

December 29, 2008

IN THE MATTER OF  
THE SECURITIES LEGISLATION OF  
BRITISH COLUMBIA, ALBERTA, SASKATCHEWAN,  
MANITOBA, ONTARIO, QUEBEC, NOVA SCOTIA,  
NEW BRUNSWICK, PRINCE EDWARD ISLAND,  
NEWFOUNDLAND AND LABRADOR, NORTHWEST TERRITORIES,  
NUNAVUT AND YUKON (the Jurisdictions)

AND

IN THE MATTER OF  
THE PROCESS FOR EXEMPTIVE RELIEF  
APPLICATIONS IN MULTIPLE JURISDICTIONS

AND

IN THE MATTER OF  
ING DIRECT ASSET MANAGEMENT INC. (the Manager)

AND

ING DIRECT STREETWISE BALANCED INCOME CLASS,  
ING DIRECT STREETWISE BALANCED CLASS AND  
ING DIRECT STREETWISE BALANCED GROWTH CLASS  
(the Corporate Funds)  
(collectively, the Filers)

DECISION

**Background**

The securities regulatory authority or regulator in each of the Jurisdictions (**Decision Maker**) has received an application from the Filers for a decision under the securities legislation of the Jurisdictions (the **Legislation**) that the lapse date of the simplified prospectus and annual information form for the Corporate Funds be extended from January 2, 2009 (**Lapse Date**) to January 9, 2009 (**Requested Extension**) in order to facilitate the process that the Filers intend to follow in order to convert (the **Conversion**) each of the Corporate Funds into a mutual fund trust (each a **Trust Fund**, and collectively, the **Trust Funds**) that has identical investment objectives and strategies.

Under the Process for Exemptive Relief Applications in Multiple Jurisdictions (for a coordinated review application):

(a) the Ontario Securities Commission is the principal regulator for this application; and

(b) the decision is the decision of the principal regulator and evidences the decision of each other Decision Maker.

## **Interpretation**

Terms defined in National Instrument 14-101 - *Definitions* have the same meaning if used in this decision, unless otherwise defined below:

## **Representations**

This decision is based on the following facts represented by the Filers:

1. The Manager is registered as an “investment counsel/portfolio manager” in the province of Ontario, with its head office located in Toronto, Ontario.
2. The Manager is the manager and portfolio adviser of each of the Corporate Funds and the proposed trustee, manager and portfolio adviser of each of the Trust Funds.
3. Each of the Corporate Funds is represented by a class of shares (the “Shares”) of ING Direct Corporate Class Limited (the **Corporation**), a corporation formed under the *Canada Business Corporations Act*.
4. Shares of the Corporate Funds are currently qualified for sale in each of the provinces and territories of Canada pursuant to a simplified prospectus and annual information form dated January 2, 2008, as amended by amendments to the simplified prospectus and annual information form dated May 30, 2008 and October 23, 2008 (collectively, the **Prospectus**).
5. The Corporation qualifies as a “mutual fund corporation” under the *Income Tax Act* (Canada).
6. The Corporation, as the issuer of the Shares of the Corporate Funds, is a reporting issuer under applicable securities legislation of each province and territory of Canada and is not in default of any of the requirements of such Legislation.
7. The Manager filed a simplified prospectus and annual information form dated December 11, 2008 with respect to the Trust Funds, for which a receipt dated December 11, 2008 was issued by the Ontario Securities Commission.
8. Because it will not be able to rely on subsection 5.3(2) of National Instrument 81-102 (the **Instrument**), the Manager is proposing to hold a meeting (the **Shareholders Meeting**) of the shareholders of the Corporate Funds (the **Shareholders**) on January 9, 2009 for the Shareholders of each of the Corporate Funds to approve the Conversion pursuant to section 5.1 of the Instrument.

9. Subject to obtaining the Shareholders' approval, the Filers propose to effect the Conversion by transferring on January 9, 2009 (the **Conversion Date**), all or substantially all of the Corporation's assets to the Trust Funds in exchange for units of the Trust Funds. The assets of the Corporation attributable to the ING DIRECT Streetwise Balanced Income Class will be transferred to the Trust Fund to be known as the ING DIRECT Streetwise Balanced Income Fund. The number of units issued by the ING DIRECT Streetwise Balanced Income Fund will equal the number of ING DIRECT Streetwise Balanced Income Class shares of the Corporation immediately prior to the transfer. Similar transfers will take place for the other assets of the Corporation attributable to the other two Corporate Funds.

10. Also on the Conversion Date, the Corporation will redeem all the outstanding Shares of each of the Corporate Funds at their net asset value and transfer the units of the corresponding Trust Fund to its Shareholders as consideration for the redemption. Each ING DIRECT Streetwise Balanced Income Class Shareholder will receive units of the ING DIRECT Streetwise Balanced Income Fund corresponding to the number of Shares of the ING DIRECT Streetwise Balanced Income Class they hold in exchange for those Shares. A similar matching will occur for the Shareholders of the other two Corporate Funds.

11. The Filers intend to cease distribution of Shares of the Corporate Funds at the close of business on the day immediately preceding the Conversion Date and, accordingly, do not intend to renew the Prospectus under subsection 62(2) of the Act or the corresponding provisions in the Legislation of the other Jurisdictions. As soon as possible following the Conversion, the Corporation will be wound up.

12. The Trust Funds have been newly created for the purposes of implementing the Conversion and have investment objectives and investment strategies that are identical to the investment objectives and investment strategies of the Corporate Funds. Accordingly, each Trust Fund will be indistinguishable from its corresponding Corporate Fund except for the fact that the former are units of a mutual fund trust and the latter are classes of shares of a mutual fund corporation.

13. The Manager does not intend to begin distribution of units of the Trust Funds prior to the Conversion.

14. If the Conversion is not approved by Shareholders of the Corporate Funds, the Filers will, nevertheless, cease distribution of additional Shares of the Corporate Funds at the close of business on the day immediately preceding the Conversion Date and, thereafter, the Manager will only permit investors to make new investments in the Trust Funds.

15. The Filers seek to extend the Lapse Date to correspond with the Conversion Date so that they may continue to distribute Shares of the Corporate Funds on an uninterrupted basis pending approval and completion of the Conversion.

16. Without the Requested Extension, the Corporate Funds would be required to cease distribution for the seven days between the Lapse Date and the Conversion Date. Alternatively, the Corporate Funds will have to incur costs associated with filing a pro forma simplified

prospectus and annual information form in order to distribute their shares for the seven day period between the Lapse Date and the Conversion Date.

17. There have been no material changes in the affairs of the Corporate Funds since the filing of the Prospectus and the Filers do not expect there to be any material changes in the affairs of the Corporate Funds between the date hereof and the Conversion Date. Accordingly, the Filers submit that the Prospectus represents current information regarding the Corporate Funds and that the Requested Extension will not affect the accuracy of information in the Prospectus and therefore will not be prejudicial to the public interest.

## **Decision**

Each of the Decision Makers is satisfied that the decision meets the test set out in the Legislation for the Decision Maker to make the decision.

The decision of the Decision Makers under the Legislation is that the Requested Extension is granted.

*“Margot C. Howard”*  
Commissioner  
Ontario Securities Commission

*“Mary C. Condon”*  
Commissioner  
Ontario Securities Commission