



## ING MPF Master Trust Comprehensive Scheme

### Fifth Addendum To Explanatory Memorandum

This Fifth Addendum should be read in conjunction with and forms an integral part of the ING MPF Master Trust Comprehensive Scheme Explanatory Memorandum dated 6 January 2006, as amended by the Addendum to the Explanatory Memorandum dated 31 March 2008 (the "First Addendum"), the Second Addendum to the Explanatory Memorandum dated 25 September 2009 (the "Second Addendum"), the Third Addendum to the Explanatory Memorandum dated 1 March 2010 (the "Third Addendum") and the Fourth Addendum to the Explanatory Memorandum dated 28 December 2010 (the "Fourth Addendum") (together, the "Explanatory Memorandum") and should not be distributed separately.

With effect from 30 December 2011, the following amendments are made to the Explanatory Memorandum.

#### 1. Changes to Part II "INTRODUCTION"

Paragraph 24 is deleted and replaced with the following:

"The Capital Guaranteed Policy is expected to achieve a return in excess of the guaranteed benefits. However, ING Life (on the advice of its appointed actuary) may make adjustments to the value of the Capital Guaranteed Policy to smooth market fluctuations to enable ING Life to give the guarantee. These adjustments will be reflected in the net asset value and unit price of the Capital Guaranteed Policy. **ING Life has the right to reserve part of the Capital Guaranteed Policy for the purpose of smoothing market fluctuations to enable ING Life to give the guarantee.**" The amount to be reserved is determined by the Guarantor having regard to various factors including market conditions, economic environment, the return, market value and nature of the assets of the underlying approved pooled investment funds."

#### 2. Changes to Part III "STATEMENT OF INVESTMENT POLICY & OBJECTIVES"

Paragraph 2A is deleted and replaced with the following:

"The Constituent Funds are classified into three categories in terms of risk level, namely low, medium or high risk. The risk level is an illustration of the amount of risks associated with the relevant Constituent Fund by reference to the type of investments made by the underlying Approved Pooled Investment Fund. The risk level is for reference only and not an indication of the past or future performance of the Constituent Fund. The risk level is solely assessed by the Trustee on the assumption that equities are riskier than bonds, which in turn are riskier than cash. The risk rating will be reviewed at least annually according to the prevailing market circumstances. The actual risks associated with each Constituent Fund may differ from the projected risk level."

Paragraph 8 is deleted and replaced with the following:

"The Capital Guaranteed Portfolio invests its assets in Class A units of the Capital Guaranteed Policy (as defined in paragraph 19 of Part II above). The objective of the Capital Guaranteed Policy is to provide capital security at the end of every 5 years and to seek long term capital appreciation. The return is expected to be stable and slightly in excess of Hong Kong inflation. The Capital Guaranteed Policy invests into the Schroder IPF Global Balanced Fund (the "Global Balanced Fund") of the Schroder Institutional Pooled Funds, an approved pooled investment fund. The investment strategy of the Global Balanced Fund would include equities, bonds, and cash and cash equivalents. The current proposed asset allocation is **Equities: 0% to 33%, Bonds: 67% to 95%, and Cash or cash equivalents: 0% to 33%** respectively. The investments are globally diversified but with a bias towards Hong Kong. The Global Balanced Fund will hold a minimum of 67% of its assets in Hong Kong dollar investments at all times through direct holdings in equities, bonds and cash and/or through currency hedging. **The Capital Guaranteed Portfolio is considered low risk and suitable for investors who are close to retirement** and/or those who wish to ensure their capital is preserved at the end of every 5 years or at the age of 65."

3. **Changes to Part VI "FEES, CHARGES & EXPENSES"**

3.1 Table I and Table II are amended with respect to the ING MPF Comprehensive Scheme Capital Guaranteed Portfolio as follows:

**TABLE I**

<b>(C) FUND OPERATING CHARGES &amp; EXPENSES OF CONSTITUENT FUNDS (INCLUDING FEES AND CHARGES PAYABLE OUT OF THE UNDERLYING FUNDS)</b>			
<b>Type of charges and expenses</b>	<b>Name of Constituent Fund</b>	<b>Current level (% of NAV per annum)</b>	<b>Deducted from</b>
Management fees <sup>7</sup> (see Note (iv) and (viii))	ING MPF Comprehensive Scheme Capital Guaranteed Portfolio	1.66 – 1.715	Relevant constituent fund assets and the underlying fund assets
Guarantee charge <sup>8</sup>	ING MPF Comprehensive Scheme Capital Guaranteed Portfolio	0.22-0.925	Relevant underlying fund assets

**TABLE II**

<b>FEES AND CHARGES PAYABLE OUT OF THE UNDERLYING FUNDS</b>			
<b>Name of Constituent Fund</b>	<b>Breakdown of management fees (p.a. of the NAV of the relevant underlying fund)</b>		
	<b>Management Fee</b>		<b>The Percentages consist of</b>
	<b>Current level</b>	<b>Maximum level</b>	
ING MPF Comprehensive Scheme Capital Guaranteed Portfolio	0.695 – 0.75	2.50	Investment Management Fee, Trustee Fee, Administration Fee

3.2 Note (v) to the Explanatory Notes is amended with respect to the ING MPF Comprehensive Scheme Capital Guaranteed Portfolio as follows:

The maximum level of the various types of fees at the Constituent Fund level are set out below.

Maximum Level of Fees and Expenses

Guarantee Charge 1% of NAV of the underlying fund

3.3 Note (vi) to the Explanatory Notes should be deleted.

3.34 Note (x) to the Explanatory Notes should be deleted and replaced with the following:

"ING Life Insurance Company (Bermuda) Limited ("ING Life") has the right to set aside part of the fund for the purpose of smoothing market fluctuations to enable ING Life to give the guarantee. The amount to be reserved is determined by the Guarantor having regard to various factors including market conditions, economic environment, the return, market value and nature of the assets of the underlying approved pooled investment funds."

**ING PENSION TRUST LIMITED**

30 November 2011