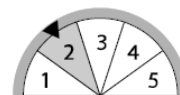


ING PESO BOND FUND

This **KEY FEATURES DOCUMENT (KFD)** is designed to highlight what HSBC considers the key points you should know before you invest. It does not constitute an offer to sell or distribute securities and is made available for information purposes only. HSBC does not warrant the accuracy of the information contained herein and the reader must verify the information directly from the Fund Manager itself. Please refer to the **DISCLAIMER** on page 3 of this document. This should be read along with the **Fund Explanatory Memorandum and Plan Rules**.

PRODUCT DETAILS

Low to Medium Risk *



- A fund is a pooled investment vehicle which :
 - gives investors access to the financial markets
 - pools your money with other investors
 - is managed by an Investment Manager who maintains the fund's portfolio and makes decision about what assets to buy and when to sell them
- A bond fund is invested in fixed income investments or bonds. These bonds, which are issued by governments and corporations, pay fixed coupons. Since the interest returns of these instruments are predetermined, they are less risky than stocks. However, the returns on the fund itself are not predetermined or fixed.
- The objective of the ING Peso Bond Fund (Fund) is to achieve preservation of capital and generate income growth over a period of time by investing in diversified portfolio of Philippine Peso denominated bonds.
- The Fund aims to perform better than the HSBC Local Currency Bond Philippines Liquid Index, gross of fees, and to provide investors with an alternative to Philippine Peso time deposits.

Fund Manager	ING Investment Management Philippines
Fund Structure	Unit Investment Trust Fund (UITF)
Base Currency	Philippine Peso (PHP)
Launch Date	05 May 2003
Valuation Methodology	Marked-to-Market
Minimum Holding Period *	5 banking days <i>* Subject to an Early Redemption Penalty of 1% of the redemption amount</i>
Minimum Investor Type	Cautious

- The Fund is valued using the marked-to-market (MTM) method, based on the fair market value of the underlying assets. As such, investors trade units of participation at their true current worth in the market and can therefore enjoy the full earnings potential of the asset class.
- The Net Asset Value per Unit (NAVPU) of the Fund is net of taxes and management fees.

BENEFITS of INVESTING in a FUND :

- **Professional Management.** The Fund is administered by a team of fund managers, who make the day-to-day investment decisions.
- **Instant Diversification.** The Fund is invested in a portfolio of securities.
- **Liquidity.** Units of participations can be bought and sold at any time, subject to the minimum holding period.
- **Affordable Investment Size.** Low minimum and incremental investment amount.

RISKS INVOLVED in INVESTING in the FUND :

- **There is no guaranteed minimum return.** Past performance should not be taken as an indication of future results.
- **The Fund and participations in the Fund are not capital-protected.** Since this is a trust product, any loss incurred or income derived therefrom is for the account of the investor. Participations in the Fund are not obligations of HSBC and/or ING Bank NV, and are not insured by the Philippine Deposit Insurance Corporation (PDIC).
- **The Fund has no fixed maturity date but is subject to a minimum holding period.** Should the investor redeem before the minimum holding period elapses, he / she will be charged a penalty of 1% of the redemption amount. Redemptions, especially those made within a short time horizon, may result in loss of capital.
- **Investment in the Fund does not constitute a deposit.** It will entail a Trust relationship governed by a Trust Agreement between the bank and the client.
- If the Fund you are investing in has a higher proportion of long-term securities, during times of volatility, it will be subject to larger price movements.
- **Management Risk.** The Fund is subject to management risk because they are actively managed investment portfolios. The investment manager will apply investment techniques and risk analysis in making portfolio decisions, however, there are no guarantees that these will produce the intended results.
- **Interest Rate Risk.** Changes in market interest rates will affect the value of the underlying assets and the Fund NAVPU either positively or negatively. In general, there is an inverse relationship between interest rates and bond prices. If interest rate goes up, current outstanding bonds in the market become less attractive, causing their prices to go down and vice versa. The NAVPU is based on bond prices in the Fund. Thus if bond prices drop, the NAVPU will go down as well.
- **Market Risk.** Many other factors can affect the value of the Fund assets, including socio-economic, political and investment conditions, which can cause the NAVPU to fluctuate particularly in the short-term.
- **Inflation Risk.** The rate of inflation may be higher than the rate of return on your investment.
- **Liquidity Risk.** There is financial risk involved should the Fund be unable to sell or convert assets into cash quickly or in instances where conversion to cash is possible but at a loss.
- **Credit Risk.** Issuers of underlying securities may default. If this happens, the price of the security will decline thus affecting the NAVPU of the Fund.

INVESTOR COMMITMENT

The Fund aims to provide moderate capital and income growth over a period of time. It is suitable for investors who:

- have an investment time horizon of around two (2) to three (3) years;
- want a reduced risk profile;
- understand the risks outlined above and are willing and able to take on these risks; are comfortable with short-term fluctuations in the value of their units of participations which, upon redemption, may be worth more or worth less than the original amount invested.

OTHERS

- Financial reports are provided by HSBC Manila Trust Department on a quarterly basis.
- The NAVPU may be viewed in www.ingim.com.ph. Investors are advised that such prices are for information only. HSBC does not accept responsibility for any error in the uploading of prices in their website.

*** Product Risk Level : Low to Medium**

- The price volatility of the product is low to medium, and some market monitoring is required to control relevant risks of the product.
- This product may be suitable for investors who are happy to accept low to medium level of investment risk.

Issued by The Hongkong and Shanghai Banking Corporation Limited

ABOUT THE FUND MANAGER

ING Investment Management (ING IM) Philippines is the Trust Department of ING Bank NV (Manila Branch). It belongs to the ING Group, a global financial services company with over 150 years of experience, providing a wide array of banking, insurance and asset management services in over 50 countries.

ING IM has over EUR380bn in Assets Under Management worldwide (as at 30Sep07). ING IM in the Philippines holds the distinction as pioneer and manager of the first series of UITFs in the local trust fund industry

ING IM Philippines' office is located at 21st Floor, Tower One, Ayala Triangle, Ayala Avenue, Makati City with telephone number (632) 479 88792 to 93.

Disclaimer:

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ING PESO BOND FUND
A Unit Investment Trust Fund of ING Bank N.V.
Philippine Branch (Trust Department)

Bloomberg Code: INGPFIN Index
Fund Fact Sheet, April 2010
visit us at www.ingim.com.ph

FIGURES AS OF 4/30/2010

Cumulative Performance (%)

	YTD	1 month	1YR	3YRS	5YRS	Since Inception
Peso Bond Fund	2.16	-0.05	5.12	14.80	50.72	74.29
Benchmark - HLBI	1.89	-0.02	5.43	16.80	58.12	88.10

Past performance not indicative of future performance. Benchmark adjusted for CTF reserve requirement of the BSP prior to the conversion to UITF in December of 2004. Effective January 1, 2007, the fund's benchmark was changed from the HSBC Local Bond Index to HSBC Philippine Liquid Bond Index

Annualized Performance (%)

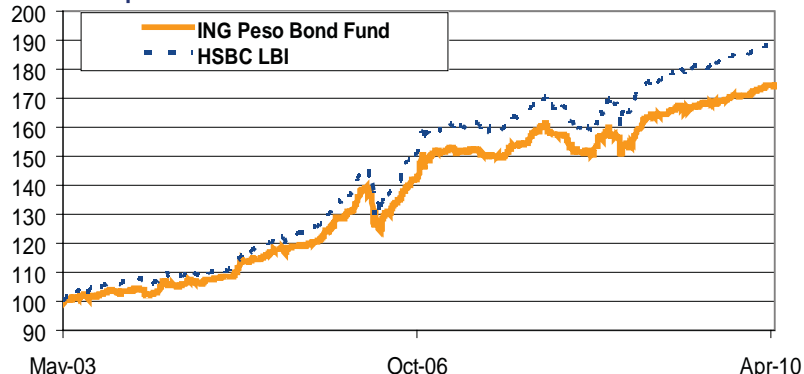
	1YR	2YRS	3YRS	4YRS	5YRS	Since Inception
ING Peso Bond Fund	5.12	6.54	4.71	5.83	8.55	8.27
Benchmark- HLBI	5.43	7.84	5.31	6.64	9.60	9.46

Calendar Year Performance (%)

	2003*	2004	2005	2006	2007	2008	2009
ING Peso Bond Fund	3.50	4.82	16.11	20.37	4.79	0.28	7.09
Benchmark- HLBI	6.81	3.75	18.63	21.59	5.19	2.73	6.88

*The Fund was launched on May 5, 2003. Returns are from May 5, 2003 to December 30, 2003.

NAVPU Graph



Manager's Report

Market Review

The HSBC Local Currency Philippines Liquid Index dropped by 0.02% in the month, for a year to date return of 1.89%.

Local bond yields were generally higher in the month, with the 3-yr posting the biggest underperformance, with yields gaining 20bps to end at 5.2783%. The 4- and 7- yr followed, with yields increasing by 16bps and 15bps to 5.9302% and 7.1467%, respectively.

The first quarter budget deficit announcement caused the back-up in yields as the outcome of P134-billion was higher than P100-billion expected. While the government collection was on target, infrastructure spending led expenditures to bloat by about P20-billion, raising the issue of whether or not the government will be able to meet its year-end target of P293-billion.

With the presidential polls imminent, investors also played defensive by reducing their position.

In the meantime, investors ignored the upgrade of economic forecasts by the BSP: 8% higher for overseas remittances, 12% better in exports, 18% rise in imports and \$48-billion in foreign exchange reserves. On the financing side, the government raised \$346mn from the sale of 3-year and 5-year Retail Treasury Bonds denominated in dollar and euros, leading the Bureau of Treasury canceled a scheduled auction in the month for 5-year bonds worth P8.5bn.

Fund Performance

The Fund dropped by 0.05% during the month, lagging the benchmark by 3 bps in the month but outperforming by 27 bps year-to-date. The Fund underperformed mainly due to its overweight position in the belly of the curve, where yields came up by as much as by about 15 bps. The Fund ended with duration of 3.31, higher than the 3.14 previously and almost flat to the benchmark which ended at 3.36.

Fund Strategy

We look to increase the duration of the Fund as we take the view that the election will be credible and the new president will make fiscal balance an administration priority. We also see inflation remaining manageable.

Investment Objective

The Fund aims to achieve preservation of capital and income growth in Philippine Peso terms over a period of time by investing in a diversified portfolio of Philippine Peso denominated fixed income instruments. The benchmark of the Fund is the HSBC Philippines Liquid Bond Index, which it aims to outperform gross of fees.

Top 10 Holdings

Name	Yield (%)*	Maturity	% of Fund
Philippines FXTN 7-48 2016 7%	5.63	1/27/2016	38.26%
Philippines FXTN 5-67 2014 6.25%	4.86	1/27/2014	23.06%
SMIC 2012 7.51%	7.51	8/6/2012	8.82%
First Gen Corp. 2010 11.55%	6.88	7/30/2010	6.00%
Allied Bank 2013 7.125%	5.70	3/6/2013	4.28%
Philippines FXTN 7-43 2013 8.75%	4.24	3/3/2013	3.32%
BDO 2012 7%	5.60	11/21/2012	3.21%
RCBC 2013 7%	5.60	2/22/2013	3.13%
Napocor 2016 7.35%	8.25	12/19/2016	2.77%
Metrobank 2012 7%	5.60	10/19/2012	2.28%

*Net of Tax

Allocation

Portfolio Composition: Govt 69%, Corps 30%, Cash 1%

Maturity Profile

Cash and less than 1 year	9.2%
Between 1 and 3 years	26.2%
Between 3 and 5 years	23.0%
Between 5 and 7 years	41.4%
Between 7 and 10 years	0.0%
More than 10 years	0.2%

Key Figures and Statistics

Net Asset Value per Unit (NAVPU) ¹	PHP	174.2919
Total Fund NAV (Mln)	PHP	1,208.65
Duration (Interest Rate Risk)	Years	3.31
Portfolio Weighted Yield to Maturity (YTM)	%, net ²	4.69
Current Number of Holdings		17

Statistics – Past 5 Years

	Fund	Benchmark
Annualized Return (net)	8.55%	9.60%
Annualized Volatility	5.86%	5.96%

General Information

Launch Date	5-May-03
Fund Structure	Unit Investment Trust Fund (converted to UITF in December 2004)
Fund Currency	Philippine Peso
Domicile	Manila, Philippines
Valuation Method	Marked-to-Market
Fund Classification	Medium-Term Bond Fund
Management/Trust Fee	1.00 % p.a.
Minimum Holding Period	5 banking days
Redemption Notice Period	2 banking days
Trustee	ING Bank NV (Trust Dept.)
3 rd Party Custodian	HSBC, Ltd. (Philippines)

A copy of the Fund's Plan Rules will be provided to the investor upon request.

1. Effective 10/24/05, is net of 3rd party custody fees, as allowed by the regulator. This amounts to 0.02% p.a. based on the face amount of the fixed income securities held by the Fund at month-end.

2. Net of management fees and taxes