ING

COMBINED SCHEME INFORMATION DOCUMENT
(SINGLE MANAGER SCHEMES)

SCHEME NAME	TYPE
ING Core Equity Fund	An Open Ended Growth Scheme
ING Dividend Yield Fund	An Open Ended Equity Scheme
ING Midcap Fund	An Open Ended Equity Scheme
ING Large Cap Equity 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 Liquid Fund	An Open-ended Liquid Scheme
ING Treasury Advantage Fund	An Open-ended Income Scheme
ING Short Term Income Fund	An Open Ended Income Scheme
ING Income Fund	An Open Ended Income Scheme
ING Gilt Fund- Provident Fund - Dynamic Plan	An Open Ended Gilt Scheme
ING MIP Fund	An Open Ended Fund
ING Balanced Fund	An Open Ended Balanced Scheme

CONTINUOUS OFFER FOR UNITS AT NAV BASED PRICES

Name of the Mutual Fund	**ING Mutual Fund**
Name of the Asset Management Company	**ING Investment Management (India) Private Limited**
Trustees	**Board of Trustees, ING Mutual Fund**
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

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

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.

The Scheme Information Document should be read in conjunction with the SAI and not in isolation.

CELEBRATING OVER A DECADE OF WISE INVESTMENTS IN INDIA
1999 - 2011

This Scheme Information Document is dated **December 30, 2011.**

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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 Scheme Information Document (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

Name of the Scheme	ING Core Equity Fund (ICEF)	ING Dividend Yield Fund (IDYF)
Type of the Scheme	An Open Ended Growth Scheme	An Open Ended Equity Scheme
Investment Objective	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.	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.
Liquidity	Being open-ended, the Scheme provides 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 designated Official Points of Acceptance.	Being open-ended, the Scheme provides 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 designated Official Points of Acceptance.
Benchmark	BSE 200 Index	BSE 200 Index
Transparency/ NAV Disclosure	The NAV of the Scheme 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 Scheme 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.
Load Structure	**Entry Load: Not Applicable** **Exit Load /CDSC**: if redeemed on or before 365 days from the date of allotment: 1%; if redeemed after 365 days from the date of allotment: NIL.	**Entry Load: Not Applicable** **Exit Load /CDSC**: if redeemed on or before 365 days from the date of allotment: 1%; if redeemed after 365 days from the date of allotment: NIL.
Minimum Application Amount	Rs 5,000/- and in multiples of Re 1/- thereafter.	Rs 5,000/- and in multiples of Re 1/- thereafter.
Minimum Additional Investment Amount	Rs. 1,000/- and in multiples of Re 1/- thereafter.	Rs. 1,000/- and in multiples of Re 1/- thereafter.
Minimum Redemption Amount	Rs.1000 or a minimum of 100 units.	Rs.1000 or a minimum of 100 units.
Plans/ Options	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.

Name of the Scheme	ING Midcap Fund (IMF)	ING Large Cap Equity Fund (ILCEF)
Type of the Scheme	An Open Ended Equity Scheme	An Open Ended Equity Scheme
Investment Objective	The Scheme's 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	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 constituted in the S&P CNX Nifty Index.

	and liquid stocks. Concomitantly, the aim is to generate higher returns than a Scheme focused on large and liquid stocks.	
Liquidity	Being open-ended, the Scheme provides 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 designated Official Points of Acceptance.	Being open-ended, the Scheme provides 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 designated Official Points of Acceptance.
Benchmark	CNX Midcap Index	S&P CNX Nifty Index
Transparency/ NAV Disclosure	The NAV of the Scheme 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 Scheme 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.
Load Structure	**Entry Load: Not Applicable** **Exit Load /CDSC**: if redeemed on or before 365 days from the date of allotment: 1%; if redeemed after 365 days from the date of allotment: NIL.	**Entry Load: Not Applicable** **Exit Load /CDSC**: if redeemed on or before 365 days from the date of allotment: 1%; if redeemed after 365 days from the date of allotment: NIL.
Minimum Application Amount	Rs 5,000/- and in multiples of Re 1/- thereafter.	Rs 5,000/- and in multiples of Re 1/- thereafter.
Minimum Additional Investment Amount	Rs. 1,000/- and in multiples of Re 1/- thereafter.	Rs. 1,000/- and in multiples of Re 1/- thereafter.
Minimum Redemption Amount	Rs.1000 or a minimum of 100 units.	Rs.1000 or a minimum of 100 units.
Plans/ Options	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.

Name of the Scheme	**ING Tax Savings Fund (ITSF)**	**ING Contra Fund (ICNF)**
Type of the Scheme	An Open Ended Equity Linked Savings Scheme (Lock in period of 3 years)	An Open-ended diversified equity 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.	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.
Liquidity	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 Scheme provides 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	Being open-ended, the Scheme provides 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 designated Official Points of Acceptance.

	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 designated Official Points of Acceptance.	
Benchmark	BSE 100	BSE 200 Index
Transparency/ NAV Disclosure	The NAV of the Scheme 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 Scheme 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.
Load Structure	Entry Load: Not Applicable Exit Load /CDSC: NIL	Entry Load: Not Applicable Exit Load /CDSC: if redeemed on or before 365 days from the date of allotment: 1%; if redeemed after 365 days from the date of allotment: NIL.
Minimum Application Amount	Rs 500/- and in multiples of Rs. 500/- thereafter.	Rs 5,000/- and in multiples of Re 1/- thereafter.
Minimum Additional Investment Amount	Rs 500/- and in multiples of Rs. 500/- thereafter.	Rs. 1,000/- and in multiples of Re 1/- thereafter.
Minimum Redemption Amount	Rs.500 or a minimum of 50 units (Subject to completion of the 3 years lock-in period from the date of allotment).	Rs.1000 or a minimum of 100 units.
Plans/ Options	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

Name of the Scheme	**ING Liquid Fund (ILF)**	**ING Treasury Advantage Fund (ITAF)**
Type of the Scheme	An Open Ended Liquid Scheme	An Open Ended Income 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 in money market 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.	ING Treasury Advantage 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.
Liquidity	Being open-ended, the Scheme provides 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 designated Official Points of Acceptance.	Being open-ended, the Scheme provides 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 designated Official Points of Acceptance.
Benchmark	CRISIL Liquid Fund Index.	CRISIL Liquid Fund Index.
Transparency/ NAV Disclosure	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	The NAV of the Scheme will be calculated and disclosed at the close of every Business Day. In addition, the AMC will disclose details of the Portfolio under

	of the Portfolio under the Plans on a half-yearly basis.	the Plans on a half-yearly basis.
Load Structure	Entry Load: Not Applicable Exit Load: Nil	Entry Load: Not Applicable Exit Load: Nil
Minimum Application Amount	**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.	**Regular Plan**: Rs. 5000/- and in multiples of Re. 1/- thereafter; **Institutional Plan**: Rs. 10,000,000/- and in multiples of Re. 1/- thereafter.
Minimum Additional Investment Amount	**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.	**Regular Plan**: Rs. 1000/- and in multiples of Re. 1/- thereafter; **Institutional Plan**: Rs. 100,000/- and in multiples of Re. 1/- thereafter.
Minimum Redemption Amount	Rs.1000 or a minimum of 100 units.	Rs.1000 or a minimum of 100 units.
Plans/ Options	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 Options (Payout & Reinvestment) facilities.	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.

Name of the Scheme	**ING Short Term Income Fund (ISTIF)**	**ING Income Fund (IIF)**
Type of the Scheme	An Open Ended Income Scheme	An Open Ended Income 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.	The 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.
Liquidity	Being open-ended, the Scheme provides 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 designated Official Points of Acceptance.	Being open-ended, the Scheme provides 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 designated Official Points of Acceptance.
Benchmark	CRISIL Short Term Bond Fund Index	CRISIL Composite Bond Fund Index
Transparency/ NAV Disclosure	The NAV of the Scheme 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 Scheme 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.
Load Structure	**Entry Load**: Not Applicable **Exit Load**: NIL	**Entry Load:** Not Applicable **Exit Load /CDSC**: if redeemed on or before 365 days from the date of allotment: 1%;

		if redeemed after 365 days from the date of allotment: NIL.
Minimum Application Amount	Rs. 5000/- and in multiples of Re.1/- there after.	**Regular Plan**: Rs. 5000/- and in multiples of Re. 1/- thereafter; **Institutional Plan**: Rs. 25,00,000/- and in multiples of Re. 1/- thereafter.
Minimum Additional Investment Amount	Rs. 1000/- and in multiples of Re.1/- there after.	**Regular Plan**: Rs. 1000/- and in multiples of Re. 1/- thereafter; **Institutional Plan**: Rs. 1,00,000/- and in multiples of Re. 1/- thereafter.
Minimum Redemption Amount	Rs.1000 or a minimum of 100 units.	Rs.1000 or a minimum of 100 units.
Plans/ Options	The Scheme offers Growth and Dividend options. The Dividend option offers Payout and Reinvestment facilities.	The Scheme offers Regular and Institutional Plans. All Plans offers Growth and Dividend Options. The Dividend option offers Quarterly/ Half Yearly/ Annual Dividend (Payout & Reinvestment) facilities.

Name of the Scheme	**ING Gilt Fund- Provident Fund- Dynamic Plan**	**ING MIP Fund**
Type of the Scheme	An Open Ended Gilt Scheme	An Open Ended Fund
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.	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.
Liquidity	Being open-ended, the Scheme provides 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 designated Official Points of Acceptance.	Being open-ended, the Scheme provides 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 designated Official Points of Acceptance.
Benchmark	ISec Composite Gilt Index	CRISIL MIP Blended Index
Transparency/ NAV Disclosure	The NAV of the Scheme 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 Scheme 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.
Load Structure	**Entry Load:** Not Applicable **Exit Load /CDSC**: if redeemed on or before 365 days from the date of allotment: 1%; if redeemed after 365 days from the date of allotment: NIL.	**Entry Load:** Not Applicable **Exit Load /CDSC**: if redeemed on or before 365 days from the date of allotment: 1%; if redeemed after 365 days from the date of allotment: NIL

Minimum Application Amount	Rs. 30,000/- and in multiples of Re. 1/- thereafter.	Rs.10,000/- and in multiples of Re.1 thereafter under Growth; Option, Rs.20,000/- and in multiples of Re.1 thereafter under Dividend Option.
Minimum Additional Investment Amount	Rs. 10,000/- and in multiples of Re. 1/- thereafter.	Rs.1,000/- and in multiples of Re.1 thereafter.
Minimum Redemption Amount	Rs.1000 or a minimum of 100 units.	Rs.1000 or a minimum of 100 units.
Plans/ Options	The Scheme offers Growth, Growth Auto income payout, Cyclical series Option, Dividend (Half yearly & Annual Dividend)	The Scheme offers Growth and Dividend options The dividend option offers Monthly / Quarterly / Half-Yearly / Annual Dividend Options (Payout / Dividend Reinvestment) sub-options.

Name of the Scheme	**ING Balanced Fund**
Type of the Scheme	An Open Ended Balanced Scheme
Investment Objective	The investment 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.
Liquidity	Being open-ended, the Scheme provides 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 designated Official Points of Acceptance.
Benchmark	CRISIL Balanced Fund index
Transparency/ NAV Disclosure	The NAV of the Scheme 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.
Load Structure	**Entry Load:** Not Applicable **Exit Load /CDSC**: if redeemed on or before 365 days from the date of allotment: 1%; if redeemed after 365 days from the date of allotment: NIL.
Minimum Application Amount	Rs. 5000/- and in multiples of Re. 1/- thereafter.
Minimum Additional Investment Amount	Rs. 1000/- and in multiples of Re. 1/- thereafter.
Minimum Redemption Amount	Rs.1000 or a minimum of 100 units.
Plans/ Options	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. 1,00,000/- made by it towards setting up the Fund.
- The present Scheme is not a guaranteed or assured return Scheme.

Scheme Specific Risk Factors:

- **<u>Risk Factors associated with Equity or Equity related securities</u> [Applicable to ING Core Equity Fund, ING Dividend Yield Fund, ING Midcap Fund, ING Large Cap Equity Fund, ING Tax Savings Fund, ING Contra Fund and ING Balanced 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 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 Midcap Fund

The nature of the Fund will necessitate investing in second line not-so liquid stock. The mid-cap stocks may, at a 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 Large Cap Equity 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 that 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 S&P CNX Nifty index 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 Large Cap Equity 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 0-20% of the net assets by investing in securities other than constituents of S&P CNX Nifty Index in percentages as decided by the investment team from time to time. This 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 S&P CNX Nifty index 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.

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Applicable only to ING Contra Fund

The portfolio of ING Contra Fund will comprise predominantly of Equity and Equity Related instruments and there would be Moderate to High risk on account of Price Fluctuations and Volatility. The Scheme can have concentrated exposure to some sectors (weightage may be different from benchmark index). Hence the performance of the Scheme can be different from the performance of the benchmark and the Concentration / Sector Risks are moderate. The scheme shall face the risk of misjudging the prospectus and valuations of a company. Since the Scheme will invest in companies, which are fundamentally sound having attractive valuations, the liquidity risk is moderate and may

impact the Scheme if there is sudden large redemption. Some investments may also be made in Equity based derivatives such as Options and Futures, in which case, the risks associated with such Derivatives would also be applicable. The NAV of the scheme will decrease everyday for 3 years by an amount (specific amount as calculated by AMC) due to amortization of initial issue expenses.

- **Risk Factors associated with investing in Fixed Income Securities/ Debt/Bonds:**

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 cyclicality 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 are 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 to all open ended Schemes)

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.

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 designated Official Points of Acceptance.
Application Form/Key Information Memorandum (KIM)	A form meant to be used by an investor to open a Folio and purchase Units in the Scheme. KIM is a memorandum containing the key information of the Mutual Fund Schemes
BOI	Body of Individuals.
Business Day	A day other than: (a) Saturday and Sunday; (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. (c) A day on which the Sale or Redemption of Units is suspended; (d) A day on which the AMC is closed for business. Only for ING Liquid Fund, the days on which the money markets are closed / not accessible, shall not be treated as business day(s).
CAGR	Compounded Annual Growth Rate.
Contingent Deferred Sales Charge / CDSC	A charge to the Unit Holder upon exiting (by way of Redemption) based on the period of holding of Units. The Regulations provide that a CDSC may be charged only for no-Load Schemes 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	ISCs/ Transactions Points designated by the AMC as the Official Points of Acceptance where the applications shall be received.
Dividend	Income distributed by Scheme on the Units, where applicable.
Entry Load	Not Applicable, as in accordance with the requirements specified by

	the SEBI circular no. SEBI/IMD/CIR No.4/168230/09 dated June 30, 2009, no entry load will be charged for purchase / additional purchase / switch-in accepted by the Fund with effect from August 1, 2009. Similarly, no entry load will be charged with respect to applications for registrations under Systematic Investment Plan/ Systematic Transfer Plan accepted by the Fund with effect from August 1, 2009. The upfront commission on investment made by the investor, if any, shall be paid to the ARN Holder (AMFI Registered Distributor) directly by the investor, based on the investor's assessment of various factors including service rendered by the ARN Holder.
EFT	Electronic Funds Transfer.
Exit Load	A Load (other than CDSC) charged to the Unit Holder on exiting the Scheme (by way of Redemption/switch out) 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 Savings Trust and ING Vysya Mutual Fund).
HUF	Hindu Undivided Family.
Investment Management 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 Redemption of Units from the Scheme.
New Fund Offer / NFO	The offer for Purchase of Units at the inception of the Scheme, available to the investors during the NFO Period.
Official Points of Acceptance of transaction (OPA)	Any location, as may be defined/ designated by the Asset Management Company from time to time, where investors can tender the request for subscription, redemption or switching of units, etc.
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 which incorporates all the statutory information on Mutual Fund.
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:

The Asset Management Company has submitted a Due Diligence Certificate duly signed by the Compliance Officer to SEBI which reads as follows:

It is confirmed that:

1. The Scheme Information Document forwarded to SEBI is in accordance with the SEBI (Mutual Funds) Regulations, 1996, as amended from time to time 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.

Place: Mumbai Date: December 30, 2011	For **ING Investment Management (India) Private Limited** (Investment Manager to ING Mutual Fund) **Sd/-** **Compliance Officer**

II. INFORMATION ABOUT THE SCHEMES:

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:

Instruments	Indicative allocations (% of total assets)		Risk Profile
	Maximum	Minimum	
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 YIELD 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 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 viz. 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?

<u>Investment Approach and Strategy</u>

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 share prices 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.

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 the investment 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. *Companies that have a market capitalization in line with the range specified in the CNX Midcap Index would constitute the investment universe of the Mid Cap portion of the portfolio. This range would change in line with the change in the range of the market capitalization criterion in the CNX Midcap Index. 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. Large cap companies are defined as companies with a market capitalization more than the highest market capitalization company in CNX Midcap Index and small cap companies are defined as the companies with a market capitalization less than the lowest market capitalization company in CNX Midcap Index.* 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 equity related instruments of Mid Cap* Companies	100	65	High
Equity and equity related instruments of companies other than mid cap companies	35	0	High
Money Market Instruments	25	0	Low

**Companies that have a market capitalization in line with the range specified in the CNX Midcap Index would constitute the investment universe of the Mid Cap portion of the portfolio. This range would change in line with the change in the range of the market capitalization criterion in the CNX Midcap Index.*

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 (Mutual Funds) Regulations, 1996, as amended from time to time, 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 (Mutual Funds) Regulations, 1996, as amended from time to time..

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?

<u>Investment Approach and Strategy</u>

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.

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 invested predominantly in equity and equity-related securities constituted in the S&P CNX Nifty Index.

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 Index and / or in exchange traded derivatives on the S&P CNX Nifty Index. A small portion of the net assets may also be invested in the securities other than that constituted in the S&P CNX Nifty Index. The Scheme may also invest 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:

Instruments	**Indicative allocations (% of total assets)**		**Risk Profile**
	Maximum	**Minimum**	
Securities constituting the S&P CNX Nifty Index and / or in exchange traded derivatives on the S&P CNX Nifty Index	100	70	High
Securities other than constituents of S&P CNX Nifty Index	20	0	High
Cash & Money market instruments, including money at call but excluding Subscription and redemption cash flow*	30	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..*

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.

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 (Mutual Funds) Regulations 1996, as amended from time to time.

Change in Investment Pattern

The investment policy is primarily active management; where upto 20% of the portfolio may comprise of securities outside the S&P CNX Nifty Index. 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 (Nifty)

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 Index and / or in exchange traded derivatives on the S&P CNX Nifty Index. 0-20% of the net assets will be invested in an active manner, by investing in the securities other than that constituted in 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.

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 polices shall be in accordance with SEBI (Mutual Funds) Regulations, 1996, as amended from time to time and the 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:

Instruments	Indicative allocations (% of total assets)		Risk Profile
	Maximum	Minimum	
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 short-term 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 Unit holders. 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 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 de-rated 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 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 in money market 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.

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 with residual maturity upto 91 days. **Note**: This is a money market mutual fund Scheme and no investments will be made in securitized debt.	100	0	Low

In accordance to, the SEBI Circular no. SEBI/IMD/CIR No. 13/ 150975/ 09 dated January 19, 2009, effective May 1, 2009, the Liquid Schemes / Plans shall make investment in / purchase debt and money market securities with maturity of upto 91 days only. This means:

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) In case of securities with put and call options (daily or otherwise) the residual maturity shall not be greater than 91 days.

Subject to SEBI (Mutual Funds) Regulations, 1996, as amended from time to time 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 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:

- Money Market instruments permitted by SEBI/RBI including call, repo, Collateralised Borrowing & Lending Obligations (CBLO)

The securities mentioned above could be privately placed, rated or unrated. 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, the scheme would invest in high quality money market securities. The AMC will be guided by the ratings of Rating Agencies such as CRISIL, ICRA, Fitch, CARE and Brickworks. 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.

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:

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

* 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

* 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.

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

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 – Provident Fund- Dynamic Plan 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 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.

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, T-Bills 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.

Further, in terms of SEBI Circular Cir/IMD/DF/11/2010 dated August 18, 2010, following provisions are applicable for derivatives:

1. The cumulative gross exposure through equity, debt and derivative positions should not exceed 100% of the net assets of the scheme.
2. Mutual Funds shall not write options or purchase instruments with embedded written options.
3. The total exposure related to option premium paid must not exceed 20% of the net assets of the scheme.
4. Cash or cash equivalents with residual maturity of less than 91 days may be treated as not creating any exposure.
5. Exposure due to hedging positions may not be included in the above mentioned limits subject to the following:
   a. Hedging positions are the derivative positions that reduce possible losses on an existing position in securities and till the existing position remains.
   b. Hedging positions cannot be taken for existing derivative positions. Exposure due to such positions shall have to be added and treated under limits mentioned in Point 1.
   c. Any derivative instrument used to hedge has the same underlying security as the existing position being hedged.
   d. The quantity of underlying associated with the derivative position taken for hedging purposes does not exceed the quantity of the existing position against which hedge has been taken.
6. Exposure due to derivative positions taken for hedging purposes in excess of the underlying position against which the hedging position has been taken, shall be treated under the limits mentioned in point 1.
7. Definition of Exposure in case of Derivative Positions: Each position taken in derivatives shall have an associated exposure as defined under. Exposure is the maximum possible loss that may occur on a position. However, certain derivative positions may theoretically have unlimited possible loss. Exposure in derivative positions shall be computed as follows:

Position	**Exposure**
Long Future	Futures Price * Lot Size * Number of Contracts
Short Future	Futures Price * Lot Size * Number of Contracts
Option Bought	Option Premium Paid * Lot Size * Number of Contracts

8. Mutual Funds may enter into plain vanilla interest rate swaps for hedging purposes. The counter party in such transactions has to be an entity recognized as a market maker by RBI. Further, the value of the notional principal in such cases must not exceed the value of

respective existing assets being hedged by the scheme. Exposure to a single counterparty in such transactions should not exceed 10% of the net assets of the scheme.

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 cash flows (variable or floating interest) in the same currency and on the same principal for an agreed period of time. The exchange of cash flows 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 Rs. 20 crores 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 crores from June 1, 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 June 1, 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 lots * 200 = 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 lots * 200 = (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.

The Fund shall adhere to 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.

E. Fundamental Attributes

Following are the Fundamental Attributes of the scheme, in terms of Regulation 18 (15A) of the SEBI (Mutual Funds) Regulations, 1996, as amended from time to time:

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
   - Liquidity provisions such as listing, repurchase, redemption.
   - Aggregate fees and expenses charged to the scheme.
   - Any safety net or guarantee provided.

In accordance with Regulation 18(15A) of the SEBI (Mutual Funds) Regulations, 1996, as amended from time to time, 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.

F. 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:

Scheme/Plan	Benchmark
ING Core Equity Fund	BSE 200 Index
ING Dividend Yield Fund	BSE 200 Index
ING Midcap Fund	CNX Midcap Index
ING Large Cap Equity Fund	S&P CNX Nifty Index
ING Tax Savings Fund	BSE 100 Index
ING Contra Fund	BSE 200 Index
ING Liquid 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- Provident Fund – Dynamic Plan	ISec Composite Gilt Index
ING MIP Fund	CRISIL MIP Blended Index
ING Balanced Fund	CRISIL Balanced Fund 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.

G. Who manages the scheme?

Scheme	Fund Manager
ING Core Equity Fund	Ms. Jasmina Parekh
ING Dividend Yield Fund	Mr. Ankur Arora
ING Midcap Fund	Ms. Jasmina Parekh
ING Large Cap Equity Fund	Mr. Ramnathan K
ING Tax Savings Fund	Ms. Anshul Mishra
ING Contra Fund	Mr. Ankur Arora
ING Liquid Fund	Mr. Himanshu Shethia
ING Treasury Advantage Fund	Mr. Himanshu Shethia
ING Short Term Income Fund	Mr. Himanshu Shethia
ING Income Fund	Mr. Himanshu Shethia
ING Gilt Fund- Provident Fund- Dynamic Plan	Mr. Ramanathan. K
ING MIP Fund	Ms. Jasmina Parekh (equity portion) and Mr. Ramanathan. K (Debt portion)
ING Balanced Fund	Ms. Jasmina Parekh (equity portion) and Mr. Ramanathan. K (Debt portion)

Name, Age & Qualification	Brief Experience
Mr. Ramanathan K. Chief Investment Officer- Single Manager Division 38 years CFA, B.E (Mech), PGPM (Finance),	• Chief Investment Officer (Single Manager Division), ING Investment Management (India) Pvt. Ltd. (Dec 2009 – Till date) • Vice President & Head - Fixed Income & Structured Products, ING Investment Management (India) Pvt. Ltd. (March 2006 – Dec 2009) • Vice President – Fixed Income, Lehman Brothers India (Sep 2005 – Feb 2006) • Fund Manager, Birla Sunlife Asset Management Company (Jan 1998 – Sep 2005) • Manager – Ratings, Credit Analysis & Research Limited (June 1995 – Jan 1998)
Ms. Jasmina Parekh Vice President & Portfolio Manager – Equity 34 Years CA, B. Com	• Vice President & Portfolio Manager – Equity – ING Investment Management (India) Pvt. Ltd. (July 2008- Till date). • Sr. Research Analyst – ING Investment Management (India) Pvt. Ltd. (May 2006 – June 2008). • Senior Sales Manager – ASK Raymond James. (Aug 2005 – April 2006). • General Manager, Leasing – Buildwell Plant & Equipment Ind. Ltd (Nov 2004– June 2005). • Research Analyst – Crescent Finstock Ltd (July 2003 – July 2004). • Investment advisor – Hermes Securities (Oct. 2002 – June 2003). • Research Analyst – Quantum Information Services. (May 1999 – Sept. 2002).

Mr. Ankur Arora, Assistant Vice President & Portfolio Manager – Equity 29 years B. Com, PGDM	• Assistant Vice President & Portfolio Manager – Equity – ING Investment Management (India) Pvt. Ltd. (Dec 2009 - Till date). • Associate Vice President -Equity Research – ING Investment Management (India) Pvt. Ltd. (Nov 2007-Dec 2009). • Associate Analyst – Macquarie Capital Securities (India) Pvt Ltd. (Dec 2006 – Nov 2007). • Manager, Evalueserve.com Pvt. Ltd (Jan 2005 – Nov 2006). • Management Trainee – UTI Asset Management Company (May 2004 – Jan 2005).
Mr. Himanshu Shethia Asst. Vice President & Fund Manager- Fixed Income 32 years B.Com, ACA, Master in Management Studies	• Asst. Vice President & Fund Manager- Fixed Income, ING Investment Management (India) Pvt. Ltd (September 2009 – Till date) • Asst. Vice President & Dealer- Fixed Income, ING Investment Management (India) Pvt. Ltd (June 2008 till September 2009) • Credit Analyst, ING Investment Management (India) Pvt. Ltd (July 2006 to June 2008) • Credit Analyst, Credit Analysis and Research Ltd (May 2004 to July 2006)
Mr. Anshul Mishra Fund Manager 31 years PGDBM – Finance & Marketing, B. E (Mechanical Engineering)	• Fund Manager - ING Investment Management (India) Pvt. Ltd- (May 2011 - Till date) • Asst. Vice President – Equity Dealing, ING Investment Management (India) Pvt. Ltd (April 2008 - May 2011) • Manager- IDBI Bank Ltd (May 2005 - March 2008)

H. What are the investment restrictions?

As per the Seventh Schedule of SEBI (Mutual Funds) Regulations, 1996, as amended from time to time, 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:

   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 scheme shall invest more than thirty percent of its net assets in money market instruments of an issuer:
   Provided that such limit shall not be applicable for investments in Government securities, treasury bills and collateralized borrowing and lending obligations.

4. No mutual fund under all its schemes should own more than ten per cent of any company's paid up capital carrying voting rights.

5. 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.

6. 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 inter scheme 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

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.

   Provided further that sale of government security already contracted for purchase shall be permitted in accordance with the guidelines issued by the Reserve Bank of India in this regard.

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;
    (b) 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 Trustees 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.

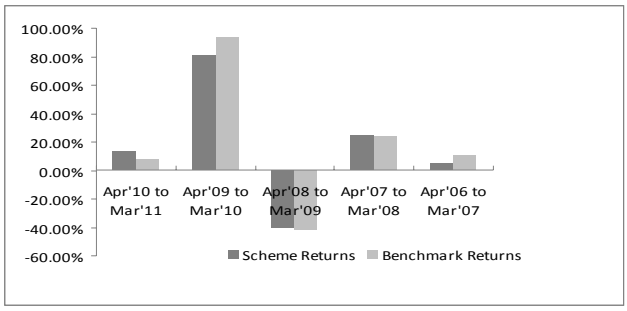
I. How has the scheme performed?

Schemes performance as on November 30, 2011:

ING Core Equity Fund

Compounded Annualised Returns	**Scheme Returns (%)**	**Benchmark Returns (%)**
Returns for the last 1 Year	-16.3469	-20.33164
Returns for the last 3 Years	22.89	22.50311
Returns for the last 5 Years	4.7303	3.48941
Returns Since Inception (i.e. from 6th May 1999)	10.10699	14.31%

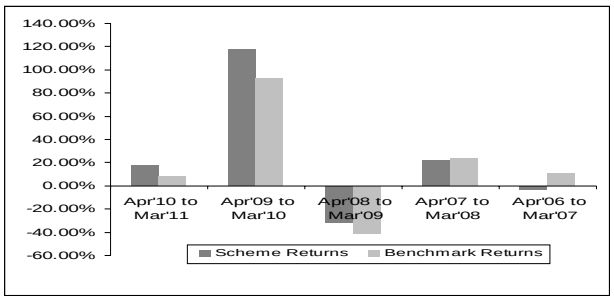
Absolute Returns for each financial year



ING Dividend Yield Fund

Compounded Annualised Returns	Scheme Returns(%)	Benchmark Returns(%)
Returns for the last 1 Year	-13.2099	-20.33164
Returns for the last 3 Years	35.2091	22.50311
Returns for the last 5 Years	13.7715	3.48941
Return Since Inception (i.e. from 24th October 2005)	13.00341	11.46%

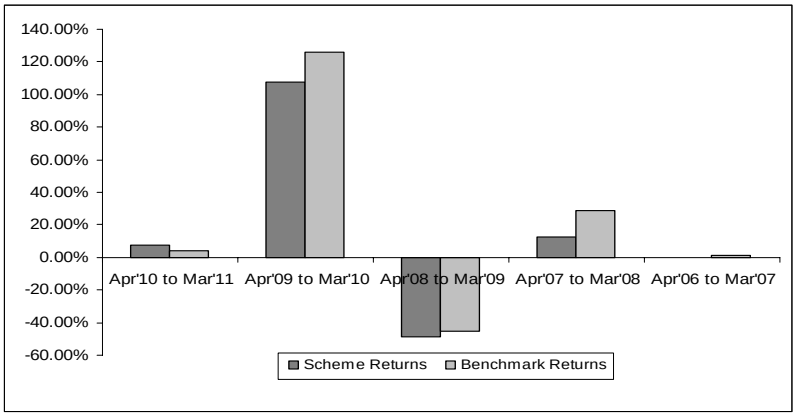
Absolute Returns for each financial year



ING Midcap Fund

Compounded Annualised Returns	Scheme Returns(%)	Benchmark Returns(%)
Returns for the last 1 Year	-17.5056	-25.44429
Returns for the last 3 Years	27.8576	26.12995
Returns for the last 5 Years	1.8707	5.55113
Returns Since Inception (i.e. from 30th May 2005)	9.93404	12.84%

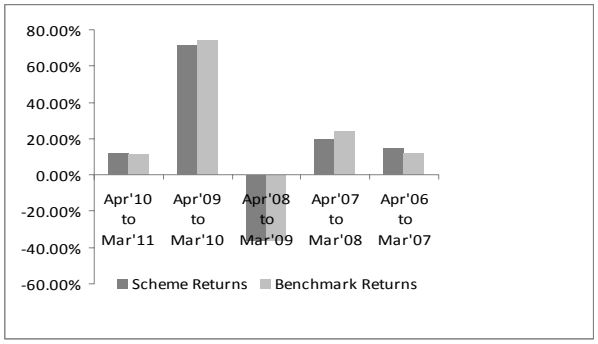
Absolute Returns for each financial year



ING Large Cap Equity Fund

Compounded Annualised Returns	Scheme Returns (%)	Benchmark Returns (%)
Returns for the last 1 Year	-16.6154	-17.57978
Returns for the last 3 Years	20.1753	20.59557
Returns for the last 5 Years	3.7576	4.08975
Returns Since Inception (i.e. from 23rd February 2004)	12.15471	13.48%

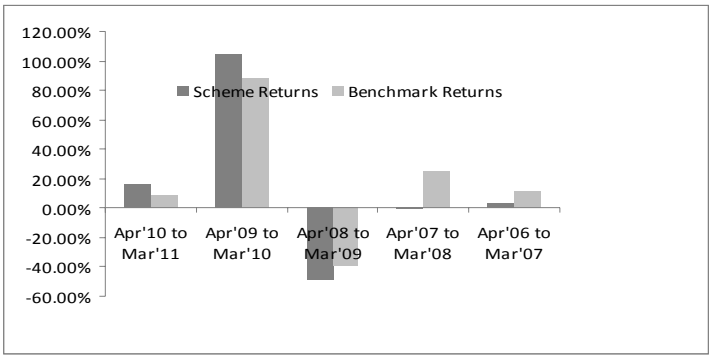
Absolute Returns for each financial year



ING Tax Savings Fund

Compounded Annualised Returns	Scheme Returns (%)	Benchmark Returns (%)
Returns for the last 1 Year	-15.912	-18.96971
Returns for the last 3 Years	29.3481	21.88721
Returns for the last 5 Years	0.306	3.74690
Returns Since Inception (i.e. from 28th March 2004)	13.45822	14.63%

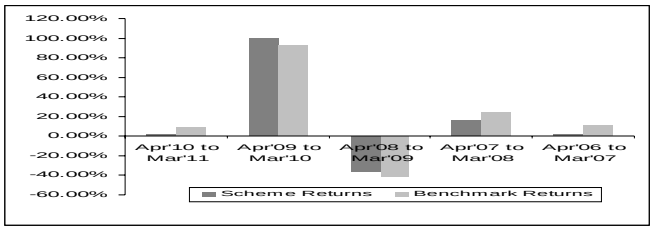
Absolute Returns for each financial year



ING Contra Fund

Compounded Annualised Returns	Scheme Returns (%)	Benchmark Returns (%)
Returns for the last 1 Year	-19.7259	-20.33164
Returns for the last 3 Years	22.1687	22.50311
Returns for the last 5 Years	4.6119	3.48941
Returns Since Inception (i.e. from 10th March 2006)	5.33728	6.65%

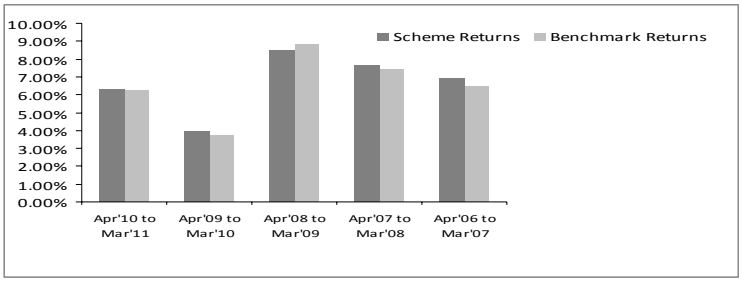
Absolute Returns for each financial year



ING Liquid Fund

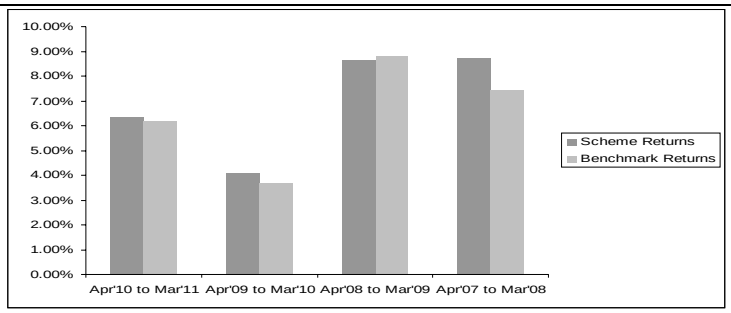
Compounded Annualised Returns	Scheme Returns (%)	Benchmark Returns (%)
Returns for the last 1 Year	8.4186	8.08065
Returns for the last 3 Years	6.1628	6.11163
Returns for the last 5 Years	6.9199	6.76759
Returns Since Inception (i.e. from 6th January 2000)	6.70013	#N/A

Absolute Returns for each financial year



ING Treasury Advantage Fund

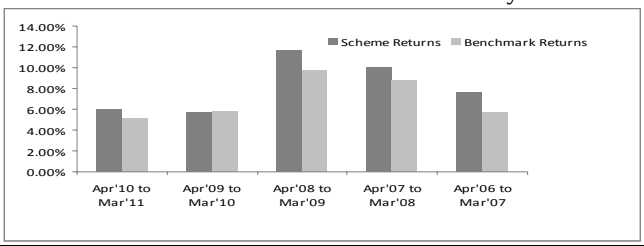
Compounded Annualised Returns	Scheme Returns (%)	Benchmark Returns (%)
Returns for the last 1 Year	8.5484	8.08065
Returns for the last 3 Years	6.3162	6.11163
Returns Since Inception (i.e. from 20th March 2007)	7.21072	6.78%
Absolute Returns for each financial year		



ING Short Term Income Fund

Compounded Annualised Returns	**Scheme Returns (%)**	**Benchmark Returns (%)**
Returns for the last 1 Year	8.5882	7.41974
Returns for the last 3 Years	8.0599	7.26446
Returns for the last 5 Years	8.3039	7.19825
Returns Since Inception (i.e. from 19th August 2002)	7.35932	6.16%

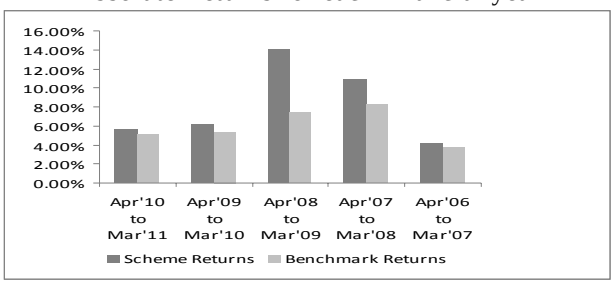
Absolute Returns for each financial year



ING Income Fund

Compounded Annualised Returns	**Scheme Returns (%)**	**Benchmark Returns (%)**
Returns for the last 1 Year	6.5332	6.22074
Returns for the last 3 Years	7.759	6.83135
Returns for the last 5 Years	8.2251	6.01698
Returns Since Inception (i.e. from 6th May 1999)	8.15117	#N/A

Absolute Returns for each financial year

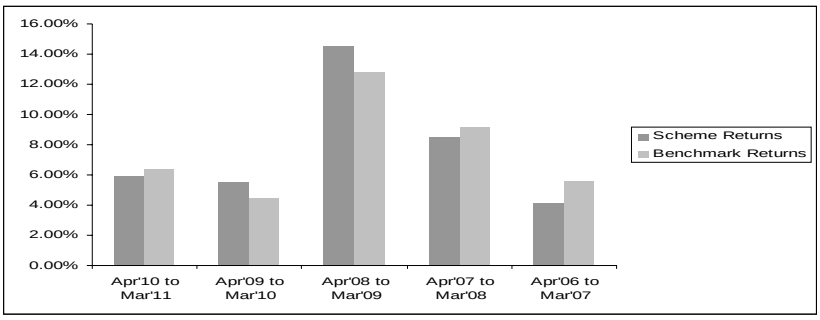


ING Gilt Fund – Provident Fund – Dynamic Plan

Compounded Annualised Returns	**Scheme Returns (%)**	**Benchmark Returns (%)**

Returns for the last 1 Year	4.8727	5.13437
Returns for the last 3 Years	6.865	5.66272
Returns for the last 5 Years	7.2279	6.81366
Returns Since Inception (i.e. from 31st March 2004)	6.58258	5.85%

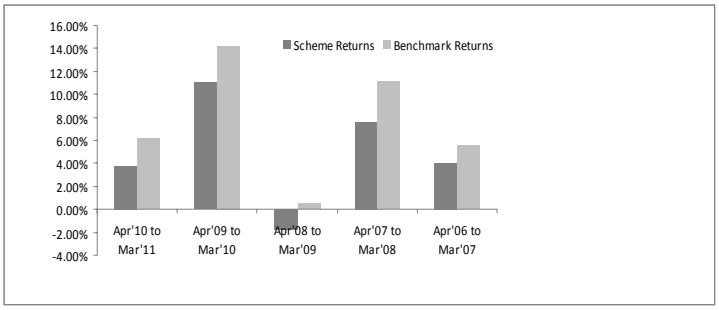
Absolute Returns for each financial Year



ING MIP Fund

Compounded Annualised Returns	**Scheme Returns (%)**	**Benchmark Returns (%)**
Returns for the last 1 Year	1.1891	2.51859
Returns for the last 3 Years	6.5932	9.27072
Returns for the last 5 Years	4.0987	6.34295
Returns Since Inception (i.e. from 23rd February 2004)	5.12556	6.73%

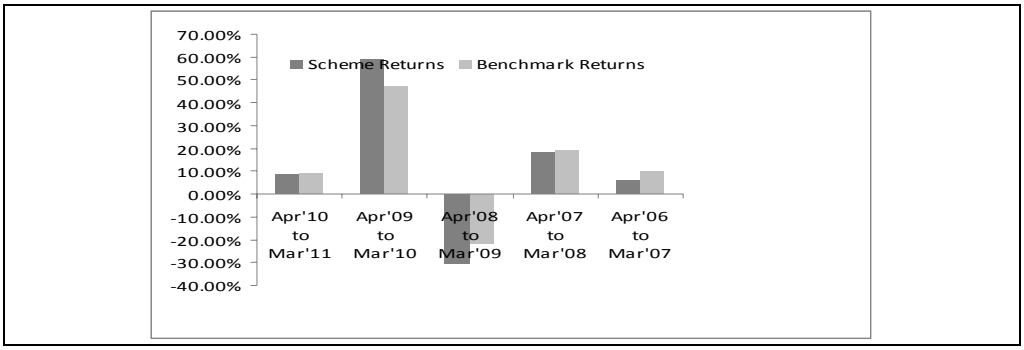
Absolute Returns for each financial year



ING Balanced Fund

Compounded Annualised Returns	**Scheme Returns (%)**	**Benchmark Returns (%)**
Returns for the last 1 Year	-10.8844	-9.51155
Returns for the last 3 Years	18.9731	16.61363
Returns for the last 5 Years	5.5811	5.88809
Returns Since Inception (i.e. from 25th April 2000)	7.67148	#N/A

Absolute Returns for each financial year



NOTE: Returns for the period upto one year - Absolute, Returns for the period more than one year - CAGR. Returns are for Growth Option. The Scheme returns are calculated assuming that all payouts during the period have been reinvested in the units of the Scheme at the then prevailing NAV. Past performance may or may not be sustained in future.

J. 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. 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 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 Large Cap Equity 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

Scheme	Plans	Options	Sub-options
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 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 – Provident Fund - Dynamic Plan	-	Growth, Growth Auto income payout, Cyclical series Option, Dividend	Half Yearly/ Annual Dividend options (Pay-out & Reinvestment) are available under the dividend option
ING MIP Fund	-	Growth/ Dividend/	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.

2. Dividend policy:

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.

3. 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.

Note: This is an indicative list and you are requested to consult your financial advisor to ascertain whether the scheme is suitable to your risk profile.

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.

4. Where can you submit the filled up applications:

Application for subscription/redemption can be submitted at the Official Points of Acceptance of transaction mentioned on the back cover page.

5. How to Apply?

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

6. Listing

All the Schemes, 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.

7. 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.

8. 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.

9. 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.

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

At the applicable NAV.

11. 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.

Note: Switch out from any Scheme of ING Mutual Fund shall be allowed to ING Optimix Global Commodities Fund, ING Global Real Estate Fund and ING Latin America Equity Fund at applicable NAV, subject to applicable loads. However, switch out from ING Optimix Global Commodities Fund, ING Global Real Estate Fund and ING Latin America Equity Fund shall be allowed only to ING Liquid Fund, at applicable NAV subject to applicable loads.

In case of 'switch' transactions from one scheme to another the allocation shall be in line with redemption payouts. All switches will be subject to minimum application amount in the target Schemes.

12. Cut off timing for subscriptions/ redemptions/ switches:

For all Equity Schemes & Income/ Debt oriented Schemes (ING Treasury Advantage Fund, ING Short Term Income Fund, ING Income Fund, ING Gilt Fund Provident Fund Dynamic Plan and ING MIP Fund) for an amount of less than 1 Crore:

Type of Transactions	Provision	Applicable NAV
Subscriptions /switch in:	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
	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.
	where the application is received with an outstation	Closing NAV of day

	cheque or demand draft which is not payable on par at the place where it is received	on which the Cheque or demand draft is credited.
Redemptions/ switch out:	in respect of application received upto 3.00 pm	Closing NAV of the day of receipt of application.
	in respect of application received after 3.00 pm	Closing NAV of the next business day.

For Income/ Debt oriented Schemes (ING Treasury Advantage Fund, ING Short Term Income Fund, ING Income Fund, ING Gilt Fund Provident Fund Dynamic Plan and ING MIP Fund) for an amount of 1 Crore & more:

Type of Transactions	Provision	Applicable NAV
Subscriptions /switch in*:	In respect of valid application received up to 3.00 p.m. and funds for the entire amount of subscription/purchase/switch-in as per application/request are credited to the bank account of the respective Schemes before cut-off time i.e. available for utilization before the cut-off time without availing any credit facility whether intra day/otherwise.	The closing NAV of the day on which the funds are available for utilization.
	In respect of valid application is received after 3.00 p.m. and funds for the entire amount of subscription/ purchase/ switch-in as per application/request are credited to the bank account of the respective schemes after cut-off time i.e. available for utilization after the cut-off time without availing any credit facility whether intra day/otherwise.	The closing NAV of the next Business Day.
	Irrespective of the time of receipt of application, where the funds for the entire amount of subscription/purchase/switch-in as per application/ request are credited to the bank account of the respective Schemes before cutoff time on any subsequent Business Day i.e. available for utilization before the cut-off time on any subsequent Business Day.	The closing NAV of such subsequent Business Day on which the funds are available for utilization.
Redemptions/ switch out :	in respect of application received upto 3.00 pm	Closing NAV of the day of receipt of application.
	in respect of application received after 3.00 pm	Closing NAV of the next business day.

<u>*Note</u>: Allotment of units in respect of switch-in to ING Treasury Advantage Fund, ING Short Term Income Fund, ING Income Fund, ING Gilt Fund Provident Fund Dynamic Plan and ING MIP Fund will be subject to fulfillment of each of the following conditions:

(i) Application for switch-in is received before the applicable cut-off time i.e. 3.00 p.m.;

(ii) Funds for the entire amount of subscription/purchase as per the switch-in request are credited to the bank account of the respective switch-in Schemes/ Plans before the cut-off time and

(iii) The funds are available for utilization before the cut-off time without availing any credit facility whether intra-day or otherwise, by the respective switch – in Schemes / Plans.

For ING Liquid Fund:

Type of Transactions	Provision	Applicable NAV
Subscriptions	In respect of valid application received upto 2.00 p.m.	Closing NAV of the

& switch in*:	on a day and funds for the entire amount of subscription / purchase as per the application are credited to the bank account before the cut-off time i.e. available for utilization before the cut-off time without availing any credit facility, whether, intra-day or otherwise.	day immediately preceding the day of receipt of application.
	In respect of valid application received after 2.00 p.m. on a day and funds for the entire amount of subscription / purchase as per the application are credited to the bank account on the same day i.e. available for utilization on the same day without availing any credit facility, whether, intra-day or otherwise..	Closing NAV of the day immediately proceeding the next business day.
	Irrespective of the time of receipt of application, where the funds are not available for utilization before the cut-off time without availing any credit facility, whether, intra-day or otherwise	Closing NAV of the day immediately preceding the day on which the funds are available for utilization.
Redemptions/ switch out :	in respect of application received upto 3.00 pm	Closing NAV of the day of receipt of application.
	in respect of application received after 3.00 pm	Closing NAV of the next business day.

<u>*Note</u>: Allotment of units in respect of switch-in to ING Liquid Fund will be subject to fulfillment of each of the following conditions:

(i) Application for switch-in is received before the applicable cut-off time;
(ii) Funds for the entire amount of subscription / purchase as per the switch-in request are credited to the bank account of the respective switch-in Scheme/ Plan before the cut-off time and
(iii) The funds are available for utilization before the cut-off time without availing any credit facility whether intra-day or otherwise, by the respective switch-in Scheme / Plan.

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

In case of 'switch' transactions from one scheme to another scheme the allocation shall be in line with redemption payouts.

13. 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.

14. Minimum Application / Purchase Amount / Minimum Additional Investment Amount/ Minimum Amount for Redemption / Switches

Scheme	Minimum Application Amount	Additional Investment Amount	Minimum Redemption Amount
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 a minimum of 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 a minimum of 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 a minimum of 100 units
ING Large Cap 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 a minimum of 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 a minimum of 50 units (subject to completion of the 3 years lock-in period from the date of allotment).
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 a minimum of 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 a minimum of 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 a minimum of 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 a minimum of 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 a minimum of 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 a minimum of 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 a minimum of 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 a minimum of 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 a minimum of 100 units
ING Gilt Fund – Provident Fund - 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 a minimum of 100 units
ING MIP Fund – Growth Option	Rs. 10,000/- and in multiples of Re. 1 thereafter	Rs. 1,000/- and in multiples of Re. 1 thereafter	Rs.1000 or a minimum of 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 a minimum of 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 a minimum of 100 units

15. Minimum balance to be maintained and consequences of non maintenance.

Not Applicable

16. 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. 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:

	Monthly Option	**Quarterly Option**
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 27th 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.

**** SIP facility is not available under ING Liquid Fund.**

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.

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:

	Monthly Option	**Quarterly Option**
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. 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) are 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.

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.

Note: STP from Multi Manager Schemes to Single Manager Schemes of ING Mutual Fund and vice a versa is also allowed with effect from July 1, 2011

However, 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 Large Cap Equity Fund, ING Balanced Fund, ING Dividend Yield Fund, ING Midcap Fund, ING Contra Fund, ING Gilt Fund – Provident Fund- Dynamic Plan, 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. 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, then applicable loads 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 7th 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

17. Accounts Statements:

Pursuant to Regulation 36 of SEBI (Mutual Funds) Regulations, 1996, as amended from time to time and as per SEBI circular no. Cir/ IMD/ DF/16/ 2011 dated September 8, 2011, the following changes or modification will be carried out to the provisions relating to sending the account statements to the investors/unitholders:

- **For units held in non-dematerialized mode (i.e. Account Statement mode):**

(i) On acceptance of the application for subscription, an allotment confirmation specifying the number of units allotted will be sent by way of an email and/or SMS to the applicant's registered e-mail address and/or mobile number within 5 Business Days from the date of receipt of transaction request from the investors/unitholders;

(ii) Thereafter, a Consolidated Account Statement ('CAS') will be sent by mail/e-mail for each calendar month to the investors/unitholders in whose folios transactions have taken place during the month, on or before 10th of the succeeding month. CAS shall contain details relating to all the transactions carried out by the investors/unitholders across all schemes of all mutual funds during the month and holding at the end of the month. For this purpose, transactions shall include purchase, redemption, switch, dividend payout, dividend reinvestment, systematic investment plan, systematic withdrawal plan, systematic transfer plan and bonus transactions.

(iii) For the purpose of sending CAS, common investors/unitholders across mutual funds shall be identified by their Permanent Account Number (PAN).

(iv) In the event the account has more than one registered holder, the first named Unit holder shall receive the CAS;

Further, a CAS detailing holding across all schemes of all mutual funds at the end of every half year (i.e. September/ March), shall be sent by mail/e-mail on or before 10th day of succeeding month, to all such investors/unitholders in whose folios no transaction has taken place during that period. The half yearly consolidated account statement will be sent by e-mail to the investors/unitholders whose e-mail address is available, unless a specific request is made to receive in physical. In case of a specific request received from the investors/unitholders, the AMC/Fund will provide the account statement to the investors/unitholders within 5 Business Days from the receipt of such request

Note: - Since the CAS shall not be received by the investors/unitholders for the folios not updated with PAN details, the investors/unitholders are requested to ensure that the folios are updated with their PAN.

- **For units held in dematerialized mode:**

Investors/Unitholders who have opted to hold units in dematerialized mode will receive a confirmation specifying the number of units allotted by way of email and/or SMS at the Investors'/Unitholders' registered e-mail address and/or mobile number within 5 Business Days from the date of receipt of transaction request from the investors/unitholders. Further, such investors/unitholder will receive the holding or transaction statement directly from his/her/its depository participant at such frequencies as may be defined in the Depository Act, 1996 or regulation made thereunder.

18. Dividend

The dividend warrants shall be dispatched to the unit holders within 30 days of the date of declaration of the dividend.

19. Redemption

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

20. 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).

21. Option to hold Units in Dematerialized mode

In accordance with the SEBI Circular No CIR/IMD/DF/9/2011 dated May 19, 2011, effective from October 1, 2011 the investors/unitholders are given an option to hold the units of schemes of ING Mutual Fund in dematerialized (demat) form. Consequently, the investors/unitholders under the schemes of ING Mutual Fund shall have an option to subscribe/ hold the units in dematerialized form in accordance with the provisions specified under the respective schemes and in terms of the guidelines/ procedural requirements issued by National Securities Depository Limited and Central Depository Services (India) Limited, from time to time.

In case, the investors/unitholders desire to dematerialize or rematerialize the units at a later date, the request for conversion of units held in non-demat form into dematerialized form or vice-versa should be submitted along with a Demat/Remat Request Form to their Depository Participants.

Units held in demat form will be transferable subject to the provisions laid under the respective schemes and in accordance with provisions of Depositories Act, 1996 and the Securities and Exchange Board of India (Depositories and Participants) Regulations, 1996, as amended from time to time.

The investors/unitholders who choose the depository mode is required to place an order for redemption (subject to the applicable provisions prescribed in SID/KIM/SAI, if any, or as may be communicated from time to time) with the Depository Participant. The redemption proceeds will be credited to the bank account of the investor, as per the bank account details recorded with the Depository Participant.

Investors/unitholders are requested to note that the facility to subscribe/hold units in demat form shall be available for all schemes except for subscription through switches and for plans or options where dividend distribution frequency is less than one month.

22. Transaction charges for investments through distributors

The AMC/Fund shall deduct the transaction charges on purchase/ subscription received from first time Mutual Fund investors and investors other than first time Mutual Fund investors through the distributors (who have opted to receive the transaction charges) as under:

(i) **First Time Mutual Fund Investors (across Mutual Funds):** Transaction charge of Rs. 150/- for subscription of Rs. 10,000 and above will be deducted from the subscription amount and paid to the distributor of the first time investor and the balance shall be invested.

(ii) **Investor other than First Time Mutual Fund Investors:** Transaction charge of Rs. 100/- per subscription of Rs. 10,000 and above will be deducted from the subscription amount and paid to the distributor of the investors and the balance shall be invested.

However, transaction charges in case of investments through Systematic Investment Plan (SIP) shall be deducted only if the total commitment (i.e. amount per SIP installment x No. of installments) amounts to Rs. 10,000/- or more. The Transaction Charges shall be deducted in 3 or 4 installments.

(iii) **Transaction charges shall not be deducted/applicable for:**

(a) Purchases /subscriptions for an amount less than Rs. 10,000/-;
(b) Transactions other than purchases/subscriptions relating to new inflows such as Switch/Systematic Transfer Plan (STP), etc.;
(c) Purchases /subscriptions made directly with the Fund without any ARN code (i.e. not routed through any distributor).
(d) If the distributor has not opted to receive transaction charges.

The above provisions shall be effective from November 01, 2011 or such other date as decided by the AMC in accordance with the SEBI/AMFI guidelines and applicable on prospective investments only.

C. PERIODIC DISCLOSURES

Net Asset Value (NAV) 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.	:	The NAV will be normally calculated and published in two daily newspapers on every business day. The Mutual Fund shall declare the NAV of the scheme on every business day on AMFI's website www.amfiindia.com by 9:00 P.M. and also on www.ingim.co.in.
Half yearly Disclosures: Portfolio / Financial Results 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.	:	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/ financials in format prescribed by SEBI 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. Also as required by the Regulations the Mutual Fund shall disclose the holdings in the Scheme's portfolio /financials on www.ingim.co.in before the expiry of one month from the closure of each half-year and link the same with the AMFI website.
Half Yearly Results	:	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 www.amfiindia.com (AMFI website) and on www.ingim.co.in before the expiry of one month from the close of each half-year.
Annual Report	:	In accordance with SEBI circular No Cir/ IMD/ DF/16/ 2011 dated September 8, 2011 and in order to bring cost effectiveness in printing and dispatching the annual reports or abridged annual report and as a green initiative measure, the AMC/Mutual Fund shall be sending the scheme annual reports or abridged annual report as following: a. by e-mail to the investors/unitholders whose e-mail address is available with the AMC/ Mutual Fund; b. in physical form to the investors/unitholders whose email address is not available with the AMC/ Mutual Fund and/or to those investors/unitholders who have opted / requested for the same. Further, the physical copies of the scheme wise annual report or abridged summary shall be made available to the investors/unitholders at the registered office of the AMC/Mutual Fund and the same shall be shall be displayed on the website of the AMC/ Mutual Fund.

<table>
<tr><td></td><td></td><td></td></tr>
<tr><td>Associate Transactions</td><td>:</td><td>Please refer to Statement of Additional Information (SAI).</td></tr>
<tr><td>Taxation

The information is provided for general information only, as per The Finance Act, 2011. 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.</td><td>:</td><td>
<table>
<tr><td><u>Equity Funds:</u></td><td>Resident Investors</td><td>Mutual Fund</td></tr>
<tr><td>Tax on Dividend [1]</td><td>Nil [2]</td><td>Nil [3]</td></tr>
<tr><td>Capital Gain:
Long Term</td><td>Nil [4]</td><td>Nil [3]</td></tr>
<tr><td>Capital Gain:
Short Term</td><td>15% [5]</td><td>Nil [3]</td></tr>
</table>
<table>
<tr><td><u>Debt Funds:</u></td><td>Resident Investors</td><td>Mutual Fund</td></tr>
<tr><td>Tax on Dividend [6]</td><td>Nil [7]</td><td>Nil [8]</td></tr>
<tr><td>Capital Gain:
Long Term</td><td>Without Indexation: 10% [9]

With Indexation: 20% [9]</td><td>Nil [8]</td></tr>
<tr><td>Capital Gain:
Short Term</td><td>Taxable at normal rates of tax applicable to the investor</td><td>Nil [8]</td></tr>
</table>
For further details on taxation please refer to the clause on Taxation in the SAI.
</td></tr>
<tr><td>Investor services</td><td>:</td><td>Mr. Nityanand Prabhu,
Chief Operating Officer
601/602, 6th floor, “Windsor”, Off. C.S.T. Road, Vidyanagari Marg, Kalina, Santacruz - (East), Mumbai – 400 098.
Tel: 4082 7999 E-mail Id: information@in.ing.com</td></tr>
</table>

Note with regard to taxation:

1. Dividend distribution by an equity oriented mutual fund will not attract distribution tax under section 115R of the Income-tax Act, 1961 (‘the Act’).
2. Dividend received by unit holder is exempt under section 10(35) of the Act.
3. ING Mutual Fund is a Mutual Fund registered with SEBI and its entire income is exempt under section 10(23D) of the Act.
4. Sale of units of equity oriented mutual fund is a transaction which is liable to Securities Transaction Tax. Long term capital gains arising on the transfer of such units of equity oriented mutual fund which are subject to Securities Transaction Tax are exempt from capital gains

5. Short term capital gains arising on the transfer of units of equity oriented mutual fund which are subject to Securities Transaction Tax are liable to tax @ 15% (plus applicable surcharge and education cess).

6. Income distribution, if any, made by other than an equity oriented mutual fund will attract distribution tax under section 115R of the Act. Mutual Funds are required to pay Dividend Distribution Tax at the rate of 12.50% in case income is distributed to individuals and Hindu Undivided Families ('HUFs'). An increased rate of 30% is applicable for distributions made to persons other than individuals and HUFs.

7. Where the income is distributed by a money market mutual fund or a liquid fund, such fund shall be liable to pay dividend distribution tax at the rate of 25% in case income is distributed to individuals and HUFs. An increased rate of 30% is applicable for distributions made to persons other than individuals and HUFs. The above tax rates would be increased by an applicable surcharge and education cess. Dividend received by unit holder is exempt under section 10(35) of the Act

8. ING Mutual Fund is a Mutual Fund registered with SEBI and its entire income is exempt under section 10(23D) of the Act.

9. Long-term capital gains in respect of mutual fund units held for a period of more than 12 months, will be chargeable to capital gains tax under section 112 of the Act, at the rate of 20%. However, where the tax payable on such long-term capital gains, without considering indexation, exceeds 10% of the amount of capital gains, such excess tax shall not be payable by the unit holder. The above tax rates would be increased by an applicable surcharge and education cess.

10. The tax rates mentioned above would be increased by a surcharge of:

    1.5% in case of domestic corporate unit holders where the total income exceeds Rs. 1 crore

    2.Nil – in case of unit holders other than domestic corporate unit holders

    Additionally, education cess and secondary and higher education cess is leviable @ 3% on the income tax and surcharge as computed above.

D. COMPUTATION OF NAV

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

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

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 at 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.

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 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 Daily Average 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
Total Recurring Expenses	**2.50**	**2.25**

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) 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	**Next 300**	**Next 300**	**Balance assets**

	Crores	Crores	Crores	
Equity and Balanced Schemes	2.50%	2.25%	2.00%	1.75%
Debt & Liquid Schemes	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.

C. Load Structure

Load is an amount which is paid by the investor 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) or may call at the toll free number **1800 220 2267** or your distributor.

Entry Load:
In accordance with the requirements specified by the SEBI circular no. SEBI/IMD/CIR No.4/168230/09 dated June 30, 2009, no entry load will be charged for purchase / additional purchase / switch-in accepted by the Fund with effect from August 1, 2009. Similarly, no entry load will be charged with respect to applications for registrations under Systematic Investment Plan/ Systematic Transfer Plan accepted by the Fund with effect from August 1, 2009.

The upfront commission on investment made by the investor, if any, shall be paid to the ARN Holder (AMFI Registered Distributor) directly by the investor, based on the investor's assessment of various factors including service rendered by the ARN Holder.

Exit Load:

The following exit loads will be applicable to an investor purchasing units of the Schemes, including SIP, SWP and STP:

Scheme Names	Load Structure
ING Core Equity Fund; ING Dividend Yield Fund; ING Midcap Fund; ING Large Cap Equity Fund; ING Contra Fund; ING Balanced Fund	**Entry load**: Not Appicable **Exit Load /CDSC**: if redeemed on or before 365 days from the date of allotment: 1%if redeemed after 365 days from the date of allotment: NIL 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, Exit Load / CDSC if any are applicable to Systematic Withdrawal Plans.
ING Tax Savings Fund	**Entry Load**: Not Appicable **Exit Load/CDSC**: NIL 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 Exit Load / CDSC if any are applicable to Systematic Withdrawal Plans
ING Liquid Fund	**Entry Load** – Not Appicable **Exit Load / CDSC**: Nil
ING Treasury Advantage Fund	**Entry Load** – Not Appicable **Exit Load / CDSC**: Nil
ING Short Term Income Fund	**Entry Load** – Not Appicable **Exit Load / CDSC**: Nil
ING Income Fund	**Entry load**: Not Appicable **Exit Load /CDSC**: if redeemed on or before 365 days from the date of allotment: 1% if redeemed after 365 days from the date of allotment: NIL
ING Gilt Fund- Provident Fund – Dynamic Plan	**Entry load**: Not Appicable **Exit Load /CDSC**: if redeemed on or before 365 days from the date of allotment: 1%

	if redeemed after 365 days from the date of allotment: NIL
ING MIP Fund	**Entry load**: Not Appicable **Exit Load /CDSC**: if redeemed on or before 365 days from the date of allotment: 1% if redeemed after 365 days from the date of allotment: NIL

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 to 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 along with 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.

With effect from August 1, 2009, exit load/ CDSC (if any) up to 1% of the redemption value charged to the Unitholder by the Fund on redemption of units shall be retained by each of the Schemes in a separate account and will be utilized for payment of commissions to the ARN Holder and to meet other marketing and selling expenses.

Any amount in excess of 1% of the redemption value charged to the Unitholder as exit load/ CDSC shall be credited to the respective Scheme immediately.

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

D. <u>Waiver of Load for Direct Applications –</u> Not Applicable

V. RIGHTS OF UNITHOLDERS

Please refer to SAI for details.

VI.

VII. 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 Scheme Information Document.

There are no instances of any inquiries/ adjudication proceedings under the SEBI Act and the Regulations made there under, 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 Vysya 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 14th February 1995 and the Company had closed the issue on 18th 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 (IVBL).

Four shareholders have complained to District Consumer Forum, Guntur, Andhra Pradesh that they have not been allotted shares during the rights issue of ING Vysya 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 stated 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.

The Schemes under this Scheme Information Document were approved by the Board of Trustees of ING Mutual Fund.

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.

Place: Mumbai

For ING Investment Management (India) Private Limited
(Investment Manger to ING Mutual Fund)
Sd/-
Navin Suri
Managing Director & CEO

Date: December 30, 2011

CONTACT US:

The following offices of ING Investment Management (India) Pvt. Ltd. (AMC) will act as designated Official Point of Acceptance of Transaction (OPA)

Mumbai
601/602 Windsor, Off C.S.T.Road, Vidyanagri Marg, Kalina, Santacruz East, Mumbai - 400098
Tel: 022 40827999

Chennai
Unit No.101, Sigma Wing, Raheja Towers, 177, Anna Salai, Chennai - 600002.
Tel: 044 3940 7600 Fax: 044 3940 7500

Bangalore
Unit No. 803, 8th Floor, Prestige Meridian-I, #29 M. G. Road, Bangalore -560 001.
Tel: 080 42654444 / 39407600 Fax: 080 39407500

Kolkatta
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Tel: 033 39407600 / 30571205 Fax: 033 3940 7500

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201 - 205, 2nd Floor, Narain Manzil, 23, Barakhamba Road, New Delhi - 110001
Tel: 011 39407600 / 41510770 Fax: 01139407500

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

REGISTERED OFFICE:

ING Investment Management (India) Pvt. Ltd., 601 / 602, "Windsor" Off. C.S.T. Road, Kalina, Santacruz (East), Mumbai 400098.
Website: www.ingim.co.in

For Investors: Email: information@in.ing.com • Call: **1800 220 2267**

For Associates: Email: advisor@in.ing.com • Call: **044 30212664 / 665 / 666**

COMBINED SCHEME INFORMATION DOCUMENT
(MULTI MANAGER SCHEMES)

SCHEME NAME	TYPE
ING Optimix Asset Allocator Multi-Manager FoF Scheme	*An Open Ended Fund of Funds Scheme*
ING Optimix Active Debt Multi-Manager FoF Scheme	*An Open Ended Fund of Funds Scheme*
ING Optimix Income Growth Multi-Manager FoF Scheme	*An Open Ended Fund of Funds Scheme*
ING Optimix 5 Star Multi-Manager FoF Scheme	*An Open Ended Fund of Funds Scheme*
ING Optimix Global Commodities Fund	*An Open Ended Fund of Funds Scheme*
ING Optimix Multi Manager Equity Fund	*An Open Ended Diversified Equity Scheme*
ING Global Real Estate Fund	*An Open Ended Fund of Funds Scheme*
ING Latin America Equity Fund	*An Open Ended Fund of Funds Scheme*

CONTINUOUS OFFER FOR UNITS AT NAV BASED PRICES

Name of the Mutual Fund	**ING Mutual Fund**
Name of the Asset Management Company	**ING Investment Management (India) Private Limited**
Trustees	**Board of Trustees, ING Mutual Fund**
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**

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

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.

The Scheme Information Document should be read in conjunction with the SAI and not in isolation.

ING MUTUAL FUND
CELEBRATING OVER A DECADE OF WISE INVESTMENTS IN INDIA
1999 - 2010

This Scheme Information Document is dated **April 8, 2011**

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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 Scheme Information Document (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

Name of the Scheme	ING Optimix Asset Allocator Multi Manager FoF Scheme (IOAAMMFOFS)	ING Optimix Active Debt Multi Manager FoF Scheme (IOADMMFOFS)
Type of the Scheme	An Open Ended Fund of Funds Scheme	An Open Ended Fund of Funds Scheme
Investment Objective	The primary objective of the Scheme is to generate capital appreciation primarily from a portfolio of equity and debt funds accessed through the diversified investment styles of underlying schemes selected in accordance with the ING OptiMix Multi Manager Investment process.	The primary objective of the Scheme is to generate returns from a portfolio of pure debt oriented funds accessed through the diverse investment styles of underlying schemes selected in accordance with the ING OptiMix Multi Manager Investment process.
Liquidity	An investor can purchase or redeem units of the Scheme on a Business Day at NAV based prices. Under normal circumstances, the redemption cheques will be dispatched within 10 Business Days from the date of receipt of the valid redemption request before the cut off time at designated official points of acceptance of transactions.	An investor can purchase or redeem units of the Scheme on a Business Day at NAV based prices. Under normal circumstances, the redemption cheques will be dispatched within 10 Business Days from the date of receipt of the valid redemption request before the cut off time at designated official points of acceptance of transactions.
Benchmark	CRISIL Balanced Fund Index	CRISIL Composite Bond Fund Index
Transparency/ NAV Disclosure	The NAV will be calculated and disclosed at the close of every Business Day. In addition, the AMC will disclose details of the Scheme(s) on half yearly basis.	The NAV will be calculated and disclosed at the close of every Business Day. In addition, the AMC will disclose details of the Scheme(s) on half yearly basis.
Load Structure	**Entry load**: NIL **Exit Load /CDSC**: if redeemed on or before 365 days from the date of allotment: 1% if redeemed after 365 days from the date of allotment: NIL	**Entry load:** Nil. **Exit Load /CDSC**: Nil
Minimum Application Amount	Rs 5,000/- and in multiples of Re 1/- thereafter.	Rs 5,000/- and in multiples of Re 1/- thereafter.
Minimum Additional Investment Amount	Rs. 1,000/- and in multiples of Re 1/- thereafter.	Rs. 1,000/- and in multiples of Re 1/- thereafter.
Minimum Redemption Amount	Rs.1000 or a minimum of 100 units.	Rs.1000 or a minimum of 100 units.
Plans/ Options	Growth and Dividend (Payout & Reinvestment) Options.	Growth and Dividend* (Payout & Reinvestment) Options

***Note:** Dividend will be declared under the Dividend option of the Scheme on a quarterly basis, subject to availability of distributable surplus in terms of the procedure laid down in the SEBI Circular no. SEBI/IMD/CIR No.1/64057/06 dated April 4, 2006.

Name of the Scheme	ING Optimix Income Growth Multi Manager FoF Scheme (IOIGMMFOFS)	ING Optimix 5 Star Multi Manager FoF Scheme (IO5SMMFOFS)
Type of the Scheme	An Open Ended Fund of Funds Scheme	An Open Ended Fund of Funds Scheme
Investment Objective	The primary objective of the Scheme is to generate returns by investing primarily in a portfolio of debt funds, liquid funds, money market funds and equity funds accessed through the diversified investment styles of underlying scheme selected in accordance with the ING OptiMix Multi Manager Investment process.	The primary objective of the Scheme is to generate long term capital appreciation primarily from a portfolio of equity funds accessed through the diversified investment styles of underlying schemes selected in accordance with the ING OptiMix Multi Manager Investment process.
Liquidity	An investor can purchase or redeem units of the Scheme on a Business Day at NAV based prices. Under normal circumstances, the redemption cheques will be dispatched within 10 Business Days from the date of receipt of the valid redemption request before the cut off time at designated official points of acceptance of transactions.	An investor can purchase or redeem units of the Scheme on a Business Day at NAV based prices. Under normal circumstances, the redemption cheques will be dispatched within 10 Business Days from the date of receipt of the valid redemption request before the cut off time at designated official points of acceptance of transactions.
Benchmark	**15% Equity Plan**:- 15% S&P CNX Nifty Index + 85% CRISIL Composite Bond Fund Index **30% Equity Plan**:- 30% S&P CNX Nifty Index + 70% CRISIL Composite Bond Fund Index	S&P CNX Nifty Index
Transparency/ NAV Disclosure	The NAV will be calculated and disclosed at the close of every Business Day. In addition, the AMC will disclose details of the Scheme(s) on half yearly basis.	The NAV will be calculated and disclosed at the close of every Business Day. In addition, the AMC will disclose details of the Scheme(s) on half yearly basis.
Load Structure	**For both 15% Equity Plan & 30% Equity Plan:** **Option A:** **Entry load:** Nil **Exit Load /CDSC**: Nil	**Entry load**: NIL **Exit Load /CDSC**: if redeemed on or before 365 days from the date of allotment: 1% if redeemed after 365 days from the date of allotment: NIL
Minimum Application Amount	Rs 5,000/- and in multiples of Re 1/- thereafter.	Rs 5,000/- and in multiples of Re 1/- thereafter.
Minimum Additional Investment Amount	Rs. 1,000/- and in multiples of Re 1/- thereafter.	Rs. 1,000/- and in multiples of Re 1/- thereafter.
Minimum Redemption Amount	Rs.1000 or a minimum of 100 units.	Rs.1000 or a minimum of 100 units.
Plans/ Options	The Scheme offers two Plans 15% Equity Plan & 30% Equity Plan. Both Plans maintain separate portfolios. Both plans offer Option A - Growth and Option A - Dividend options. The Dividend option offers Payout and Reinvestment facilities.	Growth and Dividend (Payout & Reinvestment) Options.

Name of the Scheme	ING Optimix Global Commodities Fund (IOGCF)	ING Optimix Multi Manager Equity Fund (IOMMEF)
Type of the Scheme	An Open Ended Fund of Funds Scheme	An Open Ended Diversified Equity Scheme
Investment Objective	The primary objective of the Scheme is to achieve long-term capital growth by investing primarily in units of global mutual funds which invest in commodity related securities.	The primary objective of the Scheme is to provide long-term capital appreciation by investing predominantly in equity and equity-related securities accessed on the basis of advice from a panel of third party investment advisors selected in accordance with the ING OptiMix Multi Manager Investment process.
Liquidity	The Scheme is an open-ended Scheme and provides liquidity. An investor can purchase or redeem units of the Scheme on a Business day at NAV based prices. Under normal circumstances, the redemption cheques will be dispatched within 10 Business days from the date of receipt of the valid redemption request before the cut off time at designated official points of acceptance of transactions.	The Scheme is an open-ended Scheme and provides liquidity. An investor can purchase or redeem units of the Scheme on a Business Day at NAV based prices. As per SEBI Regulations, the Mutual Fund shall dispatch Redemption proceeds within 10 Business Days of receiving a valid redemption request before cut off time. However, under normal circumstances, the Mutual Fund will endeavor to dispatch the Redemption cheque within 4 business days from the acceptance of the valid repurchase request before the cut off time.
Benchmark	40% Dow Jones World Basic Materials Index + 40% Dow Jones World Oil and Gas Index + 20% MSCI AC World in INR terms	S&P CNX Nifty Index
Transparency/ NAV Disclosure	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, The AMC shall calculate and announce the NAV of the Scheme by 9.00 p.m. of the following business day. Accordingly, the NAV of "T" day shall be declared on T+1 business day and shall appear in newspaper on T+2 business day. In addition, the AMC will disclose details of the Portfolio on half yearly basis.	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, the NAV 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 half yearly basis.
Load Structure	**Entry load**: NIL **Exit Load /CDSC**: if redeemed on or before 365 days from the date of allotment: 1% if redeemed after 365 days from the date of allotment: NIL	**Entry load**: NIL **Exit Load /CDSC**: if redeemed on or before 365 days from the date of allotment: 1%; if redeemed after 365 days from the date of allotment: NIL.
Minimum Application Amount	Rs 5,000/- and in multiples of Re 1/- thereafter.	**Option A**: Rs 5000/- and in multiples of Re. 1/- thereafter.
Minimum Additional Investment Amount	Rs. 1,000/- and in multiples of Re 1/- thereafter.	Rs 1000/- and in multiples of Re. 1/- thereafter.

Minimum Redemption Amount	Rs.1000 or a minimum of 100 units.	Rs.1000 or a minimum of 100 units.
Plans/ Options	Growth and Dividend (Payout & Reinvestment) Options	The Scheme offers Option A Option A offers Growth and Dividend (Pay Out & Reinvestment) options

Name of the Scheme	**ING Global Real Estate Fund (IGREF)**	**ING Latin America Equity Fund (ILAEF)**
Type of the Scheme	An Open Ended Fund of Fund Scheme	An Open Ended Fund of Fund 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.	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.
Liquidity	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 designated 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 designated Official Points of Acceptance.
Benchmark	S&P BMI World Property Index (Earlier known as Citigroup World Property Index)	MSCI EM Latin America 10/40 ND Index
Transparency/ NAV Disclosure	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.
Load Structure	**Entry load**: NIL **Exit Load /CDSC**: if redeemed on or before 365 days from the date of allotment: 1% if redeemed after 365 days from the date of allotment: NIL	**Entry load**: NIL **Exit Load /CDSC**: if redeemed on or before 365 days from the date of allotment: 1% if redeemed after 365 days from the date of allotment: NIL
Minimum	**Retail Plan**: Rs. 5000/- and in	Rs. 5000/- and in multiples of Re.

Application Amount	multiples of Re. 1/- thereafter **Institutional Plan**: Rs. 10,000,000/- and in multiples of Re. 1/- thereafter.	1/- thereafter.
Minimum Additional Investment Amount	**Retail Plan**: Rs. 1000/- and in multiples of Re. 1/- thereafter **Institutional Plan**: Rs. 1000/- and in multiples of Re. 1/- thereafter.	Rs. 1000/- and in multiples of Re. 1/- thereafter.
Minimum Redemption Amount	Rs.1000 or a minimum of 100 units.	Rs.1000 or a minimum of 100 units.
Plans/ Options	The Scheme offers Retail and Institutional Plans. All Plans offers Growth and Dividend Options. The Dividend option offers Payout & Reinvestment facilities.	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 ING Optimix Asset Allocator Multi Manager FoF Scheme, ING Optimix Active Debt Multi Manager FoF Scheme, ING Optimix Income Growth Multi Manager FoF Scheme, ING Optimix 5 Star Multi Manager FoF Scheme, ING Optimix Global Commodities Fund & ING Optimix Multi Manager Equity Fund:**

  1. The NAV's of the Scheme(s) may be affected by the changes in the general market conditions, factors and forces affecting the capital markets in particular, level of interest rates, various market related factors and trading volumes, settlement periods and transfer procedures, currency exchange rates, changes in the government policies, taxation laws, any other policies, political and economic developments etc.
  2. In the event of receipt of an inordinately large number of redemption requests and inability of the Underlying Scheme(s) to generate enough liquidity because of market conditions, there may be delays in redemption of units.
  3. The liquidity of the Scheme(s) investments is inherently restricted by liquidity of Underlying Schemes.
  4. Unitholders of the Scheme(s) are not being offered any guarantee / assured returns.
  5. Changes in government policy in general and in tax benefits applicable to mutual funds may impact the returns to investors in the Scheme(s).

- **Risk Factors associated with ING Optimix Income Growth Multi Manager FoF Scheme, ING Optimix Asset Allocator Multi Manager FoF Scheme, ING Optimix 5 Star Multi Manager FoF Scheme, ING Optimix Active Debt Multi Manager FoF Scheme & ING Optimix Global Commodities Fund:**

  1. The Scheme is managed via a Multi Manager process of investment management. Under the process, collections in the Scheme(s) are invested in the different underlying schemes of mutual funds. The Multi Manager Investment Team monitors and reviews such FoF investments in underlying Scheme on an ongoing basis.
  2. The Scheme(s) returns can be impacted by issues pertaining to the NAV's of underlying Scheme of mutual funds where Multi Manager FoF has invested. These could be issues such as uncharacteristic performance, changes in the business ownership and / or investment process, key staff departures etc.
  3. The returns of the Scheme(s) will depend on the choice of underlying scheme of mutual funds and allocation of capital to underlying scheme by the Multi Manager Investment Team. An inappropriate decision in either or both may have an adverse impact on the returns of the FoF Scheme.
  4. The NAVs of the underlying scheme(s) where the Scheme have invested may be impacted generally by factors affecting securities markets, such as price and volume volatility in the capital markets, interest rates, currency exchange rates, changes in government policies, taxation laws or any other appropriate policies and other political and economic developments. Consequently, the NAV of the Scheme may fluctuate accordingly.

5. Trading volumes, settlement periods and transfer procedures may restrict the liquidity of the investments made by the underlying scheme of mutual funds wherein the Scheme has invested. As a result, 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 Trustee has a right in its sole discretion, to limit redemptions under certain circumstances as described under the section titled Right to Limit Redemptions.
6. The investors will bear the recurring expenses of the Scheme(s) in addition to the expenses of the Underlying Schemes in which Investments are made by the scheme, wherever applicable.
7. If the AMC were to charge an Exit load and the underlying schemes do not waive/exempt the Exit Load charged on redemptions, the investors will incur load expenses on two occasions. First, on their redemptions/ switch-out in the options under the Scheme and second, on the Scheme's redemption / switch-out in the options under the underlying schemes.
8. The tax benefits available to the FoF Scheme(s) are the same as those available under the current taxation laws and subject to relevant conditions. The information given is included for general purposes only and is based on advice that the AMC has received regarding the law and the practice that is currently in force in India. 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.
9. There will be no prior intimation or prior indication given to the Unit holders when the composition/ asset allocation pattern under the scheme changes within the broad range defined in this offer document.
10. The scheme specific risk factors of each of the underlying schemes become applicable where a fund of funds invests in any underlying scheme. Investors who intend to invest in Fund of Funds are required to and are deemed to have read and understood the risk factors of the underlying schemes relevant to the Fund of Fund scheme that they invest in.
11. As the investors are incurring expenditure at both the Fund of Funds level and the schemes into which the Fund of Funds invests, wherever applicable, the returns that they may obtain may be materially impacted or may at times be lower than the returns that investors directly investing in such schemes obtain.
12. As the Fund of Funds scheme may shift the weightage of investments between schemes into which it invests, the expenses charged being dependent on the structure of the underlying schemes (being different) may lead to a non- uniform charging of expenses over a period of time.
13. As the Fund of Funds (FOF) factsheets and disclosures of portfolio will be limited to providing the particulars of the schemes invested at FOF level, investors may not be able to obtain specific details of the investments of the underlying schemes.
14. The NAV of the scheme to the extent invested in 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.
15. Investment decisions made by the AMC may not always be profitable.

- **Risk Factors associated with ING Optimix Income Growth Multi Manager FoF Scheme, ING Optimix Asset Allocator Multi Manager FoF Scheme, ING Optimix 5 Star Multi Manager FoF Scheme, ING Optimix Global Commodities Fund, ING Global Real Estate Fund and ING Latin America Equity Fund:**

  Investments in underlying equity schemes will have all the risks associated with the underlying equity schemes including performance of underlying stocks, derivative investments, off shore investments, security lending etc.

- **Risk Factors associated with ING Optimix Global Commodities Fund:**

  1. As the portfolio will invest in other Mutual Funds the portfolio shall be exposed to the political, economic and social risks with respect to each country. However, investments in various economies will diversify and reduce these risks.
  2. Commodities Specific Risks - Commodities are in general a more volatile asset class than equities markets. Stocks linked to this asset class can be even more volatile than the commodity prices themselves. At times currencies and global supply and demand can have a significant impact on the profitability of companies operating in this industry. The nature of these companies linked to this asset class is cyclical in nature.

3. The following factors, to name a few, may also enhance risks: Political and social uncertainty, inflation, deflation or currency devaluation, low level and poor quality implementation of regulation, less rigorous standards of accounting and auditing, poor quality of corporate governance, lower trading volumes in stocks and bonds as compared to more mature markets, concentration of trading and market capitalization in a small number of stocks and/or sectors, high impact cost of buy and sell decisions, lack of quality settlement guarantee systems, delays in settlement of financial market transactions etc.
4. The fund will be exposed to settlement risk, as different countries have different settlement periods.

- **Risk Factors associated with ING Optimix Multi Manager Equity Fund:**

1. The portfolio of ING OptiMix Multi Manager Equity Fund is managed via a Multi Manager process of investment management and will comprise predominantly of Equity and Equity Related instruments and there would be Moderate to High risk on account of Price Fluctuations and Volatility. The Scheme can have concentrated exposure to some sectors (weightage may be different from benchmark index). Hence the performance of the Scheme can be different from the performance of the benchmark and the Concentration / Sector Risks are moderate. The scheme shall face the risk of misjudging the prospectus and valuations of a company. Since the Scheme will invest in companies, which are fundamentally sound having attractive valuations, the liquidity risk is moderate and may impact the Scheme if there is sudden large redemption. Some investments may also be made in Equity based derivatives such as Options and Futures, in which case, the risks associated with such Derivatives would be also be applicable.
2. The returns of the Scheme will depend on the choice and quality of advice of investment advisors. An inappropriate decision may have an adverse impact on the returns of the Scheme.
3. Trade Execution risk: The AMC would construct the portfolio based on advice received from Third Party Investment Advisors. There could be some delay in executing the trade based on the advice provided and it might have an impact on the performance.
4. Composition of Investment Advisors risk: Multi Manager Investment Process involves actively managing composition of Investment Advisors. Risks may arise out of such changes in advisor composition.
5. 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.
6. 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.
7. 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 Trustee has a right in its sole discretion, to limit redemptions under certain circumstances as described under the section titled Right to Limit Redemptions.
8. The AMC may, considering the overall level of risk of the portfolio, invest in lower rated/ unrated securities offering higher yields.
9. 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.
10. 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.
11. Investment decisions made by the AMC may not always be profitable.
12. 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.

13. The tax benefits available under the scheme are as available under the present taxation laws and are available 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.

Risk Factors 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 and/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.

Risk Factors 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 over-the-counter (OTC) derivatives.
- When 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 sub fund 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:**

  The NAV of the plan to the extent invested in Money market securities, government securities, corporate bond and other debt 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.

- **Risk Factors associated with Securitised Debt (Applicable only to ING Optimix Multi Manager Equity Fund):**

  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 re- investment 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 cyclicality 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:**

  - **Applicable only to ING Optimix Global Commodities Fund**

    1. To the extent the assets of the scheme are invested in overseas funds, there may be risks associated with currency movements, restrictions on repatriation and transaction procedures in overseas market. Further, the repatriation of capital to India may also be hampered by changes in regulations or political circumstances as well as the application to it of other restrictions on investment. In addition country risks would include events such as introduction of extraordinary exchange controls, economic deterioration, bi-lateral conflict leading to immobilization of the

overseas financial assets and the prevalent tax laws of the respective jurisdiction for execution of trades or otherwise.

2. As per SEBI Circular SEBI/IMD/ Cir. No. 7/104753/07 dated September 26, 2007 and SEBI/IMD/CIR No.2/122577/08 dated April 8, 2008, the aggregate ceiling for the mutual fund industry to invest in Foreign Securities has been increased to US$ 7 billion with a sub-ceiling for individual mutual funds, which is subject to a maximum of US$ 300 million per mutual fund. If the Maximum Subscription Limit has been reached, the subscriptions into the Schemes shall be suspended till further notice by the AMC.
3. As the Fund will invest in units of global mutual funds which invest in commodity related securities, which are denominated in foreign currencies (e.g. US Dollars), fluctuations in the exchange rates of these foreign currencies may have an impact on the income and value of the fund.
4. Foreign Exchange Risk- 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.

- **Applicable only to ING Optimix Multi Manager Equity Fund**

  The Scheme may also invest in overseas financial assets based on 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 (Applicable only to ING Optimix Multi Manager Equity Fund):**

  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. Risk factors associated with investment in derivatives: **Credit risk**: is the risk that the counter party will default on obligations and is generally negligible, as there is no exchange of principal amounts in a derivative transaction and exchange settlement system and margining system reduces the chances of such eventuality **Market risk**: Derivatives carry the risk of adverse changes in the market price. Of underlying securities or derivative contracts **Illiquidity risk**: The risk that a derivative cannot be sold or purchased at a fair price, due to lack of liquidity in the market 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 to all open ended Schemes):

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 (Mutual Funds) Regulations 1996, as amended from time to time 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.

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	A form meant to be used by an investor to open a Folio and purchase Units in the Scheme.
KIM	Key Information Memorandum
BOI	Body of Individuals.
Business Day	**For Schemes other than ING Optimix Global Commodities Fund, ING Global Real Estate Fund and ING Latin America Equity Fund:** A day other than: • Saturday and Sunday; • A day on which The Stock Exchange, Mumbai is closed or the National Stock Exchange is closed; • A day which is a public and/or bank holiday at a collection centre where the application is received; • A day on which the banks in Mumbai and / or RBI are closed for business / clearing; • A day on which the purchase or redemption of units is suspended; • A day on which normal business could not be transacted due to storms, floods, bandhs, strikes or such other events as the AMC may specify from time to time; • A day on which the AMC is closed for business. **For ING Optimix Global Commodities Fund:** A day other than: • Saturday and Sunday; • A day on which The Stock Exchange, Mumbai is closed or the National Stock Exchange is closed; • A day which is a public and/or bank holiday at a collection centre where the application is received; • A day on which the banks in Mumbai and / or RBI are closed for business / clearing; • A day when underlying funds are closed for subscription/redemption;

	• A day on which the purchase or redemption of units is suspended; • A day on which normal business could not be transacted due to storms, floods, bandhs, strikes or such other events as the AMC may specify from time to time; • A day on which the AMC is closed for business. **<u>For ING Global Real Estate Fund:</u>** 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. **<u>For ING Latin America Equity Fund:</u>** 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. However, the Trustees/AMC reserve the right to declare any day as a non-business day at any of its locations at its sole-discretion
CAGR	Compounded Annual Growth Rate
Contingent Deferred Sales Charge / CDSC	A charge to the Unit Holder upon exiting (by way of Redemption) 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	A person who has been granted a certificate of registration to carry on the business of custodian of securities under the Securities and Exchange Board of India (Custodian of Securities) Regulations 1996, which for the time being is Deutsche Bank AG.
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.
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/ Transactions Points designated by the AMC as the Official Points of Acceptance where the applications shall be received.
Dividend	Income distributed by Scheme on the Units, where applicable.

Entry Load	Not Applicable, as in accordance with the requirements specified by the SEBI circular no. SEBI/IMD/CIR No.4/168230/09 dated June 30, 2009, no entry load will be charged for purchase / additional purchase / switch-in accepted by the Fund with effect from August 1, 2009. Similarly, no entry load will be charged with respect to applications for registrations under Systematic Investment Plan/ Systematic Transfer Plan accepted by the Fund with effect from August 1, 2009. The upfront commission on investment made by the investor, if any, shall be paid to the ARN Holder (AMFI Registered Distributor) directly by the investor, based on the investor's assessment of various factors including service rendered by the ARN Holder.
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 Savings Trust and ING Vysya Mutual Fund).
HUF	Hindu Undivided Family.
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 Redemption of Units from the Scheme.
Multi Manager	A process of blending different investment styles and processes used by managers of underlying schemes offered by mutual funds.
Multi Manager Investment Committee	The Investment Committee set up for the Multi Manager Division of the AMC to support and give guidance to the Multi Manager Investment Team.
Multi Manager Investment Team	Multi Manager Investment Team which perform strategic and tactical asset allocation and selects the Underlying Schemes.
New Fund Offer / NFO	The offer for Purchase of Units at the inception of the Scheme, available to the investors during the NFO Period.
Official Points of Acceptance of	Any location, as may be defined/ designated by the Asset Management Company from time to time,

transaction (OPA)	where investors can tender the request for subscription, redemption or switching of units, etc.
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.
Third Party Mutual Fund	Mutual Funds other than ING Mutual Fund registered with SEBI.
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

The Asset Management Company has submitted a Due Diligence Certificate duly signed by the Compliance Officer to SEBI which reads as follows:

It is confirmed that:

1. The Scheme Information Document forwarded to SEBI is in accordance with the SEBI (Mutual Funds) Regulations, 1996 as amended from time to time 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/-**
Place: Mumbai	Compliance Officer

II. INFORMATION ABOUT THE SCHEME

ING OPTIMIX ASSET ALLOCATOR MULTI MANAGER FOF SCHEME

A. Type of the Scheme

An Open-ended Fund of Funds Scheme that invests in equity funds, debt funds, money-market funds, and money market securities.

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

Investment Objective

The primary objective of the Scheme is to generate capital appreciation primarily from a portfolio of equity and debt funds accessed through the diversified investment styles of underlying schemes selected in accordance with the ING OptiMix Multi Manager Investment process.

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

Investment Policy:

Fund allocation between equity and debt schemes and money market securities depends on the relative valuations between the asset classes. Relative valuations are determined by consideration of factors such as:

- Price/Earnings Ratio relative historical averages
- The relationship between Earnings Yield (P/E inverted) to 10 Year Bond Yield relative to historical averages
- Institutional flows (Foreign Institutional Investments inflows and domestic inflows) to local equity markets
- RBI monetary policy stance in conjunction with the slope of the yield curve

The most well-known valuation parameter for equity is the Price-Earnings (P/E) ratio. The estimated earnings of a company are valued as a present value in terms of the price. Hence, the p/e multiple is used to determine the relative valuation of a stock. When the P/E ratio exceeds its historical levels the stock moves to an overvalued price. As the P/E ratios of stocks increase over their historical averages, the fund will look to progressively reduce exposure to equities.

The inverse of P/E ratio is earnings yield. The earnings yield can be compared to the bond yield for assessing the relative over or under-valuation of stocks with respect to bonds. Earnings yields on stocks should offer investors a premium over bond yields due to the relatively higher risk associated with investing in equity. This is referred to as the equity risk premium. When the equity risk premium again falls to levels below the historical average, equities become relatively more expensive over bonds. Relative yields will provide key input to the allocation between equity and debt funds and money market securities.

In addition, Institutional inflows and RBI monetary policy may also have an impact on asset allocation between equity and debt funds and money market securities.

After analyzing some or all the factors mentioned above, Multi Manager Investment Team determines the relative allocation to equity and debt funds and money market securities.

C. How will the Scheme allocate its Assets

Indicative Asset Allocation

Under normal circumstances, the asset allocation is as follows:

Instruments	Indicative allocations (% of total assets)		Risk Profile
	Maximum	Minimum	
Equity Funds	100	0	High
Debt Funds, Liquid Funds, Money Market Funds	100	0	Low to Medium
Money Market Securities	10	0	Low

The Scheme will invest in third party mutual funds and not make any investments in schemes of ING Mutual Fund.

The scheme allocates investments dynamically between equity and debt/liquid/money market funds and therefore the scheme is named as "ING OptiMix Asset Allocator Multi Manager FoF Scheme".

The scheme invests in Money Market Securities as per the prevailing regulations from time to time, only for the purpose of liquidity requirements. These percentages are adhered to at the point of investment. The portfolio is reviewed periodically to address any deviations from the aforementioned allocations due to market changes.

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 unitholders. 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.

Change in Investment Pattern

The Trustees may from time to time modify the investment composition provided such modification is in accordance with the Scheme(s) objective and Regulations and as amended from time to time including by way of Circulars, Press Releases, Notification issued by SEBI or the Government of India to regulate the activities and growth of mutual funds, the intent being to protect the NAV of the Scheme and unitholders' interest.

Asset Allocation

The Fund does not set absolute targets for buying / selling individual equity / debt / money-market funds. However, the portfolios will be critically reviewed on a periodic basis to assess the rise / fall in the funds 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?

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. Units of Equity Mutual Fund Schemes;
2. Units of Debt Mutual Fund Schemes;
3. Units of Liquid Mutual Fund Schemes;
4. Units of Money Market Mutual Fund Schemes;
5. Money market securities (i.e. Commercial Papers, Commercial bills, treasury bills, Government securities having an unexpired maturity upto one year, call or notice money, certificate of deposit, usance bills and any other like instruments as specified by the Reserve Bank of India from time to time)
6. Any other instruments as may be permitted by SEBI from time to time.

ING OPTIMIX ACTIVE DEBT MULTI MANAGER FOF SCHEME

A. Type of the Scheme

An Open-ended Fund of Funds Scheme that primarily invest in Debt Funds which include Income Funds, Gilt Funds, Floating Rate Funds, Short Term Funds, Fixed Maturity Plans, and Liquid Funds.

B. What is the Investment Objective of the Scheme

Investment Objective

The primary objective of the Scheme is to generate returns from a portfolio of pure debt oriented funds accessed through the diverse investment styles of underlying schemes selected in accordance with the ING OptiMix Multi Manager Investment process.

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

Under normal circumstances, the asset allocation is as follows:

Instruments	Indicative allocations (% of total assets)		Risk Profile
	Maximum	Minimum	
Debt Funds (including Income Funds, Gilt Funds, Floating Rate Funds, Short Term Funds, Fixed Maturity Plans, and Liquid Funds.)	100	90	Low to Medium
Money market Securities	10	0	Low

The Scheme will only invest in third party mutual funds, and do not make any investments in schemes of the ING Mutual Fund.

The scheme will invest in Money Market Securities as per the prevailing regulations from time to time, only for the purpose of liquidity requirements. These percentages are adhered to at the point of investment. The portfolio is reviewed periodically to address any deviations from the aforementioned allocations due to market changes.

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 unitholders. 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.

Change in Investment Pattern

The Trustees may from time to time modify the investment composition provided such modification is in accordance with the Scheme(s) objective and Regulations and as amended from time to time including by way of Circulars, Press Releases, Notification issued by SEBI or the Government of India to regulate the activities and growth of mutual funds, the intent being to protect the NAV of the Scheme and unitholders' interest.

Asset Allocation

The Fund does not set absolute targets for buying / selling individual Debt Funds which include Income Funds, Gilt Funds, Floating Rate Funds, Short Term Funds, Fixed Maturity Plans, and Liquid Funds. However, the portfolios will be critically reviewed on a periodic basis to assess the rise / fall in the funds 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?

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. Units of Debt Mutual Fund Schemes;
2. Units of Liquid Mutual Fund Schemes;
3. Units of Money Market Mutual Fund Schemes;
4. Money market securities (i.e. Commercial Papers, Commercial bills, treasury bills, Government securities having an unexpired maturity upto one year, call or notice money, certificate of deposit, usance bills and any other like instruments as specified by the Reserve Bank of India from time to time)
5. Any other instruments as may be permitted by SEBI from time to time.

E. What are the Investment Strategies?

Investment Approach and Strategy

The Allocation of funds between the different debt funds specified in the asset allocation pattern depends primarily on the interest rate outlook. When interest rates are expected to harden, the ideal combination of funds include those that have relatively low interest rate risk. Hence the portfolios have a higher weightage to the Liquid funds, Floating Rate Funds and Fixed-Maturity-Plans and other Debt Funds with average maturity less than 1-year.

Conversely, when interest rates are expected to ease, the fund seeks to generate higher returns by higher weightage to Debt funds which have average maturity more than 1 year.

The direction of the interest rates are determined through consideration of the following factors:

- RBI stance of Monetary Policy
- Inflation rate and expectations of movement in the Inflation rate
- Economic growth
- Banks commercial credit demand growth versus banks' deposit growth
- Movement in interest rates among Other major economies

Based on the above factors and the relative strength of each of the factors, the Multi Manager investment team assesses the level of interest rate exposure which the portfolio should bear and accordingly calibrate the allocation to the funds in line with the allocation range specified above.

ING OPTIMIX INCOME GROWTH MULTI MANAGER FOF SCHEME

A. Type of the Scheme

An Open Ended Fund of Funds Scheme.

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

Investment Objective

The primary objective of the Scheme is to generate returns by investing primarily in a portfolio of debt funds, liquid funds, money market funds and equity funds accessed through the diversified investment styles of underlying scheme selected in accordance with the ING OptiMix Multi Manager Investment process.

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

C. How will the Scheme allocate its Assets

The scheme will invest predominantly in income funds and a certain portion in growth funds. Accordingly the scheme is named as "ING Optimix Income Growth Multi Manager FoF scheme" wherein the word 'Income' denotes investments in debt funds and 'Growth' denotes investments in equity funds.

The Scheme has two plans and each plan will maintain separate portfolios:
15% Equity Plan: Under normal market conditions, the plan approximately invest 85% of its net assets in debt funds, liquid funds, money market funds and money market securities and the balance of about 15% in equity funds.
30% Equity Plan: Under normal market conditions, the plan approximately invest 70% of its net assets in debt funds, liquid funds, money market funds and money market securities and the balance of about 30% in equity funds

Indicative Asset Allocation

Under normal circumstances, the asset allocation is as follows:

15% Equity Plan:

Instruments	Indicative allocations (% of total assets)		Risk Profile
	Maximum	Minimum	
Equity Funds	20	0	High
Debt funds, liquid funds, money market funds	100	80	Low to Medium
Money Market Securities	10	0	Low

30% Equity Plan:

Instruments	Indicative allocations (% of total assets)		Risk Profile
	Maximum	Minimum	
Equity Funds	35	0	High
Debt funds, liquid funds, money market funds	100	65	Low to Medium
Money Market Securities	10	0	Low

The Scheme will only invest in third party mutual funds, and not make any investments in schemes of ING Mutual Fund.

The scheme invests in Money Market Securities as per the prevailing regulations from time to time, only for the purpose of liquidity requirements. These percentages are adhered to at the point of investment. The portfolio is reviewed periodically to address any deviations from the aforementioned allocations due to market changes.

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 unitholders. 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.

Change in Investment Pattern

The Trustees may from time to time modify the investment composition provided such modification is in accordance with the Scheme(s) objective and Regulations and as amended from time to time including by way of Circulars, Press Releases, Notification issued by SEBI or the Government of India to regulate the activities and growth of mutual funds, the intent being to protect the NAV of the Scheme and unitholders' interest.

Asset Allocation

The Fund does not set absolute targets for buying / selling individual equity / debt / money-market funds. However, the portfolios of the each plan will be critically reviewed on a periodic basis to assess the rise / fall in the funds 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?

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. Units of Equity Mutual Fund Schemes;
2. Units of Debt Mutual Fund Schemes;
3. Units of Liquid Mutual Fund Schemes;
4. Units of Money Market Mutual Fund Schemes;
5. Money market securities (i.e. Commercial Papers, Commercial bills, treasury bills, Government securities having an unexpired maturity upto one year, call or notice money, certificate of deposit, usance bills and any other like instruments as specified by the Reserve Bank of India from time to time)
6. Any other instruments as may be permitted by SEBI from time to time

ING OPTIMIX 5 STAR MULTI MANAGER FOF SCHEME

A. Type of the Scheme

The Scheme is an Open-ended Fund of Funds Scheme that primarily invests in equity funds.

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

Investment Objective

The primary objective of the Scheme is to generate long term capital appreciation primarily from a portfolio of equity funds accessed through the diversified investment styles of underlying schemes selected in accordance with the ING OptiMix Multi Manager Investment process.

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

Depending on the market conditions the assets of the Scheme is allocated in a diverse capitalization range of equity funds, Debt Funds, liquid funds, money market funds and money market securities. Under normal circumstances, it is anticipated that the asset allocation shall be as follows:

Instruments	Indicative allocations (% of total assets)		Risk Profile
	Maximum	Minimum	
Equity funds	100	65	High
Debt funds, liquid funds, money market funds	35	0	Medium to Low
Money Market Securities	10	0	Low

The Scheme invests in third party mutual funds, and do not make any investments in schemes of ING Mutual Fund.

The Scheme invests in a mix of diversified equity schemes, mid cap/ small cap/ large cap oriented schemes and sectoral based schemes. However, the overall combination will always be comparable to other diversified equity schemes of third-party AMC's.

The scheme invests in Money Market Securities as per the prevailing regulations from time to time, only for the purpose of liquidity requirements. These percentages are adhered to at the point of investment. The portfolio would be reviewed periodically to address any deviations from the aforementioned allocations due to market changes.

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 unitholders. 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. Units of Equity Mutual Fund Schemes;
2. Units of Debt Mutual Fund Schemes;
3. Units of Liquid Mutual Fund Schemes;
4. Units of Money Market Mutual Fund Schemes;
5. Money market securities (i.e. Commercial Papers, Commercial bills, treasury bills, Government securities having an unexpired maturity upto one year, call or notice money, certificate of deposit, usance bills and any other like instruments as specified by the Reserve Bank of India from time to time)
6. Any other instruments as may be permitted by SEBI from time to time

Change in Investment Pattern

The Trustees may from time to time modify the investment composition provided such modification is in accordance with the Scheme(s) objective and Regulations and as amended from time to time including by way of Circulars, Press Releases, Notification issued by SEBI or the

Government of India to regulate the activities and growth of mutual funds, the intent being to protect the NAV of the Scheme and unitholders' interest.

Asset Allocation

The Fund does not set absolute targets for buying / selling individual equity / debt / money-market funds. However, the portfolios will be critically reviewed on a periodic basis to assess the rise / fall in the funds and a decision to book profits / cut losses is taken based on prevalent market conditions and changing business environment.

ING OPTIMIX GLOBAL COMMODITIES FUND

A. Type of the Scheme

An Open-ended Fund of Funds Scheme that shall invest in units of global mutual funds which invest in commodity related securities.

B. What is the Investment Objective of the Scheme

Investment Objective

The primary objective of the Scheme is to achieve long-term capital growth by investing primarily in units of global mutual funds which invest in commodity 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	
Global mutual funds which invest in commodity related securities.	100	65	High
Debt funds, liquid funds, money market funds	25	0	Low to Medium
Money Market Securities	10	0	Low

ING OptiMix Global Commodities Fund shall not invest in Schemes of ING Mutual Fund under its Single Manager Schemes of ING Mutual Fund. ING OptiMix Global Commodities Fund shall not invest in those overseas mutual fund/unit trusts which have an exposure to Indian securities market through Participatory Notes.

Foreign Exchange Risk- 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.

Change in Investment Pattern

The Trustees may from time to time modify the investment composition provided such modification is in accordance with the Scheme(s) objective and Regulations and as amended from time to time including by way of Circulars, Press Releases, Notification issued by SEBI or the Government of India to regulate the activities and growth of mutual funds, the intent being to protect the NAV of the Scheme and unitholders' interest.

Asset Allocation

The Fund does not set absolute targets for buying / selling individual equity / debt / money-market funds. However, the portfolios will be critically reviewed on a periodic basis to assess the rise / fall in the funds 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?

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. Units of Global mutual funds which invest in commodity related securities;
2. Units of Debt Mutual Fund Schemes;
3. Units of Liquid Mutual Fund Schemes;
4. Units of Money Market Mutual Fund Schemes;
5. Money market securities (i.e. Commercial Papers, Commercial bills, treasury bills, Government securities having an unexpired maturity upto one year, call or notice money, certificate of deposit, usance bills and any other like instruments as specified by the Reserve Bank of India from time to time)
6. Any other instruments as may be permitted by SEBI from time to time.

E. What are the Investment Strategies?

Investment Approach and Strategy

The corpus of the Scheme will be invested into in units of global mutual funds which invest in commodity related securities. Whilst our overall intention is to create a FoF Scheme which seeks to out perform the customized benchmark for the Scheme i.e. 40% Dow Jones World Basic Materials Index + 40% Dow Jones World Oil and Gas Index + 20% MSCI AC World in INR terms, over rolling 12 months periods, the individual funds selected may not have the same benchmark as our product. An example of this is possible selection of a Global Mining or Global Resources Fund which also invests purely in commodities related securities, but which may have a more restricted benchmark. This may be appropriate from time to time to our overall strategy to create a FoF Scheme which is able to fulfill its objective.

Fund Selection Strategy

The Scheme will invest in units of global mutual funds which invest in commodity related securities. These funds will be selected with a view of out performing the investment objective of the fund (benchmark). The fund selection process reflects the Multi-Manager investment process, which seeks to look at combining/blending funds together to create a risk-adjusted solution which is optimal for investors in this asset class. The key determinants in fund selection are;

1. Track record of the fund relative to its benchmark;
2. Appropriateness of the fund relative to ING Optimix Global Commodity Fund's objective;
3. Quality of the fund management team; and
4. Reputation of the AMC which has launched the scheme.

The Multi Manager Investment process has a history of being able to identify appropriate mutual funds for investment and construct portfolio with the aim of providing a sound risk-adjusted solution in comparison to the out performance objective.

Fee Sharing Arrangement

The AMC may enter into a revenue/cost sharing agreement with the overseas mutual fund. The initial issue expenses, management fees and other expenses charged by ING OptiMix Global Commodities Fund, ING Global Real Estate Fund and ING Latin America Equity Fund including management fees and recurring expenses charged by underlying Schemes will be within the overall limit on expenses as prescribed under Regulation 52(6).

<u>Note</u>: However, as mandated vide SEBI Circular SEBI/IMD/CIR No 18 / 198647 /2010, the AMC shall not enter into any revenue sharing arrangement with the underlying funds in any manner and shall not receive any revenue by whatever means/head from the underlying fund effect from March 15, 2010. Any commission or brokerage received from the underlying fund shall be credited into concerned scheme's account with effect from March 15, 2010.

ING OPTIMIX MULTI MANAGER EQUITY FUND

A. Type of the Scheme

An Open Ended Diversified Equity Scheme

B. What is the Investment Objective of the Scheme

<u>Investment Objective</u>

The primary objective of the Scheme is to provide long-term capital appreciation by investing predominantly in equity and equity-related securities accessed on the basis of advice from a panel of third party investment advisors selected in accordance with the ING OptiMix Multi Manager Investment process.

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

C. How will the Scheme allocate its Assets

<u>Indicative Asset Allocation</u>

The corpus of the Scheme will be invested primarily in a diverse capitalization range of equity shares and in equity-related securities. The Scheme may also invest a part of its corpus in debt securities (including securitized debt) ,money-market instruments and Debt and Liquid Mutual Fund schemes and Exchange traded funds in order to manage liquidity or to protect the interests of the investors from adverse movements.

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	100	65	High
Debt Securities including Securitized Debt, Money market instruments, liquid and debt mutual fund schemes	35	0	Medimum to Low

* If permitted by SEBI under extant regulations / guidelines, not more than 75% of the net assets of the scheme shall be deployed in securities lending. The Scheme would limit its exposure, with regards to securities lending, for a single intermediary, to the extent of 25% of the total net assets of the scheme at the time of lending. Investment in foreign equity and equity related securities shall be to a maximum of 35% of net assets of the scheme. 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 (Mutual Funds) Regulations, 1996 as amended from time to time. Investment in securitized debt shall be upto 100% of the debt component. No investments shall be made in foreign securitized debt.

**These percentages would be adhered to at the point of investment.

Investments in Units of Third Party Mutual Funds

For the purpose of further diversifications and liquidity, the scheme may invest in other equity schemes, Exchange Traded Funds (ETFs), liquid or debt mutual fund schemes managed by Third Party Mutual Funds without charging any fees on such investments, provided that aggregate investments made in Schemes of Mutual Funds shall not exceed 5% of the Net Asset Value of the Fund.

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.

Change in Investment Pattern

The Trustees may from time to time modify the investment composition provided such modification is in accordance with the Scheme objective and Regulations and as amended from time to time including by way of Circulars, Press Releases, Notification issued by SEBI or the Government of India to regulate the activities and growth of Mutual Funds, the intent being to protect the Net Asset Value of the Scheme and unitholders' interest.

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 (both domestic and foreign) 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.
17. Liquid and debt Mutual Fund Schemes.

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?

Equity market movements are dependent on a variety of top down macro-economic factors and bottom up micro-economic factors. Investment advisers utilize different styles of investing to construct a portfolio. Certain styles work in certain market conditions and at other times may not work so well. This fund aims to benefit from the combination of investment styles which should allow for consistency of investment returns regardless of the market conditions.

This process also allows a broader search of sectors and stocks than is available from one single investment adviser. As a result there is less of a possibility that an attractive sector or stock opportunity is not identified by the multi manager investment process.

ING GLOBAL REAL ESTATE FUND

A. Type of the Scheme

An Open Ended Fund of Funds 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$34.31 million in assets as of March 31,2011. 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, 2011 was as under:

Cumulative Performance % (USD)

Particulars	6 Months	1 year	3 Years	5 Years	Since Inception
Fund	6.37%	11.83%	-5.44%	-3.40%	0.09%
S&P Dev BMI Property TR	10.14%	20.25%	-1.30%	0.72%	4.19%

Calendar Year Performance % (USD)

Particulars	2006	2007	2008	2009	2010 YTD
Fund	32.04%	-10.38%	-44.97%	28.74%	10.94%
S&P Dev BMI Property TR	40.33%	-7.27%	-47.61%	37.66%	21.52%

Past performance may or may not be sustained in future.

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:

- Units of ING Global Real Estate Securities Fund;
- Money Market instruments permitted by SEBI/RBI including call, repo, Collateralised Borrowing & Lending Obligations (CBLO);
- Certificate of Deposits (CDs);
- Commercial Paper (CPs);
- 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 No. SEBI/IMD/CIR No.7/104753/07 dated September 26, 2007 each mutual fund is permitted to make overseas investments up to a maximum of US$ 300 million.

Further, in terms of SEBI circular No. SEBI/IMD/CIR No.2/122577/08 dated April 08, 2008 the aggregate ceiling for the entire mutual funds industry is US$ 7 billion. The permissible investments by mutual funds are: 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 Funds 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, 2011 are as under:

Cumulative Performance % (USD)

Particulars	6 Months	1 year	3 Years	5 Years	Since Inception
Fund	6.64%	13.24%	3.60%	14.40%	11.79%
MSCI EM Latin America 10/40 Id	6.89%	15.92%	6.42%	16.50%	NA

Calendar Year Performance % (USD)

Particulars	2006	2007	2008	2009	2010 YTD
Fund	46.50%	43.66%	-53.70%	101.17%	17.95%
MSCI EM Latin America 10/40 Id	42.89%	43.21%	-49.56%	102.60%	17.33%

Past performance may or may not be sustained in future.

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 No. SEBI/IMD/CIR No.7/104753/07 dated September 26, 2007 each mutual fund is permitted to make overseas investments up to a maximum of US$ 300 million. Further, in terms of SEBI circular SEBI/IMD/CIR No.2/122577/08 dated April 08, 2008 the aggregate ceiling for the entire mutual funds industry is US$ 7 billion. The permissible investments by mutual funds are 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 (Applicable only to ING Optimix Multi Manager Equity Fund)

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 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 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, T-Bills 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.

Further, in terms of SEBI Circular Cir/IMD/DF/11/2010 dated August 18, 2010, following provisions are applicable:

1. The cumulative gross exposure through equity, debt and derivative positions should not exceed 100% of the net assets of the scheme.
2. Mutual Funds shall not write options or purchase instruments with embedded written options.
3. The total exposure related to option premium paid must not exceed 20% of the net assets of the scheme.
4. Cash or cash equivalents with residual maturity of less than 91 days may be treated as not creating any exposure.
5. Exposure due to hedging positions may not be included in the above mentioned limits subject to the following:
    a. Hedging positions are the derivative positions that reduce possible losses on an existing position in securities and till the existing position remains.
    b. Hedging positions cannot be taken for existing derivative positions. Exposure due to such positions shall have to be added and treated under limits mentioned in Point 1.
    c. Any derivative instrument used to hedge has the same underlying security as the existing position being hedged.
    d. The quantity of underlying associated with the derivative position taken for hedging purposes does not exceed the quantity of the existing position against which hedge has been taken.
6. Exposure due to derivative positions taken for hedging purposes in excess of the underlying position against which the hedging position has been taken, shall be treated under the limits mentioned in point 1.
7. Definition of Exposure in case of Derivative Positions: Each position taken in derivatives shall have an associated exposure as defined under. Exposure is the maximum possible loss that may occur on a position. However, certain derivative positions may theoretically have unlimited possible loss. Exposure in derivative positions shall be computed as follows:

Position	**Exposure**
Long Future	Futures Price * Lot Size * Number of Contracts
Short Future	Futures Price * Lot Size * Number of Contracts
Option Bought	Option Premium Paid * Lot Size * Number of Contracts

8. Mutual Funds may enter into plain vanilla interest rate swaps for hedging purposes. The counter party in such transactions has to be an entity recognized as a market maker by RBI. Further, the value of the notional principal in such cases must not exceed the value of respective existing assets being hedged by the scheme. Exposure to a single counterparty in such transactions should not exceed 10% of the net assets of the scheme.

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 lots * 200 = 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 lots * 200 = (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.

The Fund shall adhere to 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 Offer 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.

INVESTMENT PROCESS OF MULTI MANAGER INVESTMENT SOLUTION
(Common for all Fund of Funds Schemes)

1. Investment Philosophy

ING OptiMix is an active Multi Manager investment solution that is based on the principle of broad diversification to reduce risk and provide consistent and competitive returns over time. This diversification philosophy is applied across and within each asset class.

What makes Multi Manger unique is, its combination of active management at every stage of the investment process and the seamless implementation of investment decisions.

Active at every stage of the investment process:

ING believes that an expert Multi Manager investment solution adds value and manages risk through active management across each stage of the investment process, including selection and allocation of assets and investment in underlying schemes of mutual funds. ING Multi Manager uses tactical allocation across asset classes to capture opportunities in changing market conditions, as well as actively managing the allocations to individual underlying schemes of mutual funds to ensure that it takes advantage of investment styles that are likely to endure secular, cyclical or fundamental weakness.

ING Multi Manager research has shown that a significant amount of value addition can come from Tactical Asset Allocation (TAA) and underlying scheme selection.

ING Multi Manager believes that no single investment style is capable of consistently outperforming its market benchmark for each asset class over all time periods. Within each asset class, diversification is achieved by using a number of different underlying schemes. Each underlying scheme is selected on the basis that while it is likely to outperform its benchmark over the medium to long term (1-3 years), they will be prone to some short periods of underperformance. From a Scheme perspective, ING Multi Manager understands that in order to outperform a benchmark, the Scheme must accept some risk (tracking error) relative to the benchmark. ING Multi Manager aims to reduce this overall Scheme risk by combining different investment approaches used by underlying schemes of mutual funds, thereby exploiting the correlation of returns between the selected underlying schemes. As a result, when combined into a FoF Scheme, underlying schemes with different but complementary investment styles should produce a more consistent Scheme return over the long term than might be achieved by any one underlying scheme.

ING Multi Manager believes that consistent incremental returns over a time will lead to superior medium to long-term performance. ING Multi Manager's performance history in Australia, where the process has been in place since 1993, supports the investment philosophy.

2. Detailed Investment Process

The above diagram illustrates the evolutionary nature of the ING Multi Manager Investment process. The process begins with the more strategic stages of the investment process (steps 1-5) that are reviewed and monitored on a less frequent basis. Steps 6-8 represent the more active stages of the investment process and are reviewed and monitored more frequently. The infinity sign symbolises the unique ongoing nature of this process and its active approach that draws on the overlap between each element of the process. The details of the investment steps are described below:

a. Set Objectives

ING Multi Manager defines risk and return objectives for each FoF Scheme.

b. Asset Class Selection

ING Multi Manager determines the various asset classes which are investible as per Regulations and the investment objectives of the Scheme. Multi Manager may introduce new asset classes when available.

c. Strategic Asset Allocation

ING Multi Manager, as per each FoF Scheme's objectives allocates capital to various investible asset classes. The key inputs in the strategic asset allocation process are forecast investment returns, which rely on a deep understanding of market dynamics.

d. Asset Class Portfolio Construction

Initially, ING Multi Manager selects a benchmark which defines each asset class. In constructing a portfolio for the relevant asset class, Multi Manager seeks to outperform the selected benchmark on a risk-adjusted basis.

e. Underlying Scheme Selection

ING Multi Manager then selects underlying schemes of mutual funds within the chosen portfolio construction in each asset class. Each underlying scheme has a distinct investment style, a proven investment process and a strong track record of performance.

A number of quantitative techniques are used to assess the performance of different schemes. We would adopt the following techniques to assess the performance of the schemes:

- Risk-to-Reward Ratio
- Correlation of Funds

a) Risk-to-Reward

Investment returns on their own, do not give any indication of the amount of risk taken by the fund to achieve the returns. This ratio is termed the "risk-to-reward ratio". Risk is measured in terms of the standard deviation (volatility) of investment returns.

As an illustration, consider two hypothetical funds with NAV's as shown below. Fund A has total returns of 63.27% over the period against 50.49% for Fund B. However, the volatility of the monthly returns for Fund A is significantly higher than that for Fund B. But after adjusting for risk, Fund B has a better risk-to-reward ratio.

	NAV of Fund A	**Monthly returns**	**NAV of Fund B**	**Monthly returns**
January	10.2754	-	18.7634	-
February	11.2453	9.44%	19.0245	1.39%
March	12.9876	15.49%	21.2247	11.57%
April	12.5674	-3.24%	21.2187	-0.03%
May	11.7854	-6.22%	20.2375	-4.62%
June	14.1876	20.38%	22.3452	10.41%
July	16.6534	17.38%	24.8754	11.32%
August	17.0023	2.10%	25.8576	3.95%
September	17.9887	5.80%	26.9574	4.25%
October	14.9876	-16.68%	27.0093	0.19%
November	15.8894	6.02%	27.9834	3.61%
December	16.7765	5.58%	28.2376	0.91%
Total return	**63.27%**		**50.49%**	
Standard Deviation	**10.93%**		**5.23%**	
Risk Reward ratio	**5.8**		**9.7**	

As a result, Fund B has a superior performance than Fund A, on this parameter. Fund B has provided a higher return per unit of risk than Fund A. Lower volatility also leads to greater consistency of investment returns.

b) Correlation of Returns

OptiMix utilizes a Multi Manager process. As a result it looks for Fund Managers with differing characteristics to combine efficiently into a Fund. Fund Managers with lower correlation provide diversification benefits to the OptiMix Fund.

As an example below the monthly returns of two Funds, C & D has the following correlation.

Fund C Returns %	**Fund D Returns %**	**Fund 50:50 Returns %**
1.2	-0.1	0.6
2.3	-1.4	0.5
4.5	1.1	2.8
-2.3	0.6	-0.9
1.2	-0.8	0.2
0.8	1.1	1.0
-0.8	0.1	-0.4
-3.1	2.1	-0.5
1.1	0.4	0.8
4.1	-2.1	1.0
0.2	1.2	0.7

-2.4	0.5	-1.0

Correlation of Fund C and D is -0.54. This means that they are negatively correlated and will reduce volatility when combined in a Fund. The Fund holding 50% in Fund C and 50% in Fund D provides lower volatility due to the correlation benefits of Fund C and D.

Investment Returns		
C	D	Combined
6.7%	2.7%	4.8%

Standard Deviation of Portfolio		
C	D	Combined
8.4%	4.1%	3.5%

Thus revisting the risk-to-reward ratio the Combined Fund, which is a combination of Fund C and Fund D, has superior risk-to-reward characteristics.

Risk-to-Reward		
C	D	Combined
0.8	0.7	1.4

f. Tactical Asset Allocation

ING Multi Manager looks at factors around the world such as economic growth, inflation and government policies – and assess how these impacts the performance of each asset class. The ING OptiMix Investment Team then adjusts to gain a greater exposure to the asset classes expected to perform well at that particular time in the market cycle.

g. Active Manager Allocation

ING Multi Manager blends complementary underlying schemes of mutual funds styles and adjusts / allocates the portfolio in favour of the underlying schemes expected to perform well during a particular market cycle.

h. Monitoring and Ongoing Review

Once selected, underlying schemes of the mutual funds are closely monitored and evaluated on their ongoing performance.

ING Multi Manager looks at qualitative factors such as construction of portfolios and investment methods, as well as quantitative measures like investment returns of each underlying schemes compared with pre-set benchmarks and competitors.

The investment committee of ING Multi Manager regularly reviews the Multi Manager process and the performance of the each Scheme.

3. Multi Manager Investment Committee (OIC)

The OIC is chaired by the CEO of the AMC and consists of the Multi Manager Investment staff, product development staff and the Compliance Manager and representatives of ING Asia Pacific Regional Office. The role of the OIC is to support and give guidance to the Multi Manager Investment Team. The Committee meets periodically to review progress and decisions made by the Multi Manager Investment Team.

4. Investment Decision Making

Throughout the investment process, there is a high level of interaction within the ING Multi Manager Investment Team and OIC. The process is enhanced through the experience and market research undertaken by the team on a daily basis, and the OIC provides an independent forum to discuss the team's strategy.

The ongoing interaction of the ING Multi Manager Investment Team with the underlying scheme managers of mutual funds is what sets the team apart and allows the team to add value in its own right rather than merely delegating the task of alpha generation to the underlying schemes. The team is in a strong position to judge when the market environment is conducive to active asset allocation, underlying scheme tilts and allocation, style-tilting or pure alpha generation at the underlying scheme level.

5. Underlying Scheme Selection

The objective of the Multi Manager underlying scheme screening and review process is as followed:

- To identify high calibre managers of underlying schemes ;
- To develop a deep understanding of the managers' of the underlying schemes investment processes and styles such that the forward looking (qualitative) and historic (quantitative) elements of the blending process are balanced; and
- To develop a blend of underlying schemes of mutual funds with complimentary investment styles
- To ensure that there is a pipeline of 'back-up' underlying schemes.

6. Monitoring and ongoing review

Risk is monitored at both the underlying scheme and aggregate portfolio level.

Manager Risk	**Management of Risk**
Style diversification	Appropriate blend of styles in each asset class
Capability	Rigorous screening and monitoring of underlying schemes in a particular asset class
Stability	Corporate strength and capability assessed
Performance to objectives	Objectives defined and performance rigorously assessed
Aggregate Portfolio Risk	**Management of Risk**
Style analysis	Monthly style analysis of portfolios
Turnover	Monthly monitoring by the OptiMix Investment Team

The risks above are managed and monitored primarily through the meetings with managers of the underlying schemes. The procedure for these meetings and the content of the data to be tabled at each meeting is detailed below:

- Reports for each asset class are submitted to each member of the Multi Manager Investment Team before the meeting, to independently review each portfolio to familiarise themselves with the portfolio changes.
- Each underlying scheme portfolio is reviewed in terms of performance, positions and exposures.
- The relevant manager of the selected underlying schemes of mutual funds is contacted if any issues need to be explained.
- Members of the Multi Manager Investment Team prepare a portfolio analysis report for each asset class.

7. Manager Changes

The Multi Manager Investment Team distils the analysis for each asset class or underlying scheme analysis into a detailed report that is for internal review and debate. The main output of this review is the nomination of potential underlying scheme candidates.

The report is then submitted to the OIC who is responsible for reviewing the report, testing the report's logic and analytical process and ratifying the selection.

Once the OIC has approved an underlying scheme, the Multi Manager Investment Team starts investment in the respective scheme(s).

8. Compliance monitoring

All portfolios are stress tested periodically, using proprietary systems to ensure that portfolios comply with the mandate of the Scheme(s). The results of this stress testing are forwarded to the OIC.

9. Role of CEO in investment decisions

The CEO is an integral part of the investment committee as its Chairman. The Committee approves investment decisions of the OptiMix Investment Team. The CEO is also responsible for the guidelines which are set for structuring the investment process and approves the process for investment decision making.

INVESTMENT PROCESS OF MULTI MANAGER INVESTMENT SOLUTION (Applicable for ING OptiMix Multi Manager Equity Fund)

1. Investment Philosophy

ING Multi Manager will manage the fund on the basis of advice received from a panel of Third Party Investment Advisors (TPIA) selected by the OptiMix Investment Team under ING OptiMix Multi Manager Investment process.

ING Multi Manager is an active Manage The Manager (MTM) investment solution that is based on the principle of broad diversification to reduce risk and provide consistent and competitive returns over time. This diversification philosophy is applied across and within each asset class.

What makes ING Multi Manager unique is, its combination of active management at every stage of the investment process and the seamless implementation of investment decisions.

Active at every stage of the investment process

ING Multi Manager believes that an expert (MTM) investment solution adds value and manages risk through an active management across each stage of the investment process, including selection and allocation of assets and selection of Third Party Investment Advisors. ING OptiMix uses tactical allocation across asset classes to capture opportunities in changing market conditions, as well as actively selecting Investment Advisors to ensure that it takes advantage of investment styles that are likely to endure secular, cyclical or fundamental weakness.

ING Multi Manager Research has shown that a significant amount of value addition can come from Tactical Asset Allocation (TAA) and Third Party Investment Advisor selection.

ING Multi Manager believes that no single Third Party Investment Advisor's style is capable of consistently outperforming its market benchmark for each asset class over all time periods. Within each asset class, diversification is achieved by taking advice from a number of different Investment Advisors. Each Investment Advisor is selected on the basis that they have a distinct investment style, a proven process and a strong track record of performance. From a Scheme perspective, Multi Manager understands that in order to outperform a benchmark, the Scheme must accept some risk (tracking error) relative to the benchmark. Multi Manager aims to reduce this overall Scheme risk by combining different investment approaches used by Investment Advisors, thereby exploiting the correlation of returns due to advice from a panel of Investment Advisors. As a result, when combined into a Scheme, advice from Investment Advisors with different but complementary investment styles should produce a more consistent Scheme return over the long term than might be achieved by any one Investment Manager.

ING Multi Manager believes that consistent incremental returns over time will lead to superior medium to long-term performance. ING Multi Manager's performance history in Australia, where the process has been in place since 1993, supports the investment philosophy.

2. Detailed Investment Process

The above diagram illustrates the evolutionary nature of the ING Multi Manager Investment process. The process begins with the more strategic stages of the investment process (steps 1-5) that are reviewed and monitored on a less frequent basis. Steps 6-8 represent the more active stages of the investment process and are reviewed and monitored more frequently. The infinity sign symbolises the unique ongoing nature of this process and its active approach that draws on the overlap between each element of the process. The details of the investment steps are described below:

a. Set Objectives

ING Multi Manager defines risk and return objectives for each MTM Scheme.

b. Asset Class Selection

OptiMix determines the various asset classes which are investible as per Regulations and investment objectives of the Scheme. Multi Manager may introduce new asset classes as and when available, subject to compliance with necessary Regulations.

c. Strategic Asset Allocation

ING Multi Manager, as per the Scheme's objectives allocates capital to various investible asset classes. The key inputs in the strategic asset allocation process are forecast investment returns, which rely on a deep understanding of market dynamics.

d. Asset Class Portfolio Construction

Initially ING Multi Manager selects a benchmark which defines each asset class. In constructing a portfolio for the relevant asset class, ING OptiMix seeks to outperform the selected benchmark on a risk-adjusted basis.

Major factors affecting prices of equities

- Future corporate earnings
- Corporate actions
- Interest rate movements
- Broad trends in global equity markets

Major factors affecting prices of securities (debt and money markets)

The major factors affecting prices of securities (debt and money markets) are:

- Interest rate movements.
- Exchange rate fluctuations.
- Economic factors e.g. changes in fiscal deficit, inflation rates, etc.

- Monetary factors i.e. changes in money supply, liquidity in the system, government's borrowing programme, etc.
- Political factors - major upheavals in the political system can affect prices.
- Changes in credit ratings.

e. Investment Advisor Selection

ING Multi Manager then selects a panel of Third Party Investment Advisors within the chosen portfolio construction in each asset class. Each such Investment Advisor has a distinct investment style, a proven investment process and a strong track record of performance.

f. Tactical Asset Allocation

ING Multi Manager looks at both global and domestic factors such as economic growth, inflation and government policies – and assess how these impacts the performance of each asset class. The ING OptiMix Investment Team then adjusts asset allocation to gain a greater exposure to the asset classes expected to perform well at that particular time in the market cycle.

g. Active Advisor Allocation

ING Multi Manager allocates money to securities recommended by empanelled Third Party Investment Advisors on an active basis. Typically, advisors selected for any asset class would have complementary investment styles.

h. Monitoring and Ongoing Review

Once selected, Third Party Investment Advisors are closely monitored and evaluated on the performance of securities recommended by them from time to time.

ING Multi Manager looks at qualitative factors such as the way Third Party Investment Advisors construct their portfolios and their investment methods, as well as quantitative measures like the returns of the portfolios/schemes managed by each Third Party Investment Advisor compared with pre-set benchmarks and their competitors.

The investment committee of ING Multi Manager regularly reviews the MTM process and the performance of the securities recommended by Third Party Investment Advisors from time to time.

3. **Relationship between ING Multi Manager and Third Party Investment Advisors**

- Third party Investment Advisors will act in an advisory capacity. The relationship between ING Multi Manager and Third Party Investment Advisor will be governed by an Advisory Agreement;
- Third Party Investment Advisors, under this structure, will advise the AMC on securities selection and portfolio construction. ING Multi Manager would pay a fee to such investment advisors for their advisory services;
- Assets always remain in the name of the Fund and shall be held by the custodian appointed by the AMC and at no time are transferred to the Third Party Investment Advisor;
- ING Multi Manager shall carry out trades through brokers empanelled with it on the basis of advice received from third party investment advisors, except in cases where ING Multi Manager Investment Team- OIT is of the opinion, keeping in mind the interest of unitholders of the scheme, that it is not advisable to carry out the trades as advised. Such exceptions would be recorded in writing by OIT;
- ING Multi Manager shall rely on the research carried out by the appointed Investment Advisors. Documents and justifications for such buy / sell recommendation would be available with the Investment advisors;
- ING Investment Management (India) Pvt. Ltd. as a Portfolio Manager or under approval of 24(2) of the SEBI (Mutual Funds) Regulations, 1996 would never act as an advisor to ING OptiMix Multi-Manager Schemes.

4. ING Optimix Investment Committee (OIC)

The OIC is chaired by the CEO of the AMC and consists of the Multi Manager Investment staff, product development staff and the Compliance Manager and representatives of ING Asia Pacific Regional Office. The role

of the OIC is to support and give guidance to the Multi Manager Investment Team. The Committee meets periodically to review progress and decisions made by the Multi Manager Investment Team.

5. Investment Decision Making

Throughout the investment process, there is a high level of interaction within the Multi Manager Investment Team and OIC. The process is enhanced through the experience and market research undertaken by the team on a daily basis, and the OIC provides an independent forum to discuss the team's strategy.

The ongoing interaction of the ING Multi Manager Investment Team with the Third Party Investment Advisors is what sets the team apart and allows the team to add value in its own right rather than merely delegating the task of alpha generation to the Investment Advisors. The team is in a strong position to judge when the market environment is conducive to active asset allocation, Investment Advisor allocation, style-tilting or pure alpha generation at the individual investment advisor's level.

6. Third Party Investment Advisor Selection

ING OptiMix shall:

- Identify high caliber Third Party Investment Advisors in each asset class;
- Develop a deep understanding of the third party investment advisors' investment processes and styles;
- Develop a blend of third party investment advisors with complimentary styles. The key factors in selection of such advisors include investment style, a proven process and a strong track record of performance. Once selected, ING OptiMix shall closely monitor and constantly evaluate the third party investment advisors;
- Ensure that there is a pipeline of 'back-up' third party investment advisors; and
- In case of investments in money market instruments/liquid, mutual fund schemes, and exchange traded derivative instruments, OIT may directly invest without taking advice from third party investment advisors.

7. Monitoring and Ongoing Reviews

Risk is monitored at both the Third Party Investment Advisor level and aggregate portfolio level.

Advisor Risk	**Management of Risk**
Style diversification	Appropriate blend of Investment Advisors for each asset class
Capability	Rigorous screening and monitoring of Investment Advisors capability in the asset class.
Stability	Corporate strength and capability assessed
Performance to objectives	Objectives defined and performance rigorously assessed.
Aggregate Portfolio Risk	**Management of Risk**
Style analysis	Periodic style analysis of portfolios
Asset allocation	Daily / Weekly review
Stock exposure	Regular monitoring
Credit quality	Periodic monitoring
Turnover	Monthly monitoring
Cash exposure	Daily monitoring
Derivative exposure	Limit are set and monitored on a regular basis

The risks above are managed and monitored primarily through the frequent meetings with Third Party Investment Advisors. The procedure for these meetings and the content of the data to be tabled at each meeting is detailed below:

- The portfolio asset allocation for each Investment Advisor will be determined.
- Reports for each asset class are submitted to each member of the Optimix Investment Team before the meeting, to independently review each portfolio to familiarise themselves with stocks held, sold or purchased.
- Each Investment Advisor's recommendations/advice on securities selection/portfolio construction is reviewed in terms of performance, positions and exposures.
- The Investment Advisor is contacted if any issues need to be explained. The response must be documented.
- Members of the OptiMix Investment Team prepare a portfolio analysis report for each asset class.

8. Investment Advisor Changes

The ING Multi Manager Investment Team distils the analysis for each asset class or Investment Advisor analysis into a detailed report for internal review and debate. The main output of this review is the nomination of potential Investment Advisor candidates.

The report is then submitted to the OIC who is responsible for reviewing the report, testing the report's logic and analytical process and ratifying the selection.

Once the OIC has approved an Investment Advisor candidate, Multi Manager starts commercial negotiations with the Third Party Investment Advisor.

9. Compliance Monitoring

The monitoring of the Funds managed by Multi Manager is facilitated by close integration with the custodian, Deutsche Bank AG. Deutsche Bank AG and Multi Manager will be responsible for monitoring of all physical holdings and derivative positions against ING OptiMix mandated limits on daily basis. Any potential (eg derivative or cash holdings approaching maximum limits) or actual breaches are reported immediately to the ING OptiMix Investment Team and must be resolved as soon as possible. Daily derivative exposure reports are issued simultaneously to the ING OptiMix Investment team and the Compliance Department. All exposures are then reported to the OIC.

ING Multi Manager will reconcile their portfolios with the Custodian in order to arrive at a fully reconciled record of holdings, exposures and transactions.

10. Role of CEO in investment decisions

The CEO is an integral part of the investment committee as its Chairman. The Committee approves investment decisions of the ING Multi Manager Investment Team. The CEO is also responsible for the guidelines which are set for structuring the investment process and approves the process for investment decision making. The AMC relies on the research of appointed Investment advisors. Hence, a detailed research report analyzing various factors for each investment advice shall be maintained by the appointed Investment Advisor. In case of non acceptance of appointed investment advisors advice a detailed recording with reasons will be documented by OIT. The OIT shall maintain records in support of each purchase and sale of securities and shall also record the reasons for subsequent purchase and sales in the same scrip.

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 higher 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 (Mutual Funds) Regulations, 1996 as amended from time to time:

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
- Liquidity provisions such as listing, repurchase, redemption.
- Aggregate fees and expenses charged to the scheme.
- Any safety net or guarantee provided.

In accordance with Regulation 18(15A) of the SEBI (Mutual Funds) Regulations, 1996 as amended from time to time, 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(s) benchmark its performance?

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

Scheme/Plan	**Benchmark**
ING Optimix Asset Allocator Multi Manager FoF Scheme	CRISIL Balanced Fund Index
ING Optimix Active Debt Multi Manager FoF Scheme	CRISIL Composite Bond Fund Index
ING Optimix Income Growth Multi Manager FoF Scheme – 15% Equity Plan	15% S&P CNX Nifty Index + 85% CRISIL Composite Bond Fund Index
ING Optimix Income Growth Multi Manager FoF Scheme – 30% Equity Plan	30% S&P CNX Nifty Index + 70% CRISIL Composite Bond Fund Index
ING Optimix 5 Star Multi Manager FoF Scheme	S&P CNX Nifty Index
ING Optimix Global Commodities Fund	40% Dow Jones World Basic Materials Index + 40% Dow Jones World Oil and Gas Index + 20% MSCI AC World in INR terms
ING Optimix Multi Manager Equity Fund	S&P CNX Nifty 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 Schemes?

Scheme	**Fund Manager**
ING Optimix Asset Allocator Multi Manager FoF Scheme	Mr. Arvind Bansal
ING Optimix Active Debt Multi Manager FoF Scheme	Mr. Arvind Bansal
ING Optimix Income Growth Multi Manager FoF Scheme (15% & 30% Equity Plan)	Mr. Arvind Bansal
ING Optimix 5 Star Multi Manager FoF Scheme	Mr. Arvind Bansal
ING Optimix Global Commodities Fund	Mr. Arvind Bansal

ING Optimix Multi Manager Equity Fund	Mr. Arvind Bansal
ING Global Real Estate Fund	Mr. Arvind Bansal
ING Latin America Equity Fund	Mr. Arvind Bansal

Name, Age & Qualification	**Brief Experience**	**Name of other schemes under his management**
Mr. Arvind Bansal *Vice President & Head - Multi-Manager Investments* 34 years B.Tech. (Chem) (IIT) PGDM (ISB-Hyderabad)	• Vice President & Head - Multi-Manager Investments, ING Investment Management (India) Pvt. Ltd. (Nov 07- Till date) • Product Manager – OptiMix Technologies Pvt. Ltd. (Aug 06-Nov 07) • Product Manager – OptiMix Division, IIM India (July 05-July 06) • Senior Manager - ICICI Prudential Asset Management Company Limited (April 03- June 05) • Co-founder - e2e Technologies Ltd. (Sept 00-March 02) • Consultant-KPMG (July 97-Aug 00)	ING OptiMix RetireInvest Fund Series I

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I. What are the investment restrictions?

As per the Seventh Schedule of SEBI (Mutual Funds) Regulations, 1996 as amended from time to time 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:

   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 scheme shall invest more than thirty percent of its net assets in money market instruments of an issuer:

   Provided that such limit shall not be applicable for investments in Government securities, treasury bills and collateralized borrowing and lending obligations.

4. No mutual fund under all its schemes should own more than ten per cent of any company's paid up capital carrying voting rights.

5. 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.

6. 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 inter scheme 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.

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.

   Provided further that sale of government security already contracted for purchase shall be permitted in accordance with the guidelines issued by the Reserve Bank of India in this regard.

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.

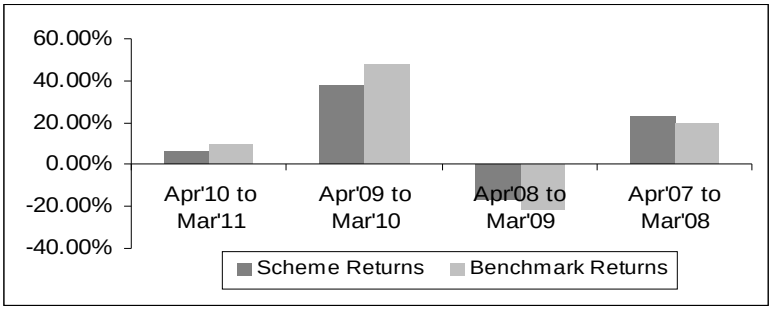
J. How has the Schemes performed?

Schemes performance as on March 31, 2011:

ING Optimix Asset Allocator Multi Manager FoF Scheme

Compounded Annualised Returns	Scheme Returns	Benchmark Returns
Returns for the last 1 Year	6.60%	9.37%
Returns for the last 3 Years	6.89%	8.13%
Returns Since Inception (i.e. from 17th August 2006)	11.39%	11.38%

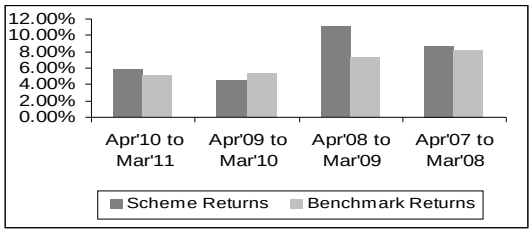
Absolute Returns for each financial year



ING Optimix Active Debt Multi Manager FoF Scheme

Compounded Annualised Returns	Scheme Returns	Benchmark Returns
Returns for the last 1 Year	5.85%	5.06%
Returns for the last 3 Years	7.12%	5.94%
Returns Since Inception (i.e. from 29th December 2006)	7.31%	6.05%

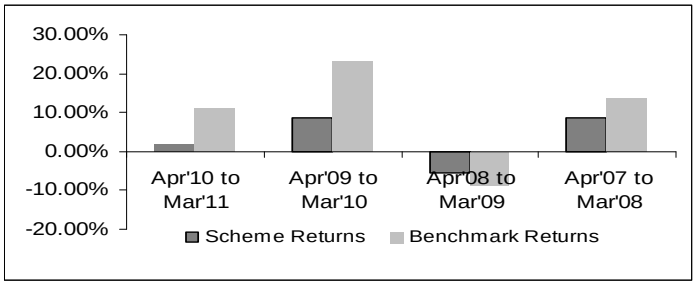
Absolute Returns for each financial year



ING Optimix Income Growth Multi Manager FoF Scheme – 15% Equity Plan

Compounded Annualised Returns	Scheme Returns	Benchmark Returns
Returns for the last 1 Year	1.91%	11.14%
Returns for the last 3 Years	1.49%	7.21%
Returns Since Inception (i.e. from 2nd May 2006)	3.54%	6.53%

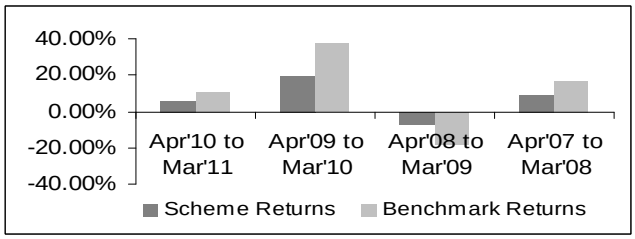
Absolute Returns for each financial year



ING Optimix Income Growth Multi Manager FoF Scheme – 30% Equity Plan

Compounded Annualised Returns	Scheme Returns	Benchmark Returns
Returns for the last 1 Year	5.24%	11.14%
Returns for the last 3 Years	5.17%	7.21%
Returns Since Inception (i.e. from 2nd May 2006)	5.38%	6.53%

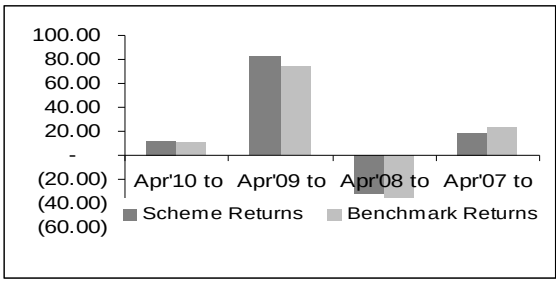
Absolute Returns for each financial year



ING Optimix 5 Star Multi Manager FoF Scheme

Compounded Annualised Returns	Scheme Returns	Benchmark Returns
Returns for the last 1 Year	12.11%	11.14%
Returns for the last 3 Years	11.44%	7.21%
Returns Since Inception (i.e. from 16th January 2007)	10.64%	8.87%

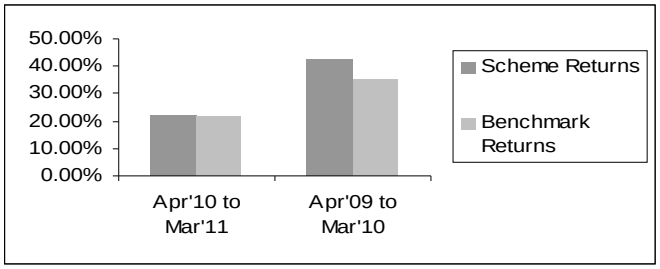
Absolute Returns for each financial year



ING Optimix Global Commodities Fund

Compounded Annualised Returns	Scheme Returns	Benchmark Returns
Returns for the last 1 Year	21.98%	21.33%
Returns Since Inception (i.e. from 17th September 2008)	15.49%	8.03%

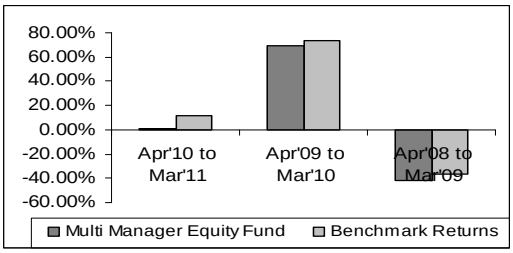
Absolute Returns for each financial year



ING Optimix Multi Manager Equity Fund

Compounded Annualised Returns	Scheme Returns	Benchmark Returns
Returns for the last 1 Year	0.48%	11.14%
Returns for the last 3 Years	NA	7.21%
Returns Since Inception (i.e. from 30th April 2007)	1.23%	9.50%

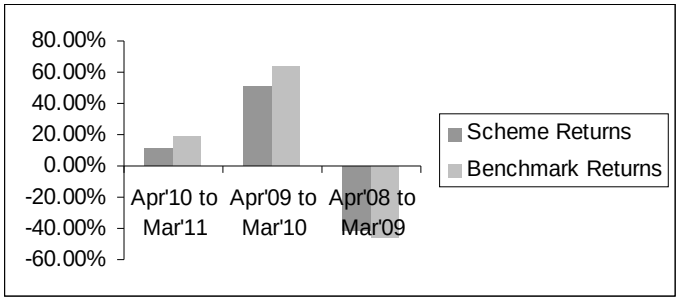
Absolute Returns for each financial year



ING Global Real Estate Fund:

Compounded Annualised Returns	Scheme Returns	Benchmark Returns
Returns for the last 1 Year	11.64%	19.28%
Returns for the last 3 Years	0.1%	2.24%
Returns Since Inception (i.e. from 31st December 2007)	0.79%	0.65%

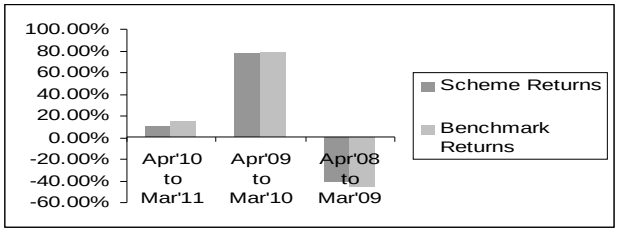
Absolute Returns for each financial year



ING Latin America Equity Fund

Compounded Annualised Returns	Scheme Returns	Benchmark Returns
Returns for the last 1 Year	10.45%	14.99%
Returns Since Inception (i.e. from 07th August 2008)	6.21%	10.80%

Absolute Returns for each financial year



NOTE: Returns for the period upto one year - Absolute, Returns for the period more than one year - CAGR. Returns are for Growth Option. The Scheme returns are calculated assuming that all payouts during the period have been reinvested in the units of the Scheme at the then prevailing NAV. **Past performance may or may not be sustained in future.**

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 Optimix Asset Allocator Multi Manager FoF Scheme	-	Growth/ Dividend	Dividend option offers Pay-out and Reinvestment facilities
ING Optimix Active Debt Multi Manager FoF Scheme	-	Growth/ Dividend	*Dividend option offers Pay-out and Reinvestment facilities
ING Optimix Income Growth Multi Manager FoF Scheme	15% Equity Plan & 30% Equity Plan	Each plan offers Option A - Growth/ Option A- Dividend	Dividend option offers Pay-out and Reinvestment facilities
ING Optimix 5 Star Multi Manager FoF Scheme	-	Growth/ Dividend	Dividend option offers Pay-out and Reinvestment facilities
ING Optimix Global Commodities Fund	-	Growth/ Dividend	Dividend option offers Pay-out and Reinvestment facilities
ING Optimix Multi Manager Equity Fund	-	The Scheme offers Option A. Option A offers Growth and Dividend options.	Dividend option offers Pay-out and Reinvestment facilities
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.

***Note:** Dividend will be declared under the Dividend option of the Scheme on a quarterly basis, subject to availability of distributable surplus in terms of the procedure laid down in the SEBI Circular no. SEBI/IMD/CIR No.1/64057/06 dated April 4, 2006.

2. 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.

3. 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 (only in case of non fund of funds schemes)
16. Any other category, who are / may become eligible on account of changes in relevant laws and regulations.

Note: This is an indicative list and you are requested to consult your financial advisor to ascertain whether the scheme is suitable to your risk profile.
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.

4. Where can you submit the filled up applications:

Application for subscription/redemption can be submitted at the Official Points Of Acceptance of transaction mentioned on the back cover page.

5. How to Apply?

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

6. 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.

7. 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.

8. 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.

9. 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.

10. 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.

11. 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.

Note: Switch out from any Scheme of ING Mutual Fund shall be allowed to ING Optimix Global Commodities Fund, ING Global Real Estate Fund and ING Latin America Equity Fund at applicable NAV, subject to applicable loads. However, switch out from ING Optimix Global Commodities Fund, ING Global Real Estate Fund and ING Latin America Equity Fund shall be allowed only to ING Liquid Fund, at applicable NAV subject to applicable loads.

In case of 'switch' transactions from one scheme to another the allocation shall be in line with redemption payouts. All switches will be subject to minimum application amount in the target Schemes**.**

12. Cut off timing for subscriptions/ redemptions/ switches

Subscriptions:

For all Schemes (Except ING Optimix Active Debt Multi- Manager FOF Scheme) :

Provision	Applicable NAV
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.
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

For **ING Optimix Active Debt Multi- Manager FOF Scheme for investmemnt amount of less than Rs. 1 crore:**

Provision	Applicable NAV
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.
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

For **ING Optimix Active Debt Multi- Manager FOF Scheme for investment amount of Rs. 1 crore or more:**

Provision	Applicable NAV
In respect of valid application received up to 3.00 p.m. and funds for the entire amount of subscription/ purchase/ switch-in as per application/request are credited to the bank account of the respective Schemes before cut-off time i.e. available for utilization before the cut-off time without availing any credit facility whether intra day/otherwise.	The closing NAV of the day on which the funds are available for utilization.
In respect of valid application received after 3.00 p.m. and funds for the entire amount of subscription/ purchase/ switch-in as per application/request are credited to the bank account of the respective schemes after cut-off time i.e. available for utilization after the cut-off time without availing any credit facility whether intra day/otherwise.	The closing NAV of the next Business Day.
Irrespective of the time of receipt of application, where the funds for the entire amount of subscription/purchase/switch-in as per application/ request are credited to the bank account of the respective Schemes before cut-off time on any subsequent Business Day i.e. available for utilization before the cut-off time on any subsequent Business Day.	The closing NAV of such subsequent Business Day on which the funds are available for utilization.

Note: Allotment of units in respect of switch-in to the ING Optimix Active Debt Multi- Manager FOF Scheme will be subject to fulfillment of each of the following conditions:

(i) Application for switch-in is received before the applicable cut-off time i.e. 3.00 p.m.;
(ii) Funds for the entire amount of subscription/purchase as per the switch-in request are credited to the bank account of the switch-in Scheme before the cut-off time and
(iii) The funds are available for utilization before the cut-off time without availing any credit facility whether intra-day or otherwise, by the said Scheme.

The aforesaid provisions shall also be applicable for subscription / purchase of units through facilities namely Systematic Investment Plan (SIP), Systematic Withdrawal Plan (SWP), Systematic Transfer Plan (STP) and Zoom Investment Pac (ZIP) as may be available under the said Scheme.

Redemptions (for all Schemes):

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 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.

13. 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.

14. Minimum Application / Purchase Amount / Minimum Additional Investment Amount / Minimum Amount for Redemption / Switches

Scheme	Minimum Application Amount	Additional Investment Amount	Minimum Redemption Amount
ING Optimix Asset Allocator Multi Manager FoF Scheme	Rs. 5,000/- and in multiples of Re. 1 thereafter	Rs. 1,000/- and in multiples of Re. 1 thereafter	Rs.1000 or a minimum of 100 units
ING Optimix Active Debt Multi Manager FoF Scheme	Rs. 5,000/- and in multiples of Re. 1 thereafter	Rs. 1,000/- and in multiples of Re. 1 thereafter	Rs.1000 or a minimum of 100 units
ING Optimix Income Growth Multi Manager FoF Scheme	Rs. 5,000/- and in multiples of Re. 1 thereafter	Rs. 1,000/- and in multiples of Re. 1 thereafter	Rs.1000 or a minimum of 100 units
ING Optimix 5 Star Multi Manager FoF Scheme	Rs. 5,000/- and in multiples of Re. 1 thereafter	Rs. 1,000/- and in multiples of Re. 1 thereafter	Rs.1000 or a minimum of 100 units
ING Optimix Global Commodities Fund	Rs. 5,000/- and in multiples of Re. 1 thereafter	Rs. 1,000/- and in multiples of Re. 1 thereafter	Rs.1000 or a minimum of 100 units
ING Optimix Multi Manager Equity Fund – Option A	Rs. 5,000/- and in multiples of Re. 1 thereafter	Rs. 1,000/- and in multiples of Re. 1 thereafter	Rs.1000 or a minimum of 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 a minimum of 100 units
ING Global Real Estate Fund – Institutional Plan	Rs. 1 Crore and in multiples of Re. 1	Rs. 1,000/- and in multiples of Re. 1	Rs.1000 or a minimum of 100

	thereafter	thereafter	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 a minimum of 100 units

15. Minimum balance to be maintained and consequences of non maintenance.

Not Applicable

16. 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:

	Monthly Option	**Quarterly Option**
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 27th 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:

	Monthly Option	**Quarterly Option**
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 a 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 C.U.B (Competitive Upcoming Businesses) Fund, ING Gilt Fund – Provident Fund- Dynamic Plan, 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. 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, then applicable loads 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 7th 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.

17. 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. The Account statement shall be sent either by email or by post as may be specified by the investor. If the option is not given specifically by the unit holder, the Fund will send the account statement by email if the email address is given by the unit holder in the application form. On request, the Fund will change the mode of sending the account statement.
- 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 on the toll free number **1800 220 2267**.

For SIP / STP transactions;

- Account Statement for SIP and STP will be dispatched 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.

18. Dividend

The dividend warrants shall be dispatched to the unit holders within 30 days of the date of declaration of the dividend.

19. Redemption

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

20. 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).

C. Periodic Disclosures

Net Asset Value 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.	:	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. **In case of non Fund of Funds schemes**: The Mutual Fund shall declare the Net asset value of the scheme on every business day on AMFI's website www.amfiindia.com by 9:00 P.M. and also on www.ingim.co.in. **In case of Fund of Funds Schemes other than ING Optimix Global Commodities Fund, ING Global Real Estate Fund and ING Latin America Equity Fund**: The NAV shall be rounded off up to four decimals. The NAV of the Plan (s) shall be calculated and announced by 10.00 a.m. of the following business day. **In case of ING Optimix Global Commodities Fund, ING Global Real Estate Fund and ING Latin America Equity Fund:** The AMC shall calculate and announce the NAV of the Scheme by 9.00 p.m. on the following business day. Accordingly, the NAV of "T" day shall be declared on T+1 business day and shall appear in newspaper on T+2 business day. The AMC shall update the NAVs on the web site of Association of Mutual Funds in India - AMFI (www.amfiindia.com) 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 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.

		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). 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).
Half yearly Disclosures: Portfolio / Financial Results 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.	:	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/ financials in format prescribed by SEBI 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. Also as required by the Regulations the Mutual Fund shall disclose the holdings in the Scheme's portfolio /financials on www.ingim.co.in before the expiry of one month from the closure of each half-year and link the same with the AMFI website.
Half Yearly Results	:	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 www.amfiindia.com (AMFI website) and on 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

<table>
<tr><td></td><td></td><td>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 on payment of nominal fees. The annual report shall also be available on the website of the AMC i.e. www.ingim.co.in</td></tr>
<tr><td>Associate Transactions</td><td>:</td><td>Please refer to Statement of Additional Information (SAI).</td></tr>
<tr><td>Taxation

The information is provided for general information only, as per the Finance Bill, 2011. 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.</td><td>:</td><td>
<table>
<tr><th><u>Debt Funds:</u></th><th>Resident Investors</th><th>Mutual Fund</th></tr>
<tr><td>Tax on Dividend</td><td>Nil [2]</td><td>See note 1</td></tr>
<tr><td>Capital Gain:
Long Term</td><td>Without Indexation: 10% [4]

With Indexation: 20% [4]</td><td>Nil [3]</td></tr>
<tr><td>Capital Gain:
Short Term</td><td>Taxable at normal rates of tax applicable to the investor</td><td>Nil [3]</td></tr>
</table>
For further details on taxation please refer to the clause on Taxation in the SAI.
</td></tr>
<tr><td>Investor services</td><td>:</td><td>Mr. Nityanand Prabhu,
Vice President and Head – Operations, Risk and Administration
601/602, 6th floor, “Windsor”,
Off. C.S.T. Road,
Vidyanagari Marg,
Kalina, Santacruz - (East),
Mumbai – 400 098.
Tel: 3385 7999
E-mail Id: information@in.ing.com</td></tr>
</table>

Note with regard to taxation:

1. Income distribution, if any, made by Fund other than an equity oriented mutual fund will attract distribution tax under section 115R of the Income-tax Act, 1961 (‘the Act’). Mutual Funds are required to pay Dividend Distribution Tax at the rate of 12.50% in case income is distributed by Mutual Fund other than Money Market Fund / liquid fund income to individuals and Hindu Undivided Families (HUFs). An increased rate of 20% is applicable for distributions made by Mutual Fund other than Money Market Fund / liquid fund to persons other than individuals and HUFs.

Where the income is distributed by a money market mutual fund or a liquid fund, such fund shall be liable to pay dividend distribution tax at the rate of 25% for all categories of investors. The above tax rates would be increased by an applicable surcharge and education cess.

Further, the Finance Bill, 2011 has proposed to increase the rate of dividend distribution tax for all categories of investors to 30% with effect from 1st June 2011, where the income is distributed by money market fund or a liquid fund.

2. Dividend received by unit holder is exempt under section 10(35) of the Act.
3. ING Mutual Fund is a Mutual Fund registered with SEBI and its entire income is exempt under section 10(23D) of the Act.
4. Long-term capital gains in respect of mutual fund units held for a period of more than 12 months, will be chargeable to capital gains tax under section 112 of the Act, at the rate of 20%. However, where the tax payable on such long-term capital gains, without considering indexation, exceeds 10% of the amount of capital gains, such excess tax shall not be payable by the unit holder. The above tax rates would be increased by an applicable surcharge and education cess.

D. Computation of NAV

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

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

The NAV shall be rounded off up to four decimals in case of fund of funds schemes and 2 decimal in case of equity 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

As per SEBI Circular No. MFD/CIR No. 04/11488/2003 dated June 12, 2003, in case of Fund of Funds Scheme, the total expenses of the scheme including management fees shall not exceed 0.75% of the daily average net assets and in case of equity schemes it is upto 2.50%. These expenses are over and above the expenses charged by the respective underlying schemes. Further, as per SEBI (Mutual Funds) (Amendment) Regulations, 2010 which was notified in the Official Gazette on July 29, 2010, the Annual Recurring Expenses, including the investment management and advisory fee, of the fund of funds scheme shall be subject to the following limits:—

(i) not exceeding 0.75% of the daily average net assets; or

(ii) it may consist of –

A. management fees for the scheme not exceeding 0.75% of the daily average net assets;
B. other expenses relating to administration of the Scheme; and
C. charges levied by the underlying Schemes.

Provided that the sum of (A), (B) and the weighted average of the total expense ratio of the underlying Schemes shall not exceed 2.50% of the daily average net assets of the Scheme.

The estimate of the ongoing fees and expenses of operating the scheme on an annual basis, expressed as a percentage of the amount of the schemes daily average net assets is given in the table below. The purpose of the tables is to assist the investor in understanding the various heads of costs and expenses that an investor in the scheme will bear directly or indirectly.

For ING Optimix Income Growth Multi Manager FoF Scheme:

Nature of Expense	**% p.a. of Daily Average net assets**
Investment Management and Advisory services fees payable to AMC	0.500
Trustee Fee and Expenses	0.010
Custodial Fees	0.040
Marketing and Selling Expenses	0.030
Registrar and Transfer Agents	0.100
Other operational expenses attributable to the Scheme	0.009
Service Tax on management fees	0.061
Total	**0.750**

For ING Optimix Asset Allocator Multi Manager FoF Scheme, ING Optimix Active Debt Multi Manager FoF Scheme and ING Optimix 5 Star Multi Manager FoF Scheme:

Nature of Expense	**% of Daily Average Net Assets**
Investment Management and Advisory services fees payable to AMC	0.750
Trustee Fee and Expenses	0.010
Custodial Fees	0.040
Marketing and Selling Expenses	0.090
Registrar and Transfer Agents	0.080
Other operational expenses attributable to the Scheme	0.150
Service Tax on management fees	0.080
Weighted Average of the total expense ratio of the underlying schemes	1.300
Total	**2.500**

These estimates are made in good faith by the Investment Manager and are subject to change, both inter se and as an increase or decrease in the estimated total annual recurring expenses. Though the Investment Manager will make efforts to keep the recurring expenses to the minimum, actual expenses under any head and / or the total expenses may be more or less than the estimates. The Investment Manager retains the right to charge the actual expenses to the Fund, however the expenses charged will not exceed the statutory limit prescribed by the Regulations.

The above estimates are based on an amount of Rs. 25 Crores and will change to the extent assets are lower or higher.

Further, as per Regulations, in case of non fund of funds schemes, the maximum recurring expenses that can be charged to the schemes shall be to a percentage limit of daily average net assets as in the table given below:

	First 100 Crores	**Next 300 Crores**	**Next 300 Crores**	**Balance assets**
Equity and Balanced Schemes	2.50%	2.25%	2.00%	1.75%
Debt & Liquid Schemes	2.25%	2.00%	1.75%	1.50%

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

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

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.

Note: With effect from March 15, 2010 the AMC has not entered into any revenue sharing agreement with any underlying funds and the brokerage & the trail commissions received from the underlying funds under the existing arrangements are credited back to the respective schemes.

For ING Optimix Global Commodities Fund, ING Global Real Estate Fund & ING Latin America Equity Fund:

Nature of Expense	**% p.a. of Daily Average net assets**
Investment Management and Advisory services fees payable to AMC	0.750
Trustee Fee and Expenses	0.010
Custodial Fees	0.040
Marketing and Selling Expenses	0.090
Registrar and Transfer Agents	0.080
Other operational expenses attributable to the scheme	0.005
Service Tax on management fees	0.080
Weighted Average of the total expense ratio of the underlying schemes	1.300
Total	**2.500**

The AMC may enter into a revenue/cost sharing agreement with the overseas mutual fund. The AMC may enter into a revenue/cost sharing agreement with the overseas mutual fund.

Note: With effect from March 15, 2010 the AMC has not entered into any revenue sharing agreement with any underlying funds and the brokerage & the trail commissions received from the underlying funds under the existing arrangements are credited back to the respective schemes.

The initial issue expenses, management fees and other expenses charged by the Schemes including management fees and recurring expenses charged by underlying Schemes will be within the overall limit on expenses as prescribed under Regulation 52(6).

These estimates are made in good faith by the Investment Manager and are subject to change. Though the Investment Manager will make efforts to keep the recurring expenses to the minimum, actual expenses under any head and / or the total expenses may be more or less than the estimates. The Investment Manager retains the right to charge the actual expenses to the Fund, however the expenses charged will not exceed the statutory limit prescribed by the Regulations.

The above estimates are based on an amount of Rs. 25 Crores and will change to the extent assets are lower or higher.

Further, as per Regulations, in case of non fund of funds schemes, the maximum recurring expenses that can be charged to the schemes shall be to a percentage limit of daily average net assets as in the table given below:

	First 100 Crores	Next 300 Crores	Next 300 Crores	Balance assets
Equity and Balanced Schemes	2.50%	2.25%	2.00%	1.75%
Debt & Liquid Schemes	2.25%	2.00%	1.75%	1.50%

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

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

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.

Note: With effect from March 15, 2010 the AMC has not entered into any revenue sharing agreement with any underlying funds and the brokerage & the trail commissions received from the underlying funds under the existing arrangements are credited back to the respective schemes.

For ING Optimix Multi Manager Equity Fund:

Nature of Expense	**% p.a. of Daily average net assets**
Investment Management fees	1.250
Registrar and Transfer Agents	0.150
Custodial Fees	0.150
Marketing and Selling Expenses	0.650
Trustee & Audit Fees	0.100
Other operational expenses attributable to the Scheme (including service tax)	0.200
Total	**2.500**

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) 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:

	First 100 Crores	Next 300 Crores	Next 300 Crores	Balance assets
Equity Schemes	2.50%	2.25%	2.00%	1.75%

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 weekly 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 monthly as and when due.

C. Load Structure

Load is an amount which is paid by the investor 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) or may call at the toll free number **1800 200 2267** or your distributor.

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

Scheme Name	Load Structure
ING Optimix Asset Allocator Multi-Manager FoF Scheme, ING Optimix 5 Star Multi-Manager FoF Scheme, ING Optimix Global Commodities Fund, ING Optimix Multi Manager Equity Fund	**Entry load**: NIL **Exit Load /CDSC**: if redeemed on or before 365 days from the date of allotment: 1% if redeemed after 365 days from the date of allotment: NIL
ING Optimix Active Debt Multi-Manager FoF Scheme	**Entry Load:** Nil **Exit Load/ CDSC:** Nil
ING Optimix Income Growth Multi-Manager FoF Scheme	**For both 15% Equity Plan & 30% Equity Plan:** **For Option A:** **Entry Load**: Nil **Exit Load**: Nil
ING Global Real Estate Fund, ING Latin America Equity Fund	**Entry load**: NIL **Exit Load /CDSC**: if redeemed on or before 365 days from the date of allotment: 1% if redeemed after 365 days from the date of allotment: 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. In case of SIP, each installment shall be treated as a separate application & the same load structure will be applicable. Exit Load / CDSC if any are applicable to Systematic Withdrawal Plans.

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.

With effect from August 1, 2009, exit load/ CDSC (if any) up to 1% of the redemption value charged to the Unitholder by the Fund on redemption of units shall be retained by each of the Schemes in a separate account and will be utilized for payment of commissions to the ARN Holder and to meet other marketing and selling expenses.

Any amount in excess of 1% of the redemption value charged to the Unitholder as exit load/ CDSC shall be credited to the respective Scheme immediately.

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

D. <u>Waiver of Load for Direct Applications</u>

In accordance with the requirements specified by the SEBI circular no. SEBI/IMD/CIR No.4/168230/09 dated June 30, 2009, no entry load will be charged for purchase / additional purchase / switch-in accepted by the Fund with effect from August 1, 2009. Similarly, no entry load will be charged with respect to applications for registrations under Systematic Investment Plan/ Systematic Transfer Plan accepted by the Fund with effect from August 1, 2009.

The upfront commission on investment made by the investor, if any, shall be paid to the ARN Holder (AMFI Registered Distributor) directly by the investor, based on the investor's assessment of various factors including service rendered by the ARN Holder.

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 Scheme Information Document.

There are no instances of any inquiries/ adjudication proceedings under the SEBI Act and the Regulations made there under, 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 Vysya 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 14th February 1995 and the Company had closed the issue on 18th 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. 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 (IVBL):

Four shareholders have complained to District Consumer Forum, Guntur, Andhra Pradesh that they have not been allotted shares during the rights issue of ING Vysya 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 stated 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.

The Schemes under this Combined Scheme Information Document were approved by the Board of Trustees of ING Mutual Fund.

Notwithstanding anything contained in this Scheme Information Document, the provisions of the SEBI (Mutual Funds) Regulations, 1996 as amended from time to time and the guidelines there under shall be applicable.

Place: Mumbai

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

Sd/-
Navin Suri
Managing Director & CEO

Date: April 8, 2011

CONTACT US:

The following offices of ING Investment Management (India) Pvt. Ltd. (AMC) will act as designated Official Point of Acceptance of Transaction (OPA)

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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

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