

## ING MUTUAL FUND

### COMBINED SCHEME INFORMATION DOCUMENT

**ING Domestic Opportunities Fund**

*(An Open Ended Equity Scheme)*

**ING Dividend Yield Fund**

*(An Open Ended Equity Scheme)*

**ING Nifty Plus Fund**

*(An Open Ended Index Linked Equity Scheme)*

**ING C.U.B (Competitive Upcoming Businesses) Fund**

*(A 3 year closed-ended diversified equity scheme that will be automatically converted into an open ended scheme at the end of the third year)*

**ING Liquid Fund**

*(An Open-ended Liquid Income Scheme)*

**ING Treasury Advantage Fund**

*(An Open-ended Income Scheme)*

**ING Income Fund**

*(An Open Ended Income Scheme)*

**ING Dynamic Duration Fund**

*(An Open Ended Fund)*

**ING Balanced Fund**

*(An Open Ended Balanced Scheme)*

**ING Latin America Equity Fund** *(An Open Ended Fund of Fund Scheme)*

**ING Core Equity Fund**

*(An Open Ended Growth Scheme)*

**ING Midcap Fund**

*(An Open Ended Equity Scheme)*

**ING Tax Savings Fund**

*(An Open Ended Equity Linked Savings Scheme) (Lock in period of 3 years)*

**ING Contra Fund**

*(An Open Ended Diversified Equity Scheme)*

**ING Treasury Management Fund**

*(An Open-ended Liquid Income Scheme)*

**ING Short Term Income Fund**

*(An Open Ended Income Scheme)*

**ING Gilt Fund**

*(An Open Ended Gilt Scheme)*

**ING MIP Fund**

*(An Open Ended Fund)*

**ING Global Real Estate Fund**

*(An Open Ended Fund of Fund Scheme)*

**Name of the Mutual Fund: ING Mutual Fund**

**Investment Manager: ING Investment Management (India) Private Limited**

**Trustees: Board of Trustees**

**Address and Website of the entities:** 601/602, 6th floor, "Windsor", Off. C.S.T. Road, Vidyanagari Marg, Kalina, Santacruz - (East), Mumbai – 400 098

[www.ingim.co.in](http://www.ingim.co.in)

**The particulars of the Scheme have been prepared in accordance with the Securities and Exchange Board of India (Mutual Funds) Regulations 1996, (herein after referred to as SEBI (MF) Regulations) as amended till date, and filed with SEBI, along with a Due Diligence Certificate from the AMC. The units being offered for public subscription have not been approved or recommended by SEBI nor has SEBI certified the accuracy or adequacy of the Scheme Information Document.**

The Scheme Information Document sets forth concisely the information about the scheme that a prospective investor ought to know before investing. Before investing, investors should also ascertain about any further changes to this Scheme Information Document after the date of this Document from the Mutual Fund / Investor Service Centres / Website / Distributors or Brokers.

**The investors are advised to refer to the Statement of Additional Information (SAI) for details of ING Mutual Fund, Tax and Legal issues and general information on [www.ingim.co.in](http://www.ingim.co.in)**

**SAI is incorporated by reference (is legally a part of the Scheme Information Document). For a free copy of the current SAI, please contact your nearest Investor Service Centre or log on to our website.**

<b>The Scheme Information Document should be read in conjunction with the SAI and not in isolation.</b>
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This Scheme Information Document is dated May 20, 2009

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## **IMPORTANT NOTICE**

Investing in Mutual Funds involves certain risks and considerations associated generally with making investments in securities. The value of the Scheme's investments, may be affected generally by factors affecting capital markets, such as price and volume, volatility in the capital markets, interest rates, currency exchange rates, changes in policies of the Government, taxation laws or any other appropriate authority policies and other political and economic developments. Consequently, there can be no assurance that the Schemes offered in this SID would achieve the stated investment objectives. The NAV of the Units of the Scheme(s) may fluctuate and can go up or down. Past performance of the schemes managed by the Sponsors or their affiliates or the Asset Management Company is not necessarily indicative of the future performance of the Scheme nor will past performance of the Scheme, following commencement of operations, be necessarily indicative of its future performance.

Prospective investors are advised to review this SID carefully in its entirety and consult their financial, legal, tax and other advisors before they invest in the Scheme to determine possible legal, tax, financial or other considerations of subscribing to or disposing units before making a decision to invest in units. Investors are requested to retain this SID for future reference.

Neither this SID nor the Units have been registered in any jurisdiction. The distribution of this SID in certain jurisdictions may be restricted to registration requirements and accordingly, persons who come into possession of this SID are requested to inform themselves about, and to observe any such restrictions.

The ING Mutual Fund (the "Mutual Fund" or the "Fund") and / or the ING Investment Management (India) Private Ltd. (the "AMC"), have not authorized any person to give any information or make any representations either oral or written not stated or inconsistent with the information incorporated in this SID, in connection with the issue of Units under the Scheme. Investors are advised not to rely upon any information or representations not incorporated in the SID or arrive at any investment decisions for Units under this Scheme on any information or representations not contained herein or inconsistent with the information incorporated in the SID as such information has not been authorized by the Mutual Fund or the AMC or the Sponsor. Any subscription, purchase or sale made by any person on the basis of the statements and representations which are not contained in this SID or which are inconsistent with the information contained herein shall be solely at the risk of the Unit holder and the Mutual Fund or the AMC or the Sponsor shall not be liable or responsible in any manner whatsoever, for the same.

**In the SID, all references to "Dollars" are to United States Dollars, "Euros" to Euros and "Rs." are to Indian Rupees. Investors should ascertain if there have been any further changes to the Scheme from the date hereof from the AMC or any Investor Service Centre or its distributors/broker.**

## HIGHLIGHTS/SUMMARY OF THE SCHEMES

<b>Name of the Scheme</b>	<b>ING Domestic Opportunities Fund (IDOF)</b>	<b>ING Core Equity Fund (ICEF)</b>
<b>Type of the Scheme</b>	An Open Ended Equity Scheme	An Open Ended Growth Scheme
<b>Investment Objective</b>	The primary investment objective of the Scheme is to seek to provide long-term capital appreciation from a portfolio that is primarily invested in companies which derive a significant proportion of their revenues from the domestic Indian market place / economy. In case adequate investment opportunities are not available due to valuation considerations etc, amongst the primary investment universe, the fund will then seek investment opportunities amongst the general investment universe	An open-ended scheme seeking to provide long term capital appreciation by investing predominantly in a portfolio of high quality equity and equity-related securities.
<b>Liquidity</b>	Being open-ended, the Schemes provide high liquidity with a facility to purchase and redeem units, on every business day at NAV based prices. The redemption cheque will be dispatched to the unitholders within the statutory time limit of 10 business days of the receipt of a valid redemption request at the Official Points of Acceptance.	Being open-ended, the Schemes provide high liquidity with a facility to purchase and redeem units, on every business day at NAV based prices. The redemption cheque will be dispatched to the unitholders within the statutory time limit of 10 business days of the receipt of a valid redemption request at the Official Points of Acceptance.
<b>Benchmark</b>	BSE 100 Index	BSE 100 Index
<b>Transparency/ NAV Disclosure</b>	The NAV of the schemes will be calculated and disclosed at the close of every Business Day. In addition, the AMC will disclose details of the Portfolio under the Plans on a half-yearly basis.	The NAV of the schemes will be calculated and disclosed at the close of every Business Day. In addition, the AMC will disclose details of the Portfolio under the Plans on a half-yearly basis.
<b>Load Structure</b>	<b>Entry load:</b> 2.25% for applications below Rs 1 Crore. Nil for applications of Rs 1 Crore and above. <b>Exit Load /CDSC:</b> For application below Rs. 1 Crore: CDSC of 1%, if redeemed within and including 180 days and 0.50%, if redeemed after 180 days but before 365 days. For application of Rs. 1 Crore and above: Nil	<b>Entry load:</b> 2.25% for applications below Rs 1 Crore. Nil for applications of Rs 1 Crore and above. <b>Exit Load /CDSC:</b> For application below Rs. 1 Crore: CDSC of 1%, if redeemed within and including 180 days and 0.50%, if redeemed after 180 days but before 365 days. For application of Rs. 1 Crore and above: Nil
<b>Minimum Application Amount</b>	Rs 5,000/- and in multiples of Re 1/- thereafter	Rs 5,000/- and in multiples of Re 1/- thereafter
<b>Minimum Additional Investment Amount</b>	Rs. 1,000/- and in multiples of Re 1/- thereafter	Rs. 1,000/- and in multiples of Re 1/- thereafter
<b>Minimum Redemption Amount</b>	Rs.1000 or a minimum of 100 units.	Rs.1000 or a minimum of 100 units.

<b>Plans/ Options</b>	The Scheme offers Growth and Dividend options. The Dividend option offers Payout and Reinvestment facilities	The Scheme offers Growth and Dividend options. The Dividend option offers Payout and Reinvestment facilities
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<b>Name of the Scheme</b>	<b>ING Dividend Yield Fund (IDYF)</b>	<b>ING Midcap Fund (IMF)</b>
<b>Type of the Scheme</b>	An Open Ended Equity Scheme	An Open Ended Equity Scheme
<b>Investment Objective</b>	The investment objective of the Scheme is to provide medium to long term capital appreciation and / or dividend distribution by investing predominantly in equity and equity related instruments, which offer high dividend yield.	The Scheme investment objective is to seek to provide long-term growth of capital at controlled level of risk by investing primarily in Mid-Cap stocks. The level of risk is somewhat higher than a fund focused on large and liquid stocks. Concomitantly, the aim is to generate higher returns than a Scheme focused on large and liquid stocks.
<b>Liquidity</b>	Being open-ended, the Schemes provide high liquidity with a facility to purchase and redeem units, on every business day at NAV based prices. The redemption cheque will be dispatched to the unitholders within the statutory time limit of 10 business days of the receipt of a valid redemption request at the Official Points of Acceptance.	Being open-ended, the Schemes provide high liquidity with a facility to purchase and redeem units, on every business day at NAV based prices. The redemption cheque will be dispatched to the unitholders within the statutory time limit of 10 business days of the receipt of a valid redemption request at the Official Points of Acceptance.
<b>Benchmark</b>	BSE 100 Index	CNX Midcap Index
<b>Transparency/ NAV Disclosure</b>	The NAV of the schemes will be calculated and disclosed at the close of every Business Day. In addition, the AMC will disclose details of the Portfolio under the Plans on a half-yearly basis.	The NAV of the schemes will be calculated and disclosed at the close of every Business Day. In addition, the AMC will disclose details of the Portfolio under the Plans on a half-yearly basis.
<b>Load Structure</b>	<b>Entry load:</b> 2.25% for applications below Rs 1 Crore. Nil for applications of Rs 1 Crore and above. <b>Exit Load /CDSC:</b> For application below Rs. 1 Crore: CDSC of 1%, if redeemed within and including 180 days and 0.50%, if redeemed after 180 days but before 365 days. For application of Rs. 1 Crore and above: Nil	<b>Entry load:</b> 2.25% for applications below Rs 1 Crore. Nil for applications of Rs 1 Crore and above. <b>Exit Load /CDSC:</b> For application below Rs. 1 Crore: CDSC of 1%, if redeemed within and including 180 days and 0.50%, if redeemed after 180 days but before 365 days. For application of Rs. 1 Crore and above: Nil
<b>Minimum Application Amount</b>	Rs 5,000/- and in multiples of Re 1/- thereafter	Rs 5,000/- and in multiples of Re 1/- thereafter
<b>Minimum Additional Investment Amount</b>	Rs. 1,000/- and in multiples of Re 1/- thereafter	Rs. 1,000/- and in multiples of Re 1/- thereafter
<b>Minimum Redemption Amount</b>	Rs.1000 or a minimum of 100 units.	Rs.1000 or a minimum of 100 units.
<b>Plans/ Options</b>	The Scheme offers Growth and	The Scheme offers Growth and

	Dividend options. The Dividend option offers Payout and Reinvestment facilities	Dividend options. The Dividend option offers Payout and Reinvestment facilities
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<b>Name of the Scheme</b>	<b>ING Nifty Plus Fund (INPF)</b>	<b>ING Tax Savings Fund (ITSF)</b>
<b>Type of the Scheme</b>	An Open Ended Index Linked Equity Scheme	An Open Ended Equity Linked Savings Scheme
<b>Investment Objective</b>	ING Nifty Plus Fund is an open-ended index linked equity scheme with the objectives to invest in companies whose securities are included in the Nifty.	ING Tax Savings Fund is an open ended equity linked savings scheme which aims to provide medium to long term growth of capital along with income tax rebate.
<b>Liquidity</b>	Being open-ended, the Schemes provide high liquidity with a facility to purchase and redeem units, on every business day at NAV based prices. The redemption cheque will be dispatched to the unitholders within the statutory time limit of 10 business days of the receipt of a valid redemption request at the Official Points of Acceptance.	The investments under ING Tax Savings Fund shall be locked in for a period of 3 years from the date of allotment. Being open-ended, the Schemes provide high liquidity with a facility to purchase and redeem units, on every business day at NAV based prices (subject to completion of lock-in period). The redemption cheque will be dispatched to the unitholders within the statutory time limit of 10 business days of the receipt of a valid redemption request at the Official Points of Acceptance.
<b>Benchmark</b>	S&P CNX Nifty Index	CNX Midcap 100
<b>Transparency/ NAV Disclosure</b>	The NAV of the schemes will be calculated and disclosed at the close of every Business Day. In addition, the AMC will disclose details of the Portfolio under the Plans on a half-yearly basis	The NAV of the schemes will be calculated and disclosed at the close of every Business Day. In addition, the AMC will disclose details of the Portfolio under the Plans on a half-yearly basis
<b>Load Structure</b>	<b>Entry load:</b> 2.25% for applications below Rs 1 Crore. Nil for applications of Rs 1 Crore and above. <b>Exit Load /CDSC:</b> For application below Rs. 1 Crore: CDSC of 1%, if redeemed within and including 180 days and 0.50%, if redeemed after 180 days but before 365 days. For application of Rs. 1 Crore and above: Nil	<b>Entry load:</b> 2.25% for applications below Rs 1 Crore. Nil for applications of Rs 1 Crore and above. <b>Exit Load /CDSC:</b> Nil
<b>Minimum Application Amount</b>	Rs 5,000/- and in multiples of Re 1/- thereafter	Rs 500/- and in multiples of Rs. 500/- thereafter
<b>Minimum Additional Investment Amount</b>	Rs. 1,000/- and in multiples of Re 1/- thereafter	Rs 500/- and in multiples of Rs. 500/- thereafter
<b>Minimum Redemption Amount</b>	Rs.1000 or a minimum of 100 units.	Rs.500 or a minimum of 50 units.
<b>Plans/ Options</b>	The Scheme offers Growth and Dividend options. The Dividend option offers Payout and Reinvestment facilities	The Scheme offers Growth, Dividend and Bonus options. The Dividend option offers Payout and Reinvestment facilities

<b>Name of the Scheme</b>	<b>ING C.U.B (Competitive Upcoming Businesses) Fund (ICF)</b>	<b>ING Contra Fund</b>
<b>Type of the Scheme</b>	A 3 year close - ended diversified equity scheme that will be automatically converted into an open ended scheme at the end of the third year.	An Open-ended diversified equity scheme
<b>Investment Objective</b>	To provide long-term capital appreciation by investing predominantly in a diversified portfolio of equity and equity-related securities of companies of small market capitalisation.	The investment objective of the Scheme is to generate capital appreciation from a diversified portfolio of equity and equity related instruments by investing in stocks of companies, which are fundamentally sound but are undervalued
<b>Liquidity</b>	To provide liquidity to investors, the Scheme proposes to provide repurchase facility on a quarterly basis till the date of conversion of the scheme into an open ended scheme subject to CDSC/exit load given therein. Subsequent to the scheme's conversion into an open end scheme, the scheme will offer repurchase facility on every Business Day. The redemption cheque will be dispatched to the unitholders within the statutory time limit of 10 business days of the receipt of a valid redemption request at the Official Points of Acceptance.	Being open-ended, the Schemes provide high liquidity with a facility to purchase and redeem units, on every business day at NAV based prices. The redemption cheque will be dispatched to the unitholders within the statutory time limit of 10 business days of the receipt of a valid redemption request at the Official Points of Acceptance.
<b>Benchmark</b>	Nifty Junior Index	BSE 100 Index
<b>Transparency/ NAV Disclosure</b>	The NAV of the schemes will be calculated and disclosed at the close of every Business Day. In addition, the AMC will disclose details of the Portfolio under the Scheme on a half-yearly basis.	The NAV of the schemes will be calculated and disclosed at the close of every Business Day. In addition, the AMC will disclose details of the Portfolio under the Scheme on a half-yearly basis.
<b>Load Structure</b>	<b>Entry load:</b> 2.25% for applications below Rs 1 Crore. Nil for applications of Rs 1 Crore and above. <b>Exit Load /CDSC:</b> For application below Rs. 1 Crore: CDSC of 1%, if redeemed within and including 180 days and 0.50%, if redeemed after 180 days but before 365 days. For application of Rs. 1 Crore and above: Nil	<b>Entry Load:</b> 2.25% for applications below Rs 1 Crore. Nil for applications of Rs 1 Crore and above. <b>Exit Load/CDSC:</b> For applications below Rs.1 Crore: CDSC of 1% if redeemed within and including 180 days and 0.5% if redeemed after 180 days but before 365 days. For applications of Rs.1 Crore and above: Nil
<b>Minimum Application Amount</b>	Rs 5,000/- and in multiples of Re 1/- thereafter	Rs 5,000/- and in multiples of Re 1/- thereafter
<b>Minimum Additional Investment Amount</b>	Rs. 1,000/- and in multiples of Re 1/- thereafter	Rs. 1,000/- and in multiples of Re 1/- thereafter
<b>Minimum Redemption</b>	Rs.1000 or a minimum of 100 units.	Rs.1000 or a minimum of 100 units.

<b>Amount</b>		
<b>Plans/ Options</b>	The Scheme offers Growth, Dividend and Bonus options. The Dividend option offers Payout and Reinvestment facilities	The Scheme offers Growth, Dividend and Bonus options. The Dividend option offers Payout and Reinvestment facilities

<b>Name of the Scheme</b>	<b>ING Liquid Fund (ILF)</b>	<b>ING Treasury Management Fund</b>
<b>Type of the Scheme</b>	An Open Ended Liquid Income Scheme	An Open Ended Liquid Scheme
<b>Investment Objective</b>	The primary investment objective of the Scheme is to seek to provide reasonable returns while providing a high level of liquidity and low risk by investing primarily in money market and debt securities. The aim is to optimize returns while providing liquidity.	The Primary Objective of the Scheme is to provide income consistent with the prudent risk from a portfolio comprising of Floating Rate instruments, Fixed Rate instruments swapped for floating rate returns, fixed rate instruments, short term bonds and money market instruments.
<b>Liquidity</b>	Being open-ended, the Schemes provide high liquidity with a facility to purchase and redeem units, on every business day at NAV based prices. The redemption cheque will be dispatched to the unitholders within the statutory time limit of 10 business days of the receipt of a valid redemption request at the Official Points of Acceptance.	Being open-ended, the Schemes provide high liquidity with a facility to purchase and redeem units, on every business day at NAV based prices. The redemption cheque will be dispatched to the unitholders within the statutory time limit of 10 business days of the receipt of a valid redemption request at the Official Points of Acceptance.
<b>Benchmark</b>	CRISIL Liquid Fund Index.	CRISIL Liquid Fund Index.
<b>Transparency/ NAV Disclosure</b>	The NAV of the Scheme will be calculated on every calendar day and disclosed on every business day. In addition, the AMC will disclose details of the Portfolio under the Plans on a half-yearly basis.	The NAV of the Scheme will be calculated on every calendar day and disclosed on every business day. In addition, the AMC will disclose details of the Portfolio under the Plans on a half-yearly basis.
<b>Load Structure</b>	Entry Load: Nil Exit Load: Nil	Entry Load: Nil Exit Load: Nil
<b>Minimum Application Amount</b>	Regular Plan: Rs. 5000/- and in multiples of Re. 1/- thereafter Institutional Plan: Rs. 10,000,000/- and in multiples of Re. 1/- thereafter Super Institutional Plan: Rs. 150,000,000/- and in multiples of Re. 1/- thereafter	Rs. 5000/- and in multiples of Re. 1/- thereafter
<b>Minimum Additional Investment Amount</b>	Regular Plan: Rs. 1000/- and in multiples of Re. 1/- thereafter Institutional Plan: Rs. 100,000/- and in multiples of Re. 1/- thereafter Super Institutional Plan: Rs. 100,000/- and in multiples of Re. 1/- thereafter	Rs. 1000/- and in multiples of Re. 1/- thereafter
<b>Minimum Redemption Amount</b>	Rs.1000 or a minimum of 100 units.	Rs.1000 or a minimum of 100 units.
<b>Plans/ Options</b>	The Scheme offers Regular, Institutional and Super Institutional Plans. All Plans offers Growth and Dividend Options. The Dividend option offers Daily Dividend Option (Reinvestment), Weekly Dividend	Daily Dividend (Reinvestment) & Weekly / Quarterly / Half Yearly / Annual Dividend Option (Payout & Reinvestment)

	Options (Payout & Reinvestment) facilities.	
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<b>Name of the Scheme</b>	<b>ING Treasury Advantage Fund (ITAF)</b>	<b>ING Short Term Income Fund (ISTIF)</b>
<b>Type of the Scheme</b>	An Open Ended Income Scheme	An Open Ended Income Scheme
<b>Investment Objective</b>	ING Liquid Plus Fund would aim to provide an investment avenue for investors preferring good liquidity and an investment horizon of 2 – 6 months. The scheme would be able to achieve its objectives by investing in a portfolio of money market and debt instruments.	The investment objective of the Scheme is to generate an attractive return for its investors consistent with capital preservation and liquidity by investing in portfolio of quality debt securities, money market instruments and structured obligation.
<b>Liquidity</b>	Being open-ended, the Schemes provide high liquidity with a facility to purchase and redeem units, on every business day at NAV based prices. The redemption cheque will be dispatched to the unitholders within the statutory time limit of 10 business days of the receipt of a valid redemption request at the Official Points of Acceptance.	Being open-ended, the Schemes provide high liquidity with a facility to purchase and redeem units, on every business day at NAV based prices. The redemption cheque will be dispatched to the unitholders within the statutory time limit of 10 business days of the receipt of a valid redemption request at the Official Points of Acceptance.
<b>Benchmark</b>	CRISIL Liquid Fund Index.	CRISIL Short Term Bond Fund Index
<b>Transparency/ NAV Disclosure</b>	The NAV of the schemes will be calculated and disclosed at the close of every Business Day. In addition, the AMC will disclose details of the Portfolio under the Plans on a half-yearly basis.	The NAV of the schemes will be calculated and disclosed at the close of every Business Day. In addition, the AMC will disclose details of the Portfolio under the Plans on a half-yearly basis.
<b>Load Structure</b>	Entry Load: Nil Exit Load: Nil	Entry Load: Nil Exit Load: Nil
<b>Minimum Application Amount</b>	Regular Plan: Rs. 5000/- and in multiples of Re. 1/- thereafter Institutional Plan: Rs. 10,000,000/- and in multiples of Re. 1/- thereafter	Rs. 5000/- and in multiples of Re.1/- there after
<b>Minimum Additional Investment Amount</b>	Regular Plan: Rs. 1000/- and in multiples of Re. 1/- thereafter Institutional Plan: Rs. 100,000/- and in multiples of Re. 1/- thereafter	Rs. 1000/- and in multiples of Re.1/- there after
<b>Minimum Redemption Amount</b>	Rs.1000 or a minimum of 100 units.	Rs.1000 or a minimum of 100 units.
<b>Plans/ Options</b>	The Scheme offers Regular and Institutional Plans. All Plans offers Growth and Dividend Options. The Dividend option offers Daily Dividend Option (Reinvestment), Weekly Dividend Options (Reinvestment) and Monthly Dividend & Quarterly Dividend (Payout & Reinvestment) facilities.	The Scheme offers Growth and Dividend options. The Dividend option offers Payout and Reinvestment facilities

<b>Name of the Scheme</b>	<b>ING Income Fund (IIF)</b>	<b>ING Gilt Fund</b>
<b>Type of the</b>	An Open Ended Income Scheme	An Open Ended Gilt Scheme

<b>Scheme</b>		
<b>Investment Objective</b>	The primary investment objective of the Scheme is to generate attractive income by investing in a diversified portfolio of debt and money-market instruments of varying maturities and at the same time provide continuous liquidity along with adequate safety.	The primary investment objective of the Scheme is to generate a relatively risk free return by investing in sovereign instruments issued by the Central / State Governments as defined under Section 2 of the Public Debt Act, 1944. The Scheme will not make investment in any other type of security such as shares, debentures, etc.
<b>Liquidity</b>	Being open-ended, the Schemes provide high liquidity with a facility to purchase and redeem units, on every business day at NAV based prices. The redemption cheque will be dispatched to the unitholders within the statutory time limit of 10 business days of the receipt of a valid redemption request at the Official Points of Acceptance.	Being open-ended, the Schemes provide high liquidity with a facility to purchase and redeem units, on every business day at NAV based prices. The redemption cheque will be dispatched to the unitholders within the statutory time limit of 10 business days of the receipt of a valid redemption request at the Official Points of Acceptance.
<b>Benchmark</b>	CRISIL Composite Bond Fund Index	ISec Composite Gilt Index
<b>Transparency/ NAV Disclosure</b>	The NAV of the schemes will be calculated and disclosed at the close of every Business Day. In addition, the AMC will disclose details of the Portfolio under the Plans on a half-yearly basis.	The NAV of the schemes will be calculated and disclosed at the close of every Business Day. In addition, the AMC will disclose details of the Portfolio under the Plans on a half-yearly basis.
<b>Load Structure</b>	Entry Load: Nil Exit Load: Regular Plan: For Application of Rs. 1 Crore & below: 1%, if redeemed within & within 365 days from the date of investment & Nil, if redeemed after 365 days from the date of investment. For application above Rs. 1 Crore: Nil. For reckoning of 365 days period, FIFO method will be followed. Institutional Plan: Nil	Entry / Exit load : Nil CDSC: Regular Plan - Nil Provident Fund – Dynamic Plan - 1.25% if redeemed within 365 days; Nil if redeemed on or after 365 days from the date of allotment
<b>Minimum Application Amount</b>	Regular Plan: Rs. 5000/- and in multiples of Re. 1/- thereafter Institutional Plan: Rs. 2,500,000/- and in multiples of Re. 1/- thereafter	Regular Plan - Rs. 5000/- and in multiples of Re. 1/- thereafter Provident Fund – Dynamic Plan - Rs. 30,000/- and in multiples of Re. 1/- thereafter
<b>Minimum Additional Investment Amount</b>	Regular Plan: Rs. 1000/- and in multiples of Re. 1/- thereafter Institutional Plan: Rs. 100,000/- and in multiples of Re. 1/- thereafter	Regular Plan - Rs. 1000/- and in multiples of Re. 1/- thereafter Provident Fund – Dynamic Plan - Rs. 10,000/- and in multiples of Re. 1/- thereafter
<b>Minimum Redemption Amount</b>	Rs.1000 or a minimum of 100 units.	Rs.1000 or a minimum of 100 units.
<b>Plans/ Options</b>	The Scheme offers Regular and Institutional Plans. All Plans offers Growth and Dividend Options. The Dividend option offers Quarterly/ Half Yearly/ Annual Dividend (Payout &	Plan: Regular Plan & Provident Fund - Dynamic Plan (Both Plans shall have separate portfolios) Option: Gilt Regular - Growth &

	Reinvestment) facilities.	Dividend option, Gilt PF Dynamic Plan - Growth, Growth Auto income payout, Cyclical series Option, Dividend(Half yearly & Annual Dividend)
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<b>Name of the Scheme</b>	<b>ING Dynamic Duration Fund</b>	<b>ING MIP Fund</b>
<b>Type of the Scheme</b>	An Open Ended Fund	An Open Ended Fund
<b>Investment Objective</b>	The investment objective of ING Dynamic Duration Fund is to seek to generate in the form of interest, income and capital gains through active management of the portfolio by investing in debt securities and money market securities/instruments.	The primary investment objective of the Scheme is to seek to generate in the form of interest, income and capital gains through active management of the portfolio by investing in debt securities and money market securities /instruments. The scheme will also seek to generate capital appreciation by investing a smaller portion of its corpus in equity and equity related securities
<b>Liquidity</b>	Being open-ended, the Schemes provide high liquidity with a facility to purchase and redeem units, on every business day at NAV based prices. The redemption cheque will be dispatched to the unitholders within the statutory time limit of 10 business days of the receipt of a valid redemption request at the Official Points of Acceptance.	Being open-ended, the Schemes provide high liquidity with a facility to purchase and redeem units, on every business day at NAV based prices. The redemption cheque will be dispatched to the unitholders within the statutory time limit of 10 business days of the receipt of a valid redemption request at the Official Points of Acceptance.
<b>Benchmark</b>	CRISIL MIP Blended Index	CRISIL MIP Blended Index
<b>Transparency/ NAV Disclosure</b>	The NAV of the schemes will be calculated and disclosed at the close of every Business Day. In addition, the AMC will disclose details of the Portfolio under the Plans on a half-yearly basis.	The NAV of the schemes will be calculated and disclosed at the close of every Business Day. In addition, the AMC will disclose details of the Portfolio under the Plans on a half-yearly basis.
<b>Load Structure</b>	<b>Entry Load:</b> 2.50% <b>Exit Load:</b> Nil.	<b>Entry Load:</b> Nil <b>Exit Load:</b> For applications upto Rs. 1 Crore: CDSC of 1% if redeemed within and including 365 days. For applications of above Rs.1 Crore: Nil.
<b>Minimum Application Amount</b>	Rs.10,000/- and in multiples of Re.1 thereafter under Growth and Bonus Option Rs.20,000/- and in multiples of Re.1 thereafter under Dividend Option	Rs.10,000/- and in multiples of Re.1 thereafter under Growth and Bonus Option, Rs.20,000/- and in multiples of Re.1 thereafter under Dividend Option
<b>Minimum Additional Investment Amount</b>	Rs.1,000/- and in multiples of Re.1 thereafter	Rs.1,000/- and in multiples of Re.1 thereafter
<b>Minimum Redemption Amount</b>	Rs.1000 or a minimum of 100 units.	Rs.1000 or a minimum of 100 units.
<b>Plans/ Options</b>	The Scheme offers Growth, Dividend and Bonus options.	The Scheme offers Growth, Dividend and Bonus options.

	The dividend option offers Monthly / Quarterly / Half-Yearly / Annual Dividend Options (Payout / Dividend Reinvestment) sub-options.	The dividend option offers Monthly / Quarterly / Half-Yearly / Annual Dividend Options (Payout / Dividend Reinvestment) sub-options.
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<b>Name of the Scheme</b>	<b>ING Balanced Fund</b>	<b>ING Global Real Estate Fund (IGREF)</b>
<b>Type of the Scheme</b>	An Open Ended Balanced Scheme	An Open Ended Fund of Fund Scheme
<b>Investment Objective</b>	The primary objective of the Scheme is to generate long term growth of capital appreciation and current income from a portfolio of equity and fixed-income securities. The Scheme will, under normal market conditions, invest approximately 65% of its net assets in equity and equity related instruments, with the balance 35% being invested in fixed income securities, money market instruments, cash and cash equivalents, though these percentages may vary.	The primary investment objective of the Scheme is to seek capital appreciation by investing predominantly in ING Global Real Estate Securities Fund The Scheme may, at the discretion of the Investment Manager, also invest in the units of other similar overseas mutual fund schemes, which may constitute a significant part of its corpus. The Scheme may also invest a certain portion of its corpus in money market securities, in order to meet liquidity requirements from time to time.
<b>Liquidity</b>	Being open-ended, the Schemes provide high liquidity with a facility to purchase and redeem units, on every business day at NAV based prices. The redemption cheque will be dispatched to the unitholders within the statutory time limit of 10 business days of the receipt of a valid redemption request at the Official Points of Acceptance.	Being open-ended, the Schemes provide high liquidity with a facility to purchase and redeem units, on every business day at NAV based prices. The redemption cheque will be dispatched to the unitholders within the statutory time limit of 10 business days of the receipt of a valid redemption request at the Official Points of Acceptance.
<b>Benchmark</b>	CRISIL Balanced Fund index	S&P BMI World Property Index (Earlier known as Citigroup World Property Index)
<b>Transparency/ NAV Disclosure</b>	The NAV of the schemes will be calculated and disclosed at the close of every Business Day. The NAV of a particular business day shall be declared on the next business day In addition, the AMC will disclose details of the Portfolio under the Plans on a half-yearly basis.	The NAV of the schemes will be calculated and disclosed at the close of every Business Day. The NAV of a particular business day shall be declared on the next business day In addition, the AMC will disclose details of the Portfolio under the Plans on a half-yearly basis.
<b>Load Structure</b>	<b>Entry Load:</b> 2.25% for applications below Rs 1 Crore. Nil for applications of Rs 1 Crore and above.  <b>Exit Load/CDSC:</b> For applications below Rs.1 Crore: CDSC of 1% if redeemed within and including 180 days and 0.5% if redeemed after 180 days but before 365 days.	<b>Entry Load:</b> For application below Rs. 5 Crores: 2.50% For application of Rs. 5 Crores and above: Nil  <b>Exit Load /CDSC:</b> For application below Rs. 5 Crore: CDSC of 1%, if redeemed within and including 180 days from the date of investment and 0.50%, if redeemed after 180

		days but before 365 days from the date of investment. Nil, if redeemed on or after 365 days from the date of investment. For application of Rs. 5 Crore and above: Nil
<b>Minimum Application Amount</b>	Rs. 5000/- and in multiples of Re. 1/- thereafter	Retail Plan: Rs. 5000/- and in multiples of Re. 1/- thereafter Institutional Plan: Rs. 10,000,000/- and in multiples of Re. 1/- thereafter
<b>Minimum Additional Investment Amount</b>	Rs. 1000/- and in multiples of Re. 1/- thereafter	Retail Plan: Rs. 1000/- and in multiples of Re. 1/- thereafter Institutional Plan: Rs. 1000/- and in multiples of Re. 1/- thereafter
<b>Minimum Redemption Amount</b>	Rs.1000 or a minimum of 100 units.	Rs.1000 or a minimum of 100 units.
<b>Plans/ Options</b>	The Scheme offers Growth and Dividend Options. The Dividend option offers Payout & Reinvestment facilities.	The Scheme offers Retail and Institutional Plans. All Plans offers Growth and Dividend Options. The Dividend option offers Payout & Reinvestment facilities.

<b>Name of the Scheme</b>	<b>ING Latin America Equity Fund (ILAEF)</b>	
<b>Type of the Scheme</b>	An Open Ended Fund of Fund Scheme	
<b>Investment Objective</b>	The primary investment objective of the Scheme is to seek capital appreciation by investing predominantly in ING (L) Invest Latin America Fund. The Scheme may, at the discretion of the Investment Manager, also invest in the units of other similar overseas mutual fund schemes, which may constitute a significant part of its corpus. The Scheme may also invest a certain portion of its corpus in money market securities, in order to meet liquidity requirements from time to time.	
<b>Liquidity</b>	Being open-ended, the Schemes provide high liquidity with a facility to purchase and redeem units, on every business day at NAV based prices. The redemption cheque will be dispatched to the unitholders within the statutory time limit of 10 business days of the receipt of a valid redemption request at the Official Points of Acceptance.	
<b>Benchmark</b>	MSCI EM Latin America 10/40 ND Index	
<b>Transparency/ NAV Disclosure</b>	The NAV of the schemes will be calculated and disclosed at the close of every Business Day. The NAV of a particular business day shall be declared on the next business day In addition, the AMC will disclose details of the Portfolio under the Plans on a half-yearly basis.	
<b>Load Structure</b>	Entry Load: For application below Rs. 5 Crores: 2.50% For application of Rs. 5 Crores and above: Nil  <b>Exit Load /CDSC:</b> For application below Rs. 5 Crore: CDSC of 1%, if redeemed within and including 180 days from the date of investment and 0.50%, if redeemed after 180 days but before 365 days from the date of investment. For application of Rs. 5 Crore and above: Nil	
<b>Minimum Application Amount</b>	Rs. 5000/- and in multiples of Re. 1/- thereafter	
<b>Minimum Additional</b>	Rs. 1000/- and in multiples of Re. 1/- thereafter	

<b>Investment Amount</b>	
<b>Minimum Redemption Amount</b>	Rs.1000 or a minimum of 100 units.
<b>Plans/ Options</b>	The Scheme offers Growth and Dividend Options. The Dividend option offers Payout & Reinvestment facilities.

## I. INTRODUCTION

### A. Risk Factors

#### Standard Risk Factors:

- Investment in Mutual Fund Units involves investment risks such as trading volumes, settlement risk, liquidity risk, default risk including the possible loss of principal.
- As the price / value / interest rates of the securities in which the scheme invests fluctuates, the value of your investment in the scheme may go up or down
- Past performance of the Sponsor/AMC/Mutual Fund does not guarantee future performance of the scheme.
- The names of the schemes do not in any manner indicate either the quality of the schemes or its future prospects and returns.
- The sponsor is not responsible or liable for any loss resulting from the operation of the scheme beyond the initial contribution of Rs. 100,000/- made by it towards setting up the Fund.
- The present scheme is not a guaranteed or assured return scheme

#### Scheme Specific Risk Factors:

- **Risk Factors associated with Equity or Equity related securities (Applicable to ING Domestic Opportunities Fund, ING Core Equity Fund, ING Dividend Yield Fund, ING Midcap Fund, ING Nifty Plus Fund, ING Tax Savings Fund and ING C.U.B (Competitive Upcoming Businesses) Fund):**
  1. The value of the Scheme's investments may be affected generally by factors affecting securities markets, such as price and volume volatility in the capital markets, interest rates, currency exchange rates, changes in policies of the Government, taxation laws or any other appropriate authority policies and other political and economic developments. Consequently, the NAV of the Units of the Scheme may fluctuate and can go up or down.
  2. Trading volumes, settlement periods and transfer procedures may restrict the liquidity of the investments made by the Scheme. Different segments of the Indian financial markets have different settlement periods and such periods may be extended significantly by unforeseen circumstances leading to delays in receipt of proceeds from sale of securities. The NAV of the Scheme can go up and down because of various factors that affect the capital markets in general.
  3. As the liquidity of the investments made by the Scheme could, at times, be restricted by trading volumes and settlement periods, the time taken by the Mutual Fund for the redemption of units may be significant in the event of a high number of redemption requests or a restructuring of the Scheme. In view of the above, the Trustees have a right in its sole discretion, to limit redemptions under certain circumstances as described under the section titled Right to Limit Redemptions.
  4. Securities, which are not quoted on the stock exchanges, are inherently illiquid in nature and carry a larger amount of liquidity risk, in comparison to securities that are listed on the exchanges or offer other exit options to the investor, including a put option. The AMC may choose to invest in unlisted securities that offer attractive returns. This may increase the risk of the portfolio.
  5. While securities that are listed on the stock exchange carry lower liquidity risk, the ability to sell these investments is limited by the overall trading volume on the stock exchanges.
  6. Investment decisions made by the AMC may not always be profitable.
  7. The tax benefits available under the scheme are as available under the present taxation laws and subject to relevant conditions. The information given is included for general purposes only and is based on advise that the AMC has received regarding the law and the practice that is currently in force in India and the investors and the Unitholders should be aware that the relevant fiscal rules and their interpretation may change. As is the case with any investment, there can be no

guarantee that the tax position or the proposed tax position prevailing at the time of investment in the Scheme will endure indefinitely. In view of the individual nature of tax consequences, each Investor / Unitholder is advised to consult his/her own professional tax advisor.

#### **Applicable only to ING Midcap Fund**

The nature of the Fund will necessitate investing in second line not-so liquid stock. The mid-cap stocks may, at particular given time, have lesser liquidity and the volatility levels could be higher than the large cap stocks. Illiquidity risks shall be higher than normal as is in a diversified fund.

**Note:** The ING Midcap Fund which is benchmarked to CNX Midcap Index is not sponsored, endorsed, sold or promoted by India Index Services & Products Limited (IISL). IISL is not responsible for any errors or omissions or the results obtained from the use of such index and in no event shall IISL have any liability to any party for any damages of whatsoever nature (including lost profits) resulted to such party due to purchase or sale or otherwise of such Product benchmarked to such index.

#### **Applicable only to ING Nifty Plus Fund**

1. Performance of the S&P CNX Nifty will have a direct bearing on the performance of the Scheme.
2. In case of investments in derivative instruments like index futures, the risk/ reward would be the same as investments in portfolio of shares representing an index. However, there may be a cost attached to buying an index future. Further, there could be an element of settlement risk, which could be different from the risk in settling physical shares and there is a risk attached to the liquidity and the depth of the index futures market as it is relatively a new market.
3. In the event the S&P CNX Nifty index as the case may be, is dissolved or is withdrawn by India Index Services & Products Limited (IISL) or is not published due to any reason whatsoever, the Trustee reserves the right to modify the Scheme so as to track a different and suitable index or to suspend tracking the Nifty till such time it is dissolved/ withdrawn or not published and an appropriate intimation will be sent to the Unitholders of the Scheme. In such a case, the investment pattern will be modified suitably to match scheme objectives and the composition of the securities that are included in the new index will be tracked.
4. The ING Nifty Plus Fund may generate returns which are not in line with the performance of the S&P CNX Nifty Index or one or more securities covered by / included in the S&P CNX Nifty Index and may arise from a variety of factors including but not limited to:-
  - The fund will actively manage 0-25% of the net assets by investing in securities comprising the Nifty stocks in percentages as decided by the investment team from time to time. This active management will result in the performance of the fund being at variance with the S&P CNX Nifty Index.
  - Any delay in the purchase or sale of shares due to illiquidity in the market settlement and realization of sales proceeds, delay in registration of securities or in receipt and consequent reinvestment of dividends, etc.- The indices reflects the prices of securities at a point in time, which is the price at close of business day on The National Stock Exchange. The scheme however, may trade these securities at different points in time during the trading sessions and therefore the prices at which the scheme trades may not be identical to the closing price of each scrip on that day on the NSE. In addition, the scheme may opt to trade the same securities on different exchanges due to price or liquidity factors, which may also result in traded prices being at variance, from NSE closing prices.
  - IISL undertakes a periodical review of the scrips that comprise the Nifty and may either drop or include new securities. In such an event, the scheme will endeavor to reallocate its portfolio to mirror the changes. However, the reallocation process may not occur instantaneously and permit precise mirroring of the Nifty during this period.

- The potential of trades to fail may result in the scheme not having acquired the security at the price necessary to mirror the index.
- Transaction and other expenses, such as but not limited to brokerage, custody, trustee and asset management fees.
- Being an open-ended scheme, the scheme may hold appropriate levels of cash or cash equivalents to meet ongoing redemptions
- There will be times when the scheme may not be able to acquire or sell the desired number of securities due to conditions prevailing in the securities market such as, but not restricted to : circuit filters, delisting of securities, liquidity and volatility in security prices

**Note:** “Standard & Poor’s ®” and “S&P®” are trademarks of The McGraw-Hill Companies, Inc. and have been licensed for use by India Index Services & Products Limited (IISL), which has sublicensed such marks to ING Investment Management (India) P. Ltd. The S&P CNX Nifty is not compiled, calculated or distributed by Standard & Poor’s and Standard & Poor’s makes no representation regarding the advisability of investing in products that utilise any such Index as a component, or such similar language as may be approved in advance by S&P, it being understood that such notice need only refer to the specific S&P Marks referred to in the Informational Material. ING Nifty Plus Fund (the Scheme) is not sponsored, endorsed, sold or promoted by India Index Services & Products Limited (IISL) or Standard & Poor’s, a division of The McGraw-Hill Companies Inc. (S&P). Neither IISL nor S&P makes any representation or warranty, express or implied to the owners of the Scheme or any member of the public regarding the advisability of investing in securities generally or in the Scheme particularly or the ability of the S&P CNX Nifty to track general stock market performance in India. The relationship of S&P and IISL to the AMC is in respect of the licensing of certain trademarks and trade names of their Index which is determined, composed and calculated by IISL without regard to the AMC or the Scheme. Neither IISL nor S&P has any obligation to take the needs of the AMC or the owners of the Scheme into consideration in determining, composing or calculating the S&P CNX Nifty. Neither IISL nor S&P is responsible for or has participated in the determination of the timing of, prices at, or quantities of the Scheme to be issued or in the determination or calculation of the equation by which the Scheme is to be converted into cash. Neither S&P nor IISL has any obligation or liability in connection with the administration, marketing or trading of the Scheme. S&P and IISL do not guarantee the accuracy and/or the completeness of the S&P CNX Nifty or any data included therein and they shall have no liability for any errors, omissions, or interruptions therein. Neither IISL nor S&P makes any warranty, express or implied, as to the results to be obtained by the AMC, Unit holders of the Scheme, or any other persons or entities from the use of the S&P CNX Nifty or any data included therein. IISL and S&P make no express or implied warranties and expressly disclaims all warranties of merchantability or fitness for a particular purpose or use with respect to the Index or any data included therein. Without limiting any of the foregoing, in no event shall IISL or S&P have any liability for any special, punitive, indirect or consequential damages (including lost profits), even if notified of the possibility of such damages.

#### **Applicable only to ING Domestic Opportunities Fund**

The AMC may, considering the overall level of risk of the portfolio, invest in lower rated/unrated securities offering higher yields. On an exceptional basis, the Investment Committee may consider investment in loss making companies. These exceptional cases will be considered only if the Investment Committee believes that a turn around in the company is likely in the near term (1-2 years). Investments in companies engaged in the infrastructure sector, which are currently making losses but likely to turnaround in the near term will also be considered. This may increase the risk of the portfolio.

#### **Applicable only to ING C.U.B. Fund**

While small cap stocks gives one an opportunity to go beyond the usual large blue chip stocks and present possible higher capital appreciation, it is important to note that small cap stocks can be riskier and more volatile on a relative basis. Therefore, the risk levels of investing in small

cap stocks is more than investing in stocks of large well established companies. Please note that over a time this category of stock have demonstrated different levels of volatility and investment returns. And it is important to note that generally, no one class consistently outperforms the others. While smaller and medium size companies may offer substantial opportunities for capital appreciation, they also involve substantial risks. Historically, these companies have been more volatile in price than larger company securities, especially over the short term. Among the reasons for the greater price volatility are the less certain growth prospects of smaller companies, the lower degree of liquidity in the markets for such securities, and the greater sensitivity of smaller companies to changing economic conditions. Smaller Companies carries large amount of liquidity risk compared to the Large Cap companies, as the ability to sell is limited by overall trading volume in the securities, which it invests. In addition, smaller companies may lack depth of management, be unable to generate funds necessary for growth or development, or be developing or marketing new products or services for which markets are not yet established and may never become established. They could also suffer from disadvantages such as – outdated technologies, lack of bargaining power with suppliers, low entry barriers and inadequate management depth. Overall, the risks of investing in small companies are (a) transparency/liquidity levels may not be on par with established, large companies; (b) corporate governance may be an issue with some companies; and (c) they may not be resilient enough to withstand shocks of business/economic cycles

The Small cap stocks carry liquidity risk as they are less traded compared to large cap stocks. This may lead to illiquidity and consequent higher impact cost.

Securities which are not quoted on the stock exchanges are inherently illiquid in nature and carry a larger amount of liquidity risk, in comparison to securities that are listed on the exchanges or offer other exit options to the investor, including a put option. The AMC may choose to invest in unlisted securities that offer attractive yields. This may increase the risk of the portfolio.

While securities that are listed on the stock exchange carry lower liquidity risk, the ability to sell these investments is limited by the overall trading volume on the stock exchanges. Money market securities, while fairly liquid, lack a well-developed secondary market, which may restrict the selling ability of the Scheme and may lead to the Scheme incurring losses till the security is finally sold.

#### **Applicable only to ING Dividend Yield Fund**

Though the investments would be in companies having a track record of dividend payments, the performance of the scheme would inter-alia depend on the ability of these companies to sustain dividend in future. These stocks, at times, may be relatively less liquid as compared to growth stocks.

#### **Applicable only to ING Global Real Estate Fund**

- The Scheme intends to predominantly invest in ING Global Real Estate Securities Fund, Under normal market conditions, the ING Global Real Estate Securities Fund will operate as a non diversified fund and invest at least 80% of its assets in a portfolio of equity securities of companies or unit trusts that are principally engaged, deriving at least 50% of their total revenues or earnings, in the real estate industry. The Manager will select companies that derive at least 50% of their total revenues or earnings from owning, operating, developing and/or managing real estate. This portion of the portfolio will have investments located in at least three different countries of the following:-

Australia, Austria, Belgium, Brazil, Canada, China, Costa Rica, Finland, France, Germany, Hong Kong, Italy, Japan, Korea, Luxembourg, Malaysia, Mexico, Netherlands, Puerto Rico, Russia, Singapore, Spain, Sweden, Switzerland, Taiwan, Turkey, United Kingdom and United States or such country as the Manager may determine from time to time. As a general matter, the Manager expects these investments to be in common stocks of large, mid and small-sized companies. The Manager may also invest in units of real estate investment trusts (“REITs”) which are listed on recognized stock exchanges. All risks associated with such schemes, including performance of their underlying stocks, derivative instruments,

stock-lending, off-shore investments etc., will therefore be applicable in the case of the Scheme. Investors who intend to invest in the Scheme are required to and deemed to have understood the risk factors of the underlying schemes.

- To the extent that the underlying schemes invest in corporate debt securities, they are subject to the risk of an issuer's inability to meet interest and principal payments on its debt obligations (credit risk). Debt securities may also be subject to price volatility due to factors such as changes in credit rating, interest rates, general level of market liquidity and market perception of the creditworthiness of the issuer, among others (market risk).
- To the extent that the underlying scheme are invested in fixed income securities, the NAV of the Units issued under the Scheme is likely to be affected by changes in the general level of interest rates. When interest rates decline, the value of a portfolio of fixed income securities can be expected to rise. Conversely, when interest rates rise, the value of a portfolio of fixed income securities can be expected to decline.
- The liquidity of the Schemes' investments may be inherently restricted by the liquidity of the underlying schemes in which it has invested.
- The Investors shall bear the recurring expenses of the Scheme in addition to those expenses (recurring expenses and load) of the underlying schemes. The load and the recurring expenses charged by the underlying scheme may change from time to time. Therefore, the returns that they may receive may be materially impacted or may, at times, be lower than the returns that the investors directly investing in the underlying schemes could obtain.
- The disclosures of portfolio for the Scheme will be limited to the particulars of the underlying schemes and money market securities where the Scheme has invested. Investors may, therefore, not be able to obtain specific details of the investments of the underlying schemes.
- Any change in the investment policies or fundamental attributes of any underlying scheme is likely to affect the performance of the Scheme.
- **Currency Risk** – Investments in ING Global Real Estate Securities Fund are subject to currency risk. Returns to investors are the result of a combination of returns from investments and from movements in exchange rates. For example, if the Rupee appreciates vis-à-vis the US\$, the extent of appreciation will lead to reduction in the yield to the investor. However, if the Rupee appreciates against the US Dollar by an amount in excess of the interest earned on the investment, the returns can even be negative. Again, in case the Rupee depreciates vis-à-vis the US\$, the extent of depreciation will lead to a corresponding increase in the yield to the investor. Going forward, the Rupee may depreciate (lose value) or appreciate (increase value) against the currencies of the countries where the Scheme will invest.
- **Country Risk** – Country risk arises from the inability of a country to meet its financial obligations. It is the risk encompassing economic, social and political conditions in a foreign country which might adversely affect the interests of the Scheme.

**“Special Risk Considerations related to ING Global Real Estate Securities Fund”:**

Investors should note that investments in the Sub-Fund are exposed to the financial and market risks that accompany investments in equities and these have been set out in greater detail below. While equities may offer the potential for greater long-term growth than most debt securities, equities generally have higher volatility. The Sub-Fund is focused on a particular industry sector, namely the real estate sector, and concentrates its investments in real estate securities and real estate investment trusts (REITs) which are listed on recognized stock exchanges. This concentration may lead to higher price volatility. Risks of investing in the Sub-Fund are similar to those associated with direct ownership of real estate, including changes in real estate values and property taxes, interest rates, cash flow of underlying real estate assets, supply and demand, and the management skill and creditworthiness of the issuer. REITs may also be affected by tax and regulatory requirements. The Sub-Fund invests in foreign securities, which involve special risks, including currency fluctuations, lower liquidity, political and economic uncertainties, and differences in accounting standards. The Sub-Fund may invest in small and medium capitalized companies, which may be more susceptible to price swings and less liquidity than larger capitalized companies. Investors should note that the Sub-Fund may invest in real estate investment trusts that have not been authorized by the SFC and may not be directly available to the residents. The Sub-Fund may be affected by the following risks, among others:

**Risk relating to Distributions**

Investors should be aware that the Manager may make distributions from both the capital or the income of the Sub-Fund. Where an investor has elected to receive distributions, in the event the Manager determines to make a distribution from the capital of the Sub-Fund investors should be aware that any distributions made from the capital of the Sub-Fund may have the effect of reducing the investor's original investment in the Sub-Fund and that the net asset value of the Sub-Fund may decrease. Investors should also understand that any declaration of a distribution may not indicate whether the Sub-Fund has made profit whether of a capital or income nature.

#### **Political and/or Regulatory Risks**

The value of the Sub-Fund's investments may be affected by uncertainties such as international political developments, changes in government policies, changes in taxation, restrictions on foreign investment and currency repatriation, currency fluctuations and other developments in the laws and regulations of countries in which investment may be made. Furthermore, the legal infrastructure and accounting, auditing and reporting standards in certain countries in which investment may be made may not provide the same degree of investor protection or information to investors as would generally apply in major securities markets. Foreign ownership restrictions in some markets may mean that corporate actions entitlements in relation to any collective investment schemes or other investments the Fund is invested into may not always be secured or may be restricted.

#### **Portfolio Management Risk**

The Manager may engage in various portfolio strategies on behalf of the Sub-Fund by the use of futures and options for efficient portfolio management purposes only. Due to the nature of futures, cash to meet initial and future margin deposits may be held by a broker with whom the Fund has an open position. On execution of the option the Sub-Fund may pay a premium to ING Global Real Estate Fund a counterparty. In the event of bankruptcy of the counterparty the option premium may be lost in addition to any unrealized gains where the contract is "in the money".

#### **Foreign Exchange/Currency Risk**

The Sub-Fund may invest its assets in securities denominated in a wide range of currencies, some of which may not be freely convertible. The Net Asset Value of the investments of the Sub-Fund as expressed in USD will fluctuate in accordance with the changes in the foreign exchange rate between the USD and the currencies in which the sub-Fund's investments are denominated. The Sub-Fund may therefore be exposed to a foreign exchange/currency risk. It may not be possible or practicable to hedge against the consequent foreign exchange/ currency risk exposure.

#### **Premium Risk**

Where the Sub-Fund acquires or values securities in the over-the-counter market there is no guarantee that the Sub-Fund will be able to realise such securities at a premium due to the nature of the over-the-counter market. Subject to the interests of investors and/or the Sub-Fund, the Manager shall make reasonable efforts to reduce the Sub-Fund's exposure to such premium risk.

#### **Counterparty and Settlement Considerations**

The Sub-Fund will be exposed to credit risk on the counterparties with which it trades particularly in relation to options, futures, contracts and other derivative financial instruments that are not traded on a recognised market. Such instruments are not afforded the same protections as may apply to participants trading futures or options on organised exchanges, such as the performance guarantee of an exchange clearing house. The Sub-Fund will be subject to the possibility of the insolvency, bankruptcy or default of a counterparty with which the Sub-Fund trades, which could result in substantial losses to the Sub-Fund. The Sub-Fund

will also be exposed to a credit risk on parties with whom it trades securities, and may also bear the risk of settlement default, in particular in relation to debt securities such as bonds, notes and similar debt obligations or instruments. Investors should also note that settlement mechanisms in emerging markets are generally less developed and reliable than those in more developed countries and that this therefore increases the risk of settlement default, which could result in substantial losses for the Sub-Fund in respect to investments in emerging markets. Investors should also note that the securities of small capitalisation companies as well as the securities of companies domiciled in emerging markets are less liquid and more volatile than more developed stock markets and this may result in fluctuations in the price of the Units.

### **Emerging Markets Risk**

The Sub-Fund may invest in equity securities of companies in emerging markets. Such securities may involve a high degree of risk and may be considered speculative. Risks include (i) greater risk of expropriation, confiscatory taxation, nationalization, and social, political and economic stability; (ii) the small current size of the markets for securities of emerging markets issuers and the currently low or non-existent volume of trading, resulting in lack of liquidity and in price volatility, (iii) certain national policies which may restrict the Sub-Fund's investment opportunities including restrictions on investing in issuers or industries deemed sensitive to relevant national interests; and (iv) the absence of developed legal structures governing private or foreign investment and private property.

### **Price Volatility**

The value of the Sub-Fund changes as the prices of its investments go up and down. Equity securities face market, issuer and other risks, and their values may go up or down. Equity securities face market, issuer and other risks, and their values may go up or down, sometimes rapidly and unpredictably. Market risk is the risk that securities may decline in value due to factors affecting securities market generally or particular industries. Issuer risk is the risk that the value of a security may decline for reasons relating to the issuer, such as changes in the financial condition of the issuer. While equities may offer the potential for greater long-term growth than most debt securities, they generally have higher volatility. The Sub-Fund may invest in small-and mid-sized companies, which may be more susceptible to greater price swings than larger companies because they have fewer financial resources, more limited product and market diversification and may be dependent on a few key managers.

### **Market Trend**

From time to time, the stock market may not favour the securities in which the Sub-Fund invests. Rather, the market could favour stocks in industries to which the Sub-Fund is not exposed, or may not favour equities at all.

### **Industry Concentration**

As a result the Sub-Fund concentrating its assets in securities related to a particular industry, the Sub-Fund may be subject to greater market fluctuation than a fund which has securities representing a broader range of investment alternatives.

### **Real Estate Risk**

Investment in issuers that are principally engaged in real estate may subject the Sub-Fund to risks similar to those associated with the direct ownership of real estate including, terrorist attacks, war or other acts that destroy real property (in addition to securities market risks). These companies are sensitive to factors such as changes in real estate values and property taxes, interest rates, cash flow of underlying real estate assets, supply and demand, and the management skill and credit worthiness of the issuer. REITs may also be affected by tax and regulatory requirements. The above should not be considered to be an exhaustive list of the risks which potential investors should consider before investing into the Sub-Fund. Potential Investors ING Global Real Estate Fund should be aware that an investment in the Sub-Fund

may be exposed to other risks from time to time and should consult their financial advisor, banker, accountant or lawyer.

#### **Applicable only to ING Latin America Equity Fund**

Investors should note that investments in the Sub-Fund are exposed to the financial and market risks that accompany investments in equities and these have been set out in greater detail below. The Sub-Fund invests in foreign securities, which involve special risks, including currency fluctuations, lower liquidity, political and economic uncertainties, and differences in accounting standards.

The Sub-Fund may be affected by the following risks, among others:

- The Scheme intends to predominantly invest in ING (L) Invest Latin America Fund, under normal market conditions, the ING (L) Invest Latin America Fund will operate as a diversified fund. The market risk associated with the equities and/or transferable securities used to reach investment objectives of the sub fund are considered as high. Equities are impacted by various factors, of which, without being exhaustive, the development of the financial market, as well as the economic development of issuers who are themselves affected by the general world economic situation, as well as economic and political conditions prevailing in each country. Expected liquidity risk underlying investments in emerging markets is higher than investments in developed markets. Moreover, the currency exposure may impact highly the sub-fund's performance. Investments in a specific geographic area are more concentrated than investments in various geographic areas. No guarantee is provided as to the recovery of the initial investment.
- Investments in the sub fund are exposed to risks, which may include or be linked to equity, bond, currency, interest rate, credit, volatility and political risks. Each of these risks may also occur in conjunction with other risks. Some of these risk factors are described briefly below. Potential investors must have experience in investing in instruments used in the context of the investment policy of the sub fund. Investors must also be fully aware of the risks linked to investments in the sub fund and ensure that they consult their legal, tax and financial adviser, auditor or other adviser in order to obtain complete information on (i) the appropriate nature of an investment depending on their personal financial and tax situation and on their particular circumstances, (ii) the information contained herein and (iii) the investment policy of the sub-fund, before making any investment decision. Apart from potential stock exchange profit, it is important to note that an investment also involves the risk of incurring stock exchange losses. The value of the sub fund is determined on the basis of fluctuations in the price of the transferable securities held by the Company. The value may therefore go up or down in relation to their initial value. There is no guarantee that the aims of the investment policy will be achieved.
- Investors must be fully aware that any such investment may involve credit risks. Bonds and debt securities effectively involve issuer credit risk, which can be calculated using the issuer's solvency rating. Bonds and debt securities issued by entities with a low rating are generally considered to have higher credit risk and issuer default ING Latin America Equity Fund probability than those issued by issuers with a higher rating. If the issuer of bonds or debt securities runs into financial or economic difficulty, the value of the bonds or debt securities (which may become null and void) and the payments made on account of these bonds or debt securities (which may become null and void) may be affected. (credit risk). This is a general risk which affects all types of investment. Price trends for transferable securities are determined mainly by financial market trends and by the economic development of the issuers, who are themselves affected by the overall situation of the global economy and by the economic and political conditions prevailing in each country (market risk).
- Investors must be aware that an investment in the shares of the Company may be exposed to interest rate risks. These risks occur when there are fluctuations in the interest rates of the main currencies of each transferable security or of the Company.
- To the extent that the underlying scheme are invested in fixed income securities, the NAV of the Units issued under the Scheme is likely to be affected by changes in the general level of interest rates. When interest rates decline, the value of a portfolio of fixed income securities can be expected to rise. Conversely, when interest rates rise, the value of a portfolio of fixed income securities can be expected to decline.

- The liquidity of the Schemes' investments may be inherently restricted by the liquidity of the underlying schemes in which it has invested. Liquidity risks arise when a particular security is difficult to sell. In principle, only securities that can be sold at any time are added to a fund. Similarly, some transferable securities may be difficult to sell at the desired moment during particular periods or on particular segments of the stock exchange. Finally, there is a risk that securities traded in a narrow market segment are subject to high price volatility.
- The Investors shall bear the recurring expenses of the Scheme in addition to those expenses (recurring expenses and load) of the underlying schemes. The load and the recurring expenses charged by the underlying scheme may change from time to time. Therefore, the returns that they may receive may be materially impacted or may, at times, be lower than the returns that the investors directly investing in the underlying schemes could obtain.
- The disclosures of portfolio for the Scheme will be limited to the particulars of the underlying schemes and money market securities where the Scheme has invested. Investors may, therefore, not be able to obtain specific details of the investments of the underlying schemes.
- Any change in the investment policies or fundamental attributes of any underlying scheme is likely to affect the performance of the Scheme.
- **Currency Risk** – The value of investments may be affected by exchange rate fluctuations in the sub-funds where investments are allowed in a currency other than the sub-fund's reference currency. Returns to investors are the result of a combination of returns from investments and from movements in exchange rates. For example, if the Rupee appreciates vis-à-vis the US\$, the extent of appreciation will lead to reduction in the yield to the investor. However, if the Rupee appreciates against the US Dollar by an amount in excess of the interest earned on the investment, the returns can even be negative. Again, in case the Rupee depreciates vis-à-vis the US\$, the extent of depreciation will lead to a corresponding increase in the yield to the investor. Going forward, the Rupee may depreciate (lose value) or appreciate (increase value) against the currencies of the countries where the Scheme will invest. However in the interest of the investors, the AMC may hedge the currency risk exposure by forward contracts or such other tool as permitted by RBI.
- **Country Risk** – Country risk arises from the inability of a country to meet its financial obligations. It is the risk encompassing economic, social and political conditions in a foreign country which might adversely affect the interests of the Scheme.
- In parallel to the general trends prevailing on the financial markets, developments particular to each issuer can affect the value of an investment. Even a careful selection of transferable securities cannot, for example, eliminate the risk of losses caused by a decline in the assets of an issuer.
- Lack of flexibility of investment product and restrictions which may limit the possibility to change the counterparts/providers. Difficulties may in particular exist to find another counterparty with similar conditions for OTC derivatives.
- When over-the-counter (OTC) contracts are entered into, the Company may find itself exposed to risks arising from the solvency of its counterparts and from their ability to respect the conditions of these contracts. The Company may thus enter into futures, options and swap contracts, or use other derivative techniques, each of which involves the risk that the counterpart will fail to respect its commitments under the terms of each contract.
- Where the sub-fund invests in warrants on transferable securities, the net asset value may fluctuate more if the subfund were invested in the underlying assets because of the higher volatility of the value of the warrant.
- **Risk Factors associated with investing in Fixed Income Securities:**
  1. The NAV of the schemes to the extent invested in Debt and Money market securities, are likely to be affected by changes in the prevailing rates of interest and are likely to affect the value of the Scheme's holdings and thus the value of the Scheme's Units.
  2. The AMC may, considering the overall level of risk of the portfolio, invest in lower rated/unrated securities offering higher yields. This may increase the risk of the portfolio.
  3. Changes in the prevailing rates of interest are likely to affect the value of the scheme's holdings and thus the value of the scheme's units.

4. The value of the Scheme's investments may be affected generally by factors affecting securities markets, such as price and volume volatility in the capital markets, interest rates, currency exchange rates, changes in policies of the Government, taxation laws or any other appropriate authority policies and other political and economic developments. Consequently, the NAV of the Units of the Scheme may fluctuate and can go up or down.
5. Trading volumes, settlement periods and transfer procedures may restrict the liquidity of the investments made by the Scheme. Different segments of the Indian financial markets have different settlement periods and such periods may be extended significantly by unforeseen circumstances leading to delays in receipt of proceeds from sale of securities. The NAV of the Scheme can go up and down because of various factors that affect the capital markets in general.
6. As the liquidity of the investments made by the Scheme could, at times, be restricted by trading volumes and settlement periods, the time taken by the Mutual Fund for the redemption of units may be significant in the event of a high number of redemption requests or a restructuring of the Scheme. In view of the above, the Trustees have a right in its sole discretion, to limit redemptions under certain circumstances as described under the section titled Right to Limit Redemptions.
7. Securities, which are not quoted on the stock exchanges, are inherently illiquid in nature and carry a larger amount of liquidity risk, in comparison to securities that are listed on the exchanges or offer other exit options to the investor, including a put option. The AMC may choose to invest in unlisted securities that offer attractive yields. This may increase the risk of the portfolio.
8. While securities that are listed on the stock exchange carry lower liquidity risk, the ability to sell these investments is limited by the overall trading volume on the stock exchanges. Money market securities, while fairly liquid, lack a well-developed secondary market, which may restrict the selling ability of the Scheme and may lead to the Scheme incurring losses till the security is finally sold.
9. Investment decisions made by the AMC may not always be profitable.
10. The Scheme may use various derivative products as permitted by the Regulations. Use of derivatives requires an understanding of not only the underlying instrument but also of the derivative itself. Other risks include, the risk of mispricing or improper valuation and the inability of derivatives to correlate perfectly with underlying assets, rates and indices.
11. The Scheme may also invest in overseas financial assets subject to RBI/ SEBI Guidelines and to the extent that assets of the Scheme will be invested in securities denominated in foreign currencies, the Indian Rupee equivalent of the net assets, distributions and income may be adversely affected by changes in the value of certain foreign currencies relative to the Indian Rupee. The repatriation of capital to India may also be hampered by changes in regulations concerning exchange controls or political circumstances as well as the application to it of other restrictions on investment.
12. The tax benefits available under the scheme are as available under the present taxation laws and subject to relevant conditions. The information given is included for general purposes only and is based on advise that the AMC has received regarding the law and the practice that is currently in force in India and the investors and the Unitholders should be aware that the relevant fiscal rules and their interpretation may change. As is the case with any investment, there can be no guarantee that the tax position or the proposed tax position prevailing at the time of investment in the Scheme will endure indefinitely. In view of the individual nature of tax consequences, each Investor / Unitholder is advised to consult his/her own professional tax advisor.
13. Risks of investing in Floating Rate instruments or Fixed Rate instruments swapped for floating rate return: Interest rate movement (Basis Risk): As the fund will invest in floating rate instruments, these instruments' coupon will be reset periodically in line with the

benchmark index movement. Normally, the interest rate risk of a floating rate instrument compared to a fixed rate instrument is limited. The changes in the prevailing rates of interest will likely affect the value of the Scheme's holdings until the next reset date and thus the value of the Schemes' Units. Increased rates of interest, which frequently accompany inflation and/ or a growing economy, are likely to have a negative effect on the value of the Units. The value of securities held by the Scheme generally will vary inversely with changes in prevailing interest rates. The fund could be exposed to the interest rate risk (i) to the extent of time gap in resetting of the benchmark rates, and (ii) to the extent the benchmark index fails to capture the interest rate movement. Spread Movement (Spread Risk): Though the basis (i.e. benchmark) gets readjusted on a regular basis, the spread (i.e. markup) over benchmark remains constant. This can result in some volatility to the holding period return of floating rate instruments Settlement Risk (Counterparty Risk): The floating rate assets may also be created by swapping a fixed return to a floating rate return. In such a swap, there may be an additional risk of counterparty who will pay floating rate return and receive fixed rate return. Liquidity Risk: Due to the evolving nature of the floating rate market, there may be an increased degree of liquidity risk in the portfolio from time to time.

#### **Risk of investing in ING Treasury Advantage Fund:**

Different types of securities in which the scheme would invest as given in the Scheme Information Document carry different levels and types of risks. Accordingly the scheme's risk may increase or decrease depending upon its investment pattern. E.g. corporate bonds carry a higher amount of risks than Government securities. Further even among corporate bonds, bonds which are AAA rated are comparatively less risky than bonds which are AA rated.

- **Risk Factors associated with Securitised Debt:**

The scheme may invest in Securitised debt such as Asset backed Securities (ABS) or Mortgaged backed securities (MBS). Asset backed securities are securitised debt where the underlying assets are receivable arising from various loans including automobile loans, personal loans, loans against consumer durables etc. Mortgaged backed securities are securitised debt where the underlying assets are receivable arising from loans backed by mortgaged of residential/commercial properties. ABS/MBS instruments reflect the undivided interest in the underlying pool of assets and do not represent the obligation of the issuer of ABS/MBS or the originator of the underlying receivable. The ABS/MBS holders have limited recourse to the extent of credit enhancement provided. If the delinquencies and credit losses in the underlying pool exceed the credit enhancement provided, ABS/MBS holder will suffer credit losses. ABS/MBS are normally exposed to a higher level of reinvestment risk as compared to the normal corporate or sovereign debt. At present the following types of loans are securitised: **Auto loans (Cars/commercial vehicles/ two wheelers), House loans, Consumer durable loans, Personal loans, corporate loans. Auto Loans (Cars/Commercial vehicles/ two wheelers):** The underlying assets are susceptible to depreciation in values whereas the loans are given at high loan to value ratios. Thus after a few months, the value of assets becomes lower than the loan outstanding. The borrowers therefore may sometimes tend to default on loans and allow the vehicles to be repossessed. These loans are subject to model risk. I.e. if a particular automobile model does not become popular, loans given for financing that model have a much higher likelihood of turning bad. In such cases, loss on sale of repossession vehicles is higher than usual. Commercial vehicles loans are susceptible to the cyclical nature in the economy. In a downturn in economy, freight rates drop leading to higher defaults in commercial vehicle loans. Further, the second hand prices of these vehicles also decline in such economic environment. **Housing Loans:** Housing loans in India have shown very low default rates historically. However, in recent years loans have been given at high loan to value ratios and to a much younger borrower classes. The loans have not yet gone through the full economic cycle and have not yet seen a period of declining property prices. Thus the performance of these housing loans is yet to be tested and it need not conform to the historical experience of low default rates. **Consumer durable loans:** The underlying security for such loans is easily transferable without the banks knowledge and hence repossession is difficult. The underlying security for such loans is also susceptible to quick depreciation in value. This gives the borrowers a high incentive to default. **Personal Loans:** These are unsecured loans. In case of default, the bank has no security to fall back on. The lender has no control over how the borrower has used the borrowed money. **Further, all the above loans have the following common risk:** All the above loans are retail, relatively

small value loans. There is a possibility that the borrower takes different loans using the same income proof and thus the income is not sufficient to meet the debt service obligations of these loans. **Corporate loans:** These are loans given to single or multiple corporate. The receivables from a pool of loans to corporate is assigned to a trust that issues Pass through certificates in turn. The credit risk in such PTCs is on the underlying pool of loans to corporate, which in turn depends on economic cycles.

- **Risks associated with investing in Foreign Securities**

The Scheme may also invest in overseas financial assets subject to RBI/ SEBI Guidelines and to the extent that assets of the Scheme will be invested in securities denominated in foreign currencies, the Indian Rupee equivalent of the net assets, distributions and income may be adversely affected by changes in the value of certain foreign currencies relative to the Indian Rupee. The repatriation of capital to India may also be hampered by changes in regulations concerning exchange controls or political circumstances as well as the application to it of other restrictions on investment.

- **Risks associated with investing in Derivatives**

The Scheme may use various derivative products as permitted by the Regulations. Use of derivatives requires an understanding of not only the underlying instrument but also of the derivative itself. Other risks include, the risk of mispricing or improper valuation and the inability of derivatives to correlate perfectly with underlying assets, rates and indices.

- **Risks associated with Short Selling and Securities Lending**

The Mutual Fund may not be able to sell lent out securities, which can lead to temporary illiquidity. There are risks inherent in securities lending, including the risk of failure of the other party, in this case the approved intermediary to comply with the terms of the agreement. Such failure can result in a possible loss of rights to the collateral, the inability of the approved intermediary to return the securities deposited by the lender and the possible loss of corporate benefits accruing thereon.

## **B. Requirement of Minimum Investors in the Scheme**

**(Applicable for all Schemes and applicable for ING C.U. B Fund after conversion into open ended scheme)**

The Scheme/Plan shall have a minimum of 20 investors and no single investor shall account for more than 25% of the corpus of the Scheme/Plan(s). However, if such limit is breached during the NFO of the Scheme, the Fund will endeavour to ensure that within a period of three months or the end of the succeeding calendar quarter from the close of the NFO of the Scheme, whichever is earlier, the Scheme complies with these two conditions. In case the Scheme / Plan(s) does not have a minimum of 20 investors in the stipulated period, the provisions of Regulation 39(2)(c) of the SEBI (MF) Regulations would become applicable automatically without any reference from SEBI and accordingly the Scheme / Plan(s) shall be wound up and the units would be redeemed at applicable NAV. The two conditions mentioned above shall also be complied within each subsequent calendar quarter thereafter, on an average basis, as specified by SEBI. If there is a breach of the 25% limit by any investor over the quarter, a rebalancing period of one month would be allowed and thereafter the investor who is in breach of the rule shall be given 15 days notice to redeem his exposure over the 25 % limit. Failure on the part of the said investor to redeem his exposure over the 25 % limit within the aforesaid 15 days would lead to automatic redemption by the Mutual Fund on the applicable Net Asset Value on the 15th day of the notice period. The Fund shall adhere to the requirements prescribed by SEBI from time to time in this regard.

**(Applicable ING C.U. B Fund till the conversion into open ended scheme)**

The Scheme(s) and individual Plan(s) under the Scheme(s) shall have a minimum of 20 investors and no single investor shall account for more than 25% of the corpus of the Scheme(s)/Plan(s). These conditions will be complied with immediately after the close of the NFO itself i.e. at the time of

allotment. In case of non-fulfillment with the condition of minimum 20 investors, the Scheme(s)/Plan(s) shall be wound up in accordance with Regulation 39 (2) (c) of SEBI (MF) Regulations automatically without any reference from SEBI. In case of non-fulfillment with the condition of 25% holding by a single investor on the date of allotment, the application to the extent of exposure in excess of the stipulated 25% limit would be liable to be rejected and the allotment would be effective only to the extent of 25% of the corpus collected. Consequently, such exposure over 25% limits will lead to refund within 6 weeks of the date of closure of the New Fund Offer.

### **C. Special Considerations**

- Neither this Scheme Information Document nor the Units have been registered in any jurisdiction. The distribution of this Scheme Information Document in certain jurisdictions may be restricted or totally prohibited and accordingly, persons who come into possession of this Scheme Information Document are required to inform themselves about, and to observe, any such restrictions.
- Prospective investors should review / study this Scheme Information Document carefully and in its entirety and shall not construe the contents hereof or regard the summaries contained herein as advice relating to legal, taxation, or financial / investment matters and are advised to consult their own professional advisor(s) as to the legal, tax, financial or any other requirements or restrictions relating to the subscription, gifting, acquisition, holding, disposal (by way of sale, switch or Redemption or conversion into money) of Units and to the treatment of income (if any), capitalisation, capital gains, any distribution, and other tax consequences relevant to their subscription, acquisition, holding, capitalisation, disposal (by way of sale, transfer, switch or conversion into money) of Units within their jurisdiction of nationality, residence, incorporation, domicile etc. or under the laws of any jurisdiction to which they or any managed funds to be used to Purchase / gift Units are subject, and also to determine possible legal, tax, financial or other consequences of subscribing / gifting, purchasing or holding Units before making an application for Units.
- From time to time, funds managed by the affiliates / associates of the Sponsor may invest either directly or indirectly in the Scheme. The funds managed by these affiliates/associates may acquire a substantial portion of the Scheme's Units and collectively constitute a major investment in the Scheme. Accordingly, Redemption of Units held by such funds may have an adverse impact on the value of the Units of the Scheme because of the timing of any such Redemption and may affect the ability of other Unit Holders to redeem their respective Units.

**Investors are urged to study the terms of the Offer carefully before investing in the Scheme and to retain this Scheme Information Document for future reference.**

#### D. Abbreviations and Definitions

In this Scheme Information Document the following terms will have the meanings indicated there against, unless the context suggests otherwise:

AMFI	Association of Mutual Funds in India.
AOP	Association of Persons.
Asset Management Company, AMC or Investment Manager	ING Investment Management (India) Private Limited incorporated under the Companies Act, 1956 and registered with the SEBI to act as an Asset Management Company for the schemes of the ING Mutual Fund.
Applicable NAV	The Net Asset Value applicable for Redemptions/Repurchase/switches etc., based on the Business Day and relevant cut-off times on which the application is accepted at the official points of acceptance.
Application Form/Key Information Memorandum	A form meant to be used by an investor to open a Folio and purchase Units in the Scheme.
BOI	Body of Individuals.
Business Day	<p>A day other than:</p> <ul style="list-style-type: none"> <li>(a) Saturday and Sunday;</li> <li>(b) A day on which banks (including the Reserve Bank of India) in Mumbai are closed or The Stock Exchange, Mumbai is closed or the National Stock Exchange is closed.</li> <li>(c) A day on which the Sale or Redemption of Units is suspended;</li> <li>(d) A day on which the AMC is closed for business.</li> </ul> <p>Only for ING Liquid Fund, the days on which the money markets are closed / not accessible, shall not be treated as business day (s).</p> <p><b><u>Applicable to ING Latin America Equity Fund:</u></b></p> <p>A day other than (i) Saturday and Sunday, (ii) a day on which the banks in Mumbai are closed, Stock exchange in Mumbai is closed (BSE and NSE) (iii) a day when ING (L) Invest Latin America Fund is closed for subscription/redemption, (iv) a day on which the sale and redemption of Units is suspended. (v) A day on which the AMC is closed for business.</p> <p><b><u>Applicable to ING Global Real Estate Equity Fund:</u></b></p> <p>A day other than (i) Saturday and Sunday, (ii) a day on which the banks in Mumbai are closed, Stock exchange in Mumbai is closed (BSE and NSE) (iii) a day when ING Global Real Estate Securities Fund is closed for subscription/redemption, (iv) a day on which the sale and redemption of Units is suspended. (v) A day on which the AMC is closed for business.</p> <p>The AMC reserves the right to change the definition of Business Day. The AMC reserves the right to declare any day as a Business Day or otherwise at any or all ISCs.</p>
Contingent Deferred Sales	A charge to the Unit Holder upon exiting (by way of Redemption)

Charge / CDSC	based on the period of holding of Units. The Regulations provide that a CDSC may be charged only for a no-Load Scheme and only for the first four years after the Purchase and caps the percentage of NAV that can be charged in each year.
Custodian	Standard Chartered Bank, Mumbai registered under the SEBI (Custodian of Securities) Regulations, 1996, currently acting as Custodian to the Scheme or any other custodian who is approved by the Trustee.
Collection Bank(s)	The Bank(s) with which the AMC has entered into an agreement, from time to time, to enable customers to deposit their applications for Units during New Fund Offer.
Depository	Depository as defined in the Depositories Act, 1996.
Designated Collection Centers	During the NFO: ISCs and branches of Collection Bank(s) designated by the AMC where the applications shall be received.  During Ongoing Offer: ISCs designated by the AMC where the applications shall be received.
Dividend	Income distributed by Scheme on the Units, where applicable.
Entry Load	A Load charged to an investor on Purchase of Units based on the amount of investment or any other criteria decided by the AMC, from time to time, for meeting the sales, marketing and other such expenses connected with the sales and distribution of the units of the scheme.
EFT	Electronic Funds Transfer
Exit Load	A Load (other than CDSC) charged to the Unit Holder on exiting the Scheme (by way of Redemption) based on period of holding, amount of investment, or any other criteria decided by the AMC.
Foreign Institutional Investors / FII	An entity registered with SEBI under Securities and Exchange Board of India (Foreign Institutional Investors) Regulations, 1995 as amended from time to time.
Fund of Funds / FOF	A mutual fund scheme that invests primarily in other schemes of the same mutual fund or other mutual funds.
Fund / Mutual Fund	ING Mutual Fund, a trust set up under the provisions of Indian Trusts Act, 1882 (Formerly known as ING Vysya Mutual Fund and ING Savings Trust).
HUF	Hindu Undivided Family.
New Fund Offer / NFO	The offer for Purchase of Units at the inception of the Scheme, available to the investors during the NFO Period.
Investment Agreement / IMA	The Agreement dated October 28, 1998 executed between the AMC and the Trustees as amended from time to time.
Investor Service Centre / ISC	Official points of acceptance of transaction / service requests from investors. These will be designated by the AMC from time to time.
Load	A charge that may be levied to an investor at the time of Purchase of Units of the Scheme or to a Unit Holder at the time of

	Redemption of Units from the Scheme.
Redemption	Repurchase of Units by the Scheme from a Unit Holder.
Redemption Price	The price (being Applicable NAV minus Exit Load / CDSC) at which the Units can be redeemed and calculated in the manner provided in this Scheme Information Document.
RTGS	Real Time Gross Settlement.
SAI	Statement of Additional Information
SID	Scheme Information Document
SEBI	Securities and Exchange Board of India established under the SEBI Act, 1992.
SEBI Act	Securities and Exchange Board of India Act, 1992.
SEBI Regulations/ Regulations	Securities and Exchange Board of India (Mutual Funds) Regulations, 1996 as amended from time to time, including by way of circulars or notifications issued by SEBI and the Government of India.
SEFT	Special Electronic Funds Transfer.
Sponsor	ING Group through its wholly owned subsidiary, Nationale Nederlanden Interfinance B.V.
Switch	Sale of a Unit in one Scheme / Plan / Option against purchase of a Unit in another Scheme /Plan / Option.
Transaction Slip	A form meant to be used by Unit Holders seeking additional Purchase or Redemption of Units in the Scheme, change in bank account details, switch-in or switch-out and such other facilities offered by the AMC and mentioned in Transaction Slips.
Trustee	The Board of Trustees of the ING Mutual Fund
Trust Deed	The Deed of Trust dated October 8, 1998 made by and between the Sponsor and the Trustees as amended from time to time, thereby establishing an irrevocable trust i.e. ING Mutual Fund, a Mutual Fund
Trust Fund	Amounts settled / contributed by the Sponsor towards the corpus of ING Mutual Fund and additions / accretions thereto.
Unit	The interest of an investor, which consists of one undivided share in the net assets of the Scheme.
Unit Holder	A person holding Units of the Scheme of ING Mutual Fund offered under this Scheme Information Document.
Valuation Day	Business Day

#### **E. Due Diligence Certificate**

It is confirmed that:

1. The draft Scheme Information Document forwarded to SEBI is in accordance with the SEBI (Mutual Funds) Regulations, 1996 and the guidelines and directives issued by SEBI from time to time.
2. All legal requirements connected with the launching of the Scheme and also the guidelines, instructions, etc. issued by the Government of India and any other competent authority in this behalf, have been duly complied with.
3. The disclosures made in the Scheme Information Document are true, fair and adequate to enable the investors to make a well informed decision regarding investment in the proposed Scheme.
4. All the intermediaries named in the Scheme Information Document and Statement of Additional Information is registered with SEBI and till date such registration is valid, as on date.

**For ING Investment Management (India) Private Limited**  
(Investment Manager to ING Mutual Fund)

**Sd/-**

**Name: Mitesh Haria**

**Designation: VP – Legal & Secretarial**

Place: Mumbai  
Date: May 20, 2009

## II. INFORMATION ABOUT THE SCHEME

### ING DOMESTIC OPPORTUNITES FUND

#### A. Type of the Scheme

An Open Ended Equity Scheme

#### B. What is the Investment Objective and Policy of the Scheme

##### **Investment Objective**

The primary investment objective of the Scheme is to seek to provide long-term capital appreciation from a portfolio that is primarily invested in companies which derive a significant proportion of their revenues from the domestic Indian market place / economy. In case adequate investment opportunities are not available due to valuation considerations etc, amongst the primary investment universe, the fund will then seek investment opportunities amongst the general investment universe.

There can be no assurance that the investment objective of the Scheme will be realized.

##### **Investment Policy:**

Consistent with the objective of the Scheme, the corpus of the Scheme will be invested primarily in equity shares of companies which derive significant proportion of their revenues from the domestic Indian market place / economy. A significant portion of revenue will mean that at least 50% of the company's sales turnover is derived from the domestic sales (subject that the company has a minimum total sales turnover of Rs 50 Crores) or the company has about Rs 100 Crores of domestic sales, whichever is lower. The scheme will invest in listed companies or in the IPOs of new companies. As regards unlisted securities, the scheme may invest up to the limit permitted by SEBI Regulations subject to approval of Trustees and investment in such unlisted companies would be made only if those companies have domestic sales of a minimum of Rs 100 Crores. Long term investment themes centered around taking advantage of the growth opportunities in the domestic Indian economy will be a key feature in portfolio construction.

Since the last few years, India's GDP growth has been growing at a much faster pace, compared to earlier years. There have been substantial economic reforms already initiated to encourage private investments. Deregulation of pricing restrictions has taken place in certain industries. There has been implementation of Government aided economic programs and encouragement of private ownership across industries. These reform measures have substantially helped in pushing the economy on a faster growth path, thus in turn helping Corporate profitability. The aim of the Fund is to seek investments in such companies, which are likely to be beneficiaries from the acceleration of India's economic growth.

In trying to identify individual companies, the Fund will focus on conducting a detailed analysis of policy initiatives and changes undertaken by the Government, which impact individual industries / companies. An analysis will also be continuously undertaken of the changing economic trends and a sector-wise assessment of the impact of these trends on each sector. The changing & improving economic environment will increasingly throw up opportunities for accelerated profit growth for certain industries / companies like Telecommunications, retailing, automobiles, capital goods, cement, power etc. Our investment team will conduct detailed and continuous analysis of this changing environment to identify the benefiting industries / companies for investment purposes. On an exceptional basis, the Investment Committee may consider investment in loss making companies like companies in the infrastructure sector. These exceptional cases will be considered only if the Investment Committee believes that a turn around in the company

is likely in the near term (1-2 years). The sales criteria mentioned above would apply to the loss making / turn around companies.

The scheme may also invest a part of its corpus in money market instruments, in order to manage its liquidity requirements from time to time and under certain circumstances, to protect the interests of the Unitholders.

**C. How will the Scheme allocate its Assets**

**Indicative Asset Allocation**

It is anticipated that the asset allocation under the scheme shall be as follows:

Instruments	Indicative allocations ( % of total assets)		Risk Profile
	Maximum	Minimum	
Equity and equity related securities of Companies which derive a significant proportion of their revenue from the domestic Indian market place / economy	100	80	High
Cash & Money market instruments, including money at call, including call, repo, Collateralised Borrowing & Lending Obligations (CBLO) but excluding Subscription and redemption cash flow.	20	0	Low to Medium

Subscription Cash Flow is the subscription money in transit before deployment and Redemption Cash Flow is the money kept aside for meeting redemptions.

The asset allocation shown above is indicative and may be changed by the Investment Manager for a short-term period on defensive consideration. Notwithstanding the foregoing, the Trustee may from time to time at its absolute discretion review and modify the investment strategy provided such modification is in accordance with SEBI Regulations.

The Scheme may invest in index / stock futures and options contracts, warrants, convertible securities, swap agreements or other derivative products, as and when introduced but always subject to regulatory requirements and in compliance with the investment objective of the Scheme. Please refer to the heading “Derivatives & Hedging Products” for more details.

To try and optimise returns to investors the Fund may indulge in Stock Lending activities or other facilities as may be introduced and permitted by the regulatory authorities

**D. Where will the Scheme invest?**

Subject to the Regulations and other prevailing laws as applicable, the corpus of the Scheme can be invested in any (but not exclusively) of the following securities:

1. Equity and equity related instruments including convertible bonds and debentures and warrants carrying the right to obtain equity shares.
2. ADRs / GDRs issued by the Indian companies, subject to the guidelines issued by the Reserve Bank of India and Securities and Exchange Board of India.
3. Units issued by Mutual Funds/Exchange Traded Funds (both domestic and foreign)
4. Derivative instruments permitted by SEBI / RBI.
5. Securities issued / guaranteed by the Central, State and local governments (including but not limited to coupon bearing bonds, zero coupon bonds and treasury bills).

6. Debt obligations of domestic government agencies and statutory bodies, which may or may not carry a Central / State Government guarantee.
7. Corporate debt (of both public and private sector undertakings).
8. Debt obligations of banks (both public and private sector) and financial institutions.
9. Money market instruments
10. Bills of Exchange / Promissory Notes.
11. Securitised Debt.
12. Floating rate debt instruments.
13. The non-convertible part of convertible securities.
14. Any other domestic fixed income securities.
15. Pass through, Pay through or other Participation Certificates representing interest in a pool of assets including receivables.
16. Any other instruments as may be permitted by SEBI from time to time.

The securities mentioned above could be listed, unlisted, privately placed, secured, unsecured, rated or unrated and of any maturity. The securities may be acquired through Initial Public Offerings (IPOs), secondary market operations and private placement, rights offers or negotiated deals. The Scheme may participate in securities lending as permitted under the Regulations.

**E. What are the Investment Strategies?**

**Investment Approach and Strategy**

The corpus of the Scheme will be invested primarily in equity shares of companies which derive a significant portion of their revenues from the domestic Indian market place / economy. Long term investment themes centered around taking advantage of the growth opportunities in the domestic Indian economy will be a key feature in portfolio construction. A very small portion of the fund will be kept liquid. The Scheme may also use various derivatives and hedging products from time to time, as would be available and permitted by SEBI, in an attempt to protect the value of the portfolio and enhance Unitholders' interest.

**ING CORE EQUITY FUND**

**A. Type of the Scheme**

An Open Ended Growth Scheme

**B. What is the Investment Objective and Policy of the Scheme**

**Investment Objective**

The primary investment objective of the Scheme is to seek to provide long-term capital appreciation from a portfolio that is invested predominantly in equity and equity-related securities.

There can be no assurance that the investment objective of the Scheme will be realized.

**Investment Policy:**

Consistent with the objective of the Scheme, the corpus of the Scheme will be invested primarily in equity shares and in equity-related securities. The Scheme may also invest a part of its corpus in debt and money market instruments, in order to manage its liquidity requirements from time to time, and under certain circumstances, to protect the interests of the Unitholders.

**C. How will the Scheme allocate its Assets**

### **Indicative Asset Allocation**

It is anticipated that the asset allocation under the scheme shall be as follows:

<b>Instruments</b>	<b>Indicative allocations ( % of total assets)</b>		<b>Risk Profile</b>
	<b>Maximum</b>	<b>Minimum</b>	
Equities & equity-related securities	100	70	High
Debt securities, Money market instruments *	30	0	Low to Medium

\* Including Securitised debt of upto 20% of corpus.

Subject to Regulations, the asset allocation pattern indicated above may change from time to time, keeping in view market conditions, opportunities and political & economic factors. It must be clearly understood that the percentages stated above are only indicative and not absolute, and that they can vary substantially depending upon the perception of the AMC, the intention being at all times to seek to protect the interests of the Unitholders. Such changes in the investment pattern will be for short term and defensive considerations.

### **Asset Allocation**

This is already covered in Investment pattern. The fund does not set absolute targets for buying / selling individual scrip / debt / money-market instruments. However, on a quarterly basis the portfolio is critically reviewed to assess the rise / fall in the instruments and a decision to book profits / cut losses is taken based on prevalent market conditions and changing business environment.

### **Internal Restrictions (Equity/Debt/Money Market)**

The Scheme does not have any special internal restrictions on equity or debt investments, besides those laid down in the Regulations.

### **D. Where will the Scheme invest?**

Subject to the Regulations and other prevailing laws as applicable, the corpus of the Scheme can be invested in any (but not exclusively) of the following securities:

1. Equity and equity related instruments including convertible bonds and debentures and warrants carrying the right to obtain equity shares.
2. ADRs / GDRs issued by the Indian companies, subject to the guidelines issued by the Reserve Bank of India and Securities and Exchange Board of India.
3. Units issued by Mutual Funds/Exchange Traded Funds (both domestic and foreign)
4. Securities issued / guaranteed by the Central, State and local governments (including but not limited to coupon bearing bonds, zero coupon bonds and treasury bills).
5. Debt obligations of domestic government agencies and statutory bodies, which may or may not carry a Central / State Government guarantee.
6. Corporate debt (of both public and private sector undertakings).
7. Debt obligations of banks (both public and private sector) and financial institutions.
8. Money market instruments
9. Bills of Exchange / Promissory Notes.
10. Securitised Debt.
11. Floating rate debt instruments.
12. The non-convertible part of convertible securities.
13. Any other domestic fixed income securities.

14. Pass through, Pay through or other Participation Certificates representing interest in a pool of assets including receivables.
15. Any other instruments as may be permitted by SEBI from time to time.

The securities mentioned above could be listed, unlisted, privately placed, secured, unsecured, rated or unrated and of any maturity. The securities may be acquired through Initial Public Offerings (IPOs), secondary market operations and private placement, rights offers or negotiated deals. The Scheme may participate in securities lending as permitted under the Regulations.

#### **E. What are the Investment Strategies?**

##### **Investment Approach and Strategy**

A judicious mix of top-down and bottom-up approach will drive the portfolio strategy. The portfolio will be designed to have concentrated holding within reasonable risk limits, rather than an unproductive and excessive diversification, and will be overweight in growth stocks. Secular growth of the underlying business, management's attitude towards future growth, and its preferences about how to fund it, and its track record, will be prime movers behind stock selection.

The Scheme, under most market conditions, does not intend investing in illiquid equity-related securities. The Scheme may however, invest in unlisted and/or privately placed and/or unrated debt securities from issuers of repute and sound financial standing. If investment is made in unrated debt securities, the approval of the Board of the AMC shall be obtained, as per the Regulations.

The Scheme may also use various derivatives and hedging products from time to time, as would be available and permitted by SEBI, in an attempt to protect the value of the portfolio. The Scheme may also invest in suitable investment avenues in overseas financial markets for the purpose of diversification, commensurate with the Scheme objectives and subject to necessary stipulations by SEBI/RBI. Towards this, the Fund may also appoint overseas investment advisors and other service providers as and when permissible under the Regulations.

#### **ING DIVIDEND YELDFUND**

##### **A. Type of the Scheme**

An Open Ended Equity Scheme

##### **B. What is the Investment Objective and Policy of the Scheme**

###### **Investment Objective**

The investment objective of the Scheme is to provide medium to long term capital appreciation and / or dividend distribution by investing predominantly in equity and equity related instruments, which offer high dividend yield.

There can be no assurance that the investment objective of the Scheme will be realized.

###### **Investment Policy:**

Equity and equity-related Instruments of high dividend yield companies would account for 65-100% of the asset allocation. Call, Cash and money market instruments would comprise upto 0-25% of the assets.

##### **C. How will the Scheme allocate its Assets**

###### **Indicative Asset Allocation**

It is anticipated that the asset allocation under the scheme shall be as follows:

Instruments	Indicative allocations ( % of total assets)		Risk Profile
	Maximum	Minimum	
High dividend yield Equity and Equity related instruments	100	65	High
Other Equity and Equity related instruments	35	0	Low to Medium
Cash, Deposits & Money Market Instruments	25	0	Low

\*The maximum limit up to which the scheme may participate in Stock Lending shall be 75% of the net assets.

Investment in foreign equity and equity related securities shall be to a maximum of 35% of net assets of the scheme. Investment in Derivatives Investments shall be to a maximum of 50%.

These percentages would be adhered to at the point of investment in a stock. The portfolio would be reviewed quarterly to address any deviations from the aforementioned allocations due to market changes.

Considering the inherent characteristics of the scheme, equity positions would have to be built up gradually and also sold off gradually. This would necessarily entail having large cash position before the portfolio is fully invested and during periods when equity positions are being sold off to book profits / losses or to meet redemption needs.

The fund manager will invest primarily in equity shares that have a high dividend yield at the time of investment. Dividend Yield is considered as high if it is greater than the Dividend Yield of the Nifty last released/published by NSE on its website:www.nseindia.com which shall be the primary selection criteria.

Though the high dividend yield is the prime factor involved in the evaluation of a company's investment-worthiness, investment decisions would not be based on high dividend yield alone. Other parameters such as business fundamentals, management competence, growth prospects, industry scenario etc would also be considered. However, all other factors remaining favorable, investment would be made primarily in high dividend stocks as mentioned above.

Under normal circumstances atleast 65% of the scheme's assets would be invested in high dividend yield stocks. The Scheme could also invest in equity shares of other companies i.e. other than high dividend stocks to the extent of 35% of the net assets.

Subject to the SEBI Regulations, the asset allocation pattern indicated may change from time to time, keeping in view market conditions, market opportunities, and political and economic factors. It must be clearly understood that the percentages stated above are only indicative and not absolute and that they can vary depending upon the perception of the Investment Manager, the intention being at all times to seek to protect the interests of the Unit holders. Such changes in the asset allocation will be for short term and defensive considerations. Provided further and subject to the above, any change in the asset allocation affecting the investment profile of the Scheme shall be effected only in accordance with the provisions of sub regulation (15a) of Regulation 18 of the SEBI Regulations.

**D. Where will the Scheme invest?**

Subject to the Regulations and other prevailing laws as applicable, the corpus of the Scheme can be invested in any (but not exclusively) of the following securities:

1. Equity and equity related instruments including convertible bonds and debentures and warrants carrying the right to obtain equity shares.
2. ADRs / GDRs issued by the Indian companies, subject to the guidelines issued by the Reserve Bank of India and Securities and Exchange Board of India.
3. Units issued by Mutual Funds/Exchange Traded Funds (both domestic and foreign)
4. Derivative instruments permitted by SEBI / RBI.
5. Securities issued / guaranteed by the Central, State and local governments (including but not limited to coupon bearing bonds, zero coupon bonds and treasury bills).
6. Debt obligations of domestic government agencies and statutory bodies, which may or may not carry a Central / State Government guarantee.
7. Corporate debt (of both public and private sector undertakings).
8. Debt obligations of banks (both public and private sector) and financial institutions.
9. Money market instruments
10. Bills of Exchange / Promissory Notes.
11. Securitised Debt.
12. Floating rate debt instruments.
13. The non-convertible part of convertible securities.
14. Any other domestic fixed income securities.
15. Pass through, Pay through or other Participation Certificates representing interest in a pool of assets including receivables.
16. Any other instruments as may be permitted by SEBI from time to time.

The securities mentioned above could be listed, unlisted, privately placed, secured, unsecured, rated or unrated and of any maturity. The securities may be acquired through Initial Public Offerings (IPOs), secondary market operations and private placement, rights offers or negotiated deals. The Scheme may participate in securities lending as permitted under the Regulations.

#### **E. What are the Investment Strategies?**

##### **Investment Approach and Strategy**

The scheme aims to generate returns by investing a substantial portion of its investible assets (over 65%) in high dividend-paying companies. Investing in stocks with high dividend yields is traditionally known as 'Defensive Investment Strategy'. Using this approach, the scheme targets to achieve returns higher than what would otherwise be available in interest bearing securities (Bonds, FDs, CDs, Debentures etc.), but without taking undue exposure to the vagaries of stock markets. Historically, the shareprices of companies having high dividend yield are less volatile than growth stocks. In order to diversify the portfolio, the fund manager may invest up to 25% in, Call, Cash, Deposits & Money Market Instruments in order to meet the liquidity needs.

The investment emphasis of the Fund would be on identifying companies with sound corporate managements and prospects of good future growth. Past performance will also be a major consideration. Essentially, the focus would be on long-term fundamentally driven values. However, short-term opportunities would also be seized, provided they are supported by underlying values. As part of the investment strategy, fund will book profits regularly to take advantage of the volatility in the market.

## **ING MIDCAP FUND**

### **A. Type of the Scheme**

An Open Ended Equity Scheme

**B. What is the Investment Objective and Policy of the Scheme**

**Investment Objective**

The Fund investment objective is to seek to provide long-term growth of capital at controlled level of risk by investing primarily in Mid-Cap stocks. The level of risk is somewhat higher than a fund focused on large and liquid stocks. Concomitantly, the aim is to generate higher returns than a fund focused on large and liquid stocks.

There can be no assurance that the investment objective of the Scheme will be realized.

**Investment Policy:**

The fund seeks to meet this objective by investing, normally, at least 65% of its total assets in Mid Cap stocks. For the purpose of determining mid cap stocks, the market capitalisation of companies would be considered. Currently, companies that have a market capitalization between Rs. 100 Crores to Rs. 4000 Crores would constitute the investment universe of the Mid Cap portion of the portfolio. In order to diversify the portfolio and improve liquidity, the fund may invest in up to 35% of its net assets in Large Cap and Small Cap Companies (i.e. companies with a market capitalization of more than Rs. 4000 Crores and less than Rs. 100 Crores respectively). The stocks of midcap companies are generally more volatile and less liquid than the large cap stocks.

**C. How will the Scheme allocate its Assets**

**Indicative Asset Allocation**

It is anticipated that the asset allocation under the scheme shall be as follows:

Instruments	Indicative allocations ( % of total assets)		Risk Profile
	Maximum	Minimum	
Equity and related instruments of companies with a market capitalization of between Rs. 100 Crores to Rs. 4000 Crores (Mid-Cap Stocks)	100	65	High
Equity and related instruments of companies with a market capitalization of more than Rs. 4000 Crores (Large Cap. stocks) or less than Rs. 100 Crores (Small Cap. Stocks)	35	0	Low to Medium
Money Market Instruments	25	0	Low

\*The maximum limit up to which the scheme may participate in Stock Lending shall be 75% of the net assets. Investment in foreign equity and equity related securities shall be to a maximum of 35% of net assets of the scheme. Investment in Derivatives shall be to a maximum of 50%.

These percentages would be adhered to at the point of investment in a stock. The portfolio would be reviewed quarterly to address any deviations from the aforementioned allocations due to market changes.

Considering the inherent characteristics of the scheme, equity positions would have to be built up gradually and also sold off gradually. This would necessarily entail having large cash position before the portfolio is fully invested and during periods when equity positions are being sold off to book profits / losses or to meet redemption needs.

Subject to the SEBI Regulations, the asset allocation pattern indicated may change from time to time, keeping in view market conditions, market opportunities, and political and economic factors. It must be clearly understood that the percentages stated above are only indicative and not absolute and that they can vary depending upon the perception of the Investment Manager, the intention being at all times to seek to protect the interests of the Unit holders. Such changes in the asset allocation will be for short term and defensive considerations. Provided further and subject to the above, any change in the asset allocation affecting the investment profile of the Scheme shall be effected only in accordance with the provisions of sub regulation (15a) of Regulation 18 of the SEBI Regulations.

**D. Where will the Scheme invest?**

Subject to the Regulations and other prevailing laws as applicable, the corpus of the Scheme can be invested in any (but not exclusively) of the following securities:

1. Equity and equity related instruments including convertible bonds and debentures and warrants carrying the right to obtain equity shares.
2. ADRs / GDRs issued by the Indian companies, subject to the guidelines issued by the Reserve Bank of India and Securities and Exchange Board of India.
3. Units issued by Mutual Funds/Exchange Traded Funds (both domestic and foreign)
4. Derivative instruments permitted by SEBI / RBI.
5. Securities issued / guaranteed by the Central, State and local governments (including but not limited to coupon bearing bonds, zero coupon bonds and treasury bills).
6. Debt obligations of domestic government agencies and statutory bodies, which may or may not carry a Central / State Government guarantee.
7. Corporate debt (of both public and private sector undertakings).
8. Debt obligations of banks (both public and private sector) and financial institutions.
9. Money market instruments
10. Bills of Exchange / Promissory Notes.
11. Securitised Debt.
12. Floating rate debt instruments.
13. The non-convertible part of convertible securities.
14. Any other domestic fixed income securities.
15. Pass through, Pay through or other Participation Certificates representing interest in a pool of assets including receivables.
16. Any other instruments as may be permitted by SEBI from time to time.

The securities mentioned above could be listed, unlisted, privately placed, secured, unsecured, rated or unrated and of any maturity. The securities may be acquired through Initial Public Offerings (IPOs), secondary market operations and private placement, rights offers or negotiated deals. The Scheme may participate in securities lending as permitted under the Regulations.

**E. What are the Investment Strategies?**

**Investment Approach and Strategy**

The scheme would invest a substantial portion of its investible assets (over 65%) in Mid Cap companies as defined earlier in this Scheme Information Document. The stocks of these companies are generally more volatile and less liquid than the large cap stocks. In order to diversify the portfolio, the fund manager may invest up to 35% in stocks, which have a higher or lower market capitalisation. A small portion of the portfolio may be kept in call and money market instruments in order to meet the liquidity needs.

The investment emphasis of the Fund would be on identifying companies with sound corporate managements and prospects of good future growth. Past performance will also be a major consideration. Essentially, the focus would be on long-term fundamentally

driven values. However, short-term opportunities would also be seized, provided they are supported by underlying values. As part of the investment strategy, fund will book profits regularly to take advantage of the volatility in the market.

## **ING NIFTY PLUS FUND**

### **A. Type of the Scheme**

An open-ended index linked Equity Scheme

### **B. What is the Investment Objective and Policy of the Scheme**

#### **Investment Objective**

ING Nifty Plus Fund is an open-ended index linked equity scheme with the objectives to invest in companies whose securities are included in the Nifty.

There can be no assurance that the investment objective of the Scheme will be realized.

#### **Investment Policy:**

The net assets of the Scheme will be invested predominantly in stocks constituting the S&P CNX Nifty and / or in exchange traded derivatives on the S&P CNX Nifty. This would be done by investing 70-95% of the net assets in all the stocks comprising the S&P CNX Nifty in approximately the same weightages that they represent in the S&P CNX Nifty Index and / or investing in derivatives including futures contracts and options contracts on the S&P CNX Nifty Index. Between 0-25% of the net assets will be actively managed to take overweight / underweight exposure in stocks comprising the CNX NIFTY. A small portion of the net assets will be invested in money market instruments permitted by SEBI / RBI including call money market or in alternative investment for the call money market as may be provided by the RBI, to meet the liquidity requirement of the Scheme.

### **C. How will the Scheme allocate its Assets**

#### **Indicative Asset Allocation**

It is anticipated that the asset allocation under the scheme shall be as follows:

<b>Instruments</b>	<b>Indicative allocations ( % of total assets)</b>		<b>Risk Profile</b>
	<b>Maximum</b>	<b>Minimum</b>	
Securities covered by the Nifty in the same percentage weightage as in the Nifty. *	95	70	High
Securities covered by the Nifty (including exchange-traded derivatives on the S&P CNX Nifty) which is actively managed.	25	0	High
Cash & Money market instruments, including money at call but excluding Subscription and redemption cash flow.	10	0	Low to Medium

Subscription Cash Flow is the subscription money in transit before deployment and Redemption Cash Flow is the money kept aside for meeting redemptions.

\*In cases where the SEBI restriction of investing a maximum of 10% in any one stock restricts the fund from taking exposure equal to Index weight of the stock, the fund while placing order in the market will ensure that the order takes this fact into account. i.e. for

eg. If a particular stock has a weightage of 12.5% in Nifty, the percentage of corpus that would invest in securities covered by the Nifty, in the same percentage weightage as in the Nifty, will be to a maximum of 80% only. This would result in the weightage of the stock having 12.5% weightage in the Nifty, being represented to the extent of 10% in the portfolio.

The fund proposes to maintain excel worksheets of its equity portfolio linked to live stock price feeds to monitor its current stock exposure limits and ensure compliance with SEBI restriction on individual stock exposures.

The asset allocation shown above is indicative and may be changed by the Investment Manager for a short-term period on defensive consideration. Notwithstanding the foregoing, the Trustees may from time to time at their absolute discretion review and modify the investment strategy provided such modification is in accordance with SEBI Regulations.

The Scheme may invest in index futures, stock futures and options contracts, warrants, convertible securities, swap agreements or other derivative products, as and when introduced but always subject to regulatory requirements and in compliance with the investment objective of the Scheme. Please refer to the heading “Derivatives & Hedging Products” for more details.

To try and optimize returns to investors the Fund may indulge in Stock Lending activities or other facilities as may be introduced and permitted by the regulatory authorities.

#### **Change in Investment Pattern**

As an Index linked scheme, the investment policy is primarily passive management, however upto 25% of the portfolio will be actively managed. However, the above mentioned pattern is indicative and may change for short duration. In the event the S&P CNX Nifty Index is dissolved or is withdrawn by IISL or is not published due to any reason whatsoever, the Trustee reserves a right to modify the Scheme so as to track a different and suitable index or to suspend tracking the Nifty till such time it is dissolved/withdrawn or not published and appropriate intimation will be sent to the unitholders of the Scheme. In such a case, the investment pattern will be modified suitably to match the composition of the securities that are included in the new index to be tracked.

#### **About the S&P CNX Nifty Index**

The Nifty is at present being managed by India Index Services and Products Limited. (IISL). IISL is a joint venture company promoted by the National Stock Exchange of India Limited (NSE) and the Credit Rating and Information Services of India Ltd. (CRISIL). IISL has a consulting and licensing agreement with Standard & Poor (S&P). S&P is reputed to be the world's premier rating agency and the S&P 500 is one of the major indices in the USA with a substantial number of index funds tracking the S&P 500.

#### **D. Where will the Scheme invest?**

Subject to the Regulations and other prevailing laws as applicable, the corpus of the Scheme can be invested in any (but not exclusively) of the following securities:

1. Equity and equity related instruments including convertible bonds and debentures and warrants carrying the right to obtain equity shares.
2. ADRs / GDRs issued by the Indian companies, subject to the guidelines issued by the Reserve Bank of India and Securities and Exchange Board of India.
3. Units issued by Mutual Funds/Exchange Traded Funds (both domestic and foreign)
4. Derivative instruments permitted by SEBI / RBI.

5. Securities issued / guaranteed by the Central, State and local governments (including but not limited to coupon bearing bonds, zero coupon bonds and treasury bills).
6. Debt obligations of domestic government agencies and statutory bodies, which may or may not carry a Central / State Government guarantee.
7. Corporate debt (of both public and private sector undertakings).
8. Debt obligations of banks (both public and private sector) and financial institutions.
9. Money market instruments
10. Bills of Exchange / Promissory Notes.
11. Securitised Debt.
12. Floating rate debt instruments.
13. The non-convertible part of convertible securities.
14. Any other domestic fixed income securities.
15. Pass through, Pay through or other Participation Certificates representing interest in a pool of assets including receivables.
16. Any other instruments as may be permitted by SEBI from time to time.

The securities mentioned above could be listed, unlisted, privately placed, secured, unsecured, rated or unrated and of any maturity. The securities may be acquired through Initial Public Offerings (IPOs), secondary market operations and private placement, rights offers or negotiated deals. The Scheme may participate in securities lending as permitted under the Regulations.

**E. What are the Investment Strategies?**

**Investment Approach and Strategy**

The corpus of the Scheme will be invested predominantly in stocks constituting the S&P CNX Nifty and in exchange traded derivatives on the S&P CNX Nifty Index. 0-25% of the net assets will be invested in an active manner, by taking overweight / underweight exposure in stocks within the S&P CNX Nifty Index. A very small portion of the fund will be kept liquid. The Scheme may also use various derivatives and hedging products from time to time, as would be available and permitted by SEBI, in an attempt to protect the value of the portfolio and enhance Unitholders' interest.

The Scheme may invest in other index funds managed by the AMC or in the index schemes of any other Mutual Funds, provided it is in conformity to the investment objectives of the Scheme and in terms of the prevailing Regulations. As per the Regulations, no investment management fees will be charged for such investments. For the present, the Plan does not intend to enter into underwriting obligations. However, if the Plan does enter into an underwriting agreement, it would do so after complying with the Regulations and with the prior approval of the Board of the AMC/Trustee.

**ING TAX SAVINGS FUND**

**A. Type of the Scheme**

An Open-ended equity linked savings scheme

**B. What is the Investment Objective and Policy of the Scheme**

**Investment Objective**

ING Tax Savings Fund is an open ended equity linked savings scheme which aims to provide medium to long term growth of capital along with income tax rebate.

There can be no assurance that the investment objective of the Scheme will be realized.

### **Investment Policy:**

The investment policies shall be in accordance with SEBI (Mutual Funds) Regulations, 1996 and rules and guidelines for ELSS - 1992 scheme (including any modification to them).

### **C. How will the Scheme allocate its Assets**

#### **Indicative Asset Allocation**

It is anticipated that the asset allocation under the scheme shall be as follows:

<b>Instruments</b>	<b>Indicative allocations ( % of total assets)</b>		<b>Risk Profile</b>
	<b>Maximum</b>	<b>Minimum</b>	
Equity and equity related securities	100	80	High
PSU Bonds / Debentures*	20	0	High
Money Market Instruments	20	0	Low to Medium

\* Including Securitised debt of upto 20% of corpus of the scheme.

The above percentages will be reckoned at the time of investment and the above allocation is based on a steady state situation. It shall be ensured that funds of a scheme shall remain invested to the extent of at least 80 percent in equity and equity related securities. In exceptional circumstances, this requirement may be dispensed with by the scheme, in order that the interests of the investors are protected.

Pending investment of funds of a scheme in the required manner, the scheme may invest the funds in short-term money market instruments or other liquid instruments or both. After three years of the date of allotment of the units, the scheme may hold up to 20 percent of net assets of the plan in shortterm money market instruments and other liquid instruments to enable them to redeem investment of those unit holders who would seek to tender the units for repurchase.

The fund managers will follow an active investment strategy taking defensive / aggressive postures depending on opportunities available at various points of time. On defensive considerations, the scheme may invest in money market instruments and Fixed Deposits of Scheduled Banks to protect the interest of the investors in the scheme.

Subject to Regulations, the asset allocation pattern indicated above may change from time to time, keeping in view market conditions, opportunities and political & economic factors. It must be clearly understood that the percentages stated above are only indicative and not absolute and that they can vary substantially depending upon the perception of the AMC, the intention being at all times to seek to protect the interests of the Unitholders. Such changes in the investment pattern will be for short term and defensive considerations.

### **D. Where will the Scheme invest?**

Subject to the Regulations and other prevailing laws as applicable, the corpus of the Scheme can be invested in any (but not exclusively) of the following securities:

1. Equity and equity related instruments including convertible bonds and debentures and warrants carrying the right to obtain equity shares.
2. ADRs / GDRs issued by the Indian companies, subject to the guidelines issued by the Reserve Bank of India and Securities and Exchange Board of India.
3. Derivative instruments permitted by SEBI / RBI.

4. Securities issued / guaranteed by the Central, State and local governments (including but not limited to coupon bearing bonds, zero coupon bonds and treasury bills).
5. Debt obligations of domestic government agencies and statutory bodies, which may or may not carry a Central / State Government guarantee.
6. Corporate debt (of both public and private sector undertakings).
7. Debt obligations of banks (both public and private sector) and financial institutions.
8. Money market instruments
9. Bills of Exchange / Promissory Notes.
10. Securitised Debt.
11. Floating rate debt instruments.
12. The non-convertible part of convertible securities.
13. Any other domestic fixed income securities.
14. Pass through, Pay through or other Participation Certificates representing interest in a pool of assets including receivables.
15. Any other instruments as may be permitted by SEBI from time to time.

The securities mentioned above could be listed, unlisted, privately placed, secured, unsecured, rated or unrated and of any maturity. The securities may be acquired through Initial Public Offerings (IPOs), secondary market operations and private placement, rights offers or negotiated deals. The Scheme may participate in securities lending as permitted under the Regulations.

**E. What are the Investment Strategies?**

**Investment Approach and Strategy**

The fund managers will follow an active investment strategy taking defensive / aggressive postures depending on opportunities available at various points of time. On defensive considerations, the scheme may invest in money market instruments and Fixed Deposits of Scheduled Banks to protect the interest of the investors in the scheme.

**ING C.U.B (Competitive Upcoming Businesses) FUND**

**A. Type of the Scheme**

ING C.U.B (Competitive Upcoming Businesses) Fund is a close-ended diversified equity scheme for the first three years. The scheme would be automatically converted into an open-ended diversified equity scheme after three years.

**B. What is the Investment Objective and Policy of the Scheme**

**Investment Objective**

An equity scheme seeking to provide long-term capital appreciation by investing predominantly in a diversified portfolio of equity and equity-related securities of companies of small market capitalisation.

There can be no assurance that the investment objective of the Scheme will be realized.

**Investment Policy:**

The fund seeks to meet this objective by investing, normally, at least 65% of its total assets in Small Cap stocks. For the purpose of determining small cap stocks, the market capitalisation of companies would be considered. Currently, companies that have a market capitalization upto Rs. 950 crs constitute the investment universe of the Small Cap portion of the portfolio in line with the range specified in the Benchmark Nifty Junior

Index. This range would change in line with the change in the range of the market capitalization criterion in the Benchmark.

**C. How will the Scheme allocate its Assets**

**Indicative Asset Allocation**

It is anticipated that the asset allocation under the scheme shall be as follows:

Instruments	Indicative allocations ( % of total assets)		Risk Profile
	Maximum	Minimum	
Equities and Equity Linked instruments of Small Cap companies	100	65	High
Other equity and equity related securities including derivatives	35	0	High
Money Market Instruments	25	0	Low

# including investments in Foreign equity and equity related securities upto 50%, Investment in Derivatives shall be subject to limitations specified by SEBI

These percentages would be adhered to at the point of investment in a stock. The portfolio would be reviewed quarterly to address any deviations from the aforementioned allocations due to market changes.

Considering the inherent characteristics of the scheme, equity positions would have to be built up gradually and also sold off gradually. This would necessarily entail having large cash position before the portfolio is fully invested and during periods when equity positions are being sold off to book profits / losses or to meet redemption needs.

Subject to the SEBI Regulations, the asset allocation pattern indicated may change from time to time, keeping in view market conditions, market opportunities, and political and economic factors. It must be clearly understood that the percentages stated above are only indicative and not absolute and that they can vary depending upon the perception of the Investment Manager, the intention being at all times to seek to protect the interests of the Unit holders. Such changes in the asset allocation will be for short term and defensive considerations. Provided further and subject to the above, any change in the asset allocation affecting the investment profile of the Scheme shall be effected only in accordance with the provisions of sub regulation (15a) of Regulation 18 of the SEBI Regulations.

**D. Where will the Scheme invest?**

Subject to the Regulations and other prevailing laws as applicable, the corpus of the Scheme can be invested in any (but not exclusively) of the following securities:

1. Equity and equity related instruments including convertible bonds and debentures and warrants carrying the right to obtain equity shares.
2. ADRs / GDRs issued by the Indian companies, subject to the guidelines issued by the Reserve Bank of India and Securities and Exchange Board of India.
3. Units issued by Mutual Funds/Exchange Traded Funds (both domestic and foreign)
4. Derivative instruments permitted by SEBI / RBI.
5. Securities issued / guaranteed by the Central, State and local governments (including but not limited to coupon bearing bonds, zero coupon bonds and treasury bills).
6. Debt obligations of domestic government agencies and statutory bodies, which may or may not carry a Central / State Government guarantee.
7. Corporate debt (of both public and private sector undertakings).

8. Debt obligations of banks (both public and private sector) and financial institutions.
9. Money market instruments
10. Bills of Exchange / Promissory Notes.
11. Securitised Debt.
12. Floating rate debt instruments.
13. The non-convertible part of convertible securities.
14. Any other domestic fixed income securities.
15. Pass through, Pay through or other Participation Certificates representing interest in a pool of assets including receivables.
16. Any other instruments as may be permitted by SEBI from time to time.

The securities mentioned above could be listed, unlisted, privately placed, secured, unsecured, rated or unrated and of any maturity. The securities may be acquired through Initial Public Offerings (IPOs), secondary market operations and private placement, rights offers or negotiated deals. The Scheme may participate in securities lending as permitted under the Regulations.

**E. What are the Investment Strategies?**

**Investment Approach and Strategy**

The scheme aims to generate returns by investing a substantial portion of its investible assets (over 65%) in Small cap companies. The stocks of these companies are generally more volatile and less liquid than the large cap stocks. In order to diversify the portfolio, the fund manager may invest up to 35% in stocks, which have a higher market capitalisation. A small portion of the portfolio may be kept in call and money market instruments in order to meet the liquidity needs.

The investment emphasis of the Fund would be on identifying companies with high growth opportunities. (Upcoming Businesses). The fund will emphasize on companies that appear to offer opportunities for long term growth and will be inclined towards companies that are driven by dynamic style of management and entrepreneurial flair

ING C.U.B (Competitive Upcoming Businesses) Fund does not have any special internal norms on equity investments, besides those laid down in the Regulations.

**ING CONTRA FUND**

**A. Type of the Scheme**

An Open Ended Diversified Equity scheme

**B. What is the Investment Objective and Policy of the Scheme**

**Investment Objective**

The investment objective of the Scheme is to generate capital appreciation from a diversified portfolio of equity and equity related instruments by investing in stocks of companies, which are fundamentally sound but are undervalued.

There can be no assurance that the investment objective of the Scheme will be realized.

**Investment Policy:**

Contra investing, in our opinion means investing in fundamentally robust stocks that have underperformed the market, due to technical reasons. The Scheme will invest in stocks of companies, which are fundamentally sound but are undervalued. Undervalued stocks are stocks of those companies whose true long term potential is not yet recognised by the market. At times, the broad market takes time to appreciate the long term potential of

some fundamentally sound companies. Stocks of such companies are traded at prices below their intrinsic value and are regarded as undervalued stocks. We believe that, over a period of time, the price of a stock reflects the intrinsic value of the underlying company. Thus, the moving up of the price of the undervalued stock towards its intrinsic value will help us generate capital appreciation for investors.

**C. How will the Scheme allocate its Assets**

**Indicative Asset Allocation**

It is anticipated that the asset allocation under the scheme shall be as follows:

Instruments	Indicative allocations ( % of total assets)		Risk Profile
	Maximum	Minimum	
Equities and Equity related instruments	100	75	High
Call, Cash & Money Market Instruments	25	0	High

\*The maximum limit up to which the scheme may participate in Stock Lending shall be 75% of the net assets. Investment in foreign equity and equity related securities shall be to a maximum of 35% of net assets of the scheme. Investment in Derivatives shall be to a maximum of 50% of net assets subject to limitations specified by SEBI.

These percentages would be adhered to at the point of investment in a stock. The portfolio would be reviewed quarterly to address any deviations from the aforementioned allocations due to market changes.

Considering the inherent characteristics of the scheme, equity positions would have to be built up gradually and also sold off gradually. This would necessarily entail having large cash position before the portfolio is fully invested and during periods when equity positions are being sold off to book profits / losses or to meet redemption needs.

Under normal circumstances at least 75% of the scheme’s assets would be invested in equity and equity related instruments.

Subject to the SEBI Regulations, the asset allocation pattern indicated may change from time to time, keeping in view market conditions, market opportunities, and political and economic factors. It must be clearly understood that the percentages stated above are only indicative and not absolute and that they can vary depending upon the perception of the Investment Manager, the intention being at all times to seek to protect the interests of the Unit holders. Such changes in the asset allocation will be for short term and defensive considerations. Provided further and subject to the above, any change in the asset allocation affecting the investment profile of the Scheme shall be effected only in accordance with the provisions of sub regulation (15a) of Regulation 18 of the SEBI Regulations.

**D. Where will the Scheme invest?**

Subject to the Regulations and other prevailing laws as applicable, the corpus of the Scheme can be invested in any (but not exclusively) of the following securities:

1. Equity and equity related instruments including convertible bonds and debentures and warrants carrying the right to obtain equity shares.
2. ADRs / GDRs issued by the Indian companies, subject to the guidelines issued by the Reserve Bank of India and Securities and Exchange Board of India.
3. Units issued by Mutual Funds/Exchange Traded Funds (both domestic and foreign)
4. Derivative instruments permitted by SEBI / RBI.

5. Securities issued / guaranteed by the Central, State and local governments (including but not limited to coupon bearing bonds, zero coupon bonds and treasury bills).
6. Debt obligations of domestic government agencies and statutory bodies, which may or may not carry a Central / State Government guarantee.
7. Money market instruments
8. Bills of Exchange / Promissory Notes.
9. Any other instruments as may be permitted by SEBI from time to time.

The securities mentioned above could be listed, unlisted, privately placed, secured, unsecured, rated or unrated and of any maturity. The securities may be acquired through Initial Public Offerings (IPOs), secondary market operations and private placement, rights offers or negotiated deals. The Scheme may participate in securities lending as permitted under the Regulations.

#### **E. What are the Investment Strategies?**

##### **Investment Approach and Strategy**

The Indian equity markets are fortunate to have a wide range of businesses that are listed. At present the Indian bourses have the second highest number of listings in the world after The New York Stock Exchange. The investment universe, as a result, is very large. Hence, it is always possible that a sector or a stock has been ignored by the market. It is also possible that a sector or a stock would have lost favour with investors, despite strong fundamentals. The fund would endeavour to identify such investment opportunities, for its portfolio.

Suppose a company A is a market leader in its product segment and has strong fundamentals with operating margins as well as ROE and ROCE above the industry average. However, due to a capacity constraint the company is unable to meet demand and is consequently losing market share and seeing flat earnings growth, much below its peers and the market growth. Consequently the stock has been derated and trades at a PEx of 9x, below its historical average trading range of 12- 14x, and also below its peers, which are trading at about 11-12X. The company is however in the midst of its capex expansion, following which it will also be in a position to launch a superior technology product. The commercial production would however commence only 12 months from now and the higher interest and depreciation expense is likely to depress earning growth over the next 2 years. In such a scenario, the fund could take a “against the market” exposure given that a) the cheap valuations have already factored the low growth with limited downside and b) as the capex phase gets over, there is potential for a sharp rerating which will give superior returns.

### **ING LIQUID FUND**

#### **A. Type of the Scheme**

An Open Ended Liquid Income Scheme

#### **B. What is the Investment Objective and Policy of the Scheme**

##### **Investment Objective**

The primary investment objective of the Scheme is to seek to provide reasonable returns while providing a high level of liquidity and low risk by investing primarily in money market and debt securities. The aim is to optimize returns while providing liquidity.

There can be no assurance that the investment objective of the Scheme will be realized.

#### **C. How will the Scheme allocate its Assets**

### **Indicative Asset Allocation**

It is anticipated that the asset allocation under the scheme shall be as follows:

<b>Instruments</b>	<b>Indicative allocations ( % of total assets)</b>		<b>Risk Profile</b>
	<b>Maximum</b>	<b>Minimum</b>	
Money market instruments, Securities issued/guaranteed by the Central, State Governments and local Governments and Obligations of Banks and Development Financial Institutions with residual maturity upto 91 days	95	0	Low
Debt securities* with residual maturity upto 91 days	75	0	Low to Medium

\* Including Securitised debt of upto 50% of corpus.

Note: This is not a Money Market Mutual Fund Scheme.

Pursuant to SEBI Circular no. SEBI/IMD/CIR No. 13/ 150975/ 09 dated January 19, 2009, the characteristics of portfolio of ING Liquid Fund has been revised as follows:

(A) Effective February 1, 2009 till April 30, 2009:

- (i) The Liquid Schemes / Plans shall make investment in / purchase debt and money market securities with maturity of upto 182 days only.
- (ii) In case of securities with put and call options (daily or otherwise) the residual maturity shall not be greater than 182 days.

(B) Effective May 1, 2009:

- (i) The Liquid Schemes / Plans shall make investment in / purchase debt and money market securities with maturity of upto 91 days only.
- (ii) In case of securities with put and call options (daily or otherwise) the residual maturity shall not be greater than 91 days.

The explanatory notes relating to the provisions laid under (A) and (B) above are as follows:

- a) In case of securities where the principal is to be repaid in a single payout, the maturity of the securities shall mean residual maturity. In case the principal is to be repaid in more than one payout then the maturity of the securities shall be calculated on the basis of weighted average maturity of security.
- b) In case the maturity of the security falls on a non-Business Day then settlement of securities will take place on the next Business Day.
- c) Further, inter-scheme transfers of securities having maturity of upto 365 days and held in other schemes as on February 01, 2009 shall be permitted in the Scheme till October 31, 2009. With effect from November 1, 2009 such inter-scheme transfers of securities held in other schemes having maturity of upto 91 days only shall be permitted in the Scheme.

Subject to Regulations, the asset allocation pattern indicated above may change from time to time, keeping in view market conditions, opportunities and political & economic factors. It must be clearly understood that the percentages stated above are only indicative and not absolute and that they can vary substantially depending upon the perception of the AMC, the intention being at all times to seek to protect the interests of the Unitholders.

Such changes in the investment pattern will be for short term and defensive considerations.

The Fund does not set absolute targets for buying / selling debt/money market instruments. However, on a quarterly basis the portfolio is critically reviewed to assess the rise / fall in the instruments and a decision to book profits / cut losses is taken based on prevalent market conditions and changing business environment.

**D. Where will the Scheme invest?**

Consistent with the objective of the Scheme and subject to Regulations, the corpus of the Scheme will be invested in any of (but not exclusively) the following securities:

- Securities issued/guaranteed by the Central, State Governments and local governments (including but not limited to coupon bearing bonds, zero coupon bonds and treasury bills),
- Obligations of Banks (both public and private sector) and Development Financial Institutions like Certificate of Deposits (CDs), Coupon bearing Bonds, Zero Coupon Bonds, Short term Debt, Bank Fixed Deposits;
- Money Market instruments permitted by SEBI/RBI including call, repo, Collateralised Borrowing & Lending Obligations (CBLO)
- High investment grade corporate debt (of both public and private sector undertakings);
- Any other fixed income securities and instruments as permitted by the Regulations from time to time.

The securities mentioned above could be listed, unlisted, privately placed, secured, unsecured, rated or unrated and of any maturity. The securities may be acquired through Initial Public Offerings (IPOs), secondary market operations, private placement, rights offers or negotiated deals.

**E. What are the Investment Strategies?**

**Investment Approach and Strategy**

Consistent with the investment objective of the Scheme, an appropriate mix of high quality money market securities, Government securities and fixed income securities will be used to achieve this. The AMC will be guided by the ratings of Rating Agencies such as CRISIL, ICRA, Duff & Phelps and CARE. In addition, the investment team of the AMC will carry out an internal in-depth credit evaluation of securities proposed to be invested in. The investment team of the AMC will continuously monitor the macro-economic environment including the political and economic factors, money supply in the system, Government borrowing programme and demand and supply of debt instruments, among others, affecting the liquidity and interest rates.

The Scheme may invest in other schemes managed by the AMC or in the schemes of any other Mutual Fund, provided such investment is in conformity with the investment objectives of the Scheme and the prevailing Regulations. The AMC, however, will not charge any investment management fees for such investments. The Scheme may also use various derivatives and hedging products from time to time, as would be available and permitted by SEBI, in an attempt to protect the value of the portfolio.

**ING TREASURY MANAGEMENT FUND**

**A. Type of the Scheme**

An Open Ended liquid Scheme

**B. What is the Investment Objective and Policy of the Scheme**

### **Investment Objective**

The Primary Objective of the Scheme is to provide income consistent with the prudent risk from a portfolio comprising of Floating Rate instruments, Fixed Rate instruments swapped for floating rate returns, fixed rate instruments, short term bonds and money market instruments.

There can be no assurance that the investment objective of the Scheme will be realized.

### **C. How will the Scheme allocate its Assets**

#### **Indicative Asset Allocation**

It is anticipated that the asset allocation under the scheme shall be as follows:

<b>Instruments</b>	<b>Indicative allocations ( % of total assets)</b>		<b>Risk Profile</b>
	<b>Maximum</b>	<b>Minimum</b>	
Fixed Rate instruments:# <ul style="list-style-type: none"><li>• Money Market instruments (including money at call, CPs, CDs, treasury Bills, gilts less than 1 year, Repos/Reverse Repos or any other instrument permitted by RBI/SEBI).</li><li>• Non money market instruments, (including bonds &amp; debentures issued by corporates or PSU s, gilts, securitised debt, fixed deposits or any other instrument permitted by RBI/SEBI).</li></ul>	75	0	Low to Medium
Floating Rate Instrument*# <ul style="list-style-type: none"><li>• Money Market instruments (Money at call, mibor linked debentures, floating rate CPs, CDs floating rate bonds less than 182 days or any other instrument permitted by RBI/SEBI).</li><li>• Non Money market instruments (including floating rate bonds &amp; debentures issued by corporates/ PSUs, floating rate gilts, fixed rate debentures/bonds with swap or any other instrument permitted by RBI/SEBI)</li></ul>	100	25	Low

\*Floating rate instruments includes fixed rate instruments swapped for floating rate returns and short term debt instruments including money market securities. The short term debt instruments including money market securities will have a maturity period of less than 182 days.

#Including securitised debt upto a maximum of 50% of net assets of this scheme.

Pursuant to SEBI Circular no. SEBI/IMD/CIR No. 13/ 150975/ 09 dated January 19, 2009, the characteristics of portfolio of ING Treasury Management Fund has been revised as follows:

(A) Effective February 1, 2009 till April 30, 2009:

- (i) The Liquid Schemes / Plans shall make investment in / purchase debt and money market securities with maturity of upto 182 days only.
- (ii) In case of securities with put and call options (daily or otherwise) the residual maturity shall not be greater than 182 days.

(B) Effective May 1, 2009:

- (i) The Liquid Schemes / Plans shall make investment in / purchase debt and money market securities with maturity of upto 91 days only.
- (ii) In case of securities with put and call options (daily or otherwise) the residual maturity shall not be greater than 91 days.

The explanatory notes relating to the provisions laid under (A) and (B) above are as follows:

- a) In case of securities where the principal is to be repaid in a single payout, the maturity of the securities shall mean residual maturity. In case the principal is to be repaid in more than one payout then the maturity of the securities shall be calculated on the basis of weighted average maturity of security.
- b) In case the maturity of the security falls on a non-Business Day then settlement of securities will take place on the next Business Day.
- c) Further, inter-scheme transfers of securities having maturity of upto 365 days and held in other schemes as on February 01, 2009 shall be permitted in the Scheme till October 31, 2009. With effect from November 1, 2009 such inter-scheme transfers of securities held in other schemes having maturity of upto 91 days only shall be permitted in the Scheme.

Subject to Regulations, the asset allocation pattern indicated above may change from time to time, keeping in view market conditions, opportunities and political & economic factors. It must be clearly understood that the percentages stated above are only indicative and not absolute and that they can vary substantially depending upon the perception of the AMC, the intention being at all times to seek to protect the interests of the Unitholders. Such changes in the investment pattern will be for short term and defensive considerations.

#### **D. Where will the Scheme invest?**

Subject to the Regulations, the corpus of the Scheme can be invested in any (but not exclusively) of the following securities:

- 1) Securities created and issued by the Central and State Governments and/or repos/reverse repos in such Government Securities as may be permitted by RBI (including but not limited to coupon bearing bonds, zero coupon bonds and treasury bills).
- 2) Securities guaranteed by the Central and State Governments (including but not limited to coupon bearing bonds, zero coupon bonds and treasury bills). Debt obligations of domestic Government agencies and statutory bodies, which may or may not carry a Central/State Government guarantee.
- 3) Corporate debt (of both public and private sector undertakings).
- 4) Obligations of banks (both public and private sector) including term deposits with the banks as permitted by SEBI / RBI from time to time and development financial institutions.
- 5) Money market instruments permitted by SEBI/RBI, having maturities of up to one year, in call money market or in alternative investment for the call money market as may be provided by the RBI to meet the liquidity requirements.
- 6) Certificate of Deposits (CDs).
- 7) Commercial Paper (CPs).
- 8) Bills rediscounting
- 9) Securitised Debt.

- 10) The non-convertible part of convertible securities.
- 11) Any other domestic fixed income securities.
- 12) ADRs/GDRs issued by Indian Companies, subject to the guidelines issued by Reserve Bank of India and Securities and Exchange Board of India.
- 13) Derivative instruments like Interest Rate Swaps, Forward Rate Agreements, Stock Index Futures and such other derivative instruments permitted by SEBI/RBI.

Subject to the Regulations, the securities mentioned above could be listed, unlisted, privately placed, secured, unsecured, rated or unrated and of varying maturity. The securities may be acquired through Initial Public Offerings (IPOs), secondary market operations, private placement, rights offers or negotiated deals. The Scheme may also enter into repurchase and reverse repurchase obligations in all securities held by it as per the guidelines and regulations applicable to such transactions. Further the Scheme intends to participate in securities lending as permitted under the Regulations.

## ING TREASURY ADVANTAGE FUND

### A. Type of the Scheme

An Open Ended Income Scheme

### B. What is the Investment Objective and Policy of the Scheme

#### Investment Objective

To provide an investment avenue for investors preferring good liquidity and an investment horizon of 2 – 6 months. The scheme would be able to achieve its objectives by investing in a portfolio of money market and debt instruments.

There can be no assurance that the investment objective of the Scheme will be realized.

### C. How will the Scheme allocate its Assets

#### Indicative Asset Allocation

It is anticipated that the asset allocation under the scheme shall be as follows:

Instruments	Indicative allocations ( % of total assets)		Risk Profile
	Maximum	Minimum	
Money market instruments, overnight deployments, and debt instruments with residual maturity / average maturity / reset of less than or equal to 367 days or put options within a period not exceeding 367 days	100	65	Medium to High
Debt Securities** having residual / average maturity of more than 367 days	35	0	Low

\*Debt securities include securitized debt up to 90% of the net assets. \*\* Includes investments in Derivatives Instruments upto 50% & foreign securities upto 35% of the corpus of the scheme, subject to limits specified by the regulations. The scheme shall participate upto 75% of its net assets in stock lending.

The Scheme proposes to invest primarily in portfolio of money market and debt instruments. At all points of time, the fund would maintain at least 65% of its exposure to

- Fixed rate securities with residual maturity / residual average maturity of less than 367 days.

- Floating rate securities where time to subsequent reset is less than or equal to 367 days.

For the remaining portfolio, the maximum duration can be 2 years.

The Trustees may from time to time, pending investment in terms of investment objective of the Scheme, for a short term period on defensive consideration invest upto 100% of the funds available in overnight interbank call/notice money and/or repos, the primary motive being to protect the Net Asset Value of the Scheme and protect unitholders interest so also to earn reasonable returns on liquid funds maintained for redemption/ repurchase of units.

The above allocation pattern would be applicable under normal circumstances and generally the allocation would not be allowed to raise beyond these levels unless the markets are extremely turbulent and there is a need to protect the unitholders' interest by reallocating the portfolio. In other words, the scheme would be maintaining the above ratios diligently which the investor can assume would be the steady state allocation strategy.

Subject to Regulations, the asset allocation pattern indicated above may change from time to time, keeping in view market conditions, opportunities and political & economic factors. It must be clearly understood that the percentages stated above are only indicative and not absolute, and that they can vary substantially depending upon the perception of the AMC, the intention being at all times to seek to protect the interests of the Unitholders. Such changes in the investment pattern will be for short-term and defensive considerations

#### **D. Where will the Scheme invest?**

Subject to the Regulations, the corpus of the Scheme can be invested in any (but not exclusively) of the following securities:

- 1) Securities created and issued by the Central and State Governments and/or repos/reverse repos in such Government Securities as may be permitted by RBI (including but not limited to coupon bearing bonds, zero coupon bonds and treasury bills).
- 2) Securities guaranteed by the Central and State Governments (including but not limited to coupon bearing bonds, zero coupon bonds and treasury bills). Debt obligations of domestic Government agencies and statutory bodies, which may or may not carry a Central/State Government guarantee.
- 3) Corporate debt (of both public and private sector undertakings).
- 4) Obligations of banks (both public and private sector) including term deposits with the banks as permitted by SEBI / RBI from time to time and development financial institutions.
- 5) Money market instruments permitted by SEBI/RBI, having maturities of up to one year, in call money market or in alternative investment for the call money market as may be provided by the RBI to meet the liquidity requirements.
- 6) Certificate of Deposits (CDs).
- 7) Commercial Paper (CPs).
- 8) Bills rediscounting
- 9) Securitised Debt.
- 9) The non-convertible part of convertible securities.
- 10) Any other domestic fixed income securities.
- 11) ADRs/GDRs issued by Indian Companies, subject to the guidelines issued by Reserve Bank of India and Securities and Exchange Board of India.
- 12) Derivative instruments like Interest Rate Swaps, Forward Rate Agreements and such other derivative instruments permitted by SEBI/RBI.

Subject to the Regulations, the securities mentioned above could be listed, unlisted, privately placed, secured, unsecured, rated or unrated and of varying maturity. The securities may be acquired through Initial Public Offerings (IPOs), secondary market operations, private placement, rights offers or negotiated deals. The Scheme may also

enter into repurchase and reverse repurchase obligations in all securities held by it as per the guidelines and regulations applicable to such transactions. Further the Scheme intends to participate in securities lending as permitted under the Regulations.

**E. What are the Investment Strategies?**

**Investment Approach and Strategy**

The scheme will invest a higher proportion of its corpus in high and medium investment grade securities to ensure high running yield of the portfolio. Investment in money market instruments is for the purpose of meeting liquidity requirements.

**ING SHORT TERM INCOME FUND**

**A. Type of the Scheme**

An Open Ended Income Scheme

**B. What is the Investment Objective and Policy of the Scheme**

**Investment Objective**

The investment objective of the Scheme is to generate an attractive return for its investors consistent with capital preservation and liquidity by investing in portfolio of quality debt securities, money market instruments and structured obligation.

There can be no assurance that the investment objective of the Scheme will be realized.

**Investment Policy:**

Consistent with the investment objective of the Scheme, the AMC aims to identify securities which offer superior levels of yield at lower levels of risks. The AMC will be guided by the ratings of Rating Agencies such as CRISIL, ICRA, Duff & Phelps and CARE. In addition, the investment team of the AMC will carry out an internal in-depth credit evaluation of securities proposed to be invested in. The investment team of the AMC will continuously monitor the macro-economic environment including the political and economic factors, money supply in the system, Government borrowing programme and demand and supply of debt instruments, among others, affecting the liquidity and interest rates.

Given that the liquidity of fixed-income instruments is currently limited, the AMC will try to provide liquidity by staggering maturities for various instruments, as well as holding sufficient portion of the portfolio in more liquid Government and corporate paper as well as money market securities. The AMC will attempt to achieve adequate diversification both in terms of types of instruments and the industries.

The Scheme may invest in other schemes managed by the AMC or in the schemes of any other Mutual Fund, provided such investment is in conformity with the investment objectives of the Scheme and the prevailing Regulations. The AMC, however, will not charge any investment management fees for such investments.

The Scheme may also use various derivatives and hedging products from time to time, as would be available and permitted by SEBI, in an attempt to protect the value of the portfolio. The Scheme may also invest in suitable investment avenues in overseas financial markets for the purpose of diversification, commensurate with the Scheme's objectives and subject to necessary stipulations by SEBI/RBI. Towards this, the Fund may also appoint overseas investment advisors and other service providers as and when permissible under the Regulations.

**C. How will the Scheme allocate its Assets**

### **Indicative Asset Allocation**

It is anticipated that the asset allocation under the scheme shall be as follows:

<b>Instruments</b>	<b>Indicative allocations ( % of total assets)</b>		<b>Risk Profile</b>
	<b>Maximum</b>	<b>Minimum</b>	
Debt securities*	100	20	Low to Medium
Money Market Instruments (including Cash, repo and CBLO)	80	0	Low

\* Including Securitised debt of upto 50% of corpus. The Scheme would normally invest 40% of the portfolio in securities with an average maturity not exceeding one year. However, in exceptional circumstances, the investment in securities, with an average maturity not exceeding one year, may go below 40% but not lower than 20% of the portfolio.

Subject to Regulations, the asset allocation pattern indicated above may change from time to time, keeping in view market conditions, opportunities and political & economic factors. It must be clearly understood that the percentages stated above are only indicative and not absolute, and that they can vary substantially depending upon the perception of the AMC, the intention being at all times to seek to protect the interests of the Unitholders. Such changes in the investment pattern will be for short term and defensive considerations.

#### **D. Where will the Scheme invest?**

Consistent with the objective of the Scheme and subject to Regulations, the corpus of the Scheme will be invested in any of (but not exclusively) the following securities:

- Securities issued/guaranteed by the Central, State Governments and Local Governments (including but not limited to coupon-bearing bonds, zero-coupon bonds and treasury bills),
- Obligations of Banks (both public and private sector) and Development Financial Institutions like Coupon bearing Bonds, Zero Coupon Bonds, Short term Debt;
- Debt obligations of domestic Government agencies and statutory bodies, which may or may not carry a Central/State Government guarantee;
- High investment grade corporate debt (of both public and private sector undertakings);
- Money Market instruments permitted by SEBI/RBI including call, repo, Collateralised Borrowing & Lending Obligations (CBLO)
- Certificate of Deposits (CDs);
- Commercial Paper (CPs);
- Bank Fixed Deposits as permitted by SEBI;
- Bills of Exchange/Promissory Notes;
- Securitised Debt;
- The non-convertible part of convertible securities;
- Any other fixed-income securities and instruments as permitted by the Regulations from time to time.

The securities mentioned above could be listed, unlisted, privately placed, secured, unsecured, rated or unrated and of any maturity. The securities may be acquired through Initial Public Offerings (IPOs), secondary market operations, private placements, rights offers or negotiated deals.

## ING INCOME FUND

### A. Type of the Scheme

An Open Ended Income Scheme

### B. What is the Investment Objective and Policy of the Scheme

#### **Investment Objective**

The primary investment objective of the Scheme is to generate attractive income by investing in a diversified portfolio of debt and money-market instruments of varying maturities, and at the same time provide continuous liquidity along with adequate safety.

There can be no assurance that the investment objective of the Scheme will be realized.

#### **Investment Policy:**

Consistent with the investment objective of the Scheme, the AMC aims to identify securities which offer superior levels of yield at lower levels of risks. The AMC will be guided by the ratings of Rating Agencies such as CRISIL, ICRA, Duff & Phelps and CARE. In addition, the investment team of the AMC will carry out an internal in-depth credit evaluation of securities proposed to be invested in. The investment team of the AMC will continuously monitor the macro-economic environment including the political and economic factors, money supply in the system, Government borrowing programme and demand and supply of debt instruments, among others, affecting the liquidity and interest rates.

Given that the liquidity of fixed-income instruments is currently limited, the AMC will try to provide liquidity by staggering maturities for various instruments, as well as holding sufficient portion of the portfolio in more liquid Government and corporate paper as well as money market securities. The AMC will attempt to achieve adequate diversification both in terms of types of instruments and the industries.

The Scheme may invest in other schemes managed by the AMC or in the schemes of any other Mutual Fund, provided such investment is in conformity with the investment objectives of the Scheme and the prevailing Regulations. The AMC, however, will not charge any investment management fees for such investments.

The Scheme may also use various derivatives and hedging products from time to time, as would be available and permitted by SEBI, in an attempt to protect the value of the portfolio. The Scheme may also invest in suitable investment avenues in overseas financial markets for the purpose of diversification, commensurate with the Scheme's objectives and subject to necessary stipulations by SEBI/RBI. Towards this, the Fund may also appoint overseas investment advisors and other service providers as and when permissible under the Regulations.

### C. How will the Scheme allocate its Assets

#### **Indicative Asset Allocation**

It is anticipated that the asset allocation under the scheme shall be as follows:

Instruments	Indicative allocations ( % of total assets)		Risk Profile
	Maximum	Minimum	
Debt securities*	100	20	Low to Medium

Money Market Instruments (including Cash, repo and CBLO)	80	0	Low
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\* Including Securitised debt of upto 50% of corpus.

Subject to Regulations, the asset allocation pattern indicated above may change from time to time, keeping in view market conditions, opportunities and political & economic factors. It must be clearly understood that the percentages stated above are only indicative and not absolute, and that they can vary substantially depending upon the perception of the AMC, the intention being at all times to seek to protect the interests of the Unitholders. Such changes in the investment pattern will be for short term and defensive considerations.

#### **D. Where will the Scheme invest?**

Consistent with the objective of the Scheme and subject to Regulations, the corpus of the Scheme will be invested in any of (but not exclusively) the following securities:

- Securities issued/guaranteed by the Central, State Governments and Local Governments (including but not limited to coupon-bearing bonds, zero-coupon bonds and treasury bills),
- Obligations of Banks (both public and private sector) and Development Financial Institutions like Coupon bearing Bonds, Zero Coupon Bonds, Short term Debt;
- Debt obligations of domestic Government agencies and statutory bodies, which may or may not carry a Central/State Government guarantee;
- High investment grade corporate debt (of both public and private sector undertakings);
- Money Market instruments permitted by SEBI/RBI including call, repo, Collateralised Borrowing & Lending Obligations (CBLO)
- Certificate of Deposits (CDs);
- Commercial Paper (CPs);
- Bank Fixed Deposits as permitted by SEBI;
- Bills of Exchange/Promissory Notes;
- Securitised Debt;
- The non-convertible part of convertible securities;
- Any other fixed-income securities and instruments as permitted by the Regulations from time to time.

The securities mentioned above could be listed, unlisted, privately placed, secured, unsecured, rated or unrated and of any maturity. The securities may be acquired through Initial Public Offerings (IPOs), secondary market operations, private placements, rights offers or negotiated deals.

### **ING GILT FUND**

#### **A. Type of the Scheme**

An Open Ended Gilt Scheme

#### **B. What is the Investment Objective and Policy of the Scheme**

##### **Investment Objective**

The primary investment objective of the Scheme is to generate a relatively risk free return by investing in sovereign instruments issued by the Central / State Governments as defined under Section 2 of the Public Debt Act, 1944. The Scheme will not make investment in any other type of security such as shares, debentures, etc.

There can be no assurance that the investment objective of the Scheme will be realized.

**Investment Policy:**

The investment team of the AMC will continuously monitor the macro-economic environment including the political and economic factors, money supply in the system, Government borrowing programme and demand and supply of debt instruments, among others, affecting liquidity and interest rates.

The Scheme may also use various derivatives and hedging products from time to time, as would be available and permitted by SEBI and RBI, in an attempt to protect the value of the portfolio.

**C. How will the Scheme allocate its Assets**

**Indicative Asset Allocation**

It is anticipated that the asset allocation under the scheme shall be as follows:

Instruments	Indicative allocations ( % of total assets)		Risk Profile
	Maximum	Minimum	
Securities issued/ guaranteed by Central/ State Government	100	0	Very Low
Call money market, term/notice money market and repos	100*	0	Low

Note: This is not a Money Market Mutual Fund Scheme \* Upto 100% till the Scheme is fully invested

ING GILT Fund has 2 distinct portfolios i.e. different portfolios for Regular Plan and Provident Fund – Dynamic Plan.

Subject to Regulations, the asset allocation pattern indicated above may change from time to time, keeping in view market conditions, opportunities and political & economic factors. It must be clearly understood that the percentages stated above are only indicative and not absolute and that they can vary substantially depending upon the perception of the AMC, the intention being at all times to seek to protect the interests of the Unitholders. Such changes in the investment pattern will be for short term and defensive considerations.

**D. Where will the Scheme invest?**

Consistent with the objective of the Scheme and subject to Regulations, the corpus of the Scheme will be invested in any of (but not exclusively) the following securities.

- Securities issued by the Central, State Governments (including but not limited to coupon bearing bonds, zero coupon bonds and treasury bills),
- Call money market, term/ notice money market and repos to the extent permitted.

The Fund will seek to underwrite issuance of Government Securities if and to the extent permitted by SEBI/ RBI and subject to the prevailing rules and regulations specified in this respect and may also participate in their auction from time to time.

The securities mentioned above could be listed, unlisted, privately placed, and of any maturity. The securities may be acquired through Initial Public Offerings (IPOs), secondary market operations, private placement, rights offers or negotiated deals.

**E. What are the Investment Strategies?**

### **Investment Approach and Strategy**

The Fund does not set absolute targets for buying / selling gilt/money market instruments. However, on a quarterly basis the portfolio is critically reviewed to assess the rise / fall in the instruments and a decision to book profits / cut losses is taken based on prevalent market conditions and changing business environment.

### **Liquidity support from RBI**

Being a Scheme dedicated exclusively to investments in Government Securities, ING Gilt Fund will be eligible to avail on any day liquidity support from RBI upto 20% of the outstanding value of its investment in government securities (as at the close of business on the previous working day). Liquidity support under RBI's Guidelines issued vide letter IDMC 2741/03.01.00/95-96 dated April 20, 1996 is available through reverse repurchase agreement in eligible Central Government dated securities and Treasury Bills of all maturities.

## **ING DYNAMIC DURATION FUND**

### **A. Type of the Scheme**

An Open Ended Fund

### **B. What is the Investment Objective and Policy of the Scheme**

#### **Investment Objective**

The primary investment objective of the Scheme is to seek to generate in the form of interest, income and capital gains through active management of the portfolio by investing in debt securities and money market securities/instruments.

There can be no assurance that the investment objective of the Scheme will be realized.

### **C. How will the Scheme allocate its Assets**

#### **Indicative Asset Allocation**

It is anticipated that the asset allocation under the scheme shall be as follows:

<b>Instruments</b>	<b>Indicative allocations ( % of total assets)</b>		<b>Risk Profile</b>
	<b>Maximum</b>	<b>Minimum</b>	
Money market securities/instruments	100	0	Low to Medium
Debt securities*	100	0	Low to Medium

\*Debt securities may include securitized debt up to 75% of the net assets.

The Trustees may from time to time, pending investment in terms of investment objective of the Scheme, for a short term period on defensive consideration invest upto 100% of the funds available in overnight inter-bank call/notice money and/or repos, the primary motive being to protect the Net Asset Value of the Scheme and protect unitholders interest so also to earn reasonable returns on liquid funds maintained for redemption/repurchase of units.

Subject to Regulations, the asset allocation pattern indicated above may change from time to time, keeping in view market conditions, opportunities and political & economic factors. It must be clearly understood that the percentages stated above are only indicative and not absolute, and that they can vary substantially depending upon the perception of the AMC, the intention being at all times to seek to protect the interests of the Unitholders. Such changes in the investment pattern will be for short term and defensive considerations.

#### **D. Where will the Scheme invest?**

Consistent with the objective of the Scheme and subject to Regulations, the corpus of the Scheme will be invested in any of (but not exclusively) the following securities.

- Securities created and issued by the Central and State Governments and/or repos/reverse repos in such Government securities as may be permitted by RBI (including but not limited to coupon bearing bonds, zero coupon bonds and treasury bills).
- Securities guaranteed by the Central and State Governments (including but not limited to coupon bearing bonds, zero coupon bonds and treasury bills).
- Debt obligations of domestic Government agencies and statutory bodies, which may or may not carry a Central/State Government guarantee.
- Corporate debt and securities (of both public and private sector undertakings) including Bonds, Debentures, Notes, Strips, etc.
- Obligations of banks (both public and private sector) and development financial institutions.
- Money market instruments permitted by SEBI/RBI.
- Certificate of Deposits (CDs).
- Commercial Paper (CPs).
- Bank fixed deposits as permitted by SEBI.
- Bills of Exchange / Promissory notes
- Securitised Debt.
- The non-convertible part of convertible securities.
- Any other domestic fixed income securities including Structured Obligations.
- Any international fixed income securities.
- Pass through, Pay through or other Participation Certificates representing interest in a pool of assets including receivables.
- Any other like instruments as may be permitted by RBI/SEBI/ such other Regulatory Authority from time to time.
- Derivative instruments like Interest Rate Swaps, Forward Rate Agreements and such other derivative instruments permitted by SEBI and RBI.

The securities mentioned above and such other securities the scheme is permitted to invest, could be listed, unlisted, acquired through IPO's, secondary market operations, privately placed, rights offers or negotiated deals, secured, unsecured, rated or un-rated and of varying maturity.

The fund can invest in securities that are rated by CRISIL and ICRA and other independent credit rating agencies. The scheme may also enter into repurchase and reverse repurchase obligations in all securities held by it as per the guidelines and regulations applicable to such transactions. To try and optimise returns to investors the Fund may indulge in Stock Lending activities or other facilities as may be introduced and permitted by the regulatory authorities.

#### **E. What are the Investment Strategies?**

##### **Investment Approach and Strategy**

The debt Fund Manager undertakes the following investment process for identifying instruments for investments, which will be within the investment guidelines of the scheme and subject to final approval by Head – Fixed Income

Step 1: Using fundamental macro economic factors and bond market indicators, the debt fund manager would decide the attractiveness of bonds. Typically the outcome translates into a target duration for the portfolio, which, is established in relation to our view of the market as well as the portfolio duration of peer group, against which generally markets evaluate our performance.

Step 2: Select a portfolio of securities whose weighted duration meets the target duration and which would typically be government paper.

Step 3: Credit is introduced to the portfolio based on ascertaining the appropriate price for a non-government security, given its risk premium (yield spread) relative to government paper.

Step 4: Portfolio construction is conducted on the basis of the desired level of credit exposure, based on top-down economic analysis and assessment of corporate credit risk.

The investment team will present at each investment committee meeting, details on all trades done along with reasons for the same. ING Dynamic Duration Fund does not have any special internal norms on debt investments, besides those laid down in the Regulations.

## ING MIP FUND

### A. Type of the Scheme

An Open Ended Fund

### B. What is the Investment Objective and Policy of the Scheme

#### Investment Objective

The primary investment objective of the Scheme is to generate regular income by investing in a diversified portfolio of debt and money-market instruments of varying maturities and at the same time provide continuous liquidity along with adequate safety. The scheme will also seek to generate capital appreciation by investing a smaller portion of its corpus in equity and equity related securities.

There can be no assurance that the investment objective of the Scheme will be realized.

### C. How will the Scheme allocate its Assets

#### Indicative Asset Allocation

It is anticipated that the asset allocation under the scheme shall be as follows:

Instruments	Indicative allocations ( % of total assets)		Risk Profile
	Maximum	Minimum	
Debt securities, Money market instruments, Cash and Call *	100	80	Low to Medium
Equity and equity related securities	20	0	High

\*Including securitised debt upto a maximum of 50% of net assets of this scheme.

The Trustees may from time to time, pending investment in terms of investment objective of the Scheme, for a short term period on defensive consideration invest upto 100% of the funds available in overnight inter-bank call/notice money and/or repos, the primary motive being to protect the Net Asset Value of the Scheme and protect unitholders interest so also to earn reasonable returns on liquid funds maintained for redemption/repurchase of units.

Subject to Regulations, the asset allocation pattern indicated above may change from time to time, keeping in view market conditions, opportunities and political & economic factors. It must be clearly understood that the percentages stated above are only indicative and not absolute, and that they can vary substantially depending upon the perception of the AMC, the intention being at all times to seek to protect the interests of the Unitholders. Such changes in the investment pattern will be for short term and defensive considerations.

#### **D. Where will the Scheme invest?**

Consistent with the objective of the Scheme and subject to Regulations, the corpus of the Scheme will be invested in any of (but not exclusively) the following securities.

- Securities created and issued by the Central and State Governments and/or repos/reverse repos in such Government securities as may be permitted by RBI (including but not limited to coupon bearing bonds, zero coupon bonds and treasury bills).
- Securities guaranteed by the Central and State Governments (including but not limited to coupon bearing bonds, zero coupon bonds and treasury bills).
- Debt obligations of domestic Government agencies and statutory bodies, which may or may not carry a Central/State Government guarantee.
- Corporate debt and securities (of both public and private sector undertakings) including Bonds, Debentures, Notes, Strips, etc.
- Obligations of banks (both public and private sector) and development financial institutions.
- Money market instruments permitted by SEBI/RBI.
- Certificate of Deposits (CDs).
- Commercial Paper (CPs).
- Bank fixed deposits as permitted by SEBI.
- Bills of Exchange / Promissory notes
- Securitised Debt.
- The non-convertible part of convertible securities.
- Any other domestic fixed income securities including Structured Obligations.
- Any international fixed income securities.
- Pass through, Pay through or other Participation Certificates representing interest in a pool of assets including receivables.
- Equity and Equity related securities including convertible bonds and debentures and warrants carrying the right to obtain equity Shares.
- ADR's, GDR's issued by Indian companies subject to conditions issued by RBI and SEBI.
- Any other like instruments as may be permitted by RBI/SEBI/ such other Regulatory Authority from time to time.
- Derivative instruments like Interest Rate Swaps, Forward Rate Agreements, Stock Index Futures and such other derivative instruments permitted by SEBI and RBI.

The securities mentioned above and such other securities the scheme is permitted to invest, could be listed, unlisted, acquired through IPO's, secondary market operations, privately placed, rights offers or negotiated deals, secured, unsecured, rated or un-rated and of varying maturity.

The fund can invest in securities that are rated by CRISIL and ICRA and other independent credit rating agencies. The scheme may also enter into repurchase and

reverse repurchase obligations in all securities held by it as per the guidelines and regulations applicable to such transactions. To try and optimise returns to investors the Fund may indulge in Stock Lending activities or other facilities as may be introduced and permitted by the regulatory authorities.

**E. What are the Investment Strategies?**

**Investment Approach and Strategy**

**Debt / Money Market:**

The debt Fund Manager undertakes the following investment process for identifying instruments for investments, which will be within the investment guidelines of the scheme and subject to final approval by Head – Fixed Income

Step 1: Using fundamental macro economic factors and bond market indicators, the debt fund manager would decide the attractiveness of bonds. Typically the outcome translates into a target duration for the portfolio, which, is established in relation to our view of the market as well as the portfolio duration of peer group, against which generally markets evaluate our performance.

Step 2: Select a portfolio of securities whose weighted duration meets the target duration and which would typically be government paper.

Step 3: Credit is introduced to the portfolio based on ascertaining the appropriate price for a non-government security, given its risk premium (yield spread) relative to government paper.

Step 4: Portfolio construction is conducted on the basis of the desired level of credit exposure, based on top-down economic analysis and assessment of corporate credit risk.

The investment team will present at each investment committee meeting, details on all trades done along with reasons for the same. ING MIP Fund does not have any special internal norms on debt investments, besides those laid down in the Regulations.

**Equities:**

The fund manager will manage the equity part of the scheme like any other diversified equity fund and also invest in equity and equity related securities which do not form a part of Nifty.

The CEO is an integral part of the investment committee as its Chairperson. The Committee approves the parameters for all investment decisions of the AMC. He / She also sets guidelines for structuring the investment process and approves the process for investment decision making.

**ING BALANCED FUND**

**A. Type of the Scheme**

An open-ended balanced Scheme

**B. What is the Investment Objective and Policy of the Scheme**

**Investment Objective**

The primary objective of the Scheme is to generate long term growth of capital appreciation and current income from a portfolio of equity and fixed-income securities. The Scheme will, under normal market conditions, invest approximately 65% of its net

assets in equity and equity related instruments, with the balance 35% being invested in fixed income securities, money market instruments, cash and cash equivalents, though these percentages may vary.

There can be no assurance that the investment objective of the Scheme will be realized.

**Investment Policy:**

In choosing the equity portfolio for the Scheme, a judicious mix of top-down and bottom-up approach will drive the portfolio strategy. The equity portfolio is a diversified portfolio which invests across a range of prominent industries. Secular growth of the underlying business, management's attitude towards future growth and its preferences about how to fund it, and its track record will be prime movers behind stock selection.

For this purpose,, equity securities include debt securities convertible into shares and rights or warrants to purchase shares. Fixed-income and money market securities includes but is not limited to Treasury bills, Government of India securities, high investment grade corporate debt, state and government-guaranteed bonds, public sector bonds, convertible securities, commercial paper, certificates of deposit, discounted trade bills, asset backed securities, financial institutions and Banking sector bonds and call money. The Scheme reserves the right to invest its entire allocation to debt in any one of the debt security classes stated herein.

The Scheme, under most market conditions does not intend investing in illiquid equity-related securities. The Scheme may however, invest in unlisted and/or privately placed and/or unrated debt securities from issuers of repute and sound financial standing. If investment is made in unrated debt securities, the approval of the Board of the AMC shall be obtained, as per the Regulations.

While choosing the debt portfolio, the AMC aims to identify securities which offer superior levels of yield at lower levels of risks. The AMC will be guided by the ratings of Rating Agencies such as CRISIL, ICRA, Duff & Phelps and CARE. In addition, the investment team of the AMC will carry out an internal in depth credit evaluation of securities proposed to be invested in. The investment team of the AMC will continuously monitor the macro-economic environment including the political and economic factors, money supply in the system, Government borrowing programme and demand and supply of debt instruments, among others, affecting the liquidity and interest rates.

Given that the liquidity of fixed income instruments is currently limited, the AMC will try to provide liquidity by staggering maturities for various instruments, as well as holding sufficient portion of the portfolio in more liquid Government and corporate paper as well as money market securities. The AMC will attempt to achieve adequate diversification both in terms of types of instruments and the industries.

The securities mentioned above could be listed, unlisted, privately placed, secured, unsecured, rated or unrated and of any maturity. The securities may be acquired through Initial Public Offerings (IPOs), secondary market operations, private placement, rights offers or negotiated deals.

The Scheme may also use various derivatives and hedging products from time to time, as would be available and permitted by SEBI, in an attempt to protect the value of the portfolio and enhance Unitholders interest.

**C. How will the Scheme allocate its Assets**

**Indicative Asset Allocation**

It is anticipated that the asset allocation under the scheme shall be as follows:

Instruments	Indicative allocations ( % of total assets)		Risk Profile
	Maximum	Minimum	
Equity and equity related securities	80	65	High
Debt and money market instruments *	35	20	Low to Medium

\* Including Securitised debt of upto 35% of corpus of the scheme

Subject to Regulations, the asset allocation pattern indicated above may change from time to time, keeping in view market conditions, opportunities and political & economic factors. It must be clearly understood that the percentages stated above are only indicative and not absolute and that they can vary substantially depending upon the perception of the AMC, the intention being at all times to seek to protect the interests of the Unitholders. Such changes in the investment pattern will be for short term and defensive considerations.

#### **D. Where will the Scheme invest?**

Consistent with the objective of the Scheme and subject to Regulations, the corpus of the Scheme will be invested in any of (but not exclusively) the following securities.

- Equity and equity related securities including convertible bonds and debentures and warrants carrying the right to attain equity shares
- Securities issued/guaranteed by the Central, State Governments and local governments (including but not limited to coupon bearing bonds, zero coupon bonds and treasury bills),
- Obligations of Banks (both public and private sector) and Development Financial Institutions like Certificate of Deposits (CDs), Coupon bearing Bonds, Zero Coupon Bonds, Short term Debt, Bank Fixed Deposits;
- Money Market instruments permitted by SEBI/RBI including call, repo, Collateralised Borrowing & Lending Obligations (CBLO)
- High investment grade corporate debt (of both public and private sector undertakings);
- Certificate of Deposits (CDs)
- Commercial Paper (CPs)
- Any other fixed income securities and instruments as permitted by the Regulations from time to time.

The securities mentioned above could be listed, unlisted, privately placed, secured, unsecured, rated or unrated and of any maturity. The securities may be acquired through Initial Public Offerings (IPOs), secondary market operations, private placement, rights offers or negotiated deals.

### **ING GLOBAL REAL ESTATE FUND**

#### **A. Type of the Scheme**

An Open Ended Fund of Fund Scheme

#### **B. What is the Investment Objective and Policy of the Scheme**

##### **Investment Objective**

The primary investment objective of the Scheme is to seek capital appreciation by investing predominantly in ING Global Real Estate Securities Fund. The Scheme may, at the discretion of the Investment Manager, also invest in the units of other similar overseas mutual fund schemes, which may constitute a significant part of its corpus. The Scheme

may also invest a certain portion of its corpus in money market securities, in order to meet liquidity requirements from time to time.

There can be no assurance that the investment objective of the Scheme will be realized.

### C. How will the Scheme allocate its Assets

#### Indicative Asset Allocation

It is anticipated that the asset allocation under the scheme shall be as follows:

Instruments	Indicative allocations ( % of total assets)		Risk Profile
	Maximum	Minimum	
ING Global Real Estate Securities Fund	100	65	High
Money Market Instruments including call money(as and when permitted by RBI) and reverse repo	20	0	Low to Medium
Other overseas mutual fund schemes	35	0	High

Subject to the SEBI Regulations, the asset allocation pattern indicated may change from time to time, keeping in view market conditions, market opportunities, and political and economic factors. It must be clearly understood that the percentages stated above are only indicative and not absolute and that they can vary depending upon the perception of the Investment Manager, the intention being at all times to seek to protect the interests of the Unit holders. Such changes in the asset allocation will be for short term and defensive considerations. Provided further and subject to the above, any change in the asset allocation affecting the investment profile of the Scheme shall be effected only in accordance with the provisions of sub regulation (15a) of Regulation 18 of the SEBI Regulations.

#### Overview of ING Global Real Estate Securities Fund

ING Global Real Estate Securities Fund is a fund approved by Securities and Futures Commission (SFC), Hongkong. The Manager of the Fund is ING Investment Management Asia Pacific (Hong Kong) Limited. ING Clarion Real Estate Securities L.P., the “Investment Advisor” is a wholly-owned subsidiary of the ING Group, N.V. and the Investment Advisor manages real estate equity securities as a division of ING Real Estate a business of ING Group. ING Real Estate is one of the largest real estate investment managers in the world with US\$68 billion in assets as of 31 December 2004. As of the same period, the Investment Advisor managed US\$6.3 billion in assets within 37 separate accounts and 9 fund strategies for institutions and individuals, including US\$3.1 billion in global real estate securities.

The performance of ING Global Real Estate Securities Fund as on March 31, 2009 was as under:

#### Cumulative Performance % (USD)

	6 Months	1 Year	3 Year	5 Year
<b>Fund</b>	-45.87	-53.73	-51.27	-
<b>Benchmark</b>	-46.80	-57.02	-54.27	-

#### Calendar Year Performance % (USD)

	2009 YTD	2008	2007	2006	From Launch

					date to end of 2005
<b>Fund</b>	-22.38	-43.13	-7.81	35.42	5.80
<b>Benchmark</b>	-22.44	-48.06	-7.82	39.31	5.39

#### D. Where will the Scheme invest?

Consistent with the objective of the Scheme and subject to Regulations, the corpus of the Scheme will be invested in any of (but not exclusively) the following securities:

- Money Market instruments permitted by SEBI/RBI including call, repo, Collateralised Borrowing & Lending Obligations (CBLO)
- Certificate of Deposits (CDs);
- Commercial Paper (CPs);
- Units of ING Global Real Estate Securities Fund or in the units of other similar overseas mutual fund schemes

#### Investment in Overseas Financial Assets

To the extent that the assets of the Scheme will be invested in securities denominated in foreign currencies, the Indian Rupee equivalent of the net assets, distributions and income may be adversely affected by changes in the value of certain foreign currencies relative to the Indian Rupee. The repatriation of capital to India may also be hampered by changes in regulations concerning exchange controls, taxation or political circumstances as well as the application to it of other restrictions on investment.

In terms of SEBI Circulars dated August 02, 2006 and September 26, 2007, each mutual fund is permitted to invest up to maximum of US\$ 300 million. The overall cap for the entire mutual funds industry to invest in I) ADRs/ GDRs issued by Indian or foreign companies ,ii) Equity of overseas companies listed on recognized stock exchanges overseas iii) Initial and follow on public offerings for listing at recognized stock exchanges overseas iv) Foreign debt securities in the countries with fully convertible currencies, short term as well as long term debt instruments with rating not below investment grade by accredited/registered credit rating agencies v) Money market instruments rated not below investment grade vi) Repos in the form of investment, where the counterparty is rated not below investment grade; repos should not however, involve any borrowing of funds by mutual funds vii) Government securities where the countries are rated not below investment grade viii) Derivatives traded on recognized stock exchanges overseas only for hedging and portfolio balancing with underlying as securities ix) Short term deposits with banks overseas where the issuer is rated not below investment grade x) Units/securities issued by overseas mutual funds or unit trusts registered with overseas regulators and investing in (a) aforesaid securities, (b) Real Estate Investment Trusts (REITs) listed in recognized stock exchanges overseas or (c) unlisted overseas securities (not exceeding 10% of their net assets). The restriction on the investments in mutual fund units upto 5% of net assets and prohibits charging of fees, shall not be applicable to investments in mutual funds in foreign countries made in accordance with SEBI Guidelines. However, the management fees and other expenses charged by the mutual fund in foreign countries along with the management fee and recurring expenses charged to the domestic mutual fund scheme shall not exceed the total limits on expenses as prescribed under Regulation 52(6). Where the scheme is investing only a part of the net assets in the foreign mutual fund(s), the same principle shall be applicable for that part of investment.

The overseas securities markets offer new investment and portfolio diversification opportunities by enabling investments in the overseas markets. However, such investments also entail additional risks. Such investment opportunities may be pursued by the Mutual Fund provided they are considered appropriate in terms of the overall investment objectives of the Scheme. The Scheme may then, if necessary, seek applicable permission from SEBI and RBI to invest abroad in accordance with the investment

objectives of the Scheme and in accordance with any guidelines issued by SEBI/RBI from time to time.

To manage risks associated with foreign currency and interest rate exposure, the Mutual Fund may use derivatives for efficient portfolio management including hedging and in accordance with conditions as may be stipulated by SEBI/RBI from time to time.

These investments shall be made subject to any/all approvals, conditions thereof as may be stipulated by SEBI/RBI and provided such investments do not result in expenses to the Scheme in excess of the ceiling, if any, on expenses prescribed by SEBI for offshore investment, and if no such ceiling is prescribed by SEBI, the expenses to the Scheme shall be limited to the ING Global Real Estate Fund level which, in the opinion of the Trustee, is reasonable and consistent with costs and expenses attendant to international investing.

#### **E. What are the Investment Strategies?**

##### **Investment Approach and Strategy**

Under normal market conditions, the ING Global Real Estate Securities Fund will operate as a non diversified fund and invest at least 80% of its assets in a portfolio of equity securities of companies or unit trusts that are principally engaged, deriving at least 50% of their total revenues or earnings, in the real estate industry. The Manager will select companies that derive at least 50% of their total revenues or earnings from owning, operating, developing and/or managing real estate. This portion of the portfolio will have investments located in at least three different countries of the following:-

Australia, Austria, Belgium, Brazil, Canada, China, Costa Rica, Finland, France, Germany, Hong Kong, Italy, Japan, Korea, Luxembourg, Malaysia, Mexico, Netherlands, Puerto Rico, Russia, Singapore, Spain, Sweden, Switzerland, Taiwan, Turkey, United Kingdom and United States or such country as the Manager may determine from time to time.

As a general matter, the Manager expects these investments to be in common stocks of large, mid and small-sized companies. The Manager may also invest in units of real estate investment trusts ("REITs") listed on recognized stock exchanges.

In selecting investments for the Sub-Fund, a disciplined two-step investment process is used.

- First, industry sectors and geographic regions in which to invest are selected. The extent to which the selected sectors and regions are represented is then determined by a systematic evaluation of public and private property market trends and conditions.
- Second, a valuation process is used to identify investments with superior current income and growth potential relative to their peers. The valuation process examines several factors including but not limited to: (i) value and property; (ii) capital structure; and (iii) management and strategy.

#### **ING LATIN AMERICA EQUITY FUND**

##### **A. Type of the Scheme**

An Open Ended Fund of Fund Scheme

##### **B. What is the Investment Objective and Policy of the Scheme**

##### **Investment Objective**

The primary investment objective of the Scheme is to seek capital appreciation by investing predominantly in ING (L) Invest Latin America Fund. The Scheme may, at the

discretion of the Investment Manager, also invest in the units of other similar overseas mutual fund schemes, which may constitute a significant part of its corpus. The Scheme may also invest a certain portion of its corpus in money market securities, in order to meet liquidity requirements from time to time.

There can be no assurance that the investment objective of the Scheme will be realized.

### C. How will the Scheme allocate its Assets

#### **Indicative Asset Allocation**

It is anticipated that the asset allocation under the scheme shall be as follows:

Instruments	Indicative allocations ( % of total assets)		Risk Profile
	Maximum	Minimum	
ING (L) Invest Latin America Fund	100	65	High
Money Market Instruments including reverse repo	20	0	Low to Medium
Other overseas mutual fund schemes	35	0	High

Subject to the SEBI Regulations, the asset allocation pattern indicated may change from time to time, keeping in view market conditions, market opportunities, and political and economic factors. It must be clearly understood that the percentages stated above are only indicative and not absolute and that they can vary depending upon the perception of the Investment Manager, the intention being at all times to seek to protect the interests of the Unit holders. Such changes in the asset allocation will be for short term and defensive considerations. Provided further and subject to the above, any change in the asset allocation affecting the investment profile of the Scheme shall be effected only in accordance with the provisions of sub regulation (15a) of Regulation 18 of the SEBI Regulations.

#### **Overview of ING (L) Invest Latin America Fund**

ING (L) Invest Latin America Fund is a fund approved by the Commission de Surveillance du Secteur Financier (CSSF). The ING (L) Invest Latin America Fund is benchmarked against the MSCI EM Latin America 10/40 Index. The sub-fund essentially invests in a diversified portfolio of equities and/or other transferable securities (warrants on transferable securities) issued by companies established, listed or traded in Latin America (including the Caribbean). The sub-fund may also invest, on an ancillary basis, in other transferable securities (including warrants on transferable securities of the sub-fund's net assets), money market instruments, and deposits.

The Manager of the Fund is ING Investment Management Luxembourg S.A. The Manager was incorporated in Luxembourg in 1997.

The Manager shall delegate to ING Asset Management BV (the "Investment Sub-manager") discretionary investment management powers with respect to the assets of ING (L) Invest Latin America Fund.

The returns of ING (L) Invest Latin America Fund as on March 31, 2009 are as under:

#### **Cumulative Performance % (USD)**

	6 Months	1 Year	3 Year	5 Year
<b>Fund</b>	-32.06	-52.16	-16.56	94.83
<b>Benchmark</b>	-30.79	-48.32	-7.92	107.89

#### **Calendar Year Performance % (USD)**

	1Y	2Y	3Y	4Y	5Y
<b>Fund</b>	-52.16	-20.80	-5.86	10.15	14.27
<b>Benchmark</b>	-48.32	-16.50	-2.71	11.79	15.76

#### D. Where will the Scheme invest?

Consistent with the objective of the Scheme and subject to Regulations, the corpus of the Scheme will be invested in any of (but not exclusively) the following securities:

- Money Market instruments permitted by SEBI/RBI including call, repo, Collateralised Borrowing & Lending Obligations (CBLO)
- Certificate of Deposits (CDs);
- Commercial Paper (CPs);
- Units of ING (L) Invest Latin America Fund or in the units of other similar overseas mutual fund schemes

#### Investment in Overseas Financial Assets

To the extent that the assets of the Scheme will be invested in securities denominated in foreign currencies, the Indian Rupee equivalent of the net assets, distributions and income may be adversely affected by changes in the value of certain foreign currencies relative to the Indian Rupee. The repatriation of capital to India may also be hampered by changes in regulations concerning exchange controls, taxation or political circumstances as well as the application to it of other restrictions on investment.

In terms of SEBI Circular September 26, 2007, each mutual fund is permitted to invest up to maximum of US\$ 300 million. The overall cap for the entire mutual funds industry to invest in i) ADRs/ GDRs issued by Indian or foreign companies ,ii) Equity of overseas companies listed on recognized stock exchanges overseas iii) Initial and follow on public offerings for listing at recognized stock exchanges overseas iv) Foreign debt securities in the countries with fully convertible currencies, short term as well as long term debt instruments with rating not below investment grade by accredited/registered credit rating agencies v) Money market instruments rated not below investment grade vi) Repos in the form of investment, where the counterparty is rated not below investment grade; repos should not however, involve any borrowing of funds by mutual funds vii) Government securities where the countries are rated not below investment grade viii) Derivatives traded on recognized stock exchanges overseas only for hedging and portfolio balancing with underlying as securities ix) Short term deposits with banks overseas where the issuer is rated not below investment grade x) Units/securities issued by overseas mutual funds or unit trusts registered with overseas regulators and investing in (a) aforesaid securities, (b) Real Estate Investment Trusts (REITs) listed in recognized stock exchanges overseas or (c) unlisted overseas securities (not exceeding 10% of their net assets). The restriction on the investments in mutual fund units upto 5% of net assets and prohibits charging of fees, shall not be applicable to investments in mutual funds in foreign countries made in accordance with SEBI Guidelines. However, the management fees and other expenses charged by the mutual fund in foreign countries along with the management fee and recurring expenses charged to the domestic mutual fund scheme shall not exceed the total limits on expenses as prescribed under Regulation 52(6). Where the scheme is investing only a part of the net assets in the foreign mutual fund(s), the same principle shall be applicable for that part of investment.

The overseas securities markets offer new investment and portfolio diversification opportunities by enabling investments in the overseas markets. However, such investments also entail additional risks. Such investment opportunities may be pursued by the Mutual Fund provided they are considered appropriate in terms of the overall investment objectives of the Scheme. The Scheme may then, if necessary, seek applicable permission from SEBI and RBI to invest abroad in accordance with the investment

objectives of the Scheme and in accordance with any guidelines issued by SEBI/RBI from time to time.

To manage risks associated with foreign currency and interest rate exposure, the Mutual Fund may use derivatives for efficient portfolio management including hedging and in accordance with conditions as may be stipulated by SEBI/RBI from time to time.

These investments shall be made subject to any/all approvals, conditions thereof as may be stipulated by SEBI/RBI and provided such investments do not result in expenses to the Scheme in excess of the ceiling, if any, on expenses prescribed by SEBI for offshore investment, and if no such ceiling is prescribed by SEBI, the expenses to the Scheme shall be limited to the level which, in the opinion of the Trustee, is reasonable and consistent with costs and expenses attendant to international investing.

#### **E. What are the Investment Strategies?**

##### **Investment Approach and Strategy**

The ING Latin America Equity Fund in India will act as a feeder fund into the Luxembourg based ING (L) Invest Latin America Fund.

The investment strategy of the Luxembourg based fund is to identify and invest primarily in a diversified portfolio of shares and/or transferable securities issued by companies incorporated, quoted or traded in Latin America (including the Caribbean). The fund's approach encompasses bottom-up investment process supported by top-down macroeconomic analysis and quantitative screening. The investment process will aim to add value by also following theme based approach which shall enable to capture all relevant long term growth drivers.

## **DERIVATIVES AND HEDGING PRODUCTS**

### **Equity portion:**

#### **Investments in Derivatives instruments**

SEBI has permitted all mutual funds to participate in derivatives trading subject to observance of guidelines issued by it in this behalf. Pursuant to this, mutual funds may use various derivative products from time to time, as would be available and permitted by SEBI, in an attempt to protect the value of the portfolio and enhance Unitholders' interest.

Accordingly, the Fund may use derivative instruments like stock index futures, options on stocks and stock indices, interest rate swaps, forward rate agreements or such other derivative instruments as may be introduced from time to time as permitted under the Regulations and guidelines.

#### **Exposure to Derivatives**

The Schemes may, subject to the investment objective and asset allocation, take derivative positions subject to a maximum of 80% of the net assets of the Scheme for the purposes of hedging and portfolio balancing in the manner permissible under SEBI Regulations from time to time.

##### *i. Position limit for Mutual Fund in index options contracts*

- a. The Mutual Fund position limit in all index options contracts on a particular underlying index shall be Rs. 500 crore or 15% of the total open interest of the market in index options, whichever is higher, per Stock Exchange.
- b. This limit would be applicable on open positions in all options contracts on a particular underlying index.

##### *ii. Position limit for Mutual Fund in index futures contracts:*

- a. The Mutual Fund position limit in all index futures contracts on a particular underlying index shall be Rs. 500 crore or 15% of the total open interest of the market in index futures, whichever is higher, per Stock Exchange.
- b. This limit would be applicable on open positions in all futures contracts on a particular underlying index.

*iii. Additional position limit for hedging:*

In addition to the position limits at point (i) and (ii) above, the Mutual Fund may take exposure in equity index derivatives subject to the following limits:

- a. Short positions in index derivatives (short futures, short calls and long puts) shall not exceed (in notional value) the Mutual Fund's holding of stocks.
- b. Long positions in index derivatives (long futures, long calls and short puts) shall not exceed (in notional value) the Mutual Fund's holding of cash, government securities, TBills and similar instruments.

*iv. Position limit for Mutual Fund for stock based derivative contracts*

The Mutual Fund position limit in a derivative contract on a particular underlying stock, i.e. stock option contracts and stock futures contracts is defined in the following manner:

- a. For stocks having applicable market-wise position limit (MWPL) of Rs. 500 crores or more, the combined futures and options position limit shall be 20% of applicable MWPL or Rs. 300 crores, whichever is lower and within which stock futures position cannot exceed 10% of applicable MWPL or Rs. 150 crores, whichever is lower.
- b. For stocks having applicable market-wise position limit (MWPL) less than Rs. 500 crores, the combined futures and options position limit would be 20% of applicable MWPL and futures position cannot exceed 20% of applicable MWPL or Rs. 50 crore which ever is lower.

*v. Position limit for each scheme of a Mutual Fund*

The position limits for each scheme of mutual fund and disclosure requirements shall be identical to that prescribed for a sub-account of a FII. Therefore, the scheme-wise position limit / disclosure requirements shall be

- a. For stock option and stock futures contracts, the gross open position across all derivative contracts on a particular underlying stock of a scheme of a mutual fund shall not exceed the higher of:
  - 1% of the free float market capitalisation (in terms of number of shares) or 5% of the open interest in the derivative contracts on a particular underlying stock (in terms of number of contracts).
- b. This position limits shall be applicable on the combined position in all derivative contracts on an underlying stock at a Stock Exchange.
- c. For index based contracts, Mutual Funds shall disclose the total open interest held by its scheme or all schemes put together in a particular underlying index, if such open interest equals to or exceeds 15% of the open interest of all derivative contracts on that underlying index.

The following information provides a basic idea as to the nature of the derivative instruments proposed to be used by the Fund and the benefits and risks attached therewith. Please note that the examples have been given for illustration purposes only.

**Interest Rate Swaps (IRS) and Forward Rate Agreements (FRA)**

**Benefits**

Bond markets in India are not very liquid. Investors run the risk of illiquidity in such markets. Investing for short-term periods for liquidity purposes has its own risks. Investors can benefit if the Fund remains in call market for the liquidity and at the same time take advantage of fixed rate by entering into a swap. It adds certainty to the returns without sacrificing liquidity.

## **IRS**

An IRS is an agreement between two parties (counter parties) to exchange, on particular dates in the future, one series of cash flows (fixed interest) for another series of cashflows (variable or floating interest) in the same currency and on the same principal for an agreed period of time. The exchange of cashflows need not occur on the same date. As floating rate instruments tend to be relatively less liquid, swapping a fixed rate instrument into floating returns can help in improving the liquidity of the fund.

## **FRA**

A FRA is an agreement between two counter parties to pay or to receive the difference between an agreed fixed rate (the FRA rate) and the interest rate prevailing on a stipulated future date, based on a notional amount, for an agreed period. In short, in a FRA, interest rate is fixed now for a future period. The special feature of FRAs is that the only payment is the difference between the FRA rate and the reference rate and hence are single settlement contracts. As in the case of IRS, notional amounts are not exchanged.

### **Basic Structure of a Swap**

Assume that the Scheme has a Rs. 20 crore floating rate investment linked to MIBOR (Mumbai Inter Bank Offered Rate). Hence, the Scheme is currently running an interest rate risk and stands to lose if the interest rate moves down. To hedge this interest rate risk, the Scheme can enter into a 6 month MIBOR swap. Through this swap, the Scheme will receive a fixed predetermined rate (assume 12%) and pays the "benchmark rate" (MIBOR), which is fixed by the National Stock Exchange (NSE) or any other agency such as Reuters. This swap would effectively lock-in the rate of 12% for the next 6 months, eliminating the daily interest rate risk. This is usually routed through an intermediary who runs a book and matches deals between various counterparties.

### *The steps will be as follows*

- Assuming the swap is for Rs.20 crore 1 June, 2001 to 1 December, 2001. The Scheme is a fixed rate receiver at 12% and the counterparty is a floating rate receiver at the overnight rate on a compounded basis (say NSE MIBOR).
- On 1 June, 2001 the Scheme and the counterparty will exchange only a contract of having entered this swap. This documentation would be as per International Securities Dealers Association (ISDA).
- On a daily basis, the benchmark rate fixed by NSE will be tracked .
- On 1 December, 2001 the following will be calculated :
  - The Scheme is entitled to receive interest on Rs. 20 crore at 12% for 184 days i.e. Rs. 1.21 crore, (this amount is known at the time the swap was concluded) and will pay the compounded benchmark rate.
  - The counterparty is entitled to receive daily compounded call rate for 184 days & pay 12% fixed.
  - On 1 December, 2001, if the total interest on the daily overnight compounded benchmark rate is higher than Rs. 1.21 crore, the Scheme will pay the difference to the counter party. If the daily compounded benchmark rate is lower, then the counterparty will pay the Scheme the difference.
  - Effectively the Scheme earns interest at the rate of 12% p.a. for 6 months without lending money for 6 months fixed, while the counterparty pays interest @ 12% p.a. for 6 months on Rs. 20 crore, without borrowing for 6 months fixed.

Swaps have its own drawbacks like credit risk, settlement risk. However, these risks are substantially reduced as the amount involved is interest streams and not principal.

## **Index Futures**

### ***Benefits***

- Investment in stock index futures can give exposure to the index without directly buying the individual stocks. Appreciation in index stocks can be effectively captured through investment in Stock Index Futures.
- The Fund can sell futures to hedge against market movements effectively without actually selling the stocks it holds.

The stock index futures are instruments designed to give exposure to the equity market indices. The Bombay Stock Exchange and the National Stock Exchange have started trading in index futures of 1, 2 and 3 month maturities. The pricing of an index future is the function of the underlying index and interest rates.

### **Illustration**

Spot Index: 1070; 1 month Nifty Future Price on day 1: 1075; Fund buys 100 lots; Each lot has a nominal value equivalent to 200 Units of the underlying index

#### **Situation 1**

Let us say that on the date of settlement, the future price = closing spot price = 1085  
 Profits for the Fund =  $(1085-1075) * 100 \text{ lots} * 200 = \text{Rs } 200,000$

#### **Situation 2**

Let us say that on the date of settlement, the future price = Closing spot price = 1070  
 Loss for the Fund =  $(1070-1075) * 100 \text{ lots} * 200 = (\text{Rs } 100,000)$

The net impact for the Fund will be in terms of the difference between the closing price of the index and cost price (ignoring margins for the sake of simplicity). Thus, it is clear from the example that the profit or loss for the Fund will be the difference of the closing price (which can be higher or lower than the purchase price) and the purchase price. The risks associated with index futures are similar to the one with equity investments. Additional risks could be on account of illiquidity and hence mispricing of the future at the time of purchase.

### ***Buying Options***

#### ***Benefits of buying a call option***

Buying a call option on a stock or index gives the owner the right, but not the obligation, to buy the underlying stock / index at the designated strike price. Here the downside risks are limited to the premium paid to purchase the option.

### **Illustration**

If the Fund buys a 1 month call option on Hindustan Lever at a strike of Rs. 190, the current market price being say Rs.191. The Fund will have to pay a premium of say Rs. 15 to buy this call. If the stock price goes below Rs. 190 during the tenure of the call, the Fund avoids the loss it would have incurred had it straightaway bought the stock instead of the call option. The Fund gives up the premium of Rs. 15 that has to be paid in order to protect the Fund from this probable downside. If the stock goes above Rs. 190, it can exercise its right and own Hindustan Lever at a cost price of Rs. 190, thereby participating in the upside of the stock.

#### ***Benefits of buying a put option***

Buying a put option on a stock originally held by the buyer gives him / her the right, but not the obligation, to sell the underlying stock at the designated strike price. Here the downside risks are limited to the premium paid to purchase the option.

### **Illustration**

If the Fund owns Hindustan Lever and also buys a three-month put option on Hindustan Lever at a strike of Rs. 190, the current market price being say Rs.191. The Fund will have to pay a premium of say Rs. 12 to buy this put.

If the stock price goes below Rs. 190 during the tenure of the put, the Fund can still exercise the put and sell the stock at Rs. 190, avoiding therefore any downside on the stock below Rs. 190. The Fund gives up the fixed premium of Rs. 12 that has to be paid in order to protect the Fund from this probable downside. If the stock goes above Rs. 190, say to Rs. 220, it will not exercise its option.

The Fund will participate in the upside of the stock, since it can now sell the stock at the prevailing market price of Rs. 220.

### ***Writing Options***

#### ***Benefits of writing an option with underlying stock holding (Covered call writing)***

Covered call writing is a strategy where a writer (say the Fund) will hold a particular stock, and sell in the market a call option on the stock. Here the buyer of the call option now has the right to buy this stock from the writer (the Fund) at a particular price which is fixed by the contract (the strike price). The writer receives a premium for selling a call, but if the call option is exercised, he has to sell the underlying stock at the strike price. This is advantageous if the strike price is the level at which the writer wants to exit his holding / book profits. The writer effectively gains a fixed premium in exchange for the probable opportunity loss that comes from giving up any upside if the stock goes up beyond the strike price.

#### **Illustration**

Let us take for example Infosys Technologies, where the Fund holds stock, the current market price being Rs. 3600. The Fund Manager holds the view that the stock should be sold when it reaches Rs. 3700. Currently the 1 month 3700 calls can be sold at say Rs.150. Selling this call gives the call owner the right to buy from the Fund, Infosys at Rs. 3700.

Now the Fund by buying / holding the stock and selling the call is effectively agreeing to sell Infosys at Rs. 3700 when it crosses this price. So the Fund is giving up any possible upside beyond Rs. 3700. However, the returns for the Fund are higher than what it would have got if it just held the stock and decided to sell it at Rs. 3700. This is because the Fund by writing the covered call gets an additional Rs. 150 per share of Infosys. In case the price is below Rs. 3700 during the tenure of the call, then it will not be exercised and the Fund will continue to hold the shares. Even in this case the returns are higher than if the Fund had just held the stock waiting to sell it at Rs. 3700.

#### ***Benefits of writing put options with adequate cash holding***

Writing put options with adequate cash holdings is a strategy where the writer (say, the Fund) will have an amount of cash and will sell put options on a stock. This will give the buyer of this put option the right to sell stock to the writer (the Fund) at a pre-designated price (the strike price). This strategy gives the put writer a premium, but if the put is exercised, he has to buy the underlying stock at the designated strike price. In this case the writer will have to accept any downside if the stock goes below the exercise price. The writer effectively gains a fixed premium in exchange for giving up the opportunity to buy the stock at levels below the strike price. This is advantageous if the strike price is the level at which the writer wants to buy the stock.

#### **Illustration**

Let us take for example, that the Fund wants to buy Infosys Technologies at Rs. 3500, the current price being Rs. 3600. Currently the three-month puts can be sold at say Rs. 100. Writing this put gives the put owner the right to sell to the Fund, Infosys at Rs. 3500.

Now the Fund by holding cash and selling the put is agreeing to buy Infosys at Rs. 3500 when it goes below this price. The Fund will take on itself any downside if the price goes below Rs. 3500. But the returns for the Fund are higher than what it would have got if it just waited till the price reached this level and bought the stock at Rs. 3500, as per its original view. This is because the Fund by writing the put gets an additional Rs. 100 per share of Infosys. In case the price stays above Rs. 3500 during the tenure of the put, then it will not be exercised and the Fund will continue to hold cash. Even in this case the returns are higher than if the Fund had just held cash waiting to buy Infosys at Rs. 3500.

## **Valuation of Derivative Products**

The traded derivatives shall be valued at market price in conformity with the stipulations of sub clauses (i) to (v) of clause 1 of the Eighth Schedule to the SEBI (Mutual Funds) Regulations, 1996, as amended from time to time.

The valuation of untraded derivatives shall be done in accordance with the valuation method for untraded investments prescribed in sub clauses (i) and (ii) of clause 2 of the Eighth Schedule to the SEBI(Mutual Funds) Regulations, 1996 as amended from time to time.

## **Risk factors**

- Credit Risk: The credit risk is the risk that the counter party will default obligations and is generally negligible, as there is no exchange of principal amounts in a derivative transaction.
- Market risk: Derivatives carry the risk of adverse changes in the market price.
- Illiquidity risk: The risk that a derivative cannot be sold or purchased quickly enough at a fair price, due to lack of liquidity in the market.
- The Mutual Fund pays the daily compounded rate. In practice however there can be a difference in the actual rate at which money is lent in the call market and the benchmark, which appears and is used.

Derivatives are highly leveraged instruments. Even a small price movement in the underlying security could have a large impact on their value. Also, the market for derivative instruments is nascent in India.

It may be mentioned here that the guidelines issued by the RBI from time to time for FRA and IRS's and other derivative products would be adhered to. The Scheme may take derivative positions subject to a maximum of 80% of the net assets of the Scheme for the purposes of hedging and portfolio balancing in the manner permissible under SEBI Regulations.

A hedge is designed to offset a loss on a portfolio with a gain in the hedge position. The Mutual Fund may use derivative instruments primarily to hedge the value of Scheme against potential adverse movements in securities prices. At the same time, however, an accurately correlated hedge will result in a gain in the Scheme's position being offset by a loss in the hedge position. As a result the use of derivatives could limit any potential gain from an increase in value of the position hedged. In addition, an exposure to derivatives in excess of the hedging requirement can lead to losses. IRS and FRA's do also have inherent credit and settlements risks. However, these risks are substantially reduced as they are limited to the interest streams and not the notional principal amounts.

## **Reporting requirements for transactions in derivatives**

The AMC shall cover the following aspects in their reports to the Trustees periodically, as provided for in the Regulations:

- Transactions in derivatives, both in volume and value terms.
- Market value of cash or cash equivalents/securities held to cover the exposure.
- Any breach of the exposure limit laid down in this Scheme Information Document.
- Shortfall, if any, in the assets covering investment in derivative products and the manner of bridging it.

The Trustees shall offer their comments on the above aspects in the report filed with SEBI under sub regulation (23) (a) of regulation 18 of the Regulations.

## **Portfolio Turnover**

The schemes have no explicit constraints either to maintain or limit the portfolio turnover. Portfolio turnover will depend upon the circumstances prevalent at any time and would also depend on the extent of volatility in the market. A higher churning to the portfolio could attract high transaction costs of the nature of brokerage, demat charges, stamp duty, custodian transaction charges, etc.

## **F. Fundamental Attributes**

Following are the Fundamental Attributes of the scheme, in terms of Regulation 18 (15A) of the SEBI (MF) Regulations:

- i) Type of Scheme;
- ii) Investment Objectives & Investment Pattern – Investment objective & investment pattern is provided under the heading information about the scheme.
- iii) Terms of Issue
  - o Liquidity provisions such as listing, repurchase, redemption.
  - o Aggregate fees and expenses charged to the scheme.
  - o Any safety net or guarantee provided.

In accordance with Regulation 18(15A) of the SEBI (MF) Regulations, the Trustees shall ensure that no change in the fundamental attributes of the Scheme and the Plan(s) / Option(s) thereunder or the trust or fee and expenses payable or any other change which would modify the Scheme and the Plan(s) / Option(s) thereunder and affect the interests of Unitholders is carried out unless:

- A written communication about the proposed change is sent to each Unitholder and an advertisement is given in one English daily newspaper having nationwide circulation as well as in a newspaper published in the language of the region where the Head Office of the Mutual Fund is situated; and
- The Unitholders are given an option for a period of 30 days to exit at the prevailing Net Asset Value without any exit load.

#### **G. How will the scheme benchmark its performance?**

The Scheme(s) / Plan(s) performance will be compared with their respective benchmark(s) as per the table below:

<b>Scheme/Plan</b>	<b>Benchmark</b>
ING Domestic Opportunities Fund	BSE 100 Index
ING Core Equity Fund	BSE 100 Index
ING Dividend Yield Fund	BSE 100 Index
ING Midcap Fund	CNX Midcap Index
ING Nifty Plus Fund	S&P CNX Nifty Index
ING Tax Savings Fund	CNX Midcap 100
ING C.U.B (Competitive Upcoming Businesses) Fund	Nifty Junior Index
ING Contra Fund	BSE 100
ING Liquid Fund	CRISIL Liquid Fund Index
ING Treasury Management Fund	CRISIL Liquid Fund Index
ING Treasury Advantage Fund	CRISIL Liquid Fund Index.
ING Short Term Income Fund	CRISIL Short Term Bond Fund Index
ING Income Fund	CRISIL Composite Bond Fund Index
ING Gilt Fund	ISec Composite Gilt Index
ING Dynamic Duration Fund	CRISIL MIP Blended Index
ING MIP Fund	CRISIL MIP Blended Index
ING Balanced Fund	CRISIL Balanced Fund index
ING Global Real Estate Fund	S&P BMI World Property Index (Earlier known as Citigroup World Property Index)
ING Latin America Equity Fund	MSCI EM Latin America 10/40 ND Index

However, the Schemes' performance may not be strictly comparable with the performance of the Indices due to the inherent differences in the construction of the portfolios. The Boards may review the benchmark selection process from time to time, and make suitable changes as to use of the benchmark, or related to composition of the benchmark, whenever it deems necessary.

#### **Justification**

The Scheme(s)/Plan(s) are being benchmarked against the respective Indices mentioned above, since the composition of the Indices is in line with the investment objective of the respective

Scheme(s)/Plan(s) and is most suited for comparing performance of the Scheme(s)/ Plan(s). It will also enable the investors to arrive at a more informed judgement on scheme(s) performances.

#### H. Who manages the scheme?

Scheme	Fund Manager
ING Domestic Opportunities Fund	Mr. Manish Bhandari
ING Core Equity Fund	Mr. Manish Bhandari
ING Dividend Yield Fund	Mr. Manish Bhandari
ING Midcap Fund	Ms. Jasmina Parekh
ING Nifty Plus Fund	Mr. Deepak Arackal
ING Tax Savings Fund	Ms. Jasmina Parekh
ING C.U.B (Competitive Upcoming Businesses) Fund	Mr. Manish Bhandari
ING Contra Fund	Ms. Jasmina Parekh
ING Liquid Fund	Mr. Shobit Gupta
ING Treasury Management Fund	Mr. Shobit Gupta
ING Treasury Advantage Fund	Mr. Shobit Gupta
ING Short Term Income Fund	Mr. Shobit Gupta
ING Income Fund	Mr. Shobit Gupta
ING Gilt Fund	Mr. Shobit Gupta
ING Dynamic Duration Fund	Mr. Shobit Gupta
ING MIP Fund	Mr. Manish Bhandari and Mr. Shobit Gupta
ING Balanced Fund	Mr. Manish Bhandari and Mr. Shobit Gupta
ING Global Real Estate Fund	Mr. Deepak Arackal
ING Latin America Equity Fund	Mr. Deepak Arackal

Name, Age & Qualification	Brief Experience
Mr. Manish Bhandari <i>Vice President &amp; Portfolio Manager – Equity</i>  33 Years PGDBA, CIIA	<ul style="list-style-type: none"> <li>• ING Investment Management (I) Pvt. Ltd (May 2004 – till date)</li> <li>• HDFC Securities - Equity research (May 2002 – April 2004)</li> <li>• Tower Capital and Securities - Equity research (Oct 2001 – May 2002)</li> <li>• Rensearch - Equity Research (June 1999 – September 2001)</li> </ul>
Ms. Jasmina Parekh <i>Vice President &amp; Portfolio Manager – Equity</i>  33 Years CA, B. Com	<ul style="list-style-type: none"> <li>• ING Investment Management (I) Pvt. Ltd (May 2006 – till date)</li> <li>• ASK Raymond James (August 2005 to April 2006)</li> <li>• Buildwell Plant and Equipment Pvt Ltd (November 2004 to May 2005)</li> <li>• Hermes Securities (BRICS) (October 2002 to July 2004)</li> <li>• Quantum Information Services (April 2000 to September 2002)</li> <li>• K R Choksey Shares and Securities (May 1999 to March 2000)</li> </ul>
Mr. Shobit Gupta <i>Vice President &amp; Portfolio Manager – Fixed Income</i>	<ul style="list-style-type: none"> <li>• ING Investment Management (I) Pvt. Ltd (Aug 2008 – till date)</li> <li>• Reliance Capital Asset Management Company (Feb 2008 to Jul 2008)</li> </ul>

35 Years B. Sc (Eco/Maths/Stats), PGDBA, CFA (ICFAI), CFA, AIMA (USA)	<ul style="list-style-type: none"> <li>• ABN AMRO Bank (Dec 2002 to Feb 2008)</li> <li>• Kotak Mahindra Asset Management Company (Sept 1999 to Nov 2002)</li> </ul>
Mr. Deepak Arackal <i>Vice President &amp; Quantitative Investment Manager</i>  35 Years M.Econ.Sc.	<ul style="list-style-type: none"> <li>• ING Investment Management (I) Pvt. Ltd (Aug2007 till Date)</li> <li>• MF Global Sify Securities India Pvt Limited – Quantitative Strategist (Jan2006-Aug2007)</li> <li>• Dun and Bradstreet India Information Services Private Limited – Senior Analyst (March2004-Sept 2005)</li> </ul>

#### I. What are the investment restrictions?

As per the Seventh Schedule of SEBI (Mutual Funds) Regulations, 1996 the following investment restrictions apply in respect of the Scheme at the time of making investments. However, all investments by the Scheme will be made in accordance with the investment objective, investment strategy and investment pattern described previously.

1. A mutual fund scheme shall not invest more than 15% of its NAV in debt instruments issued by a single issuer which are rated not below investment grade by a credit rating agency authorised to carry out such activity under the Act. Such investment limit may be extended to 20% of the NAV of the scheme with the prior approval of the Board of Trustees and the Board of asset management company :

Provided that such limit shall not be applicable for investments in Government securities and money market instruments:

Provided further that investment within such limit can be made in mortgaged backed securitised debt which are rated not below investment grade by a credit rating agency registered with the Board

2. A mutual fund scheme shall not invest more than 10% of its NAV in unrated debt instruments issued by a single issuer and the total investment in such instruments shall not exceed 25% of the NAV of the scheme. All such investments shall be made with the prior approval of the Board of Trustees and the Board of asset management company.
3. No mutual fund under all its schemes should own more than ten per cent of any company's paid up capital carrying voting rights.
4. Transfers of investments from one scheme to another scheme in the same mutual fund shall be allowed only if,—
  - (a) such transfers are done at the prevailing market price for quoted instruments on spot basis.

*Explanation.*—“Spot basis” shall have same meaning as specified by stock exchange for spot transactions;
  - (b) the securities so transferred shall be in conformity with the investment objective of the scheme to which such transfer has been made.
5. A scheme may invest in another scheme under the same asset management company or any other mutual fund without charging any fees, provided that aggregate interscheme investment made by all schemes under the same management or in schemes under the management of any other asset management company shall not exceed 5% of the net asset value of the mutual fund :

Provided that this clause shall not apply to any fund of funds scheme

6. The initial issue expenses in respect of any scheme may not exceed six per cent of the funds raised under that scheme.
7. Every mutual fund shall buy and sell securities on the basis of deliveries and shall in all cases of purchases, take delivery of relevant securities and in all cases of sale, deliver the securities:
 

Provided that a mutual fund may engage in short selling of securities in accordance with the framework relating to short selling and securities lending and borrowing specified by the Board:

Provided further that a mutual fund may enter into derivatives transactions in a recognized stock exchange, subject to the framework specified by the Board
8. Every mutual fund shall get the securities purchased or transferred in the name of the mutual fund on account of the concerned scheme, wherever investments are intended to be of long-term nature.
9. Pending deployment of funds of a scheme in terms of investment objectives of the scheme, a mutual fund may invest them in short term deposits of schedule commercial banks, subject to such Guidelines as may be specified by the Board.
10. No mutual fund [scheme] shall make any investment in,—
  - (a) any unlisted security of an associate or group company of the sponsor; or
  - (b) any security issued by way of private placement by an associate or group company of the sponsor; or
  - (c) the listed securities of group companies of the sponsor which is in excess of 25 per cent of the net assets.
11. No scheme of a mutual fund shall make any investment in any fund of funds scheme.
12. No mutual fund scheme shall invest more than 10 per cent of its NAV in the equity shares or equity related instruments of any company :
 

Provided that, the limit of 10 per cent shall not be applicable for investments in case of index fund or sector or industry specific scheme.
13. A mutual fund scheme shall not invest more than 5% of its NAV in the unlisted equity shares or equity related instruments in case of open ended scheme and 10% of its NAV in case of close ended scheme.
14. A fund of funds scheme shall be subject to the following investment restrictions:
  - (a) A fund of funds scheme shall not invest in any other fund of funds scheme;
 

A fund of funds scheme shall not invest its assets other than in schemes of mutual funds, except to the extent of funds required for meeting the liquidity requirements for the purpose of repurchases or redemptions, as disclosed in the Scheme Information Document of fund of funds scheme.

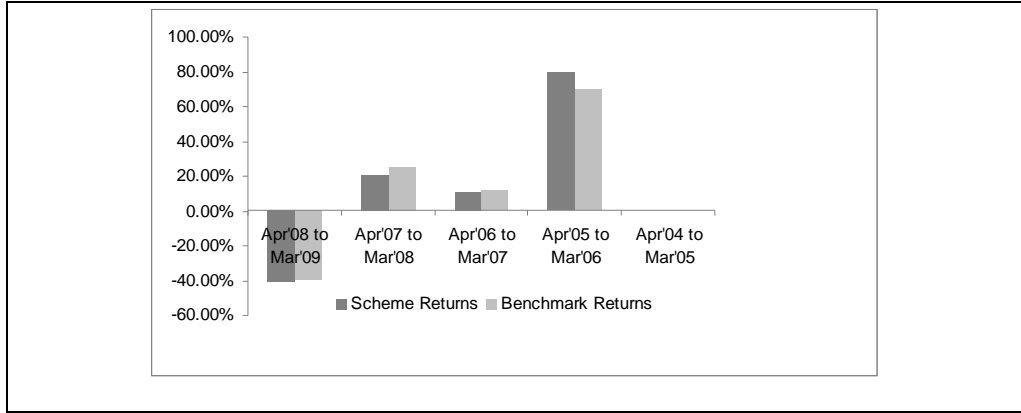
The Trustee may alter the above restrictions from time to time to the extent that changes in the Regulations may allow and as deemed fit in the general interest of the Unit Holders.

**J. How has the scheme performed?**

Schemes performance as on April 30, 2009:

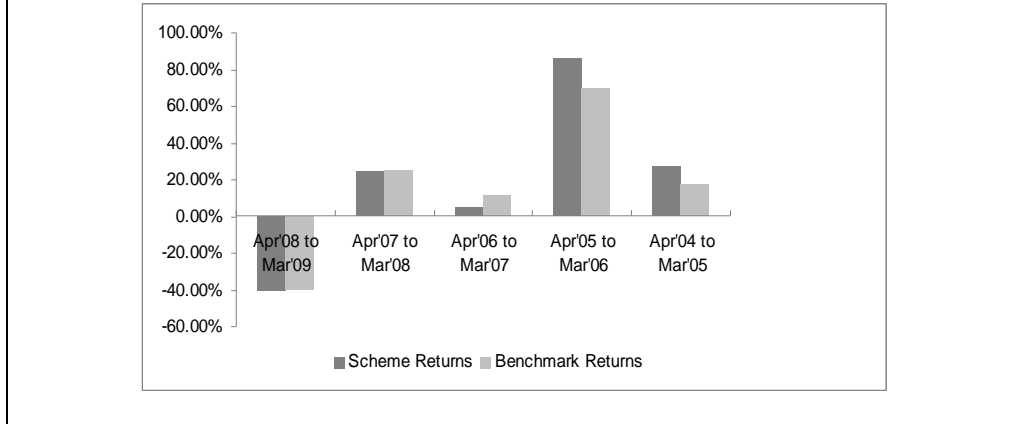
**ING Domestic Opportunities Fund**

	<b>Scheme Returns</b>	<b>Benchmark Returns</b>
1 Year	-35.34%	-36.99%
3 Years	-4.15%	-1.89%
Since Inception (i.e. from 12 <sup>th</sup> September 2004)	18.49%	16.37%



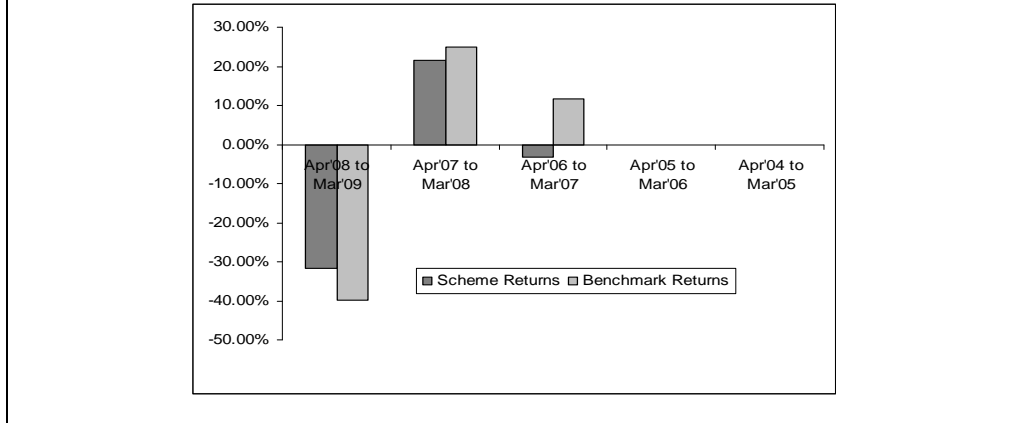
**ING Core Equity Fund**

	<b>Scheme Returns</b>	<b>Benchmark Returns</b>
1 Year	-36.30%	-36.99
3 Years	-5.35%	-1.89%
5 Years	15.44%	13.92%
Since Inception (i.e. from 6 <sup>th</sup> May 1999)	8.25%	13.75%



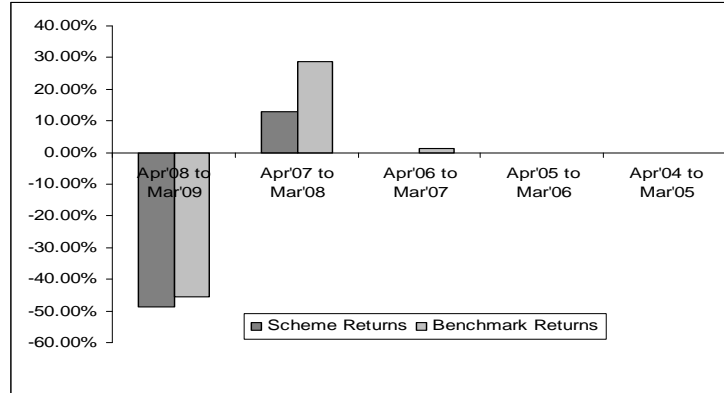
**ING Dividend Yield Fund**

	<b>Scheme Returns</b>	<b>Benchmark Returns</b>
1 Year	-30.10%	-36.99%
3 Years	-3.82%	-1.89%
Since Inception (i.e. from 24 <sup>th</sup> October 2005)	1.29%	9.73%



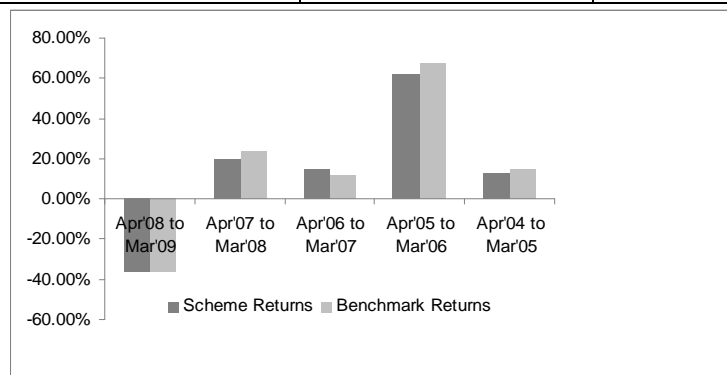
### ING Midcap Fund

	Scheme Returns	Benchmark Returns
1 Year	-47.49%	-44.97%
3 Years	-15.19%	-8.37%
Since Inception (i.e. from 30 <sup>th</sup> May 2005)	1.77%	6.41%



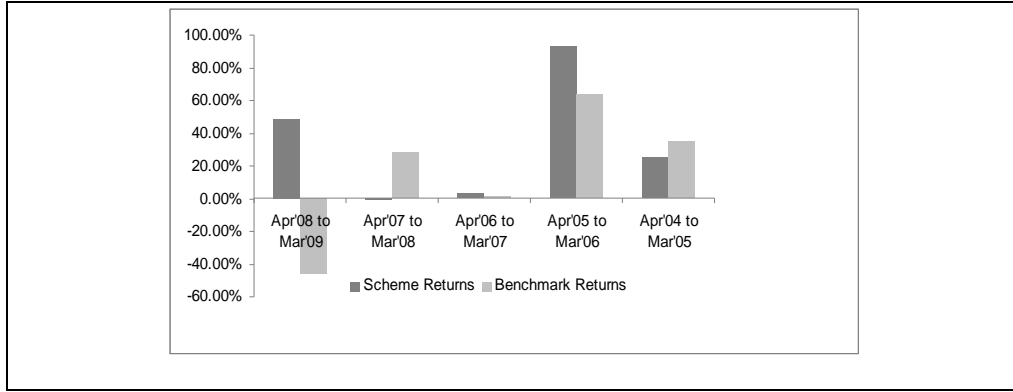
### ING Nifty Plus Fund

	Scheme Returns	Benchmark Returns
1 Year	-32.33%	-32.83%
3 Years	-0.88%	-0.33%
5 Years	12.55%	14.10%
Since Inception (i.e. from 23 <sup>rd</sup> February 2004)	11.26%	13.42%



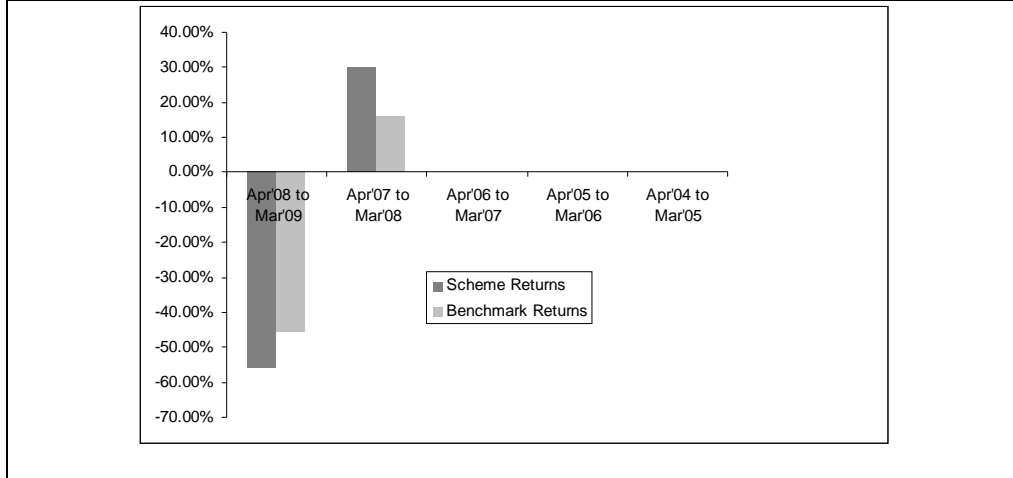
### ING Tax Savings Fund

	Scheme Returns	Benchmark Returns
1 Year	-47.83%	-44.97%
3 Years	-17.48%	-8.37%
5 Years	7.57%	10.74%
Since Inception (i.e. from 28 <sup>th</sup> March 2004)	7.66%	12.75%



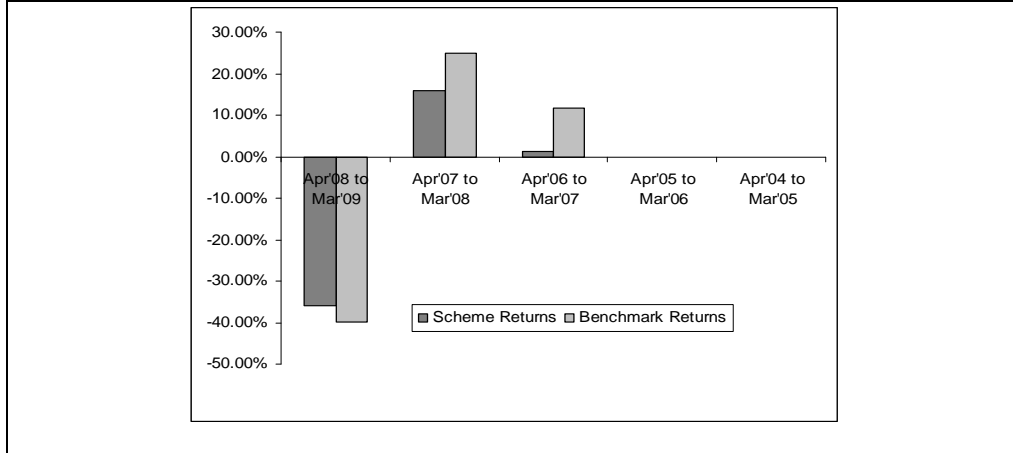
**ING C.U.B (Competitive Upcoming Business) Fund**

	<b>Scheme Returns</b>	<b>Benchmark Returns</b>
1 Year	-50.64%	-42.49%
Since Inception (i.e. from 11 <sup>th</sup> September 2006)	-7.35%	-4.68%



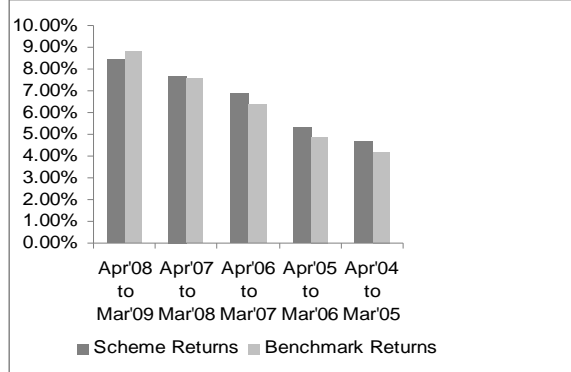
**ING Contra Fund**

	<b>Scheme Returns</b>	<b>Benchmark Returns</b>
1 Year	-31.26%	-36.99%
3 Years	-4.47%	-1.89%
Since Inception (i.e. from 10 <sup>th</sup> March 2006)	-2.99%	0.89%



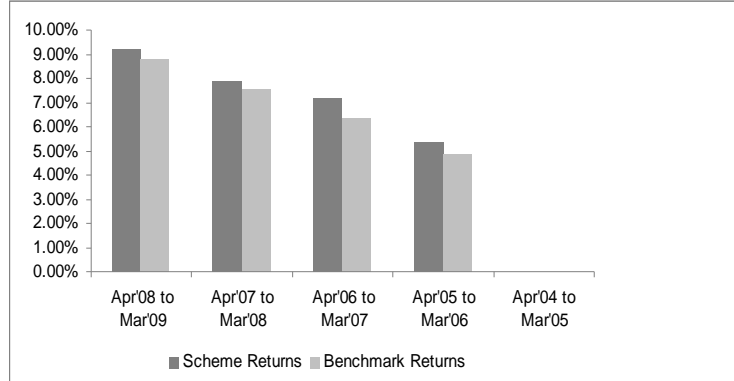
### ING Liquid Fund

	Scheme Returns	Benchmark Returns
1 Year	8.23%	8.88%
3 Years	7.64%	7.58%
5 Years	6.60%	6.43%
Since Inception (i.e. from 6 <sup>th</sup> January 2000)	6.89%	N.A



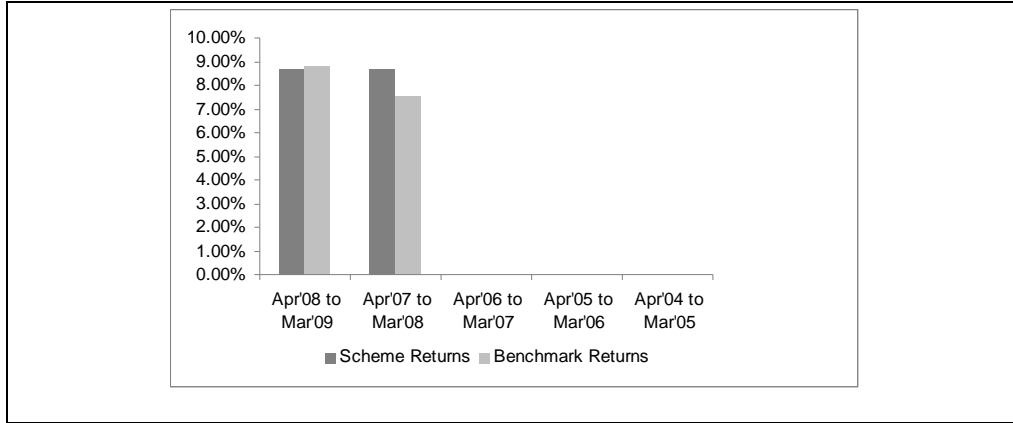
### ING Treasury Management Fund

	Scheme Returns	Benchmark Returns
1 Year	8.84%	8.88%
3 Years	8.13%	7.58%
Since Inception (i.e. from 10 <sup>th</sup> October 2004)	7.16%	6.70%



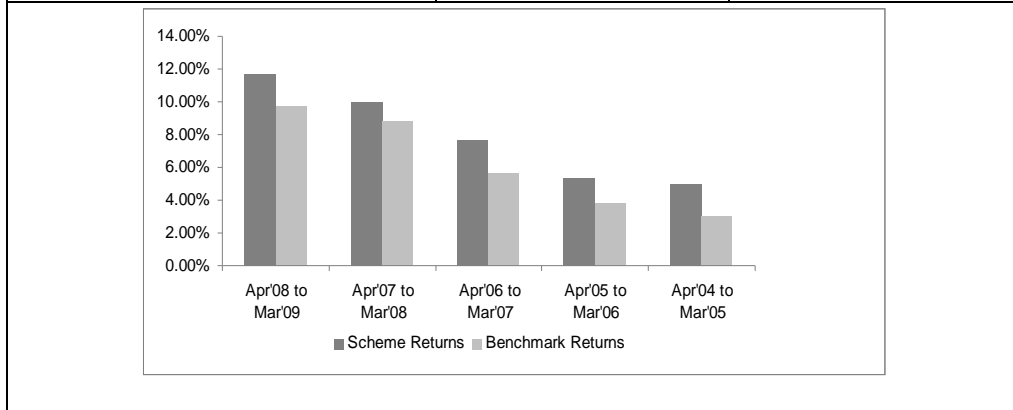
### ING Treasury Advantage Fund

	Scheme Returns	Benchmark Returns
1 Year	8.46%	8.88%
Since Inception (i.e. from 20 <sup>th</sup> March 2007)	8.59%	8.27%



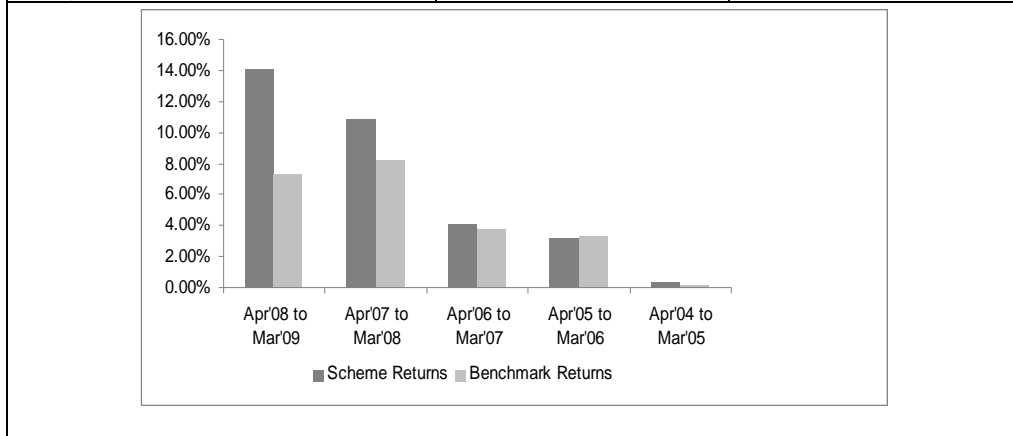
**ING Short Term Income Fund**

	<b>Scheme Returns</b>	<b>Benchmark Returns</b>
1 Year	12.52%	10.91%
3 Years	10.08%	8.39%
5 Years	8.10%	6.49%
Since Inception (i.e. from 19 <sup>th</sup> August 2002)	7.80%	6.38%



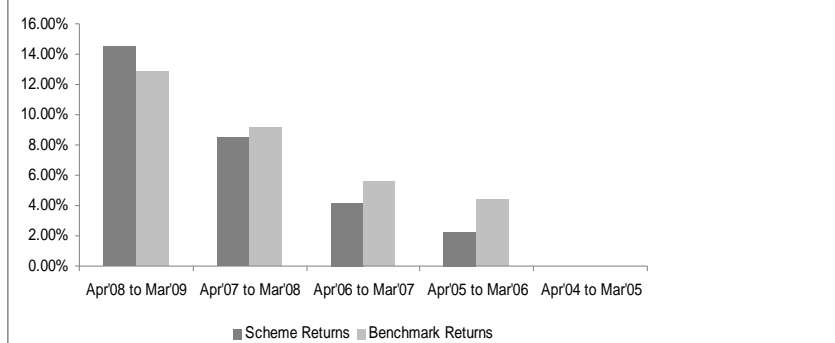
**ING Income Fund**

	<b>Scheme Returns</b>	<b>Benchmark Returns</b>
1 Year	18.62%	10.11%
3 Years	11.23%	7.15%
5 Years	7.33%	5.02%
Since Inception (i.e. from 6 <sup>th</sup> May 1999)	9.22%	N.A



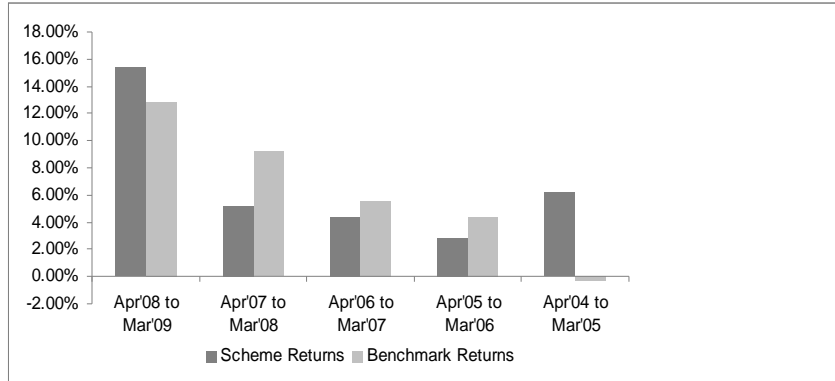
### ING Gilt Fund – Provident Fund – Dynamic Plan

	Scheme Returns	Benchmark Returns
1 Year	20.43%	17.61%
3 Years	10.54%	10.10%
5 Years	8.05%	6.90%
Since Inception (i.e. from 31 <sup>st</sup> March 2004)	8.32%	6.91%



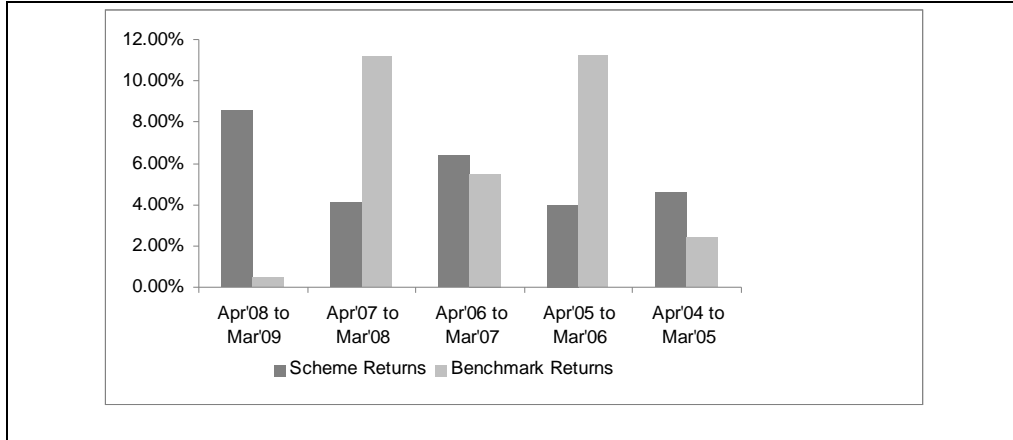
### ING Gilt Fund – Regular Plan

	Scheme Returns	Benchmark Returns
1 Year	21.99%	17.61%
3 Years	10.15%	10.10%
5 Years	7.86%	6.90%
Since Inception (i.e. from 7 <sup>th</sup> February 2002)	6.49%	N.A



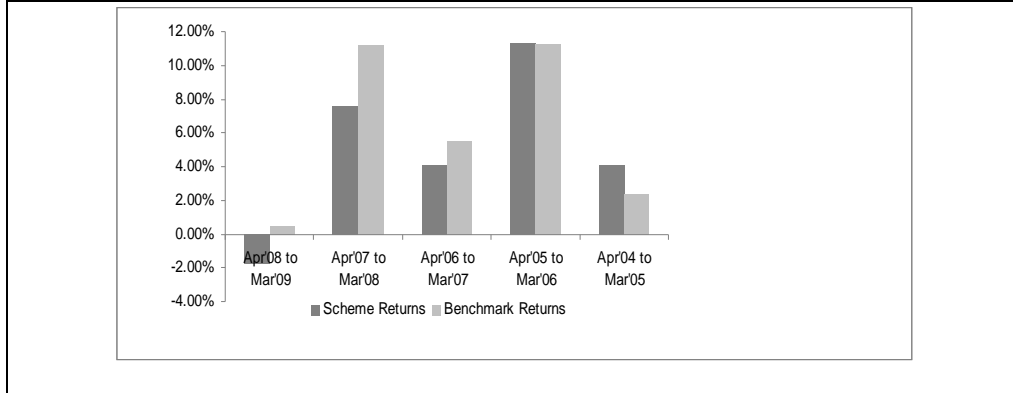
### ING Dynamic Duration Fund

	Scheme Returns	Benchmark Returns
1 Year	8.67%	3.52%
3 Years	6.38%	6.83%
5 Years	5.55%	6.91%
Since Inception (i.e. from 23 <sup>rd</sup> February 2004)	5.71%	6.96%



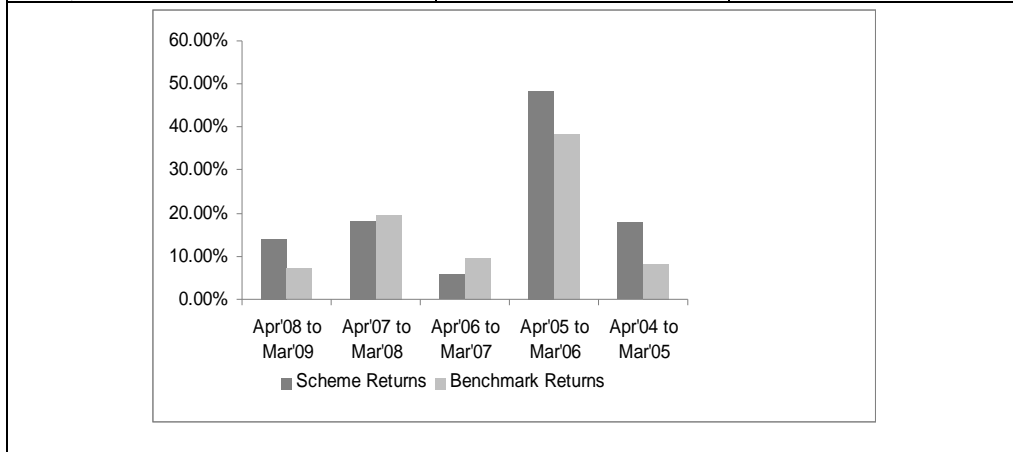
**ING MIP Fund**

	<b>Scheme Returns</b>	<b>Benchmark Returns</b>
1 Year	-0.68%	3.52%
3 Years	3.59%	6.83%
5 Years	5.40%	6.91%
Since Inception (i.e. from 23 <sup>rd</sup> February 2004)	5.43%	6.96%



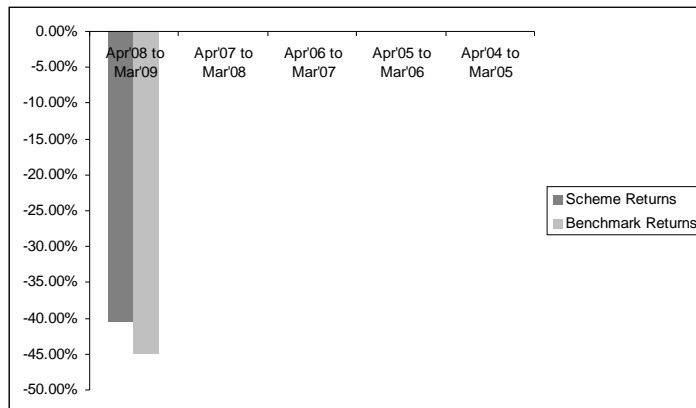
**ING Balanced Fund**

	<b>Scheme Returns</b>	<b>Benchmark Returns</b>
1 Year	-26.51%	-18.09%
3 Years	-1.72%	3.60%
5 Years	10.60%	11.00%
Since Inception (i.e. from 25 <sup>th</sup> April 2000)	5.80%	N.A



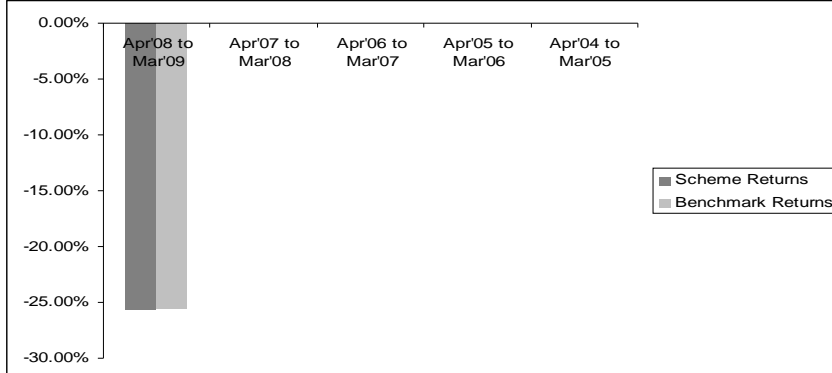
### ING Global Real Estate Fund

	Scheme Returns	Benchmark Returns
1 Year	-37.08%	-40.12%
Since Inception (i.e. from 31 <sup>st</sup> December 2007)	-24.53%	-30.81%



### ING Latin America Equity Fund

	Scheme Returns	Benchmark Returns
Since Inception (i.e. from 7 <sup>th</sup> August 2008)	-31.20%	-25.09%



### K. Investment by the AMC

Subject to the Regulations, the AMC may invest either directly or indirectly, in the Scheme during the Ongoing Offer Period. However, the AMC shall not charge any investment management fee on such investment in the Scheme.

### III. UNITS AND OFFER

This section provides details you need to know for investing in the Scheme.

#### A. NEW FUND OFFER (NFO)

**New Fund Offer, New Fund Offer Period, New Fund Offer Price, Minimum Amount for Application in the NFO, Minimum Target Amount, Maximum Amount to be raised & Refund and Special Products / facilities available during the NFO**

These sections are not applicable as these are Continuous Offer of Units of the Scheme(s) at NAV based prices subject to applicable load.

#### B. ONGOING OFFER DETAILS

##### 1. Plans / Options / Sub-options offered under the Scheme(s)

The following table details the Plans / Options available in the respective Scheme(s):

Scheme	Plans	Options	Sub-options
ING Domestic Opportunities Fund	-	Growth/ Dividend	Dividend option offers Pay-out and Reinvestment facilities
ING Core Equity Fund	-	Growth/ Dividend	Dividend option offers Pay-out and Reinvestment facilities
ING Dividend Yield Fund	-	Growth/ Dividend	Dividend option offers Pay-out and Reinvestment facilities
ING Midcap Fund	-	Growth/ Dividend	Dividend option offers Pay-out and Reinvestment facilities
ING Nifty Plus Fund	-	Growth/ Dividend	Dividend option offers Pay-out and Reinvestment facilities
ING Tax Savings Fund	-	Growth/ Dividend/ Bonus	Dividend option offers Pay-out and Reinvestment facilities
ING C.U.B (Competitive Upcoming Businesses) Fund	-	Growth/ Dividend/ Bonus	Dividend option offers Pay-out and Reinvestment facilities
ING Contra Fund	-	Growth/ Dividend/ Bonus	Dividend option offers Pay-out and Reinvestment

			facilities
ING Liquid Fund	Regular/ Institutional / Super Institutional	Growth/ Dividend	Daily Dividend option (Reinvestment) / Weekly Dividend options (Pay- out and Re- investment) are available under Dividend Option
ING Treasury Management Fund	-	Growth/ Dividend	Daily Dividend option (Reinvestment) / Weekly/ Quarterly/ Half Yearly/ Annual Dividend options (Pay- out and Re- investment) are available under Dividend Option
ING Treasury Advantage Fund	Regular/ Institutional	Growth/ Dividend	Daily/ Weekly Dividend options (Reinvestment) Monthly/ Quarterly Dividend options (Pay- out and Re- investment) are available under Dividend Option
ING Short Term Income Fund	-	Growth/ Dividend	Dividend option offers Pay-out and Reinvestment facilities
ING Income Fund	Regular/ Institutional	Growth/ Dividend	Quarterly/ Half Yearly/ Annual Dividend options (Pay- out and Reinvestment) are available under the dividend option.

ING Gilt Fund - Regular Plan	-	Growth/ Dividend	-
ING Gilt Fund – Provident Fund - Dynamic Plan	-	Growth (Regular Growth & Automatic Income Pay- out)/ Dividend / Cyclical Series option	Half Yearly/ Annual Dividend options (Pay- out & Reinvestment) are available under the dividend option
ING Dynamic Duration Fund	-	Growth/ Dividend/ Bonus	Monthly/ Quarterly/ Half – Yearly/ Annual Dividend options (Pay- out and Reinvestment) are available under the dividend option.
ING MIP Fund	-	Growth/ Dividend/ Bonus	Monthly/ Quarterly/ Half – Yearly/ Annual Dividend options (Pay- out and Reinvestment) are available under the dividend option.
ING Balanced Fund	-	Growth/ Dividend	Dividend Pay- out and Reinvestment options are available under the Dividend option.
ING Global Real Estate Fund	Retail/ Institutional	Growth/ Dividend	Dividend Pay- out and Reinvestment options are available under the Dividend option.
ING Latin America Equity Fund	-	Growth/ Dividend	Dividend Pay- out and Reinvestment options are available under the Dividend option.

2. **Ongoing Offer Period** (This is the date from which the scheme will reopen for subscriptions/redemptions after the closure of the NFO period.)

Not Applicable, as all the open ended schemes are open for ongoing offer.

3. **Ongoing price for subscription (purchase)/switch-in (from other schemes/plans of the mutual fund) by investors.**

At the applicable NAV subject to prevailing entry load

4. **Ongoing price for redemption (sale) /switch outs (to other schemes/plans of the Mutual Fund) by investors.**

At the applicable NAV subject to prevailing exit loads.

5. **Cut off timing for subscriptions/ redemptions/ switches**

**For schemes other than liquid schemes the cut off timing for applicability of NAV of the concerned scheme is as under:**

**Subscriptions:**

1. in respect of valid applications received upto 3.00 pm with a local cheque or demand draft payable at par at the place where it is received – closing NAV of the day of receipt of application;
2. in respect of valid applications received after 3.00 pm with a local cheque or demand draft payable at par at the place where it is received – closing NAV of the next business day ; and
3. where the application is received with an outstation cheque or demand draft which is not payable on par at the place where it is received – closing NAV of day on which the cheque or demand draft is credited.

**Redemptions:**

1. in respect of application received upto 3.00 pm – closing NAV of the day of receipt of application; and
2. in respect of application received after 3.00 pm – closing NAV of the next business day.

**For liquid schemes the cut off timing for applicability of NAV of the concerned scheme is as under:**

**Subscriptions:**

1. in respect of valid applications received upto 12.00 noon on a day and funds are available for utilization on the same day – the closing NAV of the day immediately preceding the day of receipt of application;
2. in respect of valid applications received after 12.00 noon on a day and funds are available for utilization on the same day – the closing NAV of the day immediately preceding the next business day ; and
3. irrespective of the time of receipt of application, where the funds are not available for utilization on the day of the application – the closing NAV of the day immediately preceding the day on which the funds are available for utilization.

**Redemptions:**

1. in respect of valid applications received upto 3.00 pm – the closing NAV of the day immediately preceding the next business day ; and
2. in respect of valid application is received after 3.00 pm – the closing NAV of the next business day.

A mutual fund shall calculate NAV for each calendar day in respect of its liquid fund schemes and their plans.

Explanation: 'Business day' does not include a day on which the money markets are closed or otherwise not accessible.

#### **For Switches**

Valid applications for 'switch-in' shall be treated as applications for subscriptions and 'switch-out' shall be treated as applications for Redemption and the provisions of the Cut-off time and the Applicable NAV mentioned in the Scheme Information Document as applicable to Subscriptions and Redemption shall be applied to the 'switch-out' applications. In case of 'switch' transactions from one scheme to another scheme the allocation shall be in line with redemption payouts

#### **6. Where can the applications for purchase/redemption switches be submitted?**

Application for subscription/redemption can be submitted at the official points of acceptance of transaction mentioned on the back cover page.

#### **7. Minimum Application / Purchase Amount / Minimum Additional Investment Amount / Minimum Amount for Redemption / Switches**

<b>Scheme</b>	<b>Minimum Application Amount</b>	<b>Additional Investment Amount</b>	<b>Minimum Redemption Amount</b>
ING Domestic Opportunities Fund	Rs. 5,000/- and in multiples of Re. 1 thereafter	Rs. 1,000/- and in multiples of Re. 1 thereafter	Rs. 1000 or 100 units
ING Core Equity Fund	Rs. 5,000/- and in multiples of Re. 1 thereafter	Rs. 1,000/- and in multiples of Re. 1 thereafter	Rs. 1000 or 100 units
ING Dividend Yield Fund	Rs. 5,000/- and in multiples of Re. 1 thereafter	Rs. 1,000/- and in multiples of Re. 1 thereafter	Rs. 1000 or 100 units
ING Midcap Fund	Rs. 5,000/- and in multiples of Re. 1 thereafter	Rs. 1,000/- and in multiples of Re. 1 thereafter	Rs. 1000 or 100 units
ING Nifty Plus Fund	Rs. 5,000/- and in multiples of Re. 1 thereafter	Rs. 1,000/- and in multiples of Re. 1 thereafter	Rs. 1000 or 100 units
ING Tax Savings Fund	Rs. 500/- and in multiples of Rs. 500/- thereafter	Rs. 500/- and in multiples of Rs. 500/- thereafter	Rs. 500 or 50 units (subject to lock-in of 3 years from the date of allotment)
ING C.U.B (Competitive Upcoming Businesses) Fund	Rs. 5,000/- and in multiples of Re. 1 thereafter	Rs. 1,000/- and in multiples of Re. 1 thereafter	Rs. 1000 or 100 units
ING Contra Fund	Rs. 5,000/- and in multiples of Re. 1 thereafter	Rs. 1,000/- and in multiples of Re. 1 thereafter	Rs. 1000 or 100 units
ING Liquid Fund – Regular Option	Rs. 5,000/- and in multiples of Re. 1 thereafter	Rs. 1,000/- and in multiples of Re. 1 thereafter	Rs. 1000 or 100 units

ING Liquid Fund – Institutional Option	Rs. 1 Crore and in multiples of Re. 1 thereafter	Rs. 1 Lakh and in multiples of Re. 1 thereafter	Rs. 1000 or 100 units
ING Liquid Fund – Super Institutional Option	Rs. 15 Crore and in multiples of Re. 1 thereafter	Rs. 1 Lakh and in multiples of Re. 1 thereafter	Rs. 1000 or 100 units
ING Treasury Advantage Fund – Regular Plan	Rs. 5,000/- and in multiples of Re. 1 thereafter	Rs. 1,000/- and in multiples of Re. 1 thereafter	Rs. 1000 or 100 units
ING Treasury Advantage Fund – Institutional Plan	Rs. 1 Crore and in multiples of Re. 1 thereafter	Rs. 1 Lakh and in multiples of Re. 1 thereafter	Rs. 1000 or 100 units
ING Treasury Management Fund	Rs. 5,000/- and in multiples of Re. 1 thereafter	Rs. 1,000/- and in multiples of Re. 1 thereafter	Rs. 1000 or 100 units
ING Short Term Income Fund	Rs. 5,000/- and in multiples of Re. 1 thereafter	Rs. 1,000/- and in multiples of Re. 1 thereafter	Rs. 1000 or 100 units
ING Income Fund – Regular Plan	Rs. 5,000/- and in multiples of Re. 1 thereafter	Rs. 1,000/- and in multiples of Re. 1 thereafter	Rs. 1000 or 100 units
ING Income Fund – Institutional Plan	Rs. 25 Lakhs and in multiples of Re. 1 thereafter	Rs. 1 Lakh and in multiples of Re. 1 thereafter	Rs. 1000 or 100 units
ING Gilt Fund - Regular Plan	Rs. 5,000/- and in multiples of Re. 1 thereafter	Rs. 1,000/- and in multiples of Re. 1 thereafter	Rs. 1000 or 100 units
ING Gilt Fund – PF Plan - Dynamic Plan	Rs. 30,000/- and in multiples of Re. 1 thereafter	Rs. 10,000/- and in multiples of Re. 1 thereafter	Rs. 1000 or 100 units
ING Dynamic Duration Fund – Growth and Bonus	Rs. 10,000/- and in multiples of Re. 1 thereafter	Rs. 1,000/- and in multiples of Re. 1 thereafter	Rs. 1000 or 100 units
ING Dynamic Duration Fund – Dividend	Rs. 20,000/- and in multiples of Re. 1 thereafter	Rs. 1,000/- and in multiples of Re. 1 thereafter	Rs. 1000 or 100 units
ING MIP Fund – Growth and Bonus	Rs. 10,000/- and in multiples of Re. 1 thereafter	Rs. 1,000/- and in multiples of Re. 1 thereafter	Rs. 1000 or 100 units
ING MIP Fund – Dividend	Rs. 20,000/- and in multiples of Re. 1 thereafter	Rs. 1,000/- and in multiples of Re. 1 thereafter	Rs. 1000 or 100 units
ING Balanced Fund	Rs. 5,000/- and in multiples of Re. 1 thereafter	Rs. 1,000/- and in multiples of Re. 1 thereafter	Rs. 1000 or 100 units
ING Global Real Estate Fund – Retail Plan	Rs. 5,000/- and in multiples of Re. 1 thereafter	Rs. 1,000/- and in multiples of Re. 1 thereafter	Rs. 1000 or 100 units
ING Global Real Estate Fund – Institutional Plan	Rs. 1 Crore and in multiples of Re. 1 thereafter	Rs. 1,000/- and in multiples of Re. 1 thereafter	Rs. 1000 or 100 units
ING Latin America Equity Fund	Rs. 5,000/- and in multiples of Re. 1 thereafter	Rs. 1,000/- and in multiples of Re. 1 thereafter	Rs. 1000 or 100 units

**8. Minimum balance to be maintained and consequences of non maintenance.**

Not Applicable

## 9. Special Products / Facilities available / offered to Investors under the Schemes

### a) Systematic Investment Plan (SIP)

Unitholders can benefit by investing specified Rupee amounts at regular intervals for a continuous period. The SIP allows the Unitholders, to invest a fixed amount of Rupees at regular intervals for purchasing additional Units of the Schemes at NAV based prices. This concept is called Rupee Cost Averaging.

SIP Option is available for investors on the commencement of on-going sale and redemption under the Scheme after the New Fund Offer Period. By investing an equivalent amount at regular intervals, each month for example, you do not have to worry about catching market highs and lows, because your monthly contribution will buy more Units when prices are low and fewer when Unit prices are high. The net result may be that, over a long period of time, your average cost could be lower than the average market price, and when you eventually sell your Units, your gain could be higher than if you had invested a lump sum. Thus by investing, a fixed amount of Rupees at regular intervals, Unitholders can take advantage of the benefits of Rupee Cost Averaging, at the same time saving a fixed amount of rupees each month.

Unitholders can enroll themselves for SIP by making a written request, either, at any of the Investor Service Centres

There are two options available under SIP viz-Monthly option and quarterly option, the details of which are given below:

	<b>Monthly Option</b>	<b>Quarterly Option</b>
Minimum amount of SIP	Rs 1000/-	Rs 3000/-
Additional amount in multiples of	Rs 100/-	Rs 100/-
Dates of SIP cheques	1st , 10th , 15th ,or 27 <sup>th</sup> of the month	1st , 10th 15th or 27th of April, July, October, January
Minimum no. of cheques	6	4

Investors may note that the Default date shall be 10th. The minimum number of days between two installments for SIP shall be 30 days and if 3 consecutive SIP installments are dishonored, the SIP would automatically cease.

However the AMC reserves the right to accept SIP applications of different amounts, dates and number of cheques.

### **Auto Debit facility through ECS Debit:**

Auto Debit facility through ECS Debit is made available to the investors of ING Mutual Fund. To avail of the Auto Debit facility, the investor has to fill up the 'Registration cum Mandate Form for ECS Debit' accompanied by a cheque for the first SIP installment and the balance installments shall be invested as per the mandate through auto debit. This facility is available only at selective centres as given in the above-referred form. Where the time gap between the date of the first SIP installment and the first ECS Debit is less than 30 days, the first ECS Debit shall automatically shifted to same date of the ECS debit mandate in the next month

The AMC at its own discretion reserves its right to increase the number of centres or curtail this facility at one or more centres as deemed appropriate.

The AMC / Mutual Fund reserves the right to change the above load structure at its own discretion with prospective effect within the limits prescribed and as per the SEBI Regulations.

### b) Systematic Withdrawal Plan (SWP)

Unitholders have the benefit of availing the choice of Systematic Withdrawal Plan. The SWP allows the Unitholder to withdraw a specified sum of money each month/quarter from his investments in the

Schemes. SWP is ideal for investors seeking a regular inflow of funds for their needs. It is also ideally suited to retirees or individuals, who wish to invest lumpsum and withdraw from the investment over a period of time.

The amount thus withdrawn by redemption will be converted into Units at Applicable NAV based prices and the number of Units so arrived at will be subtracted from the Units balance to the credit of that Unitholder. The Unitholder may avail of this Option by writing to any of the Investor Service Centres, after the close of the New Fund Offer Period.

Unitholders may change the amount of withdrawals or the period of withdrawals by giving a 15 days written notice. The SWP may be terminated on a written notice by a Unitholder and it will terminate automatically if all the Units are liquidated or withdrawn from the account or the holdings fall below Rs.1000 under the monthly option or Rs 3000 under the quarterly option (subject to the Unitholder failing to invest sufficient funds to bring the value of their holdings to the minimum amount of Rs. 5000 after the completion of SWP, within 30 days after the balance shall have fallen below the minimum holdings) or upon the Mutual Fund's receipt of notification of death or incapacity of the first Unitholder.

There are two options available under SWP viz-Monthly option and quarterly option, the details of which are given below:

	<b>Monthly Option</b>	<b>Quarterly Option</b>
Minimum value of SWP	Rs 1000/- or 50 units	Rs 3000 or 150 units
Additional amount in multiples of	Rs 100/- or 10 units	Rs 100/- or 10 units
Dates of SWP Request	5th of the month	5th of April, July, October, January

Contingent Deferred Sales Charge (CDSC)/Exit Load if any is applicable to SWP. At present there is no CDSC/Exit load for SWP for purchases/switch in made for Rs 10 crores and below. However the AMC reserves the right to accept SWP applications of different amounts, dates and frequency.

### **c) Systematic Transfer Plan (STP)**

Under Systematic Transfer Plan (STP), the Unit holder will have to invest a lump sum amount in one scheme with an instruction to the Fund that the entire or a part of this investment will be transferred systematically to another scheme. Under this plan the fund will endeavour to transfer the investments on a daily (Zoom Investment Pac), monthly or quarterly basis. However, the AMC/Fund reserves the right to change the frequency of transfer as may deem fit. The number of switches / transfers and amount will be fixed at the time of initial investment itself and that installment will be rounded off to the lowest Rs.100 (in case of monthly/quarterly STP). The last installment will be the balance amount based on the appreciation / depreciation of the investments. Terms and conditions for Systematic Transfer Plan (STP) is as under:

1. The Minimum amount of STP per transfer will be Rs.1000/- and in multiples of Rs.100/-.(in case of monthly/quarterly STP)
2. The transfer will be by way of minimum of 6 monthly / 4 quarterly switches.

The above mentioned load structure would be applicable for ING C.U.B. Fund after the scheme gets converted into an open ended scheme.

STP facility is also allowed when the unit holder provides instructions to the Fund to transfer only the appreciated amount in respect of his investments in one scheme to another scheme. STP facility will also be available for existing investments.

An STP request can be made on the first, tenth, fifteenth and twenty seventh business day of the month / quarter in respect of both the Schemes with reference to which the Unitholder is giving transfer instruction. The Unit holder may change the instructions (but not below the specified minimum) by giving written notice to the Registrars and Transfer Agent of the Fund. The Fund may close a Unitholder's account if, as a consequence of STP, all the Units are withdrawn or the holdings fall below minimum initial application amount of respective scheme (subject to the Unit holder failing to

invest sufficient funds to bring the value of their holdings to the minimum initial application amount of respective scheme, within 30 days after the balance shall have fallen below the minimum holding / minimum application amount).

An STP instruction received from any joint owner in case the mode of holding is "any one or survivor" is binding on all joint owners. If a certificate has been issued, it must be returned to the Fund before Unit Holder opts for this Facility.

The STP Facility may be terminated on appropriate written notice by the Unit Holder and it will terminate automatically if all the Units are liquidated or withdrawn from the account or pledged or upon the Fund's receipt of notification of death or incapacity of the Unit Holder.

The AMC / Mutual Fund reserves the right to accept STP of different amounts, dates and frequency and to change the norms relating to STP from time to time. Investors are requested to read the Scheme Information Documents of the respective Schemes to which STP facility is requested before indicating the choice of STP.

STP from a Multi Manager Scheme to a Single Manager Scheme offered by the Mutual Fund and vice versa is not allowed and therefore the investor will have to redeem from the Multi Manager scheme and make a fresh application to the Single Manager Scheme or vice versa.

STP from/to ING Optimix Global Commodities Fund, ING Global Real Estate Fund & ING Latin America Equity Fund are not available.

#### **ZOOM INVESTMENT PAC(ZIP)**

Zoom Investment Pac (ZIP) is a systematic investment vehicle to transfer a pre-fixed amount on a daily basis from ING Liquid Fund (Regular Plan – Growth Option) ('From Scheme') to the existing equity schemes ('To Scheme')\* of ING Mutual Fund

'To Scheme' includes, ING Core Equity Fund, ING Tax Savings Fund, ING Domestic Opportunities Fund, ING Nifty Plus Fund, ING Balanced Fund, ING Dividend Yield Fund, ING Midcap Fund, ING Contra Fund, ING Gilt Fund – Regular, ING Income Fund, ING Short Term Income Fund, ING Optimix 5 Star Multi Manager FoF Scheme, ING Optimix Multi Manager Equity Fund and ING Optimix Asset Allocator Multi Manager FoF Scheme. AMC reserves the right to modify the list of "From Scheme" and "To Schemes".

#### **Features of ZIP:**

1. The minimum transfer amount is Rs.99/- and in multiples of Re.1/-thereafter (except for ING Tax Savings Scheme where the minimum amount shall be Rs 500/- and in multiples of Rs. 500/- thereafter)
2. The investment should be made only in ING Liquid Fund (Regular Plan – Growth Option). Minimum investment amount is Rs. 5,000/-
3. The form can be used to switch existing investment (from any scheme) to ING Liquid Fund. The switch has to be in amount only and not units.
4. Entry load of 2.25% will be applicable for investment in 'To Scheme'. The Trustees reserve the right to change the load structure with prospective effect subject to the maximum limits as prescribed by the Regulations.
5. If the funds transferred to 'To Schemes' of ING Mutual Fund is redeemed within 180 days from the date of transfer, then a CDSC of 0.5% would be levied. (not applicable to tax savings scheme as the units are locked-in for a period of 3 years from the date of allotment)
6. If the "To Scheme" is not selected then the default scheme would be "ING Core Equity Fund".
7. In the "To Scheme" if no investment option is ticked, default option will be 'Growth Option'.
8. If no dividend option type is selected in the "To Scheme", default option type will be 'Reinvestment'.
9. The amount would be transferred to "To Scheme" as per the trigger amount. If no amount is selected then the default trigger would be Rs. 999/-. In case of ING Tax Savings Fund the default trigger option would be Rs. 1,000/-.
10. The daily transfer amount cannot be changed at a later date.

11. The first ZIP transaction will begin on the 5th business day from the day of investment made in ING Liquid Fund based on the clear funds available.
12. The daily transfers will be effected only on business days.
13. The daily transfer will be processed on the basis of amount and not on units.
14. If the residual amount in 'From Scheme' is less than the daily transfer amount mentioned in the application form, then the residual amount will be compulsorily redeemed and paid out. This is applicable to ING Tax Savings Fund ONLY.
15. For all other equity schemes (except for ING Tax Savings Fund), the residual amount will be transferred with the last ZIP installment.
16. If the total investment amount in ING Liquid Fund is lesser than the amount to be utilized for daily transfers (as mentioned in the application form) to any equity schemes, then the investment will continue to remain in ING Liquid Fund and the said daily transfer will not be effected.
17. If the total investment amount to be transferred is not mentioned then the entire invested amount in the scheme will be transferred.
18. Termination on the ZIP transfer, if any, requested by the investor will be effective from the 7<sup>th</sup> business day from the date of submission of the request.
19. If redemption is put for all units or entire amount in ING Liquid Fund during the ZIP transfer then the ZIP would cease off after the redemption payout.
20. If redemption is put for part amount in ING Liquid Fund then only the balance amount left would be transferred as ZIP.
21. The minimum holding in shall be Rs 99/-
22. The cut-off time for the application would be as per the Scheme Information Document of the respective schemes.

The systematic transfer through a single application form can be made to only one existing equity scheme. In case the investor desires to transfer amounts to more than one existing equity scheme, separate applications have to be made with respect to the same.

#### **10. Account Statement**

##### **For normal transactions (other than SIP/STP) during ongoing sales and repurchase:**

- The AMC shall issue to the investor whose application (other than SIP/STP) has been accepted, an account statement specifying the number of units allotted (state the service standard for the same)
- For those unitholders who have provided an e-mail address, the AMC will send the account statement by e-mail.
- The unitholder may request for a physical account statement by writing/calling the AMC/ISC/R&T. (state procedure).

##### **For SIP / STP transactions;**

- Account Statement for SIP and STP will be despatched once every quarter ending March, June, September and December within 10 working days of the end of the respective quarter.
- A soft copy of the Account Statement shall be mailed to the investors under SIP/STP to their e-mail address on a monthly basis, if so mandated.
- However, the first Account Statement under SIP/STP shall be issued within 10 working days of the initial investment/transfer.
- In case of specific request received from investors, Mutual Funds shall provide the account statement (SIP/STP) to the investors within 5 working days from the receipt of such request without any charges.

##### **Annual Account Statement:**

- The Mutual Funds shall provide the Account Statement to the Unitholders who have not transacted during the last six months prior to the date of generation of account statements. The Account Statement shall reflect the latest closing balance and value of the Units prior to the date of generation of the account statement,
- The account statements in such cases may be generated and issued along with the Portfolio Statement or Annual Report of the Scheme.

- Alternately, soft copy of the account statements shall be mailed to the investors' e-mail address, instead of physical statement, if so mandated.

### **11. Dividend**

The Scheme will declare dividends at such frequency as may be decided by the Trustees. However, it must be distinctly understood that the actual declaration of dividends under the Schemes and the frequency thereof will, inter-alia, depend upon the disposable surplus of the Scheme. The decision of the Trustees in this regard shall be final.

The dividends that may be paid out of the net surplus of the Schemes will be paid only to those Unitholders whose names appear in the register of Unitholders on the notified record date. The dividends will be at such rate as may be decided by the AMC in consultation with the Trustees. The dividend warrants shall be dispatched to the unitholders within 30 days of the date of declaration of the dividend.

### **12. Redemption**

The redemption or repurchase proceeds shall be dispatched to the unitholders within 10 working days from the date of redemption or repurchase.

### **13. Delay in payment of redemption / repurchase proceeds**

The Asset Management Company shall be liable to pay interest to the unitholders at such rate as may be specified by SEBI for the period of such delay (presently @ 15% per annum).

### **14. Who can invest?**

The following are eligible to apply for the purchase of / subscription to Units of the Scheme (subject, wherever relevant, to purchase of / subscription to Units of Mutual Funds being permitted under respective constitutions and relevant statutory Regulations):

1. Indian resident adult individuals either singly or jointly (not exceeding three);
2. Minor through parent/lawful guardian;
3. Companies, Bodies Corporate, Public Sector Undertakings, association of persons or bodies of individuals whether incorporated or not and societies registered under the Societies Registration Act, 1860 (so long as the purchase of Units is permitted under the respective constitutions);
4. Religious and Charitable Trusts, Wakfs or endowments of private trusts (subject to receipt of necessary approvals as required) and Private Trusts authorised to invest in mutual fund schemes under their trust deeds;;
5. Trustee of private trusts authorised to invest in mutual fund scheme under the Trust Deed;
6. Partnership Firms;
7. Karta of Hindu Undivided Family (on behalf of the HUF);
8. Banks and Financial Institutions;
9. Non-resident Indians/Persons of Indian origin residing abroad (NRIs) on a full repatriation basis or on non-repatriation basis;
10. Foreign Institutional Investor (FIIs) registered with SEBI either directly or through sub-accounts registered with SEBI on full repatriation basis (as per SEBI / RBI rules and regulations);
11. Provident/Pension/Gratuity fund or such other funds as may be permitted under law to invest
12. Scientific and Industrial Research Organizations;
13. International Multilateral Agencies approved by the Government of India;
14. Army, Air Force, Navy and para-military funds and other eligible institutions;
15. A Mutual Fund through its schemes, including Fund of Funds
16. Any other category, who are / may become eligible on account of changes in relevant laws and regulations.

Overseas Corporate Bodies (OCBs) shall not be allowed to invest in the Scheme(s). These would be firms and societies, which are held directly or indirectly but ultimately to the extent of at least 60% by NRIs and trusts in which at least 60% of the beneficial interest is similarly held irrevocably by such persons (OCBs).

The AMC shall also have the right to reject the application of any other entity that becomes ineligible to invest on account of changes in law or regulation.

Subscriptions from residents in the United States of America, Canada and subscriptions from NRI's residing in Cuba, Iran, Myanmar, North Korea, Sudan and Syria shall not be accepted by the Schemes of ING Mutual Fund.

The Mutual Fund reserves the right to include/exclude new/existing categories of investors to invest in the Scheme(s) from time to time, subject to SEBI Regulations and other prevailing statutory regulations, if any."

The AMC, under powers delegated by the Trustee, shall have absolute discretion to reject any application, prevent further transactions by a Unitholder, if after due diligence, the AMC believes that the transaction is suspicious in nature as regards money laundering.

As per the directives issued by SEBI, it is mandatory for Applicants to mention their Bank Account numbers in their applications for purchase/redemption of Units.

### 15. How to Apply?

Please refer to the SAI and Application form for the instructions.

### 16. Listing

Being open ended Schemes under which Sale and Repurchase of Units will be made on continuous basis by the Mutual Fund the Units of the Scheme are not proposed to be listed on any stock exchange. However, the Mutual Fund may at its sole discretion list the Units of the Scheme on one or more stock exchanges at a later date. In case of ING C.U.B. Fund, a close ended scheme which will automatically convert itself into an open ended scheme at the end of three years from the date of allotment, repurchase facility as detailed above has been provided to the investors.

### 17. The policy regarding reissue of repurchased units, including the maximum extent, the manner of reissue, the entity (the scheme or the AMC) involved in the same.

Presently the AMC does not intend to reissue the repurchased units. The trustee reserves the right to reissue the repurchased units at a later date after issuing adequate public notices and taking approvals, if any, from SEBI.

### 18. Restrictions, if any, on the right to freely retain or dispose of units being offered.

Refer SAI for details on Suspension of sale and redemption of units.

## C. PERIODIC DISCLOSURES

<p>Net Asset Value</p> <p>This is the value per unit of the scheme on a particular day. You can ascertain the value of your investments by multiplying the NAV with your unit balance.</p>	<p>:</p> <p>The AMC will calculate and disclose the first Net Asset Value not later than 30 days from the closure of the New fund offer period. Subsequently, NAV will be normally determined and published in two daily newspapers on every business day.</p> <p><b>For schemes other than ING Global Real Estate Fund and ING Latin America Equity Fund:</b> The Mutual Fund shall declare the Net asset value of the scheme on every business day on AMFI's website <a href="http://www.amfiindia.com">www.amfiindia.com</a> by 9:00 P.M. and also on <a href="http://www.ingim.co.in">www.ingim.co.in</a>.</p> <p><b>For ING Global Real Estate Fund and ING Latin America Equity Fund:</b></p>
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		<p>The Fund will publish NAVs of a business day on a T+ 2 business day, in at least two daily newspapers. The AMC shall update the NAVs on the web site of Association of Mutual Funds in India - AMFI (<a href="http://www.amfiindia.com">www.amfiindia.com</a>) by 9.00 p.m on the next business day. In case of any delay, the reasons for such delay would be explained to AMFI and SEBI by the T+2 business day. If the NAVs for the T day are not available before commencement of business hours on the T+2 business day due to any reason, the Fund shall issue a press release providing reasons and explaining when the Fund would be able to publish the NAVs.</p> <p>NAV applicable will be that of November 01, 2007 which will be declared on November 02, 2007 before 9.00 p.m (provided November 02, 2007 is a business day and if November 02, 2007 is a non business day, then the NAV of November 01, 2007 will be declared on the immediate next business day).</p> <p>If application is received after 3.00 p.m on November 01, 2007 (business day), the NAV applicable will be that of the next business day i.e November 02, 2007. The NAV of November 02, 2007 will be declared on November 03, 2007 (provided November 03, 2007 is a business day and if November 03, 2007 is a non business day, then the NAV of November 02, 2007 will be declared on the immediate next business day).</p>
<p>Half yearly Disclosures: Portfolio / Financial Results</p> <p>This is a list of securities where the corpus of the scheme is currently invested. The market value of these investments is also stated in portfolio disclosures.</p>	:	<p>As required by the Regulations, the Mutual Fund shall before the expiry of one month from the close of each half-year that is on 30th September and on 31st March, disclose its full scheme portfolio in format prescribed by SEBI either by publishing it in one national English language daily newspaper circulating in whole of India and in a newspaper published in the language of the region where the head office of the Mutual Fund is situated or by sending to unit holders. Also as required by the Regulations the Mutual Fund shall disclose the holdings in the Scheme's portfolio on <a href="http://www.ingim.co.in">www.ingim.co.in</a> before the expiry of one month from the closure of each half-year.</p>
<p>Half Yearly Results</p>	:	<p>As required by the Regulations, the Mutual Fund shall before the expiry of one month from the closure of each half year that is on 30th September and on 31st March, publish its unaudited financial results in format as prescribed by SEBI in one English language daily newspaper circulating in whole of India and in a newspaper published in the language of the region where the head office of the Mutual Fund is situated. The unaudited financial results will be displayed in the prescribed format on <a href="http://www.amfiindia.com">www.amfiindia.com</a> (AMFI website) and on</p>

		www.ingim.co.in before the expiry of one month from the close of each half-year.																					
Annual Report	:	As required by the Regulations, the Mutual Fund will mail the scheme wise Annual Report of the Mutual Fund or an abridged summary thereof in abridged summary form, as soon as practical after 31st March each year but not later than four months thereafter. The Mutual Fund will make all disclosures required by the Regulations. The full annual report shall be available for inspection at the head office of the Mutual Fund and a copy shall be made available to the Unitholders on request																					
Associate Transactions	:	Please refer to Statement of Additional Information (SAI).																					
Taxation	:	<p>The information is provided for general information only. However, in view of the individual nature of the implications, each investor is advised to consult his or her own tax advisors/authorised dealers with respect to the specific amount of tax and other implications arising out of his or her participation in the schemes.</p> <table border="1"> <thead> <tr> <th></th> <th>Resident Investors</th> <th>Mutual Fund</th> </tr> </thead> <tbody> <tr> <td><b>Debt Funds:</b></td> <td>Nil</td> <td>Nil [Ref Note 1 &amp; 2]</td> </tr> <tr> <td>Tax on Dividend</td> <td></td> <td></td> </tr> <tr> <td>Capital Gain:</td> <td>Ref Note 3</td> <td>Nil</td> </tr> <tr> <td>Long Term</td> <td></td> <td></td> </tr> <tr> <td>Capital Gain:</td> <td>Ref Note 4</td> <td>Nil</td> </tr> <tr> <td>Short Term</td> <td></td> <td></td> </tr> </tbody> </table> <p><b>For further details on taxation please refer to the clause on Taxation in the SAI.</b></p>		Resident Investors	Mutual Fund	<b>Debt Funds:</b>	Nil	Nil [Ref Note 1 & 2]	Tax on Dividend			Capital Gain:	Ref Note 3	Nil	Long Term			Capital Gain:	Ref Note 4	Nil	Short Term		
	Resident Investors	Mutual Fund																					
<b>Debt Funds:</b>	Nil	Nil [Ref Note 1 & 2]																					
Tax on Dividend																							
Capital Gain:	Ref Note 3	Nil																					
Long Term																							
Capital Gain:	Ref Note 4	Nil																					
Short Term																							
Investor services	:	Mr. Nityanand Prabhu 601/602, 6th floor, "Windsor", Off. C.S.T. Road, Vidyanagari Marg, Kalina, Santacruz - (East), Mumbai – 400 098. Tel: 40827999 E-mail Id: information@in.ing.com																					

#### Note

1. ING Mutual Fund is a Mutual Fund registered with SEBI and as such is eligible for benefits under Section 10(23D) of the Act. Accordingly, its entire income is exempt from tax.
2. Mutual Funds (other than equity oriented funds) are required to pay dividend distribution tax at the rate of 14.1625% (including surcharge @10%, education cess @2% and Secondary and higher education cess at the rate of 1%), in the case of distributions to individuals and HUFs. An increased rate of 22.66% (including surcharge @10%, education cess @2% and Secondary and higher education cess at the rate of 1%) is applicable for distributions made to persons other than an individual or a HUF.
3. Under Section 112 of the Act, capital gains arising on the transfer of long term capital assets are subject to tax at the rate of 20%. The capital gains will be computed by deducting expenditure incurred in connection with such transfer and indexed cost of acquisition of the unit from the sale consideration. Further, the maximum tax payable on long term capital gains on such units is restricted to 10% of capital gains calculated without indexation of the cost of acquisition.
4. Short term capital gains arising to a unit holder will be taxed at the normal rate applicable to that unit holder as per the provisions of the Act. The capital gains will be computed by deducting expenditure

incurred in connection with such transfer and cost of acquisition of the unit from the sale consideration. The taxable/total income and the tax payable arising from short term capital gains shall be computed in accordance with the tax rates applicable to the investor.

#### **D. COMPUTATION OF NAV**

The NAV of Units under the Scheme shall be calculated by either of the following methods shown below:

$$\text{NAV (Rs.)} = \frac{\text{Market or fair value of the Scheme's investments} + \text{Current Assets} - \text{Current Liabilities and Provisions}}{\text{No. of Units outstanding under the Scheme}}$$

The NAV shall be rounded off up to four decimals in case of debt and liquid schemes and 2 decimal in case of equity and balanced schemes. The NAV of the Scheme shall be calculated and announced as of the close of every Business Day. Calculation of the Scheme's NAV will be subject to such rules or regulations that SEBI may issue from time to time and will be subject to audit on an annual basis.

The first NAV will be calculated and announced not later than 30 days from the closure of the New fund offer period. Subsequently, the NAV shall be calculated and announced on each Business Day.

#### IV. FEES AND EXPENSES

This section outlines the expenses that will be charged to the Schemes.

##### A. New Fund Offer (NFO) Expenses

These expenses are incurred for the purpose of various activities related to the NFO like sales and distribution fees paid marketing and advertising, registrar expenses, printing and stationary, bank charges etc.

This section is not applicable as there is Continuous Offer of Units of the Scheme(s) at NAV based prices.

##### B. Annual Scheme Recurring Expenses

These are the fees and expenses for operating the Scheme. These expenses include Investment Management and Advisory Fee charged by the AMC, Registrar and Transfer Agents' fee, marketing and selling costs etc. as given in the table below:

The AMC has estimated that upto 2.25 % of the daily average net assets of the non equity schemes and upto 2.50% of the daily average net assets of the equity schemes & balanced schemes and 0.75% of the daily average net assets of the fund of fund schemes will be charged to the scheme as expenses as per the table given below. For the actual current expenses being charged, the investor should refer to the website of the mutual fund.

Nature of Expense	% p.a. of Average daily net assets	
	Equity and Balanced Schemes	Debt/Liquid Schemes
Investment Management & Advisory Fee	1.25	1.25
Additional Fee (if any)	-	-
Registrar & Transfer Agent Fees including cost related to providing accounts statement, dividend/redemption cheques/warrants etc.	0.30	0.25
Custodial Fees	0.30	0.20
Marketing & Selling Expenses including Agents Commission and statutory advertisement	0.50	0.40
Audit Fees / Fees and expenses of trustees	0.06	0.06
Costs related to investor communications	0.05	0.05
Cost of Statutory Advertisements	0.04	0.04
<b>Total Recurring Expenses</b>	<b>2.50</b>	<b>2.25</b>

The annual expense estimates shown above are based on a corpus size of the minimum targeted amount of the Scheme. Investors should note that the information provided are estimates made on a best effort basis and the expense categories may vary once the Scheme is in operation. The above expenses are subject to inter-se change and may increase/decrease as per actuals and/or any change in the Regulations.

The purpose of the above table is to assist the investor in understanding the various costs and expenses that an investor in the Scheme(s) will bear directly or indirectly. The above expenses are subject to change and may increase / decrease as per actual and / or any change in the Regulations. These estimates have been made in good faith as per information available to the AMC and the total expenses may be more than as specified in the table above. However, as per the Regulations, the total recurring expenses that can be charged to any of the Scheme(s) in this Common Scheme Information Document shall be subject to the applicable guidelines. Expenses over and above the permitted limits will be borne by the AMC. The recurring expenses of the Scheme(s) and the additional

management fee shall be as per the limits prescribed under sub-regulation 6 of Regulation 52 of the SEBI Regulations and shall not exceed the limits prescribed hereunder.

As per the Regulations, the total annual recurring expenses, including investment management fees that can be charged to the Scheme are subject to limits of:

**Maximum Recurring Expenses**

	First 100 Crores	Next 300 Crores	Next 300 Crores	Balance assets
<b>Equity and Balanced Schemes</b>	2.50%	2.25%	2.00%	1.75%
<b>Debt &amp; Liquid Schemes</b>	2.25%	2.00%	1.75%	1.50%

In accordance with the Regulations, the investment management fee is included within the annual recurring expenses stated herein and charged to the Scheme and is subject to the following limits:

- On the first Rs.100 crore of the average daily assets 1.25% and 1% of the excess amount over Rs.100 crore, where net assets so calculated exceed Rs.100 crore. The ongoing fees and expenses of the Scheme will be payable as and when due.

**Annual Recurring Expenses of Fund of Fund Schemes:**

As per the Regulations, the total expenses of a 'Fund of Funds' scheme, including the management fees, shall not exceed 0.75 per cent of the daily or weekly average net assets. **These expenses are over and above the expenses charged by the underlying schemes.**

The total annual recurring expenses are estimated as follows:

<b>Nature of Expenses</b>	<b>Expenses (% of daily average net assets)</b>
Investment Management and Advisory services fees payable to AMC	0.500
Trustee Fee and Expenses	0.010
Custodian Fees	0.010
Marketing and Selling Expenses	0.050
Registrar and Transfer Agents	0.050
Audit Fees	0.010
Costs related to investor communications	0.040
Cost of Funds transfer	0.005
Cost of providing account statements, dividends etc.	0.010
Cost of statutory advertisements	0.010
Other expenses	0.005
Service Tax	0.050
<b>Total</b>	<b>0.750</b>

The total annual recurring expenses charged respectively by sub funds i.e. ING Global Real Estate Securities Fund (in case of ING Global Real Estate Fund) and ING (L) Invest Latin America Fund (in case of ING Latin America Equity Fund) would vary from time to time and the maximum annual recurring expense would be 2.50%. The maximum annual recurring expense charged by the respective domestic funds would be 0.75% and this would be over and above the annual recurring expenses charged by the sub fund.

**Trail commission/brokerage:** As the FoF Scheme will be investing in underlying schemes, so as to ensure a proper mechanism of paying out brokerage on investments made in the case of Fund of Funds, a pool account may be created wherein the brokerage and trail commission of the target schemes invested into by the FoF Scheme would be pooled into. From this pooled account, the obligations on account of brokerage and trail commission of each Scheme would be serviced.

The authorised brokers/distributors may be paid brokerage including trail commission directly out of this pool account.

In case the same is created, the Asset Management Company shall have the pool account (pertaining to brokerage and trail commission) audited by the internal auditors at regular intervals and the auditors report certifying that the funds in the said Account have been utilised for the intended purpose shall be placed before the Trustees.

The annual expense estimates shown above are based on a corpus size of the minimum targeted amount of the Scheme. Investors should note that the information provided are estimates made on a best effort basis and the expense categories may vary once the Scheme is in operation. The above expenses are subject to inter-se change and may increase/decrease as per actuals and/or any change in the Regulations.

The purpose of the above table is to assist the investor in understanding the various costs and expenses that an investor in the Scheme(s) will bear directly or indirectly. The above expenses are subject to change and may increase / decrease as per actual and / or any change in the Regulations. These estimates have been made in good faith as per information available to the AMC and the total expenses may be more than as specified in the table above. However, as per the Regulations, the total recurring expenses that can be charged to any of the Scheme(s) in this Scheme Information Document shall be subject to the applicable guidelines. Expenses over and above the permitted limits will be borne by the AMC. The recurring expenses of the Scheme(s), and the additional management fee shall be as per the limits prescribed under sub-regulation 6 of Regulation 52 of the SEBI Regulations and shall not exceed the limits prescribed thereunder.

### C. Load Structure

Load is an amount which is paid by the investor to subscribe to the units or to redeem the units from the scheme. This amount is used by the AMC to pay commissions to the distributor and to take care of other marketing and selling expenses. Load amounts are variable and are subject to change from time to time. For the current applicable structure, please refer to the website of the AMC ([www.ingim.co.in](http://www.ingim.co.in)) or may call at the toll free number **1800 220042** or your distributor.

The following entry and exit loads will be applicable to an investor purchasing units of the Schemes:

<b>Scheme Name</b>	<b>Load Structure</b>
ING Domestic Opportunities	<p><b>Entry Load:</b> For applications below Rs 1 Crore:- 2.25%. For applications above Rs 1 Crore:- Nil</p> <p><b>Exit Load:</b> For application below Rs. 1 Crore:-</p> <ul style="list-style-type: none"> <li>- if redeemed within and including 180 days: 1%</li> <li>- if redeemed after 180 days but before 365 days: 0.50%</li> </ul> <p>For application of Rs. 1 Crore and above - Nil</p> <p>In case of SIP, each installment shall be treated as a separate application &amp; the same load structure will be applicable.</p> <p>The same load structure will be applicable in case of STP.</p> <p>The exit load/CDS&amp;C if any of schemes where the investments are switched out &amp; the entry load, if any in the schemes where the investments are switched in are applicable.</p> <p>However in case of a STP or switch form, equity or balanced scheme where the investor has paid entry load (scheme 1) to another Equity or Balanced scheme with an entry load (scheme 2), the entry load in scheme 2 during the switch is waived.</p>

	Exit Load / CDSC if any are applicable to Systematic Withdrawal Plans.
ING Core Equity Fund	<p><b>Entry Load:</b> 2.25% for applications below Rs 1 Crore. Nil for applications of Rs 1 Crore and above.</p> <p><b>Exit Load/ CDSC:</b> For applications below Rs.1 Crore: CDSC of 1% if redeemed within and including 180 days and 0.5% if redeemed after 180 days but before 365 days. For applications of Rs.1 Crore and above: Nil; An entry load of 2.25% will be levied on switches i.e switch-ins made for amount above Rs. 4 Crores upto Rs. 10 Crores. In case of SIP, each installment shall be treated as a separate application &amp; the same load structure will be applicable.</p> <p>The same load structure will be applicable in case of STP. In case of switch the exit load/CDSC if any of schemes where the investments are switched out &amp; the entry load, if any of the schemes where the investments are switched in are applicable.</p> <p>However in case of STP switch from equity or balanced scheme where the investor has paid entry load (scheme 1) to another Equity or Balanced scheme with an entry load (scheme 2), the entry load in scheme 2 during the switch is waived.</p> <p>Exit Load / CDSC if any are applicable to Systematic Withdrawal Plans</p>
ING Dividend Yield Fund	<p><b>Entry Load:</b> 2.25% for applications below Rs 1 Crore. Nil for applications of Rs 1 Crore and above.</p> <p><b>Exit Load/CDSC:</b> For applications below Rs.1 Crore: CDSC of 1% if redeemed within and including 180 days and 0.5% if redeemed after 180 days but before 365 days. For applications of Rs.1 Crore and above: Nil</p> <p>An entry load of 2.25% will be levied on switches i.e switch-ins made for amount above Rs. 4 Crores upto Rs. 10 Crores.</p> <p>In case of SIP, each installment shall be treated as a separate application &amp; the same load structure will be applicable.</p> <p>The same load structure will be applicable in case of STP. In case of switch the exit load/CDSC if any of schemes where the investments are switched out &amp; the entry load, if any of the schemes where the investments are switched in are applicable.</p> <p>However in case of STP switch from equity or balanced scheme where the investor has paid entry load (scheme 1) to another Equity or Balanced scheme with an entry load (scheme 2), the entry load in scheme 2 during the switch is waived.</p> <p>Exit Load / CDSC if any are applicable to Systematic Withdrawal Plans.</p>
ING Midcap Fund	<p><b>Entry Load:</b> 2.25% for applications below Rs 1 Crore. Nil for applications of Rs 1 Crore and above.</p> <p><b>Exit Load/CDSC:</b> For applications below Rs.1 Crore: CDSC of 1% if redeemed within and including 180 days and 0.5% if redeemed after 180 days but before 365 days. For applications of Rs.1 Crore and above: Nil; An entry load of 2.25% will be levied on switches i.e switch-ins made for amount above Rs. 4 Crores upto Rs. 10 Crores. In case of SIP, each installment shall be treated as a separate application &amp; the same load structure will be applicable.</p>

	<p>The same load structure will be applicable in case of STP. In case of switch the exit load/CDSC if any of schemes where the investments are switched out &amp; the entry load, if any of the schemes where the investments are switched in are applicable.</p> <p>However in case of STP switch from equity or balanced scheme where the investor has paid entry load (scheme 1) to another Equity or Balanced scheme with an entry load (scheme 2), the entry load in scheme 2 during the switch is waived.</p> <p>Exit Load / CDSC if any are applicable to Systematic Withdrawal Plans.</p>
ING Nifty Plus Fund	<p><b>Entry Load:</b> For applications below Rs 1 Crore:- 2.25%. For applications above Rs 1 Crore:- Nil</p> <p><b>Exit Load:</b> For application below Rs. 1 Crore:-</p> <ul style="list-style-type: none"> <li>- if redeemed within and including 180 days: 1%</li> <li>- if redeemed after 180 days but before 365 days: 0.50%</li> </ul> <p>For application of Rs. 1 Crore and above - Nil</p> <p>In case of SIP, each installment shall be treated as a separate application &amp; the same load structure will be applicable.</p> <p>The same load structure will be applicable in case of STP. The exit load/CDSC if any of schemes where the investments are switched out &amp; the entry load, if any in the schemes where the investments are switched in are applicable.</p> <p>However in case of a STP or switch form, equity or balanced scheme where the investor has paid entry load (scheme 1) to another Equity or Balanced scheme with an entry load (scheme 2), the entry load in scheme 2 during the switch is waived.</p> <p>Exit Load / CDSC if any are applicable to Systematic Withdrawal Plans.</p>
ING Tax Savings Fund	<p><b>Entry Load:</b> 2.25% for applications below Rs 1 Crore. Nil for applications of Rs 1 Crore and above;</p> <p><b>Exit Load/CDSC:</b> Nil; An entry load of 2.25% will be levied on switches i.e switch-ins made for amount above Rs. 4 Crores upto Rs. 10 Crores.</p> <p>In case of SIP, each installment shall be treated as a separate application &amp; the same load structure will be applicable.</p> <p>The same load structure will be applicable in case of STP. In case of switch the exit load/CDSC if any of schemes where the investments are switched out &amp; the entry load, if any of the schemes where the investments are switched in are applicable.</p> <p>However in case of STP switch from equity or balanced scheme where the investor has paid entry load (scheme 1) to another Equity or Balanced scheme with an entry load (scheme 2), the entry load in scheme 2 during the switch is waived.</p> <p>Exit Load / CDSC if any are applicable to Systematic Withdrawal Plans</p>
ING C.U.B (Competitive Upcoming Businesses) Fund	<p><b>Entry load:</b> 2.25% for applications below Rs 1 Crore. Nil for applications of Rs 1 Crore and above.</p> <p><b>Exit Load /CDSC:</b> For application below Rs. 1 Crore: CDSC of 1%, if redeemed within and including 180 days and 0.50%, if redeemed after 180 days but before 365 days. For application of Rs. 1 Crore and above: Nil</p>

ING Contra Fund	<p><b>Entry Load:</b> 2.25% for applications below Rs 1 Crore. Nil for applications of Rs 1 Crore and above.</p> <p><b>Exit Load/CDSC:</b> For applications below Rs.1 Crore: CDSC of 1% if redeemed within and including 180 days and 0.5% if redeemed after 180 days but before 365 days. For applications of Rs.1 Crore and above: Nil</p> <p>An entry load of 2.25% will be levied on switches i.e switch-ins made for amount above Rs. 4 Crores“upto Rs. 10 Crores.</p> <p>In case of SIP, each installment shall be treated as a separate application &amp; the same load structure“will be applicable.</p> <p>The same load structure will be applicable in case of STP. In case of switch the exit load/CDSC if any“of schemes where the investments are switched out &amp; the entry load, if any of the schemes where“the investments are switched in are applicable.</p> <p>However in case of STP switch from equity or balanced scheme where the investor has paid entry“load (scheme 1) to another Equity or Balanced scheme with an entry load (scheme 2), the entry load“in scheme 2 during theswitch is waived.</p> <p>Exit Load / CDSC if any are applicable to Systematic Withdrawal Plans.</p>
ING Liquid Fund	<p><b>Entry Load</b> – Nil</p> <p><b>Exit Load / CDSC:</b> Nil</p>
ING Treasury Management Fund	<p><b>Entry Load</b> – Nil</p> <p><b>Exit Load / CDSC:</b> Nil</p>
ING Treasury Advantage Fund	<p><b>Entry Load</b> – Nil</p> <p><b>Exit Load / CDSC:</b> Nil</p>
ING Short Term Income Fund	<p><b>Entry Load</b> – Nil</p> <p><b>Exit Load / CDSC:</b> Nil</p>
ING Income Fund	<p><b>Entry Load:</b> Nil</p> <p><b>Exit Load:</b></p> <p><b>Regular Plan:</b></p> <p>For Application of Rs. 1 Crore &amp; below: 1%, if redeemed within &amp; within 365 days from the date of investment &amp; Nil, if redeemed after 365 days from the date of investment.</p> <p>For application above Rs. 1 Crore: Nil.</p> <p>For reckoning of 365 days period, FIFO method will be followed.</p> <p><b>Institutional Plan:</b> Nil</p>
ING Gilt Fund	<p><b>Entry / Exit load :</b> Nil</p> <p><b>CDSC:</b></p> <p>Regular Plan - Nil</p> <p>Provident Fund – Dynamic Plan - 1.25% if redeemed within 365 days; Nil if redeemed on or after 365 days from the date of allotment</p>
ING Dynamic Duration Fund	<p><b>Entry Load:</b> 2.5%</p> <p><b>Exit Load :</b> NIL</p>
ING MIP Fund	<p><b>Entry Load:</b> Nil</p> <p><b>Exit Load:</b> For applications upto Rs. 1 Crore: CDSC of 1% if redeemed within and including 365 days. For applications of above Rs.1 Crore: Nil.</p>
ING Balanced Fund	<p><b>Entry Load:</b> 2.25% for applications below Rs 1 Crore. Nil for applications of Rs 1 Crore and above.</p> <p><b>Exit Load/CDSC:</b> For applications below Rs.1 Crore: CDSC of 1% if redeemed within and including 180 days and 0.5% if redeemed after 180 days but before 365 days.</p>

	<p>For applications of Rs.1 Crore and above: Nil An entry load of 2.25% will be levied on switches i.e switch-ins made for amount above Rs. 4 Crores upto Rs. 10 Crores. In case of SIP, each installment shall be treated as a separate application &amp; the same load structure will be applicable. The same load structure will be applicable in case of STP. In case of switch the exit load/CDSC if any of schemes where the investments are switched out &amp; the entry load, if any of the schemes where the investments are switched in are applicable. However in case of STP switch from equity or balanced scheme where the investor has paid entry load (scheme 1) to another Equity or Balanced scheme with an entry load (scheme 2), the entry load in scheme 2 during the switch is waived. Exit Load / CDSC if any are applicable to Systematic Withdrawal Plans.</p>
ING Global Real Estate Fund	<p><b>Retail Plan:</b> <b>Entry Load:</b> 2.5% for applications below Rs 5 crore. Nil for applications of Rs 5 crore and above. <b>Exit Load / CDSC:</b> For applications below Rs.5 Cr: CDSC of 1% if redeemed within and including 180 days and 0.5% if redeemed after 180 days but before 365 days from the date of investment. Nil, if redeemed on or after 365 days from the date of investment. For applications of Rs.5 cr and above: Nil The load charged by the underlying scheme (entry load/exit load) may impact the returns to the investors. The load structure of the underlying scheme may change from time to time.</p> <p><b>Institutional Plan:</b> There is no entry/exit load for investments made under the Institutional Plan. In case of SIP, each installment shall be treated as a separate application &amp; the same load structure will be applicable. Exit Load / CDSC if any are applicable to Systematic Withdrawal Plans.</p>
ING Latin America Fund	<p><b>Entry Load:</b> 2.5% for applications below Rs 5 crore. Nil for applications of Rs 5 crore and above. <b>Exit Load / CDSC:</b> For applications below Rs.5 Cr: CDSC of 1% if redeemed within and including 180 days and 0.5% if redeemed after 180 days but before 365 days from the date of investment. For applications of Rs.5 cr and above: Nil The load charged by the underlying scheme (entry load/exit load) may impact the returns to the investors. The load structure of the underlying scheme may change from time to time.</p> <p>In case of SIP, each installment shall be treated as a separate application &amp; the same load structure will be applicable. Exit Load / CDSC if any are applicable to Systematic Withdrawal Plans.</p>

The AMC/Trustee retains the right to change / impose Exit Load / CDSC, subject to SEBI Regulations. Any imposition or enhancement in the load shall be applicable on prospective investments only. However, AMC shall not charge any load on issue of bonus units and units allotted on reinvestment of dividend for existing as well as prospective investors. At the time of changing the load structure, the AMC may consider the following measures to avoid complaints from investors about investment in the schemes without knowing the loads:

- (i) The addendum detailing the changes may be attached to Scheme Information Document and Key Information Memorandum. The addendum may be circulated to all the distributors/brokers so that the same can be attached to all Scheme Information Document and Key Information Memorandum already in stock.
- (ii) Arrangements may be made to display the addendum in the Scheme Information Document in the form of a notice in all the investor service centres and distributors/brokers office.
- (iii) The introduction of the exit load/ CDSC alongwith the details may be stamped in the acknowledgement slip issued to the investors on submission of the application form and may also be disclosed in the statement of accounts issued after the introduction of such load/CDSC.
- (iv) A public notice shall be given in respect of such changes in one English daily newspaper having nationwide circulation as well as in a newspaper published in the language of region where the Head Office of the Mutual Fund is situated.
- (v) Any other measures which the Mutual Fund/Trustee/AMC may feel necessary.

All loads including Contingent Deferred Sales Charge (CDSC) for the Scheme shall be maintained in a separate account and may be utilised towards meeting the selling and distribution expenses. Any surplus in this account may be credited to the scheme, whenever felt appropriate by the AMC.

The investor is requested to check the prevailing load structure of the Scheme before investing.

#### **D. Waiver of Load for Direct Applications**

No entry load shall be charged in case of direct applications received by the AMC i.e. applications received through internet, submitted to the AMC or collection centre or Investor Service Centre that are not routed through any distributor/agent/broker. It shall also be applicable to additional purchases done directly by the investor under the same folio and switch into a Scheme from other schemes if such a transaction is done directly by the investor.

#### **V. RIGHTS OF UNITHOLDERS**

Please refer to SAI for details.

## **VI. PENALTIES, PENDING LITIGATION OR PROCEEDINGS, FINDINGS OF INSPECTIONS OR INVESTIGATIONS FOR WHICH ACTION MAY HAVE BEEN TAKEN OR IS IN THE PROCESS OF BEING TAKEN BY ANY REGULATORY AUTHORITY**

No penalties have been awarded by SEBI under the SEBI Act or any of its regulations against the Sponsor, any company associated with the sponsor in any capacity including the AMC, directors or key personnel of the AMC and Trustees. No penalties have been awarded against the Sponsor and its associates, by any financial regulatory body, including stock exchanges, for defaults in respect of shareholders, debenture holders and depositors. No penalties have been awarded for any economic offence and violation of any securities laws against any of these entities.

The Reserve Bank of India following its observations emanating from its annual inspection for the year ended March 2004 vide its letter dt. June 24, 2005, imposed a penalty of Rs 5 lakhs to ING Vysya Bank Ltd under section 47 a(1)(b) of the Banking Regulation Act, 1949. The observations relate, inter alia, to the treatment of unamortised VRS expenses in the computation of the Capital Adequacy Ratio, accounting for certain pending items in the inter branch reconciliation, for financing a borrower for equity investment, for offering interest concessions on loan products linked with life insurance cover and for classification of certain advances under priority sector.

There are no pending litigation proceedings incidental to the business of the Mutual Fund to which the Sponsor or any company associated with the Sponsor in any capacity including the Trustee or any of its directors or key personnel is a party. There are no pending criminal cases against any of the above mentioned entities or their directors or key personnel.

There are no instances of any deficiency in the systems and operations of the Sponsor of the Mutual Fund or any Company associated with the Sponsor in any capacity including the AMC and Trustees which SEBI or any other regulatory agency has specifically advised to be disclosed in the SID.

There are no instances of any inquiries/ adjudication proceedings under the SEBI Act and the Regulations made thereunder, that are in progress against the Sponsor of the Mutual Fund or any company associated with the Sponsor or in any capacity including the AMC, Board of Trustees or any of the Directors or key personnel of the Asset Management Company other than those given below:

### **Information about investigation carried out, inquiry initiated or any action taken by SEBI/others against ING Vysya Bank Ltd (IVBL).**

#### **1. Public Issue of V.R.Mathur Mass Communications Limited**

The S.P.Road branch, Secunderabad of IVBL acted as bankers to the issue of M/s V.R.Mathur Mass Communications Limited in 1995. SEBI issued a show cause notice alleging certain irregularities in the collection of applications. SEBI accepted the explanation given by IVBL and took a lenient view by issuing a warning to IVBL and the matter was closed vide the order of the Chairman, SEBI dated February 7, 2002.

#### **2. Public Issue of Subash Projects & Marketing Limited.**

SEBI has issued a show cause notice to the H.B.Sarani Branch, Kolkata of IVBL. The Branch had acted as the controlling branch to the Rights Issue during the year 1995. The Show Cause Notice alleged that the branch had accepted the applications after the closure of the issue accompanied by cheques drawn outside the centre. Vide Chairman, SEBI's order dated May 29, 2002, IVBL was asked to exercise more care and diligence in their dealings as Bankers to an Issue.

#### **3. Kashyap Raidant Systems Limited**

During the IPO of M/s Kashyap Radiant Systems Limited in 1999, Rajkot branch of IVBL was not a designated branch to collect the application forms. However the said branch collected application forms

based on the oral approval of the Company. However the Company rejected these application forms at the time of allotment on the ground of "applications received from unauthorised collection centers. Based on the complaints received from the investors and investigations, SEBI had debarred Rajkot Branch of IVBL from acting as collecting center for any public issue for a period of 6 months from 20.07.2000. The six months period of debarring ended on 19.01.2001. The matter stands closed.

4. M.S.Shoes East Ltd:

ING Bank Ltd (IVBL) was one of the Underwriters to the Public Issue of Fully Convertible Debentures of M.S.SHOES EAST LIMITED (MSSEL) during the month of February 1995 and had underwritten to the extent of Rs. 1499.00 Lakhs. The issue opened on 14<sup>th</sup> February 1995 and the Company had closed the issue on 18<sup>th</sup> February 1995 (earliest closing date), stating that the issue had been fully subscribed. Further, the Company had also released an advertisement in the Newspapers announcing the closure of the Issue after 5 days from the opening of the Issue. On 18.02.1995 Managing Director of M/s. MSSEL had written a letter to the Bank informing that the issue has been oversubscribed. However, after one month, the Company informed that the Public Issue had been undersubscribed and demanded the under written amount of Rs. Rs. 1499.00 Lakhs. The Bank refused to pay the amount on the ground that the Company had earlier closed the issue stating that the Issue has been subscribed more than 90%. The Registrars to the Issue, M/s Mas Services Private Ltd., had also informed the Lead Manager, SBI Caps that the Issue was subscribed for more than 90%. The Company made the similar claim on all underwriters. Later on, the Company filed a suit before the Delhi High Court during May 1997. IVBL has already filed a written statement.

5. Rights issue of ING Vysya Bank Ltd.

Four shareholders have complained to District Consumer Forum, Guntur, Andhra Pradesh that they have not been allotted shares during the rights issue of ING Bank Ltd in Mar-Apr 2005 and have made a claim aggregating to Rs 5.05 lakhs, which includes allotment money and damages. They had paid the application amount in cash in spite of the fact that the application form clearly states that application amount should not be paid in cash and should be paid by way of a Cheque / DD / Payorder. IVBL had refunded the application money for the above stated reason. The matter is yet to come for hearing.

In 2002, the Depository Participant Division of ING Vysya Bank Ltd was warned by SEBI for non-adherence to some operational procedures with regard to account opening.

The Reserve Bank of India in exercise of powers conferred in terms of the provisions of Section 47A(1)(b) of the Banking Regulation Act, 1949, imposed a penalty of Rs. 5 lacs each for the following violations:(i) Non-adherence to KYC norms in opening joint savings bank accounts particularly with reference to identification of their addresses and signatures, nature of relationship between / among joint account holders and lack of application of due diligence and breach of bank's internal norm of maximum number of three people opening a joint savings bank account etc and crediting account payee refund orders to the unauthorised accounts against prudent banking practice; (ii) violating RBI instructions on IPO finance particularly the limit on maximum permissible finance under the scheme, per borrower as envisaged by RBI regulations. The Bank is called upon to pay the said penalty of Rs.10 lacs.

An interim order was passed by SEBI directing the Bank not to open further demat accounts. The order was subsequently lifted subject to detailed enquiry. No demat accounts were opened till the order was subsequently lifted on 28-Jul-2006.

A disgorgement order was passed by SEBI against 8 Depository participants out of which Bank's individual liability amounted to Rs. 55 lakh. An Appeal was filed before Securities Appellate Tribunal (SAT) wherein disgorgement order was stayed pending detailed consideration of the appeal. The disgorgement order was finally set aside by SAT through its decision dated 22-Nov-2007.

Enquiry proceedings were initiated against the Bank alleging violation of certain SEBI Rules & Regulations. Alleged violations were contested by the bank with supporting documents – SEBI has not communicated the outcome of the enquiry proceedings till date.

**Notwithstanding anything contained in this Scheme Information Document, the provisions of the SEBI (Mutual Funds) Regulations, 1996 and the guidelines there under shall be applicable.**

For ING Investment Management (I) Private Limited  
(Investment Manger to ING Mutual Fund)

Sd/-  
**Navin Suri**  
**Chief Executive Officer**

Place: Mumbai  
Date: May 20, 2009

## Contact Us:

**The following offices of ING Investment Management (I) Pvt. Ltd. (AMC) will act as designated official point of acceptance of transaction (OPA)**

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Tel: 022 40827999

### **Chennai**

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### **Bangalore**

#1, Consulate 1, Near Richmond Circle, Richmond Road, Bangalore 560025.  
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### **Kolkatta**

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In addition to the above AMC locations, CAMS Investor Service Centres & Transaction Points are designated as OPA's. Details of CAMS locations are available on our website [www.ingim.co.in](http://www.ingim.co.in)

### **Registered Office:**

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