

ING Funds Update

July 29, 2010

Board of Investments approves incentives amounting to P500 mio

Commentary

News Briefs

The Board of Investments (BOI) has approved tax breaks and non-fiscal incentives for three new projects amounting to PHP500 mio. These include StateMotor's investment in commercial vehicle assembly and parts manufacturing, Well-Delect Network Corp.'s production of frozen tuna slices in South Cotabato and Kenrich Development Corp.'s housing project in Cebu.

Major insurance providers have expressed their optimism on the industry's growth prospects as strong economic conditions and lower tax rates for insurance payments would strengthen the country's insurance penetration. These positive developments are seen to improve penetration up to 20 percent from the current four to five percent levels.

US Treasuries

Treasuries rose as investors sought safe-haven after the Fed's Beige Book release. The yield on the 10-year Treasury note fell 6 bps to 2.99 percent.

Philippine Peso Denominated Bonds

The local fixed income market again traded within a range. Total volume was moderate at PHP25.194 bio. The yield on the 5-year note lost 2.1 bps to 6.0605 percent.

Philippine Dollar Denominated Bonds

Prices of ROPs closed flat as the impact of late-day profit-taking offset the initial rise from earlier buying. ROP 2020 and ROP 2034 remained at 115.75 and 110.25 respectively.

Philippine Equities

The local bourse, in its third day on a new trading system, edged up after stock's resilient performance on Wall Street and San Miguel Corporation's announcement of a share sale and dividend payout. The PSEi gained 15.32 points or 0.45 percent to 3,451.91.

Asia Pacific Equities

Most Asian equity markets inched up Wednesday as optimism from strong corporate earnings in the region and elsewhere outweighed fading US consumer confidence. The MSCI AC Asia Pacific ex-Japan TR index gained 0.04 percent to 298.65.

Insurance providers confident of the industry's prospective penetration

Fund Returns - July 28, 2010

Peso Bond Funds

	YTD	1 YR	3 YRS	5 YRS
ING Peso Cash Management Fund	1.89%	3.05%	12.61%	29.34%
HSBC Money Market Index ¹	2.08%	3.38%	13.24%	24.44%
<i>S spread on Benchmark</i>	-0.19%	-0.32%	-0.62%	4.90%

ING Peso Income Fund	3.19%	5.06%		
HP 15TR	3.43%	5.17%		
<i>S spread on Benchmark</i>	-0.25%	-0.11%		

ING Peso Bond Fund*	4.98%	7.18%	19.55%	50.89%
HSBC Liquid Bond Index ²	4.71%	6.89%	21.30%	57.64%
<i>S spread on Benchmark</i>	0.27%	0.30%	-1.75%	-6.75%

Dollar Bond Funds

	YTD	1 YR	3 YRS	5 YRS
ING Philippine Dollar Bond Fund*	10.63%	20.10%	30.90%	59.74%
J P Morgan Asia Credit Index ³	11.38%	21.10%	40.01%	82.21%
<i>S spread on Benchmark</i>	-0.75%	-1.00%	-9.11%	-22.48%

ING US Dollar Income Fund	3.24%	7.11%	9.55%	17.74%
J P Morgan EMBIG Div (1-5 Yrs)*	4.52%	10.11%	26.74%	38.80%
<i>S spread on Benchmark</i>	-1.28%	-3.00%	-17.19%	-21.06%

Diversified Funds

	YTD	1 YR	3 YRS	5 YRS
ING Diversified Capital Fund	6.74%	13.36%		
70% HLBi#, 30% PSEi	7.33%	12.29%		
<i>S spread on Benchmark</i>	-0.59%	1.07%		

ING Diversified Balanced Fund	8.10%	17.18%	-1.69%	
50% HLBi#, 50% PSEi	9.03%	15.87%	11.81%	
<i>S spread on Benchmark</i>	-0.93%	1.31%	-13.49%	

Equity Funds

	YTD	1 YR	3 YRS	5 YRS
ING Philippine Equity Fund*	10.69%	24.76%	-13.08%	73.11%
PSEi	13.08%	24.67%	-1.90%	72.61%
<i>S spread on Benchmark</i>	-2.38%	0.09%	-11.19%	0.50%

ING Philippine High Conviction Fund	17.65%	35.96%		
PSEi	13.08%	24.67%		
<i>S spread on Benchmark</i>	4.57%	11.29%		

ING Asia Pacific High Dividend Equity Fund	0.05%	14.64%		
MSCI AC Asia Pacific ex Japan TR Index	1.00%	16.68%		
<i>S spread on Benchmark</i>	-0.95%	-2.04%		

¹ Prior to February 1, 2006, the Fund was benchmarked against the 91-Day T-bill rate

+ Benchmarks of Peso Bond Fund, Dollar Bond Fund, and Philippine Equity Fund adjusted for BSP's CTF reserve requirements from inception until conversion to UITF in December 2004.

² Prior to January 1, 2007, the fund was benchmarked against the HSBC Philippines Local Bond Index.

³ Gross of withholding taxes otherwise applicable to the Fund. As affirmed by the provider, data may contain pricing errors.

* Prior to June 1, 2006, the Fund was benchmarked against the 90-Day BSP STD Rates

Prior to January 1, 2007, the fixed income portion of the fund was benchmarked against the HSBC Philippines Local Bond Index.

Sources: ING, BusinessWorld, PDI, Phil Star, Reuters, Briefing, Bloomberg, CNN, Dow Jones

www.ingim.com.ph

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ING Funds Update

ING Funds – NAVPU (Net Asset Value per Unit) Summary

Peso Bond Funds

	Peso Cash Mgt Fund	Peso Income Fund	Peso Bond Fund
28-Jul-10	13.154411	104.919637	179.104024
27-Jul-10	13.156638	104.892649	178.957085
26-Jul-10	13.152359	104.682140	178.792246
23-Jul-10	13.149563	104.988950	178.907134
22-Jul-10	13.151502	104.981366	178.690787
21-Jul-10	13.150034	104.784970	178.202605
7-Apr-10	13.034255	103.254164	174.413880
26-Feb-10	12.972771	104.833065	172.618442
29-Jan-10	12.943251	104.333171	171.218369
29-Dec-09	12.910144	104.054931	170.613598
27-Nov-09	12.896497	103.799316	170.637888
30-Oct-09	12.868336	102.988859	169.138686
<i>DoD % Chg</i>	<i>-0.02%</i>	<i>0.03%</i>	<i>0.08%</i>
<i>WoW % Chg</i>	<i>0.03%</i>	<i>0.13%</i>	<i>0.51%</i>
<i>MoM % Chg</i>	<i>0.92%</i>	<i>1.61%</i>	<i>2.69%</i>

Dollar Denominated Bond Funds

	Dollar Income Fund	Dollar Bond Fund
28-Jul-10	10.001334	19.324925
27-Jul-10	9.998443	19.308782
26-Jul-10	9.988724	19.187475
23-Jul-10	9.996516	19.237982
22-Jul-10	9.984099	19.056284
21-Jul-10	9.971283	18.981759
7-Apr-10	10.383481	17.908220
26-Feb-10	10.294768	17.373933
29-Jan-10	10.248855	17.285638
29-Dec-09	10.207749	17.468757
27-Nov-09	10.119793	17.147420
30-Oct-09	10.042667	17.168093
<i>DoD % Chg</i>	<i>0.03%</i>	<i>0.08%</i>
<i>WoW % Chg</i>	<i>0.30%</i>	<i>1.81%</i>
<i>MoM % Chg</i>	<i>-3.68%</i>	<i>7.91%</i>

Equity Funds

	Philippine Equity Fund	High Conviction Fund	Asia Pacific High Dividend Equity Fund
28-Jul-10	290.902944	108.672973	8.893297
27-Jul-10	291.144810	109.157902	8.883048
26-Jul-10	290.412382	109.032530	8.825787
23-Jul-10	291.125452	109.460144	8.796668
22-Jul-10	288.227496	107.944116	8.633032
21-Jul-10	288.313202	107.645565	8.674093
7-Apr-10	273.049436	98.353912	9.437986
26-Feb-10	252.378457	88.175672	8.538284
29-Jan-10	252.402807	87.562470	8.500974
29-Dec-09	262.799427	92.370310	8.888440
27-Nov-09	264.048150	92.800589	8.578304
30-Oct-09	253.618417	88.017806	8.520351
<i>DoD % Chg</i>	<i>-0.08%</i>	<i>-0.44%</i>	<i>0.12%</i>
<i>WoW % Chg</i>	<i>0.90%</i>	<i>0.95%</i>	<i>2.53%</i>
<i>MoM % Chg</i>	<i>6.54%</i>	<i>10.49%</i>	<i>-5.77%</i>

Diversified Funds

	Diversified Capital Fund	Diversified Balanced Fund
28-Jul-10	111.876490	126.561385
27-Jul-10	111.843068	126.577631
26-Jul-10	111.684949	126.344363
23-Jul-10	111.890917	126.573038
22-Jul-10	111.375054	125.750001
21-Jul-10	111.227547	125.643585
7-Apr-10	107.756881	120.813954
26-Feb-10	103.861129	114.795120
29-Jan-10	103.324546	114.419881
29-Dec-09	104.810920	117.076117
27-Nov-09	104.949612	117.300078
30-Oct-09	102.838163	114.175572
<i>DoD % Chg</i>	<i>0.03%</i>	<i>-0.01%</i>
<i>WoW % Chg</i>	<i>0.58%</i>	<i>0.73%</i>
<i>MoM % Chg</i>	<i>3.82%</i>	<i>4.76%</i>