

ING PRIME RATE TRUST  
Form N-CSR  
May 09, 2008

OMB APPROVAL

OMB Number: 3235-0570

Expires: August 31, 2010

Estimated average burden hours per response: 18.9

**UNITED STATES**  
**SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

**FORM N-CSR**

**CERTIFIED SHAREHOLDER REPORT OF  
REGISTERED MANAGEMENT INVESTMENT COMPANIES**

Investment Company Act file number: **811-5410**

**ING Prime Rate Trust**

(Exact name of registrant as specified in charter)

**7337 E. Doubletree Ranch Rd., Scottsdale, AZ**  
(Address of principal executive offices)

**85258**  
(Zip code)

**CT Corporation System, 101 Federal Street, Boston, MA 02110**

(Name and address of agent for service)

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Registrant's telephone number, including area code: **1-800-992-0180**

Date of fiscal year end: February 29

Date of reporting period: February 29, 2008

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**Item 1. Reports to Stockholders.**

The following is a copy of the report transmitted to stockholders pursuant to Rule 30e-1 under the Act (17 CFR 270.30e-1):

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**Funds**

**Annual Report**

**February 29, 2008**

ING Prime Rate Trust

E-Delivery Sign-up details inside

This report is submitted for general information to shareholders of the ING Funds. It is not authorized for distribution to prospective shareholders unless accompanied or preceded by a prospectus which includes details regarding the funds' investment objectives, risks, charges, expenses and other information. This information should be read carefully.

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ING Prime Rate Trust

**ANNUAL REPORT**

February 29, 2008

Table of Contents

Portfolio Managers' Report	2
Report of Independent Registered Public Accounting Firm	8
Statement of Assets and Liabilities	9
Statement of Operations	10
Statements of Changes in Net Assets	11
Statement of Cash Flows	12
Financial Highlights	13
Notes to Financial Statements	14
Portfolio of Investments	25
Shareholder Meeting Information	58
Additional Information	59
Tax Information	61
Trustee and Officer Information	62

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## ING Prime Rate Trust

## PORTFOLIO MANAGERS' REPORT

Dear Shareholders:

ING Prime Rate Trust (the "Trust") is a diversified, closed-end management investment company that seeks to provide investors with as high a level of current income as is consistent with the preservation of capital. The Trust seeks to achieve this objective by investing, under normal circumstances, at least 80% of its net assets, plus the amount of any borrowings for investment purposes, in U.S. dollar denominated floating rate secured senior loans.

**PORTFOLIO CHARACTERISTICS**  
**AS OF FEBRUARY 29, 2008**

Net Assets	\$ 886,975,904
Total Assets	\$ 1,687,029,654
Assets Invested in Senior Loans	\$ 1,643,761,920
Senior Loans Represented	586
Average Amount Outstanding per Loan	\$ 2,805,054
Industries Represented	38
Average Loan Amount per Industry	\$ 43,256,893
Portfolio Turnover Rate (YTD)	60%
Weighted Average Days to Interest Rate Reset	42
Average Loan Final Maturity	64 months
Total Leverage as a Percentage of Total Assets (including Preferred Shares)	46.71%

**PERFORMANCE SUMMARY**

The Trust declared \$0.14 of dividends to common shareholders during the fourth fiscal quarter and \$0.56 for the year ended February 29, 2008. Based on the average month-end net asset value ("NAV") per share of \$7.15, this resulted in an annualized distribution rate of 8.79%<sup>(1)</sup> for the quarter and 7.95%<sup>(1)</sup> for the year. The Trust's total net return for the fourth fiscal quarter, based on NAV, was (10.55)% versus a total gross return on the S&P/LSTA Leveraged Loan Index ("LLI")<sup>(2)</sup> of (5.37)% for the same quarter. For the year, the Trust's total return, based on NAV, was (13.28)% versus (5.29)% gross return for the LLI. The total market value return (based on full reinvestment of dividends) for the Trust's common shares during the fourth fiscal quarter was (12.15)% and (17.25)% for the year ended February 29, 2008.

**MARKET REVIEW**

The Trust's fiscal year ended February 29, 2008 marked arguably the most extraordinary and challenging period in recorded loan market history. The early part of the year saw a continuation of a very strong issuer's market, as investor demand for senior loans remained exceptionally robust and credit spreads and default rates compressed to record lows. Beginning in mid-summer, however, global credit markets began to quickly unravel as investors in the mortgage and asset backed securities markets struggled with accelerating losses and plummeting valuations. While the corporate loan market is not directly linked to these securities markets (the Trust has never invested directly in mortgages or mortgage-backed securities), they do share, in part, a common investor

<sup>(1)</sup> The distribution rate is calculated by annualizing dividends declared during the period and dividing the resulting annualized dividend by the Trust's average net asset value (in the case of NAV) or the average month-end NYSE Composite closing price (in the case of Market). The distribution rate is based solely on the actual dividends and distributions, which are made at the discretion of management. The distribution rate may or may not include all investment income and ordinarily will not include capital gains or losses, if any.

<sup>(2)</sup> The LLI is an unmanaged total return index that captures accrued interest, repayments, and market value changes. It represents a broad cross section of leveraged loans syndicated in the United States, including dollar-denominated loans to overseas issuers. Standard & Poor's and the Loan Syndications and Trading Association ("LSTA") conceived the LLI to establish a performance benchmark for the syndicated leveraged loan industry. An investor cannot invest directly in an index.



## ING Prime Rate Trust

## PORTFOLIO MANAGERS' REPORT (continued)

base. As a result of this broad reassessment of risk, underlying demand for senior loans fell dramatically, at a time when the visible supply of new loans coming to market hit an all time high. This extreme "technical" dislocation, in concert with falling short-term interest rates and concerns about the outlook for the U.S. economy, had a decidedly negative impact on loan prices (and loan fund NAVs) during the period, even though default rates, while up noticeably from the all-time low of December 2007, have thus far remained below the long-run historical average. Since the end of the fiscal year, loan prices have recovered somewhat, buoyed by a continued (albeit slow-moving) reduction in the supply overhang and improving, but still opportunistic, investor demand for senior secured loans at what many now consider exceptionally attractive yields.

The Trust's performance during this difficult time must be viewed from two perspectives. Total net returns relative to the LLI were negatively impacted by the use of leverage (see below). We continue to believe that the disciplined use of leverage in this asset category is appropriate and accretive to common shareholders under normal market conditions. The velocity of the technical dislocation described above effectively precluded us from materially reducing leverage sufficiently in advance of the contraction in loan prices. Conversely, performance based on asset selection and industry positioning continues to be solid. The Trust did not hold any defaulted loans over the course of the fiscal year ended February 29, 2008 and is, we believe, well positioned to withstand a rising default rate environment. Further, the Trust's long-standing underweight of the generally riskier component of the loan asset category (e.g., second lien loans) has proved beneficial to recent asset-level performance, as has a continual underweight of problematic industry sectors (e.g. autos and real estate). As loan investors look to increasingly factor in a more challenging fundamental credit landscape, better quality non-investment grade loans have begun to outperform the broader market. We expect that trend to continue.

**USE OF LEVERAGE**

The Trust utilizes financial leverage to seek to increase the yield to the holders of common shares while maintaining the appropriate credit standards. Using leverage for investment purposes involves borrowing at a floating short-term rate, and investing those proceeds at a higher floating rate. Unlike traditional fixed income asset classes, using leverage in the floating rate

**TOP TEN SENIOR LOAN ISSUERS  
AS OF FEBRUARY 29, 2008  
AS A PERCENTAGE OF:**

	TOTAL ASSETS	NET ASSETS
Charter Communications Operating, LLC	3.2%	6.0%
CHS/Community Health Systems, Inc.	2.9%	5.4%
Metro-Goldwyn-Mayer, Inc.	2.0%	3.9%
Cequel Communications, LLC	2.0%	3.7%
HCA, Inc.	1.9%	3.7%
Georgia Pacific Corporation	1.9%	3.6%
CSC Holdings, Inc.	1.7%	3.3%
Sungard Data Systems, Inc.	1.6%	3.0%
UPC Financing Partnership	1.4%	2.6%
Univision Communications, Inc.	1.3%	2.6%

**TOP TEN INDUSTRY SECTORS  
AS OF FEBRUARY 29, 2008  
AS A PERCENTAGE OF:**

	TOTAL ASSETS	NET ASSETS
Healthcare, Education and Childcare	11.6%	22.0%
North American Cable	9.0%	17.1%
Printing & Publishing	6.2%	11.8%
Retail Stores	5.4%	10.2%

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Utilities	5.0%	9.4%
Data and Internet Services	4.9%	9.4%
Leisure, Amusement, Entertainment	4.3%	8.1%
Chemicals, Plastics & Rubber	4.3%	8.1%
Foreign Cable, Foreign TV, Radio and Equipment	3.8%	7.1%
Oil & Gas	3.6%	6.8%

ING Prime Rate Trust

PORTFOLIO MANAGERS' REPORT (continued)

senior loan asset class should not expose investors to the same degree of risk from rising short-term interest rates, as the income produced from the Trust's loan investments will adjust in a fashion consistent with the Trust's borrowing costs. The use of leverage can, however, magnify the erosion of the Trust's net asset value in declining markets. As of February 29, 2008, the Trust had \$450 million of "Aaa/AAA<sup>(3)</sup>" rated cumulative auction rate preferred shares outstanding, and \$338 million of borrowings outstanding under \$550 million in available credit facilities. Total leverage, as a percentage of total assets (including preferred shares), was 46.71% at period end.

Since early February 2008, for the first time in the history of its auction rate preferred shares program, the Trust did not receive hold orders and purchase requests for its preferred shares during their weekly auctions that equaled the full amount of such shares. As a result the amount sold by each selling shareholder was reduced pro rata or to zero. In addition, the dividend rate on such preferred shares, which is normally set by means of a Dutch Auction procedure, automatically reset to the maximum rate permitted under the preferred shares program. That maximum rate is 150% of the applicable commercial paper base rate on the day of the auction. Since early February, Preferred Shareholders have had limited liquidity for their preferred shares.

It is important for investors in the Trust's common and preferred shares to understand that this is a market liquidity issue and not a credit issue. The preferred shares of ING Prime Rate Trust have the highest rating issued by the rating agencies and are backed by the assets of the Trust. Further, even under current conditions, we believe that the Trust will be able to continue to pay the dividends required under its preferred shares program, whether those dividend rates are set by the Dutch Auction procedure or at the maximum rate.

We are very sensitive to the effects recent auction failures are having on holders of the Trust's auction rate preferred shares. We are closely monitoring the situation and are evaluating potential options to restore liquidity to and/or provide additional refinancing options in the context of regulatory guidelines, as well as the economic and tax implications for both common and preferred shareholders. We are also working with industry groups that are exploring with regulators various methods to try to provide liquidity to preferred shares of closed-end funds. There can be no assurance that any means for liquidity will be identified, and if they are, it is possible that the Trust's leverage or its benefits from leverage will diminish.

**OUTLOOK**

Looking forward, although decent progress has been made in mending the technical imbalance largely responsible for recent loan market woes, we believe substantial headwinds still exist. Global credit markets have not yet returned to full functionality, and most credit investors still envision further write-downs coming from the corporate banking ranks as weaker economic conditions take hold of both the consumer and corporate markets. However, we also believe that

<sup>(3)</sup> Obligations rated Aaa by Moody's Investors Service are judged to be of the highest quality, with minimal credit risk. An obligator rated 'AAA' has extremely strong capacity to meet its financial commitments. 'AAA' is the highest Issuer Credit Rating assigned by Standard & Poor's. Credit quality refers to the Trust's underlying investments, not to the stability or safety of this Trust.

ING Prime Rate Trust

PORTFOLIO MANAGERS' REPORT (continued)

the recent actions taken by the Federal Reserve to aggressively infuse liquidity into the U.S financial system have not only had an immediate positive psychological impact on investor sentiment, but will provide the foundation for improved credit conditions longer-term. Specific to the senior loan market, we remain of the opinion that, given time, the still present technical imbalance will eventually subside and thus provide a natural catalyst to higher loan prices, even if default rates continue to moderately increase. We also believe that our strategy of investing primarily in the better quality and most liquid non-investment grade bank loans, combined with rigorous ongoing monitoring, has the potential to continue our favorable default experience. Recall that, absent a loss associated with a default, senior bank loans pay off at par, which would provide investors the opportunity to, over time, recapture price declines and price discounts. Investors looking to capitalize on that favorable total return opportunity must have a reasonable risk tolerance and a sufficiently long investment horizon.

Jeffrey A. Bakalar  
*Senior Vice President*  
*Senior Portfolio Manager*  
*ING Investment Management Co.*

Daniel A. Norman  
*Senior Vice President*  
*Senior Portfolio Manager*  
*ING Investment Management Co.*

ING Prime Rate Trust  
April 11, 2008

## ING Prime Rate Trust

## PORTFOLIO MANAGERS' REPORT (continued)

	Average Annual Total Returns for the Years Ended February 29, 2008			
	1 Year	3 Years	5 Years	10 Years
Based on Net Asset Value (NAV)	(13.28)%	0.81%	5.01%	3.57%
Based on Market Value	(17.25)%	(2.24)%	4.19%	1.73%
S&P/LSTA Leveraged Loan Index	(5.29)%	2.27%	4.20%	4.13%
Credit-Suisse Leveraged Loan Index	(5.13)%	2.64%	4.70%	4.29%

The table above illustrates the total return of the Trust against the Indices indicated. An index has no cash in its portfolio, imposes no sales charges and incurs no operating expenses. An investor cannot invest directly in an index.

Total returns based on NAV reflect that ING Investments, LLC (the Trust's "Investment Adviser") may have waived or recouped fees and expenses otherwise payable by the Trust.

***Performance data represents past performance and is no guarantee of future results. Investment return and principal value of an investment in the Trust will fluctuate. Shares, when sold, may be worth more or less than their original cost. The Trust's future performance may be lower or higher than the performance data shown. Please log on to [www.ingfunds.com](http://www.ingfunds.com) or call (800) 992-0180 to get performance through the most recent month end.***

Calculation of total return assumes a hypothetical initial investment at the net asset value (in the case of NAV) or the New York Stock Exchange ("NYSE") Composite closing price (in the case of Market Value) on the last business day before the first day of the stated period, with all dividends and distributions reinvested at the actual reinvestment price.

*Senior loans are subject to credit risks and the potential for non-payment of scheduled principal or interest payments, which may result in a reduction of the Trust's NAV.*

*This report contains statements that may be "forward-looking" statements. Actual results could differ materially from those projected in the "forward-looking" statements.*

***The views expressed in this report reflect those of the portfolio managers only through the end of the period of the report as stated on the cover. The portfolio managers' views are subject to change at any time based on market and other conditions.***

## INDEX DESCRIPTIONS

The **LLI** is an unmanaged total return index that captures accrued interest, repayments, and market value changes. It represents a broad cross section of leveraged loans syndicated in the United States, including dollar-denominated loans to overseas issuers. Standard & Poor's and the Loan Syndications & Trading Association ("LSTA") conceived the LLI to establish a performance benchmark for the syndicated leveraged loan industry. An investor cannot invest directly in an index.

The **Credit-Suisse Leveraged Loan Index** is an unmanaged index of below investment grade loans designed to mirror the investable universe of the U.S. dollar-denominated leveraged loan market. An investor cannot invest directly in an index.

## ING Prime Rate Trust

PORTFOLIO MANAGERS' REPORT (continued)

## YIELDS AND DISTRIBUTION RATES

Quarter Ended	Prime Rate	NAV 30-day SEC Yield <sup>(A)</sup>	Mkt. 30-Day SEC Yield <sup>(A)</sup>	Annualized Dist. Rate @ NAV <sup>(B)</sup>	Annualized Dist. Rate @ Mkt. <sup>(B)</sup>
February 29, 2008	6.00%	10.99%	11.93%	9.03%	9.79%
November 30, 2007	7.50%	10.46%	11.15%	7.97%	8.67%
August 31, 2007	8.25%	10.92%	10.18%	7.53%	8.44%
May 31, 2007	8.25%	9.89%	9.81%	7.38%	7.52%

<sup>(A)</sup> Yield is calculated by dividing the Trust's net investment income per share for the most recent thirty days by the net asset value (in the case of NAV) or the NYSE Composite closing price (in the case of Market) at quarter-end. Yield calculations do not include any commissions or sales charges, and are compounded for six months and annualized for a twelve-month period to derive the Trust's yield consistent with the U.S. Securities and Exchange Commission ("SEC") standardized yield formula.

<sup>(B)</sup> The distribution rate is calculated by annualizing each monthly dividend, then averaging the annualized dividends declared for each month during the quarter and dividing the resulting average annualized dividend amount by the Trust's average net asset value (in the case of NAV) or the NYSE Composite closing price (in the case of Market) at the end of the period.

*Risk is inherent in all investing. The following are the principal risks associated with investing in the Trust. This is not, and is not intended to be, a description of all risks of investing in the Trust. A more detailed description of the risks of investing in the Trust is contained in the Trust's current prospectus.*

**Credit Risk:** The Trust invests a substantial portion of its assets in below investment grade senior loans and other below investment grade assets. Below investment grade loans involve a greater risk that borrowers may not make timely payment of the interest and principal due on their loans. They also involve a greater risk that the value of such loans could decline significantly. If borrowers do not make timely payments of the interest due on their loans, the yield on the Trust's common shares will decrease. If borrowers do not make timely payment of the principal due on their loans, or if the value of such loans decreases, the value of the Trust's NAV will decrease.

**Interest Rate Risk:** Changes in short-term market interest rates will directly affect the yield on the Trust's common shares. If short-term market interest rates fall, the yield on the Trust's common shares will also fall. To the extent that the interest rate spreads on loans in the Trust experience a general decline, the yield on the Trust will fall and the value of the Trust's assets may decrease, which will cause the Trust's value to decrease. Conversely, when short-term market interest rates rise, because of the lag between changes in such short-term rates and the resetting of the floating rates on assets in the Trust's portfolio, the impact of rising rates will be delayed to the extent of such lag.

**Leverage Risk:** The Trust borrows money for investment purposes. Borrowing increases both investment opportunity and investment risk. In the event of a general market decline in the value of assets such as those in which the Trust invests, the effect of that decline will be magnified in the Trust because of the additional assets purchased with the proceeds of the borrowings.

ING Prime Rate Trust

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

The Shareholders and Board of Trustees  
ING Prime Rate Trust

We have audited the accompanying statement of assets and liabilities, including the portfolio of investments, of ING Prime Rate Trust, as of February 29, 2008, and the related statements of operations and cash flows for the year then ended, the statements of changes in net assets for each of the years in the two-year period then ended, and the financial highlights for each of the years in the five-year period then ended. These financial statements and financial highlights are the responsibility of management. Our responsibility is to express an opinion on these financial statements and financial highlights based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements and financial highlights are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. Our procedures included confirmation of securities owned as of February 29, 2008, by correspondence with the custodian and brokers or by other appropriate auditing procedures where replies from brokers were not received. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements and financial highlights referred to above present fairly, in all material respects, the financial position of ING Prime Rate Trust as of February 29, 2008, the results of its operations and its cash flows, the changes in its net assets, and the financial highlights for the periods specified in the first paragraph above, in conformity with U.S. generally accepted accounting principles.

Boston, Massachusetts  
April 29, 2008



## ING Prime Rate Trust

STATEMENT OF ASSETS AND LIABILITIES as of February 29, 2008

<b>ASSETS:</b>	
Investments in securities at value (Cost \$1,842,102,096)	\$ 1,649,661,151
Cash	11,689,975
Foreign currencies at value (Cost \$1,255,057)	1,229,556
Receivables:	
Investment securities sold	5,964,084
Interest	17,855,736
Other	42,419
Unrealized appreciation on forward foreign currency contracts	541,323
Prepaid expenses	20,512
Prepaid facility fees on notes payable	24,898
Total assets	1,687,029,654
<b>LIABILITIES:</b>	
Notes payable	338,000,000
Payable for investment securities purchased	1,853,668
Accrued interest payable	1,359,855
Deferred arrangement fees on revolving credit facilities	698,810
Dividends payable - preferred shares	163,114
Payable to affiliates	1,386,655
Payable to custodian	75,458
Accrued trustees fees	44,563
Unrealized depreciation on forward foreign currency contracts	3,550,376
Unrealized depreciation on unfunded commitments	2,210,079
Other accrued expenses	711,172
Total liabilities	350,053,750
Preferred shares, \$25,000 stated value per share at liquidation value (18,000 shares outstanding)	450,000,000
<b>NET ASSETS</b>	<b>\$ 886,975,904</b>
Net assets value per common share outstanding (net assets less preferred shares at liquidation value, divided by 145,094,493 shares of beneficial interest authorized and outstanding, no par value)	\$ 6.11
<b>NET ASSETS WERE COMPRISED OF:</b>	
Paid-in capital	\$ 1,312,128,054
Undistributed net investment income	390,926
Accumulated net realized loss on investments and foreign currency related transactions	(228,096,961)
Net unrealized depreciation on investments and foreign currency related transactions	(197,446,115)
<b>NET ASSETS</b>	<b>\$ 886,975,904</b>

See Accompanying Notes to Financial Statements

## ING Prime Rate Trust

STATEMENT OF OPERATIONS for the Year Ended February 29, 2008

<b>INVESTMENT INCOME:</b>		
Interest	\$	150,101,644
Arrangement fees earned		578,747
Other		3,073,112
Total investment income		153,753,503
<b>EXPENSES:</b>		
Investment management fees		15,097,475
Administration fees		4,717,961
Transfer agent fees		101,022
Interest expense		22,536,395
Shareholder reporting expense		179,800
Custody and accounting expense		834,097
Professional fees		235,190
Preferred shares dividend disbursing agent fees		1,148,193
ICI fees		2,949
Postage expense		218,050
Trustees fees		72,377
Miscellaneous expense		417,806
Total expenses		45,561,315
Net investment income		108,192,188
<b>REALIZED AND UNREALIZED GAIN (LOSS) FROM INVESTMENTS AND FOREIGN CURRENCY RELATED TRANSACTIONS:</b>		
Net realized gain (loss) on:		
Investments		17,974,664
Foreign currency related transactions		(12,901,195)
Net realized gain on investments and foreign currency related transactions		5,073,469
Net change in unrealized appreciation or depreciation on:		
Investments		(226,464,695)
Foreign currency related transactions		(2,324,193)
Unfunded commitments		(2,210,079)
Net change in unrealized appreciation or depreciation on investments and foreign currency related transactions		(230,998,967)
Net realized and unrealized loss on investments and foreign currency related transactions		(225,925,498)
<b>DISTRIBUTIONS TO PREFERRED SHAREHOLDERS:</b>		
From net investment income		(23,475,824)
Net decrease in net assets resulting from operations	\$	(141,209,134)

See Accompanying Notes to Financial Statements

## ING Prime Rate Trust

## STATEMENTS OF CHANGES IN NET ASSETS

	Year Ended February 29, 2008	Year Ended February 28, 2007
<b>FROM OPERATIONS:</b>		
Net investment income	\$ 108,192,188	\$ 103,083,218
Net realized gain on investments and foreign currency related transactions	5,073,469	14,599,027
Net change in unrealized appreciation or depreciation on investments and foreign currency related transactions	(230,998,967)	(6,442,840)
Distributions to preferred shareholders from net investment income	(23,475,824)	(22,313,381)
Net increase (decrease) in net assets resulting from operations	(141,209,134)	88,926,024
<b>FROM DISTRIBUTIONS TO COMMON SHAREHOLDERS:</b>		
From net investment income	(81,821,838)	(80,058,346)
Decrease in net assets from distributions to common shareholders	(81,821,838)	(80,058,346)
<b>CAPITAL SHARE TRANSACTIONS:</b>		
Reinvestment of distributions from common shares	450,139	
Proceeds from shares sold	17,785	
Net increase from capital share transactions	467,924	
Net increase (decrease) in net assets	(222,563,048)	8,867,678
<b>NET ASSETS:</b>		
Beginning of year	1,109,538,952	1,100,671,274
End of year (including undistributed net investment income of \$390,926 and \$4,124,094, respectively)	\$ 886,975,904	\$ 1,109,538,952

See Accompanying Notes to Financial Statements

## ING Prime Rate Trust

STATEMENT OF CASH FLOWS for the Year Ended February 29, 2008

<b>INCREASE (DECREASE) IN CASH</b>	
<b>Cash Flows From Operating Activities:</b>	
Interest received	\$ 138,197,551
Facility fees received	32,030
Dividend paid to preferred shareholder	(23,549,121)
Arrangement fee received	742,902
Other income received	3,314,797
Interest paid	(22,788,174)
Other operating expenses paid	(23,104,880)
Purchases of securities	(1,168,747,773)
Proceeds on sale of securities	1,126,524,909
Net cash provided by operating activities	30,622,241
<b>Cash Flows From Financing Activities:</b>	
Dividends paid to common shareholders	(81,371,699)
Proceeds from shares sold	17,785
Net increase in notes payable	57,000,000
Net cash flows provided by financing activities	(24,353,914)
Net increase	6,268,327
Cash at beginning of year	5,421,648
Cash at end of year	\$ 11,689,975
<b>Reconciliation Of Net Decrease In Net Assets Resulting From Operations To Net Cash Provided by Operating Activities:</b>	
Net decrease in net assets resulting from operations	\$ (141,209,134)
Adjustments to reconcile net decrease in net assets resulting from operations to net cash provided by operating activities:	
Change in unrealized depreciation on investments	226,464,695
Change in unrealized depreciation on foreign currencies	27,482
Change in unrealized depreciation on forward currency contracts	2,534,758
Change in unrealized depreciation on unfunded commitments	2,210,079
Net accretion of discounts on investments	(6,545,513)
Net amortization of premiums on investments	350,311
Net realized gain on sale of investments and forward foreign currency related transactions	(5,073,469)
Purchases of securities	(1,168,747,773)
Proceeds on sale of securities	1,126,524,909
Decrease in other assets	3,638
Increase in interest receivable	(5,708,891)
Decrease in prepaid facility fees on notes payable	32,030
Decrease in prepaid expenses	20,547
Increase in deferred arrangement fees on revolving credit facilities	164,155
Decrease in accrued interest payable	(251,780)
Decrease in dividends payable - preferred shares	(73,297)
Decrease in payable to affiliates	(142,745)
Increase in accrued trustees fees	13,576
Increase in other accrued expenses	28,663
Total adjustments	171,831,375

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Net cash provided by operating activities	\$	30,622,241
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**Non Cash Financing Activities**

Reinvestment of distributions from common shares	\$	450,139
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See Accompanying Notes to Financial Statements

12

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## ING PRIME RATE TRUST FINANCIAL HIGHLIGHTS

For a common share outstanding throughout the year

	Years Ended February 28 or February 29,				
	2008	2007	2006	2005	2004
<b>Per Share Operating Performance</b>					
Net asset value, beginning of year	\$ 7.65	7.59	7.47	7.34	6.73
Income (loss) from investment operations:					
Net investment income	\$ 0.75	0.71	0.57	0.45	0.46
Net realized and unrealized gain (loss) on investments	\$ (1.57)	0.06	0.12	0.16	0.61
Total from investment operations	\$ (0.82)	0.77	0.69	0.61	1.07
Distributions to Common Shareholders from net investment income					
	\$ (0.56)	(0.55)	(0.46)	(0.43)	(0.42)
Distribution to Preferred Shareholders					
	\$ (0.16)	(0.16)	(0.11)	(0.05)	(0.04)
Net asset value, end of year	\$ 6.11	7.65	7.59	7.47	7.34
Closing market price at end of year	\$ 5.64	7.40	7.02	7.56	7.84
Total Investment Return <sup>(1)</sup>					
Total investment return at closing market price <sup>(2)</sup>	% (17.25)	13.84	(0.82)	2.04	28.77
Total investment return at net asset value <sup>(3)</sup>	% (13.28)	8.85	8.53	7.70	15.72
<b>Ratios/Supplemental Data</b>					
Net assets end of year (000's)	\$ 886,976	1,109,539	1,100,671	1,082,748	1,010,325
Preferred Shares-Aggregate amount outstanding (000's)	\$ 450,000	450,000	450,000	450,000	450,000
Liquidation and market value per share of Preferred Shares	\$ 25,000	25,000	25,000	25,000	25,000
Borrowings at end of year (000's)	\$ 338,000	281,000	465,000	496,000	225,000
Asset coverage per \$1,000 of debt <sup>(4)</sup>	\$ 2,125	2,517	2,203	2,140	2,500
Average borrowings (000's)	\$ 391,475	459,982	509,178	414,889	143,194
<b>Ratios to average net assets including Preferred Shares<sup>(5)</sup></b>					
Expenses (before interest and other fees related to revolving credit facility)					
	% 1.54	1.57	1.64	1.60	1.45
Net expenses after expense reimbursement					
	% 3.05	3.27	3.02	2.21	1.65
Gross expenses prior to expense reimbursement					
	% 3.05	3.27	3.02	2.22	1.65
Net investment income					
	% 7.23	6.68	5.44	4.21	4.57
<b>Ratios to average net assets plus borrowings</b>					
Expenses (before interest and other fees related to revolving credit facility)					
	% 1.60	1.56	1.58	1.63	1.84
Net expenses after expense reimbursement					
	% 3.17	3.25	2.90	2.26	2.09
Gross expenses prior to expense reimbursement					
	% 3.17	3.25	2.90	2.27	2.09
Net investment income					
	% 7.53	6.63	5.24	4.32	5.82
<b>Ratios to average net assets</b>					

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Expenses (before interest and other fees related to revolving credit facility)	%	2.20	2.21	2.33	2.29	2.11
Net expenses after expense reimbursement	%	4.36	4.62	4.27	3.17	2.40
Gross expenses prior to expense reimbursement	%	4.36	4.62	4.27	3.18	2.40
Net investment income	%	10.35	9.42	7.71	6.04	6.68
Portfolio turnover rate	%	60	60	81	93	87
Common shares outstanding at end of year (000's)		145,094	145,033	145,033	145,033	137,638

(1) Total investment return calculations are attributable to common shares.

(2) Total investment return measures the change in the market value of your investment assuming reinvestment of dividends and capital gain distributions, if any, in accordance with the provisions of the Trust's dividend reinvestment plan.

(3) Total investment return at net asset value has been calculated assuming a purchase at net asset value at the beginning of each period and a sale at net asset value at the end of each period and assumes reinvestment of dividends and capital gain distributions in accordance with the provisions of the dividend reinvestment plan.

This calculation differs from total investment return because it excludes the effects of changes in the market values of the Trust's shares.

(4) Asset coverage represents the total assets available for settlement of Preferred Stockholder's interest and notes payables in relation to the Preferred Shareholder interest and notes payable balance outstanding. The Preferred Shares were first offered November 2, 2000.

(5) Ratios do not reflect the effect of dividend payments to Preferred Shareholders; income ratios reflect income earned on assets attributable to the Preferred Shares; ratios do not reflect any add-back for the borrowings.

See Accompanying Notes to Financial Statements



ING Prime Rate Trust

NOTES TO FINANCIAL STATEMENTS as of February 29, 2008

**NOTE 1 ORGANIZATION**

ING Prime Rate Trust (the "Trust"), a Massachusetts business trust, is registered under the Investment Company Act of 1940, as amended (the "1940 Act"), as a diversified, closed-end, management investment company. The Trust invests primarily in senior loans, which generally are not registered under the Securities Act of 1933, as amended (the "1933 Act"), and which contain certain restrictions on resale and cannot be sold publicly. These loans bear interest (unless otherwise noted) at rates that float periodically at a margin above the London Inter-Bank Offered Rate ("LIBOR") and other short-term rates.

**NOTE 2 SIGNIFICANT ACCOUNTING POLICIES**

The following is a summary of the significant accounting policies consistently followed by the Trust in the preparation of its financial statements. The policies are in conformity with U.S. generally accepted accounting principles for investment companies.

A. *Senior Loan and Other Security Valuation.* Senior loans held by the Trust are normally valued at the average of the means of one or more bid and ask quotations obtained from an independent pricing service or other sources determined by the Trust's Board of Trustees ("Board") to be independent and believed to be reliable. Loans for which reliable market value quotations are not readily available may be valued with reference to another loan or a group of loans for which reliable quotations are readily available and whose characteristics are comparable to the loan being valued. Under this approach, the comparable loan or loans serve as a proxy for changes in value of the loan being valued.

The Trust has engaged an independent pricing service to provide market value quotations from dealers in loans and, when such quotations are not readily available, to calculate values under the proxy procedure described above. As of February 29, 2008, 98.92% of total loans were valued based on these procedures. It is expected that most of the loans held by the Trust will continue to be valued with reference to quotations from the independent pricing service or with reference to the proxy procedure described above.

Prices from a pricing source may not be available for all loans and ING Investments, LLC (the "Investment Adviser") or ING Investment Management Co. ("ING IM" or the "Sub-Adviser"), may believe that the price for a loan derived from market quotations or the proxy procedure described above is not reliable or accurate. Among other reasons, this may be the result of information about a particular loan or borrower known to the Investment Adviser or the Sub-Adviser that the Investment Adviser or the Sub-Adviser believes may not be known to the pricing service or reflected in a price quote. In this event, the loan is valued at fair value as determined in good faith under procedures established by the Board and in accordance with the provisions of the 1940 Act. Under these procedures, fair value is determined by the Investment Adviser or Sub-Adviser and monitored by the Board through its Valuation, Brokerage and Proxy Committee.

In fair valuing a loan, consideration is given to several factors, which may include, among others, the following: (i) the characteristics of and fundamental analytical data relating to the loan, including the cost, size, current interest rate, period until the next interest rate reset, maturity and base lending rate of the loan, the terms and conditions of the loan and any related agreements, and the position of the loan in the borrower's debt structure; (ii) the nature, adequacy and value of the collateral, including the Trust's rights, remedies and interests with respect to the collateral; (iii) the creditworthiness of the borrower and the cash flow coverage of outstanding principal and interest, based on an evaluation of its financial condition, financial statements and information about the borrower's business, cash flows, capital structure and future prospects; (iv) information relating to the market for the loan,

ING Prime Rate Trust

NOTES TO FINANCIAL STATEMENTS as of February 29, 2008 (continued)

**NOTE 2 SIGNIFICANT ACCOUNTING POLICIES (continued)**

including price quotations for, and trading in, the loan and interests in similar loans; (v) the reputation and financial condition of the agent for the loan and any intermediate participants in the loan; (vi) the borrower's management; and (vii) the general economic and market conditions affecting the fair value of the loan. Securities for which the primary market is a national securities exchange are valued at the last reported sale price. Securities reported by NASDAQ will be valued at the NASDAQ Official Closing Price. Securities traded in the over-the-counter market and listed securities for which no sale was reported on a valuation date are valued at the mean between the last reported bid and ask price on such exchange. Securities, other than senior loans, for which reliable market value quotations are not readily available, and all other assets, will be valued at their respective fair values as determined in good faith by, and under procedures established by, the Board. Investments in securities maturing in 60 days or less from the date of acquisition are valued at amortized cost which approximates market value.

B. *Federal Income Taxes.* It is the Trust's policy to comply with subchapter M of the Internal Revenue Code and related excise tax provisions applicable to regulated investment companies and to distribute substantially all of its net investment income and net realized capital gains to its shareholders. Therefore, no federal income tax provision is required. No capital gain distributions will be made by the Trust until any capital loss carryforwards have been fully utilized or expire.

C. *Security Transactions and Revenue Recognition.* Revolver and delayed draw loans are booked on a settlement date basis. Security transactions and senior loans are accounted for on trade date (date the order to buy or sell is executed). Realized gains or losses are reported on the basis of identified cost of securities sold. Dividend income is recognized on the ex-dividend date. Interest income is recorded on an accrual basis at the then-current interest rate of the loan. The accrual of interest on loans is partially or fully discontinued when, in the opinion of management, there is an indication that the borrower may be unable to meet payments as they become due. If determined to be uncollectable, accrued interest is also written off. Cash collections on non-accrual senior loans are generally applied as a reduction to the recorded investment of the loan. Senior loans are generally returned to accrual status only after all past due amounts have been received and the borrower has demonstrated sustained performance. For all loans, except revolving credit facilities, fees received are treated as discounts and are accreted whereas premiums are amortized. Fees associated with revolving credit facilities are deferred and recognized over the shorter of four years or the actual term of the loan.

D. *Foreign Currency Translation.* The books and records of the Trust are maintained in U.S. dollars. Any foreign currency amounts are translated into U.S. dollars on the following basis:

- (1) Market value of investment securities, other assets and liabilities at the exchange rates prevailing at the end of the day.
- (2) Purchases and sales of investment securities, income and expenses at the rates of exchange prevailing on the respective dates of such transactions.

Although the net assets and the market values are presented at the foreign exchange rates at the end of the day, the Trust does not isolate the portion of the results of operations resulting from changes in foreign exchange rates on investments from the fluctuations arising from changes in market prices of securities held. Such fluctuations are included with the net realized and unrealized gains or losses from investments. For securities, which are subject to foreign withholding tax upon disposition, liabilities are recorded on the Statement of Assets and Liabilities for the estimated tax withholding based on the securities current market value. Upon disposition, realized gains or losses on such securities are recorded net of foreign withholding tax.

ING Prime Rate Trust

NOTES TO FINANCIAL STATEMENTS as of February 29, 2008 (continued)

**NOTE 2 SIGNIFICANT ACCOUNTING POLICIES (continued)**

Reported net realized foreign exchange gains or losses arise from sales of foreign currencies, currency gains or losses realized between the trade and settlement dates on securities transactions, the difference between the amounts of dividends, interest, and foreign withholding taxes recorded on the Trust's books, and the U.S. dollar equivalent of the amounts actually received or paid. Net unrealized foreign exchange gains and losses arise from changes in the value of assets and liabilities other than investments in securities at fiscal year end, resulting from changes in the exchange rate. Foreign security and currency transactions may involve certain considerations and risks not typically associated with investing in U.S. companies and the U.S. government. These risks include, but are not limited to, revaluation of currencies and future adverse political and economic developments which could cause securities and their markets to be less liquid and prices more volatile than those of comparable U.S. companies and U.S. government securities.

E. *Forward Foreign Currency Contracts.* The Trust may enter into forward foreign currency contracts primarily to hedge against foreign currency exchange rate risks on its non-U.S. dollar denominated investment securities. When entering into a currency forward contract, the Trust agrees to receive or deliver a fixed quantity of foreign currency for an agreed-upon price on an agreed future date. These contracts are valued daily and the Trust's net equity therein, representing unrealized gain or loss on the contracts as measured by the difference between the forward foreign exchange rates at the dates of entry into the contracts and the forward rates at the reporting date, is included in the Statement of Assets and Liabilities. Realized and unrealized gains and losses are included in the Statement of Operations. These instruments involve market and/or credit risk in excess of the amount recognized in the Statement of Assets and Liabilities. Risks arise from the possible inability of counterparties to meet the terms of their contracts and from movement in currency and securities values and interest rates. Open forward foreign currency contracts are presented following the respective Portfolio of Investments.

F. *Distributions to Common Shareholders.* The Trust declares and pays dividends monthly from net investment income. Distributions from capital gains, if any, are declared and paid annually. The Trust may make additional distributions to comply with the distribution requirements of the Internal Revenue Code. The character and amounts of income and gains to be distributed are determined in accordance with federal income tax regulations, which may differ from U.S. generally accepted accounting principles for investment companies. The Trust records distributions to its shareholders on the ex-dividend date.

G. *Dividend Reinvestments.* Pursuant to the Trust's Shareholder Investment Program (the "Program"), DST Systems, Inc. ("DST"), the Program administrator, purchases, from time to time, shares of beneficial interest of the Trust on the open market to satisfy dividend reinvestments. Such shares are purchased on the open market only when the closing sale or bid price plus commission is less than the NAV per share of the Trust's common shares on the valuation date. If the market price plus commissions is equal to or exceeds NAV, new shares are issued by the Trust at the greater of (i) NAV or (ii) the market price of the shares during the pricing period, minus a discount of 5%.

H. *Use of Estimates.* The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of increases and decreases in net assets from operations during the reporting period. Actual results could differ from those estimates.

ING Prime Rate Trust

NOTES TO FINANCIAL STATEMENTS as of February 29, 2008 (continued)

**NOTE 2 SIGNIFICANT ACCOUNTING POLICIES (continued)**

I. *Share Offerings*. The Trust issues shares under various shelf registration statements, whereby the net proceeds received by the Trust from share sales may not be less than the greater of (i) the NAV per share or (ii) 94% of the average daily market price over the relevant pricing period.

**NOTE 3 INVESTMENTS**

For the year ended February 29, 2008, the cost of purchases and the proceeds from principal repayment and sales of investments, excluding short-term notes, totaled \$1,137,452,291 and \$1,139,645,431, respectively. At February 29, 2008, the Trust held senior loans valued at \$1,643,761,920 representing 99.6% of its total investments. The market value of these assets is established as set forth in Note 2.

The senior loans acquired by the Trust typically take the form of a direct lending relationship with the borrower, and are typically acquired through an assignment of another lender's interest in a loan. The lead lender in a typical corporate loan syndicate administers the loan and monitors the collateral securing the loan.

Common and preferred shares, and stock purchase warrants held in the portfolio were acquired in conjunction with loans held by the Trust. Certain of these stocks and warrants are restricted and may not be publicly sold without registration under the 1933 Act, or without an exemption under the 1933 Act. In some cases, these restrictions expire after a designated period of time after issuance of the shares or warrants.

## ING Prime Rate Trust

NOTES TO FINANCIAL STATEMENTS as of February 29, 2008 (continued)

**NOTE 3 INVESTMENTS (continued)**

Dates of acquisition and cost of assigned basis of restricted securities are as follows:

	Date of Acquisition	Cost or Assigned Basis
Allied Digital Technologies Corporation (Residual Interest in Bankruptcy Estate)	06/05/02	\$ 100
Block Vision Holdings Corporation (571 Common Shares)	09/17/02	
Boston Chicken, Inc. (Residual Interest in Boston Chicken Plan Trust)	12/26/00	9,893
Cedar Chemical (Liquidation Interest)	12/31/02	
Covenant Care, Inc. (Warrants for 19,000 Common Shares, Expires January 13, 2005)	12/22/95	
Covenant Care, Inc. (Warrants for 26,901 Common Shares, Expires March 31, 2013)	01/18/02	
Decision One Corporation (1,752,103 Common Shares)	05/17/05	1,116,773
Enterprise Profit Solutions (Liquidation Interest)	10/21/02	
EquityCo, LLC (Warrants for 28,752 Common Shares)	02/25/05	
Euro United Corporation (Residual Interest in Bankruptcy Estate)	06/21/02	100
Grand Union Company (Residual Interest in Bankruptcy Estate)	07/01/02	2,576
Humphrey's, Inc. (Residual Interest in Bankruptcy Estate)	05/15/02	50
IAP Acquisition Corporation (3,524 Common Shares)	08/29/03	
IAP Acquisition Corporation (1,084 Common Shares)	08/29/03	3,524,300
IAP Acquisition Corporation (1,814 Common Shares)	08/29/03	
IAP Acquisition Corporation (17,348 Common Shares)	08/29/03	428,603
Imperial Home Décor Group, Inc. (Liquidation Interest)	01/22/04	
IT Group, Inc. (Residual Interest in Bankruptcy Estate)	09/12/03	25
Kevco Inc. (Residual Interest in Bankruptcy Estate)	06/05/02	25
Lincoln Paper & Tissue (Warrants for 291 Common Shares, Expires August 14, 2015)	08/25/05	
Lincoln Pulp and Easten Fine (Residual Interest in Bankruptcy Estate)	06/08/04	
Norwood Promotional Products, Inc. (104,148 Common Shares)	08/23/04	32,939
Norwood Promotional Products, Inc. (Contingent Value Rights)	12/14/07	377,999
Safelite Realty Corporation (57,804 Common Shares)	10/12/00	
Transtar Metals (Residual Interest in Bankruptcy Estate)	01/09/03	40,230
TSR Wireless, LLC (Residual Interest in Bankruptcy Estate)	10/15/02	
US Office Products Company (Residual Interest in Bankruptcy Estate)	02/11/04	
Total Restricted Securities excluding senior loans (market value of \$840,481 was 0.10% of net assets at February 29, 2008)		\$ 5,533,613

## ING Prime Rate Trust

NOTES TO FINANCIAL STATEMENTS as of February 29, 2008 (continued)

**NOTE 4 MANAGEMENT AND ADMINISTRATION AGREEMENTS**

The Trust has entered into an investment management agreement ("Investment Advisory Agreement") with the Investment Adviser, an Arizona limited liability company, to provide advisory and management services. The Investment Advisory Agreement compensates the Investment Adviser with a fee, computed daily and payable monthly, at an annual rate of 0.80% of the Trust's Managed Assets. For purposes of the Investment Advisory Agreement, "Managed Assets" shall mean the Trust's average daily gross asset value, minus the sum of the Trust's accrued and unpaid dividends on any outstanding preferred shares and accrued liabilities (other than liabilities for the principal amount of any borrowings incurred, commercial paper or notes issued by the Trust and the liquidation preference of any outstanding preferred shares).

The Investment Adviser entered into a Sub-Advisory agreement with ING IM, a Connecticut corporation. Subject to such policies as the Board or the Investment Adviser may determine, ING IM manages the Trust's assets in accordance with the Trust's investment objectives, policies, and limitations.

The Trust has also entered into an administration agreement with ING Funds Services, LLC (the "Administrator") to provide administrative services and also to furnish facilities. The Administrator is compensated with a fee, computed daily and payable monthly, at an annual rate of 0.25% plus the proceeds of any outstanding borrowings of the Trust's Managed Assets.

The Investment Adviser, ING IM and the Administrator are indirect, wholly-owned subsidiaries of ING Groep N.V. ("ING Groep"). ING Groep is one of the largest financial services organizations in the world, and offers an array of banking, insurance and asset management services to both individual and institutional investors.

**NOTE 5 TRANSACTIONS WITH AFFILIATES AND RELATED PARTIES**

At February 29, 2008, the Trust had the following amounts recorded in payables to affiliates on the accompanying Statement of Assets and Liabilities:

Accrued Investment Management Fees	Accrued Administrative Fees	Total
\$ 1,056,499	\$ 330,156	\$ 1,386,655

The Trust has adopted a Retirement Policy ("Policy") covering all independent trustees of the Trust who will have served as an independent trustee for at least five years at the time of retirement. Benefits under this Policy are based on an annual rate as defined in the Policy agreement.

**NOTE 6 COMMITMENTS**

The Trust has entered into both a \$90 million 364-day revolving credit agreement which matures August 20, 2008 and a \$460 million 364-day revolving securitization facility which matures June 12, 2008, collateralized by assets of the Trust. Borrowing rates under these agreements are based on a fixed spread over LIBOR, the federal funds rate, or a commercial paper-based rate. Prepaid arrangement fees for these facilities are amortized over the term of the agreements. The amount of borrowings outstanding at February 29, 2008, was \$338 million. Weighted average interest rate on outstanding borrowings was 5.63%, excluding fees related to the unused portion of the facilities, and other fees. The amount of borrowings represented 20.0% of total assets at February 29, 2008. Average borrowings for the year ended February 29, 2008 were \$391,475,410 and the average annualized interest rate was 5.75% excluding other fees related to the unused portion of the facilities, and other fees.

## ING Prime Rate Trust

NOTES TO FINANCIAL STATEMENTS as of February 29, 2008 (continued)

**NOTE 6 COMMITMENTS (continued)**

As of February 29, 2008, the Trust had unfunded loan commitments pursuant to the terms of the following loan agreements:

Advance Food Company	\$ 116,878
Calpine Corporation	1,785,000
Cannery Casino Resorts	755,906
Cellular South, Inc.	500,000
Cengage Learning, Inc.	3,333,333
Centaur Gaming	350,877
Coach America Holdings, Inc.	442,989
Coletto Creek Power	4,625,000
Community Health Systems, Inc.	2,645,012
Fleetcor Technologies Operating Company, LLC	116,667
Fountainebleau Resorts, LLC	966,667
Golden Nugget, Inc.	545,455
Hub International Holdings, Inc.	\$ 81,046
Iasis Healthcare Corporation	266,614
Kerasotes Theatres, Inc.	996,930
Las Vegas Sands LLC	1,600,000
Longview Power LLC	96,000
Meg Energy Corporation	1,880,000
Ply Gem Industries, Inc.	1,000,000
Sturm Foods, Inc.	500,000
United Surgical Partners International, Inc.	117,742
Univision Communications	973,323
Valassis Communications, Inc.	320,000
	\$ 24,015,439

The unrealized depreciation on these commitments of \$2,210,079 as of February 29, 2008 is reported as such on the Statement of Assets and Liabilities.

**NOTE 7 RIGHTS AND OTHER OFFERINGS**

As of February 29, 2008, outstanding share offerings pursuant to shelf registrations were as follows:

Registration Date	Shares Registered	Shares Remaining
9/15/98	25,000,000	12,372,589
3/04/99	5,000,000	3,241,645

On November 2, 2000, the Trust issued 3,600 shares each of Series M, Series W and Series F Auction Rate Cumulative Preferred Shares, \$0.01 Par Value, \$25,000 liquidation preference, for a total issuance of \$270 million. Also, on November 16, 2000, the Trust issued 3,600 shares of Series T and Series Th Auction Rate Cumulative Preferred Shares, \$0.01 Par Value, \$25,000, liquidation preference, for a total issuance of \$180

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million. The Trust used the net proceeds of the offering to partially pay down the then existing indebtedness and to purchase additional senior loans. Preferred Shares pay dividends based on a rate set at auctions, normally held every 7 days. In most instances dividends are also payable every 7 days, on the first business day following the end of the rate period. Preferred shares have no stated conversion, redemption or liquidation date, but may be redeemed at the election of the Trust. Such shares may only be redeemed by the Preferred Shareholders if the Trust fails to meet certain credit quality thresholds within its portfolio.

Since early February 2008, for the first time in the history of its auction rate preferred shares program, the Trust did not receive hold orders and purchase requests for its preferred shares during their weekly auctions that equaled the full amount of such shares. As a result the amount sold by each selling shareholder was reduced pro rata or to zero. In addition, the dividend rate on such preferred shares, which is normally set by means of a Dutch Auction procedure, automatically reset to the maximum rate permitted under the preferred shares program. That maximum rate is 150% of the applicable commercial paper base rate on the day of the auction.

### **NOTE 8 CUSTODIAL AGREEMENT**

State Street Bank and Trust Company ("SSB") serves as the Trust's custodian and recordkeeper. Custody fees paid to SSB are reduced by earnings credits based on the cash balances held by SSB for the Trust. There were no earnings credits for the year ended February 29, 2008.

## ING Prime Rate Trust

NOTES TO FINANCIAL STATEMENTS as of February 29, 2008 (continued)

**NOTE 9 SUBORDINATED LOANS AND UNSECURED LOANS**

The Trust may invest in subordinated loans and in unsecured loans. The primary risk arising from investing in subordinated loans or in unsecured loans is the potential loss in the event of default by the issuer of the loans. The Trust may acquire a subordinated loan only if, at the time of acquisition, it acquires or holds a senior loan from the same borrower. The Trust will acquire unsecured loans only where the Investment Adviser believes, at the time of acquisition, that the Trust would have the right to payment upon default that is not subordinate to any other creditor. Subject to the aggregate 20% limit on other investments, the Trust may invest up to 20% of its total assets in unsecured floating rate loans, notes and other debt instruments and 5% of its total assets in floating rate subordinated loans. As of February 29, 2008, the Trust held 0.3% of its total assets in subordinated loans and unsecured loans.

**NOTE 10 CAPITAL SHARES**

Transactions in capital shares and dollars were as follows:

	Prime Rate Trust	
	Year Ended February 29, 2008	Year Ended February 28, 2007
<b>Number of Shares</b>		
Reinvestment of distributions from common shares	58,938	
Proceeds from shares sold	2,320	
Net increase in shares outstanding	61,258	
<b>Dollar Amount (\$)</b>		
Reinvestment of distributions from common shares	\$ 450,139	\$
Proceeds from shares sold	17,785	
Net increase	\$ 467,924	\$

**NOTE 11 FEDERAL INCOME TAXES**

The amount of distributions from net investment income and net realized capital gains are determined in accordance with federal income tax regulations, which may differ from U.S. generally accepted accounting principles for investment companies. These book/tax differences may be either temporary or permanent. Permanent differences are reclassified within the capital accounts based on their federal tax-basis treatment; temporary differences are not reclassified. Key differences include the treatment of short-term capital gains, foreign currency transactions, and wash sale deferrals. Distributions in excess of net investment income and/or net realized capital gains for tax purposes are reported as distributions of paid-in capital.

The following permanent tax differences have been reclassified as of February 29, 2008:

Paid-in Capital	Undistributed Net Investment Income	Accumulated Net Realized Gains/(Losses)
\$ (19,753,526)	\$ (6,627,694)	\$ 26,381,220

Dividends paid by the Trust from net investment income and distributions of net realized short-term capital gains are, for federal income tax purposes, taxable as ordinary income to shareholders.

The tax composition of dividends and distributions to shareholders was as follows:

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Year Ended February 29, 2008

Year Ended February 28, 2007

Ordinary Income

Ordinary Income

\$ 105,297,662

\$ 102,371,727

## ING Prime Rate Trust

NOTES TO FINANCIAL STATEMENTS as of February 29, 2008 (continued)

**NOTE 11 FEDERAL INCOME TAXES (continued)**

The tax-basis components of distributable earnings and the expiration dates of the capital loss carryforwards which may be used to offset future realized capital gains for federal income tax purposes as of February 29, 2008 were:

Unrealized Appreciation/ (Depreciation)	Post-October Currency Losses Deferred	Post-October Capital Losses Deferred	Capital Loss Carryforwards	Expiration Dates
\$ (194,491,261)	\$ (2,455,013)	\$ (2,086,199)	\$ (847,193)	2009
			(47,376,376)	2010
			(97,064,717)	2011
			(57,686,392)	2012
			(22,421,058)	2013
			(560,828)	2014
			\$ (225,956,564)	

The Trust's major tax jurisdictions are federal and Arizona. The earliest tax year that remains subject to examination by these jurisdictions is 2003.

**NOTE 12 OTHER ACCOUNTING PRONOUNCEMENTS**

In June 2006, the Financial Accounting Standards Board ("FASB") issued FASB Interpretation No. 48 ("FIN 48"), "Accounting for Uncertainty in Income Taxes." This standard defines the threshold for recognizing the benefits of tax-return positions in the financial statements as "more-likely-than-not" to be sustained upon challenge by the taxing authority and requires measurement of a tax position meeting the more-likely-than-not criterion, based on the largest benefit that is more than 50 percent likely to be realized. FIN 48 was effective for fiscal years beginning after December 15, 2006, with early application permitted if no interim financial statements have been issued. Acknowledging the unique issues that FIN 48 presents for investment companies that calculate NAVs, the SEC indicated that they would not object if a fund implemented FIN 48 in its NAV calculation as late as its last NAV calculation in the first required financial statement reporting period for its fiscal year beginning after December 15, 2006. At adoption, companies must adjust their financial statements to reflect only those tax positions that are more likely-than-not to be sustained as of the adoption date. Management of the Trust has analyzed the tax positions of the Trust. Upon adoption of FIN 48, we identified no uncertain tax positions that have not met the more likely-than-not standard.

On September 15, 2006, the FASB issued Statement of Financial Accounting Standards No. 157 ("SFAS No. 157"), "Fair Value Measurements." The new accounting statement defines fair value, establishes a framework for measuring fair value in generally accepted accounting principles ("GAAP"), and expands disclosures about fair value measurements. SFAS No. 157 defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (an exit price). SFAS No. 157 also stipulates that, as a market-based measurement, fair value should be determined based on the assumptions that market participants would use in pricing the asset or liability, and establishes a fair value hierarchy that distinguishes between (a) market participant assumptions developed based on market data obtained from sources independent of the reporting entity (observable inputs) and (b) the reporting entity's own assumptions about market participant assumptions developed based on the best information available in the circumstances (unobservable inputs). SFAS No. 157 is effective for financial statements issued for fiscal years beginning after November 15, 2007. As of February 29, 2008, management of the Trust is currently assessing the potential impact, in addition to expanded financial statement disclosure, that may result from adopting SFAS No. 157.

On March 19, 2008, the FASB issued Statement of Financial Accounting Standards No. 161 ("SFAS No. 161"), "Disclosure about Derivative Instruments and Hedging Activities." This new



ING Prime Rate Trust

NOTES TO FINANCIAL STATEMENTS as of February 29, 2008 (continued)

**NOTE 12 OTHER ACCOUNTING PRONOUNCEMENTS (continued)**

accounting statement requires enhanced disclosures about an entity's derivative and hedging activities. Entities are required to provide enhanced disclosures about (a) how and why an entity invests in derivatives, (b) how derivatives are accounted for under Statement 133, and (c) how derivatives affect an entity's financial position, financial performance, and cash flows. SFAS No. 161 also requires enhanced disclosures regarding credit-risk-related contingent features of derivative instruments.

SFAS No. 161 is effective for financial statements issued for fiscal years and interim periods beginning after November 15, 2008. As of February 29, 2008, management of the Trust is currently assessing the impact of the expanded financial statement disclosures that will result from adopting SFAS No. 161.

**NOTE 13 INFORMATION REGARDING TRADING OF ING'S US MUTUAL FUNDS**

As discussed in earlier supplements filed with the SEC, ING Investments, LLC ("Investments"), the adviser to the ING Funds, has reported to the Boards of Directors/Trustees (the "Boards") of the ING Funds that, like many U.S. financial services companies, Investments and certain of its U.S. affiliates have received informal and formal requests for information since September 2003 from various governmental and self-regulatory agencies in connection with investigations related to mutual funds and variable insurance products. Investments has advised the Boards that it and its affiliates have cooperated fully with each request.

In addition to responding to regulatory and governmental requests, Investments reported that management of U.S. affiliates of ING Groep N.V., including Investments (collectively, "ING"), on their own initiative, have conducted, through independent special counsel and a national accounting firm, an extensive internal review of trading in ING insurance, retirement, and mutual fund products. The goal of this review was to identify any instances of inappropriate trading in those products by third parties or by ING investment professionals and other ING personnel. ING's internal review related to mutual fund trading is now substantially completed. ING has reported that, of the millions of customer relationships that ING maintains, the internal review identified several isolated arrangements allowing third parties to engage in frequent trading of mutual funds within ING's variable insurance and mutual fund products, and identified other circumstances where frequent trading occurred, despite measures taken by ING intended to combat market timing. ING further reported that each of these arrangements has been terminated and fully disclosed to regulators. The results of the internal review were also reported to the independent members of the Boards.

Investments has advised the Boards that most of the identified arrangements were initiated prior to ING's acquisition of the businesses in question in the U.S. Investments further reported that the companies in question did not receive special benefits in return for any of these arrangements, which have all been terminated.

Based on the internal review, Investments has advised the Boards that the identified arrangements do not represent a systemic problem in any of the companies that were involved.

Despite the extensive internal review conducted through independent special counsel and a national accounting firm, there can be no assurance that the instances of inappropriate trading reported to the Boards are the only instances of such trading respecting the ING Funds.

Investments reported to the Boards that ING is committed to conducting its business with the highest standards of ethical conduct with zero tolerance for noncompliance. Accordingly, Investments advised the Boards that ING management was disappointed that its voluntary internal review identified these situations. Viewed in the context of the breadth and magnitude of its U.S. business as a whole, ING management does not believe that ING's acquired companies had systemic ethical or compliance issues in these areas. Nonetheless, Investments reported that given ING's

ING Prime Rate Trust

NOTES TO FINANCIAL STATEMENTS as of February 29, 2008 (continued)

**NOTE 13 INFORMATION REGARDING TRADING OF ING'S US MUTUAL FUNDS (continued)**

refusal to tolerate any lapses, it has taken the steps noted below, and will continue to seek opportunities to further strengthen the internal controls of its affiliates.

ING has agreed with the ING Funds to indemnify and hold harmless the ING Funds from all damages resulting from wrongful conduct by ING or its employees or from ING's internal investigation, any investigations conducted by any governmental or self-regulatory agencies, litigation or other formal proceedings, including any proceedings by the SEC. Investments reported to the Boards that ING management believes that the total amount of any indemnification obligations will not be material to ING or its U.S. business.

ING updated its Code of Conduct for employees reinforcing its employees' obligation to conduct personal trading activity consistent with the law, disclosed limits, and other requirements.

**Other Regulatory Matters**

The New York Attorney General (the "NYAG") and other federal and state regulators are also conducting broad inquiries and investigations involving the insurance industry. These initiatives currently focus on, among other things, compensation and other sales incentives; potential conflicts of interest; potential anti-competitive activity; reinsurance; marketing practices (including suitability); specific product types (including group annuities and indexed annuities); fund selection for investment products and brokerage sales; and disclosure. It is likely that the scope of these industry investigations will further broaden before they conclude. ING has received formal and informal requests in connection with such investigations, and is cooperating fully with each request.

Other federal and state regulators could initiate similar actions in this or other areas of ING's businesses. These regulatory initiatives may result in new legislation and regulation that could significantly affect the financial services industry, including businesses in which ING is engaged. In light of these and other developments, ING continuously reviews whether modifications to its business practices are appropriate. At this time, in light of the current regulatory factors, ING U.S. is actively engaged in reviewing whether any modifications in our practices are appropriate for the future.

There can be no assurance that these matters, or the adverse publicity associated with them, will not result in increased fund redemptions, reduced sale of fund shares, or other adverse consequences to ING Funds.

**NOTE 14 SUBSEQUENT EVENTS**

Subsequent to February 29, 2008, the Trust paid to Common Shareholders the following dividends from net investment income:

Per Share Amount	Declaration Date	Record Date	Payable Date
\$ 0.044	2/29/08	3/10/08	3/25/08
\$ 0.042	3/31/08	4/10/08	4/22/08

Subsequent to February 29, 2008, the Trust paid to Preferred Shareholders the following dividends from net investment income:

Preferred Shares	Total Per Share Amount	Auction Dates	Record Dates	Payable Dates	Average Rate
Series M	\$ 129.15	03/03/08-04/14/08	03/10/08-04/21/08	03/11/08-04/22/08	3.796%
Series T	\$ 126.59	03/04/08-04/15/08	03/11/08-04/22/08	03/12/08-04/23/08	3.720%
Series W	\$ 126.98	03/05/08-04/16/08	03/12/08-04/23/08	03/13/08-04/24/08	3.732%
Series Th	\$ 127.56	03/06/08-04/17/08	03/13/08-04/24/08	03/14/08-04/25/08	3.673%
Series F	\$ 124.28	03/07/08-04/18/08	03/14/08-04/25/08	03/17/08-04/28/08	3.652%





## ING Prime Rate Trust

PORTFOLIO OF INVESTMENTS as of February 29, 2008

<i>Principal Amount</i>		<i>Borrower/Tranche Description</i>	<i>Bank Loan Ratings (Unaudited)</i>		<i>Market Value</i>
			<i>Moody's</i>	<i>S&amp;P</i>	
<b>Senior Loans*: 185.3%</b>					
<b>Aerospace &amp; Defense: 3.1%</b>					
		<b>Avio Group</b>	NR	NR	
EUR	708,333	Term Loan, 6.425%, maturing December 13, 2014			\$ 932,172
\$	556,314	Term Loan, 6.510%, maturing December 13, 2014			478,430
EUR	708,333	Term Loan, 7.050%, maturing December 13, 2015			936,880
\$	590,346	Term Loan, 7.468%, maturing December 13, 2015			510,649
		<b>Delta Air Lines, Inc.</b>	Ba2	BB-	
	1,417,500	Term Loan, 6.832%, maturing April 30, 2012			1,217,869
		<b>Delta Air Lines, Inc.</b>	B2	B	
	2,487,500	Term Loan, 8.082%, maturing April 30, 2012			2,114,375
		<b>Dyncorp International, LLC</b>	Ba2	BB	
	2,163,626	Term Loan, 6.875%, maturing February 11, 2011			2,001,354
		<b>Hawker Beechcraft Acquisition Company, LLC</b>	Ba3	BB	
	6,762,532	Term Loan, 6.830%, maturing March 26, 2014			6,278,592
	712,208	Term Loan, 6.930%, maturing March 26, 2014			661,241
		<b>Hexcel Corporation</b>	Ba1	BB+	
	582,999	Term Loan, 5.862%, maturing March 01, 2012			565,510
		<b>McKechmie Aerospace DE, Inc.</b>	Ba3	B+	
	995,000	Term Loan, 6.772%, maturing May 11, 2014			875,600
		<b>Transdigm, Inc.</b>	Ba3	BB-	
	3,000,000	Term Loan, 6.858%, maturing June 23, 2013			2,799,999
		<b>United Airlines, Inc.</b>	B1	BB-	

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2,496,357	Term Loan, 6.529%, maturing February 01, 2014		2,112,542
	<b>US Airways Group, Inc.</b>	B2	B+
6,200,000	Term Loan, 5.625%, maturing March 24, 2014		4,903,816
	<b>Wesco Aircraft Hardware Corporation</b>	B1	BB-
1,458,750	Term Loan, 7.080%, maturing September 29, 2013		1,369,402
			<b>27,758,431</b>
<b>Automobile: 3.0%</b>			
	<b>Dollar Thrifty Automotive Group, Inc.</b>	B1	BB
746,250	Term Loan, 5.122%, maturing June 15, 2014		643,641
	<b>Ford Motor Company</b>	Ba3	B+
1,231,281	Term Loan, 8.000%, maturing December 15, 2013		1,057,876
	<b>Hertz Corporation</b>	Ba1	BB+
2,292,468	Term Loan, 5.002%, maturing December 21, 2012		2,134,574
570,329	Term Loan, 6.660%, maturing December 21, 2012		531,047

See Accompanying Notes to Financial Statements

25

## ING Prime Rate Trust

PORTFOLIO OF INVESTMENTS as of February 29, 2008 (continued)

<i>Principal Amount</i>	<i>Borrower/Tranche Description</i>	<i>Bank Loan Ratings (Unaudited)</i>		<i>Market Value</i>
		<i>Moody's</i>	<i>S&amp;P</i>	
<i>Automobile: (continued)</i>				
\$ 4,477,500	<b>KAR Holdings, Inc.</b> Term Loan, 7.080%, maturing October 20, 2013	Ba3	B+	\$ 4,023,034
1,800,000	<b>Navistar International Corporation</b> Term Loan, 7.276%, maturing January 19, 2012	NR	BB-	1,620,000
17,775,000	<b>Oshkosh Truck Corporation</b> Term Loan, 6.900%, maturing December 06, 2013	Ba3	BBB-	16,643,692
				<b>26,653,864</b>
<i>Beverage, Food &amp; Tobacco: 4.4%</i>				
50,090	<b>Advance Food Company</b> Term Loan, 2.364%, maturing March 16, 2014	B1	BB-	42,076
580,005	Term Loan, 6.580%, maturing March 16, 2014			487,204
2,970,000	<b>ARAMARK Corporation</b> Term Loan, 6.705%, maturing January 26, 2014	Ba3	BB	2,757,205
16,822,496	Term Loan, 6.705%, maturing January 26, 2014			15,617,198
1,447,943	Term Loan, 7.223%, maturing January 26, 2014			1,344,201
859,167	<b>Birds Eye Foods, Inc.</b> Term Loan, 6.580%, maturing March 22, 2013	B1	B+	762,510
1,200,000	<b>Bumble Bee Foods, LLC</b> Term Loan, 5.521%, maturing May 02, 2012	B1	B+	1,116,000
3,850,000	<b>Golden State Foods</b> Term Loan, 4.994%, maturing February 28, 2011	B1	B+	3,763,375

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		<b>Iglo Birds Eye</b>	NR	NR
		Term Loan, 7.018%, maturing		
EUR	51,247	October 25, 2014		70,569
		Term Loan, 7.018%, maturing		
EUR	380,330	October 27, 2014		523,732
		Term Loan, 7.018%, maturing		
EUR	568,424	October 27, 2014		782,747
		Term Loan, 7.393%, maturing		
EUR	51,247	October 25, 2015		70,930
		Term Loan, 7.393%, maturing		
EUR	380,330	October 27, 2015		523,732
		Term Loan, 7.393%, maturing		
EUR	568,424	October 27, 2015		786,755
		<b>Pinnacle Foods Holding Corporation</b>	B2	B
		Term Loan, 7.483%, maturing April 02, 2014		
\$	5,671,500			5,013,963
		<b>Sturm Foods, Inc.</b>	B1	B
		Term Loan, 5.813%, maturing		
	2,977,500	January 31, 2014		2,243,049

See Accompanying Notes to Financial Statements

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ING Prime Rate Trust

PORTFOLIO OF INVESTMENTS as of February 29, 2008 (continued)

<i>Principal Amount</i>		<i>Borrower/Tranche Description</i>	<i>Bank Loan Ratings (Unaudited)</i>		<i>Market Value</i>
			<i>Moody's</i>	<i>S&amp;P</i>	
<b><i>Beverage, Food &amp; Tobacco: (continued)</i></b>					
GBP	1,476,692	<b>United Biscuits</b> Term Loan, 7.962%, maturing December 14, 2014	NR	NR	\$ 2,566,025
\$	89,550	<b>Van Houtte, Inc.</b> Term Loan, 7.330%, maturing July 19, 2014	B1	BB-	83,282
	656,700	Term Loan, 7.330%, maturing July 19, 2014			610,731
					<b>39,165,284</b>
<b><i>Buildings &amp; Real Estate: 3.0%</i></b>					
	9,913,155	<b>Capital Automotive, L.P.</b> Term Loan, 5.020%, maturing December 16, 2010	Ba1	BB+	9,257,092
	1,715,972	<b>Contech Construction Products, Inc.</b> Term Loan, 5.191%, maturing January 31, 2013	Ba3	BB	1,501,476
	4,288,276	<b>Custom Building Products, Inc.</b> Term Loan, 6.977%, maturing October 29, 2011	B1	BB-	3,816,566
	1,830,256	<b>Headwaters, Inc.</b> Term Loan, 6.808%, maturing April 30, 2011	Ba2	BB+	1,747,894
	4,268,161	<b>John Maneely Company</b> Term Loan, 7.461%, maturing December 08, 2013	B3	B+	3,723,971
	562,196	<b>KCPC Acquisition, Inc.</b> Term Loan, 5.318%, maturing May 22, 2014	Ba2	B	500,354
	189,655	Term Loan, 7.000%, maturing May 22, 2014			168,793
EUR	441,573	<b>LaFarge Roofing</b> Term Loan, 6.890%, maturing June 14, 2015	NR	NR	475,736

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EUR	180,337	Term Loan, 6.890%, maturing June 14, 2015			194,289
\$	169,425	Term Loan, 6.955%, maturing June 14, 2015			120,150
EUR	409,551	Term Loan, 7.140%, maturing March 14, 2016			453,680
EUR	210,674	Term Loan, 7.140%, maturing March 14, 2016			233,374
\$	171,654	Term Loan, 7.205%, maturing March 14, 2016			125,164
		<b>Nortek, Inc.</b>	Ba2	B+	
	2,472,064	Term Loan, 5.350%, maturing August 27, 2011			2,144,515
		<b>Ply Gem Industries, Inc.</b>	B1	BB-	
	428,571	Revolver, 2.799%, maturing February 12, 2009			353,571
		<b>Shea Capital I, LLC</b>	Ba3	BB-	
	553,535	Term Loan, 6.828%, maturing October 27, 2011			426,222
		<b>Tishman Speyer</b>	Ba2	BB-	
	1,500,000	Term Loan, 4.920%, maturing December 27, 2012			1,275,000
					<b>26,517,847</b>

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ING Prime Rate Trust

PORTFOLIO OF INVESTMENTS as of February 29, 2008 (continued)

<i>Principal Amount</i>	<i>Borrower/Tranche Description</i>	<i>Bank Loan Ratings (Unaudited)</i>		<i>Market Value</i>
		<i>Moody's</i>	<i>S&amp;P</i>	
<i>Cargo Transport: 2.2%</i>				
	<b>Baker Tanks, Inc.</b>	B1	B	
\$ 1,985,000	Term Loan, 5.333%, maturing May 08, 2014			\$ 1,836,125
	<b>Dockwise Transport, N.V.</b>	NR	NR	
1,094,819	Term Loan, 7.205%, maturing January 11, 2015			952,493
875,000	Term Loan, 7.205%, maturing January 11, 2015			761,250
875,000	Term Loan, 7.705%, maturing January 11, 2016			764,166
1,094,819	Term Loan, 7.705%, maturing January 11, 2016			956,142
500,000	Term Loan, 9.330%, maturing July 11, 2016			460,000
560,000	Term Loan, 9.330%, maturing October 20, 2016			515,200
	<b>Gainey Corporation</b>	Caa1	B-	
755,528	Term Loan, 10.000%, maturing April 20, 2012			498,648
	<b>Greatwide Logistics Services, Inc.</b>	B3	B	
2,970,000	Term Loan, 8.330%, maturing December 19, 2013			2,361,150
	<b>Inmar, Inc.</b>	B1	B	
570,688	Term Loan, 7.330%, maturing April 29, 2013			496,498
	<b>Kenan Advantage Group, Inc.</b>	B3	B+	
980,010	Term Loan, 7.580%, maturing December 16, 2011			891,809
	<b>Neoplan USA Corporation</b>	NR	NR	
953,221	Term Loan, 11.008%, maturing June 30, 2006			88,406
	<b>Railamerica Transportation Corporation</b>	NR	NR	

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4,200,000	Term Loan, 5.320%, maturing August 14, 2008			3,969,000
	<b>TNT Logistics</b>	Ba2	BB-	
1,907,611	Term Loan, 6.122%, maturing November 04, 2013			1,721,619
723,070	Term Loan, 7.830%, maturing November 04, 2013			667,032
	<b>US Shipping Partners, L.P.</b>	B3	B	
2,802,377	Term Loan, 8.330%, maturing March 31, 2012			2,276,931
				<b>19,216,469</b>
<b>Cellular: 2.9%</b>				
	<b>Alltel Communications, Inc.</b>	Ba3	BB-	
3,739,375	Term Loan, 5.866%, maturing May 16, 2015			3,401,769
2,000,000	Term Loan, 4.991% maturing May 16, 2015			1,819,432
	<b>Centennial Communications Corporation</b>	Ba2	BB-	
10,085,631	Term Loan, 6.705%, maturing February 09, 2011			9,641,863
	<b>Cricket Communications, Inc.</b>	Ba2	B+	
5,910,000	Term Loan, 7.830%, maturing June 16, 2013			5,660,468
	<b>NTELOS, Inc.</b>	Ba3	BB-	
4,322,237	Term Loan, 5.271%, maturing August 24, 2011			4,122,333

See Accompanying Notes to Financial Statements

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ING Prime Rate Trust

PORTFOLIO OF INVESTMENTS as of February 29, 2008 (continued)

<i>Principal Amount</i>	<i>Borrower/Tranche Description</i>	<i>Bank Loan Ratings (Unaudited)</i>		<i>Market Value</i>
		<i>Moody's</i>	<i>S&amp;P</i>	
<b>Cellular: (continued)</b>				
	<b>Telepak, Inc. / Cellular South</b>	Ba3	B+	
\$	1,488,833	Term Loan, 4.665%, maturing May 29, 2014		\$ 1,384,615
				<b>26,030,480</b>
<b>Chemicals, Plastics &amp; Rubber: 8.1%</b>				
	<b>AZ Chem US, Inc.</b>	B1	BB-	
EUR	753,893	Term Loan, 6.996%, maturing February 28, 2013		937,726
	<b>AZ Chem US, Inc.</b>	Caa1	CCC+	
\$	333,333	Term Loan, 8.590%, maturing February 28, 2014		200,000
	<b>Borsodchem Nyrt.</b>	NR	NR	
EUR	804,394	Term Loan, 6.593%, maturing March 26, 2015		1,066,227
	<b>Brenntag Holding GmbH &amp; Co. KG</b>	B1	B+	
EUR	804,394	Term Loan, 7.075%, maturing March 26, 2016		1,072,337
	<b>Brenntag Holding GmbH &amp; Co. KG</b>	B1	B+	
\$	1,178,182	Term Loan, 5.794%, maturing January 17, 2014		1,025,755
	<b>Brenntag Holding GmbH &amp; Co. KG</b>	B1	B+	
	3,621,818	Term Loan, 5.794%, maturing January 17, 2014		3,153,245
	<b>Celanese</b>	Ba3	BB+	
	3,200,000	Term Loan, 3.144%, maturing April 02, 2014		3,000,445
	6,947,500	Term Loan, 6.479%, maturing April 02, 2014		6,514,247
	<b>Cristal Inorganic Chemicals, Inc.</b>	Ba3	BB-	
	2,900,000	Term Loan, 7.080%, maturing May 15, 2014		2,320,000
	<b>Cristal Inorganic Chemicals, Inc.</b>	B3	CCC+	
	900,000	Term Loan, 10.580%, maturing November 15, 2014		616,500
	<b>Flint Group</b>	NR	NR	
	936,821	Term Loan, 7.393%, maturing		815,034

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		December 31, 2012		
		Term Loan, 7.393%, maturing		
	353,279			307,353
		December 31, 2014		
		Term Loan, 7.002%, maturing May 29, 2015		
EUR	666,667			886,200
		Term Loan, 7.393%, maturing May 29, 2015		
\$	2,333,333			2,030,000
		Term Loan, 7.393%, maturing		
	1,290,100	December 31, 2015		1,128,838
		<b>Hawkeye Renewables, LLC</b>	B3	NR
		Term Loan, 7.234%, maturing June 30, 2012		
	3,693,750			2,677,969
		<b>Hexion Specialty Chemicals, Inc.</b>	Ba3	B+
		Term Loan, 5.375%, maturing May 05, 2013		
	2,468,750			2,273,993
		Term Loan, 7.000%, maturing May 05, 2013		
	7,846,851			7,227,820
		Term Loan, 7.125%, maturing May 05, 2013		
	1,703,188			1,568,825
		Term Loan, 7.125%, maturing May 05, 2013		
	995,000			916,505
		Term Loan, 7.474%, maturing May 05, 2013		
	1,176,000			1,083,227
		<b>Ineos US Finance, LLC</b>	Ba3	BB-
		Term Loan, 7.357%, maturing		
	2,150,615	December 16, 2012		1,835,416

See Accompanying Notes to Financial Statements

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ING Prime Rate Trust

PORTFOLIO OF INVESTMENTS as of February 29, 2008 (continued)

<i>Principal Amount</i>	<i>Borrower/Tranche Description</i>	<i>Bank Loan Ratings (Unaudited)</i>		<i>Market Value</i>
		<i>Moody's</i>	<i>S&amp;P</i>	
<b>Chemicals, Plastics &amp; Rubber: (continued)</b>				
\$ 2,854,474	Term Loan, 7.357%, maturing December 16, 2013			\$ 2,538,341
2,853,691	Term Loan, 7.857%, maturing December 16, 2014			2,537,645
3,482,500	<b>ISP Chemco, Inc.</b> Term Loan, 5.294%, maturing June 04, 2014	Ba3	BB-	3,149,486
503,580	<b>JohnsonDiversey, Inc.</b> Term Loan, 5.112%, maturing December 16, 2010	Ba2	BB-	472,946
2,612,396	Term Loan, 5.112%, maturing December 16, 2011			2,453,476
1,582,434	<b>Kraton Polymers, LLC</b> Term Loan, 6.750%, maturing May 12, 2013	Ba3	B+	1,388,586
1,032,977	<b>Lucite International US Finco, Ltd.</b> Term Loan, 5.500%, maturing July 07, 2013	Ba3	BB-	890,943
701,155	Term Loan, 5.500%, maturing July 07, 2013			604,746
1,698,375	<b>MacDermid, Inc.</b> Term Loan, 6.830%, maturing April 12, 2014	B1	BB-	1,426,635
EUR 832,042	Term Loan, 7.021%, maturing April 12, 2014			1,011,231
1,073,171	<b>Northeast Biofuels, LLC</b> Term Loan, 8.080%, maturing June 30, 2013	B1	B+	965,854
3,316,666	<b>Polypore, Inc.</b> Term Loan, 5.370%, maturing July 03, 2014	Ba3	BB-	2,918,666
9,725,235	<b>Rockwood Specialties Group, Inc.</b> Term Loan, 4.744%, maturing	Ba2	BB+	9,161,978

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December 13, 2013

72,178,195

*Containers, Packaging & Glass: 5.3%*

		<b>Berry Plastics Corporation</b>	B1	BB-	
		Term Loan, 5.095%, maturing April 03, 2015			8,626,449
	9,941,169				
		<b>Graham Packaging Company</b>	B1	B+	
		Term Loan, 7.253%, maturing October 07, 2011			11,944,837
	13,101,000				
		<b>Graphic Packaging International, Inc.</b>	Ba2	BB-	
		Term Loan, 6.032%, maturing May 16, 2014			7,085,168
	7,866,343				
		<b>Klockner Pentaplast</b>	NR	NR	
		Term Loan, 7.043%, maturing January 03, 2016			1,485,000
	2,000,000				
EUR	1,019,453	Term Loan, 7.116%, maturing January 03, 2016			1,113,167
EUR	480,547	Term Loan, 7.116%, maturing January 03, 2016			524,721
		<b>Mauser AG</b>	NR	NR	
EUR	625,000	Term Loan, 6.561%, maturing June 13, 2013			699,070
EUR	625,000	Term Loan, 6.811%, maturing June 13, 2014			703,817
\$	842,699	Term Loan, 5.498%, maturing June 13, 2015			620,437
	842,699	Term Loan, 5.748%, maturing June 13, 2016			624,651
EUR	2,154,375	<b>Owens-Illinois</b> Term Loan, 5.677%, maturing June 14, 2013	Ba2	BBB-	2,929,270

See Accompanying Notes to Financial Statements

30

## ING Prime Rate Trust

PORTFOLIO OF INVESTMENTS as of February 29, 2008 (continued)

<i>Principal Amount</i>	<i>Borrower/Tranche Description</i>	<i>Bank Loan Ratings (Unaudited)</i>		<i>Market Value</i>
		<i>Moody's</i>	<i>S&amp;P</i>	
<i>Containers, Packaging &amp; Glass: (continued)</i>				
	<b>Pro Mach, Inc.</b>	B1	B	
\$	Term Loan, 7.080%, maturing December 01, 2011			\$ 2,296,594
2,456,250				
	<b>Smurfit-Stone Container Corporation</b>	Ba2	BB	
	Term Loan, 6.638%, maturing November 01, 2011			1,494,974
1,575,522				
	Term Loan, 6.704%, maturing November 01, 2011			2,968,841
3,126,468				
	<b>Tegrant Holding Company</b>	B2	BB-	
	Term Loan, 7.600%, maturing March 08, 2014			357,300
496,250				
	<b>Tegrant Holding Company</b>	Caa2	CCC+	
	Term Loan, 10.350%, maturing March 08, 2015			247,500
500,000				
	<b>Xerium Technologies, Inc.</b>	B2	B+	
	Term Loan, 7.580%, maturing May 18, 2012			3,684,545
4,247,314				
				<b>47,406,341</b>
<i>Data and Internet Services: 9.4%</i>				
	<b>Activant Solutions, Inc.</b>	B1	B+	
	Term Loan, 6.771%, maturing May 02, 2013			800,572
930,897				
	<b>Acxiom Corporation</b>	Ba2	BB+	
	Term Loan, 5.840%, maturing September 15, 2012			1,584,917
1,741,667				
	<b>Amadeus IT Group, S.A.</b>	NR	NR	
	Term Loan, 6.959%, maturing May 04, 2015			998,322
EUR				
	Term Loan, 7.209%, maturing May 04, 2016			1,004,403
EUR				
	<b>Audatex</b>	B1	BB-	
	Term Loan, 7.063%, maturing May 16,			2,764,213
\$				
3,105,857				

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	2014		
	<b>Carlson Wagonlit Holdings, B.V.</b>	Ba2	BB-
	Term Loan, 5.501%, maturing		
2,750,000	August 03, 2012		2,392,500
	<b>First Data Corporation</b>	Ba3	BB-
	Term Loan, 7.630%, maturing		
4,485,681	September 24, 2014		4,088,824
	Term Loan, 7.630%, maturing		
249,375	September 24, 2014		227,498
	Term Loan, 7.630%, maturing		
2,198,337	September 30, 2014		2,004,059
	<b>Open Text Corporation</b>	Ba3	BB
	Term Loan, 5.372%, maturing		
1,325,972	October 02, 2013		1,277,905
	<b>Orbitz</b>	B1	BB-
	Term Loan, 6.965%, maturing July 25, 2014		
10,473,750			9,164,531
	<b>Reynolds &amp; Reynolds Company</b>	Ba2	BB
	Term Loan, 6.843%, maturing		
9,957,012	October 26, 2012		8,762,171
	<b>Sabre, Inc.</b>	B1	B+
	Term Loan, 5.244%, maturing		
15,958,689	September 30, 2014		13,309,179

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ING Prime Rate Trust

PORTFOLIO OF INVESTMENTS as of February 29, 2008 (continued)

<i>Principal Amount</i>	<i>Borrower/Tranche Description</i>	<i>Bank Loan Ratings (Unaudited)</i>		<i>Market</i>
		<i>Moody's</i>	<i>S&amp;P</i>	<i>Value</i>
<i>Data and Internet Services: (continued)</i>				
	<b>Sitel, LLC</b>	B2	B+	
\$ 3,893,842	Term Loan, 5.900%, maturing January 30, 2014			\$ 3,134,543
	<b>Sungard Data Systems, Inc.</b>	Ba3	BB	
28,249,874	Term Loan, 5.128%, maturing February 28, 2014			26,170,853
	<b>Transaction Network Services, Inc.</b>	B1	BB-	
2,310,780	Term Loan, 7.479%, maturing March 28, 2014			2,114,364
	<b>Travelport, Inc.</b>	Ba3	BB-	
289,971	Term Loan, 7.080%, maturing August 23, 2013			256,036
1,445,156	Term Loan, 7.080%, maturing August 23, 2013			1,276,028
995,000	Term Loan, 7.080%, maturing May 23, 2014			877,777
	<b>Verifone, Inc.</b>	B1	BB	
1,057,500	Term Loan, 5.250%, maturing October 31, 2013			983,475
				<b>83,192,170</b>
<i>Diversified / Conglomerate Manufacturing: 3.9%</i>				
	<b>BOC Edwards</b>	B1	BB	
2,238,750	Term Loan, 5.085%, maturing May 31, 2014			1,499,963
	<b>Brand Services, Inc.</b>	B1	B	
2,851,721	Term Loan, 6.971%, maturing February 07, 2014			2,680,617
1,246,875	Term Loan, 8.125%, maturing February 07, 2014			1,172,063
	<b>Brand Services, Inc.</b>	Caa1	CCC+	
1,600,000	Term Loan, 9.238%, maturing February 07, 2015			1,458,000
4,910,577	<b>Dresser, Inc.</b>	B2	B+	4,552,105

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		Term Loan, 5.566%, maturing May 04, 2014		
		<b>EPD, Inc.</b>	B1	B+
	437,500	Term Loan, 5.630%, maturing July 31, 2014		363,672
	3,054,844	Term Loan, 5.750%, maturing July 31, 2014		2,539,339
		<b>Ferretti, S.P.A</b>	NR	NR
EUR	600,000	Term Loan, 4.715%, maturing January 21, 2008		785,275
EUR	600,000	Term Loan, 4.715%, maturing January 22, 2008		780,717
		<b>Flextronics International, Ltd.</b>	Ba1	BB+
\$	691,825	Term Loan, 7.394%, maturing October 01, 2014		646,280
	198,322	Term Loan, 7.455%, maturing October 01, 2014		185,266
		<b>Generac Power Systems, Inc.</b>	B1	B
	4,410,000	Term Loan, 7.203%, maturing November 09, 2013		3,679,201
		<b>Gentek Holding Corporation</b>	Ba3	BB-
	382,635	Term Loan, 6.330%, maturing February 28, 2011		353,459

See Accompanying Notes to Financial Statements

## ING Prime Rate Trust

PORTFOLIO OF INVESTMENTS as of February 29, 2008 (continued)

<i>Principal Amount</i>	<i>Borrower/Tranche Description</i>	<i>Bank Loan Ratings (Unaudited)</i>		<i>Market Value</i>
		<i>Moody's</i>	<i>S&amp;P</i>	
<i>Diversified / Conglomerate Manufacturing: (continued)</i>				
\$ 2,134,193	Term Loan, 6.347%, maturing February 28, 2011			\$ 1,971,461
	<b>Mueller Group, Inc.</b>	Ba3	BB+	
3,757,345	Term Loan, 5.129%, maturing May 24, 2014			3,437,971
	<b>Norcross Safety Products, LLC</b>	Ba1	BB	
960,980	Term Loan, 5.125%, maturing June 30, 2012			893,712
	<b>Rexnord Corporation / RBS Global, Inc.</b>	Ba2	BB-	
968,485	Term Loan, 7.401%, maturing July 19, 2013			878,900
	<b>Sensata Technologies</b>	Ba3	BB	
4,137,000	Term Loan, 5.056%, maturing April 27, 2013			3,540,089
	<b>Sensus Metering Systems, Inc.</b>	Ba3	BB	
1,495,652	Term Loan, 5.763%, maturing December 17, 2010			1,346,087
97,174	Term Loan, 6.878%, maturing December 17, 2010			87,457
	<b>Springs Window Fashions, LLC</b>	B1	B+	
1,434,427	Term Loan, 7.625%, maturing December 31, 2012			1,032,788
	<b>Textron Fastening Systems</b>	B2	B+	
493,750	Term Loan, 8.330%, maturing August 11, 2013			459,188
				<b>34,343,610</b>
<i>Diversified / Conglomerate Service: 4.4%</i>				
	<b>Affinion Group</b>	Ba2	BB	
3,937,668	Term Loan, 5.572%, maturing October 17, 2012			3,629,219
2,648,250	<b>AlixPartners, LLP</b>	B1	BB-	
	Term Loan, 6.380%, maturing			2,449,631

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		October 12, 2013		
		<b>Brickman Group</b>	Ba3	BB-
		Term Loan, 7.143%, maturing		
	1,985,000	January 23, 2014		1,816,275
		<b>Brock Holdings, Inc.</b>	B1	B
		Term Loan, 7.142%, maturing		
	1,488,750	February 26, 2014		1,317,544
		<b>Catalina Marketing Corporation</b>	Ba3	BB-
		Term Loan, 7.830%, maturing		
	2,992,500	October 01, 2014		2,748,112
		<b>Coach America Holdings, Inc.</b>	B2	B
		Term Loan, 6.200%, maturing April 20, 2014		
	1,714,701			1,144,563
		Term Loan, 7.680%, maturing April 20, 2014		
	442,989			295,695
		<b>Fleetcor Technologies Operating Company, LLC</b>	Ba3	B+
		Term Loan, 5.511%, maturing		
	578,958	April 30, 2013		523,957
		<b>Intergraph Corporation</b>	Ba3	BB-
		Term Loan, 5.092%, maturing May 29, 2014		
	1,884,107			1,723,958
		<b>ISS Global A/S</b>	NR	NR
		Term Loan, 6.949%, maturing		
EUR	122,807	December 31, 2013		164,035

See Accompanying Notes to Financial Statements

## ING Prime Rate Trust

PORTFOLIO OF INVESTMENTS as of February 29, 2008 (continued)

<i>Principal Amount</i>		<i>Borrower/Tranche Description</i>	<i>Bank Loan Ratings (Unaudited)</i>		<i>Market Value</i>
			<i>Moody's</i>	<i>S&amp;P</i>	
<i>Diversified / Conglomerate Service: (continued)</i>					
EUR	877,193	Term Loan, 6.949%, maturing December 31, 2013			\$ 1,171,675
		<b>ISTA International GmbH</b>	NR	NR	
EUR	1,668,522	Term Loan, 6.769%, maturing June 30, 2015			2,105,168
EUR	331,478	Term Loan, 6.769%, maturing June 30, 2015			418,224
		<b>Mitchell International, Inc.</b>	Ba3	B+	
\$	446,625	Term Loan, 6.843%, maturing March 28, 2014			395,263
		<b>Mitchell International, Inc.</b>	Caa1	B+	
	250,000	Term Loan, 10.125%, maturing March 28, 2015			210,000
		<b>Valley National Gases, Inc.</b>	Ba3	BB-	
	1,965,879	Term Loan, 6.741%, maturing February 28, 2014			1,670,997
		<b>Valley National Gases, Inc.</b>	B3	CCC+	
	250,000	Term Loan, 9.122%, maturing August 28, 2014			212,500
		<b>Valleycrest Companies, LLC</b>	B1	B+	
	1,981,898	Term Loan, 7.131%, maturing October 04, 2013			1,744,071
		<b>Vertafore, Inc.</b>	B1	B	
	3,076,808	Term Loan, 5.593%, maturing January 31, 2012			2,861,432
		<b>West Corporation</b>	B1	BB-	
	14,417,803	Term Loan, 5.744%, maturing October 24, 2013			12,338,035
					<b>38,940,354</b>
<i>Diversified Nat'l Rsrchs, Precious Metals &amp; Minerals: 3.6%</i>					
		<b>Georgia Pacific Corporation</b>	Ba2	BB+	
	34,692,011	Term Loan, 6.696%, maturing			32,064,091

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December 20, 2012

**32,064,091**

**Ecological: 0.4%**

	<b>Allied Waste North America, Inc.</b>	Ba3	BBB-
	Term Loan, 4.599%, maturing January 15, 2012		539,455
572,651			
	Term Loan, 6.000%, maturing January 15, 2012		592,868
629,351			
	<b>IESI Corporation</b>	B1	BB+
	Term Loan, 6.610%, maturing January 21, 2012		1,656,000
1,800,000			
	<b>Synagro Technologies, Inc.</b>	Ba3	BB-
	Term Loan, 5.088%, maturing April 02, 2014		754,459
895,500			
	<b>Synagro Technologies, Inc.</b>	Caa1	B-
	Term Loan, 7.820%, maturing October 02, 2014		380,725
485,000			
			<b>3,923,507</b>

**Electronics: 1.6%**

	<b>Decision One</b>	NR	NR
	Term Loan, 12.000%, maturing April 15, 2010		1,507,296
1,674,773			

See Accompanying Notes to Financial Statements

## ING Prime Rate Trust

PORTFOLIO OF INVESTMENTS as of February 29, 2008 (continued)

<i>Principal Amount</i>	<i>Borrower/Tranche Description</i>	<i>Bank Loan Ratings (Unaudited)</i>		<i>Market Value</i>	
		<i>Moody's</i>	<i>S&amp;P</i>		
<b>Electronics: (continued)</b>					
\$	4,100,503	<b>Freescale Semiconductor, Inc.</b>	Ba1	BB	
		Term Loan, 5.014%, maturing December 01, 2013			\$ 3,498,241
	494,761	<b>Infor Global Solutions</b>	B1	B+	426,355
		Term Loan, 7.580%, maturing July 28, 2012			
EUR	742,500	Term Loan, 7.771%, maturing July 28, 2012			902,405
\$	106,069	Term Loan, 8.580%, maturing July 28, 2012			95,992
	203,298	Term Loan, 8.580%, maturing March 02, 2014			183,985
		<b>Infor Global Solutions</b>	Caa2	CCC+	
EUR	500,000	Term Loan, 10.976%, maturing March 02, 2014			603,882
		<b>Kronos, Inc.</b>	Ba3	B+	
\$	2,469,643	Term Loan, 7.080%, maturing June 11, 2014			2,009,672
	1,750,000	<b>NXP, B.V.</b>	Ba3	BB-	1,413,125
		Floating Rate Note, 7.008%, maturing October 15, 2013			
EUR	1,500,000	Floating Rate Note, 7.326%, maturing October 15, 2013			1,754,676
		<b>ON Semiconductor</b>	Ba1	BB	
\$	1,985,000	Term Loan, 6.580%, maturing September 03, 2013			1,766,650
					<b>14,162,279</b>
<b>Finance: 1.6%</b>					
	7,449,969	<b>LPL Holdings, Inc.</b>	B1	B	6,649,097
		Term Loan, 6.830%, maturing June 28, 2013			
	2,411,071	<b>Rent-A-Center, Inc.</b>	Ba2	BB+	2,209,144
		Term Loan, 5.766%, maturing June 30, 2012			
		<b>Riskmetrics</b>	Ba3	BB	

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	1,389,500	Term Loan, 7.080%, maturing January 11, 2014			1,321,762
		<b>TD Ameritrade Holding Corporation</b>	Ba1	BB	
	3,834,062	Term Loan, 4.620%, maturing December 31, 2012			3,601,357
					<b>13,781,360</b>
<b>Foreign Cable, Foreign TV, Radio and Equipment: 7.1%</b>					
		<b>Casema Bidco/Serpering Investments, B.V.</b>	NR	NR	
EUR	548,444	Term Loan, 6.685%, maturing November 14, 2014			771,401
EUR	284,889	Term Loan, 6.685%, maturing November 14, 2014			400,704
EUR	583,333	Term Loan, 6.685%, maturing November 14, 2014			820,473
EUR	583,333	Term Loan, 7.185%, maturing November 14, 2015			824,413
EUR	833,333	Term Loan, 7.185%, maturing November 14, 2015			1,177,732
		<b>Com Hem</b>	NR	NR	
SEK	8,666,667	Term Loan, 7.030%, maturing January 31, 2014			1,263,127

See Accompanying Notes to Financial Statements

## ING Prime Rate Trust

PORTFOLIO OF INVESTMENTS as of February 29, 2008 (continued)

<i>Principal Amount</i>		<i>Borrower/Tranche Description</i>	<i>Bank Loan Ratings (Unaudited)</i>		<i>Market Value</i>
			<i>Moody's</i>	<i>S&amp;P</i>	
<i>Foreign Cable, Foreign TV, Radio and Equipment: (continued)</i>					
SEK	8,000,000	Term Loan, 7.155%, maturing January 31, 2015			\$ 1,165,963
		<b>Levana Holding 4 GmbH</b>	NR	NR	
EUR	1,081,359	Term Loan, 6.770%, maturing March 02, 2015			1,161,696
EUR	1,081,359	Term Loan, 7.284%, maturing March 02, 2016			1,169,910
		<b>Numericable/YPSO France SAS</b>	NR	NR	
EUR	765,871	Term Loan, 6.054%, maturing July 28, 2016			962,079
EUR	1,249,580	Term Loan, 6.679%, maturing July 28, 2016			1,569,708
EUR	1,984,549	Term Loan, 6.679%, maturing July 28, 2016			2,492,968
EUR	1,305,125	Term Loan, 6.929%, maturing July 28, 2016			1,656,832
EUR	694,875	Term Loan, 6.929%, maturing July 28, 2016			882,131
		<b>ProSiebenSat.1 Media AG</b>	NR	NR	
EUR	64,583	Term Loan, 6.123%, maturing July 02, 2014			79,768
EUR	1,190,021	Term Loan, 6.123%, maturing July 02, 2014			1,469,806
SEK	2,269,914	Term Loan, 6.223%, maturing July 02, 2014			299,682
EUR	122,161	Term Loan, 6.248%, maturing May 09, 2015			132,164
EUR	2,715,121	Term Loan, 6.248%, maturing May 09, 2015			3,405,783
		<b>TDF, S.A.</b>	NR	NR	
EUR	1,000,000	Term Loan, 6.185%, maturing January 31, 2015			1,212,943
EUR	1,000,000	Term Loan, 6.645%, maturing January 31, 2016			1,219,850

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		<b>UPC Financing Partnership</b>	Ba3	B+
		Term Loan, 5.014%, maturing		
\$	5,000,000	December 31, 2014		4,407,815
		<b>Virgin Media Investment Holdings, Ltd.</b>	Ba2	BB
		Term Loan, 6.193%, maturing		
EUR	1,741,434	December 31, 2014		2,288,983
		Term Loan, 6.193%, maturing		
EUR	12,401,899	December 31, 2014		16,301,358
		<b>Cannery Casino Resorts, LLC</b>	B2	BB
		Term Loan, 7.657%, maturing		
GBP	3,928,977	September 03, 2012		7,203,207
		Term Loan, 7.657%, maturing		
GBP	3,361,428	September 03, 2012		6,162,689
		Term Loan, 7.680%, maturing		
GBP	828,509	September 03, 2012		1,518,950
		Term Loan, 7.680%, maturing		
GBP	421,274	September 03, 2012		772,346
				<b>62,794,481</b>
<b>Gaming: 4.7%</b>				
		<b>CCM Merger, Inc.</b>	Ba3	BB-
		Term Loan, 4.025%, maturing May 18, 2013		
\$	590,551	2013		553,641
		Term Loan, 5.320%, maturing May 18, 2013		
	1,645,276			1,542,446
		<b>Centaur, LLC</b>	B1	BB-
		Term Loan, 6.519%, maturing July 13, 2012		
	3,384,049			2,944,122
		Term Loan, 8.830%, maturing		
	1,649,123	October 30, 2012		1,442,982

See Accompanying Notes to Financial Statements

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ING Prime Rate Trust

PORTFOLIO OF INVESTMENTS as of February 29, 2008 (continued)

<i>Principal Amount</i>	<i>Borrower/Tranche Description</i>	<i>Bank Loan Ratings (Unaudited)</i>		<i>Market Value</i>
		<i>Moody's</i>	<i>S&amp;P</i>	
<b>Gaming: (continued)</b>				
	<b>Fontainebleau Las Vegas, LLC</b>	B1	B+	
\$ 1,933,333	Term Loan, 8.400%, maturing June 06, 2014			\$ 1,614,333
	<b>Golden Nugget, Inc.</b>	B1	BB-	
954,545	Term Loan, 5.125%, maturing June 30, 2014			830,455
	<b>Green Valley Ranch Gaming, LLC</b>	B1	BB-	
1,434,205	Term Loan, 5.740%, maturing February 16, 2014			1,168,877
	<b>Green Valley Ranch Gaming, LLC</b>	Caa1	CCC+	
750,000	Term Loan, 6.335%, maturing August 16, 2014			573,750
	<b>Greenwood Racing, Inc.</b>	B2	BB-	
1,485,000	Term Loan, 5.380%, maturing November 28, 2011			1,373,625
	<b>Harrahs Operating Company, Inc</b>	Ba2	BB	
2,000,000	Term Loan, 6.244%, maturing January 28, 2015			1,836,608
	<b>Isle Of Capri Casinos, Inc.</b>	Ba3	BB+	
1,324,622	Term Loan, 4.875%, maturing November 25, 2013			1,146,901
4,393,328	Term Loan, 6.580%, maturing November 25, 2013			3,803,889
1,757,331	Term Loan, 6.580%, maturing November 25, 2013			1,521,556
	<b>Las Vegas Sands, LLC</b>	Ba3	BB	
6,368,000	Term Loan, 6.580%, maturing May 23, 2014			5,688,082
	<b>New World Gaming Partners, Ltd.</b>	Ba3	BB-	
708,333	Term Loan, 7.229%, maturing September 30, 2014			605,625
3,541,667				

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	Term Loan, 7.229%, maturing September 30, 2014			3,028,125
	<b>Penn National Gaming, Inc.</b>	Ba2	BBB-	
1,500,000	Term Loan, 4.959%, maturing October 03, 2012			1,430,454
	<b>Riviera Holdings Corporation</b>	B2	BB-	
500,000	Term Loan, 5.130%, maturing June 08, 2014			455,000
	<b>Seminole Tribe Of Florida</b>	Baa3	BBB	
16,791	Term Loan, 6.688%, maturing March 05, 2014			15,909
	<b>Tropicana Entertainment Landco</b>	B3	B-	
3,750,000	Term Loan, 5.372%, maturing July 03, 2008			3,576,563
	<b>VML US Finance, LLC</b>	B1	BB-	
1,600,000	Term Loan, 7.080%, maturing May 26, 2012			1,454,182
3,200,000	Term Loan, 7.080%, maturing May 25, 2013			2,908,365
2,000,000	Term Loan, 7.080%, maturing May 26, 2013			1,817,728
				<b>41,333,218</b>
<b>Grocery: 0.1%</b>				
	<b>Roundys Supermarkets, Inc.</b>	Ba3	B+	
1,131,970	Term Loan, 5.910%, maturing November 03, 2011			1,063,345
				<b>1,063,345</b>

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PORTFOLIO OF INVESTMENTS as of February 29, 2008 (continued)

<i>Principal Amount</i>	<i>Borrower/Tranche Description</i>	<i>Bank Loan Ratings (Unaudited)</i>		<i>Market Value</i>
		<i>Moody's</i>	<i>S&amp;P</i>	
<b>Healthcare, Education and Childcare: 22.0%</b>				
\$ 1,960,000	<b>Accellent, Inc.</b> Term Loan, 5.839%, maturing November 22, 2012	B2	BB-	\$ 1,664,367
992,500	<b>Advanced Medical Optics, Inc.</b> Term Loan, 6.631%, maturing April 02, 2014	Ba2	BB-	880,844
1,632,209	<b>AGA Medical Corporation</b> Term Loan, 5.150%, maturing April 28, 2013	B1	BB-	1,460,827
565,818	<b>AMN Healthcare, Inc.</b> Term Loan, 6.580%, maturing November 02, 2011	Ba2	BB-	512,065
6,544,889	<b>Catalent Pharma Solutions</b> Term Loan, 7.080%, maturing April 10, 2014	Ba3	BB-	5,481,344
400,000	<b>CHG Medical Staffing, Inc.</b> Term Loan, 7.210%, maturing June 20, 2012	Ba3	B+	378,000
1,584,000	Term Loan, 6.342%, maturing December 20, 2012			1,496,880
52,591,647	<b>CHS/Community Health Systems, Inc.</b> Term Loan, 5.335%, maturing July 25, 2014	Ba3	BB	48,230,906
1,990,000	<b>Concentra Operating Corporation</b> Term Loan, 7.080%, maturing June 25, 2014	B1	B+	1,671,600
1,453,315	<b>CRC Health Corporation</b> Term Loan, 7.093%, maturing February 06, 2013	Ba3	BB-	1,307,075
1,473,844	Term Loan, 7.448%, maturing February 06, 2013			1,325,538
	<b>Davita, Inc.</b>	Ba1	BB+	

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	9,999,946	Term Loan, 5.336%, maturing October 05, 2012		9,406,199
		<b>Education Management Corporation</b>	B2	B+
	8,235,191	Term Loan, 6.625%, maturing June 01, 2013		7,167,194
		<b>Emdeon Business Services, LLC</b>	B1	BB-
	2,374,094	Term Loan, 7.107%, maturing November 16, 2013		2,190,101
		<b>EMSC, L.P.</b>	Ba1	BB
	3,202,387	Term Loan, 7.117%, maturing February 10, 2012		2,978,220
		<b>Gambro</b>	NR	NR
	646,459	Term Loan, 5.565%, maturing June 05, 2014		592,049
SEK	2,111,070	Term Loan, 7.196%, maturing June 05, 2014		313,964
SEK	2,146,343	Term Loan, 7.196%, maturing June 05, 2014		319,209
\$	646,459	Term Loan, 6.065%, maturing June 05, 2015		595,281
SEK	2,111,070	Term Loan, 7.696%, maturing June 05, 2015		315,678
SEK	2,146,343	Term Loan, 7.696%, maturing June 05, 2015		320,952
		<b>Gentiva Health Services, Inc.</b>	Ba3	BB-
\$	2,513,513	Term Loan, 6.207%, maturing March 31, 2013		2,306,149
<b>Golden Gate National Senior Care</b>		<b>Holdings, LLC</b>	Ba3	BB-
	1,089,857	Term Loan, 5.872%, maturing March 14, 2011		1,002,669

See Accompanying Notes to Financial Statements

## ING Prime Rate Trust

PORTFOLIO OF INVESTMENTS as of February 29, 2008 (continued)

<i>Principal Amount</i>	<i>Borrower/Tranche Description</i>	<i>Bank Loan Ratings (Unaudited)</i>		<i>Market Value</i>
		<i>Moody's</i>	<i>S&amp;P</i>	
<i>Healthcare, Education and Childcare: (continued)</i>				
	<b>Harlan Sprague Dawley, Inc.</b>	B2	BB-	
\$ 2,508,750	Term Loan, 5.706%, maturing July 11, 2014			\$ 2,295,506
	<b>Harrington Holdings, Inc.</b>	B1	BB-	
2,448,167	Term Loan, 7.080%, maturing January 11, 2014			2,191,109
	<b>HCA, Inc.</b>	Ba3	BB	
35,237,035	Term Loan, 7.080%, maturing November 17, 2013			32,536,434
	<b>Health Management Associates, Inc.</b>	Ba2	BB-	
6,692,954	Term Loan, 6.580%, maturing February 28, 2014			5,782,884
	<b>Iasis Healthcare, LLC</b>	Ba2	B+	
2,978,605	Term Loan, 5.248%, maturing March 15, 2014			2,621,172
758,824	Term Loan, 5.551%, maturing March 15, 2014			667,765
273,450	Term Loan, 6.631%, maturing March 15, 2014			240,636
	<b>IM US Holdings, LLC</b>	B1	BB	
4,975,000	Term Loan, 6.843%, maturing June 26, 2014			4,433,969
	<b>inVentiv Health, Inc.</b>	Ba3	BB-	
938,143	Term Loan, 6.580%, maturing July 06, 2014			843,156
	<b>Lifepoint Hospitals, Inc.</b>	Ba2	BB	
1,821,524	Term Loan, 4.710%, maturing April 15, 2012			1,670,272
	<b>Multiplan, Inc.</b>	B1	B+	
1,316,894	Term Loan, 5.622%, maturing April 12, 2013			1,198,786
	<b>Mylan Laboratories, Inc.</b>	B1	BB	
1,500,000	Term Loan, 7.098%, maturing			1,454,166

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		October 02, 2014		
		<b>National Mentor, Inc.</b>	B1	B+
	117,736	Term Loan, 6.600%, maturing June 29, 2013		103,019
	1,989,837	Term Loan, 6.730%, maturing June 29, 2013		1,741,108
		<b>Nycomed</b>	NR	NR
EUR	394,286	Term Loan, 7.013%, maturing December 10, 2014		451,745
EUR	543,619	Term Loan, 7.013%, maturing December 10, 2014		622,841
EUR	1,418,795	Term Loan, 7.013%, maturing December 10, 2014		1,625,557
EUR	87,538	Term Loan, 7.013%, maturing December 10, 2014		100,295
EUR	55,762	Term Loan, 7.013%, maturing December 10, 2014		63,889
EUR	394,286	Term Loan, 7.763%, maturing December 10, 2014		451,745
EUR	55,762	Term Loan, 7.763%, maturing December 10, 2014		63,889
EUR	543,619	Term Loan, 7.763%, maturing December 10, 2014		622,841

See Accompanying Notes to Financial Statements

## ING Prime Rate Trust

PORTFOLIO OF INVESTMENTS as of February 29, 2008 (continued)

<i>Principal Amount</i>	<i>Borrower/Tranche Description</i>	<i>Bank Loan Ratings (Unaudited)</i>		<i>Market Value</i>
		<i>Moody's</i>	<i>S&amp;P</i>	
<i>Healthcare, Education and Childcare: (continued)</i>				
EUR	1,418,795	Term Loan, 7.763%, maturing December 10, 2014		\$ 1,625,557
EUR	87,538	Term Loan, 7.763%, maturing December 10, 2014		100,295
		<b>Orthofix International/Colgate Medical</b>	Ba3	BB+
\$	1,804,242	Term Loan, 6.580%, maturing September 22, 2013		1,632,839
		<b>Psychiatric Solutions, Inc.</b>	Ba3	BB-
	670,879	Term Loan, 6.173%, maturing July 01, 2012		618,886
		<b>Quintiles Transnational Corporation</b>	B1	BB
	4,991,473	Term Loan, 6.830%, maturing March 31, 2013		4,667,027
		<b>Renal Advantage, Inc.</b>	NR	B+
	3,570,991	Term Loan, 7.466%, maturing October 06, 2012		3,187,109
		<b>Rural/Metro Operating Company, LLC</b>	Ba2	BB-
	519,127	Term Loan, 6.450%, maturing March 04, 2011		514,585
	976,470	Term Loan, 6.965%, maturing March 04, 2011		967,925
		<b>Select Medical Corporation</b>	Ba2	BB-
	2,431,250	Term Loan, 5.149%, maturing February 24, 2012		2,204,840
		<b>Sterigenics International, Inc.</b>	B3	BB-
	1,954,310	Term Loan, 7.330%, maturing November 21, 2013		1,778,422
		<b>Stiefel Laboratories, Inc.</b>	B1	BB-
	1,179,896	Term Loan, 6.693%, maturing		1,094,353

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		December 28, 2013		
		Term Loan, 6.693%, maturing		
	1,542,604			1,430,766
		December 28, 2013		
		<b>Sun Healthcare Group, Inc.</b>	Ba2	B+
		Term Loan, 5.901%, maturing April 12, 2014		
	139,655			127,086
		Term Loan, 5.918%, maturing April 12, 2014		
	847,364			771,101
		Term Loan, 6.930%, maturing April 12, 2014		
	217,241			197,690
		<b>Surgical Care Affiliates, LLC</b>	Ba3	B
		Term Loan, 7.080%, maturing		
	2,985,000			2,492,475
		December 29, 2014		
		<b>Team Health, Inc.</b>	B1	BB-
		Term Loan, 5.089%, maturing		
	2,042,359			1,802,381
		November 23, 2012		
		<b>United Surgical Partners International, Inc.</b>	Ba3	B
		Term Loan, 4.166%, maturing April 19, 2014		
	204,839			184,355
		Term Loan, 5.490%, maturing April 19, 2014		
	1,664,839			1,498,355
		<b>Vanguard Health Holdings Company II, LLC</b>	Ba3	B+
		Term Loan, 5.372%, maturing		
	7,823,387			7,256,192
		September 23, 2011		
		<b>Viant Holdings, Inc.</b>	Ba3	B+
		Term Loan, 7.080%, maturing June 25, 2014		
	746,250			570,881
		<b>VWR International, Inc.</b>	B1	B+
		Term Loan, 7.271%, maturing June 29, 2014		
EUR	2,500,000			3,399,211

See Accompanying Notes to Financial Statements

## ING Prime Rate Trust

PORTFOLIO OF INVESTMENTS as of February 29, 2008 (continued)

<i>Principal Amount</i>	<i>Borrower/Tranche Description</i>	<i>Bank Loan Ratings (Unaudited)</i>		<i>Market Value</i>
		<i>Moody's</i>	<i>S&amp;P</i>	
<b>Healthcare, Education and Childcare: (continued)</b>				
\$ 3,500,000	Term Loan, 7.330%, maturing June 29, 2014			\$ 3,018,750
				<b>194,840,976</b>
<b>Home &amp; Office Furnishings: 1.6%</b>				
	<b>Global Garden Products Italy, S.P.A.</b>	NR	NR	
EUR 1,250,000	Term Loan, 7.148%, maturing October 19, 2014			1,666,373
EUR 1,250,000	Term Loan, 7.648%, maturing October 19, 2015			1,675,868
	<b>Hilding Anders</b>	NR	NR	
SEK 18,071,429	Term Loan, 6.690%, maturing April 25, 2015			2,274,335
EUR 328,571	Term Loan, 6.999%, maturing April 25, 2015			410,564
	<b>National Bedding Company</b>	B1	BB	
\$ 2,194,088	Term Loan, 5.969%, maturing February 28, 2013			1,843,034
	<b>Simmons Company</b>	Ba2	BB-	
6,942,562	Term Loan, 5.627%, maturing December 19, 2011			6,230,950
				<b>14,101,124</b>
<b>Insurance: 1.8%</b>				
	<b>AmWINS Group, Inc.</b>	B2	B-	
1,990,000	Term Loan, 6.708%, maturing June 08, 2013			1,417,875
	<b>Applied Systems, Inc.</b>	B1	B-	
1,975,000	Term Loan, 7.190%, maturing September 26, 2013			1,797,250
	<b>Conseco, Inc.</b>	Ba3	B+	
6,177,525	Term Loan, 5.122%, maturing October 10, 2013			5,106,756
	<b>Crawford &amp; Company</b>	B1	BB-	
2,861,161	Term Loan, 7.580%, maturing			2,625,115

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	October 30, 2013		
	<b>Hub International, Ltd.</b>	B2	B+
283,967	Term Loan, 6.069%, maturing June 13, 2014		247,051
1,625,817	Term Loan, 7.330%, maturing June 13, 2014		1,414,461
	<b>Swett &amp; Crawford</b>	B2	B
2,580,500	Term Loan, 6.248%, maturing April 03, 2014		2,038,595
	<b>USI Holdings Corporation</b>	B2	B
1,791,000	Term Loan, 7.580%, maturing May 05, 2014		1,598,468
			<b>16,245,571</b>
<b>Leisure, Amusement, Entertainment: 8.1%</b>			
	<b>24 Hour Fitness Worldwide, Inc.</b>	Ba3	B+
3,193,125	Term Loan, 6.949%, maturing June 08, 2012		2,650,294
	<b>Alpha D2, Ltd.</b>	NR	NR
1,714,286	Term Loan, 7.093%, maturing December 31, 2012		1,502,571
1,285,714	Term Loan, 7.093%, maturing December 31, 2013		1,126,929
	<b>AMF Bowling Worldwide, Inc.</b>	B1	B+
3,109,375	Term Loan, 7.678%, maturing June 10, 2013		2,565,234
	<b>Cedar Fair, L.P.</b>	Ba3	BB
7,877,531	Term Loan, 5.122%, maturing August 30, 2012		7,343,829

See Accompanying Notes to Financial Statements

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PORTFOLIO OF INVESTMENTS as of February 29, 2008 (continued)

<i>Principal Amount</i>	<i>Borrower/Tranche Description</i>	<i>Bank Loan Ratings (Unaudited)</i>		<i>Market Value</i>
		<i>Moody's</i>	<i>S&amp;P</i>	
<b><i>Leisure, Amusement, Entertainment: (continued)</i></b>				
	<b>Cinemark USA, Inc.</b>	Ba3	B	
\$ 3,688,682	Term Loan, 5.340%, maturing October 05, 2013			\$ 3,276,011
	<b>HIT Entertainment, Inc.</b>	Ba3	B+	
1,940,892	Term Loan, 5.150%, maturing March 20, 2012			1,659,463
	<b>Kerasotes Showplace Theater, LLC</b>	B1	B-	
120,000	Revolver, 1.098%, maturing October 31, 2010			114,000
302,295	Term Loan, 5.438%, maturing October 28, 2011			272,066
	<b>Metro-Goldwyn-Mayer, Inc.</b>	Ba3	B+	
7,833,661	Term Loan, 8.108%, maturing April 08, 2012			6,508,464
33,326,493	Term Loan, 8.108%, maturing April 08, 2012			27,688,750
	<b>NEP II, Inc.</b>	B1	B	
4,463,748	Term Loan, 7.108%, maturing February 16, 2014			3,969,017
	<b>Warner Music Group</b>	Ba3	BB-	
14,931,517	Term Loan, 5.249%, maturing February 28, 2011			13,519,249
				<b>72,195,877</b>
<b><i>Lodging: 2.0%</i></b>				
	<b>Audio Visual Services Corporation</b>	Ba3	B+	
997,500	Term Loan, 5.520%, maturing February 28, 2014			907,725
	<b>Hotel Del Coronado</b>	NR	NR	
16,400,000	Term Loan, 5.987%, maturing January 15, 2009			16,400,000
				<b>17,307,725</b>
<b><i>Machinery: 1.5%</i></b>				

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		<b>Energys Capital, Inc.</b>	Ba2	BB	
	4,128,010	Term Loan, 5.242%, maturing March 17, 2011			3,849,369
		<b>Kion Group</b>	NR	NR	
EUR	1,238,909	Term Loan, 6.775%, maturing December 23, 2014			1,610,806
EUR	1,145,833	Term Loan, 7.275%, maturing December 23, 2015			1,497,529
		<b>LN Acquisition Corporation</b>	B1	BB-	
\$	362,045	Term Loan, 5.751%, maturing July 11, 2014			336,702
	135,682	Term Loan, 5.754%, maturing July 11, 2014			126,184
		<b>Maxim Crane Works, L.P.</b>	B1	BB-	
	2,487,500	Term Loan, 5.145%, maturing June 29, 2014			2,189,000
		<b>United Rentals, Inc.</b>	Ba1	BB+	
	3,505,377	Term Loan, 5.100%, maturing February 14, 2011			3,341,791
					<b>12,951,381</b>
<b>Mining, Steel, Iron &amp; Nonprecious Metals: 1.0%</b>					
		<b>Continental Alloys &amp; Services, Inc.</b>	B2	B	
	497,500	Term Loan, 7.330%, maturing June 15, 2012			472,625

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ING Prime Rate Trust

PORTFOLIO OF INVESTMENTS as of February 29, 2008 (continued)

<i>Principal Amount</i>	<i>Borrower/Tranche Description</i>	<i>Bank Loan Ratings (Unaudited)</i>		<i>Market Value</i>
		<i>Moody's</i>	<i>S&amp;P</i>	
<i>Mining, Steel, Iron &amp; Nonprecious Metals: (continued)</i>				
	<b>Noranda Aluminum Acquisition Corporation</b>	Ba2	BB-	
\$ 741,563	Term Loan, 5.065%, maturing May 18, 2014			\$ 652,575
	<b>Novelis</b>	Ba2	BB	
1,243,750	Term Loan, 6.830%, maturing July 06, 2014			1,098,853
2,736,250	Term Loan, 6.830%, maturing July 06, 2014			2,417,477
	<b>Oxbow Carbon and Minerals Holdings, LLC</b>	B1	BB-	
2,909,150	Term Loan, 6.820%, maturing May 08, 2014			2,574,598
260,436	Term Loan, 6.830%, maturing May 08, 2014			230,486
	<b>Tube City IMS Corporation</b>	Ba3	BB	
162,162	Term Loan, 7.080%, maturing January 25, 2013			147,568
1,327,804	Term Loan, 7.080%, maturing January 25, 2013			1,208,302
				<b>8,802,484</b>
<i>North American Cable: 17.1%</i>				
	<b>Atlantic Broadband</b>	B1	B	
1,970,116	Term Loan, 7.080%, maturing August 10, 2012			1,742,731
	<b>Bresnan Communications, LLC</b>	B2	BB-	
2,750,000	Term Loan, 5.576%, maturing September 29, 2013			2,477,945
2,246,939	Term Loan, 5.930%, maturing April 30, 2014			2,024,651
	<b>Cequel Communications, LLC</b>	B1	BB-	
38,716,957	Term Loan, 6.508%, maturing April 04, 2013			32,729,031
		Caa1	B-	

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525,000	<b>Cequel Communications, LLC</b> Term Loan, 7.739%, maturing May 05, 2014		404,250
60,364,583	<b>Charter Communications Operating, LLC</b> Term Loan, 5.260%, maturing March 06, 2014	B1	B+
31,288,184	<b>CSC Holdings, Inc.</b> Term Loan, 6.896%, maturing March 29, 2013	Ba1	BBB-
11,002,500	<b>Insight Midwest Holdings, LLC</b> Term Loan, 6.730%, maturing April 06, 2014	Ba3	BB-
1,990,000	<b>Knology, Inc.</b> Term Loan, 6.953%, maturing June 30, 2012	B2	B
10,781,100	<b>Mediacom Broadband, LLC</b> Term Loan, 4.895%, maturing January 31, 2015	Ba3	BB-
2,940,000	<b>Quebecor Media, Inc.</b> Term Loan, 6.258%, maturing January 17, 2013	B1	B
1,716,867	<b>San Juan Cable, LLC</b> Term Loan, 6.978%, maturing October 31, 2012	B1	BB-
5,833,333	<b>WideOpenWest Finance, LLC</b> Term Loan, 5.831%, maturing June 28, 2014	B2	B-
			<b>151,664,593</b>

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PORTFOLIO OF INVESTMENTS as of February 29, 2008 (continued)

<i>Principal Amount</i>	<i>Borrower/Tranche Description</i>	<i>Bank Loan Ratings (Unaudited)</i>		<i>Market Value</i>
		<i>Moody's</i>	<i>S&amp;P</i>	
<b>Oil &amp; Gas: 6.8%</b>				
	<b>Alon USA</b>	B1	BB	
\$ 1,751,111	Term Loan, 5.372%, maturing June 22, 2013			\$ 1,562,867
218,889	Term Loan, 5.521%, maturing June 22, 2013			195,358
	<b>Atlas Pipeline Partners, L.P.</b>	Ba3	BB-	
3,000,000	Term Loan, 5.880%, maturing July 27, 2014			2,840,001
	<b>Calumet Lubricants Company</b>	B1	BB-	
2,102,012	Term Loan, 7.065%, maturing December 15, 2014			1,986,401
272,989	Term Loan, 8.553%, maturing December 15, 2014			257,974
	<b>Coffeyville Resources, LLC</b>	B2	BB-	
1,067,105	Term Loan, 7.979%, maturing December 28, 2010			1,007,525
1,271,707	Term Loan, 7.479%, maturing December 28, 2013			1,200,704
	<b>CR Gas Storage</b>	Ba3	BB-	
461,382	Term Loan, 6.741%, maturing May 13, 2011			432,545
317,452	Term Loan, 6.808%, maturing May 12, 2013			297,611
2,851,846	Term Loan, 7.323%, maturing May 12, 2013			2,673,606
469,832	Term Loan, 7.323%, maturing May 12, 2013			440,468
	<b>Energy Transfer Company, L.P.</b>	Ba2	NR	
8,000,000	Term Loan, 4.878%, maturing February 08, 2012			7,516,664
	<b>Helix Energy Solutions Group, Inc.</b>	Ba2	BB+	
2,636,858	Term Loan, 6.536%, maturing July 01, 2013			2,461,066
	<b>Hercules Offshore, LLC</b>	Ba3	BB	
2,487,500	Term Loan, 6.580%, maturing July 11, 2013			2,310,266
	<b>McJunkin Corporation</b>	B2	B+	
2,677,613	Term Loan, 8.080%, maturing January 31, 2013			2,557,121
	<b>MEG Energy</b>	Ba3	BB	

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918,800	Term Loan, 3.217%, maturing April 03, 2013			833,811
2,751,000	Term Loan, 6.830%, maturing April 03, 2013			2,514,414
	<b>Pine Prairie Energy Center</b>	B1	B+	
496,250	Term Loan, 5.670%, maturing December 31, 2013			473,919
	<b>Semcrude, L.P.</b>	Ba2	NR	
5,211,875	Term Loan, 5.122%, maturing March 01, 2011			5,016,430
	<b>SG Resources Mississippi, LLC</b>	B1	BB-	
2,500,000	Term Loan, 5.019%, maturing April 02, 2014			2,350,000
	<b>Targa Resources, Inc.</b>	Ba3	B+	
4,186,452	Term Loan, 6.903%, maturing October 31, 2012			3,931,079
1,758,674	Term Loan, 6.955%, maturing October 31, 2012			1,651,395
	<b>Venoco, Inc.</b>	Caa1	B	
3,000,000	Term Loan, 7.125%, maturing September 20, 2011			2,640,000

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ING Prime Rate Trust

PORTFOLIO OF INVESTMENTS as of February 29, 2008 (continued)

<i>Principal Amount</i>	<i>Borrower/Tranche Description</i>	<i>Bank Loan Ratings (Unaudited)</i>		<i>Market Value</i>
		<i>Moody's</i>	<i>S&amp;P</i>	
<i>Oil &amp; Gas: (continued)</i>				
	<b>Vulcan Energy Corporation</b>	Ba2	BB	
\$ 4,340,471	Term Loan, 4.628%, maturing August 12, 2011			\$ 4,085,469
	<b>Western Refining, Inc.</b>	B1	BB+	
10,348,000	Term Loan, 4.994%, maturing May 30, 2014			9,360,625
				<b>60,597,319</b>
<i>Other Broadcasting and Entertainment: 2.4%</i>				
	<b>Deluxe Entertainment Services Group, Inc.</b>	B1	B	
118,110	Term Loan, 7.080%, maturing May 11, 2013			101,575
2,465,055	Term Loan, 7.080%, maturing May 11, 2013			2,119,947
227,858	Term Loan, 7.080%, maturing May 11, 2013			195,958
	<b>VNU</b>	Ba3	B+	
20,834,619	Term Loan, 5.346%, maturing August 09, 2013			18,490,724
				<b>20,908,204</b>
<i>Other Telecommunications: 4.0%</i>				
	<b>Asurion Corporation</b>	B2	B-	
15,250,000	Term Loan, 6.095%, maturing July 03, 2014			13,008,250
	<b>BCM Ireland Holdings, Ltd.</b>	Ba3	BB	
EUR 2,083,333	Term Loan, 6.625%, maturing September 30, 2014			2,778,507
EUR 2,083,333	Term Loan, 6.875%, maturing September 30, 2015			2,782,564
	<b>Cavalier Telephone</b>	B3	B-	
\$ 2,475,013	Term Loan, 9.580%, maturing December 31, 2012			1,905,760
	<b>Gabriel Communications</b>	B2	CCC+	

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497,500	Term Loan, 8.241%, maturing May 31, 2014		449,616
	<b>Hargray Communications Group, Inc.</b>	B1	B
480,692	Term Loan, 7.080%, maturing June 29, 2014		441,035
	<b>Hawaiian Telcom Communications, Inc.</b>	Ba3	B-
2,818,023	Term Loan, 7.080%, maturing June 01, 2014		2,299,036
	<b>Iowa Telecommunications Services, Inc.</b>	Ba3	BB-
1,500,000	Term Loan, 6.679%, maturing November 23, 2011		1,397,813
	<b>Kentucky Data Link, Inc.</b>	B1	B
3,966,284	Term Loan, 5.372%, maturing February 26, 2014		3,569,656
	<b>One Communications</b>	B2	B-
2,851,071	Term Loan, 9.000%, maturing June 30, 2012		2,551,709
	<b>PAETEC Holding Corporation</b>	B1	B-
642,672	Term Loan, 5.622%, maturing February 28, 2013		582,153
	<b>Time Warner Telecom Holdings, Inc.</b>	Ba2	B
3,187,800	Term Loan, 5.130%, maturing January 07, 2013		2,974,217
	<b>U.S. Telepacific Corporation</b>	B1	CCC+
987,503	Term Loan, 8.965%, maturing August 04, 2011		957,878
			<b>35,698,194</b>

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ING Prime Rate Trust

PORTFOLIO OF INVESTMENTS as of February 29, 2008 (continued)

<i>Principal Amount</i>	<i>Borrower/Tranche Description</i>	<i>Bank Loan Ratings (Unaudited)</i>		<i>Market Value</i>
		<i>Moody's</i>	<i>S&amp;P</i>	
<b>Personal &amp; Nondurable Consumer Products: 4.7%</b>				
	<b>Advantage Sales And Marketing</b>	B2	B-	
\$ 3,041,360	Term Loan, 5.563%, maturing March 29, 2013			\$ 2,645,984
	<b>Bushnell Performance Optics</b>	Ba3	BB-	
1,745,625	Term Loan, 8.580%, maturing August 24, 2013			1,640,888
	<b>Fender Musical Instruments Corporation</b>	B2	B+	
1,166,667	Term Loan, 6.970%, maturing June 09, 2014			991,667
2,321,667	Term Loan, 7.160%, maturing June 09, 2014			1,973,417
	<b>Gibson Guitar Corporation</b>	B2	B	
495,000	Term Loan, 7.330%, maturing December 29, 2013			475,200
	<b>Huish Detergents, Inc.</b>	B1	B+	
2,686,500	Term Loan, 6.830%, maturing April 26, 2014			2,196,214
	<b>Information Resources, Inc.</b>	Ba2	B+	
463,080	Term Loan, 4.845%, maturing May 16, 2014			400,565
	<b>Jarden Corporation</b>	Ba3	BB-	
1,184,282	Term Loan, 6.580%, maturing January 24, 2012			1,090,198
9,193,720	Term Loan, 6.580%, maturing January 24, 2012			8,463,335
	<b>KIK Custom Products, Inc.</b>	B1	B	
72,988	Term Loan, 7.110%, maturing May 31, 2014			53,038
425,762	Term Loan, 7.110%, maturing May 31, 2014			309,387
975,000	<b>Mega Bloks, Inc.</b>	Ba3	B	
	Term Loan, 5.500%, maturing July 26,			770,250

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		2012	
	<b>Natural Products Group, LLC</b>	B1	B+
	Term Loan, 6.182%, maturing		
1,588,141	March 08, 2014		1,052,143
	<b>Norwood Promotional Products</b>	NR	NR
	Term Loan, 6.000%, maturing		
16,875,587	August 17, 2011		15,525,540
	<b>Spectrum Brands, Inc.</b>	B2	B-
	Term Loan, 7.144%, maturing		
44,301	March 30, 2013		39,882
	Term Loan, 7.815%, maturing		
881,824	March 30, 2013		793,862
	<b>Totes Isotoner Corporation</b>	B2	B
	Term Loan, 7.331%, maturing		
412,500	January 31, 2013		367,125
	<b>Yankee Candle Company, Inc.</b>	Ba3	BB-
	Term Loan, 6.831%, maturing		
3,693,077	February 06, 2014		3,277,606
			<b>42,066,301</b>
<b>Personal, Food &amp; Miscellaneous: 2.5%</b>			
	<b>Acosta, Inc.</b>	B1	B
	Term Loan, 5.370%, maturing July 28, 2013		
2,955,000			2,580,699
	<b>Arbys Restaurant Group, Inc.</b>	Ba3	BB
	Term Loan, 5.715%, maturing July 25, 2012		
5,355,078			4,946,754

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ING Prime Rate Trust

PORTFOLIO OF INVESTMENTS as of February 29, 2008 (continued)

<i>Principal Amount</i>	<i>Borrower/Tranche Description</i>	<i>Bank Loan Ratings (Unaudited)</i>		<i>Market Value</i>
		<i>Moody's</i>	<i>S&amp;P</i>	
<i>Personal, Food &amp; Miscellaneous: (continued)</i>				
	<b>Culligan International Company</b>	B2	B+	
\$ 992,500	Term Loan, 6.345%, maturing November 24, 2012			\$ 755,955
	<b>Dennys, Inc.</b>	Ba2	BB	
762,613	Term Loan, 6.855%, maturing March 31, 2012			718,763
555,000	Term Loan, 6.950%, maturing March 31, 2012			523,088
	<b>MD Beauty, Inc.</b>	B1	BB-	
2,406,749	Term Loan, 5.380%, maturing February 18, 2012			2,310,479
	<b>N.E.W. Customer Services Companies, Inc.</b>	B1	B	
3,191,953	Term Loan, 6.416%, maturing May 22, 2014			2,601,442
	<b>OSI Restaurant Partners, Inc.</b>	B1	BB-	
372,420	Term Loan, 7.488%, maturing June 14, 2013			304,853
4,402,983	Term Loan, 5.438%, maturing June 14, 2014			3,604,154
	<b>QCE, LLC</b>	B2	B+	
2,035,667	Term Loan, 7.030%, maturing May 05, 2013			1,739,042
	<b>Reddy Ice Group, Inc.</b>	Ba3	BB-	
1,000,000	Term Loan, 6.127%, maturing August 09, 2012			900,000
	<b>Sbarro, Inc.</b>	Ba3	B+	
496,250	Term Loan, 7.407%, maturing January 31, 2014			443,523
	<b>Seminole Hard Rock Entertainment</b>	B1	BB	
750,000	Floating Rate Note, 7.491%, maturing March 15, 2014			585,000
	<b>U.S. Security Holdings, Inc.</b>	B1	B+	

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614,063	Term Loan, 7.350%, maturing May 08, 2013		610,992
			<b>22,624,744</b>
<b>Printing &amp; Publishing: 11.8%</b>			
	<b>American Achievement Corporation</b>	Ba3	BB-
520,531	Term Loan, 5.424%, maturing March 25, 2011		481,491
	<b>Ascend Media Holdings, LLC</b>	B3	B
853,249	Term Loan, 8.964%, maturing January 31, 2012		733,794
	<b>Black Press, Ltd.</b>	Ba3	BB-
728,621	Term Loan, 5.085%, maturing August 02, 2013		658,313
1,203,136	Term Loan, 5.085%, maturing August 02, 2013		1,087,334
	<b>Canwest Media, Inc.</b>	Ba1	BB-
1,985,000	Term Loan, 5.085%, maturing July 10, 2014		1,808,831
	<b>Caribe Information Investments, Inc.</b>	B1	B+
1,742,742	Term Loan, 6.013%, maturing March 31, 2013		1,581,538
	<b>Cengage Learning, Inc.</b>	B1	B+
17,206,875	Term Loan, 5.813%, maturing July 05, 2014		15,102,939

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PORTFOLIO OF INVESTMENTS as of February 29, 2008 (continued)

<i>Principal Amount</i>	<i>Borrower/Tranche Description</i>	<i>Bank Loan Ratings (Unaudited)</i>		<i>Market Value</i>
		<i>Moody's</i>	<i>S&amp;P</i>	
<i>Printing &amp; Publishing: (continued)</i>				
	<b>Cenveo Corporation</b>	Ba2	BB+	
\$	2,844,119	Term Loan, 6.660%, maturing June 21, 2013		\$ 2,517,045
	61,603	Term Loan, 6.660%, maturing June 21, 2013		54,519
		<b>Dex Media West, LLC</b>	Ba1	BB+
	2,777,837	Term Loan, 5.607%, maturing March 09, 2010		2,650,520
		<b>Hanley Wood, LLC</b>	B2	B
	2,715,688	Term Loan, 6.745%, maturing March 08, 2014		2,063,923
		<b>Idearc, Inc.</b>	Ba2	BBB-
	25,170,874	Term Loan, 6.830%, maturing November 17, 2014		20,860,375
		<b>Intermedia Outdoor, Inc.</b>	NR	NR
	1,633,500	Term Loan, 7.830%, maturing January 31, 2013		1,429,313
		<b>Mediannuaire Holding</b>	NR	NR
EUR	600,000	Term Loan, 7.177%, maturing April 10, 2016		760,739
EUR	600,000	Term Loan, 7.677%, maturing April 10, 2016		764,538
		<b>Medimedia USA, Inc.</b>	Ba3	BB-
\$	1,234,375	Term Loan, 7.171%, maturing October 05, 2013		1,129,453
		<b>Merrill Communications, LLC</b>	Ba3	BB-
	2,901,564	Term Loan, 6.399%, maturing May 15, 2011		2,596,900
		<b>Nelson Canada</b>	Ba3	BB-
	3,990,000	Term Loan, 7.330%, maturing July 05, 2014		3,670,800
		<b>PagesJaunes Groupe, S.A.</b>	NR	NR
EUR	800,000			

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		Term Loan, 6.677%, maturing October 24, 2013			1,052,588
		<b>PBL Media</b>	B1	NR	
AUD	24,331,191	Term Loan, 9.865%, maturing February 05, 2013			20,243,274
<b>Prism Business Media Holdings/Penton</b>					
		<b>Media, Inc.</b>	B1	BB-	
\$	1,687,250	Term Loan, 5.372%, maturing February 01, 2013			1,356,127
		<b>R.H. Donnelley Corporation</b>	Ba1	BB+	
	7,842,877	Term Loan, 5.866%, maturing June 30, 2011			7,260,104
		<b>Readers Digest</b>	B1	B+	
EUR	751,552	Term Loan, 6.791%, maturing March 02, 2014			936,242
		Term Loan, 7.131%, maturing March 02, 2014			3,573,620
		<b>Source Media, Inc.</b>	B1	B	
	2,786,119	Term Loan, 7.080%, maturing November 08, 2011			2,451,785
		<b>Thomas Nelson Publishers</b>	B1	B	
	2,298,333	Term Loan, 6.380%, maturing June 12, 2012			1,896,125
		<b>Tribune Company</b>	B2	BB-	
	497,500	Term Loan, 7.910%, maturing May 19, 2014			365,787
		<b>Valassis Communications, Inc.</b>	Ba2	BB	
	971,150	Term Loan, 6.580%, maturing March 02, 2014			892,851

See Accompanying Notes to Financial Statements

## ING Prime Rate Trust

PORTFOLIO OF INVESTMENTS as of February 29, 2008 (continued)

<i>Principal Amount</i>	<i>Borrower/Tranche Description</i>	<i>Bank Loan Ratings (Unaudited)</i>		<i>Market</i>
		<i>Moody's</i>	<i>S&amp;P</i>	<i>Value</i>
<b>Printing &amp; Publishing: (continued)</b>				
	<b>Yell Group, PLC</b>	Ba3	BB-	
\$	2,000,000	Term Loan, 5.122%, maturing February 10, 2013		\$ 1,738,750
EUR	2,000,000	Term Loan, 6.185%, maturing February 27, 2013		2,676,746
				<b>104,396,364</b>
<b>Radio and TV Broadcasting: 6.7%</b>				
	<b>Block Communications, Inc.</b>	Ba1	BB	
\$	980,000	Term Loan, 6.830%, maturing December 22, 2012		901,600
	<b>Citadel Broadcasting Corporation</b>	Ba3	BB-	
	9,600,000	Term Loan, 5.625%, maturing June 12, 2014		7,308,000
	<b>CMP KC, LLC</b>	NR	NR	
	1,363,163	Term Loan, 7.220%, maturing May 03, 2011		1,226,847
	<b>CMP Susquehanna Corporation</b>	B1	B-	
	4,936,286	Term Loan, 5.166%, maturing May 05, 2013		4,035,414
	<b>Cumulus Media, Inc.</b>	Ba3	B	
	2,847,027	Term Loan, 4.885%, maturing June 11, 2014		2,363,032
	<b>CW Media Holdings, Inc.</b>	Ba1	B+	
	2,743,125	Term Loan, 8.080%, maturing February 15, 2015		2,564,822
	<b>Emmis Communication</b>	B2	B+	
	1,205,201	Term Loan, 6.843%, maturing November 01, 2013		1,014,378
	<b>Local TV Finance, LLC</b>	Ba3	B+	
	2,885,500	Term Loan, 5.161%, maturing May 07, 2013		2,495,958
	<b>Nexstar Broadcasting</b>	Ba3	BB-	

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	<b>Group</b>		
2,251,331	Term Loan, 6.580%, maturing October 01, 2012		2,054,340
2,377,665	Term Loan, 6.580%, maturing October 01, 2012		2,169,620
	<b>Nextmedia Operating, Inc.</b>	B1	B+
1,484,554	Term Loan, 5.086%, maturing November 15, 2012		1,298,985
659,802	Term Loan, 5.098%, maturing November 15, 2012		577,327
	<b>Paxson Communications</b>	B1	CCC+
4,500,000	Term Loan, 7.508%, maturing January 15, 2012		3,825,000
	<b>Regent Communications</b>	B2	B+
1,485,000	Term Loan, 7.093%, maturing November 21, 2013		1,213,988
	<b>Spanish Broadcasting Systems</b>	B2	B-
3,890,000	Term Loan, 6.580%, maturing June 11, 2012		3,267,600
	<b>Univision Communications, Inc.</b>	Ba3	B+
24,526,462	Term Loan, 5.490%, maturing September 29, 2014		20,661,190
	<b>Univision Communications, Inc.</b>	B3	CCC+
2,250,000	Term Loan, 5.625%, maturing March 29, 2009		2,176,875
			<b>59,154,976</b>

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ING Prime Rate Trust

PORTFOLIO OF INVESTMENTS as of February 29, 2008 (continued)

<i>Principal Amount</i>	<i>Borrower/Tranche Description</i>	<i>Bank Loan Ratings (Unaudited)</i>		<i>Market Value</i>	
		<i>Moody's</i>	<i>S&amp;P</i>		
<b>Retail Stores: 10.2%</b>					
\$	1,488,750	<b>Amscan Holdings, Inc.</b> Term Loan, 5.901%, maturing May 25, 2013	B1	B	\$ 1,339,875
	5,787,868	<b>Burlington Coat Factory</b> Term Loan, 5.340%, maturing May 28, 2013	B2	B-	4,889,544
EUR	500,000	<b>CBR Fashion Holding</b> Term Loan, 6.310%, maturing July 20, 2015	NR	NR	624,771
EUR	460,000	Term Loan, 6.560%, maturing July 20, 2016			578,284
\$	4,975,000	<b>Claire's Stores, Inc.</b> Term Loan, 6.472%, maturing May 29, 2014	B1	B+	3,930,250
	12,500,000	<b>Dollar General Corporation</b> Term Loan, 5.994%, maturing July 06, 2014	B2	B+	11,171,875
	3,395,766	<b>Dollarama Group, L.P.</b> Term Loan, 4.994%, maturing November 18, 2011	Ba1	BB-	2,988,274
	3,573,000	<b>General Nutrition Centers, Inc.</b> Term Loan, 7.035%, maturing September 16, 2013	B1	B-	2,928,074
	5,000,000	<b>Guitar Center, Inc.</b> Term Loan, 6.640%, maturing October 09, 2014	B2	B-	4,200,000
	6,832,211	<b>Harbor Freight Tools USA, Inc.</b> Term Loan, 5.368%, maturing July 15, 2010	B1	B+	6,080,667
	2,205,959	<b>Mapco Express, Inc.</b> Term Loan, 6.010%, maturing April 28, 2011	B2	B+	2,051,542
	496,256	<b>Mattress Firm</b> Term Loan, 5.500%, maturing January 18, 2014	B1	B+	359,786
	8,669,033	<b>Michaels Stores, Inc.</b> Term Loan, 5.432%, maturing October 31, 2013	B2	B	7,499,702
	2,388,470	<b>Nebraska Book Company, Inc.</b> Term Loan, 7.650%, maturing March 04, 2011	Ba2	B	2,236,205

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		<b>Neiman Marcus Group, Inc.</b>	Ba3	BB+	
	14,299,578	Term Loan, 6.602%, maturing April 06, 2013			13,266,047
		<b>Oriental Trading Company, Inc.</b>	B1	B+	
	2,401,524	Term Loan, 5.360%, maturing July 31, 2013			1,999,269
		<b>Petco Animal Supplies, Inc.</b>	Ba3	BB-	
	5,073,750	Term Loan, 6.261%, maturing October 26, 2013			4,610,770
		<b>Phones 4U Group, Ltd.</b>	NR	NR	
GBP	1,615,726	Term Loan, 7.849%, maturing September 22, 2014			2,449,442
GBP	1,545,301	Term Loan, 8.599%, maturing September 22, 2015			2,351,321
		<b>Rite Aid</b>	Ba3	BB-	
\$	5,000,000	Term Loan, 4.907%, maturing June 04, 2014			4,454,690
		<b>Sally Holding, LLC</b>	B2	BB-	
	3,458,725	Term Loan, 5.700%, maturing November 16, 2013			3,211,672

See Accompanying Notes to Financial Statements

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ING Prime Rate Trust

PORTFOLIO OF INVESTMENTS as of February 29, 2008 (continued)

<i>Principal Amount</i>	<i>Borrower/Tranche Description</i>	<i>Bank Loan Ratings (Unaudited)</i>		<i>Market Value</i>
		<i>Moody's</i>	<i>S&amp;P</i>	
<b>Retail Stores: (continued)</b>				
	<b>Sports Authority</b>	B2	B	
\$	Term Loan, 7.080%, maturing May 03, 2013			\$ 817,550
	<b>Toys "R" Us, Inc.</b>	B2	BB-	
	Term Loan, 7.315%, maturing July 19, 2012			1,267,542
	<b>Vivarte</b>	NR	NR	
EUR	Term Loan, 6.175%, maturing June 28, 2015			2,729,133
EUR	Term Loan, 6.675%, maturing June 28, 2016			2,746,768
				<b>90,783,053</b>
<b>Satellite: 0.4%</b>				
	<b>Intelsat Corporation</b>	B1	BB-	
\$	Term Loan, 5.144%, maturing January 03, 2012			1,277,405
	Term Loan, 5.144%, maturing January 03, 2012			1,277,022
	Term Loan, 5.144%, maturing January 03, 2012			1,277,022
				<b>3,831,449</b>
<b>Telecommunications Equipment: 1.4%</b>				
	<b>Macquarie UK Broadcast Ventures, Ltd.</b>	NR	NR	
GBP	Term Loan, 7.951%, maturing December 01, 2014			7,448,287
	<b>Sorenson Communications, Inc.</b>	B1	B	
\$	Term Loan, 7.375%, maturing August 16, 2014			4,598,207
				<b>12,046,494</b>
<b>Textiles &amp; Leather: 1.1%</b>				
	<b>Hanesbrands, Inc.</b>	Ba2	BB	
	Term Loan, 4.998%, maturing September 05, 2013			896,631
	<b>Iconix Brand Group, Inc.</b>	Ba2	BB	

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1,687,271	Term Loan, 7.080%, maturing April 30, 2013			1,573,380
	<b>Polymer Group, Inc.</b>	B1	BB	
6,737,196	Term Loan, 7.093%, maturing November 22, 2012			5,731,126
	<b>St. John Knits International, Inc.</b>	B1	BB	
698,281	Term Loan, 7.843%, maturing March 21, 2012			607,505
	<b>Targus Group, Inc.</b>	B2	B	
1,457,221	Term Loan, 7.608%, maturing November 22, 2012			1,258,066
				<b>10,066,708</b>
<b>Utilities: 9.4%</b>				
	<b>Boston Generating, LLC</b>	B1	B+	
256,593	Term Loan, 7.080%, maturing December 20, 2013			225,664
1,916,404	Term Loan, 7.080%, maturing December 20, 2013			1,685,408
7,070,723	Term Loan, 7.080%, maturing December 20, 2013			6,218,446

See Accompanying Notes to Financial Statements

51

## ING Prime Rate Trust

PORTFOLIO OF INVESTMENTS as of February 29, 2008 (continued)

<i>Principal Amount</i>	<i>Borrower/Tranche Description</i>	<i>Bank Loan Ratings (Unaudited)</i>		<i>Market Value</i>
		<i>Moody's</i>	<i>S&amp;P</i>	
<i>Utilities: (continued)</i>				
	<b>Calpine Corporation</b>	B2	B+	
\$ 315,000	Revolver, 1.337%, maturing March 29, 2009			\$ 281,925
8,534,079	Term Loan, 7.080%, maturing March 29, 2009			7,622,000
	<b>Cellnet Technology, Inc.</b>	Ba2	NR	
1,299,620	Term Loan, 6.860%, maturing July 22, 2011			1,202,148
	<b>Cellnet Technology, Inc.</b>	B2	NR	
333,333	Term Loan, 9.110%, maturing October 22, 2011			303,333
	<b>Coledo Creek WLE, L.P.</b>	B1	BB-	
375,000	Revolver, 1.709%, maturing June 30, 2011			273,750
5,215,703	Term Loan, 7.580%, maturing June 28, 2013			4,635,456
764,331	Term Loan, 7.948%, maturing June 28, 2013			679,299
	<b>FirstLight Power Resources, Inc.</b>	B1	BB-	
792,683	Term Loan, 7.375%, maturing November 01, 2013			679,726
1,834,852	Term Loan, 7.430%, maturing November 01, 2013			1,573,386
	<b>FirstLight Power Resources, Inc.</b>	B3	B-	
1,675,000	Term Loan, 9.438%, maturing May 01, 2014			1,384,667
	<b>Infrastrux Group, Inc.</b>	B2	B	
4,279,474	Term Loan, 7.771%, maturing November 03, 2012			3,851,526
	<b>KGEN, LLC</b>	Ba3	BB	
937,500	Term Loan, 6.625%, maturing February 05, 2014			820,313
1,546,875	Term Loan, 6.625%, maturing February 05, 2014			1,353,516
	<b>Longview Power, LLC</b>	Ba3	BB	
837,333	Term Loan, 6.092%, maturing February 28, 2014			761,973
266,667	Term Loan, 7.080%, maturing			242,667

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	February 28, 2014		
	Term Loan, 7.250%, maturing		
800,000	February 28, 2014		728,000
	<b>MACH Gen, LLC</b>	B2	B+
	Term Loan, 6.830%, maturing		
453,125	February 22, 2013		423,219
	Term Loan, 5.100%, maturing		
4,336,406	February 22, 2014		4,050,203
	<b>NRG Energy, Inc.</b>	Ba1	BB
	Term Loan, 6.480%, maturing		
13,223,556	February 01, 2013		12,215,260
	Term Loan, 6.580%, maturing		
7,904,268	February 01, 2013		7,301,567
	<b>NSG Holdings, LLC</b>	Ba2	BB
	Term Loan, 6.560%, maturing June 15, 2014		
183,673			163,469
1,390,112	Term Loan, 6.560%, maturing June 15, 2014		1,237,199

See Accompanying Notes to Financial Statements

52

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ING Prime Rate Trust

PORTFOLIO OF INVESTMENTS as of February 29, 2008 (continued)

<i>Principal Amount</i>	<i>Borrower/Tranche Description</i>	<i>Bank Loan Ratings (Unaudited)</i>		<i>Market Value</i>
		<i>Moody's</i>	<i>S&amp;P</i>	
<i>Utilities: (continued)</i>				
	<b>Riverside Energy Center, LLC</b>	Ba3	B	
\$	57,431	Term Loan, 9.210%, maturing June 24, 2010		\$ 56,498
	367,065	Term Loan, 7.494%, maturing June 24, 2011		361,101
	677,766	Term Loan, 7.494%, maturing June 24, 2011		666,752
<b>Texas Competitive Electric Holdings</b>				
	<b>Company, LLC</b>	Ba3	B+	
	5,985,000	Term Loan, 6.579%, maturing October 10, 2014		5,478,450
	2,997,500	Term Loan, 6.583%, maturing October 10, 2014		2,742,713
	<b>TPF Generation Holdings, LLC</b>	Ba3	BB-	
	4,755,118	Term Loan, 6.830%, maturing December 15, 2013		4,163,700
	1,600,000	Term Loan, 6.930%, maturing December 15, 2013		1,401,000
	<b>TPF Generation Holdings, LLC</b>	B3	B-	
	1,500,000	Term Loan, 9.080%, maturing December 15, 2014		1,300,001
	<b>Viridian Group PLC</b>	NR	NR	
EUR	1,072,386	Term Loan, 8.304%, maturing December 19, 2012		1,354,926
GBP	1,080,000	Term Loan, 9.726%, maturing December 19, 2012		1,818,009
	<b>Wolf Hollow I, L.P.</b>	B1	B+	
\$	450,000	Term Loan, 5.372%, maturing June 22, 2012		371,251
	1,800,000	Term Loan, 5.372%, maturing June 22, 2012		1,530,000
	2,111,218	Term Loan, 7.080%, maturing June 22, 2012		1,794,536
				<b>82,953,057</b>
	<b>Total Senior Loans</b>			<b>1,643,761,920</b>

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(Cost  
\$1,830,868,483)

**Other Corporate Debt: 0.6%**

**Automobile: 0.6%**

	<b>Avis Budget Car Rental</b>	Ba1	BB-	
	Floating Rate Note, 7.369%, maturing May 15, 2014			603,750
750,000				
	<b>Navistar International Corporation</b>	NR	NR	
	Unsecured Term Loan, 6.501%, maturing January 19, 2012			4,455,000
4,950,000				
	<b>Total Other Corporate Debt (Cost \$5,700,000)</b>			<b>5,058,750</b>

See Accompanying Notes to Financial Statements

## ING Prime Rate Trust

PORTFOLIO OF INVESTMENTS as of February 29, 2008 (continued)

**Equities and Other Assets: 0.1%**

	<i>Description</i>	<i>Market Value</i>
(1), (@), (R)	Allied Digital Technologies Corporation (Residual Interest in Bankruptcy Estate)	\$
(@), (R)	Block Vision Holdings Corporation (571 Common Shares)	
(2), (@), (R)	Boston Chicken, Inc. (Residual Interest in Boston Chicken Plan Trust)	
(2), (@), (R)	Cedar Chemical (Liquidation Interest)	
(@), (R)	Covenant Care, Inc. (Warrants for 19,000 Common Shares, Expires January 13, 2005)	
(@), (R)	Covenant Care, Inc. (Warrants for 26,901 Common Shares, Expires March 31, 2013)	
(@), (R)	Decision One Corporation (1,752,103 Common Shares)	
(2), (@), (R)	Enterprise Profit Solutions (Liquidation Interest)	
(@), (R)	EquityCo, LLC (Warrants for 28,752 Common Shares)	
(4), (@), (R)	Euro United Corporation (Residual Interest in Bankruptcy Estate)	
(2), (@), (R)	Grand Union Company (Residual Interest in Bankruptcy Estate)	
(@), (R)	Humphrey's, Inc. (Residual Interest in Bankruptcy Estate)	
(@), (R)	IAP Acquisition Corporation (3,524 Common Shares)	
(@), (R)	IAP Acquisition Corporation (1,084 Common Shares)	
(@), (R)	IAP Acquisition Corporation (1,814 Common Shares)	
(@), (R)	IAP Acquisition Corporation (17,348 Common Shares)	
(2), (@), (R)	Imperial Home Décor Group, Inc. (Liquidation Interest)	
(2), (@), (R)	IT Group, Inc. (Residual Interest in Bankruptcy Estate)	25
(2), (@), (R)	Kevco Inc. (Residual Interest in Bankruptcy Estate)	25
(2), (@), (R)	Lincoln Paper & Tissue (Warrants for 291 Common Shares, Expires August 14, 2015)	
(@), (R)	Lincoln Pulp and Eastern Fine (Residual Interest in Bankruptcy Estate)	
(@), (R)	Norwood Promotional Products, Inc. (104,148 Common Shares)	
(@), (R)	Norwood Promotional Products, Inc. (Contingent Value Rights)	377,999
(@), (R)	Safelite Realty Corporation (57,804 Common Shares)	462,432
(1), (@), (R)	Transtar Metals (Residual Interest in Bankruptcy Estate)	
(1), (@), (R)	TSR Wireless, LLC (Residual Interest in Bankruptcy Estate)	

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(2), (@), (R)	US Office Products Company (Residual Interest in Bankruptcy Estate)		
	<b>Total for Equities and Other Assets (Cost \$5,533,613)</b>		<b>840,481</b>
	<b>Total Investments (Cost \$1,842,102,096)**</b>	<b>186.0%</b>	<b>\$ 1,649,661,151</b>
	<b>Other Assets and Liabilities Net</b>	<b>(86.0)</b>	<b>(762,685,247)</b>
	<b>Net Assets</b>	<b>100.0%</b>	<b>\$ 886,975,904</b>

\* Senior loans, while exempt from registration under the Securities Act of 1933, as amended, contain certain restrictions on resale and cannot be sold publicly. These senior loans bear interest (unless otherwise noted) at rates that float periodically at a margin above the London Inter-Bank Offered Rate ("LIBOR") and other short-term rates.

See Accompanying Notes to Financial Statements

ING Prime Rate Trust

PORTFOLIO OF INVESTMENTS as of February 29, 2008 (continued)

Bank Loans rated below Baa are considered to be below investment grade.

NR Not Rated

- (1) The borrower filed for protection under Chapter 7 of the U.S. Federal Bankruptcy code.
- (2) The borrower filed for protection under Chapter 11 of the U.S. Federal Bankruptcy code.
- (3) Loan is on non-accrual basis.
- (4) The borrower filed for protection under the Canadian Bankruptcy and Insolvency Act.
- (@) Non-income producing security.
- (R) Restricted security.

AUD Australian Dollar

GBP British Pound Stirling

EUR Euro

SEK Swedish Kronor

\*\* For Federal Income Tax purposes cost of investments is \$1,842,156,295.

Net unrealized depreciation consists of the following:

Gross Unrealized Appreciation	\$ 3,882,962
Gross Unrealized Depreciation	(196,378,106)
Net Unrealized Depreciation	\$ (192,495,144)

See Accompanying Notes to Financial Statements

## ING Prime Rate Trust

PORTFOLIO OF INVESTMENTS as of February 29, 2008 (continued)

At February 29, 2008 the following forward foreign currency contracts were outstanding for ING Prime Rate Trust :

Currency	Buy/Sell	Settlement Date	In Exchange For	Value	Unrealized Appreciation/ (Depreciation)
Australian Dollar			USD		
AUD 632,000	Buy	04/15/08	\$567,555	\$ 585,729	\$ 18,174
Australian Dollar					
AUD 474,000	Buy	05/15/08	423,993	437,476	13,483
Euro					
EUR 400,000	Buy	04/15/08	588,240	606,782	18,542
Euro					
EUR 2,140,000	Buy	04/15/08	3,127,567	3,246,283	118,716
Euro					
EUR 1,200,000	Buy	04/15/08	1,759,500	1,820,346	60,846
Euro					
EUR 1,605,000	Buy	05/15/08	2,343,091	2,431,802	88,711
Euro					
EUR 900,000	Buy	05/15/08	1,318,185	1,363,627	45,442
British Pound Sterling					
GBP 480,000	Buy	04/15/08	943,872	951,267	7,395
British Pound Sterling					
GBP 600,000	Buy	04/15/08	1,173,096	1,189,083	15,987
British Pound Sterling					
GBP 450,000	Buy	05/15/08	878,094	889,810	11,716
Sweden Kronor					
SEK 1,160,000	Buy	04/15/08	179,789	187,998	8,209
Sweden Kronor					
SEK 800,000	Buy	04/15/08	129,329	129,654	325
Sweden Kronor					
SEK 870,000	Buy	05/15/08	134,675	140,791	6,116
Sweden Kronor					
SEK 600,000	Buy	05/15/08	96,864	97,097	233
Australian Dollar					
AUD 9,360,000	Sell	04/15/08	8,160,142	8,674,719	(514,577)
Australian Dollar					
AUD 2,182,000	Sell	04/15/08	2,049,116	2,022,247	26,869
Australian Dollar					
AUD 7,020,000	Sell	05/15/08	6,165,947	6,479,071	(313,124)
Australian Dollar					
AUD 4,364,000	Sell	06/13/08	4,064,542	4,011,008	53,534
Euro					
EUR 31,280,000	Sell	04/15/08	46,013,818	47,450,349	(1,436,531)
Euro					
EUR 6,885,000	Sell	04/15/08	10,410,774	10,444,235	(33,461)
Euro					
EUR 23,160,000	Sell	05/15/08	34,142,472	35,090,675	(948,203)
Euro					
EUR 13,770,000	Sell	06/13/08	20,772,527	20,837,705	(65,178)
British Pound Sterling					
GBP 8,200,000	Sell	04/15/08	16,297,828	16,250,803	47,025
British Pound Sterling					
GBP 40,000	Sell	04/15/08	77,313	79,272	(1,959)
British Pound Sterling					
GBP 3,545,399	Sell	04/15/08	3,545,399	3,547,431	(2,032)

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GBP 1,790,000

British Pound  
Sterling

GBP 5,790,000	Sell	05/15/08	11,430,618	11,448,888	(18,270)
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See Accompanying Notes to Financial Statements

56

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## ING Prime Rate Trust

PORTFOLIO OF INVESTMENTS as of February 29, 2008 (continued)

Currency	Buy/Sell	Settlement Date	In Exchange For	Value	Unrealized Appreciation/ (Depreciation)
British Pound Sterling			USD		
GBP 30,000	Sell	05/15/08	\$57,864	\$ 59,320	\$(1,456)
British Pound Sterling					
GBP 3,580,000	Sell	06/13/08	7,060,082	7,063,612	(3,530)
Sweden Kronor					
SEK 17,920,000	Sell	04/15/08	2,783,477	2,904,239	(120,762)
Sweden Kronor					
SEK 3,990,000	Sell	04/15/08	642,576	646,647	(4,071)
Sweden Kronor					
SEK 13,440,000	Sell	05/15/08	2,095,482	2,174,968	(79,486)
Sweden Kronor					
SEK 7,980,000	Sell	06/13/08	1,281,639	1,289,375	(7,736)
			\$ 190,715,466	\$ 194,552,309	\$ (3,009,053)

See Accompanying Notes to Financial Statements

57



## ING Prime Rate Trust

JUNE 12, 2007 ANNUAL SHAREHOLDER MEETING (Unaudited)

A special meeting of shareholders of ING Prime Rate Trust was held June 12, 2007, at the offices of ING Funds, 7337 East Doubletree Ranch Road, Scottsdale, AZ 85258.

A brief description of each matter voted upon as well as the results are outlined below:

**ING Prime Rate Trust, Common Shares**

1 To elect eight members of the Board of Trustees to represent the interests of the holders of Common Shares of the Trust until the election and qualification of their successors.

**ING Prime Rate Trust, Preferred Shares**

2 To elect two members of the Board of Trustees to represent the interests of the holders of Auction Rate Cumulative Preferred Shares - Series M, T, W, Th and F of the Trust - until the election and qualification of their successors.

		Shares	Shares voted against or withheld	Shares abstained	Total Shares Voted
Common	Patricia W. Chadwick	125,652,460.248	1,686,533.408		127,338,993.656
	J. Michael Earley	125,680,320.149	1,658,673.507		127,338,993.656
Trustees	R. Barbara Gitenstein	125,554,321.201	1,784,672.455		127,338,993.656
	Patrick W. Kenny	125,624,782.149	1,714,211.507		127,338,993.656
	Shaun P. Mathews	125,485,141.776	1,853,851.880		127,338,993.656
	Sheryl K. Pressler	125,507,966.487	1,831,027.169		127,338,993.656
	David W.C. Putnam	125,647,586.379	1,691,407.277		127,338,993.656
	John G. Turner	125,706,496.163	1,632,497.493		127,338,993.656
<b>Preferred</b>					
Shares	John V. Boyer	15,655.000	136.000		15,791.000
Trustees	Roger B. Vincent	15,653.000	138.000		15,791.000

\* All proposals were passed at this meeting.

## ING Prime Rate Trust

## ADDITIONAL INFORMATION

**SHAREHOLDER INVESTMENT PROGRAM**

The Trust offers a Shareholder Investment Program (the "Program") which allows holders of the Trust's common shares a simple way to reinvest dividends and capital gains distributions, if any, in additional common shares of the Trust. The Program also offers holders of the Trust's common shares the ability to make optional cash investments in any amount from \$100 to \$100,000 on a monthly basis.

For dividend and capital gains distribution reinvestment purposes, DST will purchase shares of the Trust on the open market when the market price plus estimated fees is less than the NAV on the valuation date. The Trust will issue new shares for dividend and capital gains distribution reinvestment purchases when the market price plus estimated fees is equal to or exceeds the net asset value on the valuation date. New shares may be issued at the greater of (i) NAV or (ii) the market price of the shares during the pricing period, minus a discount of 5%.

For optional cash investments, shares will be purchased on the open market by the DST when the market price plus estimated fees is less than the NAV on the valuation date. New shares will be issued by the Trust for optional cash investments when the market price plus estimated fees is equal to or exceeds the net asset value on the valuation date. Such shares will be issued at a discount to market, determined by the Trust, between 0% and 5%.

There is no charge to participate in the Program. Participants may elect to discontinue participation in the Program at any time. Participants will share, on a *pro rata* basis, in the fees or expenses of any shares acquired in the open market.

Participation in the Program is not automatic. If you would like to receive more information about the Program or if you desire to participate, please contact your broker or the Trust's Shareholder Services Department at 1-(800) 992-0180.

**KEY FINANCIAL DATES CALENDAR 2008 DIVIDENDS:**

DECLARATION DATE	EX-DIVIDEND DATE	PAYABLE DATE
January 31	February 7	February 25
February 29	March 6	March 25
March 31	April 8	April 22
April 30	May 8	May 22
May 30	June 6	June 23
June 30	July 8	July 22
July 31	August 7	August 22
August 29	September 8	September 22
September 30	October 8	October 22
October 31	November 6	November 24
November 28	December 8	December 22
December 19	December 29	January 13

*Record date will be two business days after each Ex-Dividend Date. These dates are subject to change.*



ING Prime Rate Trust

ADDITIONAL INFORMATION (continued)

**STOCK DATA**

The Trust's common shares are traded on the New York Stock Exchange (Symbol: PPR). Effective March 1, 2002, the Trust's name changed to ING Prime Rate Trust and its CUSIP number changed to 44977W106. The Trust's NAV and market price are published daily under the "Closed-End Funds" feature in Barron's, The New York Times, The Wall Street Journal and many other regional and national publications.

**REPURCHASE OF SECURITIES BY CLOSED-END COMPANIES**

In accordance with Section 23(c) of the 1940 Act, and Rule 23c-1 under the 1940 Act the Trust may from time to time purchase shares of beneficial interest of the Trust in the open market, in privately negotiated transactions and/or purchase shares to correct erroneous transactions.

**NUMBER OF SHAREHOLDERS**

The approximate number of record holders of Common Stock as of February 29, 2008 was 4,951 which does not include approximately 59,987 beneficial owners of shares held in the name of brokers of other nominees.

**PROXY VOTING INFORMATION**

A description of the policies and procedures that the Trust uses to determine how to vote proxies related to portfolio securities is available (1) without charge, upon request, by calling Shareholder Services toll-free at 1-800-992-0180; (2) on the Trust's website at [www.ingfunds.com](http://www.ingfunds.com) and (3) on the SEC's website at [www.sec.gov](http://www.sec.gov). Information regarding how the Trust voted proxies related to portfolio securities during the most recent 12-month period ended June 30 is available without charge on the Trust's website at [www.ingfunds.com](http://www.ingfunds.com) and on the SEC's website at [www.sec.gov](http://www.sec.gov).

**QUARTERLY PORTFOLIO HOLDINGS**

The Trust files its complete schedule of portfolio holdings with the SEC for the first and third quarters of each fiscal year on Form N-Q. The Trust's Forms N-Q are available on the SEC's website at [www.sec.gov](http://www.sec.gov). The Trust's Forms N-Q may be reviewed and copied at the SEC's Public Reference Room in Washington, DC, and information on the operation of the Public Reference Room may be obtained by calling 1-800-SEC-0330; and is available upon request from the Trust by calling Shareholder Services toll-free at 1-800-992-0180.

**CERTIFICATIONS**

In accordance with Section 303A.12 (a) of the New York Stock Exchange Listed Company Manual, the Trust submitted the Annual CEO Certification on August 2, 2007 certifying that he was not aware, as of that date, of any violation by the Trust of the NYSE's Corporate governance listing standards. In addition, as required by Section 203 of the Sarbanes-Oxley Act of 2002 and related SEC rules, the Trust's principal executive and financial officers have made quarterly certifications, included in filings with the SEC on Forms N-CSR and N-Q, relating to, among other things, the Trust's disclosure controls and procedures and internal controls over financial reporting.

## ING Prime Rate Trust

## TAX INFORMATION (Unaudited)

The Trust is required by Subchapter M of the Internal Revenue Code of the 1986, as amended, to advise within 60 days of the Trust's fiscal year end (February 29, 2008) as to the federal tax status of distributions received by the Trust's shareholders. Accordingly, the Trust is hereby advising you that the following dividends were paid to Common Shareholders during the fiscal year ended February 29, 2008:

Type of Dividend	Per Share Amount	Ex-Dividend Date	Payable Date
Ordinary Income	\$ 0.0450	3/8/07	3/22/07
	\$ 0.0475	4/5/07	4/23/07
	\$ 0.0470	5/8/07	5/22/07
	\$ 0.0475	6/7/07	6/22/07
	\$ 0.0470	7/6/07	7/23/07
	\$ 0.0475	8/8/07	8/22/07
	\$ 0.0475	9/6/07	9/24/07
	\$ 0.0470	10/5/07	10/22/07
	\$ 0.0475	11/7/07	11/23/07
	\$ 0.0470	12/6/07	12/24/07
	\$ 0.0475	12/27/07	1/10/08
	\$ 0.0460	2/7/08	2/25/08
Total	\$ 0.5640		

The Trust is hereby advising you that the following dividends were paid to Preferred Shareholders during the fiscal year ended February 29, 2008:

Preferred Shares	Type of Dividend	Total Per Share Amount	Auction Dates	Record Dates	Payable Dates
Series M	Ordinary Income	\$ 1,235.10	03/19/07-02/15/08	03/26/07-02/25/08	03/27/07-02/26/08
Series T	Ordinary Income	\$ 1,224.42	03/20/07-02/19/08	03/27/07-02/26/08	03/28/07-02/27/08
Series W	Ordinary Income	\$ 1,221.04	03/21/07-02/20/08	03/28/07-02/27/08	03/29/07-02/28/08
Series Th	Ordinary Income	\$ 1,223.74	03/22/07-02/21/08	03/29/07-02/28/08	03/30/07-02/29/08
Series F	Ordinary Income	\$ 1,221.11	03/23/07-02/22/08	03/30/07-02/29/08	04/02/07-03/03/08

Pursuant to Internal Revenue Code Section 871(k)(1), the Trust designates 99.44% of net investment income distributions as interest-related dividends.

Above figures may differ from those cited elsewhere in this report due to differences in the calculation of income and gains under U.S. generally accepted accounting principles (book) purposes and Internal Revenue Service (tax) purposes.

Shareholders are strongly advised to consult their own tax advisers with respect to the tax consequences of their investments in the Trust. In January, shareholders, excluding corporate shareholders, receive an IRS 1099-DIV regarding the federal tax status of the dividends and distributions they received in the calendar year.



ING Prime Rate Trust

TRUSTEE AND OFFICER INFORMATION (Unaudited)

The business and affairs of the Trust are managed under the direction of the Trust's Board. A Trustee who is not an interested person of the Trust, as defined in the 1940 Act, is an independent trustee ("Independent Trustee"). The Trustees and Officers of the Trust are listed below. The Statement of Additional Information includes additional information about trustees of the Trust and is available, without charge, upon request at (800) 992-0180.

Name, Address and Age	Position(s) held with Trust	Term of Office and Length of Time Served <sup>(1)</sup>	Principal Occupation(s) during the Past Five Years	Number of Portfolios in Fund Complex <sup>(2)</sup> Overseen by Trustee	Other Directorships held by Trustee
<b>Independent Trustees:</b>					
Colleen D. Baldwin 7337 E. Doubletree Ranch Rd. Scottsdale, Arizona 85258 Age: 47	Trustee	October 2007 - Present	Consultant (January 2005 - Present). Formerly, Chief Operating Officer, Ivy Asset Management Group (April 2002 - October 2004).	179	None
John V. Boyer 7337 E. Doubletree Ranch Rd. Scottsdale, Arizona 85258 Age: 54	Trustee	January 2005 - Present	President, Bechtler Arts Foundation (March 2008 - Present), and Consultant (July 2007 - Present). Formerly, President and Chief Executive Officer, Franklin and Eleanor Roosevelt Institute (March 2006 - July 2007), and Executive Director, The Mark Twain House & Museum <sup>(3)</sup> (September 1989 - November 2005).	179	None
Patricia W. Chadwick 7337 E. Doubletree Ranch Rd. Scottsdale, Arizona 85258 Age: 59	Trustee	January 2006 - Present	Consultant and President of self-owned company, Ravengate Partners LLC (January 2000 - Present).	179	Wisconsin Energy (June 2006 - Present).
Peter S. Drotch 7337 E. Doubletree Ranch Rd. Scottsdale, Arizona	Trustee	October 2007 - Present	Retired partner. PricewaterhouseCoopers.	179	First Marblehead Corporation,(October 2003 - Present); BlackRock Funds/State Street Research Funds, Trustee (February 2004 - January 2007); Tufts Health Plan, Director (June 2006 - Present); and University of Connecticut, Trustee (November 2004 - Present)

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<p>85258 Age: 66</p> <p>J. Michael Earley 7337 E. Doubletree Ranch Rd. Scottsdale, Arizona 85258 Age: 62</p>	<p>Trustee February 2002 - Present</p>	<p>President, Chief Executive Officer and Director, Bankers Trust Company, N.A., Des Moines (June 1992 - Present).</p>	<p>179</p>	<p>Midamerica Financial Corporation (December 2002 - Present).</p>
<p>Patrick W. Kenny 7337 E. Doubletree Ranch Rd. Scottsdale, Arizona 85258 Age: 65</p>	<p>Trustee January 2005 - Present</p>	<p>President and Chief Executive Officer, International Insurance Society (June 2001 - Present).</p>	<p>179</p>	<p>Assured Guaranty Ltd. (April 2004 - Present); and Odyssey Reinsurance Holdings (November 2006 - Present).</p>
<p>Sheryl K. Pressler 7337 E. Doubletree Ranch Rd. Scottsdale, Arizona 85258 Age: 57</p>	<p>Trustee January 2006 - Present</p>	<p>Consultant (May 2001 - Present).</p>	<p>179</p>	<p>Stillwater Mining Company (May 2002 - Present); California HealthCare Foundation (June 1999 - Present); Romanian-American Enterprise Fund (February 2004 - Present) and Global Alternative Asset Management, Inc. (October 2007 - Present).</p>
<p>Roger B. Vincent 7337 E. Doubletree Ranch Rd. Scottsdale, Arizona 85258 Age: 62</p>	<p>Chairman/Trustee February 2002 - Present</p>	<p>President, Springwell Corporation (March 1989 - Present).</p>	<p>179</p>	<p>UGI Corporation (February 2006 - Present); and UGI Utilities, Inc. (February 2006 - Present).</p>

ING Prime Rate Trust

TRUSTEE AND OFFICER INFORMATION (Unaudited) (continued)

Name, Address and Age	Position(s) held with Trust	Term of Office and Length of Time Served <sup>(1)</sup>	Principal Occupation(s) during the Past Five Years	Number of Portfolios in Fund Complex <sup>(2)</sup> Overseen by Trustee	Other Directorships held by Trustee
<b>Trustees who are "Interested Persons":</b>					
Robert W. Crispin <sup>(4)</sup> 7337 E. Doubletree Ranch Rd. Scottsdale, Arizona 85258 Age: 61	Trustee	October 2007 - Present	Retired Chairman and Chief Investment Officer, ING Investment Management Co. (June 2001 - December 2007).	179	ING Life Insurance and Annuity Company (May 2006 - Present); ING USA Annuity and Life Insurance Company (May 2006 - Present); Midwestern United Life Insurance Company (May 2006 - Present); ReliaStar Life Insurance Company (May 2006 - Present); Security Life of Denver Insurance Company (May 2006 - Present); Belair Insurance Company Inc. (August 2005 - Present); The Nordic Insurance Company of Canada (February 2005 - Present); Trafalgar Insurance Company of Canada (February 2005 - Present); ING Novex Insurance Company of Canada (February 2005 - Present); Allianz Insurance Company of Canada (February 2005 - Present); ING Canada Inc. (December 2004 - Present); ING Bank, fsb (June 2001 - Present); ING Investment Management, Inc (June 2001 - December 2007); ING Insurance Company of Canada (June 2001 - Present); Sul America S.A. (June 2001 - Present); and ING Foundation (March 2004 - Present)
Shaun P. Mathews <sup>(4)</sup> 7337 E. Doubletree Ranch Rd. Scottsdale, Arizona 85258 Age: 52	Trustee	June 2006 - Present	President and Chief Executive Officer, ING Investments, LLC (December 2006 - Present), and Head of ING USFS Mutual Funds and Investment Products (November 2004 - November 2006). Formerly, CMO, ING USFS (April 2002 - October 2004), and Head of Rollover/Payout (October 2001 - December 2003).	179	Mark Twain House & Museum <sup>(3)</sup> (September 2002 - Present); Connecticut Forum (May 2002 - Present); Capital Community College Foundation (February 2002 - Present); ING Services Holding Company, Inc. (May 2000 - Present); Southland Life Insurance Company (June 2002 - Present); and ING Capital Corporation, LLC, ING Funds Distributor, LLC <sup>(5)</sup> , ING Funds Services, LLC <sup>(6)</sup> , ING Investments, LLC <sup>(7)</sup> and ING Pilgrim Funding, Inc. (March 2006 - Present).

(1) The Board is divided into three classes, with the term of one class expiring at each annual meeting of the Fund. At each annual meeting, one class of Trustees is elected to a three-year term and serves until their successors are duly elected and qualified. The tenure of each Trustee is subject to the Board's retirement policy, which states that each duly elected or appointed Trustee who is not an "interested person" of the Fund, as defined in the Investment Company Act of 1940, as amended ("1940 Act") ("Independent Trustees"), shall retire from service as a Trustee at the conclusion of the first regularly scheduled meeting of the Board that is held after (a) the Trustee reaches the age of 70, if that Trustee qualifies for a retirement benefit as discussed in the board's retirement policy; or (b) the Trustee reaches the age of 72 or has served as a Trustee for 15 years, if that Trustee does not qualify for the retirement benefit. A unanimous vote of the Board may extend the retirement date of a Trustee for up to one year. An extension may be permitted if the retirement would trigger a requirement to hold a meeting of shareholders of the Fund under applicable law, whether for purposes of appointing a successor to the Trustee or if otherwise necessary under applicable law, in which case the extension would apply until such time as the shareholder meeting can be held or is no longer needed.

ING Prime Rate Trust

TRUSTEE AND OFFICER INFORMATION (Unaudited) (continued)

(2) For the purposes of this table, "Fund Complex" means the following investment companies: ING Asia Pacific High Dividend Equity Income Fund, ING Equity Trust; ING Funds Trust; ING Global Equity Dividend and Premium Opportunity Fund; ING Global Advantage and Premium Opportunity Fund; ING International High Dividend Equity Income Fund; ING Investors Trust; ING Mayflower Trust; ING Mutual Funds; ING Prime Rate Trust; ING Risk Managed Natural Resources Fund; ING Senior Income Fund; ING Variable Insurance Trust; ING Variable Products Trust; and ING Partners, Inc.

(3) Shaun Mathews, President, ING USFS Mutual Funds and Investment Products, has held a seat on the Board of Directors of The Mark Twain House & Museum since September 19, 2002. ING Groep N.V. makes non-material, charitable contributions to The Mark Twain House & Museum.

(4) Messrs. Mathews and Crispin are deemed to be "interested persons" of the Trust as defined in the 1940 Act because of their relationship with ING Groep, the parent corporation of the Adviser, ING Investments, LLC and the Distributor, ING Funds Distributor, LLC.

(5) ING Funds Distributor, LLC is the successor in interest to ING Funds Distributor, Inc., which was previously known as ING Pilgrim Securities, Inc., and before that was known as Pilgrim Securities, Inc., and before that was known as Pilgrim America Securities, Inc.

(6) ING Funds Services, LLC was previously named ING Pilgrim Group, LLC. ING Pilgrim Group, LLC is the successor in interest to ING Pilgrim Group, Inc., which was previously known as Pilgrim Group, Inc. and before that was known as Pilgrim America Group, Inc.

(7) ING Investments, LLC was previously named ING Pilgrim Investments, LLC. ING Pilgrim Investments, LLC is the successor in interest to ING Pilgrim Investments, Inc., which was previously known as Pilgrim Investments, Inc. and before that was known as Pilgrim America Investments, Inc.

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ING Prime Rate Trust

TRUSTEE AND OFFICER INFORMATION (Unaudited) (continued)

Name, Address and Age	Position(s) Held with the Trust	Term of Office and Length of Time Served <sup>(1)</sup>	Principal Occupation(s) during the Past Five Years
Shaun P. Mathews <sup>(5)</sup> 7337 East Doubletree Ranch Rd. Scottsdale, Arizona 85258 Age: 52	President and Chief Executive Officer	November 2006 - Present	President and Chief Executive Officer, ING Investments, LLC <sup>(2)</sup> and ING Funds Services, LLC <sup>(3)</sup> (December 2006 - Present); and Head of ING USFS Mutual Funds and Investment Products (November 2004 - November 2006). Formerly, CMO, ING USFS (April 2002 - October 2004); and Head of Rollover/Payout (October 2001 - December 2003).
Michael J. Roland 7337 East Doubletree Ranch Rd. Scottsdale, Arizona 85258 Age: 49	Executive Vice President	February 2002 - Present	Head of Mutual Fund Platform (February 2007 - Present); and Executive Vice President, ING Investments, LLC <sup>(2)</sup> and ING Funds Services, LLC <sup>(3)</sup> (December 2001 - Present). Formerly, Head of Product Management (January 2005 - January 2007); Chief Compliance Officer, ING Investments, LLC <sup>(2)</sup> and Directed Services, LLC <sup>(6)</sup> (October 2004 - December 2005); and Chief Financial Officer and Treasurer, ING Investments, LLC <sup>(2)</sup> (December 2001 - March 2005).
Stanley D. Vyner 230 Park Avenue New York, New York 10169 Age: 57	Executive Vice President	August 2003 - Present	Executive Vice President, ING Investments, LLC <sup>(2)</sup> (July 2000 - Present); and Chief Investment Risk Officer, ING Investments, LLC <sup>(2)</sup> (January 2003 - Present). Formerly, Chief Investment Officer of International Investments (August 2000 - January 2003).
Joseph M. O'Donnell 7337 East Doubletree Ranch Rd. Scottsdale, Arizona 85258 Age: 53	Executive Vice President and Chief Compliance Officer	March 2006 - Present November 2004 - Present	Chief Compliance Officer of the ING Funds (November 2004 - Present), ING Investments, LLC <sup>(2)</sup> and Directed Services, LLC <sup>(6)</sup> (March 2006 - Present); and Executive Vice President of the ING Funds (March 2006 - Present). Formerly, Chief Compliance Officer of ING Life Insurance and Annuity Company (March 2006 - December 2006); Vice President, Chief Legal Counsel, Chief Compliance Officer and Secretary of Atlas Securities, Inc., Atlas Advisers, Inc. and Atlas Funds (October 2001 - October 2004).
Todd Modic 7337 East Doubletree Ranch Rd. Scottsdale, Arizona 85258 Age: 40	Senior Vice President, Chief/Principal Financial Officer and Assistant Secretary	March 2005 - Present	Senior Vice President, ING Funds Services, LLC <sup>(3)</sup> (April 2005 - Present). Formerly, Vice President, ING Funds Services, LLC <sup>(3)</sup> (September 2002 - March 2005); and Director of Financial Reporting, ING Investments, LLC <sup>(2)</sup> (March 2001 - September 2002).
Daniel A. Norman 7337 E. Doubletree Ranch Rd. Scottsdale, Arizona 85258	Senior Vice President and Treasurer	April 1995 - Present June 1997 - Present	Senior Vice President and Group Head, ING Senior Debt Group, ING Investment Management Co. (January 2000 - Present).

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Age: 50

Jeffrey A.  
Bakalar  
7337 E.  
Doubletree  
Ranch Rd.  
Scottsdale,  
Arizona 85258  
Age: 48

Senior Vice President

November 1999  
- Present

Senior Vice President and Group Head, ING Senior Debt Group, ING Investment Management Co. (January 2000 - Present).

Elliot Rosen  
7337 E.  
Doubletree  
Ranch Rd.  
Scottsdale,  
Arizona 85258  
Age: 54

Senior Vice President

May 2002 -  
Present

Senior Vice President in the Senior Floating Rate Loan Group, ING Investment Management Co. (February 1999 - Present).

## ING Prime Rate Trust

## TRUSTEE AND OFFICER INFORMATION (Unaudited) (continued)

<b>Name, Address and Age</b>	<b>Position(s) Held with the Trust</b>	<b>Term of Office and Length of Time Served<sup>(1)</sup></b>	<b>Principal Occupation(s) during the Past Five Years</b>
William H. Rivoir III 7337 E. Doubletree Ranch Rd. Scottsdale, Arizona 85258 Age: 57	Senior Vice President and Assistant Secretary	February 2001 - Present	Senior Vice President, ING Investment Management Co. (January 2004 - Present). Formerly, Counsel, ING USFS Law Department (January 2003 - December 2003); and Senior Vice President, ING Investments, LLC (June 1998 - December 2002).
Curtis F. Lee 7337 E. Doubletree Ranch Rd. Scottsdale, Arizona 85258 Age: 53	Senior Vice President and Chief Credit Officer	February 2001 - Present	Senior Vice President and Chief Credit Officer in the Senior Floating Rate Loan Group, ING Investment Management Co. (January 2001 - Present).
Kimberly A. Anderson 7337 East Doubletree Ranch Rd. Scottsdale, Arizona 85258 Age: 43	Senior Vice President	November 2003 - Present	Senior Vice President, ING Investments, LLC <sup>(2)</sup> (October 2003 - Present). Formerly, Vice President and Assistant Secretary, ING Investments, LLC <sup>(2)</sup> (January 2001 - October 2003).
Robert Terris 7337 East Doubletree Ranch Rd. Scottsdale, Arizona 85258 Age: 37	Senior Vice President	May 2006 - Present	Senior Vice President, Head of Division Operations, ING Funds (May 2006 - Present); and Vice President, Head of Division Operations, ING Funds Services, LLC <sup>(3)</sup> (March 2006 - Present). Formerly, Vice President of Administration, ING Funds Services, LLC <sup>(3)</sup> (October 2001 - March 2006).
Robyn L. Ichilov 7337 East Doubletree Ranch Rd. Scottsdale, Arizona 85258 Age: 40	Vice President	November 1997 - Present	Vice President and Treasurer, ING Funds Services, LLC <sup>(3)</sup> (October 2001 - Present) and ING Investments, LLC <sup>(2)</sup> (August 1997 - Present).
Lauren D. Bensinger 7337 East Doubletree Ranch Rd. Scottsdale, Arizona 85258 Age: 54	Vice President	August 2003 - Present	Vice President and Chief Compliance Officer, ING Funds Distributor, LLC <sup>(4)</sup> (July 1995 - Present); and Vice President, ING Investments, LLC <sup>(2)</sup> (February 1996 - Present); and Director of Compliance, ING Investments, LLC <sup>(2)</sup> (October 2004 - Present). Formerly, Chief Compliance Officer, ING Investments, LLC <sup>(2)</sup> (October 2001 - October 2004).

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William Evans	Vice President	September 2007 - Present	Vice President, Head of Mutual Fund Advisory Group (April 2007 - Present), Vice President, U.S. Mutual Funds and Investment Products (May 2005 - April 2007), Senior Fund Analyst, U.S. Mutual Funds and Investment Products (May 2002 - May 2005)
10 State House Square			
Hartford, Connecticut 06103			
Age: 35			
Maria M. Anderson	Vice President	September 2004 - Present	Vice President, ING Funds Services, LLC <sup>(3)</sup> (September 2004 - Present). Formerly, Assistant Vice President, ING Funds Services, LLC <sup>(3)</sup> (October 2001 - September 2004); and Manager of Fund Accounting and Fund Compliance, ING Investments, LLC <sup>(2)</sup> (September 1999 - October 2001).
7337 East Doubletree Ranch Rd.			
Scottsdale, Arizona 85258			
Age: 49			
Denise Lewis	Vice President	January 2007 - Present	Vice President, ING Funds Services, LLC (December 2006 - Present). Formerly, Senior Vice President, UMB Investment Services Group, LLC - November 2003 - December 2006); and Vice President, Wells Fargo Funds Management, LLC (December 2000 - August 2003).
7337 East Doubletree Ranch Rd.			
Scottsdale, Arizona 85258			
Age: 44			

ING Prime Rate Trust

TRUSTEE AND OFFICER INFORMATION (Unaudited) (continued)

<b>Name, Address and Age</b>	<b>Position(s) Held with the Trust</b>	<b>Term of Office and Length of Time Served<sup>(1)</sup></b>	<b>Principal Occupation(s) during the Past Five Years</b>
Kimberly K. Palmer 7337 East Doubletree Ranch Rd. Scottsdale, Arizona 85258 Age: 50	Vice President	March 2006 - Present	Vice President, ING Funds Services, LLC <sup>(3)</sup> (March 2006 - Present). Formerly, Assistant Vice President, ING Funds Services, LLC <sup>(3)</sup> (August 2004 - March 2006); Manager, Registration Statements, ING Funds Services, LLC <sup>(3)</sup> (May 2003 - August 2004); Associate Partner, AMVESCAP PLC (October 2000 - May 2003); and Director of Federal Filings and Blue Sky Filings, INVESCO Funds Group, Inc. (March 1994 - May 2003).
Susan P. Kinens 7337 East Doubletree Ranch Rd. Scottsdale, Arizona 85258 Age: 31	Assistant Vice President	February 2003 - Present	Assistant Vice President, ING Funds Services, LLC <sup>(3)</sup> (December 2002 - Present); and has held various other positions with ING Funds Services, LLC <sup>(3)</sup> for more than the last five years.
Huey P. Falgout, Jr. 7337 East Doubletree Ranch Rd. Scottsdale, Arizona 85258 Age: 44	Secretary	August 2003 - Present	Chief Counsel, ING Americas, U.S. Legal Services (September 2003 - Present). Formerly, Counsel, ING Americas, U.S. Legal Services (November 2002 - September 2003); and Associate General Counsel of AIG American General (January 1999 - November 2002).
Theresa K. Kelety 7337 East Doubletree Ranch Rd. Scottsdale, Arizona 85258 Age: 45	Assistant Secretary	August 2003 - Present	Senior Counsel, ING Americas, U.S. Legal Services (April 2003 - Present). Formerly, Senior Associate with Shearman & Sterling (February 2000 - April 2003).

(1) The officers hold office until the next annual meeting of the Trustees and until their successors shall have been elected and qualified.

(2) ING Investments, LLC was previously named ING Pilgrim Investments, LLC. ING Pilgrim Investments, LLC is the successor in interest to ING Pilgrim Investments, Inc., which was previously known as Pilgrim Investments, Inc. and before that was known as Pilgrim America Investments, Inc.

(3) ING Funds Services, LLC was previously named ING Pilgrim Group, LLC. ING Pilgrim Group, LLC is the successor in interest to ING Pilgrim Group, Inc., which was previously known as Pilgrim Group, Inc. and before that was known as Pilgrim America Group, Inc.

(4) ING Funds Distributor, LLC is the successor in interest to ING Funds Distributor, Inc., which was previously known as ING Pilgrim Securities, Inc., and before that was known as Pilgrim Securities, Inc., and before that was known as Pilgrim America Securities, Inc.

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(5) Mr. Mathews commenced services as CEO and President of the ING Funds on November 11, 2006.

(6) Directed Services, LLC is the sucessor in interest to Directed Services, Inc.



**Investment Adviser**

ING Investments, LLC

7337 East Doubletree Ranch Road

Scottsdale, Arizona 85258

**Sub-Adviser**

ING Investment Management Co.

230 Park Avenue

New York, NY 10169

**Institutional Investors and Analysts**

Call ING Prime Rate Trust

1-800-336-3436, Extension 2217

**Independent Registered Public Accounting Firm**

KPMG LLP

99 High Street

Boston, Massachusetts 02110

**Administrator**

ING Funds Services, LLC

7337 East Doubletree Ranch Road

Scottsdale, Arizona 85258

1-800-992-0180

**Written Requests**

Please mail all account inquiries and other comments to:

ING Prime Rate Trust Account

c/o ING Fund Services, LLC

7337 East Doubletree Ranch Road

Scottsdale, Arizona 85258

**Distributor**

ING Funds Distributor, LLC

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7337 East Doubletree Ranch Road

Scottsdale, Arizona 85258

1-800-334-3444

### **Transfer Agent**

DST Systems, Inc.

P.O. Box 219368

Kansas City, Missouri 64141

### **Custodian**

State Street Bank and Trust Company

801 Pennsylvania Avenue

Kansas City, Missouri 64105

### **Legal Counsel**

Dechert LLP

1775 I Street, N.W.

Washington, D.C. 20006

### **Toll-Free Shareholder Information**

Call us from 9:00 a.m. to 7:00 p.m. Eastern time on any business day for account or other information, at (800)-992-0180

**For more complete information, or to obtain a prospectus on any ING fund, please call your Investment Professional or ING Funds Distributor, LLC at (800) 992-0180 or log on to [www.ingfunds.com](http://www.ingfunds.com). The prospectus should be read carefully before investing. Consider the Trust's investment objectives, risks, charges and expenses carefully before investing. The prospectus contains this information and other information about the Trust.**

PRAR-UPRT (0208-042508)

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**Item 2. Code of Ethics.**

As of the end of the period covered by this report, Registrant had adopted a code of ethics, as defined in Item 2 of Form N-CSR, that applies to the Registrant's principal executive officer and principal financial officer. There were no amendments to the Code during the period covered by the report. The Registrant did not grant any waivers, including implicit waivers, from any provisions of the Code during the period covered by this report. The code of ethics is filed herewith pursuant to Item 10(a)(1), Exhibit 99.CODE ETH.

**Item 3. Audit Committee Financial Expert.**

The Board of Trustees has determined that J.Michael Earley is an audit committee financial expert, as defined in Item 3 of Form N-CSR. Mr. Earley is independent for purposes of Item 3 of Form N-CSR.

**Item 4. Principal Accountant Fees and Services.**

(a) Audit Fees: The aggregate fees billed for each of the last two fiscal years for professional services rendered by KPMG LLP ( KPMG ), the principal accountant for the audit of the registrant s annual financial statements, for services that are normally provided by the accountant in connection with statutory and regulatory filings or engagements for those fiscal years were \$66,000 for year ended February 29, 2008 and \$68,750 for year ended February 28, 2007.

(b) Audit-Related Fees: The aggregate fees billed in each of the last two fiscal years for assurance and related services by KPMG that are reasonably related to the performance of the audit of the registrant s financial statements and are not reported under paragraph (a) of this Item were \$35,075 for the year ended February 29, 2008 and \$33,125 for the year ended February 28, 2007.

(c) Tax Fees: The aggregate fees billed in each of the last two fiscal years for professional services rendered by KPMG for tax compliance, tax advice, and tax planning were \$8,749 in the year ended February 29, 2008 and \$8,838 in the year ended February 28, 2007. Such services included review of excise distribution calculations (if applicable), preparation of the Funds federal, state and excise tax returns, tax services related to mergers and routine consulting.

(d) All Other Fees: None

(e) (1) Audit Committee Pre-Approval Policies and Procedures

**AUDIT AND NON-AUDIT SERVICES  
PRE-APPROVAL POLICY**

**I. Statement of Principles**

Under the Sarbanes-Oxley Act of 2002 (the Act), the Audit Committee of the Board of Directors or Trustees (the Committee) of the ING Funds (each a Fund, collectively, the Funds) set out on Exhibit A to this Audit and Non-Audit Services Pre-Approval Policy (Policy) is responsible for the oversight of the work of the Funds' independent auditors. As part of its responsibilities, the Committee must pre-approve the audit and non-audit services performed by the auditors in order to assure that the provision of these services does not impair the auditors' independence from the Funds. The Committee has adopted, and the Board has ratified, this Policy, which sets out the procedures and conditions under which the services of the independent auditors may be pre-approved.

Under Securities and Exchange Commission (SEC) rules promulgated in accordance with the Act, the Funds may establish two different approaches to pre-approving audit and non-audit services. The Committee may approve services without consideration of specific case-by-case services (general pre-approval) or it may pre-approve specific services (specific pre-approval). The Committee believes that the combination of these approaches contemplated in this Policy results in an effective and efficient method for pre-approving audit and non-audit services to be performed by the Funds' independent auditors. Under this Policy, services that are not of a type that may receive general pre-approval require specific pre-approval by the Committee. Any proposed services that exceed pre-approved cost levels or budgeted amounts will also require the Committee's specific pre-approval.

For both types of approval, the Committee considers whether the subject services are consistent with the SEC's rules on auditor independence and that such services are compatible with maintaining the auditors' independence. The Committee also considers whether a particular audit firm is in the best position to provide effective and efficient services to the Funds. Reasons that the auditors are in the best position include the auditors' familiarity with the Funds' business, personnel, culture, accounting systems, risk profile, and other factors, and whether the services will enhance the Funds' ability to manage and control risk or improve audit quality. Such factors will be considered as a whole, with no one factor being determinative.

The appendices attached to this Policy describe the audit, audit-related, tax-related, and other services that have the Committee's general pre-approval. For any service that has been approved through general pre-approval, the general pre-approval will remain in place for a period 12 months from the date of pre-approval, unless the Committee determines that a different period is appropriate. The Committee will annually review and pre-approve the services that may be provided by the independent auditors without specific pre-approval. The Committee will revise the list of services subject to general pre-approval as appropriate. This Policy does not serve as a delegation to Fund management of the Committee's duty to pre-approve services performed by the Funds' independent auditors.

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## II. Audit Services

The annual audit services engagement terms and fees are subject to the Committee's specific pre-approval. Audit services are those services that are normally provided by auditors in connection with statutory and regulatory filings or engagements or those that generally only independent auditors can reasonably provide. They include the Funds' annual financial statement audit and procedures that the independent auditors must perform in order to form an opinion on the Funds' financial statements (*e.g.*, information systems and procedural reviews and testing). The Committee will monitor the audit services engagement and approve any changes in terms, conditions or fees deemed by the Committee to be necessary or appropriate.

The Committee may grant general pre-approval to other audit services, such as statutory audits and services associated with SEC registration statements, periodic reports and other documents filed with the SEC or issued in connection with securities offerings.

The Committee has pre-approved the audit services listed on Appendix A. The Committee must specifically approve all audit services not listed on Appendix A.

## III. Audit-related Services

Audit-related services are assurance and related services that are reasonably related to the performance of the audit or the review of the Funds' financial statements or are traditionally performed by the independent auditors. The Committee believes that the provision of audit-related services will not impair the independent auditors' independence, and therefore may grant pre-approval to audit-related services. Audit-related services include accounting consultations related to accounting, financial reporting or disclosure matters not classified as audit services; assistance with understanding and implementing new accounting and financial reporting guidance from rulemaking authorities; agreed-upon or expanded audit procedures relating to accounting and/or billing records required to respond to or comply with financial, accounting or regulatory reporting matters; and assistance with internal control reporting requirements under Form N-SAR or Form N-CSR.

The Committee has pre-approved the audit-related services listed on Appendix B. The Committee must specifically approve all audit-related services not listed on Appendix B.

## IV. Tax Services

The Committee believes the independent auditors can provide tax services to the Funds, including tax compliance, tax planning, and tax advice, without compromising the auditors' independence. Therefore, the Committee may grant general pre-approval with respect to tax services historically provided by the Funds' independent auditors that do not, in the Committee's view, impair auditor independence and that are consistent with the SEC's rules on auditor independence.

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The Committee will not grant pre-approval if the independent auditors initially recommends a transaction the sole business purpose of which is tax avoidance and the tax treatment of which may not be supported in the Internal Revenue Code and related regulations. The Committee may consult

outside counsel to determine that tax planning and reporting positions are consistent with this Policy.

The Committee has pre-approved the tax-related services listed on Appendix C. The Committee must specifically approve all tax-related services not listed on Appendix C.

## **V. Other Services**

The Committee believes it may grant approval of non-audit services that are permissible services for independent auditors to a Fund. The Committee has determined to grant general pre-approval to other services that it believes are routine and recurring, do not impair auditor independence, and are consistent with SEC rules on auditor independence.

The Committee has pre-approved the non-audit services listed on Appendix D. The Committee must specifically approve all non-audit services not listed on Appendix D.

A list of the SEC's prohibited non-audit services is attached to this Policy as Appendix E. The SEC's rules and relevant guidance should be consulted to determine the precise definitions of these impermissible services and the applicability of exceptions to certain of the SEC's prohibitions.

## **VI. Pre-approval of Fee levels and Budgeted Amounts**

The Committee will annually establish pre-approval fee levels or budgeted amounts for audit, audit-related, tax and non-audit services to be provided to the Funds by the independent auditors. Any proposed services exceeding these levels or amounts require the Committee's specific pre-approval. The Committee considers fees for audit and non-audit services when deciding whether to pre-approve services. The Committee may determine, for a pre-approval period of 12 months, the appropriate ratio between the total amount of fees for the Fund's audit, audit-related, and tax services (including fees for services provided to Fund affiliates that are subject to pre-approval), and the total amount of fees for certain permissible non-audit services for the Fund classified as other services (including any such services provided to Fund affiliates that are subject to pre-approval).

## **VII. Procedures**

Requests or applications for services to be provided by the independent auditors will be submitted to management. If management determines that the services do not fall within those services generally pre-approved by the Committee and set out in the appendices to these procedures, management will submit the services to the Committee or its delagee. Any such submission will include a detailed description of the services to be rendered. Notwithstanding this paragraph, the Committee will, on a quarterly basis, receive from the independent auditors a list of services provided for the previous calendar quarter on a cumulative basis by the auditors during the Pre-Approval Period.



**VIII. Delegation**

The Committee may delegate pre-approval authority to one or more of the Committee's members. Any member or members to whom such pre-approval authority is delegated must report any pre-approval decisions, including any pre-approved services, to the Committee at its next scheduled meeting. The Committee will identify any member to whom pre-approval authority is delegated in writing. The member will retain such authority for a period of 12 months from the date of pre-approval unless the Committee determines that a different period is appropriate. The period of delegated authority may be terminated by the Committee or at the option of the member.

**IX. Additional Requirements**

The Committee will take any measures the Committee deems necessary or appropriate to oversee the work of the independent auditors and to assure the auditors' independence from the Funds. This may include reviewing a formal written statement from the independent auditors delineating all relationships between the auditors and the Funds, consistent with Independence Standards Board No. 1, and discussing with the auditors their methods and procedures for ensuring independence.

Last Approved: November 29, 2007

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Appendix A

Pre-Approved Audit Services for the Pre-Approval Period January 1, 2008 through December 31, 2008

Service	The Fund(s)	Fee Range
Statutory audits or financial audits (including tax services associated with audit services)	√	As presented to Audit Committee (1)
Services associated with SEC registration statements, periodic reports and other documents filed with the SEC or other documents issued in connection with securities offerings (e.g., consents), and assistance in responding to SEC comment letters.	√	Not to exceed \$9,750 per filing
Consultations by Fund management with respect to accounting or disclosure treatment of transactions or events and/or the actual or potential effect of final or proposed rules, standards or interpretations by the SEC, Financial Accounting Standards Board, or other regulatory or standard setting bodies.	√	Not to exceed \$8,000 during the Pre-Approval Period
Seed capital audit and related review and issuance of consent on the N-2 registration statement	√	Not to exceed \$12,600 per audit

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(1) For new Funds launched during the Pre-Approval Period, the fee ranges pre-approved will be the same as those for existing Funds, pro-rated in accordance with inception dates as provided in the auditors' Proposal or any Engagement Letter covering the period at issue. Fees in the Engagement Letter will be controlling.

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Appendix B

Pre-Approved Audit-Related Services for the Pre-Approval Period January 1, 2008 through December 31, 2008

Service	The Fund(s)	Fund Affiliates	Fee Range
Services related to Fund mergers (Excludes tax services - See Appendix C for tax services associated with Fund mergers)	√	√	Not to exceed \$10,000 per merger
Consultations by Fund management with respect to accounting or disclosure treatment of transactions or events and/or the actual or potential effect of final or proposed rules, standards or interpretations by the SEC, Financial Accounting Standards Board, or other regulatory or standard setting bodies. [Note: Under SEC rules some consultations may be audit services and others may be audit-related services.]	√		Not to exceed \$5,000 per occurrence during the Pre-Approval Period
Review of the Funds semi-annual financial statements	√		Not to exceed \$2,200 per set of financial statements per fund
Reports to regulatory or government agencies related to the annual engagement	√		Up to \$5,000 per occurrence during the Pre-Approval Period
Regulatory compliance assistance	√	√	Not to exceed \$5,000 per quarter
Training courses		√	Not to exceed \$2,000 per course
For Prime Rate Trust, agreed upon procedures for quarterly reports to rating agencies	√		Not to exceed \$9,450 per quarter
For Prime Rate Trust and Senior Income Fund, agreed upon procedures for the Revolving Credit and Security Agreement with Citigroup	√		Not to exceed \$21,000 per fund per year

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Appendix C

Pre-Approved Tax Services for the Pre-Approval Period January 1, 2008 through December 31, 2008

Service	The Fund(s)	Fund Affiliates	Fee Range
Preparation of federal and state income tax returns and federal excise tax returns for the Funds including assistance and review with excise tax distributions	√		As presented to Audit Committee (2)
Review of IRC Sections 851(b) and 817(h) diversification testing on a real-time basis	√		As presented to Audit Committee (2)
Assistance and advice regarding year-end reporting for 1099 s	√		As presented to Audit Committee (2)
Tax assistance and advice regarding statutory, regulatory or administrative developments	√	√	Not to exceed \$5,000 for the Funds or for the Funds investment adviser during the Pre-Approval Period

(2) For new Funds launched during the Pre-Approval Period, the fee ranges pre-approved will be the same as those for existing Funds, pro-rated in accordance with inception dates as provided in the auditors Proposal or any Engagement Letter covering the period at issue. Fees in the Engagement Letter will be controlling.

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Service	The Fund(s)	Fund Affiliates	Fee Range
Tax training courses		√	Not to exceed \$2,000 per course during the Pre-Approval Period
Tax services associated with Fund mergers	√	√	Not to exceed \$4,000 per fund per merger during the Pre-Approval Period
Other tax-related assistance and consultation, including, without limitation, assistance in evaluating derivative financial instruments and international tax issues, qualification and distribution issues, and similar routine tax consultations.	√		Not to exceed \$120,000 during the Pre-Approval Period

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Appendix D

Pre-Approved Other Services for the Pre-Approval Period January 1, 2008 through December 31, 2008

Service	The Fund(s)	Fund Affiliates	Fee Range
Agreed-upon procedures for Class B share 12b-1 programs		√	Not to exceed \$50,000 during the Pre-Approval Period
Security counts performed pursuant to Rule 17f-2 of the 1940 Act (i.e., counts for Funds holding securities with affiliated sub-custodians) Cost to be borne 50% by the Funds and 50% by ING Investments, LLC.	√	√	Not to exceed \$5,000 per Fund during the Pre-Approval Period
Agreed upon procedures for 15 (c) FACT Books	√		Not to exceed \$35,000 during the Pre-Approval Period

Appendix E

Prohibited Non-Audit Services

Dated: January 1, 2008

Bookkeeping or other services related to the accounting records or financial statements of the Funds

Financial information systems design and implementation

Appraisal or valuation services, fairness opinions, or contribution-in-kind reports

Actuarial services

Internal audit outsourcing services

Management functions

Human resources

Broker-dealer, investment adviser, or investment banking services

Legal services

Expert services unrelated to the audit

Any other service that the Public Company Accounting Oversight Board determines, by regulation, is impermissible

**EXHIBIT A**

ING EQUITY TRUST

ING FUNDS TRUST

ING ASIA PACIFIC HIGH DIVIDEND EQUITY INCOME FUND

ING GLOBAL ADVANTAGE AND PREMIUM OPPORTUNITY FUND

ING GLOBAL EQUITY DIVIDEND AND PREMIUM OPPORTUNITY FUND

ING INTERNATIONAL HIGH DIVIDEND EQUITY INCOME FUND

ING RISK MANAGED NATURAL RESOURCES FUND

ING INVESTMENT FUNDS, INC.

ING INVESTORS TRUST

ING MAYFLOWER TRUST

ING MUTUAL FUNDS

ING PARTNERS, INC.

ING PRIME RATE TRUST

ING SENIOR INCOME FUND

ING SEPARATE PORTFOLIOS TRUST

ING VARIABLE INSURANCE TRUST

ING VARIABLE PRODUCTS TRUST

(e) (2) Percentage of services referred to in 4(b) (4)(d) that were approved by the audit committee

100% of the services were approved by the audit committee.

(f) Percentage of hours expended attributable to work performed by other than full time employees of KPMG if greater than 50%.

Not applicable.

(g) Non-Audit Fees: The non-audit fees billed by the registrant's accountant for services rendered to the registrant, and rendered to the registrant's investment adviser, and any entity controlling, controlled by, or under common control with the adviser that provides ongoing services to the registrant for each of the last two fiscal years of the registrant were \$1,394,538 for year ended February 29, 2008 and \$898,238 for fiscal year ended February 28, 2007.

(h) Principal Accountants Independence: The Registrant's Audit committee has considered whether the provision of non-audit services that were rendered to the registrant's investment adviser and any entity controlling, controlled by, or under common control with the investment adviser that provides ongoing services to the registrant that were not pre-approved pursuant to Rule 2-01(c)(7)(ii) of Regulation S-X is compatible with maintaining KPMG's independence.

**Item 5. Audit Committee of Listed Registrants.**

- a. The registrant has a separately-designated standing audit committee. The members are J. Michael Earley, Patricia W. Chadwick and Peter S. Drotch.
- b. Not applicable.

**Item 6. Schedule of Investments**

Schedule is included as part of the report to shareholders filed under Item 1 of this Form.

**Item 7. Disclosure of Proxy Voting Policies and Procedures for Closed-End Management Investment companies.**

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ING FUNDS

PROXY VOTING PROCEDURES AND GUIDELINES

Effective Date: July 10, 2003

Revision Date: March 27, 2008

I. INTRODUCTION

The following are the Proxy Voting Procedures and Guidelines (the Procedures and Guidelines) of the ING Funds set forth on *Exhibit 1* attached hereto and each portfolio or series thereof, except for any Sub-Adviser-Voted Series identified on *Exhibit 1* and further described in Section III below (each non-Sub-Adviser-Voted Series hereinafter referred to as a Fund and collectively, the Funds). The purpose of these Procedures and Guidelines is to set forth the process by which each Fund subject to these Procedures and Guidelines will vote proxies related to the equity assets in its investment portfolio (the portfolio securities). The Procedures and Guidelines have been approved by the Funds Boards of Trustees/Directors(1) (each a Board and collectively, the Boards), including a majority of the independent Trustees/Directors(2) of the Board. These Procedures and Guidelines may be amended only by the Board. The Board shall review these Procedures and Guidelines at its discretion, and make any revisions thereto as deemed appropriate by the Board.

II. COMPLIANCE COMMITTEE

The Boards hereby delegate to the Compliance Committee of each Board (each a Committee and collectively, the Committees) the authority and responsibility to oversee the implementation of these Procedures and Guidelines, and where applicable, to make determinations on behalf of the Board with respect to the voting of proxies on behalf of each Fund. Furthermore, the Boards hereby delegate to each Committee the authority to review and approve material changes to proxy voting procedures of any Fund's investment adviser (the Adviser). The Proxy Voting Procedures of the Adviser (the Adviser Procedures) are attached hereto as *Exhibit 2*. Any determination regarding the voting of proxies of each Fund that is made by a Committee, or any member thereof, as permitted herein, shall be deemed to be a good faith determination regarding the voting of proxies by the full Board. Each Committee

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(1) Reference in these Procedures to one or more Funds shall, as applicable, mean those Funds that are under the jurisdiction of the particular Board or Compliance Committee at issue. No provision in these Procedures is intended to impose any duty upon the particular Board or Compliance Committee with respect to any other Fund.

(2) The independent Trustees/Directors are those Board members who are not interested persons of the Funds within the meaning of Section 2(a)(19) of the Investment Company Act of 1940.

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may rely on the Adviser through the Agent, Proxy Coordinator and/or Proxy Group (as such terms are defined for purposes of the Adviser Procedures) to deal in the first instance with the application of these Procedures and Guidelines. Each Committee shall conduct itself in accordance with its charter.

### III. DELEGATION OF VOTING AUTHORITY

Except as otherwise provided for herein, the Board hereby delegates to the Adviser to each Fund the authority and responsibility to vote all proxies with respect to all portfolio securities of the Fund in accordance with then current proxy voting procedures and guidelines that have been approved by the Board. The Board may revoke such delegation with respect to any proxy or proposal, and assume the responsibility of voting any Fund proxy or proxies as it deems appropriate. Non-material amendments to the Procedures and Guidelines may be approved for immediate implementation by the President or Chief Financial Officer of a Fund, subject to ratification at the next regularly scheduled meeting of the Compliance Committee.

A Board may elect to delegate the voting of proxies to the Sub-Adviser of a portfolio or series of the ING Funds. In so doing, the Board shall also approve the Sub-Adviser's proxy policies for implementation on behalf of such portfolio or series (a Sub-Adviser-Voted Series). Sub-Adviser-Voted Series shall not be covered under these Procedures and Guidelines but rather shall be covered by such Sub-Adviser's proxy policies, provided that the Board, including a majority of the independent Trustees/Directors(1), has approved them on behalf of such Sub-Adviser-Voted Series.

When a Fund participates in the lending of its securities and the securities are on loan at record date, proxies related to such securities will not be forwarded to the Adviser by the Fund's custodian and therefore will not be voted. However, the Adviser shall use best efforts to recall or restrict specific securities from loan for the purpose of facilitating a material vote as described in the Adviser Procedures.

Funds that are funds-of-funds will echo vote their interests in underlying mutual funds, which may include ING Funds (or portfolios or series thereof) other than those set forth on *Exhibit 1* attached hereto. This means that, if the fund-of-funds must vote on a proposal with respect to an underlying investment company, the fund-of-funds will vote its interest in that underlying fund in the same proportion all other shareholders in the investment company voted their interests.

A fund that is a feeder fund in a master-feeder structure does not echo vote. Rather, it passes votes requested by the underlying master fund to its shareholders. This means that, if the feeder fund is solicited by the master fund, it will request instructions from its own shareholders, either directly or, in the case of an insurance-dedicated Fund, through an insurance product or retirement plan, as to the manner in which to vote its interest in an underlying master fund.

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(1) The independent Trustees/Directors are those Board members who are not interested persons of the Funds within the meaning of Section 2(a)(19) of the Investment Company Act of 1940.

When a Fund is a feeder in a master-feeder structure, proxies for the portfolio securities owned by the master fund will be voted pursuant to the master fund's proxy voting policies and procedures. As such, and except as otherwise noted herein with respect to vote reporting requirements, feeder Funds shall not be subject to these Procedures and Guidelines.

**IV. APPROVAL AND REVIEW OF PROCEDURES**

Each Fund's Adviser has adopted proxy voting procedures in connection with the voting of portfolio securities for the Funds as attached hereto in *Exhibit 2*. The Board hereby approves such procedures. All material changes to the Adviser Procedures must be approved by the Board or the Compliance Committee prior to implementation; however, the President or Chief Financial Officer of a Fund may make such non-material changes as they deem appropriate, subject to ratification by the Board or the Compliance Committee at its next regularly scheduled meeting.

**V. VOTING PROCEDURES AND GUIDELINES**

**The Guidelines that are set forth in *Exhibit 3*** hereto specify the manner in which the Funds generally will vote with respect to the proposals discussed therein.

Unless otherwise noted, the defined terms used hereafter shall have the same meaning as defined in the Adviser Procedures

**A. Routine Matters**

The Agent shall be instructed to submit a vote in accordance with the Guidelines where such Guidelines provide a clear "For," "Against," "Withhold" or "Abstain" on a proposal. However, the Agent shall be directed to refer any proxy proposal to the Proxy Coordinator for instructions as if it were a matter requiring case-by-case consideration under circumstances where the application of the Guidelines is unclear, it appears to involve unusual or controversial issues, or an Investment Professional (as such term is defined for purposes of the Adviser Procedures) recommends a vote contrary to the Guidelines.

**B. Matters Requiring Case-by-Case Consideration**

The Agent shall be directed to refer proxy proposals accompanied by its written analysis and voting recommendation to the Proxy Coordinator where the Guidelines have noted "case-by-case" consideration.

Upon receipt of a referral from the Agent, the Proxy Coordinator may solicit additional research from the Agent, Investment Professional(s), as well as from any other source or service.

**A. Routine Matters**

Except in cases in which the Proxy Group has previously provided the Proxy Coordinator

with standing instructions to vote in accordance with the Agent's recommendation, the Proxy Coordinator will forward the Agent's analysis and recommendation and/or any research obtained from the Investment Professional(s), the Agent or any other source to the Proxy Group. The Proxy Group may consult with the Agent and/or Investment Professional(s), as it deems necessary.

The Proxy Coordinator shall use best efforts to convene the Proxy Group with respect to all matters requiring its consideration. In the event quorum requirements cannot be timely met in connection with a voting deadline, it shall be the policy of the Funds to vote in accordance with the Agent's recommendation, unless the Agent's recommendation is deemed to be conflicted as provided for under the Adviser Procedures, in which case no action shall be taken on such matter (*i.e.*, a Non-Vote).

1. **Within-Guidelines Votes:** Votes in Accordance with a Fund's Guidelines and/or, where applicable, Agent Recommendation

In the event the Proxy Group, and where applicable, any Investment Professional participating in the voting process, recommend a vote Within Guidelines, the Proxy Group will instruct the Agent, through the Proxy Coordinator, to vote in this manner. Except as provided for herein, no Conflicts Report (as such term is defined for purposes of the Adviser Procedures) is required in connection with Within-Guidelines Votes.

2. **Non-Votes:** Votes in Which No Action is Taken

The Proxy Group may recommend that a Fund refrain from voting under circumstances including, but not limited to, the following: (1) if the economic effect on shareholders' interests or the value of the portfolio holding is indeterminable or insignificant, *e.g.*, proxies in connection with fractional shares, securities no longer held in the portfolio of an ING Fund or proxies being considered on behalf of a Fund that is no longer in existence; or (2) if the cost of voting a proxy outweighs the benefits, *e.g.*, certain international proxies, particularly in cases in which share blocking practices may impose trading restrictions on the relevant portfolio security. In such instances, the Proxy Group may instruct the Agent, through the Proxy Coordinator, not to vote such proxy. The Proxy Group may provide the Proxy Coordinator with standing instructions on parameters that would dictate a Non-Vote without the Proxy Group's review of a specific proxy. It is noted a Non-Vote determination would generally not be made in connection with voting rights received pursuant to class action participation; while a Fund may no longer hold the security, a continuing economic effect on shareholders' interests is likely.

Reasonable efforts shall be made to secure and vote all other proxies for the Funds, but, particularly in markets in which shareholders' rights are limited, Non-Votes may also occur in connection with a Fund's related inability to timely

access ballots or other proxy information in connection with its portfolio securities.

Non-Votes may also result in certain cases in which the Agent's recommendation has been deemed to be conflicted, as described in V.B. above and V.B.4. below.

3. **Out-of-Guidelines Votes:** Votes Contrary to Procedures and Guidelines, or Agent Recommendation, where applicable, Where No Recommendation is Provided by Agent, or Where Agent's Recommendation is Conflicted

If the Proxy Group recommends that a Fund vote contrary to the Procedures and Guidelines, or the recommendation of the Agent, where applicable, if the Agent has made no recommendation on a matter requiring case-by-case consideration and the Procedures and Guidelines are silent, or the Agent's recommendation on a matter requiring case-by-case consideration is deemed to be conflicted as provided for under the Adviser Procedures, the Proxy Coordinator will then request that all members of the Proxy Group, including any members not in attendance at the meeting at which the relevant proxy is being considered, and each Investment Professional participating in the voting process complete a Conflicts Report (as such term is defined for purposes of the Adviser Procedures). As provided for in the Adviser Procedures, the Proxy Coordinator shall be responsible for identifying to Counsel potential conflicts of interest with respect to the Agent.

If Counsel determines that a conflict of interest appears to exist with respect to the Agent, any member of the Proxy Group or the participating Investment Professional(s), the Proxy Coordinator will then contact the Compliance Committee(s) and forward to such Committee(s) all information relevant to their review, including the following materials or a summary thereof: the applicable Procedures and Guidelines, the recommendation of the Agent, where applicable, the recommendation of the Investment Professional(s), where applicable, any resources used by the Proxy Group in arriving at its recommendation, the Conflicts Report and any other written materials establishing whether a conflict of interest exists, and findings of Counsel (as such term is defined for purposes of the Adviser Procedures). Upon Counsel's finding that a conflict of interest exists with respect to one or more members of the Proxy Group or the Advisers generally, the remaining members of the Proxy Group shall not be required to complete a Conflicts Report in connection with the proxy.

If Counsel determines that there does not appear to be a conflict of interest with respect to the Agent, any member of the Proxy Group or the participating Investment Professional(s), the Proxy Coordinator will instruct the Agent to vote the proxy as recommended by the Proxy Group.

4. Referrals to a Fund's Compliance Committee

A Fund's Compliance Committee may consider all recommendations, analysis, research and Conflicts Reports provided to it by the Agent, Proxy Group and/or Investment Professional(s), and any other written materials used to establish whether a conflict of interest exists, in determining how to vote the proxies referred to the Committee. The Committee will instruct the Agent through the Proxy Coordinator how to vote such referred proposals.

The Proxy Coordinator shall use best efforts to timely refer matters to a Fund's Committee for its consideration. In the event any such matter cannot be timely referred to or considered by the Committee, it shall be the policy of the Funds to vote in accordance with the Agent's recommendation, unless the Agent's recommendation is conflicted on a matter requiring case-by-case consideration, in which case no action shall be taken on such matter (*i.e.*, a Non-Vote).

The Proxy Coordinator will maintain a record of all proxy questions that have been referred to a Fund's Committee, all applicable recommendations, analysis, research and Conflicts Reports.

**VI. CONFLICTS OF INTEREST**

In all cases in which a vote has not been clearly determined in advance by the Procedures and Guidelines or for which the Proxy Group recommends an Out-of-Guidelines Vote, and Counsel has determined that a conflict of interest appears to exist with respect to the Agent, any member of the Proxy Group, or any Investment Professional participating in the voting process, the proposal shall be referred to the Fund's Committee for determination so that the Adviser shall have no opportunity to vote a Fund's proxy in a situation in which it or the Agent may be deemed to have a conflict of interest. In the event a member of a Fund's Committee believes he/she has a conflict of interest that would preclude him/her from making a voting determination in the best interests of the beneficial owners of the applicable Fund, such Committee member shall so advise the Proxy Coordinator and recuse himself/herself with respect to determinations regarding the relevant proxy.

**VII. REPORTING AND RECORD RETENTION**

Annually in August, each Fund will post its proxy voting record or a link thereto, for the prior one-year period ending on June 30<sup>th</sup> on the ING Funds website. No proxy voting record will be posted on the ING Funds website for any Fund that is a feeder in a master/feeder structure; however, a cross-reference to that of the master fund's proxy voting record as filed in the SEC's EDGAR database will be posted on the ING Funds website. The proxy voting record for each Fund will also be available in the EDGAR database on the SEC's website.

**EXHIBIT 1**

**to the**

**ING Funds**

**Proxy Voting Procedures**

ING ASIA PACIFIC HIGH DIVIDEND EQUITY INCOME FUND

ING EQUITY TRUST

ING FUNDS TRUST

ING GLOBAL ADVANTAGE AND PREMIUM OPPORTUNITY FUND

ING GLOBAL EQUITY DIVIDEND AND PREMIUM OPPORTUNITY FUND

ING INFRASTRUCTURE DEVELOPMENT EQUITY FUND

ING INTERNATIONAL HIGH DIVIDEND EQUITY INCOME FUND

ING INVESTMENT FUNDS, INC.

ING INVESTORS TRUST(1)

ING MAYFLOWER TRUST

ING MUTUAL FUNDS

ING PARTNERS, INC.

ING PRIME RATE TRUST

ING RISK MANAGED NATURAL RESOURCES FUND

ING SENIOR INCOME FUND

ING SEPARATE PORTFOLIOS TRUST

ING VARIABLE INSURANCE TRUST

ING VARIABLE PRODUCTS TRUST

ING VP NATURAL RESOURCES TRUST

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(1) *Sub-Adviser-Voted Series:* ING Franklin Mutual Shares Portfolio



**EXHIBIT 2**

**to the**

**ING Funds**

**Proxy Voting Procedures**

**ING INVESTMENTS, LLC,**

**ING INVESTMENT MANAGEMENT CO.**

**AND**

**DIRECTED SERVICES, LLC**

**PROXY VOTING PROCEDURES**

**I. INTRODUCTION**

ING Investments, LLC, ING Investment Management Co. and Directed Services, LLC (each an Adviser and collectively, the Advisers ) are the investment advisers for the registered investment companies and each series or portfolio thereof (each a Fund and collectively, the Funds ) comprising the ING family of funds. As such, the Advisers have been delegated the authority to vote proxies with respect to securities for certain Funds over which they have day-to-day portfolio management responsibility.

The Advisers will abide by the proxy voting guidelines adopted by a Fund s respective Board of Directors or Trustees (each a Board and collectively, the Boards ) with regard to the voting of proxies unless otherwise provided in the proxy voting procedures adopted by a Fund s Board.

In voting proxies, the Advisers are guided by general fiduciary principles. Each must act prudently, solely in the interest of the beneficial owners of the Funds it manages. The Advisers will not subordinate the interest of beneficial owners to unrelated objectives. Each Adviser will vote proxies in the manner that it believes will do the most to maximize shareholder value.

The following are the Proxy Voting Procedures of ING Investments, LLC, ING Investment Management Co. and Directed Services, LLC (the Adviser Procedures ) with respect to the voting of proxies on behalf of their client Funds as approved by the respective Board of each Fund.

Unless otherwise noted, best efforts shall be used to vote proxies in all instances.



## II. ROLES AND RESPONSIBILITIES

### A. Proxy Coordinator

The Proxy Coordinator identified in *Appendix 1* will assist in the coordination of the voting of each Fund's proxies in accordance with the ING Funds Proxy Voting Procedures and Guidelines (the "Procedures" or "Guidelines" and collectively the "Procedures and Guidelines"). The Proxy Coordinator is authorized to direct the Agent to vote a Fund's proxy in accordance with the Procedures and Guidelines unless the Proxy Coordinator receives a recommendation from an Investment Professional (as described below) to vote contrary to the Procedures and Guidelines. In such event, and in connection with proxy proposals requiring case-by-case consideration (except in cases in which the Proxy Group has previously provided the Proxy Coordinator with standing instructions to vote in accordance with the Agent's recommendation), the Proxy Coordinator will call a meeting of the Proxy Group (as described below).

Responsibilities assigned herein to the Proxy Coordinator, or activities in support thereof, may be performed by such members of the Proxy Group or employees of the Advisers' affiliates as are deemed appropriate by the Proxy Group.

Unless specified otherwise, information provided to the Proxy Coordinator in connection with duties of the parties described herein shall be deemed delivered to the Advisers.

### B. Agent

An independent proxy voting service (the "Agent"), as approved by the Board of each Fund, shall be engaged to assist in the voting of Fund proxies for publicly traded securities through the provision of vote analysis, implementation, recordkeeping and disclosure services. The Agent is ISS Governance Services, a unit of RiskMetrics Group, Inc. The Agent is responsible for coordinating with the Funds' custodians to ensure that all proxy materials received by the custodians relating to the portfolio securities are processed in a timely fashion. To the extent applicable, the Agent is required to vote and/or refer all proxies in accordance with these Adviser Procedures. The Agent will retain a record of all proxy votes handled by the Agent. Such record must reflect all the information required to be disclosed in a Fund's Form N-PX pursuant to Rule 30b1-4 under the Investment Company Act. In addition, the Agent is responsible for maintaining copies of all proxy statements received by issuers and to promptly provide such materials to the Adviser upon request.

The Agent shall be instructed to vote all proxies in accordance with a Fund's Guidelines, except as otherwise instructed through the Proxy Coordinator by the Adviser's Proxy Group or a Fund's Compliance Committee ("Committee").

The Agent shall be instructed to obtain all proxies from the Funds' custodians and to review each proxy proposal against the Guidelines. The Agent also shall be requested to call the Proxy Coordinator's attention to specific proxy proposals that although governed by the Guidelines appear to involve unusual or controversial issues.

Subject to the oversight of the Advisers, the Agent shall establish and maintain adequate internal controls and policies in connection with the provision of proxy voting services voting to the Advisers, including methods to reasonably ensure that its analysis and recommendations are not influenced by conflict of interest, and shall disclose such controls and policies to the Advisers when and as provided for herein. Unless otherwise specified, references herein to recommendations of the Agent shall refer to those in which no conflict of interest has been identified.

C. Proxy Group

The Adviser shall establish a Proxy Group (the Group or Proxy Group) which shall assist in the review of the Agent's recommendations when a proxy voting issue is referred to the Group through the Proxy Coordinator. The members of the Proxy Group, which may include employees of the Advisers' affiliates, are identified in *Appendix 1*, as may be amended from time to time at the Advisers' discretion.

A minimum of four (4) members of the Proxy Group (or three (3) if one member of the quorum is either the Fund's Chief Investment Risk Officer or Chief Financial Officer) shall constitute a quorum for purposes of taking action at any meeting of the Group. The vote of a simple majority of the members present and voting shall determine any matter submitted to a vote. Tie votes shall be broken by securing the vote of members not present at the meeting; provided, however, that the Proxy Coordinator shall ensure compliance with all applicable voting and conflict of interest procedures and shall use best efforts to secure votes from all or as many absent members as may reasonably be accomplished. The Proxy Group may meet in person or by telephone. The Proxy Group also may take action via electronic mail in lieu of a meeting, provided that each Group member has received a copy of any relevant electronic mail transmissions circulated by each other participating Group member prior to voting and provided that the Proxy Coordinator follows the directions of a majority of a quorum (as defined above) responding via electronic mail. For all votes taken in person or by telephone or teleconference, the vote shall be taken outside the presence of any person other than the members of the Proxy Group and such other persons whose attendance may be deemed appropriate by the Proxy Group from time to time in furtherance of its duties or the day-to-day administration of the Funds. In its discretion, the Proxy Group may provide the Proxy Coordinator with standing instructions to perform responsibilities assigned herein to the Proxy Group, or activities in support thereof, on its behalf, provided that such instructions do not contravene any requirements of these Adviser Procedures or a Fund's Procedures and Guidelines.

A meeting of the Proxy Group will be held whenever (1) the Proxy Coordinator receives a recommendation from an Investment Professional to vote a Fund's proxy contrary to the Procedures and Guidelines, or the recommendation of the Agent, where applicable, (2) the Agent has made no recommendation with respect to a vote on a proposal, or (3) a matter requires case-by-case consideration, including those in which the Agent's recommendation is deemed to be conflicted as provided for under these Adviser Procedures, provided that, if the Proxy Group has previously provided the Proxy Coordinator with standing instructions to vote in accordance with the Agent's recommendation and no issue of conflict must be considered, the Proxy Coordinator may implement the instructions without calling a meeting of the Proxy Group.

For each proposal referred to the Proxy Group, it will review (1) the relevant Procedures and Guidelines, (2) the recommendation of the Agent, if any, (3) the recommendation of the Investment Professional(s), if any, and (4) any other resources that any member of the Proxy Group deems appropriate to aid in a determination of a recommendation.

If the Proxy Group recommends that a Fund vote in accordance with the Procedures and Guidelines, or the recommendation of the Agent, where applicable, it shall instruct the Proxy Coordinator to so advise the Agent.

If the Proxy Group recommends that a Fund vote contrary to the Procedures and Guidelines, or the recommendation of the Agent, where applicable, or if the Agent's recommendation on a matter requiring case-by-case consideration is deemed to be conflicted, it shall follow the procedures for such voting as established by a Fund's Board.

The Proxy Coordinator shall use best efforts to convene the Proxy Group with respect to all matters requiring its consideration. In the event quorum requirements cannot be timely met in connection with to a voting deadline, the Proxy Coordinator shall follow the procedures for such voting as established by a Fund's Board.

#### D. Investment Professionals

The Funds' Advisers, sub-advisers and/or portfolio managers (each referred to herein as an Investment Professional and collectively, Investment Professionals) may submit, or be asked to submit, a recommendation to the Proxy Group regarding the voting of proxies related to the portfolio securities over which they have day-to-day portfolio management responsibility. The Investment Professionals may accompany their recommendation with any other research materials that they deem appropriate or with a request that the vote be deemed material in the context of the portfolio(s) they manage, such that lending activity on behalf of such portfolio(s) with respect to the relevant security should be reviewed by the Proxy Group and considered for recall and/or restriction. Input from the relevant sub-advisers and/or portfolio managers shall be given primary consideration in the Proxy Group's determination of whether a given proxy vote

is to be deemed material and the associated security accordingly restricted from lending. The determination that a vote is material in the context of a Fund's portfolio shall not mean that such vote is considered material across all Funds voting that meeting. In order to recall or restrict shares timely for material voting purposes, the Proxy Group shall use best efforts to consider, and when deemed appropriate, to act upon, such requests timely, and requests to review lending activity in connection with a potentially material vote may be initiated by any relevant Investment Professional and submitted for the Proxy Group's consideration at any time.

### III. VOTING PROCEDURES

**A.** In all cases, the Adviser shall follow the voting procedures as set forth in the Procedures and Guidelines of the Fund on whose behalf the Adviser is exercising delegated authority to vote.

#### **B. Routine Matters**

The Agent shall be instructed to submit a vote in accordance with the Guidelines where such Guidelines provide a clear For, Against, Withhold or Abstain on a proposal. However, the Agent shall be directed to refer any proxy proposal to the Proxy Coordinator for instructions as if it were a matter requiring case-by-case consideration under circumstances where the application of the Guidelines is unclear, it appears to involve unusual or controversial issues, or an Investment Professional recommends a vote contrary to the Guidelines.

#### **C. Matters Requiring Case-by-Case Consideration**

The Agent shall be directed to refer proxy proposals accompanied by its written analysis and voting recommendation to the Proxy Coordinator where the Guidelines have noted case-by-case consideration.

Upon receipt of a referral from the Agent, the Proxy Coordinator may solicit additional research from the Agent, Investment Professional(s), as well as from any other source or service.

Except in cases in which the Proxy Group has previously provided the Proxy Coordinator with standing instructions to vote in accordance with the Agent's recommendation, the Proxy Coordinator will forward the Agent's analysis and recommendation and/or any research obtained from the Investment Professional(s), the Agent or any other source to the Proxy Group. The Proxy Group may consult with the Agent and/or Investment Professional(s), as it deems necessary.

1. **Within-Guidelines Votes:** Votes in Accordance with a Fund's Guidelines and/or, where applicable, Agent Recommendation

#### **B. Routine Matters**



In the event the Proxy Group, and where applicable, any Investment Professional participating in the voting process, recommend a vote Within Guidelines, the Proxy Group will instruct the Agent, through the Proxy Coordinator, to vote in this manner. Except as provided for herein, no Conflicts Report (as such term is defined herein) is required in connection with Within-Guidelines Votes.

2. **Non-Votes:** Votes in Which No Action is Taken

The Proxy Group may recommend that a Fund refrain from voting under circumstances including, but not limited to, the following: (1) if the economic effect on shareholders' interests or the value of the portfolio holding is indeterminable or insignificant, *e.g.*, proxies in connection with fractional shares, securities no longer held in the portfolio of an ING Fund or proxies being considered on behalf of a Fund that is no longer in existence; or (2) if the cost of voting a proxy outweighs the benefits, *e.g.*, certain international proxies, particularly in cases in which share blocking practices may impose trading restrictions on the relevant portfolio security. In such instances, the Proxy Group may instruct the Agent, through the Proxy Coordinator, not to vote such proxy. The Proxy Group may provide the Proxy Coordinator with standing instructions on parameters that would dictate a Non-Vote without the Proxy Group's review of a specific proxy. It is noted a Non-Vote determination would generally not be made in connection with voting rights received pursuant to class action participation; while a Fund may no longer hold the security, a continuing economic effect on shareholders' interests is likely.

Reasonable efforts shall be made to secure and vote all other proxies for the Funds, but, particularly in markets in which shareholders' rights are limited, Non-Votes may also occur in connection with a Fund's related inability to timely access ballots or other proxy information in connection with its portfolio securities.

Non-Votes may also result in certain cases in which the Agent's recommendation has been deemed to be conflicted, as provided for in the Funds Procedures.

3. **Out-of-Guidelines Votes:** Votes Contrary to Procedures and Guidelines, or Agent Recommendation, where applicable, Where No Recommendation is Provided by Agent, or Where Agent's Recommendation is Conflicted

If the Proxy Group recommends that a Fund vote contrary to the Procedures and Guidelines, or the recommendation of the Agent, where applicable, if the Agent has made no recommendation on a matter requiring case-by-case consideration and the Procedures and Guidelines are silent, or the Agent's recommendation on a matter requiring case-by-case consideration is deemed to be conflicted as

provided for under these Adviser Procedures, the Proxy Coordinator will then implement the procedures for handling such votes as adopted by the Fund's Board.

4. The Proxy Coordinator will maintain a record of all proxy questions that have been referred to a Fund's Compliance Committee, all applicable recommendations, analysis, research and Conflicts Reports.

#### **IV. ASSESSMENT OF THE AGENT AND CONFLICTS OF INTEREST**

In furtherance of the Advisers' fiduciary duty to the Funds and their beneficial owners, the Advisers shall establish the following:

##### **A. Assessment of the Agent**

The Advisers shall establish that the Agent (1) is independent from the Advisers, (2) has resources that indicate it can competently provide analysis of proxy issues and (3) can make recommendations in an impartial manner and in the best interests of the Funds and their beneficial owners. The Advisers shall utilize, and the Agent shall comply with, such methods for establishing the foregoing as the Advisers may deem reasonably appropriate and shall do not less than annually as well as prior to engaging the services of any new proxy service. The Agent shall also notify the Advisers in writing within fifteen (15) calendar days of any material change to information previously provided to an Adviser in connection with establishing the Agent's independence, competence or impartiality.

Information provided in connection with assessment of the Agent shall be forwarded to a member of the mutual funds practice group of ING US Legal Services ( Counsel ) for review. Counsel shall review such information and advise the Proxy Coordinator as to whether a material concern exists and if so, determine the most appropriate course of action to eliminate such concern.

##### **B. Conflicts of Interest**

The Advisers shall establish and maintain procedures to identify and address conflicts that may arise from time to time concerning the Agent. Upon the Advisers' request, which shall be not less than annually, and within fifteen (15) calendar days of any material change to such information previously provided to an Adviser, the Agent shall provide the Advisers with such information as the Advisers deem reasonable and appropriate for use in determining material relationships of the Agent that may pose a conflict of interest with respect to the Agent's proxy analysis or recommendations. The Proxy Coordinator shall forward all such information to Counsel for review. Counsel shall review such information and provide the Proxy Coordinator with a brief statement regarding whether or not a

material conflict of interest is present. Matters as to which a material conflict of interest is deemed to be present shall be handled as provided in the Fund's Procedures and Guidelines.

In connection with their participation in the voting process for portfolio securities, each member of the Proxy Group, and each Investment Professional participating in the voting process, must act solely in the best interests of the beneficial owners of the applicable Fund. The members of the Proxy Group may not subordinate the interests of the Fund's beneficial owners to unrelated objectives, including taking steps to reasonably insulate the voting process from any conflict of interest that may exist in connection with the Agent's services or utilization thereof.

For all matters for which the Proxy Group recommends an Out-of-Guidelines Vote, or for which a recommendation contrary to that of the Agent or the Guidelines has been received from an Investment Professional and is to be utilized, the Proxy Coordinator will implement the procedures for handling such votes as adopted by the Fund's Board, including completion of such Conflicts Reports as may be required under the Fund's Procedures. Completed Conflicts Reports shall be provided to the Proxy Coordinator within two (2) business days. Such Conflicts Report should describe any known conflicts of either a business or personal nature, and set forth any contacts with respect to the referral item with non-investment personnel in its organization or with outside parties (except for routine communications from proxy solicitors). The Conflicts Report should also include written confirmation that any recommendation from an Investment Professional provided in connection with an Out-of-Guidelines Vote or under circumstances where a conflict of interest exists was made solely on the investment merits and without regard to any other consideration.

The Proxy Coordinator shall forward all Conflicts Reports to Counsel for review. Counsel shall review each report and provide the Proxy Coordinator with a brief statement regarding whether or not a material conflict of interest is present. Matters as to which a material conflict of interest is deemed to be present shall be handled as provided in the Fund's Procedures and Guidelines.

#### V. REPORTING AND RECORD RETENTION

The Adviser shall maintain the records required by Rule 204-2(c)(2), as may be amended from time to time, including the following: (1) A copy of each proxy statement received regarding a Fund's portfolio securities. Such proxy statements received from issuers are available either in the SEC's EDGAR database or are kept by the Agent and are available upon request. (2) A record of each vote cast on behalf of a Fund. (3) A copy of any document created by the Adviser that was material to making a decision how to vote a proxy, or that memorializes the basis for that decision. (4) A copy of written requests for Fund proxy voting information and any written

response thereto or to any oral request for information on how the Adviser voted proxies on behalf of a Fund. All proxy voting materials and supporting documentation will be retained for a minimum of six (6) years.

**APPENDIX 1**

to the

**Advisers Proxy Voting Procedures**

**Proxy Group for registered investment company clients of ING Investments, LLC, ING Investment Management Co. and Directed Services, LLC:**

<b>Name</b>	<b>Title or Affiliation</b>
Stanley D. Vyner	Chief Investment Risk Officer and Executive Vice President, ING Investments, LLC
Todd Modic	Senior Vice President, ING Funds Services, LLC and ING Investments, LLC; and Chief Financial Officer of the ING Funds
Maria Anderson	Vice President of Fund Compliance, ING Funds Services, LLC
Karla J. Bos	Proxy Coordinator for the ING Funds and Assistant Vice President Special Projects, ING Funds Services, LLC
Julius A. Drelick III, CFA	Vice President, Platform Product Management and Project Management, ING Funds Services, LLC
Harley Eisner	Vice President of Financial Analysis, ING Funds Services, LLC
Theresa K. Kelety, Esq.	Counsel, ING Americas US Legal Services

Effective as of January 1, 2008

**EXHIBIT 3**

to the

**ING Funds  
Proxy Voting Procedures**

**PROXY VOTING GUIDELINES OF THE ING FUNDS**

**I. INTRODUCTION**

The following is a statement of the Proxy Voting Guidelines ( Guidelines ) that have been adopted by the respective Boards of Directors or Trustees of each Fund. Unless otherwise provided for herein, any defined term used herein shall have the meaning assigned to it in the Funds and Advisers Proxy Voting Procedures (the Procedures ).

Proxies must be voted in the best interest of the Fund(s). The Guidelines summarize the Funds positions on various issues of concern to investors, and give a general indication of how Fund portfolio securities will be voted on proposals dealing with particular issues. The Guidelines are not exhaustive and do not include all potential voting issues.

The Advisers, in exercising their delegated authority, will abide by the Guidelines as outlined below with regard to the voting of proxies except as otherwise provided in the Procedures. In voting proxies, the Advisers are guided by general fiduciary principles. Each must act prudently, solely in the interest of the beneficial owners of the Funds it manages. The Advisers will not subordinate the interest of beneficial owners to unrelated objectives. Each Adviser will vote proxies in the manner that it believes will do the most to maximize shareholder value.

**II. GUIDELINES**

The following Guidelines are grouped according to the types of proposals generally presented to shareholders of U.S. issuers: Board of Directors, Proxy Contests, Auditors, Proxy Contest Defenses, Tender Offer Defenses, Miscellaneous, Capital Structure, Executive and Director Compensation, State of Incorporation, Mergers and Corporate Restructurings, Mutual Fund Proxies, and Social and Environmental Issues. An additional section addresses proposals most frequently found in global proxies.

**General Policies**

These Guidelines apply to securities of publicly traded companies and to those of privately held companies if publicly available disclosure permits such application. All matters for which such disclosure is not available shall be considered CASE-BY-CASE.

to the



It shall generally be the policy of the Funds to take no action on a proxy for which no Fund holds a position or otherwise maintains an economic interest in the relevant security at the time the vote is to be cast.

In all cases receiving CASE-BY-CASE consideration, including cases not specifically provided for under these Guidelines, unless otherwise provided for under these Guidelines, it shall generally be the policy of the Funds to vote in accordance with the recommendation provided by the Funds' Agent, Institutional Shareholder Services, Inc.

Unless otherwise provided for herein, it shall generally be the policy of the Funds to vote in accordance with the Agent's recommendation in cases in which such recommendation aligns with the recommendation of the relevant issuer's management or management has made no recommendation. However, this policy shall not apply to CASE-BY-CASE proposals for which a contrary recommendation from the Investment Professional for the relevant Fund has been received and is to be utilized, provided that incorporation of any such recommendation shall be subject to the conflict of interest review process required under the Procedures.

Recommendations from the Investment Professionals, while not required under the Procedures, are likely to be considered with respect to proxies for private equity securities and/or proposals related to merger transactions/corporate restructurings, proxy contests, or unusual or controversial issues. Such input shall be given primary consideration with respect to CASE-BY-CASE proposals being considered on behalf of the relevant Fund.

Except as otherwise provided for herein, it shall generally be the policy of the Funds not to support proposals that would impose a negative impact on existing rights of the Funds to the extent that any positive impact would not be deemed sufficient to outweigh removal or diminution of such rights.

The foregoing policies may be overridden in any case as provided for in the Procedures. Similarly, the Procedures provide that proposals whose Guidelines prescribe a firm voting position may instead be considered on a CASE-BY-CASE basis in cases in which unusual or controversial circumstances so dictate.

Interpretation and application of these Guidelines is not intended to supersede any law, regulation, binding agreement or other legal requirement to which an issuer may be or become subject. No proposal shall be supported whose implementation would contravene such requirements.

**1. The Board of Directors**

**Voting on Director Nominees in Uncontested Elections**

Unless otherwise provided for herein, the Agent's standards with respect to determining director independence shall apply. These standards generally provide that, to be considered completely

**1. The Board of Directors**



independent, a director shall have no material connection to the company other than the board seat.

Agreement with the Agent's independence standards shall not dictate that a Fund's vote shall be cast according to the Agent's corresponding recommendation. Votes on director nominees not subject to specific policies described herein should be made on a CASE-BY-CASE basis.

Where applicable and except as otherwise provided for herein, it shall be the policy of the Funds to lodge disagreement with an issuer's policies or practices by withholding support from a proposal for the relevant policy or practice rather than the director nominee(s) to which the Agent assigns a correlation. Support shall be withheld from culpable nominees as appropriate, but if they are not standing for election (*e.g.*, the board is classified), support shall generally not be withheld from others in their stead.

If application of the policies described herein would result in withholding votes from the majority of independent outside directors sitting on a board, or removal of such directors is likely to negatively impact majority board independence, primary consideration shall be given to retention of such independent outside director nominees unless the concerns identified are of such grave nature as to merit removal of the independent directors.

Where applicable and except as otherwise provided for herein, generally DO NOT WITHHOLD support (or DO NOT VOTE AGAINST, pursuant to the applicable election standard) in connection with issues raised by the Agent if the nominee did not serve on the board or relevant committee during the majority of the time period relevant to the concerns cited by the Agent.

WITHHOLD support from a nominee who, during both of the most recent two years, attended less than 75 percent of the board and committee meetings without a valid reason for the absences. DO NOT WITHHOLD support in connection with attendance issues for nominees who have served on the board for less than the two most recent years.

WITHHOLD support from a nominee in connection with poison pill or anti-takeover considerations (*e.g.*, furtherance of measures serving to disenfranchise shareholders or failure to remove restrictive pill features or ensure pill expiration or submission to shareholders for vote) in cases for which culpability for implementation or renewal of the pill in such form can be specifically attributed to the nominee.

Provided that a nominee served on the board during the relevant time period, WITHHOLD support from a nominee who has failed to implement a shareholder proposal that was approved by (1) a majority of the issuer's shares outstanding (most recent annual meeting) or (2) a majority of the votes cast for two consecutive years. However, in the case of shareholder proposals seeking shareholder ratification of a poison pill, generally DO NOT WITHHOLD support from a nominee in such cases if the company has already implemented a policy that should reasonably prevent abusive use of the pill.

If a nominee has not acted upon negative votes (WITHHOLD or AGAINST, as applicable based on the issuer's election standard) representing a majority of the votes cast at the previous annual meeting, consider such nominee on a CASE-BY-CASE basis. Generally, vote FOR nominees when (1) the issue relevant to the majority negative vote has been adequately addressed or cured or (2) the Funds Guidelines or voting record do not support the relevant issue.

WITHHOLD support from inside directors or affiliated outside directors who sit on the audit committee.

DO NOT WITHHOLD support from inside directors or affiliated outside directors who sit on the nominating or compensation committee, provided that such committee meets the applicable independence requirements of the relevant listing exchange.

DO NOT WITHHOLD support from inside directors or affiliated outside directors if the full board serves as the compensation or nominating committee OR has not created one or both committees, provided that the issuer is in compliance with all provisions of the listing exchange in connection with performance of relevant functions (*e.g.*, performance of relevant functions by a majority of independent directors in lieu of the formation of a separate committee).

Compensation Practices:

It shall generally be the policy of the Funds that matters of compensation are best determined by an independent board and compensation committee. Generally:

- (1) Where applicable and except as otherwise provided for herein, DO NOT WITHHOLD support from nominees who did not serve on the compensation committee, or board, as applicable based on the Agent's analysis, during the majority of the time period relevant to the concerns cited by the Agent.
- (2) In cases in which the Agent has identified a pay for performance disconnect, or internal pay disparity, as such issues are defined by the Agent, DO NOT WITHHOLD support from director nominees.
- (3) If the Agent recommends withholding support from nominees in connection with executive compensation or perquisites related to retention or recruitment, including severance or termination arrangements, vote FOR such nominees if the issuer has provided adequate rationale and/or disclosure.
- (4) If the Agent has raised issues of options backdating, consider members of the compensation committee, or board, as applicable, as well as company executives nominated as directors, on a CASE-BY-CASE basis.
- (5) If the Agent has raised other considerations regarding poor compensation practices, consider nominees on a CASE-BY-CASE basis.

Accounting Practices:

- (1) Generally, vote FOR independent outside director nominees serving on the audit committee.
- (2) Where applicable and except as otherwise provided for herein, generally DO NOT WITHHOLD support from nominees serving on the audit committee who did not serve

on that committee during the majority of the time period relevant to the concerns cited by the Agent.

- (3) If the Agent has raised concerns regarding poor accounting practices, consider the company's CEO and CFO, if nominated as directors, and nominees serving on the audit committee on a CASE-BY-CASE basis.
- (4) If total non-audit fees exceed the total of audit fees, audit-related fees and tax compliance and preparation fees, the provisions under Section 3., Auditor Ratification, shall apply.

Board Independence:

It shall generally be the policy of the Funds that a board should be majority independent and therefore to consider inside director or affiliated outside director nominees in cases in which the full board is not majority independent on a CASE-BY-CASE basis. Generally:

- (1) WITHHOLD support from the fewest directors whose removal would achieve majority independence across the remaining board, except that support may be withheld from additional nominees whose relative level of independence cannot be differentiated.
- (2) WITHHOLD support from all non-independent nominees, including the founder, chairman or CEO, if the number required to achieve majority independence is equal to or greater than the number of non-independent nominees.
- (3) Except as provided above, vote FOR non-independent nominees in the role of CEO, and when appropriate, founder or chairman, and determine support for other non-independent nominees based on the qualifications and contributions of the nominee as well as the Funds' voting precedent for assessing relative independence to management, *e.g.*, insiders holding senior executive positions are deemed less independent than affiliated outsiders with a transactional or advisory relationship to the company, and affiliated outsiders with a material transactional or advisory relationship are deemed less independent than those with lesser relationships.
- (4) Non-voting directors (*e.g.*, director emeritus or advisory director) shall be excluded from calculations with respect to majority board independence.
- (5) When conditions contributing to a lack of majority independence remain substantially similar to those in the previous year, it shall generally be the policy of the Funds to vote on nominees in a manner consistent with votes cast by the Fund(s) in the previous year.

Generally vote FOR nominees without regard to over-boarding issues raised by the Agent unless other concerns requiring CASE-BY-CASE consideration have been raised.

Generally, when the Agent recommends withholding support due to assessment that a nominee acted in bad faith or against shareholder interests in connection with a major transaction, such as a merger or acquisition, consider on a CASE-BY-CASE basis, factoring in the merits of the

nominee's performance and rationale and disclosure provided.

**Performance Test for Directors**

Consider nominees failing the Agent's performance test, which includes market-based and operating performance measures, on a CASE-BY-CASE basis. Input from the Investment

Professional(s) for a given Fund shall be given primary consideration with respect to such proposals.

**Proposals Regarding Board Composition or Board Service**

Generally, except as otherwise provided for herein, vote AGAINST shareholder proposals to impose new board structures or policies, including those requiring that the positions of chairman and CEO be held separately, except support proposals in connection with a binding agreement or other legal requirement to which an issuer has or reasonably may expect to become subject, and consider such proposals on a CASE-BY-CASE basis if the board is not majority independent or pervasive corporate governance concerns have been identified. Generally, except as otherwise provided for herein, vote FOR management proposals to adopt or amend board structures or policies, except consider such proposals on a CASE-BY-CASE basis if the board is not majority independent, pervasive corporate governance concerns have been identified, or the proposal may result in a material reduction in shareholders' rights.

Generally, vote AGAINST shareholder proposals asking that more than a simple majority of directors be independent.

Generally, vote AGAINST shareholder proposals asking that board compensation and/or nominating committees be composed exclusively of independent directors.

Generally, vote AGAINST shareholder proposals to limit the number of public company boards on which a director may serve.

Generally, vote AGAINST shareholder proposals that seek to redefine director independence or directors' specific roles (*e.g.*, responsibilities of the lead director).

Generally, vote AGAINST shareholder proposals requesting creation of additional board committees or offices, except as otherwise provided for herein.

Generally, vote FOR shareholder proposals that seek creation of an audit, compensation or nominating committee of the board, unless the committee in question is already in existence or the issuer has availed itself of an applicable exemption of the listing exchange (*e.g.*, performance of relevant functions by a majority of independent directors in lieu of the formation of a separate committee).

Generally, vote AGAINST shareholder proposals to limit the tenure of outside directors.

Generally, vote AGAINST shareholder proposals to impose a mandatory retirement age for outside directors unless the proposal seeks to relax existing standards, but generally DO NOT VOTE AGAINST management proposals seeking to establish a retirement age for directors.

**Stock Ownership Requirements**

Generally, vote AGAINST shareholder proposals requiring directors to own a minimum amount of company stock in order to qualify as a director or to remain on the board.

**Director and Officer Indemnification and Liability Protection**

Proposals on director and officer indemnification and liability protection should be evaluated on a CASE-BY-CASE basis, using Delaware law as the standard. Vote AGAINST proposals to limit or eliminate entirely directors' and officers' liability for monetary damages for violating the duty of care. Vote AGAINST indemnification proposals that would expand coverage beyond just legal expenses to acts, such as negligence, that are more serious violations of fiduciary

obligation than mere carelessness. Vote FOR only those proposals providing such expanded coverage in cases when a director's or officer's legal defense was unsuccessful if:

- (1) The director was found to have acted in good faith and in a manner that he reasonably believed was in the best interests of the company, and
- (2) Only if the director's legal expenses would be covered.

## 2. Proxy Contests

These proposals should generally be analyzed on a CASE-BY-CASE basis. Input from the Investment Professional(s) for a given Fund shall be given primary consideration with respect to proposals in connection with proxy contests being considered on behalf of that Fund.

### **Voting for Director Nominees in Contested Elections**

Votes in a contested election of directors must be evaluated on a CASE-BY-CASE basis.

### **Reimburse Proxy Solicitation Expenses**

Voting to reimburse proxy solicitation expenses should be analyzed on a CASE-BY-CASE basis.

## 3. Auditors

### **Ratifying Auditors**

Generally, except in cases of poor accounting practices or high non-audit fees, vote FOR management proposals to ratify auditors. Consider management proposals to ratify auditors on a CASE-BY-CASE basis if the Agent cites poor accounting practices. If fees for non-audit services exceed 50 percent of total auditor fees as described below, consider on a CASE-BY-CASE basis, voting AGAINST management proposals to ratify auditors only if concerns exist that remuneration for the non-audit work is so lucrative as to taint the auditor's independence. For purposes of this review, fees deemed to be reasonable, generally non-recurring, exceptions to the non-audit fee category (*e.g.*, those related to an IPO) shall be excluded. If independence concerns exist or an issuer has a history of questionable accounting practices, also vote FOR shareholder

proposals asking the issuer to present its auditor annually for ratification, but in other cases generally vote AGAINST.

**Auditor Independence**

**Generally, consider shareholder proposals asking companies to prohibit their auditors from engaging in non-audit services (or capping the level of non-audit services) on a CASE-BY-CASE basis.**

**Audit Firm Rotation:**

Generally, vote AGAINST shareholder proposals asking for mandatory audit firm rotation.

4. **Proxy Contest Defenses**

**Board Structure: Staggered vs. Annual Elections**

Generally, vote AGAINST proposals to classify the board or otherwise restrict shareholders' ability to vote upon directors.

Generally, vote FOR proposals to repeal classified boards and to elect all directors annually.

**Shareholder Ability to Remove Directors**

Generally, vote AGAINST proposals that provide that directors may be removed only for cause.

Generally, vote FOR proposals to restore shareholder ability to remove directors with or without cause.

Generally, vote AGAINST proposals that provide that only continuing directors may elect replacements to fill board vacancies.

Generally, vote FOR proposals that permit shareholders to elect directors to fill board vacancies.

**Cumulative Voting**

If the company maintains a classified board of directors, generally, vote AGAINST management proposals to eliminate cumulative voting, except that such proposals may be supported irrespective of classification in furtherance of an issuer's plan to adopt a majority voting standard.

In cases in which the company maintains a classified board of directors, generally vote FOR shareholder proposals to restore or permit cumulative voting.

**Time-Phased Voting**

Generally, vote AGAINST proposals to implement, and FOR proposals to eliminate, time-phased or other forms of voting that do not promote a one share, one vote standard.

**Shareholder Ability to Call Special Meetings**

Generally, vote AGAINST proposals to restrict or prohibit shareholder ability to call special meetings.

Generally, vote FOR proposals that remove restrictions on the right of shareholders to act independently of management.

**Shareholder Ability to Act by Written Consent**

Generally, vote AGAINST proposals to restrict or prohibit shareholder ability to take action by written consent.

Generally, vote FOR proposals to allow or make easier shareholder action by written consent.

**Shareholder Ability to Alter the Size of the Board**

Generally, vote FOR proposals that seek to fix the size of the board or designate a range for its size.

Generally, vote AGAINST proposals that give management the ability to alter the size of the board outside of a specified range without shareholder approval.

5. **Tender Offer Defenses**

**Poison Pills**

Generally, vote FOR shareholder proposals that ask a company to submit its poison pill for shareholder ratification, or to redeem its pill in lieu thereof, unless (1) shareholders have approved adoption of the plan, (2) a policy has already been implemented by the company that should reasonably prevent abusive use of the pill, or (3) the board had determined that it was in the best interest of shareholders to adopt a pill without delay, provided that such plan would be put to shareholder vote within twelve months of adoption or expire, and if not approved by a majority of the votes cast, would immediately terminate.

Review on a CASE-BY-CASE basis shareholder proposals to redeem a company's poison pill.

Review on a CASE-BY-CASE basis management proposals to approve or ratify a poison pill or any plan that can reasonably be construed as an anti-takeover measure, with voting decisions generally based on the Agent's approach to evaluating such proposals, considering factors such as rationale, trigger level and sunset provisions. Votes will generally be cast in a manner that seeks to preserve shareholder value and the right to consider a valid offer, voting AGAINST management proposals in connection with poison pills or anti-takeover activities that do not meet the Agent's standards.

**Fair Price Provisions**

Vote proposals to adopt fair price provisions on a CASE-BY-CASE basis.

Generally, vote AGAINST fair price provisions with shareholder vote requirements greater than a majority of disinterested shares.

**Greenmail**

Generally, vote FOR proposals to adopt antigreenmail charter or bylaw amendments or otherwise restrict a company's ability to make greenmail payments.

Review on a CASE-BY-CASE basis antigreenmail proposals when they are bundled with other charter or bylaw amendments.

**Pale Greenmail**

Review on a CASE-BY-CASE basis restructuring plans that involve the payment of pale greenmail.

**Unequal Voting Rights**

Generally, vote AGAINST dual-class exchange offers.

Generally, vote AGAINST dual-class recapitalizations.

**Supermajority Shareholder Vote Requirement to Amend the Charter or Bylaws**

Generally, vote AGAINST management proposals to require a supermajority shareholder vote to approve charter and bylaw amendments or other key proposals.

Generally, vote FOR shareholder proposals to lower supermajority shareholder vote requirements for charter and bylaw amendments, unless the proposal also asks the issuer to

mount a solicitation campaign or similar form of comprehensive commitment to obtain passage of the proposal.

#### **Supermajority Shareholder Vote Requirement to Approve Mergers**

Generally, vote AGAINST management proposals to require a supermajority shareholder vote to approve mergers and other significant business combinations.

Generally, vote FOR shareholder proposals to lower supermajority shareholder vote requirements for mergers and other significant business combinations.

#### **White Squire Placements**

Generally, vote FOR shareholder proposals to require approval of blank check preferred stock issues for other than general corporate purposes.

### **6. Miscellaneous**

#### **Amendments to Corporate Documents**

Except to align with legislative or regulatory changes or when support is recommended by the Agent or Investment Professional (including, for example, as a condition to a major transaction such as a merger), generally, vote AGAINST proposals seeking to remove shareholder approval requirements or otherwise remove or diminish shareholder rights, *e.g.*, by (1) adding restrictive provisions, (2) removing provisions or moving them to portions of the charter not requiring shareholder approval, or (3) in corporate structures such as holding companies, removing provisions in an active subsidiary's charter that provide voting rights to parent company shareholders. This policy would also generally apply to proposals seeking approval of corporate agreements or amendments to such agreements that the Agent recommends AGAINST because a similar reduction in shareholder rights is requested.

Generally, vote AGAINST proposals for charter amendments that may support board entrenchment or may be used as an anti-takeover device, particularly if the proposal is bundled or the board is classified.

Generally, vote FOR proposals seeking charter or bylaw amendments to remove anti-takeover provisions.

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Consider proposals seeking charter or bylaw amendments not addressed under these Guidelines on a CASE-BY-CASE basis.

### **Confidential Voting**

Generally, vote FOR shareholder proposals that request companies to adopt confidential voting, use independent tabulators, and use independent inspectors of election as long as the proposals include clauses for proxy contests as follows:

- In the case of a contested election, management should be permitted to request that the dissident group honor its confidential voting policy.
- If the dissidents agree, the policy remains in place.
- If the dissidents do not agree, the confidential voting policy is waived.

Generally, vote FOR management proposals to adopt confidential voting.

**Proxy Access**

Consider on a CASE-BY-CASE basis shareholder proposals seeking access to management's proxy material in order to nominate their own candidates to the board.

**Majority Voting Standard**

Except as otherwise provided for herein, it shall generally be the policy of the Funds to extend discretion to issuers to determine when it may be appropriate to adopt a majority voting standard. Generally, vote FOR management proposals, irrespective of whether the proposal contains a plurality carve-out for contested elections, but AGAINST shareholder proposals unless also supported by management, seeking election of directors by the affirmative vote of the majority of votes cast in connection with a meeting of shareholders, including amendments to corporate documents or other actions in furtherance of such standard, and provided such standard when supported does not conflict with state law in which the company is incorporated. For issuers with a history of board malfeasance or pervasive corporate governance concerns, consider such proposals on a CASE-BY-CASE basis.

**Bundled Proposals**

Except as otherwise provided for herein, review on a CASE-BY-CASE basis bundled or conditioned proxy proposals, generally voting AGAINST bundled proposals containing one or more items not supported under these Guidelines if the Agent or an Investment Professional deems the negative impact, on balance, to outweigh any positive impact.

**Shareholder Advisory Committees**

Review on a CASE-BY-CASE basis proposals to establish a shareholder advisory committee.

**Reimburse Shareholder for Expenses Incurred**

Voting to reimburse expenses incurred in connection with shareholder proposals should be analyzed on a CASE-BY-CASE basis, with voting decisions determined based on the Agent's criteria, considering whether the related proposal received the requisite support for approval and was adopted for the benefit of the company and its shareholders.

**Other Business**

In connection with proxies of U.S. issuers, generally vote FOR management proposals for Other Business, except in connection with a proxy contest in which a Fund is not voting in support of management.

**Quorum Requirements**

Review on a CASE-BY-CASE basis proposals to lower quorum requirements for shareholder meetings below a majority of the shares outstanding.

## Advance Notice for Shareholder Proposals

Generally, vote FOR management proposals related to advance notice period requirements, provided that the period requested is in accordance with applicable law and no material governance concerns have been identified in connection with the issuer.

### 7. Capital Structure

Analyze on a CASE-BY-CASE basis.

#### Common Stock Authorization

Review proposals to increase the number of shares of common stock authorized for issue on a CASE-BY-CASE basis. Except where otherwise indicated, the Agent's proprietary approach, utilizing quantitative criteria (*e.g.*, dilution, peer group comparison, company performance and history) to determine appropriate thresholds and, for requests marginally above such allowable threshold, a qualitative review (*e.g.*, rationale and prudent historical usage), will generally be utilized in evaluating such proposals.

- Generally vote FOR proposals to authorize capital increases within the Agent's allowable thresholds or those in excess but meeting Agent's qualitative standards, but consider on a CASE-BY-CASE basis those requests failing the Agent's review for proposals in connection with which a contrary recommendation from the Investment Professional(s) has been received and is to be utilized (*e.g.*, in support of a merger or acquisition proposal).
- Generally vote FOR proposals to authorize capital increases within the Agent's allowable thresholds or those in excess but meeting Agent's qualitative standards, unless the company states that the stock may be used as a takeover defense. In those cases, consider on a CASE-BY-CASE basis if a contrary recommendation from the Investment Professional(s) has been received and is to be utilized.
- Generally vote FOR proposals to authorize capital increases exceeding the Agent's thresholds when a company's shares are in danger of being delisted or if a company's ability to continue to operate as a going concern is uncertain.
- Generally, vote AGAINST proposals to increase the number of authorized shares of a class of stock if the issuance which the increase is intended to service is not supported under these Guidelines.

**Dual Class Capital Structures**

Generally, vote AGAINST proposals to increase the number of authorized shares of the class of stock that has superior voting rights in companies that have dual class capital structures, but consider CASE-BY-CASE if (1) bundled with favorable proposal(s), (2) approval of such proposal(s) is a condition of such favorable proposal(s), or (3) part of a recapitalization for which support is recommended by the Agent or an Investment Professional.

Generally, vote AGAINST management proposals to create or perpetuate dual class capital structures with unequal voting rights, and vote FOR shareholder proposals to eliminate them, in cases in which the relevant Fund owns the class with inferior voting rights, but generally vote FOR management proposals and AGAINST shareholder proposals in cases in which the relevant

Fund owns the class with superior voting rights. Consider CASE-BY-CASE if bundled with favorable proposal(s), (2) approval of such proposal(s) is a condition of such favorable proposal(s), or (3) part of a recapitalization for which support is recommended by the Agent or an Investment Professional.

Consider management proposals to eliminate dual class capital structures CASE-BY-CASE, generally voting with the Agent's recommendation unless a contrary recommendation has been received from the Investment Professional for the relevant Fund and is to be utilized.

#### **Stock Distributions: Splits and Dividends**

Generally, vote FOR management proposals to increase common share authorization for a stock split, provided that the increase in authorized shares falls within the Agent's allowable thresholds, but consider on a CASE-BY-CASE basis those proposals exceeding the Agent's threshold for proposals in connection with which a contrary recommendation from the Investment Professional(s) has been received and is to be utilized.

#### **Reverse Stock Splits**

Consider on a CASE-BY-CASE basis management proposals to implement a reverse stock split. In the event the split constitutes a capital increase effectively exceeding the Agent's allowable threshold because the request does not proportionately reduce the number of shares authorized, vote FOR the split if the Agent otherwise supports management's rationale.

#### **Preferred Stock**

Generally, vote AGAINST proposals authorizing the issuance of preferred stock or creation of new classes of preferred stock with unspecified voting, conversion, dividend distribution, and other rights (blank check preferred stock), but vote FOR if the Agent or an Investment Professional so recommends because the issuance is required to effect a merger or acquisition proposal.

Generally, vote FOR proposals to issue or create blank check preferred stock in cases when the company expressly states that the stock will not be used as a takeover defense. Generally vote AGAINST in cases where the company expressly states that, or fails to disclose whether, the stock may be used as a takeover defense, but vote FOR if the Agent or an Investment Professional so recommends because the issuance is required to effect a merger or acquisition proposal.

Generally, vote FOR proposals to authorize or issue preferred stock in cases where the company specifies the voting, dividend, conversion, and other rights of such stock and the terms of the preferred stock appear reasonable.

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Vote CASE-BY-CASE on proposals to increase the number of blank check preferred shares after analyzing the number of preferred shares available for issue given a company's industry and performance in terms of shareholder returns.

### **Shareholder Proposals Regarding Blank Check Preferred Stock**

Generally, vote FOR shareholder proposals to have blank check preferred stock placements, other than those shares issued for the purpose of raising capital or making acquisitions in the normal course of business, submitted for shareholder ratification.

**Adjustments to Par Value of Common Stock**

Generally, vote FOR management proposals to reduce the par value of common stock.

**Preemptive Rights**

Review on a CASE-BY-CASE basis shareholder proposals that seek preemptive rights or management proposals that seek to eliminate them. In evaluating proposals on preemptive rights, consider the size of a company and the characteristics of its shareholder base.

**Debt Restructurings**

Review on a CASE-BY-CASE basis proposals to increase common and/or preferred shares and to issue shares as part of a debt restructuring plan.

**Share Repurchase Programs**

Generally, vote FOR management proposals to institute open-market share repurchase plans in which all shareholders may participate on equal terms, but vote AGAINST plans with terms favoring selected, non-Fund parties.

Generally, vote FOR management proposals to cancel repurchased shares.

Generally, vote AGAINST proposals for share repurchase methods lacking adequate risk mitigation as assessed by the Agent.

**Tracking Stock**

Votes on the creation of tracking stock are determined on a CASE-BY-CASE basis.

8. **Executive and Director Compensation**

Except as otherwise provided for herein, votes with respect to compensation and employee benefit plans should be determined on a CASE-BY-CASE basis, with voting decisions generally based on the Agent's approach to evaluating such plans, which includes determination of costs and comparison to an allowable cap.

- Generally, vote in accordance with the Agent's recommendations FOR equity-based plans with costs within such cap and AGAINST those with costs in excess of it, except that plans above the cap may be supported if so recommended by the Agent or Investment Professional as a condition to a major transaction such as a merger.
- Generally, vote AGAINST plans if the Agent suggests cost or dilution assessment may not be possible due to the method of disclosing shares allocated to the plan(s), except that such concerns arising in connection with evergreen provisions shall be considered CASE-BY-CASE.
- Generally, vote FOR plans with costs within the cap if the primary considerations raised by the Agent pertain to matters that would not result in a negative vote under these Guidelines on the relevant board or committee member(s), or equity compensation burn rate or pay for performance as defined by Agent.
- Generally, vote AGAINST plans administered by potential grant recipients.

- Generally, vote AGAINST proposals to eliminate existing shareholder approval requirements for plan changes assessed as material by the Agent, unless the company has provided a reasonable rationale and/or adequate disclosure regarding the requested changes.
- Consider plans CASE-BY-CASE if the Agent raises other considerations not otherwise provided for herein.

#### **Restricted Stock or Stock Option Plans**

Consider proposals for restricted stock or stock option plans, or the issuance of shares in connection with such plans, on a CASE-BY-CASE basis, considering factors such as level of disclosure and adequacy of vesting or performance requirements. Plans that do not meet the Agent's criteria in this regard may be supported, but vote AGAINST if no disclosure is provided regarding either vesting or performance requirements.

#### **Management Proposals Seeking Approval to Reprice Options**

Review on a CASE-BY-CASE basis management proposals seeking approval to reprice, replace or exchange options, considering factors such as rationale, historic trading patterns, value-for-value exchange, vesting periods and replacement option terms. Generally, vote FOR proposals that meet the Agent's criteria for acceptable repricing, replacement or exchange transactions, except that considerations raised by the Agent regarding burn rate or executive participation shall not be grounds for withholding support.

Vote AGAINST compensation plans that (1) permit or may permit (*e.g.*, history of repricing and no express prohibition against future repricing) repricing of stock options, or any form or alternative to repricing, without shareholder approval, (2) include provisions that permit repricing, replacement or exchange transactions that do not meet the Agent's criteria (except regarding burn rate or executive participation as noted above), or (3) give the board sole discretion to approve option repricing, replacement or exchange programs.

#### **Director Compensation**

Votes on stock-based plans for directors are made on a CASE-BY-CASE basis, with voting decisions generally based on the Agent's quantitative approach described above as well as a review of qualitative features of the plan in cases in which costs exceed the Agent's threshold. DO NOT VOTE AGAINST plans for which burn rate is the sole consideration raised by the Agent.

#### **Employee Stock Purchase Plans**

Votes on employee stock purchase plans, and capital issuances in support of such plans, should be made on a CASE-BY-CASE basis, with voting decisions generally based on the Agent's approach to evaluating such plans, except that negative recommendations by the Agent due to evergreen provisions will be reviewed CASE-BY-CASE.

**OBRA-Related Compensation Proposals**

Votes on plans intended to qualify for favorable tax treatment under the provisions of Section 162(m) of OBRA should be evaluated irrespective of the Agent's assessment of board

independence, provided that the board meets the independence requirements of the relevant listing exchange.

**Amendments that Place a Cap on Annual Grants or Amend Administrative Features**

Generally, vote FOR plans that simply amend shareholder-approved plans to include administrative features or place a cap on the annual grants any one participant may receive to comply with the provisions of Section 162(m) of OBRA.

**Amendments to Add Performance-Based Goals**

Generally, vote FOR amendments to add performance goals to existing compensation plans to comply with the provisions of Section 162(m) of OBRA.

**Amendments to Increase Shares and Retain Tax Deductions Under OBRA**

Votes on amendments to existing plans to increase shares reserved and to qualify the plan for favorable tax treatment under the provisions of Section 162(m) should be evaluated on a CASE-BY-CASE basis.

**Approval of Cash or Cash-and-Stock Bonus Plans**

Generally, vote FOR cash or cash-and-stock bonus plans to exempt the compensation from taxes under the provisions of Section 162(m) of OBRA, with primary consideration given to management's assessment that such plan meets the requirements for exemption of performance-based compensation.

**Shareholder Proposals Regarding Executive and Director Pay**

Regarding the remuneration of individuals other than senior executives and directors, generally, vote AGAINST shareholder proposals that seek to expand or restrict disclosure or require shareholder approval beyond regulatory requirements and market practice. Vote AGAINST shareholder proposals that seek disclosure of executive or director compensation if providing it would be out of step with market practice and potentially disruptive to the business.

Unless evidence exists of abuse in historical compensation practices, and except as otherwise provided for herein, generally vote AGAINST shareholder proposals that seek to impose new compensation structures or policies, such as claw back recoupments or advisory votes.

**Severance and Termination Payments**

Generally, vote FOR shareholder proposals to have parachute arrangements submitted for shareholder ratification (with parachutes defined as compensation arrangements related to termination that specify change-in-control events) and provided that the proposal does not include unduly restrictive or arbitrary provisions such as advance approval requirements.

Generally vote AGAINST shareholder proposals to submit executive severance agreements for shareholder ratification, unless such proposals specify change-in-control events, Supplemental Executive Retirement Plans or deferred executive compensation plans, or ratification is required by the listing exchange.

Review on a CASE-BY-CASE basis all proposals to approve, ratify or cancel executive severance or termination arrangements, including those related to executive recruitment or

retention, generally voting FOR such compensation arrangements if the issuer has provided adequate rationale and/or disclosure or support is recommended by the Agent or Investment Professional (*e.g.*, as a condition to a major transaction such as a merger).

#### **Employee Stock Ownership Plans (ESOPs)**

Generally, vote FOR proposals that request shareholder approval in order to implement an ESOP or to increase authorized shares for existing ESOPs, except in cases when the number of shares allocated to the ESOP is excessive (*i.e.*, generally greater than five percent of outstanding shares).

#### **401(k) Employee Benefit Plans**

Generally, vote FOR proposals to implement a 401(k) savings plan for employees.

#### **Holding Periods**

Generally, vote AGAINST proposals requiring mandatory periods for officers and directors to hold company stock.

#### **Advisory Votes on Executive Compensation**

Generally, management proposals seeking ratification of the company's compensation program will be voted FOR unless the program includes practices or features not supported under these Guidelines and the proposal receives a negative recommendation from the Agent. Unless otherwise provided for herein, reports not receiving the Agent's support due to concerns regarding severance/termination payments, incentive structures or vesting or performance criteria not otherwise supported by these Guidelines will be considered on a CASE-BY-CASE basis, generally voted FOR if the company has provided a reasonable rationale and/or adequate disclosure regarding the matter(s) under consideration.

### **9. State of Incorporation**

#### **Voting on State Takeover Statutes**

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Review on a CASE-BY-CASE basis proposals to opt in or out of state takeover statutes (including control share acquisition statutes, control share cash-out statutes, freezeout provisions, fair price provisions, stakeholder laws, poison pill endorsements, severance pay and labor contract provisions, antigreenmail provisions, and disgorgement provisions).

### **Voting on Reincorporation Proposals**

Proposals to change a company's state of incorporation should be examined on a CASE-BY-CASE basis, generally supporting management proposals not assessed by the Agent as a potential takeover defense, but if so assessed, weighing management's rationale for the change. Generally, vote FOR management reincorporation proposals upon which another key proposal, such as a merger transaction, is contingent if the other key proposal is also supported. Generally, vote AGAINST shareholder reincorporation proposals not also supported by the company.

**10. Mergers and Corporate Restructurings**

Input from the Investment Professional(s) for a given Fund shall be given primary consideration with respect to proposals regarding business combinations, particularly those between otherwise unaffiliated parties, or other corporate restructurings being considered on behalf of that Fund.

Generally, vote FOR a proposal not typically supported under these Guidelines if a key proposal, such as a merger transaction, is contingent upon its support and a vote FOR is accordingly recommended by the Agent or an Investment Professional.

**Mergers and Acquisitions**

Votes on mergers and acquisitions should be considered on a CASE-BY-CASE basis.

**Corporate Restructuring**

Votes on corporate restructuring proposals, including demergers, minority squeezeouts, leveraged buyouts, spinoffs, liquidations, dispositions, divestitures and asset sales, should be considered on a CASE-BY-CASE basis, with voting decisions generally based on the Agent's approach to evaluating such proposals.

**Adjournment**

Generally, vote FOR proposals to adjourn a meeting to provide additional time for vote solicitation when the primary proposal is also voted FOR.

**Appraisal Rights**

Generally, vote FOR proposals to restore, or provide shareholders with, rights of appraisal.

**Changing Corporate Name**

Generally, vote FOR changing the corporate name.

**11. Mutual Fund Proxies**

**Election of Directors**

Vote the election of directors on a CASE-BY-CASE basis.

**Converting Closed-end Fund to Open-end Fund**

Vote conversion proposals on a CASE-BY-CASE basis.

**Proxy Contests**

Vote proxy contests on a CASE-BY-CASE basis.

**Investment Advisory Agreements**

Vote the investment advisory agreements on a CASE-BY-CASE basis.

**Approving New Classes or Series of Shares**

Generally, vote FOR the establishment of new classes or series of shares.

**Preferred Stock Proposals**

Vote the authorization for or increase in preferred shares on a CASE-BY-CASE basis.

**1940 Act Policies**

Vote these proposals on a CASE-BY-CASE basis.

**Changing a Fundamental Restriction to a Nonfundamental Restriction**

Vote these proposals on a CASE-BY-CASE basis.

**Change Fundamental Investment Objective to Nonfundamental**

Generally, consider proposals to change a fund's fundamental investment objective to nonfundamental on a CASE-BY-CASE basis.

**Name Rule Proposals**

Vote these proposals on a CASE-BY-CASE basis.

**Disposition of Assets/Termination/Liquidation**

Vote these proposals on a CASE-BY-CASE basis.

**Changes to the Charter Document**

Vote changes to the charter document on a CASE-BY-CASE basis.

**Changing the Domicile of a Fund**

Vote reincorporations on a CASE-BY-CASE basis.

**Change in Fund's Subclassification**

Vote these proposals on a CASE-BY-CASE basis.

**Authorizing the Board to Hire and Terminate Subadvisors Without Shareholder Approval**

Generally, vote FOR these proposals.

**Distribution Agreements**

Vote these proposals on a CASE-BY-CASE basis.

**Master-Feeder Structure**

Generally, vote FOR the establishment of a master-feeder structure.

**Mergers**

Vote merger proposals on a CASE-BY-CASE basis.

**Establish Director Ownership Requirement**

Generally, vote AGAINST shareholder proposals for the establishment of a director ownership requirement.



**Reimburse Shareholder for Expenses Incurred**

Voting to reimburse proxy solicitation expenses should be analyzed on a CASE-BY-CASE basis.

**Terminate the Investment Advisor**

Vote to terminate the investment advisor on a CASE-BY-CASE basis.

**12. Social and Environmental Issues**

These issues cover a wide range of topics. In general, unless otherwise specified herein, vote CASE-BY-CASE. While a wide variety of factors may go into each analysis, the overall principle guiding all vote recommendations focuses on how or whether the proposal will enhance the economic value of the company. Because a company's board is likely to have access to relevant, non-public information regarding a company's business, such proposals will generally be voted in a manner intended to give the board (rather than shareholders) latitude to set corporate policy and oversee management.

Absent concurring support from the issuer, compelling evidence of abuse, significant public controversy or litigation, the issuer's significant history of relevant violations; or activities not in step with market practice or regulatory requirements, or unless provided for otherwise herein, generally vote AGAINST shareholder proposals seeking to dictate corporate conduct, apply existing law, duplicate policies already substantially in place and/or addressed by the issuer, or release information that would not help a shareholder evaluate an investment in the corporation as an economic matter. Such proposals would generally include those seeking preparation of reports and/or implementation or additional disclosure of corporate policies related to issues such as consumer and public safety, environment and energy, labor standards and human rights, military business and political concerns, workplace diversity and non-discrimination, sustainability, social issues, vendor activities, economic risk or matters of science and engineering.

**13. Global Proxies**

The foregoing Guidelines provided in connection with proxies of U.S. issuers shall also be applied to global proxies where applicable and not provided for otherwise herein. The following provide for differing regulatory and legal requirements, market practices and political and economic systems existing in various global markets.

Unless otherwise provided for herein, it shall generally be the policy of the Funds to vote AGAINST global proxy proposals in cases in which the Agent recommends voting AGAINST such proposal because relevant disclosure by the issuer, or the time provided for consideration of such disclosure, is inadequate. For purposes of these global Guidelines, AGAINST shall mean withholding of support for a proposal, resulting in submission of a vote of AGAINST or ABSTAIN, as appropriate for the given market and level of concern raised by the Agent regarding the

issue or lack of disclosure or time provided.

In connection with practices described herein that are associated with a firm AGAINST vote, it shall generally be the policy of the Funds to consider them on a CASE-BY-CASE basis if the Agent recommends their support (1) as the issuer or market transitions to better practices (*e.g.*, having committed to new regulations or governance codes) or (2) as the more favorable choice in cases in which shareholders must choose between alternate proposals.

**Routine Management Proposals**

Generally, vote FOR the following and other similar routine management proposals:

- the opening of the shareholder meeting
- that the meeting has been convened under local regulatory requirements
- the presence of quorum
- the agenda for the shareholder meeting
- the election of the chair of the meeting
- the appointment of shareholders to co-sign the minutes of the meeting
- regulatory filings (*e.g.*, to effect approved share issuances)
- the designation of inspector or shareholder representative(s) of minutes of meeting
- the designation of two shareholders to approve and sign minutes of meeting

- the allowance of questions
- the publication of minutes
- the closing of the shareholder meeting

**Discharge of Management/Supervisory Board Members**

Generally, vote FOR management proposals seeking the discharge of management and supervisory board members, unless the Agent recommends AGAINST due to concern about the past actions of the company's auditors or directors or legal action is being taken against the board by other shareholders, including when the proposal is bundled.

**Director Elections**

Unless otherwise provided for herein, the Agent's standards with respect to determining director independence shall apply. These standards generally provide that, to be considered completely independent, a director shall have no material connection to the company other than the board seat.

Agreement with the Agent's independence standards shall not dictate that a Fund's vote shall be cast according to the Agent's corresponding recommendation. Further, unless otherwise provided for herein, the application of Guidelines in connection with such standards shall apply only in cases in which the nominee's level of independence can be ascertained based on available disclosure. These policies generally apply to director nominees in uncontested elections; votes in contested elections, and votes on director nominees not subject to policies described herein, should be made on a CASE-BY-CASE basis, with primary consideration in contested elections given to input from the Investment Professional(s) for a given Fund.

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For issuers domiciled in Canada, Finland, France, Ireland, the Netherlands, Sweden or tax haven markets, generally vote AGAINST non-independent directors in cases in which the full board serves as the audit committee, or the company does not have an audit committee.

For issuers in all markets, including those in tax haven markets and those in Japan that have adopted the U.S.-style board-with-committees structure, vote AGAINST non-independent nominees to the audit committee, or, if the slate of nominees is bundled, vote AGAINST the slate. If the slate is bundled and audit committee membership is unclear or proposed as a separate agenda item, vote FOR if the Agent otherwise recommends support. For Canadian issuers, the Funds' U.S. Guidelines with respect to audit committees shall apply.

In tax haven markets, DO NOT VOTE AGAINST non-independent directors in cases in which the full board serves as the compensation committee, or the company does not have a compensation committee.

DO NOT VOTE AGAINST non-independent directors who sit on the compensation or nominating committees, provided that such committees meet the applicable independence requirements of the relevant listing exchange.

In cases in which committee membership is unclear, consider non-independent director nominees on a CASE-BY-CASE basis if no other issues have been raised in connection with his/her nomination.

Generally follow Agent's recommendations to vote AGAINST individuals nominated as outside/non-executive directors who do not meet the Agent's standard for independence, unless the slate of nominees is bundled, in which case the proposal(s) to elect board members shall be considered on a CASE-BY-CASE basis.

For issuers in tax haven markets, generally withhold support (AGAINST or ABSTAIN, as appropriate) from bundled slates of nominees if the board is non-majority independent. For issuers in Canada and other global markets, generally follow the Agent's standards for withholding support from bundled slates or non-independent directors (typically excluding the CEO), as applicable, if the board does not meet the Agent's independence standards or the board's independence cannot be ascertained due to inadequate disclosure.

Generally, withhold support (AGAINST or ABSTAIN, as appropriate) from nominees or slates of nominees presented in a manner not aligned with market practice and/or legislation, including:

- bundled slates of nominees (*e.g.*, France, Hong Kong or Spain);
- simultaneous reappointment of retiring directors (*e.g.*, South Africa);

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- in markets with term lengths capped by legislation or market practice, nominees whose terms exceed the caps or are not disclosed (except that bundled slates with such lack of disclosure shall be considered on a CASE-BY-CASE basis); or

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- nominees whose names are not disclosed in advance of the meeting (*e.g.*, Austria, Philippines, Hong Kong or South Africa) or far enough in advance relative to voting deadlines (*e.g.*, Italy) to make an informed voting decision.

Such criteria will not generally provide grounds for withholding support in countries in which they may be identified as best practice but such legislation or market practice is not yet applicable, unless specific governance shortfalls identified by the Agent dictate that less latitude should be extended to the issuer.

Generally vote FOR nominees without regard to recommendations that the position of chairman should be separate from that of CEO or otherwise required to be independent, unless other concerns requiring CASE-BY-CASE consideration have been raised.

In cases in which cumulative or net voting applies, generally vote with Agent's recommendation to support nominees asserted by the issuer to be independent, even if independence disclosure or criteria fall short of Agent's standards.

Consider nominees for whom the Agent has raised concerns regarding scandals or internal controls on a CASE-BY-CASE basis, generally withholding support (AGAINST or ABSTAIN, as appropriate) from nominees or slates of nominees when:

- the scandal or shortfall in controls took place at the company, or an affiliate, for which the nominee is being considered;
- culpability can be attributed to the nominee (*e.g.*, nominee manages or audits relevant function), and
- the nominee has been directly implicated, with resulting arrest and criminal charge or regulatory sanction.

For markets such as the tax havens, Australia, Canada, Hong Kong, Japan, Malaysia, Singapore and South Africa (and for outside directors in South Korea) in which nominees' attendance records are adequately disclosed, the Funds' U.S. Guidelines with respect to director attendance shall apply. The same policy shall be applied regarding attendance by statutory auditors of Japanese companies.

Consider self-nominated director candidates on a CASE-BY-CASE basis, with voting decisions generally based on the Agent's approach to evaluating such candidates.

Generally vote FOR nominees without regard to over-boarding issues raised by the Agent unless other concerns requiring CASE-BY-CASE consideration have been raised.

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For companies incorporated in tax haven markets but which trade exclusively in the U.S., the Funds' U.S. Guidelines with respect to director elections shall apply.

### **Board Structure**

Generally, vote FOR proposals to fix board size, but also support proposals seeking a board range if the range is reasonable in the context of market practice and anti-takeover

considerations. Proposed article amendments in this regard shall be considered on a CASE-BY-CASE basis, with voting decisions generally based on the Agent's approach to evaluating such proposals.

#### **Director and Officer Indemnification and Liability Protection**

Generally, vote in accordance with the Agent's standards for indemnification and liability protection for officers and directors, voting AGAINST overly broad provisions.

#### **Independent Statutory Auditors**

With respect to Japanese companies that have not adopted the U.S.-style board-with-committees structure, vote AGAINST any nominee to the position of independent statutory auditor whom the Agent considers affiliated, *e.g.*, if the nominee has worked a significant portion of his career for the company, its main bank or one of its top shareholders. Where shareholders are forced to vote on multiple nominees in a single resolution, vote AGAINST all nominees. In cases in which multiple slates of statutory auditors are presented, generally vote with the Agent's recommendation, typically to support nominees deemed to be more independent and/or aligned with interests of minority shareholders.

Generally, vote AGAINST incumbent nominees at companies implicated in scandals or exhibiting poor internal controls.

#### **Key Committees**

Generally, vote AGAINST proposals that permit non-board members to serve on the audit, compensation or nominating committee, provided that bundled slates may be supported if no slate nominee serves on the relevant committee(s).

#### **Director and Statutory Auditor Remuneration**

Consider director compensation plans on a CASE-BY-CASE basis, with voting decisions generally based on the Agent's approach to evaluating such proposals, while also factoring in the merits of the rationale and disclosure provided. Generally, vote FOR proposals to approve the remuneration of directors and auditors as long as the amount is not excessive (*e.g.*, significant increases should be supported by adequate rationale and disclosure) and there is no evidence of abuse. For Toronto Stock Exchange (TSX) issuers, the Agent's limits with respect to equity awards to non-employee directors shall apply.

**Bonus Payments**

With respect to Japanese companies, generally vote FOR retirement bonus proposals if all payments are for directors and auditors who have served as executives of the company. Generally vote AGAINST such proposals if one or more payments are for non-executive, affiliated directors or statutory auditors when one or more of the individuals to whom the grants are being proposed (1) has not served in an executive capacity for the company for at least three years or (2) has been designated by the company as an independent statutory auditor, regardless of the length of time he/she has served. In all markets, if issues have been raised regarding a scandal or internal controls, generally vote AGAINST bonus proposals for retiring directors or continuing directors or auditors when culpability can be attributed to the nominee (*e.g.*, if a Fund

is also voting AGAINST the nominee under criteria herein regarding issues of scandal or internal controls), unless bundled with bonuses for a majority of directors or auditors a Fund is voting FOR.

#### **Stock Option Plans for Independent Internal Statutory Auditors**

With respect to Japanese companies, follow the Agent's guidelines with respect to proposals regarding option grants to independent internal statutory auditors, generally voting AGAINST such plans.

#### **Compensation Plans**

Unless otherwise provided for herein, votes with respect to compensation plans, and awards thereunder or capital issuances in support thereof, should be determined on a CASE-BY-CASE basis, with voting decisions generally based on the Agent's approach to evaluating such plans, considering quantitative or qualitative factors as appropriate for the market.

#### **Amendment Procedures for Equity Compensation Plans and ESPPs**

For TSX issuers, votes with respect to amendment procedures for security-based compensation arrangements and employee share purchase plans shall generally be cast in a manner designed to preserve shareholder approval rights, with voting decisions generally based on the Agent's recommendation.

#### **Shares Reserved for Equity Compensation Plans**

Unless otherwise provided for herein, voting decisions shall generally be based on the Agent's methodology, including classification of a company's stage of development as growth or mature and the corresponding determination as to reasonability of the share requests.

Generally, vote AGAINST equity compensation plans (*e.g.*, option, warrant, restricted stock or employee share purchase plans or participation in company offerings such as IPOs or private placements), the issuance of shares in connection with such plans, or related management proposals (*e.g.*, article amendments) that:

- exceed Agent's recommended dilution limits, including cases in which the Agent suggests dilution cannot be fully assessed (*e.g.*, due to inadequate disclosure);

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- provide deep or near-term discounts to executives or directors, unless discounts to executives are deemed by the Agent to be adequately mitigated by other requirements such as long-term vesting (*e.g.*, Japan) or broad-based employee participation otherwise meeting Agent's standards (*e.g.*, France);
- are administered with discretion by potential grant recipients;
- provide for retirement benefits or equity incentive awards to outside directors if not in line with market practice (*e.g.*, Australia, Belgium, The Netherlands);
- permit financial assistance in the form of non-recourse (or essentially non-recourse) loans in connection with executive's participation;
- for matching share plans, do not meet the Agent's standards, considering holding period, discounts, dilution, participation, purchase price and performance criteria;
- provide for vesting upon change in control if deemed by the Agent to evidence a conflict of interest or anti-takeover device;

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- provide no disclosure regarding vesting or performance criteria (provided that proposals providing disclosure in one or both areas, without regard to Agent's criteria for such disclosure, shall be supported provided they otherwise satisfy these Guidelines);
- permit post-employment vesting if deemed inappropriate by the Agent;
- allow plan administrators to make material amendments without shareholder approval unless adequate prior disclosure has been provided, with such voting decisions generally based on the Agent's approach to evaluating such plans; or
- provide for retesting in connection with achievement of performance hurdles unless the Agent's analysis indicates that (1) performance targets are adequately increased in proportion to the additional time available, (2) the retesting is *de minimis* as a percentage of overall compensation or is acceptable relative to market practice, or (3) the issuer has committed to cease retesting within a reasonable period of time.

Generally, vote FOR such plans/awards or the related issuance of shares that (1) do not suffer from the defects noted above, or (2) otherwise meet the Agent's tests if the considerations raised by the Agent pertain primarily to performance hurdles, contract or notice periods, discretionary bonuses, recruitment awards, retention incentives, non-compete payments or vesting upon change in control (other than addressed above), if the company has provided adequate disclosure and/or a reasonable rationale regarding the relevant plan/award, practice or participation. Unless otherwise provided for herein, market practice of the primary country in which a company does business, or in which an employee is serving, as applicable, shall supersede that of the issuer's domicile.

Consider proposals in connection with such plans or the related issuance of shares in other instances on a CASE-BY-CASE basis.

### **Remuneration Reports**

Generally, withhold support (AGAINST or ABSTAIN as appropriate for specific market and level of concerns identified by the Agent) from remuneration reports that include compensation plans permitting:

- (1) practices or features not supported under these Guidelines, including financial assistance under the conditions described above;
- (2) retesting deemed by the Agent to be excessive relative to market practice (irrespective of the Agent's support for the report as a whole);
- (3) equity award valuation triggering a negative recommendation from the Agent; or

(4) provisions for retirement benefits or equity incentive awards to outside directors if not in line with market practice, except that reports will generally be voted FOR if contractual components are reasonably aligned with market practices on a going-forward basis (*e.g.*, existing obligations related to retirement benefits or terms contrary to evolving standards would not preclude support for the report).

Reports receiving the Agent's support and not triggering the concerns cited above will generally be voted FOR. Unless otherwise provided for herein, reports not receiving the Agent's support due to concerns regarding severance/termination payments, leaver status, incentive structures and vesting or performance criteria not otherwise supported by these Guidelines shall be

considered on a CASE-BY-CASE basis, generally voted FOR if the company has provided a reasonable rationale and/or adequate disclosure regarding the matter(s) under consideration. Reports with typically unsupported features may be voted FOR in cases in which the Agent recommends their initial support as the issuer or market transitions to better practices (*e.g.*, having committed to new regulations or governance codes).

#### **Shareholder Proposals Regarding Executive and Director Pay**

The Funds' U.S. Guidelines with respect to such shareholder proposals shall apply.

#### **General Share Issuances**

Unless otherwise provided for herein, voting decisions shall generally be based on the Agent's practice to determine support for general issuance requests (with or without preemptive rights), or related requests to repurchase and reissue shares, based on their amount relative to currently issued capital as well as market-specific considerations (*e.g.*, priority right protections in France, reasonable levels of dilution and discount in Hong Kong). Requests to reissue repurchased shares will not be supported unless a related general issuance request is also supported.

Consider specific issuance requests on a CASE-BY-CASE basis based on the proposed use and the company's rationale.

Generally, vote AGAINST proposals to issue shares (with or without preemptive rights), convertible bonds or warrants, to grant rights to acquire shares, or to amend the corporate charter relative to such issuances or grants in cases in which concerns have been identified by the Agent with respect to inadequate disclosure, inadequate restrictions on discounts, failure to meet the Agent's standards for general issuance requests, or authority to refresh share issuance amounts without prior shareholder approval.

#### **Increases in Authorized Capital**

Unless otherwise provided for herein, voting decisions should generally be based on the Agent's approach, as follows:

- Generally, vote FOR nonspecific proposals, including bundled proposals, to increase authorized capital up to 100 percent over the current authorization unless the increase would leave the company with less than 30 percent of its new authorization outstanding.
- Vote FOR specific proposals to increase authorized capital, unless:

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- the specific purpose of the increase (such as a share-based acquisition or merger) does not meet these Guidelines for the purpose being proposed; or
- the increase would leave the company with less than 30 percent of its new authorization outstanding after adjusting for all proposed issuances.
- Vote AGAINST proposals to adopt unlimited capital authorizations.
- The Agent's market-specific exceptions to the above parameters (*e.g.*, The Netherlands, due to hybrid market controls) shall be applied.

### **Preferred Stock**

Unless otherwise provided for herein, voting decisions should generally be based on the Agent's approach, including:

- Vote FOR the creation of a new class of preferred stock or issuances of preferred stock up to 50 percent of issued capital unless the terms of the preferred stock would adversely affect the rights of existing shareholders.
- Vote FOR the creation/issuance of convertible preferred stock as long as the maximum number of common shares that could be issued upon conversion meets the Agent's guidelines on equity issuance requests.
- Vote AGAINST the creation of (1) a new class of preference shares that would carry superior voting rights to the common shares or (2) blank check preferred stock unless the board states that the authorization will not be used to thwart a takeover bid.

#### **Poison Pills/Protective Preference Shares**

Generally, vote AGAINST management proposals in connection with poison pills or anti-takeover activities (*e.g.*, disclosure requirements or issuances, transfers or repurchases) that do not meet the Agent's standards. Generally vote in accordance with Agent's recommendation to withhold support from a nominee in connection with poison pill or anti-takeover considerations when culpability for the actions can be specifically attributed to the nominee. Generally DO NOT VOTE AGAINST director remuneration in connection with poison pill considerations raised by the Agent.

#### **Approval of Financial Statements and Director and Auditor Reports**

Generally, vote FOR management proposals seeking approval of financial accounts and reports, unless there is concern about the company's financial accounts and reporting, which, in the case of related party transactions, would include concerns raised by the Agent regarding consulting agreements with non-executive directors. Unless otherwise provided for herein, reports not receiving the Agent's support due to concerns regarding severance/termination payments not otherwise supported by these Guidelines shall be considered on a CASE-BY-CASE basis, factoring in the merits of the rationale and disclosure provided. Generally, vote AGAINST board-issued reports receiving a negative recommendation from the Agent due to concerns regarding independence of the board or the presence of non-independent directors on the audit committee. However, generally do not withhold support from such proposals in connection with remuneration practices otherwise supported under these Guidelines or as a means of expressing disapproval of broader practices of the issuer or its board.

#### **Remuneration of Auditors**

**Generally, vote FOR proposals to authorize the board to determine the remuneration of auditors, unless there is evidence of excessive compensation relative to the size and nature of the company.**

**Indemnification of Auditors**

**Generally, vote AGAINST proposals to indemnify auditors.**

**Ratification of Auditors and Approval of Auditors Fees**

For Canadian issuers, the Funds U.S. Guidelines with respect to auditors and auditor fees shall apply. For other markets, generally, follow the Agent's standards for proposals seeking auditor

ratification or approval of auditors' fees, which indicate a vote FOR such proposals for companies in the MSCI EAFE index, provided the level of audit fee disclosure meets the Agent's standards. In other cases, generally vote FOR such proposals unless there are material concerns raised by the Agent about the auditor's practices or independence.

#### **Allocation of Income and Dividends**

Generally, vote FOR management proposals concerning allocation of income and the distribution of dividends, including adjustments to reserves to make capital available for such purposes. In the event management offers multiple dividend proposals on the same agenda, primary consideration shall be given to input from the relevant Investment Professional(s).

#### **Stock (Scrip) Dividend Alternatives**

Generally, vote FOR most stock (scrip) dividend proposals, but vote AGAINST proposals that do not allow for a cash option unless management demonstrates that the cash option is harmful to shareholder value.

#### **Debt Instruments**

Generally, vote AGAINST proposals authorizing excessive discretion, as assessed by the Agent, to a board to issue or set terms for debt instruments (*e.g.*, commercial paper).

#### **Debt Issuance Requests**

When evaluating a debt issuance request, the issuing company's present financial situation is examined. The main factor for analysis is the company's current debt-to-equity ratio, or gearing level. A high gearing level may incline markets and financial analysts to downgrade the company's bond rating, increasing its investment risk factor in the process. A gearing level up to 100 percent is considered acceptable.

Generally, vote FOR debt issuances for companies when the gearing level is between zero and 100 percent. Review on a CASE-BY-CASE basis proposals where the issuance of debt will result in the gearing level being greater than 100 percent, or for which inadequate disclosure precludes calculation of the gearing level, comparing any such proposed debt issuance to industry and market standards, and with voting decisions generally based on the Agent's approach to evaluating such requests.

**Financing Plans**

Generally, vote FOR the adoption of financing plans if they are in the best economic interests of shareholders.

**Related Party Transactions**

Consider related party transactions on a CASE-BY-CASE basis. Generally, vote FOR approval of such transactions unless the agreement requests a strategic move outside the company's charter or contains unfavorable or high-risk terms (*e.g.*, deposits without security interest or guaranty).

### **Approval of Donations**

Generally, vote AGAINST such proposals unless adequate, prior disclosure of amounts is provided; if so, single- or multi-year authorities may be supported.

### **Capitalization of Reserves**

Generally, vote FOR proposals to capitalize the company's reserves for bonus issues of shares or to increase the par value of shares.

### **Investment of Company Reserves**

These proposals should generally be analyzed on a CASE-BY-CASE basis, with primary consideration given to input from the Investment Professional(s) for a given Fund.

### **Article Amendments**

Review on a CASE-BY-CASE basis all proposals seeking amendments to the articles of association.

Generally, vote FOR an article amendment if:

- it is editorial in nature;
- shareholder rights are protected;
- there is negligible or positive impact on shareholder value;
- management provides adequate reasons for the amendments or the Agent otherwise supports management's position;

- it seeks to discontinue and/or delist a form of the issuer's securities in cases in which the relevant Fund does not hold the affected security type; or
- the company is required to do so by law (if applicable).

Generally, vote AGAINST an article amendment if:

- it removes or lowers quorum requirements for board or shareholder meetings below levels recommended by the Agent;
- it reduces relevant disclosure to shareholders;
- it seeks to align the articles with provisions of another proposal not supported by these Guidelines;
- it is not supported under these Guidelines, is presented within a bundled proposal, and the Agent deems the negative impact, on balance, to outweigh any positive impact; or
- it imposes a negative impact on existing shareholder rights, including rights of the Funds, to the extent that any positive impact would not be deemed by the Agent to be sufficient to outweigh removal or diminution of such rights.

With respect to article amendments for Japanese companies:

- Generally vote FOR management proposals to amend a company's articles to expand its business lines.
- Generally vote FOR management proposals to amend a company's articles to provide for an expansion or reduction in the size of the board, unless the expansion/reduction is



clearly disproportionate to the growth/decrease in the scale of the business or raises anti-takeover concerns.

- If anti-takeover concerns exist, generally vote AGAINST management proposals, including bundled proposals, to amend a company's articles to authorize the Board to vary the annual meeting record date or to otherwise align them with provisions of a takeover defense.
- Generally follow the Agent's guidelines with respect to management proposals regarding amendments to authorize share repurchases at the board's discretion, voting AGAINST proposals unless there is little to no likelihood of a creeping takeover (major shareholder owns nearly enough shares to reach a critical control threshold) or constraints on liquidity (free float of shares is low), and where the company is trading at below book value or is facing a real likelihood of substantial share sales; or where this amendment is bundled with other amendments which are clearly in shareholders' interest.

#### **Other Business**

In connection with global proxies, vote in accordance with the Agent's market-specific recommendations on management proposals for Other Business, generally AGAINST.

**Item 8. Portfolio Managers of Closed-End Management Investment Companies.**

(a) (1) **Portfolio Management.** The following individuals comprise the investment committee of the Trust and share responsibility for the day-to-day management of the Trust's portfolio:

**Daniel A. Norman.** Mr. Norman is Senior Vice President and Senior Portfolio Manager in the Senior Debt Group, and has served in that capacity since November 1999. Prior to that, Mr. Norman was Senior Vice President and Portfolio Manager in the Senior Debt Group (since April 1995). Mr. Norman has managed the Trust since April 1995 and is responsible for the operations, analytics, legal and marketing areas for the Trust. Mr. Norman also serves as Senior Vice President of the Trust, and he serves as Senior Vice President of ING Senior Income Fund, another closed-end fund sub-advised by ING IM that invests primarily in Senior Loans. Mr. Norman co-manages the Trust with Mr. Bakalar.

**Jeffrey A. Bakalar.** Mr. Bakalar is Senior Vice President and Senior Portfolio Manager in the Senior Debt Group, and has served in that capacity since November 1999. Prior to that, Mr. Bakalar was Senior Vice President and Portfolio Manager in the Senior Debt Group (since January 1998). Mr. Bakalar has managed the Trust since January 1998 and is responsible for overseeing the portfolio management of the Trust. Before joining ING Groep N.V., Mr. Bakalar was Vice President of The First National Bank of Chicago (from 1994 to 1998). Mr. Bakalar also serves as Senior Vice President of the Trust and as Senior Vice President of ING Senior Income Fund, another closed-end fund sub-advised by ING IM that invests primarily in Senior Loans. Mr. Bakalar co-manages the Trust with Mr. Norman.

**Curtis F. Lee.** Mr. Lee is Senior Vice President and Chief Credit Officer in the Senior Debt Group and has served in that capacity since January 2001. Mr. Lee has managed the Trust since August 1999. Prior to joining the Investment Manager, Mr. Lee held a series of positions with Standard Chartered Bank in the credit approval and problem loan management functions (1992 - 1999). Mr. Lee also serves as Senior Vice President and Chief Credit Officer of the Trust (since January 2001), and he serves as Senior Vice President and Chief Credit Officer of ING Senior Income Fund, another closed-end fund sub-advised by ING IM that invests primarily in Senior Loans.

(a) (2) (i-iii) **Other Accounts Managed**

The following table shows the number of accounts and total assets in the accounts managed by the Portfolio Managers as of February 28, 2007.

Portfolio Manager	Registered Investment Companies		Other Pooled Investment Vehicles		Other Accts*	
	Number of Accounts	Total Assets (in billions)	Number of Accounts	Total Assets (in billions)	Number of Accounts	Total Assets (in billions)

(a) (2) (i-iii) Other Accounts Managed

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Daniel A. Norman	2	\$	4.2b	0	\$	0	13	\$	3.5b
Jeffrey A. Bakalar	2	\$	4.2b	0	\$	0	13	\$	3.5b
Curtis F. Lee	2	\$	4.2b	0	\$	0	13	\$	3.5b

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\* Of these other accounts, none have an advisory fee based on performance.

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(a) (2) (iv) **Conflicts of Interest**

A portfolio manager may be subject to potential conflicts of interest because the portfolio manager is responsible for other accounts in addition to the Trust. These other accounts may include, among others, other mutual funds, separately managed advisory accounts, commingled trust accounts, insurance separate accounts, wrap fee programs and hedge funds. Potential conflicts may arise out of the implementation of differing investment strategies for the portfolio manager's various accounts, the allocation of investment opportunities among those accounts or differences in the advisory fees paid by the portfolio manager's accounts.

A potential conflict of interest may arise as a result of the portfolio manager's responsibility for multiple accounts with similar investment guidelines. Under these circumstances, a potential investment may be suitable for more than one of the portfolio manager's accounts, but the quantity of the investment available for purchase is less than the aggregate amount the accounts would ideally devote to the opportunity. Similar conflicts may arise when multiple accounts seek to dispose of the same investment.

A portfolio manager may also manage accounts whose objectives and policies differ from those of the Trust. These differences may be such that under certain circumstances, trading activity appropriate for one account managed by the portfolio manager may have adverse consequences for another account managed by the portfolio manager. For example, if an account were to sell a significant position in a security, which could cause the market price of that security to decrease, while the Trust maintained its position in that security.

A potential conflict may arise when a portfolio manager is responsible for accounts that have different advisory fees. The difference in the fees may create an incentive for the portfolio manager to favor one account over another, for example, in terms of access to particularly appealing investment opportunities. This conflict may be heightened where an account is subject to a performance-based fee.

As part of its compliance program, ING IM has adopted policies and procedures reasonably designed to address the potential conflicts of interest described above.

Finally, a potential conflict of interest may arise because the investment mandates for certain other accounts, such as hedge funds, may allow extensive use of short sales, which, in theory, could allow them to enter into short positions in securities where other accounts hold long positions. ING IM has policies and procedures reasonably designed to limit and monitor short sales by the other accounts to avoid harm to the Trust.

(a) (3) **Compensation**

Compensation consists of (a) fixed base salary; (b) bonus which is based on ING IM's performance, one- and three-year pre-tax performance of the accounts the portfolio managers are primarily and jointly responsible for relative to account benchmarks and peer universe performance, and revenue growth of the accounts they are responsible for; and (c) long-term equity awards tied to the performance of our parent company, ING Groep.

\* Of these other accounts, none have an advisory fee based on performance.

\* Of these other accounts, none have an advisory fee based on performance.

Portfolio managers are also eligible to participate in an annual cash incentive plan. The overall design of the ING IM annual incentive plan was developed to closely tie pay to performance, structured in such a way as to drive performance and promote retention of top talent. As with base salary compensation, individual target awards are determined and set based on external market data and internal comparators. Investment performance is measured on both relative and absolute performance in all areas. ING IM has a defined index, the S&P's LSTA Leveraged Loan Index and, where applicable, peer groups including but not limited to Russell, Morningstar, Inc. (Morningstar), Lipper Analytical Services, Inc. (Lipper) and Lehman and set performance goals to appropriately reflect requirements for each investment team. The measures for each team are outlined on a scorecard that is reviewed on an annual basis. These scorecards reflect a comprehensive approach to measuring investment performance versus both benchmarks and peer groups over one- and three-year periods and year-to-date net cash flow (changes in the accounts net assets not attributable to changes in the value of the accounts' investments) for all accounts managed by the team. The results for overall IIM scorecards are calculated on an asset weighted performance basis of the individual team scorecards.

Investment professionals' performance measures for bonus determinations are weighted by 25% being attributable to the overall ING IM performance and 75% attributable to their specific team results (60% investment performance and 15% net cash revenue).

Based on job function, internal comparators and external market data, portfolio managers participate in the ING Long-Term Incentive Plan. Plan awards are based on the current year's performance as defined by the ING IM component of the annual incentive plan. The awards vest in three years and are paid in a combination of ING restricted stock, stock options and restricted performance units.

Portfolio managers whose base salary compensation exceeds a particular threshold may participate in ING's deferred compensation plan. The plan provides an opportunity to invest deferred amounts of compensation in mutual funds, ING stock or at an annual fixed interest rate. Deferral elections are done on an annual basis and the amount of compensation deferred is irrevocable.

## (a) (4) Ownership of Securities

The following table shows the dollar range of shares of the Trust owned by each team member as of February 28, 2007, including investments by their immediate family members and amounts invested through retirement and deferred compensation plans.

Portfolio Manager	Dollar Range of Trust Shares Owned
Daniel A. Norman	\$50,001 - \$100,00
Jeffrey A. Bakalar	\$1 - \$10,000*
Curtis F. Lee	none

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\* Mr. Bakalar sold all of his shares in June 2007.

(b) Not applicable.

**Item 9. Purchases of Equity Securities by Closed-End Management Investment Company and Affiliated Purchasers**

None

**Item 10. Submission of Matters to a Vote of Security Holders.**

The Board has a Nominating Committee for the purpose of considering and presenting to the Board candidates it proposes for nomination to fill Independent Trustee vacancies on the Board. The Committee currently consists of all Independent Trustees of the Board (6 individuals). The Nominating Committee operates pursuant to a Charter approved by the Board. The primary purpose of the Nominating Committee is to consider and present to the Board the candidates it proposes for nomination to fill vacancies on the Board. In evaluating candidates, the Nominating Committee may consider a variety of factors, but it has not at this time set any specific minimum qualifications that must be met. Specific qualifications of candidates for Board membership will be based on the needs of the Board at the time of nomination.

The Nominating Committee is willing to consider nominations received from shareholders and shall assess shareholder nominees in the same manner as it reviews its own nominees. A shareholder nominee for director should be submitted in writing to the Fund's Secretary. Any such shareholder nomination should include at a minimum the following information as to each individual proposed for nomination as trustee: such individual's written consent to be named in the proxy statement as a nominee (if nominated) and to serve as a trustee (if elected), and all information relating to such individual that is required to be disclosed in the solicitation of proxies for election of trustees, or is otherwise required, in each case under applicable federal securities laws, rules and regulations.

The Secretary shall submit all nominations received in a timely manner to the Nominating Committee. To be timely, any such submission must be delivered to the Fund's Secretary not earlier than the 90<sup>th</sup> day prior to such meeting and not later than the close of business on the later of the 60<sup>th</sup> day prior to such meeting or the 10<sup>th</sup> day following the day on which public announcement of the date of the meeting is first made, by either disclosure in a press release or in a document publicly filed by the Fund with the Securities and Exchange Commission.

**Item 11. Controls and Procedures.**

(a) Based on our evaluation conducted within 90 days of the filing date, hereof, the design and operation of the registrant's disclosure controls and procedures are effective to ensure that material information relating to the registrant is made known to the certifying officers by others within the appropriate entities, particularly during the period in which Forms N-CSR are being prepared, and the registrant's disclosure controls and procedures allow timely preparation and review of the information for the registrant's Form N-CSR and the officer certifications of such Form N-CSR.

(b) There were no significant changes in the registrant's internal controls that occurred during the second fiscal quarter of the period covered by this report that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting.

**Item 12. Exhibits.**

(a)(1) Code of Ethics pursuant to Item 2 of Form N-CSR is filed and attached hereto as EX-99.CODE ETH.

(a)(2) A separate certification for each principal executive officer and principal financial officer of the registrant as required by Rule 30a-2 under the Act (17 CFR 270.30a-2) is attached hereto as EX-99.CERT.

(b) The officer certifications required by Section 906 of the Sarbanes-Oxley Act of 2002 are attached hereto as EX-99.906CERT.

(3) Not applicable.

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**SIGNATURES**

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Pursuant to the requirements of the Securities Exchange Act of 1934 and the Investment Company Act of 1940, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

(Registrant): ING Prime Rate Trust

By /s/ Shaun P. Mathews  
Shaun P. Mathews  
President and Chief Executive Officer

Date: May 9, 2008

Pursuant to the requirements of the Securities Exchange Act of 1934 and the Investment Company Act of 1940, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

By /s/ Shaun P. Mathews  
Shaun P. Mathews  
President and Chief Executive Officer

Date: May 9, 2008

By /s/ Todd Modic  
Todd Modic  
Senior Vice President and Chief Financial Officer

Date: May 9, 2008

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