

**SCHEME INFORMATION DOCUMENT**

**ING Quarterly FMP ... - Series ...**

*( A c l o s e e n d e d D e b t s c h e m e )*

Offer of Units of Rs. 10/- each for cash (subject to applicable load) during the  
New Fund Offer

**New Fund Offer Opens on:** \_\_\_\_\_

**New Fund Offer Closes on:** \_\_\_\_\_

Name of Mutual Fund	:	ING Mutual Fund
Name of Asset Management Company	:	ING Investment Management (I) Pvt. Ltd.
Name of Trust	:	ING Mutual Fund
Registered office of the Asset Management Company and mutual fund:	:	601/602, 6 <sup>th</sup> floor, "Windsor", Off. C.S.T. Road, Vidyanagari Marg, Kalina, Santacruz - (East), Mumbai – 400 098
Website	:	www.ingim.co.in

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

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

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

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

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

This Scheme Information Document is dated July 02, 2008

**ING Quarterly FMP ... - Series ...****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 Scheme offered in this SID would achieve the stated investment objectives. The NAV of the Units of the Scheme 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.

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. Standard Observations have been included in the SID. In case of any deviation, the same will be brought to the notice of SEBI.

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**HIGHLIGHTS/SUMMARY OF THE SCHEME –**
**Investment objective**

A close-ended scheme offering an investment plan of ..... days maturity, investing in a portfolio of government securities or highly rated corporate bonds maturing close to the maturity of the scheme so as to generate returns comparable with alternative fixed-income instruments of similar maturity. The scheme will invest in debt securities with maturity coinciding closely with the maturity of the scheme, so as to minimize the impact of price fluctuation of such securities and the value at maturity. However, there can be no assurance that the investment objective of the scheme will be achieved.

**Structure of the Scheme:** A close ended debt scheme with 2 plans, Retail Plan and Institutional Plan. (Both Plans will have the same portfolio)

**Features:** A close-ended scheme offering an investment plan with ..... days maturity, investing in a portfolio of government securities or highly rated corporate bonds maturing close to the maturity of the scheme so as to generate returns comparable with alternative fixed-income instruments of similar maturity. However, there can be no assurance that the investment objective of the scheme will be achieved.

**Liquidity**

Liquidity will be available to investors through re-sale of their units to the Scheme on the dates specified in the para ‘load’ below.

**Benchmark**

The performance of the Scheme will be benchmarked to CRISIL Liquid Fund 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 NAV will be calculated and disclosed and published in two daily newspapers at the close of every Business Day. In addition, the AMC will disclose details of the Portfolio under the Plan on half yearly basis.

<b>Std. Obs. 17 (a)</b>
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**Loads**
**ING Quarterly FMP 91 –Series A, A1**

As per SEBI circular dated January 31, 2008, close end schemes are permitted to charge entry load to meet expenses pertaining to sales, marketing and other such expenses connected with sales and distribution of schemes. However, ING Quarterly FMP 91 –Series A, A1 shall not charge entry load during the initial offer. All expenses pertaining to sales, marketing and other such expenses connected with sales and distribution of schemes will be borne by the AMC. To provide liquidity to investors, the Fund proposes to provide repurchase facility in the scheme on 30<sup>th</sup>, 60<sup>th</sup> & 90<sup>th</sup> day from the date of allotment. The investors can submit their repurchase requests at any official points of acceptance of transactions on any date after the allotment. The repurchase requests, subject to being complete in all respects and received on or before business hours of the stipulated repurchase dates will be deemed to have been received for the Stipulated Repurchase dates. All such valid repurchase requests will be processed for redemption at the Applicable NAV on the Scheduled Repurchase Dates, subject to payment of the applicable CDSC as given below:

<u>Units repurchased / redeemed</u> *	<u>Applicable NAV</u> *	<u>Applicable CDSC</u>
If repurchase request is submitted after the date of allotment and on or before the 30 <sup>th</sup> day from the date of allotment	NAV as on 30 <sup>th</sup> day	1%
If repurchase request is submitted after the 30 <sup>th</sup> day and on or before the 60 <sup>th</sup> day from the date of allotment	NAV as on 60 <sup>th</sup> day	1%
If repurchase request is submitted after 60 <sup>th</sup> day and on or before 90 <sup>th</sup> day from the date of allotment	NAV as on 90 <sup>th</sup> day	1%
On 91 <sup>st</sup> day (date of maturity)	NAV as on 91 <sup>st</sup> day	Nil

The exact repurchase dates will be announced at the time of launching the scheme. \* If the day falls on a holiday/non business day, the NAV of the next business day will be applicable. If the payout day happens to fall on a non

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business day, the payout will be processed on the next working day. The Trustees reserve the right to change the load structure with prospective effect subject to the maximum limits as prescribed by the Regulations.

### ING Quarterly FMP 92 –Series A, A1

As per SEBI circular dated January 31, 2008, close end schemes are permitted to charge entry load to meet expenses pertaining to sales, marketing and other such expenses connected with sales and distribution of schemes. However, ING Quarterly FMP 92 –Series A, A1 shall not charge entry load during the initial offer. All expenses pertaining to sales, marketing and other such expenses connected with sales and distribution of schemes will be borne by the AMC. To provide liquidity to investors, the Fund proposes to provide repurchase facility in the scheme on 30<sup>th</sup>, 60<sup>th</sup> & 91<sup>st</sup> day from the date of allotment. The investors can submit their repurchase requests at any official points of acceptance of transactions on any date after the allotment. The repurchase requests, subject to being complete in all respects and received on or before business hours of the stipulated repurchase dates will be deemed to have been received for the Stipulated Repurchase dates. All such valid repurchase requests will be processed for redemption at the Applicable NAV on the Scheduled Repurchase Dates, subject to payment of the applicable CDSC as given below:

<u>Units repurchased / redeemed</u> *	<u>Applicable NAV</u> *	<u>Applicable CDSC</u>
If repurchase request is submitted after the date of allotment and on or before the 30 <sup>th</sup> day from the date of allotment	NAV as on 30 <sup>th</sup> day	1%
If repurchase request is submitted after the 30 <sup>th</sup> day and on or before the 60 <sup>th</sup> day from the date of allotment	NAV as on 60 <sup>th</sup> day	1%
If repurchase request is submitted after 60 <sup>th</sup> day and on or before 91 <sup>st</sup> day from the date of allotment	NAV as on 91 <sup>st</sup> day	1%
On 92 <sup>nd</sup> day (date of maturity)	NAV as on 92 <sup>nd</sup> day	Nil

The exact repurchase dates will be announced at the time of launching the scheme. \* If the day falls on a holiday/non business day, the NAV of the next business day will be applicable. If the payout day happens to fall on a non business day, the payout will be processed on the next working day. The Trustees reserve the right to change the load structure with prospective effect subject to the maximum limits as prescribed by the Regulations.

**Std. Obs.  
16**

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. The addendum may be sent along with the newsletter sent to the unit holders immediately after the changes.

Arrangements may be made to display the changes/modifications in the scheme information document in the form of a notice in all the investor service centres and distributors/brokers office.

**Std. Obs.  
16 (i),  
(ii), (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.

#### Minimum Application Amount

The minimum application amount is as under:

- Retail Plan : Rs 5,000/- and in multiples of Re 1/-
- Institutional Plan: Rs 5,00,000/- and in multiples of Re 1/-.

## I. INTRODUCTION

### A. RISK FACTORS

#### Standard Risk Factors:

1. Investment in Mutual Fund Units involves investment risks such as trading volumes, settlement risk, liquidity risk, default risk including the possible loss of principal.
2. 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.

**Std. Obs.  
2**

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3. Past performance of the Sponsor/AMC/Mutual Fund does not guarantee future performance of the scheme.
4. ING Quarterly FMP ... – Series ..... does not in any manner indicate either the quality of the scheme or its future prospects and returns.
5. The sponsor is not responsible or liable for any loss resulting from the operation of the scheme beyond the initial contribution of Rs. 1 Lac made by it towards setting up the Fund.
6. ING Quarterly FMP ... – Series ..... is not a guaranteed or assured return scheme.

**Scheme Specific Risk Factors:**

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. The NAV of the scheme 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.
5. 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.
6. 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.
7. 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.
8. Investment decisions made by the AMC may not always be profitable.
9. Different types of securities in which the scheme would invest as given in the SID 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.
10. 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.
11. **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 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

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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 cyclicity 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.

**12. Risk Factors associated to investments 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.

“Derivative products are leveraged instruments and can provide disproportionate gains as well as disproportionate losses to the investor. Execution of such strategies depends upon the ability of the fund manager to identify such opportunities. Identification and execution of the strategies to be pursued by the fund manager involve uncertainty and decision of fund manager may not always be profitable. No assurance can be given that the fund manager will be able to identify or execute such strategies”.

“The risks associated with the use of derivatives are different from or possibly greater than, the risks associated with investing directly in securities and other traditional investments”.

- **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.

<b>Std. Obs. 5</b>
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**B. REQUIREMENT OF MINIMUM INVESTORS IN THE SCHEME**

The Scheme(s) and individual Plan(s) under the Scheme(s) shall have a minimum of 20 investors and no single investor shall account for more than 25% of the corpus of the Scheme(s)/Plan(s). These conditions will be complied with immediately after the close of the NFO itself i.e. at the time of allotment. In case of non-fulfillment with the condition of minimum 20 investors, the Scheme(s)/Plan(s) shall be wound up in accordance with Regulation 39 (2) (c) of SEBI (MF) Regulations automatically without any reference from SEBI. In case of non-fulfillment with the condition of 25% holding by a single investor on the date of allotment, the application to the extent of exposure in excess of the stipulated 25% limit would be liable to be rejected and the allotment would be effective only to the extent of 25% of the corpus collected. Consequently, such exposure over 25% limits will lead to refund within 6 weeks of the date of closure of the New Fund Offer.

**C. SPECIAL CONSIDERATIONS, if any**

Nil

**D. DEFINITIONS -**

<b>Asset Management Company or AMC or Investment Manager</b>	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.
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<b>Applicable NAV</b>	<p><b>Purchases:</b> Since ING Quarterly FMP ... – Series ..... is a close-ended scheme, units are issued only during the new fund offer period. Units are not issued after the closure of new fund offer period. During the new fund offer periods, the units will be issued at Rs 10/- per unit.</p> <p><b>Redemptions:</b> In respect of valid applications received upto 3 p.m. on the scheduled date by the Mutual Fund, the closing NAV of that of the scheduled date shall be applicable.</p> <p><b>Switch:</b> Valid applications for “switch out” shall be treated as redemptions and accordingly ‘Applicable NAV’ based on cut off timings shall be applicable.</p>
<b>Business Day</b>	<p>A day other than:</p> <p>(a) Saturday and Sunday;</p> <p>(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.</p> <p>(c) A day on which the Sale or Redemption of Units is suspended;</p> <p>(d) A day on which the AMC is closed for business.</p>
<b>Collecting Bank/ Collecting Bank Branches or Collection Bankers</b>	Banks which are so designated to collect the application for subscription during the New fund offer period
<b>Contingent Deferred Sales Charge / CDSC</b>	Exit Charge permitted under Regulations for a No Load Scheme
<b>Credit Rating Agency</b>	A Body corporate which is engaged in, or proposes to be engaged in, the business of rating of securities offered by way of public or rights issue under the SEBI (Credit Rating Agencies) Regulations, 1999.
<b>Custodian</b>	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 Standard Chartered Bank, Mumbai.
<b>Depository</b>	Depository as defined in the Depositories Act, 1996 (22 of 1996).
<b>Dividend</b>	Income distributed by the Fund on the Units.
<b>“Entry Load” or “Sales Load”</b>	Load on Sale / Switch in of Units.
<b>“Exit Load” or “Repurchase Load” or “Redemption Load”</b>	Load on Repurchase / Redemption / Switch out of Units.
<b>FII/s</b>	Foreign Institutional Investors, registered with SEBI under Securities and Exchange Board of India (Foreign Institutional Investors) Regulations, 1995, as amended from time to time.
<b>Floating Rate instruments</b>	Floating Rate instruments are securities issued by Central and / or State Government, Corporates or PSUs with interest rates that are reset periodically and short-term / money market instruments or any other instruments permitted by RBI / SEBI from time to time. The periodicity of the interest reset could be daily, monthly, quarterly, half yearly, annually or any other periodicity that may be mutually agreed with the issuer and the fund.
<b>Initial Offer</b>	Offer for purchase of Units of ING Quarterly FMP ... – Series ..... during the New fund offer period as stipulated herein.

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<b>New fund offer period</b>	The date on or the period during which the initial subscription of Units of the Scheme can be made.
<b>“Investor Service Centres” or “ISCs”</b>	ING Investment Management (India) Private Limited Branches or such centres / offices as may be designated by the AMC from time to time.
<b>Investment Management Agreement or IMA</b>	The Agreement dated October 28, 1998 executed between the AMC and the Trustees as amended from time to time.
<b>Load</b>	In the case of Repurchase / Redemption / Switch out of a Unit, the sum of money deducted from the Applicable NAV on the Repurchase / Redemption / Switch out and in the case of Sale / Switch in of a Unit, a sum of money to be paid by the prospective Investor on the Sale / Switch in of a Unit in addition to the Applicable NAV.
<b>Money Market Instruments</b>	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;
<b>Mutual Fund or Fund</b>	ING Mutual Fund, a trust set up under the provisions of Indian Trusts Act, 1882 (Formerly known as ING Mutual Fund and ING Savings Trust).
<b>NAV</b>	The Net Asset Value per Unit of the Scheme calculated in the manner provided in this SID or as may be prescribed by the Regulations from time to time.
<b>NRI</b>	Non-Resident Indian or a person of India origin residing outside India.
<b>Scheme Information Document (SID)</b>	This document issued by ING Mutual Fund, a mutual fund, offering Units of ING Quarterly FMP ... – Series .....
<b>Statement of Additional Information (SAI)</b>	The Statement of Additional Information (SAI) contains details of ING Mutual Fund, its constitution, and certain tax, legal and general information
<b>RBI</b>	Reserve Bank Of India established under the Reserve Bank of India Act, 1934 (2 of 1934)
<b>Rating</b>	An opinion regarding securities, expressed in the form of standard symbols or in any other standardised manner, assigned by a credit rating agency and used by the issuer of such securities, to comply with any requirements of the SEBI (Credit Rating Agencies) Regulations, 1999.
<b>Registrar and Transfer Agent</b>	CAMS or any other Registrar appointed by the AMC from time to time.
<b>Redemption / Repurchase</b>	Redemption of Units of the Scheme is permitted, subject to completion of Lock-in Period, if any.
<b>Repo / Reverse Repo</b>	Sale / Purchase of Government Securities as may be allowed by RBI from time to time with simultaneous agreement to repurchase / resell at a later date.
<b>Sale/ Subscription</b>	Sale or allotment of Units offered to Investors for subscription under the Scheme.
<b>Scheme</b>	ING Quarterly FMP ... – Series .....
<b>SEBI</b>	Securities and Exchange Board of India, established under the Securities and Exchange Board of India Act, 1992.
<b>SEBI Regulations or The Regulations</b>	Securities and Exchange Board Of India (Mutual Funds) Regulations, 1996 as amended from time to time.
<b>SEBI Underwriters Regulations</b>	SEBI (Underwriters) Rules and Regulations, 1993 as amended from time to time.

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<b>Switch</b>	Redemption of a unit in any scheme (including the plans therein) of the Mutual Fund against purchase of a unit in another scheme (including the plans therein) of the Mutual Fund. The Switch will be effected by way of a redemption of Units from the Scheme and a reinvestment of the redemption proceeds in the 'Other Scheme(s)' subject to the compliance of the switch with the redemption rules of this Scheme and the issue rules of the 'other Scheme'.
<b>Sponsor</b>	ING Group through its wholly owned subsidiary, Nationale Nederlanden Interfinance B.V.
<b>Trustees</b>	The Board of Trustees of the Mutual Fund.
<b>Trust Deed</b>	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.
<b>Unit</b>	The interest of a unit holder / investor which consists of one undivided share in the net assets of the Scheme.
<b>Unit Capital</b>	The aggregate of the monies collected from Unit Holders under the Scheme
<b>Unit holder / Investor</b>	A person holding Units in the Scheme offered under this SID.

**E. DUE DILIGENCE BY THE ASSET MANAGEMENT COMPANY**

It is confirmed that:

- (i) the draft Scheme Information Document forwarded to SEBI is in accordance with the SEBI (Mutual Funds) Regulations, 1996 and the guidelines and directives issued by SEBI from time to time.
- (ii) all legal requirements connected with the launching of the scheme as also the guidelines, instructions, etc., issued by the Government and any other competent authority in this behalf, have been duly complied with.
- (iii) 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.
- (iv) the intermediaries named in the Scheme Information Document and Statement of Additional Information are registered with SEBI and their registration is valid, as on date.

Date : July 10, 2008  
Place : Mumbai

Signature : Sd/-  
Name : Vineet K. Vohra  
Managing Director &  
CEO

**II. INFORMATION ABOUT THE SCHEME**
**A. TYPE OF THE SCHEME – A Close Ended Debt Scheme**
**B. INVESTMENT OBJECTIVE OF THE SCHEME**

A close-ended scheme offering an investment plan of ..... days maturity, investing in a portfolio of government securities or highly rated corporate bonds maturing close to the maturity of the scheme so as to generate returns comparable with alternative fixed-income instruments of similar maturity. The scheme will invest in debt securities with maturity coinciding closely with the maturity of the scheme, so as to minimize the impact of price fluctuation of such securities and the value at maturity. However, there can be no assurance that the investment objective of the scheme will be achieved.

**C. ASSET ALLOCATION OF THE SCHEME**

Under normal circumstances the asset allocation will be as follows:

Instruments	Indicative allocation under normal circumstances (% to net assets)	Risk Profile
Debt securities* and Money market instruments including reverse repo	100%	Low to medium

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\*Debt securities may include securitised debt up to 100% of the net assets. Investments in Derivatives Instruments shall be to a maximum of 50% of the Net Assets of the Scheme

<b>Std. Obs.</b> <b>4</b>
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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. Nearing the completion of the scheme, the Fund may invest 100% of the portfolio in money market instruments so as to protect the interest of the investors.

The above allocation pattern would be applicable under normal circumstances and generally the allocation would not be allowed to rise 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.

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.

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 (Debt/Money Market)**

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

<b>Std. Obs.</b> <b>12</b>
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**D.INVESTMENT PATTERN**

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

- Securities created and issued by the Central and State Governments and/or repos/reverse repos in such Government Securities (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 securities 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.
- Floating Rate Debt Instruments
- Debt securities of banks (both public and private sector) and development financial institutions.
- Money market instruments permitted by SEBI including call, repo, Collateralised Borrowing & Lending Obligations (CBLO)
- Certificate of Deposits (CDs).
- Commercial Paper (CPs).
- Bills of Exchange / Promissory notes
- Securitised Debt.
- The non-convertible part of convertible securities.
- Any other domestic fixed income securities.
- Pass through, Pay through or other Participation Certificates representing interest in a pool of assets including receivables.
- Derivative instruments like Interest Rate Swaps, Forward Rate Agreements, Stock Index Futures and such other derivative instruments permitted by SEBI.
- Any other like instruments as may be permitted by SEBI from time to time.

<b>Std. Obs.</b> <b>15</b>
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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 scheme will not invest in foreign debt securities.

## ING Quarterly FMP ... - Series ...

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.

The scheme shall not invest in overseas securities.

<b>Std. Obs.</b> <b>3</b>
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### E. INVESTMENT STRATEGIES OF THE SCHEME

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 CIO, Head - Fixed Income:

<b>Std. Obs.</b> <b>7</b>
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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 target duration for the portfolio, which, is established in relation to our view of the market.

Step 2: Select a portfolio of securities whose weighted duration meets the target duration.

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 Quarterly FMP ... – Series ..... does not have any special internal norms on debt investments, besides those laid down in the Regulations.

<b>Std. Obs.</b> <b>13</b>
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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.

#### Procedure followed for investment decisions

a) The Fund Manager is responsible for making buy/sell decisions within the investment guidelines of the scheme in respect of the securities in the respective scheme portfolios, subject to final approval by the CIO/Head-Fixed income. The investment decisions are made and approved on daily basis keeping in view the market conditions and all relevant aspects.

The AMC has an Internal Investment Committee comprising of the CEO, CIO, Head – Fixed Income, Fund Managers and the Compliance Officer, which meets at periodic intervals. The Investment Committee, at its meetings, reviews the performance of the schemes and general market outlook and formulates broad investment strategy.

The Chief Executive Officer who chairs the Investment Committee Meetings guides the deliberations at Investment Committee. He / She, on an ongoing basis, reviews the portfolios of the schemes and gives directions to the CIO/ Head - Fixed Income, where considered necessary. It is the ultimate responsibility of the CIO/Head - Fixed income to ensure that the investments are made as per the internal/Regulatory guidelines, Scheme investment objectives and in the best interest of the unitholders of the respective schemes.

b) The CIO/Head - Fixed income make a presentation to the Board of AMC / Trustees at each of its meetings indicating the performance of the schemes. The performance of the schemes is reviewed by the Board with reference to the appropriate benchmarks as also the performance of the schemes of the competition.

c) The CEO brings to the notice of the Board specific factors, if any, which are impacting the performance of the scheme. The Board on consideration of all relevant factors may, if necessary, give directions to AMC.

d) The AMC will be recording investment decisions.

#### Monitoring of investments by AMC / Trustees

At the bi-monthly meeting of the AMC Board and Trustees, the Board members and Trustees are provided with a presentation of the scheme performance vis-a-vis a select group of similar other schemes in the industry. At these meetings the CIO/Head -Fixed income makes a detailed presentation about the following aspects:

- Developments in the debt / equity markets in the last quarter
- Investment activities of the Fund and detailed rationale for the Fund's investment decisions
- Comparison of the scheme performance vis-a-vis its selected peer group

## ING Quarterly FMP ... - Series ...

### **Risk Control**

Since investing requires disciplined risk management, the AMC would incorporate adequate safeguards for controlling risks in the portfolio construction process. The risk control process involves reducing risks through portfolio diversification, taking care however not to dilute returns in the process. The AMC believes that this diversification would help achieve the desired level of consistency in returns. The AMC may also implement certain internal control procedures / risk & exposure limits etc., which may be varied from time to time.

The AMC aims to identify securities, which offer superior levels of yield at lower levels of risks. With the aim of controlling risks, rigorous in-depth credit evaluation of the securities proposed to be invested in will be carried out by the investment team of the AMC. The AMC has a Front Office System in place for order placement and for monitoring limits as prescribed in the regulations.

### **Portfolio Turnover**

The AMC as such does not have a policy statement on portfolio turnover for the Scheme. However, in the debt market, trading opportunities may arise due to changes in interest rate policy announced by RBI, shifts in the yield curve, credit rating changes or any other factors where in the opinion of the fund manager there is an opportunity to enhance the total return of the portfolio. The portfolio will consist of securities as explained in clause on investment pattern and risk profile. Pursuant to Schedule IX read with Regulation 50 of the SEBI (Mutual Funds) Regulations, 1996, the cost of investments acquired or purchased shall include all such costs incurred for effecting the transaction while the sale proceeds of investments sold or redeemed shall be net of all such costs incurred for effecting the sale transactions and shall form part of the purchase or the sale value of the investments.

### **Derivatives and Hedging products**

SEBI vide its circular no MFD/CIR/011/061/2000 dated February 1, 2000 permitted mutual funds to participate in derivatives trading subject to the observance of guidelines issued by SEBI from time to time. The Fund has to comply with the prescribed disclosure requirements. As part of the Fund management exercise, Trustees may permit the use of any hedging techniques, including trading in derivative products, futures and options, warrants, swaps etc. available from time to time and appropriate for the portfolio and which are permissible or in the future may become permissible under SEBI or RBI Regulations. The Fund shall adhere to the following guidelines of the SEBI Regulations etc. for trading in derivatives:

- Trading in derivatives by the Fund shall be restricted to hedging and portfolio balancing purposes.
- The Fund shall be required to fully cover its positions in the derivatives market by holding underlying securities/cash or cash equivalents/option and/or obligation for acquiring underlying assets to honour the obligations contracted in the derivatives market.
- Separate records shall be maintained for holding the cash and cash equivalents/securities for this purpose.
- The securities held shall be marked to market by the AMC to ensure full coverage of investments made in derivative products at all time.
- The Scheme may also use various derivatives and hedging products from time to time, as would be commensurate with the Scheme's objectives, in an attempt to protect the value of the portfolio and enhance Unit holders' interest. Derivative and hedging strategies may be used:
  - (a) for the purpose of hedging against a decline in value of the scheme's NAV, and/or
  - (b) to seek to enhance the returns

Each Scheme may write (sell) and purchase call and put options in securities in which it invests and on securities indices based on securities in which the Scheme invests. Through the purchase and sale of futures contracts and related options on those contracts the Fund would seek to hedge against a decline in securities owned by the Fund or an increase in the prices of securities, which the Fund plans to purchase. The Fund would sell futures contracts on securities indices in anticipation of a fall in prices, to offset a decline in the value of its portfolio. When this type of hedging is successful, the futures contract increase in value while the Fund's investment portfolio declines in value and thereby keep the Fund's net asset value from declining as much as it otherwise would. Similarly, when the Fund is not fully invested, and an increase in the price of securities is expected, the Fund would purchase futures contracts to gain rapid market exposure that may partially or entirely offset increase in the cost of the securities it intends to purchase. An interest rate swap agreement (as per guidelines issued by RBI on 7th July 1999 and 1st November 1999) from fixed rate to floating rate will be an effective hedge for portfolio in a rising interest rate environment.

### **Interest Rate Swaps (IRS)**

An IRS is an agreement between two parties to exchange stated interest obligations for an agreed period in respect of a notional principal amount. The most common form is a fixed to floating rate swap where one party receives a fixed (pre-determined) rate of interest while other receives a floating (variable) rate of interest.

### **Forward Rate Agreement (FRA)**

A FRA is basically a forward starting IRS. It is an agreement between two parties to pay or receive the difference between an agreed fixed rate (the FRA rate) and the interest rate (reference rate) prevailing on a stipulated future date, based on a

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notional principal amount for an agreed period. The only cash flow is the difference between the FRA rate and the reference rate. As is the case with IRS, the notional amounts are not exchanged in FRAs.

Example of a derivatives transaction

Basic Structure of an Interest Rate Swap

Bank A has a 6 month Rs 10 crore liability, currently being deployed in call. Bank B has a Rs 10 crore 6 month asset, being funded through call. Both banks are running an interest rate risk.

To hedge this interest rate risk, they can enter into a 6-month MIBOR (Mumbai Inter Bank Offered Rate) swap. Through this swap, A will receive a fixed pre-agreed rate (say 5%) and pay "call" on the NSE MIBOR ("the benchmark rate"). His paying at "call" on the benchmark rate will neutralize the interest rate risk of lending in call. B will pay 5% and receive interest at the benchmark rate. His receiving of "call" on the benchmark rate will neutralize his interest rate risk arising from his call borrowing.

The mechanism is as follows:

- Assume the swap is for Rs.10 crore March 1, 2004 to September 1, 2004. A is a fixed rate receiver at 5% and B is a floating rate receiver at the overnight compounded rate.
- On 1st March 2004, A and B will exchange only an agreement of having entered this swap. This documentation would be as per International Swaps & Derivatives Association (ISDA).
- On a daily basis, the benchmark rate fixed by NSE will be tracked by them.

On 1st September 2004 they will calculate the following:

- A is entitled to receive interest on Rs.10 crore at 5% for 184 days. (this amount is known at the time the swap was concluded) and will pay the compounded benchmark rate.
- B is entitled to receive daily compounded call rate for 184 days & pay 5% fixed.
- On 1st September 2004, if the total interest on the daily overnight compounded benchmark rate is higher (say 5.15%p.a.), A will pay B the difference of Rs 0.76 lakhs. If the daily compounded benchmark rate is lower (say 4.90% p.a.), then B will pay A the difference Rs 0.50 lakhs
- Effectively Bank A earns interest at the rate of 5% p.a. for six months without lending money for 6 months fixed, while Bank B pays interest @ 5% p.a. for 6 months on Rs. 10 crore, without borrowing for 6 months fixed.

As per RBI circulars, mutual funds are permitted to do Interest Rate Swaps/Forward Rate Agreements, for hedging purposes only. Accordingly, the AMC would undertake the same for similar purposes only.

**Valuation of Derivative Products:**

- a) 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 Regulations, as amended from time to time.
- b) 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 Regulations 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 fund pays the daily compounded rate. In practice however there can be a difference in the actual rate at which money is lent in the call market and the benchmark, which appears and is used.

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

It may be mentioned here that the guidelines issued by the RBI from time to time for forward rate agreements and interest rate swaps and other derivative products would be adhered to.

None of the Scheme will invest more than 50% of its assets in the purchase of securities indices, financial futures contracts, etc. The Fund shall take exposure on a non-leveraged basis.

A hedge is designed to offset a loss on a portfolio with a gain in the hedge position. The Scheme may use derivative instruments primarily to hedge the value of portfolio against potential adverse movements in securities prices. At the same

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time, however, a properly correlated hedge will result in a gain in the portfolio 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 FRAs 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 SID.
- 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.

### F: FUNDAMENTAL ATTRIBUTES

**Std. Obs.**  
**8**

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

(i) **Type of a scheme:** A Close ended debt Scheme

(ii) **Investment Objective & Investment Pattern:** Refer Clause II (B) & II (D)

(iii) **Terms of Issue**

- **Liquidity Provisions**

Liquidity will be available to investors through re-sale of their units to the Scheme on the dates specified in para 'load' on page 3.

i) **Listing**

At present 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.

ii) **Repurchase of Units**

The Units can be Redeemed (i.e. sold back to the Mutual Fund) or Switched out (i.e. to another scheme of the Mutual Fund) on every Business Day at the Repurchase Price. The Repurchase/Switch request can be made for a minimum amount of Rs.1000 or a minimum of 100 units. The Repurchase/Redemption / Switch out will be at NAV based prices subject to an Exit Load, if any.

- **Aggregate fees and expenses charged to the scheme:**

The total recurring expenses (as a percentage of the daily average net assets) that will be charged to the scheme shall be subject to the maximum limits as prescribed under the SEBI Regulations as amended from time to time.

	<b>First Rs.100 crore</b>	<b>Next Rs.300 crore</b>	<b>Next Rs.300 crore</b>	<b>Balance Assets</b>
<b>ING Quarterly FMP ... – Series .....</b>	2.25 %	2.00 %	1.75 %	1.50 %

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

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- 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. BENCHMARK OF THE SCHEME**

<b>Std. Obs.</b> <b>9</b>
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The performance of the Scheme will be benchmarked to **CRISIL Liquid Fund Index**. This Index has been developed by CRISIL (an independent reputed credit rating agency) in Consultation with AMFI for benchmarking the performance of short-term debt funds in the Indian financial market against an Index that is representative of the universe of Short-Term Debt Funds. A Liquid Fund index of this kind serves as an indicator for all the market participants in the category, to benchmark their performance against the index, find out the attributes for the variation in their performance vis-a-vis the index.

In terms of SEBI Circular No. MFD/CIR/01/071/02 dated 15th April 2002 the AMC and Trustees may change the Benchmark Index or select an additional Benchmark Index after recording adequate justification for carrying out such change. However, change of Benchmark Index and/or selecting additional Benchmarks Index would be done in complete compliance of the relevant guidelines of SEBI in this regard. Further, in term of SEBI Circular No. MFD/CIR/16/400/02 dated 26th March 2002, the performance of Fund will be benchmarked and reviewed at every meeting of the Board of the AMC/Trustees.

<b>Std. Obs.</b> <b>10</b>
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**H. FUND MANAGER OF THE SCHEME**

Name	Age in Years	Educational Qualifications	Total no. of years experience	Type and nature of past experience (last 10 years)	Name of Other Schemes
Mr. Ramanathan K.	35	CFA, B.E (Mech), NIT-Suratkal PGPM (Finance), S.P.Jain Institute of Management & Research	13	<ul style="list-style-type: none"> <li>Head – Fixed Income, ING Investment Management (I) Pvt. Ltd (March 2006 – current)</li> <li>Vice President – Fixed Income, Lehman Brothers (Sep 2005 – Feb 2006)</li> <li>Fund Manager, Birla Sunlife AMC Ltd (Jan 1998 – Sep 2005)</li> <li>Manager – Ratings, CARE (June 1995 – Jan 1998)</li> </ul>	<ul style="list-style-type: none"> <li>ING Fixed Maturity Funds (all series)</li> <li>ING Interval Fund</li> <li>ING Liquid Call Fund</li> <li>ING Select Debt Fund</li> <li>ING Liquid Fund</li> <li>ING Liquid Plus Fund</li> <li>ING Treasury Management Fund</li> <li>ING Short Term Income Fund</li> <li>ING Dynamic Asset Allocation Fund</li> <li>ING MIP Fund</li> </ul>

<b>Std. Obs.</b> <b>11</b>
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**I. INVESTMENT RESTRICTIONS**

Pursuant to SEBI (MF) Regulations, 1996 and amendments thereof, the following investment limitations are currently applicable to the Scheme:

- A mutual fund scheme shall not invest more than 15% of its NAV in debt instruments issued (including debentures), irrespective of any residual maturity period (above or below one year), by a single issuer which are rated not below investment grade by a credit rating agency authorised to carry out such activity under the Act. Such investment limit may be extended to 20% of the NAV of the scheme with the prior approval of the Board of Trustees and the Board of asset management company.

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

Provided further that investment within such limit can be made in mortgaged backed securities debt, which are rated not below investment grade by a credit rating agency registered with SEBI.

- A mutual fund scheme shall not invest more than 10% of its NAV in unrated debt instruments, irrespective of any residual maturity period (above or below one year), 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.

**ING Quarterly FMP ... - Series ...**

3. Transfer of investments from one Scheme to another Scheme, including this Scheme in the same Mutual Fund shall be allowed only if:
  - (i) Such transfers are done at the prevailing market price for quoted securities on spot basis; explanation – “spot basis” shall have the same meaning as specified by the stock exchange for spot transactions, and
  - (ii) The securities so transferred shall be in conformity with the investment objective of the relevant Scheme to which such transfer has been made.
4. The Scheme may invest in another Scheme under the same AMC or any other mutual fund without charging any fees, provided that the aggregate inter-Scheme investment made by all Schemes under the same management or in schemes under the management of any other AMC shall not exceed 5% of the Net Asset Value of the Mutual Fund.
5. The Mutual Fund shall buy and sell securities on the basis of deliveries and shall in all cases of purchases, take delivery of relative securities and in all cases of sale, deliver the securities and shall in no case put itself in a position whereby it has to make short sale or carry forward transaction or engage in badla finance. Provided that mutual funds shall enter into derivatives transactions in a recognised stock exchange for the purpose of hedging and portfolio balancing, in accordance with the guidelines issued by the Board.
6. The Scheme shall provide that the securities are purchased or transferred in the name of the Mutual Fund for the relevant Scheme, wherever the investments are intended to be of long-term nature.
7. Pending deployment of funds of the Scheme in securities pursuant to the investment objectives of the Scheme the Mutual Fund can invest the funds of the Scheme in short-term deposits of scheduled commercial Banks. “Short Term” for such parking of funds by mutual funds shall be treated as a period not exceeding 91 days. Such short term deposits shall be held in the name of the concerned scheme. No mutual fund scheme shall park more than 15% of the net assets in Short term deposit(s) of all the scheduled commercial banks put together. However, it may be raised to 20% with prior approval of the trustees. Also, parking of funds in short term deposits of associate and sponsor scheduled commercial banks together shall not exceed 20% of total deployment by the mutual fund in short term deposits. No mutual fund scheme shall park more than 10% of the net assets in short term deposit(s), with any one scheduled commercial bank including its subsidiaries. The Trustees shall ensure that no funds of a scheme may be parked in short term deposit of a bank which has invested in that scheme.
8. The Mutual Fund will not advance any loans for any purpose.
9. The moneys collected under the Scheme shall be invested only in transferable securities (whether in money markets or capital markets) or in privately placed debentures or securitised debts.

Provided further that in case of securitised debts such fund may invest in asset backed securities and mortgaged backed securities.
10. The scheme shall not make any investments in:
  - (i) any unlisted security of an associate or group company of the Sponsor; or
  - (ii) any security issued by way of private placement by an associate or group company of the Sponsor; or
  - (iii) the listed securities of group companies of the Sponsor which is in excess of 25% of the net assets of the scheme
11. As per the Regulations, in case the AMC invests in any of the Schemes managed by it, it shall not be entitled to charge any fees on such investments.
12. The Fund shall not borrow except to meet temporary liquidity needs of the Fund for the purpose of redemption of Units or payment of interest and income to the Unitholders. Provided that the Fund shall not borrow, more than 20% of the net assets of the individual Scheme and the duration of the borrowing shall not exceed a period of 6 months.
13. The Scheme may also use various derivative and hedging products from time to time, as are available and permitted by SEBI, in an attempt to protect the interest of the Unitholders at all times.

The scheme will comply with any other Regulations applicable to the investments of Mutual Fund from time to time.

The Trustees may alter the above restrictions from time to time to the extent that changes in the Regulations may allow or as deemed fit in the general interest of the Unitholders.

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### J. PERFORMANCE OF THE SCHEME

This scheme is a new scheme and does not have any performance track record.

### III. UNITS AND OFFER

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

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

<p>New Fund Offer Period</p> <p>This is the period during which a new scheme sells its units to the investors.</p>	<p>NFO opens on: ..... NFO closes on: .....</p> <p>The Trustees reserve the right to extend the new fund offer period so as to have the Initial Offer open for up to 45 days. The Trustees may close the new fund offer earlier or extend the offer beyond the Closing date stated in this SID, by giving a notice to that effect 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.</p>
<p>New Fund Offer Price:</p> <p>This is the price per unit that the investors have to pay to invest during the NFO.</p>	<p>Issue of units of Rs 10/- per unit for cash (subject to applicable load, if any) during the New Fund Offer</p>
<p>Minimum Amount for Application in the NFO</p>	<p>The minimum application amount is as under: Retail Plan : Rs 5000/- and in multiples of Re 1/- Institutional Plan: Rs 5,00,000/- and in multiples of Re 1/-.</p>
<p>Minimum Target amount</p> <p>This is the minimum amount required to operate the scheme and if this is not collected during the NFO period, then all the investors would be refunded the amount invested without any return. However, if AMC fails to refund the amount within 6 weeks, interest as specified by SEBI (currently 15% p.a.) will be paid to the investors from the expiry of six weeks from the date of closure of the subscription period.</p>	<p>Rs. 1 Lakh.</p>
<p>Maximum Amount to be raised (if any)</p>	<p>The Fund shall retain any excess subscriptions collected during the New Fund Offer Period.</p>
<p>Plans / Options offered</p>	<p>The investors will have the choice of two options viz. Dividend Option &amp; Growth Option.</p> <p><b>1. Dividend Option</b> Under this option the Trustees may declare dividends at such frequencies as may be decided by them, to Unit holders whose names appear in the Register of Unit holders on the record date.</p> <p><b>2. Growth Option</b> The income earned by the Scheme will normally remain invested in the Scheme and will be reflected in the NAV. This option is attractive to those investors aiming for capital appreciation.</p> <p><b>Please also refer to the section “Dividends and Distributions” under general information under SAI</b></p> <p>In case of such a choice not being indicated by the</p>

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	investor, the default option shall be growth option.
Dividend Policy	<p>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 Scheme 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 Scheme will be paid (subject to deduction of tax at source, if any) only to those Unit holders whose names appear in the register of Unit holders on the notified record date. The dividends will be at such rate as may be decided by the AMC in consultation with the Trustees. There is no assurance or guarantee to unit holders as to the rate of dividend payment nor will that dividend be paid regularly.</p> <p><u>Dividend Payout:</u> On payment of dividend, the NAV will stand reduced by the amount of dividend and dividend tax (if applicable) paid.</p>
Allotment	<p>All the applicants will be allotted Units provided the applications are complete in all respects and are found to be in order. Issuance of Units on application shall be made in the following manner:</p> <ol style="list-style-type: none"> <li>1. Applications for purchase will be accepted at the designated bank branches and Investor Service Centers on any Business Day.</li> <li>2. An Account Statement containing the number of Units allotted shall be issued within three Business Days after receipt of application at an Investor Service Centre.</li> <li>3. The Fund is entitled, in its sole and absolute discretion, to reject any Application.</li> <li>4. Refund of subscription money to applicants, in case applications are invalid or rejected or in case the Scheme fails to receive the minimum targeted amount, will be made within six weeks from the closure of the New fund offer period. No interest will be payable on any subscription money so refunded within six weeks. If the Mutual Fund refunds the amount after six weeks, interest at the rate of 15% p.a. shall be paid out of the assets of the AMC for the period thereafter. Refund orders will be marked "A/c Payee only" and drawn in the name of the applicant and Bank account number in the case of a sole applicant and in the name of the first applicant in all other cases. All refund cheques will be mailed by Registered Post or as per the applicable rules.</li> </ol> <p>The Mutual Fund / AMC reserves the right to allot lesser number of units / reject the application form during the new fund offer period / ongoing sales at NAV based prices, if the application is incomplete / invalid or if the scheme fails to receive the targeted amount or minimum number of investors or if the scheme has to comply with the maximum holding norm by a single investor or other norms / guidelines stipulated by SEBI or any other Regulatory authority from time to time. The Trustees are</p>

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	<p>entitled, in their sole and absolute discretion, to reject any application for units.</p> <p>On allotment of units, every Unit holder will have a Folio Number. Unit holders are requested to quote their Folio Number in all communications.</p> <p>The Trustees are entitled, in their sole and absolute discretion, to reject any application for Units. Upon issue, a non-transferable Account Statement (or, if requested, a non-transferable Unit Certificate) will be sent to each Unit holder within thirty days from the date of allotment or from the date of receipt of request. The Account Statement or Unit certificate will be in confirmation of the Units purchased. The issuance of a Unit certificate would entail payment of applicable stamp duty which shall be borne by the Unit holder.</p> <p><b>The AMC Not invest in any of its Scheme(s) unless full disclosure of its intention to invest has been made in the Scheme Information Document.</b></p>
Refund	If application is rejected, full amount will be refunded within 6 weeks of closure of NFO. If refunded later than 6 weeks, interest @ 15% p.a. for delay period will be paid and charged to the AMC.
Who can invest  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.	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): <ol style="list-style-type: none"> <li>1. Indian resident adult individuals either singly or jointly (not exceeding three);</li> <li>2. Minor through parent/lawful guardian;</li> <li>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);</li> <li>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;;</li> <li>5. Trustee of private trusts authorised to invest in mutual fund scheme under the Trust Deed;</li> <li>6. Partnership Firms;</li> <li>7. Karta of Hindu Undivided Family (on behalf of the HUF);</li> <li>8. Banks and Financial Institutions;</li> <li>9. Non-resident Indians/Persons of Indian origin residing abroad (NRIs) on a full repatriation basis or on non-repatriation basis;</li> <li>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);</li> <li>11. Provident/Pension/Gratuity fund or such other funds as may be permitted under law to invest</li> <li>12. Scientific and Industrial Research Organizations;</li> <li>13. International Multilateral Agencies approved by the Government of India;</li> </ol>

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	<p>14. Army, Air Force, Navy and para-military funds and other eligible institutions;</p> <p>15. A Mutual Fund through its schemes, including Fund of Funds</p> <p>16. Any other category, who are / may become eligible on account of changes in relevant laws and regulations.</p> <p>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.</p> <p>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.</p> <p>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."</p> <p>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.</p> <p><b>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.</b></p>
Where can you submit the filled up applications.	Computer Age Management Services Private Limited New No. 10, Old No. 178 M.G.R. Salai Nungambakkam Chennai – 600034 Ph: 044 – 28285551/ 39115551 Fax: 044 – 28283613 email id of R&T: <a href="mailto:enq_i@camsonline.com">enq_i@camsonline.com</a> website address of R&T: <a href="http://www.camsonline.com">www.camsonline.com</a> Application for subscription/redemption can be submitted at the official points of acceptance of transaction mentioned on the back cover page.
How to Apply	Please refer to the SAI and Application form for the instructions.
Listing	At present 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.

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Special Products / facilities available during the NFO	This being a close ended scheme, facilities like Systematic Investment Plan, Systematic Transfer Plan and Systematic Withdrawal Plan are not available to investors. However, unit holders have the option to switch part or all of their holdings into the Scheme from another Scheme(s) established by the Mutual Fund, which is available at the time of NFO and which allows switch-out to other schemes. This Option will be useful to Unit holders who wish to alter the allocation of their investment in order to meet their changed investment needs or risk profiles. It is clarified that the exit load/CDSC if any in the scheme where the investments are switched out, and the entry load/CDSC/exit load if any, in the schemes where the investments are switched in are applicable for a normal switch transaction. In case an investor wishes to switch from a Multi Manager Scheme to a Single Manager Scheme offered by the Mutual Fund and vice a versa, he / she will have to redeem from one Scheme and make a fresh application into the other Scheme. All the applicable Entry and Exit loads will apply on such switch transactions.
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.	NA
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.

**B. ONGOING OFFER DETAILS**

Ongoing Offer Period This is the date from which the scheme will reopen for subscriptions/redemptions after the closure of the NFO period.	Being a close ended scheme the units are available for subscription during the new fund offer only. The Unit holders are permitted to redeem their units at the repurchase dates during the tenor of the scheme.
Ongoing price for subscription (purchase)/switch-in (from other schemes/plans of the mutual fund) by investors.  This is the price you need to pay for purchase/switch-in.	Being a close ended scheme the units are available for subscription during the new fund offer only. During the new fund offer period, the units will be issued at Rs 10/- per unit.
Ongoing price for redemption (sale) /switch outs (to other schemes/plans of the Mutual Fund) by investors.  This is the price you will receive for redemptions/switch outs.	The units purchased under this scheme will be redeemed or switched out only at the repurchase dates of the scheme at the applicable NAV subject to the prevailing exit load/ CDSC.  The redemption price will be calculated on the basis of the load structure using the following formula:  <b>Redemption Price = Net Asset Value (1- Exit Load)</b>  In respect of valid applications received upto 3 p.m. by the Mutual Fund, same day's closing NAV shall be applicable. In respect of valid applications received after 3 p.m. by the Mutual Fund, the closing NAV of the next business day shall be applicable.

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	<p>Valid applications for “switch out” shall be treated as redemptions and for “switch in” shall be treated as purchases and accordingly ‘Applicable NAV’ based on cut off timings shall be applicable.</p> <p>If the Applicable NAV is Rs 15/- and the exit load applicable is 0.5% the redemption price is calculated as follows:</p> <p>Redemption price = 15 * (1-0.005)                  = 15 * 0.995                  = 14.9250</p> <p>The Fund, however, reserves the right to change the load structure with prospective effect and to introduce an entry (sales) or an exit load or a combination thereof, subject to the condition that redemption price is not lower than 95% of the NAV and the sale price is not higher than 107% of the NAV and the difference between the repurchase price and the sale price of the units shall not exceed the permissible limit of 7% calculated on the sale price as per the SEBI (MF) Regulations.</p>
<p>Cut off timing for subscriptions/ redemptions/ switches</p> <p>This is the time before which your application (complete in all respects) should reach the official points of acceptance.</p>	<p><b>Purchases:</b> Since ING Quarterly FMP ... – Series ..... is a close-ended scheme; units are issued only during the new fund offer period. Units are not issued after the closure of new fund offer period. During the new fund offer periods, the units will be issued at Rs 10/- per unit.</p> <p><b>Redemptions:</b> In respect of valid applications received upto 3 p.m. on the scheduled date by the Mutual Fund, the closing NAV of that of the scheduled date shall be applicable.</p> <p><b>Switch:</b> Valid applications for “switch out” shall be treated as redemptions and accordingly ‘Applicable NAV’ based on cut off timings shall be applicable.</p>
<p>Where can the applications for purchase/redemption switches be submitted?</p>	<p>Application for subscription/redemption can be submitted at the official points of acceptance of transaction mentioned on the back cover page.</p>
<p>Minimum amount for purchase/redemption/switches</p>	<p><b>Minimum Purchase/Switch in during the NFO -</b></p> <p>Retail Plan - Rs. 5,000/- and in multiples of Re. 1 thereafter</p> <p>Institutional Plan – Rs. 5,00,000/- and in multiples of Re. 1 thereafter</p> <p><b>Redemption/ Switch Out:</b></p> <p>The Repurchase/Switch request can be made for a minimum amount of Rs.1000 or a minimum of 100 units.</p>
<p>Minimum balance to be maintained and consequences of non maintenance.</p>	<p>NA</p>
<p>Special Products available</p>	<p><b>Switching Option</b></p>

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	<p>Unit holders have the option to switch part or all of their holdings in the Scheme to another open ended Scheme(s) established by the Mutual Fund, which is available for investment at the time of maturity and which allows switch-in from other schemes. This Option will be useful to Unit holders who wish to alter the allocation of their investment in order to meet their changed investment needs or risk profiles.</p> <p>The Switch will be effected by way of a redemption of Units from the Scheme and a reinvestment of the redemption proceeds in the 'Other Scheme(s)' subject to the compliance of the switch with the redemption rules of this Scheme and the issue rules of the 'other Scheme' (for e.g.: as to the minimum number of Units that may be redeemed or issued). The price at which the Units will be switched out of the Scheme will be based on the Applicable redemption price and the proceeds will be invested in the 'other Scheme' at the prevailing Public Offer Price (POP) for Units in that Scheme.</p> <p>It is clarified that the exit load/CDSC if any in the scheme where the investments are switched out, and the entry load/CDSC/exit load if any, in the schemes where the investments are switched in are applicable for a normal switch transaction.</p> <p>To affect a Switch, a Unit holder must provide clear instructions. A request for a switch may be specified either in terms of amount or in terms of the number of Units of the Scheme from which the switch is sought. Such instructions may be provided in writing and lodging the same, either in person or by mail at any of the Investor Service Centers. The effective date for the Switch would be the date of receipt of the Unit holder's request.</p> <p>In case of switch outs, if the units and the amount are not mentioned in the switch request, switch will be processed for all units.</p>
Accounts Statements	<ul style="list-style-type: none"> <li>• The AMC shall issue to the investor whose application has been accepted, an account statement specifying the number of units allotted within 30 days from the closure of the initial subscription list, or in case of receipt of request for account statements within 10 business days</li> <li>• For those unitholders who have provided an e-mail address, the AMC will send the account statement by e-mail.</li> <li>• Unit holders will receive an Account Statement when income or other distributions, redemption amounts in respect of Units are declared and paid.</li> <li>• The unitholder may request for a physical account statement by writing/calling the AMC/ISC/R&amp;T.</li> </ul> <p>Unitholders are requested to contact Mr. Vilas Solanki, at 601/602, Windsor, Off C.S.T Road, Kalina, Santacruz (E), Mumbai 400 098 Telephone: 022 - 39827999 or by e-mail at <a href="mailto:information@ingim.co.in">information@ingim.co.in</a> for account statements.</p>
Dividend	The dividend warrants shall be dispatched to the

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	unitholders within 30 days of the date of declaration of the dividend.
Redemption	The redemption or repurchase proceeds shall be dispatched to the unitholders within 10 working days from the date of redemption or repurchase.
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**

<p>Net Asset Value</p> <p>This is the value per unit of the scheme on a particular day. You can ascertain the value of your investments by multiplying the NAV with your unit balance.</p>	<p>The AMC will calculate and disclose the first Net Asset Value not later than 30 days from the closure of the New fund offer period. Subsequently, NAV will be normally determined and published in two daily newspapers on every business day.</p> <p>The Mutual Fund shall declare the Net asset value of the scheme on every business day on AMFI's website <a href="http://www.amfiindia.com">www.amfiindia.com</a> by 9:00 P.M. and also on <a href="http://www.ingim.co.in">www.ingim.co.in</a>.</p>		<b>Std. Obs. 17(a)</b>
<p>Half yearly Disclosures: Portfolio / Financial Results</p> <p>This is a list of securities where the corpus of the scheme is currently invested. The market value of these investments is also stated in portfolio disclosures.</p>	<p>As required by the Regulations, the Mutual Fund shall before the expiry of one month from the close of each half-year that is on 30th September and on 31<sup>st</sup> March, disclose its full scheme portfolio in format prescribed by SEBI either by publishing it in one national English language daily newspaper circulating in whole of India and in a newspaper published in the language of the region where the head office of the Mutual Fund is situated or by sending to unit holders. Also as required by the Regulations the Mutual Fund shall disclose the holdings in the Scheme's portfolio on <a href="http://www.ingim.co.in">www.ingim.co.in</a> before the expiry of one month from the closure of each half-year.</p>		
<p>Half Yearly Results</p>	<p>As required by the Regulations, the Mutual Fund shall before the expiry of one month from the closure of each half year that is on 30th September and on 31<sup>st</sup> March, publish its unaudited financial results in format as prescribed by SEBI in one English language daily newspaper circulating in whole of India and in a newspaper published in the language of the region where the head office of the Mutual Fund is situated. The unaudited financial results will be displayed in the prescribed format on <a href="http://www.amfiindia.com">www.amfiindia.com</a> (AMFI website) and on <a href="http://www.ingim.co.in">www.ingim.co.in</a> before the expiry of one month from the close of each half-year.</p>		
<p>Annual Report</p>	<p>As required by the Regulations, the Mutual Fund will mail the scheme wise Annual Report of the Mutual Fund or an abridged summary thereof in abridged summary form, as soon as practical after 31<sup>st</sup> March each year but not later than six months thereafter as the Trustees may decide, for the period ending 31<sup>st</sup> March. 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</p>		
<p>Associate Transactions</p>	<p>Please refer to Statement of Additional Information (SAI).</p>		
<p>Taxation</p> <p>The information is provided for general information only. However, in view of the individual nature of the implications, each investor is advised to consult his or her own tax advisors/authorised dealers with respect to the specific amount of tax and other implications arising out of his or her participation in the schemes.</p>	<p><b>Resident Investors</b></p>	<p><b>Mutual Fund</b></p>	
	<p>Tax on Dividend</p>	<p>Nil</p>	

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	Capital Gains:		
	Long Term	10% or 20% (with indexation)	Nil
	Short Term	As per slab	Nil
<b>For further details on taxation please refer to the clause on Taxation in the SAI</b>			
Investor services	Ms. Vilas R. Solanki 601/602, 6th floor, "Windsor", Off. C.S.T. Road, Vidyanagari Marg, Kalina, Santacruz - (East), Mumbai – 400 098. Tel: 39827999 E-mail Id: <a href="mailto:information@ingim.co.in">information@ingim.co.in</a>		

**D. COMPUTATION OF NAV**

The Net Asset Value (NAV) is the actual value of a Unit on any Business Day and is computed as follows:

$$\text{NAV} = \frac{\text{Market or Fair Value of Scheme's investments} + \text{Current Assets} - \text{Receivables} - \text{Current liabilities and provisions}}{\text{Number of Units Outstanding}}$$

The NAV shall be rounded off up to four decimals. 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.

As per SEBI circular dated January 31, 2008, close end schemes are permitted to charge entry load to meet expenses pertaining to sales, marketing and other such expenses connected with sales and distribution of schemes. However, ING Quarterly FMP ... – Series ..... shall not charge entry load during the initial offer. All expenses pertaining to sales, marketing and other such expenses connected with sales and distribution of schemes will be borne by the AMC.

**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 weekly average net assets of the scheme will be charged to the scheme as expenses. 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:

(% Per annum of average weekly net assets)

	First Rs.100 crore	Next Rs.300 crore	Next Rs.300 crore	Balance Assets
<b>ING Quarterly FMP ... – Series .....</b>	2.25 %	2.00 %	1.75 %	1.50 %

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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 as and when due. For schemes launched on a no load basis, the asset management company shall be entitled to collect an additional management fee not exceeding 1% of the weekly average net assets outstanding in each financial year.

Particulars	% of Net Assets		
	Total	Retail Plan	Institutional Plan
Investment Management & Advisory Fee	1.2	0.6	0.6
Custodial Fees	0.2	0.1	0.1
Registrar & Transfer Agent Fees including cost related to providing accounts statement, dividend/redemption cheques/warrants etc.	0.25	0.125	0.125
Marketing & Selling Expenses including Agents Commission and statutory advertisement	0.4	0.25	0.15
Brokerage & Transaction Cost pertaining to the distribution of units	0.1	0.05	0.05
Audit Fees / Fees and expenses of trustees	0.05	0.025	0.025
Costs related to investor communications	0.05	0.025	0.025
Costs of fund transfer from location to location	Nil	Nil	Nil
Other Expenses*	Nil	Nil	Nil
<b>Total Recurring expenses</b>	<b>2.25%</b>	<b>1.175</b>	<b>1.075</b>

The investment management fees charged under both the plans will be the same. 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 in good faith as per the information available to the investment manager based on past experience and are subject to change inter – se. 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 actual and/or any change in the Regulations. Types of expenses charged shall be as per the SEBI (MF) 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 Offer Document shall be subject to the applicable guidelines. Expenses over and above the permitted limits will be borne by the AMC. The recurring expenses of the Scheme(s), and the additional management fee shall be as per the limits prescribed under sub-regulation 6 of Regulation 52 of the SEBI Regulations and shall not exceed the limits prescribed thereunder.

These estimates have been made in good faith as per the information available to the Investment Manager based on past experience and are subject to change inter-se. Types of expenses charged shall be as per the SEBI (MF) Regulations.

For actual current expenses being charged the investor should refer to the website of the Mutual Fund.

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**C. LOAD STRUCTURE**

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

Type of Load	Load chargeable (as %age of NAV)
Entry	Nil
Exit *	As given below

**ING Quarterly FMP 91 – Series A,A1:**

As per SEBI circular dated January 31, 2008, close end schemes are permitted to charge entry load to meet expenses pertaining to sales, marketing and other such expenses connected with sales and distribution of schemes. However, ING Quarterly FMP 91 – Series A, A1 shall not charge entry load during the initial offer. All expenses pertaining to sales, marketing and other such expenses connected with sales and distribution of schemes will be borne by the AMC. To provide liquidity to investors, the Fund proposes to provide repurchase facility in the scheme on 30<sup>th</sup>, 60<sup>th</sup> & 90<sup>th</sup> day from the date of allotment. The investors can submit their repurchase requests at any official points of acceptance of transactions on any date after the allotment. The repurchase requests, subject to being complete in all respects and received on or before business hours of the stipulated repurchase dates will be deemed to have been received for the Stipulated Repurchase dates. All such valid repurchase requests will be processed for redemption at the Applicable NAV on the Scheduled Repurchase Dates, subject to payment of the applicable CDSC as given below:

<u>Units repurchased / redeemed</u> *	<u>Applicable NAV</u> *	<u>Applicable CDSC</u>
If repurchase request is submitted after the date of allotment and on or before the 30 <sup>th</sup> day from the date of allotment	NAV as on 30 <sup>th</sup> day	1%
If repurchase request is submitted after the 30 <sup>th</sup> day and on or before the 60 <sup>th</sup> day from the date of allotment	NAV as on 60 <sup>th</sup> day	1%
If repurchase request is submitted after 60 <sup>th</sup> day and on or before 90 <sup>th</sup> day from the date of allotment	NAV as on 90 <sup>th</sup> day	1%
On 91 <sup>st</sup> day (date of maturity)	NAV as on 91 <sup>st</sup> day	Nil

The exact repurchase dates will be announced at the time of launching the scheme. \* If the day falls on a holiday/non business day, the NAV of the next business day will be applicable. If the payout day happens to fall on a non business day, the payout will be processed on the next working day. The Trustees reserve the right to change the load structure with prospective effect subject to the maximum limits as prescribed by the Regulations.

**ING Quarterly FMP 92– Series A,A1:**

As per SEBI circular dated January 31, 2008, close end schemes are permitted to charge entry load to meet expenses pertaining to sales, marketing and other such expenses connected with sales and distribution of schemes. However, ING Quarterly FMP 92 – Series A,A1 shall not charge entry load during the initial offer. All expenses pertaining to sales, marketing and other such expenses connected with sales and distribution of schemes will be borne by the AMC. To provide liquidity to investors, the Fund proposes to provide repurchase facility in the scheme on 30<sup>th</sup>, 60<sup>th</sup> & 91<sup>st</sup> day from the date of allotment. The investors can submit their repurchase requests at any official points of acceptance of transactions on any date after the allotment. The repurchase requests, subject to being complete in all respects and received on or before business hours of the stipulated repurchase dates will be deemed to have been received for the Stipulated Repurchase dates. All such valid repurchase requests will be processed for redemption at the Applicable NAV on the Scheduled Repurchase Dates, subject to payment of the applicable CDSC as given below:

<u>Units repurchased / redeemed</u> *	<u>Applicable NAV</u> *	<u>Applicable CDSC</u>
If repurchase request is submitted after the date of allotment and on or before the 30 <sup>th</sup> day from the date of allotment	NAV as on 30 <sup>th</sup> day	1%

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If repurchase request is submitted after the 30 <sup>th</sup> day and on or before the 60 <sup>th</sup> day from the date of allotment	NAV as on 60 <sup>th</sup> day	1%
If repurchase request is submitted after 60 <sup>th</sup> day and on or before 91 <sup>st</sup> day from the date of allotment	NAV as on 91 <sup>st</sup> day	1%
On 92 <sup>nd</sup> day (date of maturity)	NAV as on 92 <sup>nd</sup> day	Nil

The exact repurchase dates will be announced at the time of launching the scheme. \* If the day falls on a holiday/non business day, the NAV of the next business day will be applicable. If the payout day happens to fall on a non business day, the payout will be processed on the next working day. The Trustees reserve the right to change the load structure with prospective effect subject to the maximum limits as prescribed by the Regulations.

The exit load/CDSC, if any in the scheme where the investments are switched out, and the entry load/CDSC/exit load if any, in the schemes where the investments are switched in are applicable for a normal switch transaction.

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

The Mutual Fund, however, reserves the right to change the load/fee structure if it so deems fit in the interest of the smooth and efficient functioning of the Mutual Fund with prospective effect within the limits prescribed and as per the SEBI Regulations. The Load may also be varied from time to time linked to the period of holding. The Load could also be different under the different options available under the Scheme at the same time.

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

For any change in load structure AMC will issue an addendum and display it on the website/Investor Service Centres.

**D. WAIVER OF LOAD FOR DIRECT APPLICATIONS**

Not applicable, as the scheme does not charge Entry load

**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**

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

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

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

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

There are no instances of any inquiries/ adjudication proceedings under the SEBI Act and the Regulations made thereunder, that are in progress against the Sponsor of the Mutual Fund or any company associated with the Sponsor or in any capacity

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

#### 3. Kashyap Raidant Systems Limited

During the IPO of M/s Kashyap Radiant Systems Limited in 1999, Rajkot branch of IVBL was not a designated branch to collect the application forms. However the said branch collected application forms based on the oral approval of the Company. However the Company rejected these application forms at the time of allotment on the ground of "applications received from unauthorised collection centers. Based on the complaints received from the investors and investigations, SEBI had debarred Rajkot Branch of IVBL from acting as collecting center for any public issue for a period of 6 months from 20.07.2000. The six months period of debarring ended on 19.01.2001. The matter stands closed.

#### 4. M.S.Shoes East Ltd.

ING Bank Ltd (IVBL) was one of the Underwriters to the Public Issue of Fully Convertible Debentures of M.S.SHOES EAST LIMITED (MSSEL) during the month of February 1995 and had underwritten to the extent of Rs. 1499.00 Lakhs. The issue opened on 14<sup>th</sup> February 1995 and the Company had closed the issue on 18<sup>th</sup> February 1995 (earliest closing date), stating that the issue had been fully subscribed. Further, the Company had also released an advertisement in the Newspapers announcing the closure of the Issue after 5 days from the opening of the Issue. On 18.02.1995 Managing Director of M/s. MSSEL had written a letter to the Bank informing that the issue has been oversubscribed. However, after one month, the Company informed that the Public Issue had been undersubscribed and demanded the under written amount of Rs. Rs. 1499.00 Lakhs. The Bank refused to pay the amount on the ground that the Company had earlier closed the issue stating that the Issue has been subscribed more than 90%. The Registrars to the Issue, M/s Mas Services Private Ltd., had also informed the Lead Manager, SBI Caps that the Issue was subscribed for more than 90%. The Company made the similar claim on all underwriters. Later on, the Company filed a suit before the Delhi High Court during May 1997. IVBL has already filed a written statement.

#### 5. Rights issue of ING Vysya Bank Ltd.

Four shareholders have complained to District Consumer Forum, Guntur, Andhra Pradesh that they have not been allotted shares during the rights issue of ING Bank Ltd in Mar-Apr 2005 and have made a claim aggregating to Rs 5.05 lakhs, which includes allotment money and damages. They had paid the application amount in cash in spite of the fact that the application form clearly states that application amount should not be paid in cash and should be paid by way of a Cheque / DD / Payorder. IVBL had refunded the application money for the above stated reason. The matter is yet to come for hearing.

In 2002, the Depository Participant Division of ING Vysya Bank Ltd was warned by SEBI for non-adherence to some operational procedures with regard to account opening.

The Reserve Bank of India in exercise of powers conferred in terms of the provisions of Section 47A(1)(b) of the Banking Regulation Act, 1949, imposed a penalty of Rs. 5 lacs each for the following violations:(i) Non-adherence to KYC norms in opening joint savings bank accounts particularly with reference to identification of their addresses and signatures, nature of relationship between / among joint account holders and lack of application of due diligence and breach of bank's internal norm of maximum number of three people opening a joint savings bank account etc and crediting account payee refund orders to the unauthorised accounts against prudent banking practice; (ii) violating RBI instructions on IPO finance particularly the limit on maximum permissible finance under the scheme, per borrower as envisaged by RBI regulations. The Bank is called upon to apy 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.

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A disgorgement order was passed by SEBI against 8 Depository participants out of which Bank's individual liability amounted to Rs. 55 lakh. An Appeal was filed before Securities Appellate Tribunal (SAT) wherein disgorgement order was stayed pending detailed consideration of the appeal. The disgorgement order was finally set aside by SAT through its decision dated 22-Nov-2007.

Enquiry proceedings were initiated against the Bank alleging violation of certain SEBI Rules & Regulations. Alleged violations were contested by the bank with supporting documents – SEBI has not communicated the outcome of the enquiry proceedings till date.

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

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**For and on behalf of the Board of Directors of  
ING Investment Management (I) Pvt. Ltd**

**Vineet K Vohra, CFA**  
**Managing Director & Chief Executive Officer**  
Place: Mumbai  
Date: July 02, 2008