount includes overseas monies of similar global strategies managed by INGIM's Global High Dividend team.

Performance as at 30 June 2010

	3 months %	1 year %	2 years % p.a.	3 years % p.a.	5 years % p.a.
INGIM Composite	1.45	10.77	-8.82	-11.64	-0.80
MSCI World Index (A$, unhedged)	1.16	10.08	-7.68	-10.62	-1.15
Value-add	0.29	0.69	-1.14	-1.02	0.35



INGIM Composite returns calculated before fees, charges and taxes calculated in Australian dollar terms.
Source: INGIM, UBS (via RIMES)

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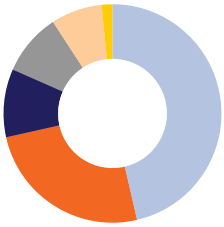
Regional Allocation



North America	46.4%
Pan Europe	25.1%
Japan	10.1%
United Kingdom	9.2%
Developed Asia Pacific (ex Japan)	7.6%
Emerging Markets	1.6%

Sector Allocation

Financials	20.6%	Industrials	8.6%
Health Care	12.2%	Information Technology	8.5%
Consumer Staples	11.6%	Consumer Discretionary	7.0%
Energy	10.8%	Telecomm. Services	6.9%
Utilities	9.6%	Materials	4.2%

Market Commentary

Deteriorating sentiment has weighed heavily on the recent performance of the global sharemarkets, with the MSCI World (ex Australia) Index declining by 11.0% in local currency terms over the June quarter.

However, in Australian dollar terms, the Index recorded a more modest fall of 4.6%. The return for Australian investors was cushioned by weakness in the Australian dollar, which declined against most of its major overseas counterparts. The currency lost significant ground against the Japanese Yen (-11.8%), and also depreciated against the US Dollar (-8.0%) and Sterling (-6.7%). However, it did gain ground against the Euro (+1.7%), which was dragged lower by concerns related to the debt servicing ability of Greece and a number of other heavily indebted European nations.

Outlook

In our view, the global economic recovery remains on track and continues to broaden. We nevertheless acknowledge the evident divergence between the respective growth paths that currently characterise the developed and the developing world. Within this environment, we anticipate that central bankers will be inclined to retain an accommodative monetary policy stance until at least the end of this year.

On the basis of results to date from the latest profit reporting season, the corporate sector provides cause for optimism. A notable highlight of a number of the results has been evidence of renewed growth at both the revenue and net profit levels.

From a valuation perspective, we contend that equities are presently attractively valued, both on an absolute basis and relative to other asset classes. Importantly, against the backdrop of the rebound in earnings, the recent weakness in share markets has resulted in price-to-earnings multiples contracting and providing a further boost to valuations.

Renewed merger and acquisition activity also has the potential to drive stock prices higher over the remainder of the year. Companies that have taken the opportunity to rebuild their cash reserves and lower their debt levels may take advantage of opportunities to acquire more attractively valued rivals. Meanwhile, the resurgence in cash generation is conducive to strong rates of dividend growth, which is a point of focus for the portfolio.

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