ING Emerging Markets High Dividend Equity Fund
Form N-CSR
May 03, 2013
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OMB APPROVAL

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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: 811-22438

ING Emerging Markets High Dividend Equity Fund

(Exact name of registrant as specified in charter)

7337 E. Doubletree Ranch Rd., Scottsdale AZ	**85258**
(Address of principal executive offices)	(Zip code)

Huey P. Falgout, Jr., 7337 Doubletree Ranch Rd. Scottsdale, AZ 85258
(Name and address of agent for service)

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

Date of fiscal year end: **February 28**

Date of reporting period: **February 28, 2013**

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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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Annual Report

February 28, 2013

ING Emerging Markets High Dividend Equity Fund

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 fund s investment objectives, risks, charges, expenses and other information. This information should be read carefully.

MUTUAL FUNDS

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Sign up now for on-line prospectuses, fund reports, and proxy statements. In less than five minutes, you can help reduce paper mail and lower fund costs.

Just go to www.inginvestment.com, click on the E-Delivery icon from the home page, follow the directions and complete the quick 5 Steps to Enroll.

You will be notified by e-mail when these communications become available on the internet. Documents that are not available on the internet will continue to be sent by mail.

PROXY VOTING INFORMATION

A description of the policies and procedures that the Fund 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 (800) 992-0180; (2) on the Fund s website at www.inginvestment.com and (3) on the SEC s website at www.sec.gov. Information regarding how the Fund voted proxies related to portfolio securities during the most recent 12-month period ended June 30 is available without charge on the Fund s website at www.inginvestment.com and on the SEC s website at www.sec.gov.

QUARTERLY PORTFOLIO HOLDINGS

The Fund files its complete schedule of portfolio holdings with the SEC for the first and third quarters of each fiscal year on Form N-Q. This report contains a summary portfolio of investments for the Fund. The Fund s Forms N-Q are available on the SEC s website at www.sec.gov. The Fund s Form 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 (800) SEC-0330. The Fund s Forms N-Q, as well as a complete portfolio of investments, are available without charge upon request from the Fund by calling Shareholder Services toll-free at (800) 992-0180.

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PRESIDENT S LETTER

Dear Shareholder,

ING Emerging Markets High Dividend Equity Fund (the Fund) is a diversified closed-end management investment company whose shares are traded on the New York Stock Exchange under the symbol IHD. The Fund s investment objective is total return through a combination of current income, capital gains and capital appreciation.

The Fund seeks to achieve its investment objective by investing principally in a portfolio of equity securities, primarily of issuers in emerging market countries. The sub-adviser seeks to construct a portfolio with a weighted average gross dividend yield that exceeds the dividend yield of the MSCI Emerging Markets Index^{SM}. The Fund will also normally seek to secure gains and enhance the stability of returns over a market cycle by writing (selling) call options on selected exchange-traded funds (ETFs) and/or international, regional or country indices of equity securities, and/or on equity securities.

For the year ended February 28, 2013, the Fund made quarterly distributions totaling $1.52 per share, which were characterized as $1.21 per share return of capital and $0.31 per share of net investment income.

Based on net asset value (NAV), the Fund provided a total return of (2.95)% for the year ended February 28, 2013[1]. This NAV return reflects a decrease in the Fund s NAV from $16.60

on February 29, 2012 to $14.53 on February 28, 2013. Based on its share price, the Fund provided a total return of 5.58% for the year ended February 28, 2013[2]. This share price return reflects a decrease in the Fund s share price from $15.89 on February 29, 2012 to $15.13 on February 28, 2013.

The global equity markets have witnessed a challenging and turbulent period. Please read the Market Perspective and Portfolio Managers Report for more information on the market and the Fund s performance.

At ING Funds, our mission is to set the standard in helping our clients manage their financial future. We seek to assist you and your financial advisor by offering a range of global investment solutions. We invite you to visit our website at www.inginvestment.com. Here you will find information on our products and services, including current market data and fund statistics on our open-and closed-end funds. You will see that we offer a broad variety of equity, fixed income and multi-asset funds that aim to fulfill a variety of investor needs.

We thank you for trusting ING Funds with your investment assets, and we look forward to serving you in the months and years ahead.

Sincerely,

Shaun Mathews

President and Chief Executive Officer

ING Funds

April 1, 2013

The views expressed in the President s Letter reflect those of the President as of the date of the letter. Any such views are subject to change at any time based upon market or other conditions and ING Funds disclaim any responsibility to update such views. These views may not be relied on as investment advice and because investment decisions for an ING Fund are based on numerous factors, may not be relied on as an indication of investment intent on behalf of any ING Fund. Reference to specific company securities should not be construed as recommendations or investment advice. International investing does pose special risks including currency fluctuation, economic and political risks not found in investments that are solely domestic.

For more complete information, or to obtain a prospectus for any ING Fund, please call your Investment Professional or the fund s Shareholder Service Department at (800) 992-0180 or log on to www.inginvestment.com. The prospectus should be read carefully before investing. Consider the fund s investment objectives, risks, charges and expenses carefully before investing. The prospectus contains this information and other information about the fund. Check with your Investment Professional to determine which funds are available for sale within their firm. Not all funds are available for sale at all firms.

(1) 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, capital gain distributions and return of capital distributions/allocations, if any, in accordance with the provisions of the Fund s dividend reinvestment plan.

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

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Market Perspective: Year Ended February 28, 2013

In the first half of our fiscal year global equities, in the form of the MSCI World Index^{SM}, measured in local currencies including net reinvested dividends, edged up 0.72%, recovering from a slump of 11% in two months from early April. In the second half, the MSCI World Index^{SM} built on this recovery and ended the fiscal year up 13.23% in the wake of central bank actions that made risky assets much more attractive to hold. (The MSCI World Index^{SM} returned 10.69% for the one year ended February 28, 2013, measured in U.S. dollars.)

These actions were twofold. Firstly in July, as pessimism about the future of the euro mounted, European Central Bank (ECB) President Draghi announced that the ECB was ready to do whatever it takes to preserve the euro. He expanded on this in September: under certain conditions, the ECB would buy without limitation the 1-3 year bonds of a country in difficulties. Also in September, Federal Reserve Chairman Bernanke announced a third round of quantitative easing: an additional $40 billion of agency mortgage-backed securities would be purchased monthly. Later, in December, Operation Twist was replaced by $45 billion in monthly Treasury purchases. Exceptionally low policy interest rates would remain at least until the unemployment rate fell to 6.5%.

These initiatives were enough to sustain European markets through the fiscal year, and by the end the view seemed to have taken hold that the existential threat to the euro could be discounted. Even the worst possible Italian election result at the end of February a stalemate on low turnout that signaled the rejection of reform gave markets pause for barely a day.

In the U.S., sentiment ebbed and flowed as economic data from retail sales to consumer confidence to durable goods orders were mostly inconclusive. On the employment front the three-month average of 245,000 new jobs reported in March slumped to only 94,000 in September, before rebounding to 200,000 by February, with the unemployment rate still uncomfortably high at 7.7%. Third quarter gross domestic product (GDP) growth was finalized at 3.1%, which some commentators regarded as unrepresentative of true economic activity which felt considerably weaker. On the last day of February however, fourth quarter GDP growth was reported at just 0.1%, an anomalously weak reading, depressed by a reduction in government spending and in inventories.

In contrast to other economic data, the housing market was undoubtedly on the mend. The final S&P/Case-Shiller 20-City Composite Home Price Index showed a 6.8% year-over-year gain, the most in over six years, while new home sales in January were the highest since July 2008.

Political gridlock continued. The newly-elected Congress in November looked rather like the old one, and an ominous year-end cocktail of deflationary tax increases and spending cuts was forestalled by an eleventh-hour agreement. But large, indiscriminate federal spending cuts and an even bigger conflict on the debt ceiling loomed in March.

In U.S. fixed income markets the Barclays U.S. Aggregate Bond Index of investment grade bonds rose 3.12% in the fiscal year. The Barclays U.S. Treasury Index, a sub-index of the Barclays U.S. Aggregate Bond Index, underperformed, gaining just 2.00%, while the Barclays U.S. Corporate Investment Grade Bond Index, also a sub-index of the Barclays U.S. Aggregate Bond Index, was much stronger, adding 6.41%. The Barclays High-Yield Bond 2% Issuer Constrained Composite Index (not part of the Barclays U.S. Aggregate Bond Index) surged an equity-like 11.79%.

U.S. equities, represented by the S&P 500® Index including dividends, returned 13.46% in the fiscal year, ending just 3.22% below its all-time high reached on October 9, 2007. All ten sectors gained, but it was a mixed picture. Telecommunications led the way with a return of 24.19%, while healthcare and financials also returned more than 20%. However only single digit gains were made by the materials, energy and technology sectors, the last named managing a barely positive 1.36%. Operating earnings per share for S&P 500® companies set a new record in the second quarter of 2012, but as the fiscal year ended fourth quarter earnings looked likely to come in about 9% below this level.

In currency markets, the dollar rose 2.05% against the euro over the fiscal year and 4.97% against the pound, most or all of it in February as recovery in Europe seemed ever more distant. But the dollar soared 14.06% over the yen. Japan s parliamentary opposition won a landslide victory in December elections and promised unlimited monetary easing.

In international markets, the MSCI Japan® Index jumped 19.54%, due mainly to the monetary stimulus referred to above. This was despite the dampening effect on Japan s export-focused economy of the euro zone crisis, of a slowdown in China and (to the outside world at least) a quite unnecessary dispute with that country over a few tiny islands. The Japanese economy returned to technical recession after consecutive quarters of declining GDP. The MSCI Europe ex UK® Index rose 14.23% due to central bank initiatives, as there was little else to cheer investors, with the exception of Germany. The euro zone s GDP recorded its third straight quarterly fall in the fourth quarter of 2012. Unemployment reached a record 11.7%, within which Spain and Greece both stood above 26%. The composite purchasing managers index, a leading indicator of GDP growth, stayed in contraction territory as it had since February 2012. The MSCI UK® Index added 12.77%, boosted by financials but held back by the energy and telecommunications sectors, accounting for some 30% of the index, which actually fell in value. The economy grew 0.9% in the third quarter of 2012, largely due to one-time statistical anomalies, worth perhaps 0.8%. In the fourth quarter, GDP fell by 0.3% with the strong possibility that the U.K. would suffer a triple dip recession with negative growth in the first quarter of 2013.

Parentheses denote a negative number.

Past performance does not guarantee future results. The performance quoted represents past performance. Investment return and principal value of an investment will fluctuate, and shares, when redeemed, may be worth more or less than their original cost. The Fund s performance is subject to change since the period s end and may be lower or higher than the performance data shown. Please call (800) 992-0180 or log on to www.inginvestment.com to obtain performance data current to the most recent month end.

Market Perspective reflects the views of ING s Chief Investment Risk Officer only through the end of the period, and is subject to change based on market and other conditions.

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BENCHMARK DESCRIPTIONS

Index	Description
Barclays U.S. Aggregate Bond Index	An unmanaged index of publicly issued investment grade U.S. Government, mortgage-backed, asset-backed and corporate debt securities.
Barclays U.S. Corporate Investment Grade Bond Index	An unmanaged index consisting of publicly issued, fixed rate, nonconvertible, investment grade debt securities.
Barclays High Yield Bond 2% Issuer Constrained Composite Index	An unmanaged index that includes all fixed-income securities having a maximum quality rating of Ba1, a minimum amount outstanding of $150 million, and at least one year to maturity.
Barclays U.S. Treasury Index	An unmanaged index that includes public obligations of the U.S. Treasury. Treasury bills, certain special issues, such as state and local government series bonds (SLGs), as well as U.S. Treasury TIPS and STRIPS, are excluded.
MSCI Emerging Markets Index℠	An unmanaged index that measures the performance of securities listed on exchanges in developing nations throughout the world.
MSCI Europe ex UK® Index	A free float-adjusted market capitalization index that is designed to measure developed market equity performance in Europe, excluding the UK.
MSCI Japan® Index	A free float-adjusted market capitalization index that is designed to measure developed market equity performance in Japan.
MSCI UK® Index	A free float-adjusted market capitalization index that is designed to measure developed market equity performance in the UK.
MSCI World Index℠	An unmanaged index that measures the performance of over 1,400 securities listed on exchanges in the U.S., Europe, Canada, Australia, New Zealand and the Far East.
S&P 500® Index	An unmanaged index that measures the performance of securities of approximately 500 large-capitalization companies whose securities are traded on major U.S. stock markets.
S&P/Case-Shiller 20-City Composite Home Price Index	A composite index of the home price index for the top 20 Metropolitan Statistical Areas in the United States. The index is published monthly by Standard & Poor s.

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Geographic Diversification

as of February 28, 2013

(as a percentage of net assets)

China	17.0%
Brazil	11.1%
South Korea	11.0%
Taiwan	6.8%
Russia	6.4%
South Africa	6.2%
India	4.3%
Malaysia	3.0%
United Kingdom	2.9%
Countries between 0.9%-2.5%^	18.9%
Assets in Excess of Other Liabilities*	12.4%
Net Assets	100.0%

* Includes short-term investments.
^ Includes 13 countries, which each represents 0.9%-2.5% of net assets.

Portfolio holdings are subject to change daily.

ING Emerging Markets High Dividend Equity Fund s (the Fund) primary investment objective is to provide total return through a combination of current income, capital gains and capital appreciation. The Fund seeks to achieve its investment objectives by investing principally in a portfolio of equity securities, primarily of issuers in emerging market countries. The Fund will also normally seek to secure gains and enhance the stability of returns over a market cycle by writing (selling) call options on selected exchange-traded funds (ETFs) and/or international, regional or country indices of equity securities, and/or on equity securities.

Portfolio Management: The Fund is managed by Manu Vandenbulck, Nicolas Simar, Robert Davis, Willem van Dommelen and Edwin Cuppen, Portfolio Managers, ING Investment Management Advisors B.V. (Europe) the Sub-Adviser.*

Equity Portfolio Construction: Under normal market conditions, the Fund will seek to achieve its investment objective by investing at least 80% of its managed assets in dividend producing equity securities of, or derivatives having economic characteristics similar to the equity securities of, issuers in emerging markets. The Sub-Adviser seeks to construct a portfolio with a weighted average gross dividend yield that exceeds the dividend yield of the MSCI Emerging Markets Index^{SM}.

The Fund will invest in approximately 60 to 120 equity securities and will select securities through a bottom-up process that is based upon quantitative screening and fundamental industry, sector and company analysis.

For the purpose of the Fund s investments, the following countries are considered emerging markets: Argentina, Bahrain, Brazil, Bulgaria, Chile, China, Colombia, Czech Republic, Egypt, Estonia, Hungary, India, Indonesia, Israel, Korea, Jordan, Kuwait, Latvia, Lithuania, Malaysia, Mauritius, Mexico, Morocco, Nigeria, Oman, Pakistan, Peru, Philippines, Poland, Qatar, Romania, Russia, Saudi Arabia, Slovakia, South Africa, Sri Lanka, Taiwan, Thailand, Turkey, United Arab Emirates, and Zimbabwe.

In addition, the Fund may invest up to 20% of its Managed Assets in the equity securities of issuers in countries which are not considered emerging markets.

The Fund s Options Strategy: The Fund writes (sells) call options on selected ETFs, and/or international, regional or country indicies of equity securities, and/or on equity securities, with the underlying value of such calls having 15% to 50% of total value of the Fund s portfolio. The Fund seeks to generate gains from the call writing strategy over a

market cycle to supplement the dividend yield of its underlying portfolio.

Performance: Based on net asset value (NAV), the Fund had a total return of (2.95)% for the year ended February 28, 2013. This NAV return reflects a decrease in the Fund s NAV from $16.60 on February 29, 2012 to $14.53 on February 28, 2013. Based on its share price as of February 28, 2013, the Fund provided a total return of 5.58% for the year. This share price return reflects a decrease in the Fund s share price from $15.89 on February 29, 2012 to $15.13 on February 28, 2013. The Fund is not benchmarked to an index but uses the MSCI Emerging Markets Index^{SM} as a reference index, which returned 0.28% for the reporting period. During the year, the Fund made quarterly distributions totaling $1.52 per share, which were characterized as $1.21 per share return of capital and $0.31 per share of net investment income. As of February 28, 2013, the Fund had 19,447,532 shares outstanding.

Top Ten Holdings

as of February 28, 2013*

(as a percentage of net assets)

China Mobile Ltd. ADR	2.6%
Gazprom OAO ADR	2.2%
Vale SA	1.9%
Embraer SA ADR	1.3%
Tim Participacoes SA	1.3%
Bank Negara Indonesia Persero Tbk PT	1.3%
Porto Seguro SA	1.3%
Woongjin Coway Co., Ltd.	1.2%
Oriflame Cosmetics S.A.	1.2%
Indofood Sukses Makmur Tbk PT	1.2%

* Excludes short-term investments.

Portfolio holdings are subject to change daily.

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Overview: Emerging market equities finished relatively flat for the 12 month period ending February 2013. The period began negatively with the worst declines occurring during May as continued weak U.S. employment data, deteriorating economic momentum from China, Moody s downgrade of Spanish banks, inflation concerns in Brazil, development of stagflation in India and finally, severe currency weakness, negatively impacted risk appetite. Risk aversion and fears of a slowdown in China resulted in a disproportional sell-off in emerging markets relative to developed markets.

Emerging markets recovered during the summer months and were boosted significantly by increased global liquidity expectations in September when the U.S. Federal Reserve (the Fed), the European Central Bank and the Bank of Japan announced extended quantitative easing plans. The final quarter of 2012 was even stronger as economic growth in China pointed to a recovery.

After a strong rally, emerging markets equities ended the period with headwinds despite further improvements in macroeconomic indicators in China. Underperformance in Asia was to a certain extent related to the weakness of the Japanese yen, which had a negative impact on the main exporters in the region. Less dovish comments from the Fed regarding its monetary stimulus package and tightening concerns in China provoked fears of a liquidity drain.

Equity Portfolio: The equity portfolio underperformed the reference index over the period. In terms of stock selection, the most positive effects came from the telecommunication services, energy and consumer staples sectors. In contrast, security selection detracted in the information technology, and materials sectors. From a country perspective, our stock picks in Brazil, Indonesia and South Korea, contributed to results but were erased by negative results in China, Hong Kong and India. A significant cash position also detracted from the results for the reporting period. Please see Note 13 - Subsequent Events in the accompanying financial statements.

In December we completed our last quarterly rebalancing of 2012. Overall, the changes leave the Fund with no position in Mexico; Taiwan and South Korea are the largest country underweights. Mexican valuations are too rich in our view, while we have concerns on dividend sustainability at many Korean companies. Our main overweight is China/Hong Kong, which we are comfortable with given recent macro developments. In sector terms, we maintain underweights in technology and consumer staples on lack of dividend opportunities and valuations respectively, while our largest overweights are in utilities and industrials.

Options Portfolio: During the reporting period call options were written against the emerging markets portfolio. The option portfolio consists of a series of short-dated call options on the iShares ETF with the MSCI Emerging Markets Index as underlying. The options were generally sold having a maturity in the range of four to five weeks. The overall portfolio coverage was 20%. Options were sold generally at-the-money and implemented in the over-the-counter market to enable the fund managers to profit from its flexibility, liquidity and opportunities.

During the reporting period, emerging markets experienced a downward trend and reached a low in the beginning of June. This was accompanied by an increase in implied volatility resulting in higher premiums collected by the covered call writing strategy. By the end of the calendar year markets had recovered their losses. From then until the end of the reporting period, markets were again in decline and ended lower than a year ago. Towards the end of the reporting period, implied volatility reached 12-month lows.

For the full reporting period the total premium collected exceeded the amount that had to be settled at expiry; therefore the strategy added value. Overall, the option overlay reduced the volatility of Fund returns.

Outlook and Current Strategy: In our view, prospects are better for emerging markets than for developed markets. We believe that emerging markets should outperform as developed market problems will resurface, while the emerging markets (EM) should benefit from domestic stimulus and quantitative easing by developed market central banks. China is the key to catalyzing broad risk-taking within emerging market equities. At nearly 18% of the index, China matters as much to emerging markets as investment technology matters for the U.S. equity outlook. A strong China bodes well for EM performance, and since the fears of hard landing have abated and we are in the midst of a Chinese recovery, EM equities ought to be well supported.

* Effective September 15, 2012, Robert Davis was added as a portfolio manager to the Fund.

Portfolio holdings and characteristics are subject to change and may not be representative of current holdings and characteristics. The outlook for this Fund is based only on the outlook of its portfolio managers through the end of this period, and may differ from that presented for other ING Funds. Performance data represents past performance and is no guarantee of future results. Past performance is not indicative of future results. The indices do not reflect fees, brokerage commissions, taxes or other expenses of investing. Investors cannot invest directly in an index.

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REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

The Shareholders and Board of Trustees

ING Emerging Markets High Dividend Equity Fund

We have audited the accompanying statement of assets and liabilities, including the summary portfolio of investments, of ING Emerging Markets High Dividend Equity Fund as of February 28, 2013, the related statement of operations for the year then ended, and the statements of changes in net assets and the financial highlights for the year then ended and the period from April 26, 2011 (commencement of operations) to February 29, 2012. 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 audit 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 28, 2013, by correspondence with the custodian, transfer agent, 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 Emerging Markets High Dividend Equity Fund as of February 28, 2013, the results of its operations for the year then ended, and the changes in its net assets and the financial highlights for the year then ended and the period from April 26, 2011 (commencement of operations) to February 29, 2012, in conformity with U.S. generally accepted accounting principles.

Boston, Massachusetts

April 25, 2013

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STATEMENT OF ASSETS AND LIABILITIES AS OF FEBRUARY 28, 2013

ASSETS:	
Investments in securities at fair value*	$ 247,374,221
Short-term investments at fair value**	34,286,542
Total Investments at fair value	$ 281,660,763
Foreign currencies at value***	92,312
Receivables:	
Investment securities sold	385,729
Dividends	980,618
Prepaid expenses	1,812
Total assets	283,121,234
LIABILITIES:	
Payable for investment management fees	251,997
Payable for administrative fees	21,913
Payable for trustee fees	2,722
Other accrued expenses and liabilities	135,136
Written options, at fair value^	98,825
Total liabilities	510,593
NET ASSETS	$ 282,610,641
NET ASSETS WERE COMPRISED OF:	
Paid-in capital	$ 326,640,216
Distributions in excess of net investment income	(1,658)
Accumulated net realized loss	(33,146,153)
Net unrealized depreciation	(10,881,764)
NET ASSETS	$ 282,610,641
* Cost of investments in securities	$ 259,001,657
** Cost of short-term investments	$ 34,286,542
*** Cost of foreign currencies	$ 92,576
^ Premiums received on written options	$ 835,422
Net assets	$ 282,610,641

Shares authorized		unlimited
Par value	$	0.01
Shares outstanding		19,447,532
Net asset value and redemption price per share	$	14.53

See Accompanying Notes to Financial Statements

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STATEMENT OF OPERATIONS FOR THE YEAR ENDED FEBRUARY 28, 2013

INVESTMENT INCOME:	
Dividends, net of foreign taxes withheld*	$ 9,810,106
Total investment income	9,810,106
EXPENSES:	
Investment management fees	3,254,706
Transfer agent fees	17,721
Administrative service fees	283,015
Shareholder reporting expense	45,671
Professional fees	62,739
Custody and accounting expense	339,916
Trustee fees	10,948
Miscellaneous expense	59,487
Total expenses	4,074,203
Net investment income	5,735,903
REALIZED AND UNREALIZED GAIN (LOSS):	
Net realized gain (loss) on:	
Investments (net of Indian capital gains tax withheld^)	(22,119,700)
Foreign currency related transactions	(452,535)
Written options	4,627,700
Net realized loss	(17,944,535)
Net change in unrealized appreciation (depreciation) on:	
Investments	1,571,128
Foreign currency related transactions	(5,520)
Written options	273,806
Net change in unrealized appreciation (depreciation)	1,839,414
Net realized and unrealized loss	(16,105,121)
Decrease in net assets resulting from operations	$ (10,369,218)
* Foreign taxes withheld	$ 906,273

^	Foreign taxes on sale of Indian investments	$ 71,194

See Accompanying Notes to Financial Statements

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STATEMENTS OF CHANGES IN NET ASSETS

	Year Ended February 28, 2013	April 26, 2011[1] to February 29, 2012
FROM OPERATIONS:		
Net investment income	$ 5,735,903	$ 4,710,885
Net realized loss	(17,944,535)	(16,324,063)
Net change in unrealized appreciation (depreciation)	1,839,414	(12,721,178)
Decrease in net assets resulting from operations	(10,369,218)	(24,334,356)
FROM DISTRIBUTIONS TO SHAREHOLDERS:		
Net investment income	(5,994,073)	(3,346,360)
Return of capital	(23,408,633)	(19,759,640)
Total distributions	(29,402,706)	(23,106,000)
FROM CAPITAL SHARE TRANSACTIONS:		
Net proceeds from sale of shares[2]		367,005,000
Reinvestment of distributions	2,817,921	
	2,817,921	367,005,000
Net increase in net assets resulting from capital share transactions	2,817,921	367,005,000
Net increase (decrease) in net assets	(36,954,003)	319,564,644
NET ASSETS:		
Beginning of year or period	319,564,644	
End of year or period	$ 282,610,641	$ 319,564,644
Undistributed (distributions in excess of) net investment income at end of year or period	$ (1,658)	$ 284,844

(1) Commencement of operations.

(2) Proceeds from sales of shares net of sales load paid of $17,335,000 and offering costs of $770,000.

See Accompanying Notes to Financial Statements

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FINANCIAL HIGHLIGHTS

Selected data for a share of beneficial interest outstanding throughout each year or period.

	Per Share Operating Performance													Ratios and Suppleme	
		Income (loss) from investment operations			Less Distributions									Ratios to av asse	
d ended	Net asset value, beginning of year or period ($)	Net investment income gain (loss) ($)	Net realized and unrealized gain (loss) ($)	Total from investment operations ($)	From net investment income ($)	From net realized gains ($)	From return of capital ($)	Total distributions ($)	Net asset value, end of year or period ($)	Market value, end of year or period ($)	**Total investment return at net asset value[(1)] (%)**	**Total investment return at market value[(2)] (%)**	Net assets, end of period (000 s) ($000 s)	Gross expenses prior to expense waiver[(3)] (%)	Net expens after expens waiver (%)
	16.60	0.30	(0.85)	(0.55)	0.31		1.21	1.52	14.53	15.13	**(2.95)**	**5.58**	282,611	1.44	1.44
02-29-12	19.06[(6)]	0.24	(1.50)	(1.26)	0.17		1.03	1.20	16.60	15.89	**(5.96)**	**(14.21)**	319,565	1.43	1.41

(1) 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, capital gain distributions and return of capital distributions/allocations, if any, in accordance with the provisions of the dividend reinvestment plan. Total investment return at net asset value is not annualized for periods less than one year.

(2) Total investment return at market value measures the change in the market value of your investment assuming reinvestment of dividends, capital gain distributions and return of capital distributions/allocations, if any, in accordance with the provisions of the Fund s dividend reinvestment plan. Total investment return at market value is not annualized for periods less than one year.

(3) Annualized for periods less than one year.

(4) The Investment Adviser has entered into a written expense limitation agreement with the Fund under which it will limit the expenses of the Fund (excluding interest, taxes, leverage expenses and extraordinary expenses) subject to possible recoupment by the Investment Adviser within three years of being incurred.

(5) Commencement of operations.

(6) Net asset value at beginning of period reflects the deduction of the sales load of $0.90 per share and offering costs of $0.04 per share paid by the shareholder from the $20.00 offering price.

· Calculated using average number of shares outstanding throughout the period.

See Accompanying Notes to Financial Statements

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NOTES TO FINANCIAL STATEMENTS AS OF FEBRUARY 28, 2013

NOTE 1 ORGANIZATION

ING Emerging Markets High Dividend Equity Fund (the Fund) is a diversified, closed-end management investment company registered under the Investment Company Act of 1940, as amended (the 1940 Act). The Fund is organized as a Delaware statutory trust.

NOTE 2 SIGNIFICANT ACCOUNTING POLICIES

The following significant accounting policies are consistently followed by the Fund in the preparation of its financial statements, and such policies are in conformity with U.S. generally accepted accounting principles (GAAP) for investment companies.

A. ***Security Valuation.*** All investments in securities are recorded at their estimated fair value, as described below. Investments in equity securities traded on a national securities exchange are valued at the last reported sale price. Securities reported by NASDAQ are valued at the NASDAQ official closing prices. Securities traded on an exchange or NASDAQ for which there has been no sale and equity securities traded in the over-the-counter-market are valued at the mean between the last reported bid and ask prices. All investments quoted in foreign currencies are valued daily in U.S. dollars on the basis of the foreign currency exchange rates prevailing at that time. Debt securities with more than 60 days to maturity are fair valued using matrix pricing methods determined by an independent pricing service which takes into consideration such factors as yields, maturities, liquidity, ratings and traded prices in similar or identical securities. Securities for which valuations are not readily available from an independent pricing service may be valued by brokers which use prices provided by market makers or estimates of fair market value obtained from yield data relating to investments or securities with similar characteristics. Investments in open-end mutual funds are valued at the net asset value. Investments in securities of sufficient credit quality maturing in 60 days or less from date of acquisition are valued at amortized cost which approximates fair value.

Securities and assets for which market quotations are not readily available (which may include certain restricted securities that are subject to limitations as to their sale) are valued at their fair values, as defined by the 1940 Act, and as determined in good faith by or under the supervision of the Fund s Board of Trustees (Board), in accordance with methods that are specifically authorized by the Board. Securities traded on exchanges, including foreign exchanges, which close

earlier than the time that the Fund calculates its net asset value (NAV) may also be valued at their fair values, as defined by the 1940 Act, and as determined in good faith by or under the supervision of the Board, in accordance with methods that are specifically authorized by the Board. The value of a foreign security traded on an exchange outside the United States is generally based on its price on the principal foreign exchange where it trades as of the time the Fund determines its NAV or if the foreign exchange closes prior to the time the Fund determines its NAV, the most recent closing price of the foreign security on its principal exchange. Trading in certain non-U.S. securities may not take place on all days on which the NYSE Euronext (NYSE) is open. Further, trading takes place in various foreign markets on days on which the NYSE is not open. Consequently, the calculation of the Fund s NAV may not take place contemporaneously with the determination of the prices of securities held by the Fund in foreign securities markets. Further, the value of the Fund s assets may be significantly affected by foreign trading on days when a shareholder cannot purchase or redeem shares of the Fund. In calculating the Fund s NAV, foreign securities denominated in foreign currency are converted to U.S. dollar equivalents. If an event occurs after the time at which the market for foreign securities held by the Fund closes but before the time that the Fund s NAV is calculated, such event may cause the closing price on the foreign exchange to not represent a readily available reliable market value quotation for such securities at the time the Fund determines its NAV. In such a case, the Fund will use the fair value of such securities as determined under the Fund s valuation procedures. Events after the close of trading on a foreign market that could require the Fund to fair value some or all of its foreign securities include, among others, securities trading in the U.S. and other markets, corporate announcements, natural and other disasters, and political and other events. Among other elements of analysis in the determination of a security s fair value, the Board has authorized the use of one or more independent research services to assist with such determinations. An independent research service may use statistical analyses and quantitative models to help determine fair value as of the time the Fund calculates its NAV. There can be no assurance that such models accurately reflect the behavior of the applicable markets or the effect of the behavior of such markets on the fair value of securities, or that such markets will continue to behave in a fashion that is consistent with such models. Unlike the closing price of a security on an

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NOTES TO FINANCIAL STATEMENTS AS OF FEBRUARY 28, 2013 (CONTINUED)

NOTE 2 SIGNIFICANT ACCOUNTING POLICIES (continued)

exchange, fair value determinations employ elements of judgment. Consequently, the fair value assigned to a security may not represent the actual value that the Fund could obtain if it were to sell the security at the time of the close of the NYSE. Pursuant to procedures adopted by the Board, the Fund is not obligated to use the fair valuations suggested by any research service, and valuation recommendations provided by such research services may be overridden if other events have occurred or if other fair valuations are determined in good faith to be more accurate. Unless an event is such that it causes the Fund to determine that the closing prices for one or more securities do not represent readily available reliable market value quotations at the time the Fund determines its NAV, events that occur between the time of the close of the foreign market on which they are traded and the close of regular trading on the NYSE will not be reflected in the Fund s NAV.

Options that are traded over-the-counter will be valued using one of three methods: (1) dealer quotes; (2) industry models with objective inputs; or (3) by using a benchmark arrived at by comparing prior-day dealer quotes with the corresponding change in the underlying security or index. Exchange traded options will be valued using the last reported sale. If no last sale is reported, exchange traded options will be valued using an industry accepted model such as Black Scholes. Options on currencies purchased by the Fund are valued using industry models with objective inputs at their last bid price in the case of listed options or at the average of the last bid prices obtained from dealers in the case of over-the-counter options.

Fair value is defined as the price that the Fund would receive to sell an asset or pay to transfer a liability in an orderly transaction between market participants at the measurement date. Each investment asset or liability of the Fund is assigned a level at measurement date based on the significance and source of the inputs to its valuation. Quoted prices in active markets for identical securities are classified as Level 1 , inputs other than quoted prices for an asset or liability that are observable are classified as Level 2 and unobservable inputs, including the sub-adviser s judgment about the assumptions that a market participant would use in pricing an asset or liability are classified as Level 3 . The inputs used for valuing securities are not necessarily an indication of the risks associated with investing in those securities. Short-term securities of

sufficient credit quality which are valued at amortized cost, which approximates fair value, are generally considered to be Level 2 securities under applicable accounting rules. A table summarizing the Fund s investments under these levels of classification is included following the Summary Portfolio of Investments.

The Board has adopted methods for valuing securities and other assets in circumstances where market quotes are not readily available, and has delegated the responsibility for applying the valuation methods to the Pricing Committee as established by the Fund s Administrator. The Pricing Committee considers all facts they deem relevant that are reasonably available, through either public information or information available to the Investment Adviser or sub-adviser, when determining the fair value of the security. In the event that a security or asset cannot be valued pursuant to one of the valuation methods established by the Board, the fair value of the security or asset will be determined in good faith by the Pricing Committee. When the Fund uses these fair valuation methods that use significant unobservable inputs to determine its NAV, securities will be priced by a method that the Pricing Committee believes accurately reflects fair value and are categorized as Level 3 of the fair value hierarchy. The methodologies used for valuing securities are not necessarily an indication of the risks of investing in those securities valued in good faith at fair value nor can it be assured the Fund can obtain the fair value assigned to a security if they were to sell the security.

To assess the continuing appropriateness of security valuations, the Pricing Committee may compare prior day prices, prices on comparable securities, and traded prices to the prior or current day prices and the Pricing Committee challenges those prices exceeding certain tolerance levels with the third party pricing service or broker source. For those securities valued in good faith at fair value, the Pricing Committee reviews and affirms the reasonableness of the valuation on a regular basis after considering all relevant information that is reasonably available.

For fair valuations using significant unobservable inputs, U.S. GAAP requires a reconciliation of the beginning to ending balances for reported fair values that presents changes attributable to total realized and unrealized gains or losses, purchases and sales, and transfers in or out of the Level 3 category during the period. The end of period timing recognition is used for the transfers between Levels of the Fund s assets and

NOTES TO FINANCIAL STATEMENTS AS OF FEBRUARY 28, 2013 (CONTINUED)

NOTE 2 SIGNIFICANT ACCOUNTING POLICIES (continued)

liabilities. A reconciliation of Level 3 investments is presented when the Fund has a significant amount of Level 3 investments.

For the period ended February 28, 2013, there have been no significant changes to the fair valuation methodologies.

B. ***Security Transactions and Revenue Recognition.*** Security transactions are recorded on the trade date. Realized gains or losses on sales of investments are calculated on the identified cost basis. Interest income is recorded on the accrual basis. Premium amortization and discount accretion are determined using the effective yield method. Dividend income is recorded on the ex-dividend date, or in the case of some foreign dividends, when the information becomes available to the Fund.

C. ***Foreign Currency Translation.*** The books and records of the Fund 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 Fund 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. 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 Fund 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 period 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 U.S. government securities. 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.

D. ***Distributions to Shareholders.*** The Fund intends to make quarterly distributions from its cash available for distribution, which consists of the Fund s dividends and interest income after payment of Fund expenses, net option premiums and net realized and unrealized gains on investments. Such quarterly distributions may also consist of return of capital. At least annually, the Fund intends to distribute all or substantially all of its net realized capital gains. Distributions are recorded on the ex-dividend date. Distributions are determined annually in accordance with federal tax principles, which may differ from U.S. generally accepted accounting principles for investment companies.

The tax treatment and characterization of the Fund s distributions may vary significantly from time to time depending on whether the Fund has gains or losses on the call options written on its portfolio versus gains or losses on the equity securities in the portfolio. Each quarter, the Fund will provide disclosures with distribution payments made that estimate the percentages of that distribution that represent net investment income, other income or capital gains, and return of capital, if any. The final composition of the tax characteristics of the distributions cannot be determined with certainty until after the end of the Fund s tax year, and will be reported to shareholders at that time. A significant portion of the Fund s distributions may constitute a return of capital. The amount of quarterly distributions will vary, depending on a number of factors. As portfolio and market conditions change, the rate of dividends on the common shares will change. There can be no assurance that the Fund will be able to declare a dividend in each period.

E. ***Federal Income Taxes.*** It is the policy of the Fund to comply with the requirements of subchapter M of the

NOTE 2 SIGNIFICANT ACCOUNTING POLICIES (continued)

Internal Revenue Code that are applicable to regulated investment companies and to distribute substantially all of its net investment income and any net realized capital gains to its shareholders. Therefore, a federal income tax or excise tax provision is not required. Management has considered the sustainability of the Fund s tax positions taken on federal income tax returns for all open tax years in making this determination. No capital gain distributions shall be made until the capital loss carryforwards have been fully utilized or expire.

F. ***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.

G. ***Risk Exposures and the use of Derivative Instruments.*** The Fund s investment strategies permit the Fund to enter into various types of derivatives contracts, including, but not limited to, forward foreign currency exchange contracts and purchased and written options. In doing so, the Fund will employ strategies in differing combinations to permit it to increase or decrease the level of risk, or change the level or types of exposure to market risk factors. This may allow the Fund to pursue its objectives more quickly, and efficiently than if it were to make direct purchases or sales of securities capable of affecting a similar response to market factors.

Market Risk Factors. In pursuit of its investment objectives, the Fund may seek to use derivatives to increase or decrease its exposure to the following market risk factors:

Credit Risk. Credit risk relates to the ability of the issuer to meet interest and principal payments, or both, as they come due. In general, lower-grade, higher-yield bonds are subject to credit risk to a greater extent than lower-yield, higher-quality bonds.

Equity Risk. Equity risk relates to the change in value of equity securities as they relate to increases or decreases in the general market.

Foreign Exchange Rate Risk. Foreign exchange rate risk relates to the change in U.S. dollar value of a security held that is denominated in a foreign currency. The U.S. dollar value of a foreign currency denominated security will decrease as the dollar appreciates against the currency, while the U.S. dollar value will increase as the dollar depreciates against the currency.

Interest Rate Risk. Interest rate risk refers to the fluctuations in value of fixed-income securities resulting from the inverse relationship between price and yield. For example, an increase in general interest rates will tend to reduce the market value of already issued fixed-income investments, and a decline in general interest rates will tend to increase their value. In addition, debt securities with longer durations, which tend to have higher yields, are subject to potentially greater fluctuations in value from changes in interest rates than obligations with shorter durations. The Fund may lose money if short-term or long-term interest rates rise sharply or otherwise change in a manner not anticipated by the Sub-Adviser. As of the date of this report, interest rates in the United States are at, or near, historic lows, which may increase the Fund s exposure to risks associated with rising interest rates.

Risks of Investing in Derivatives. The Fund s use of derivatives can result in losses due to unanticipated changes in the market risk factors and the overall market. In instances where the Fund is using derivatives to decrease, or hedge, exposures to market risk factors for securities held by the Fund, there are also risks that those derivatives may not perform as expected resulting in losses for the combined or hedged positions.

The use of these strategies involves certain special risks, including a possible imperfect correlation, or even no correlation, between price movements of derivative instruments and price movements of related investments. While some strategies involving derivative instruments can reduce the risk of loss, they can also reduce the opportunity for gain or even result in losses by offsetting favorable price movements in related investments or otherwise, due to the possible inability of the Fund to purchase or sell a portfolio security at a time that otherwise would be favorable or the possible need to sell a portfolio security at a disadvantageous time because the Fund is required to maintain asset coverage or offsetting positions in connection with transactions in derivative instruments. Additional associated risks from investing in derivatives also exist and potentially could have significant effects on the valuation of the derivative and the Fund.

NOTES TO FINANCIAL STATEMENTS AS OF FEBRUARY 28, 2013 (CONTINUED)

NOTE 2 SIGNIFICANT ACCOUNTING POLICIES (continued)

Associated risks are not the risks that the Fund is attempting to increase or decrease exposure to, per its investment objectives, but are the additional risks from investing in derivatives. Examples of these associated risks are liquidity risk, which is the risk that the Fund will not be able to sell the derivative in the open market in a timely manner, and counterparty credit risk, which is the risk that the counterparty will not fulfill its obligation to the Fund. Associated risks can be different for each type of derivative and are discussed by each derivative type in the following notes.

Counterparty Credit Risk and Credit Related Contingent Features. Certain derivative positions are subject to counterparty credit risk, which is the risk that the counterparty will not fulfill its obligation to the Fund. The Fund s derivative counterparties are financial institutions who are subject to market conditions that may weaken their financial position. The Fund intends to enter into financial transactions with counterparties that it believes to be creditworthy at the time of the transaction. To reduce this risk, the Fund generally enters into master netting arrangements, established within the Fund s International Swap and Derivatives Association, Inc. (ISDA) Master Agreements (Master Agreements). These agreements are with select counterparties and they govern transactions, including certain over-the-counter (OTC) derivative and forward foreign currency contracts, entered into by the Fund and the counterparty. The Master Agreements maintain provisions for general obligations, representations, agreements, collateral, and events of default or termination. The occurrence of a specified event of termination may give a counterparty the right to terminate all of its contracts and affect settlement of all outstanding transactions under the applicable Master Agreement.

The Fund may also enter into collateral agreements with certain counterparties to further mitigate credit risk associated with OTC derivative and forward foreign currency contracts. Subject to established minimum levels, collateral is generally determined based on the net aggregate unrealized gain or loss on contracts with a certain counterparty. Collateral pledged to the Fund is held in a segregated account by a third-party agent and can be in the form of cash or debt securities issued by the U.S. government or related agencies.

The Fund s maximum risk of loss from counterparty credit risk on OTC derivatives is generally the aggregate

unrealized gain in excess of any collateral pledged by the counterparty to the Fund. For purchased OTC options, the Fund bears the risk of loss in the amount of the premiums paid and the change in market value of the options should the counterparty not perform under the contracts. The Fund did not enter into any purchased OTC options during the period ended February 28, 2013. There were no credit events during the period ended February 28, 2013 that triggered any credit related contingent features.

The Fund s master agreements with derivative counterparties have credit related contingent features that if triggered would allow its derivatives counterparties to close out and demand payment or additional collateral to cover their exposure from the Fund. Credit related contingent features are established between the Fund and its derivatives counterparties to reduce the risk that the Fund will not fulfill its payment obligations to its counterparties. These triggering features include, but are not limited to, a percentage decrease in the Fund s net assets and or a percentage decrease in the Fund s NAV, which could cause the Fund to accelerate payment of any net liability owed to the counterparty. The contingent features are established within the Fund s Master Agreements.

Written options by the Fund do not give rise to counterparty credit risk, as written options obligate the Fund to perform and not the counterparty. As of February 28, 2013, the total value of written OTC call options subject to Master Agreements in a net liability position was $98,825. If a contingent feature had been triggered, the Fund could have been required to pay this amount in cash to its counterparties. The Fund did not hold or post collateral for its open written OTC call options at period end. There were no credit events during the period ended February 28, 2013 that triggered any credit related contingent features.

H. ***Options Contracts.*** The Fund may purchase put and call options and may write (sell) put options and covered call options. The premium received by the Fund upon the writing of a put or call option is included in the Statement of Assets and Liabilities as a liability which is subsequently marked-to-market until it is exercised or closed, or it expires. The Fund will realize a gain or loss upon the expiration or closing of the option contract. When an option is exercised, the proceeds on sales of the underlying security for a written call option or purchased put option or the purchase cost of the security for a written put option or a purchased call option is adjusted by the amount of premium received or paid. The risk in writing a call

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NOTES TO FINANCIAL STATEMENTS AS OF FEBRUARY 28, 2013 (CONTINUED)

NOTE 2 SIGNIFICANT ACCOUNTING POLICIES (continued)

option is that the Fund gives up the opportunity for profit if the market price of the security increases and the option is exercised. The risk in buying an option is that the Fund pays a premium whether or not the option is exercised. Risks may also arise from an illiquid secondary market or from the inability of counterparties to meet the terms of the contract.

The Fund seeks to generate gains from the OTC call options writing strategy over a market cycle to supplement the dividend yield of its underlying portfolio of high dividend yield equity securities. Please refer to Note 8 for the volume of written OTC call option activity during the period ended February 28, 2013.

I. ***Indemnifications.*** In the normal course of business, the Fund may enter into contracts that provide certain indemnifications. The Fund s maximum exposure under these arrangements is dependent on future claims that may be made against the Fund and, therefore, cannot be estimated; however, based on experience, management considers the risk of loss from such claims remote.

NOTE 3 INVESTMENT MANAGEMENT AND ADMINISTRATIVE FEES

ING Investments, LLC (ING Investments or the Investment Adviser), an Arizona limited liability company, is the Investment Adviser of the Fund. The Fund pays the Investment Adviser for its services under the investment management agreement (Management Agreement), a fee, payable monthly, based on an annual rate of 1.15% of the Fund s average daily managed assets. Managed assets are defined as the Fund s average daily gross asset value, minus the sum of the Fund 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 Fund and the liquidation preference of any outstanding preferred shares). As of February 28, 2013, there were no preferred shares outstanding.

The Investment Adviser entered into a sub-advisory agreement (a Sub-Advisory Agreement) with ING Investment Management Advisors B.V. (IIMA) a subsidiary of ING Groep, domiciled in The Hague, The Netherlands. Subject to policies as the Board or the Investment Adviser might determine, IIMA manages the Fund s assets in accordance with the Fund s investment objectives, policies and limitations.

The Investment Adviser has also retained ING Investment Management Co. LLC (ING IM or Consultant), a Delaware limited liability company, to provide certain consulting services for the Investment Adviser. These services include, among other things, furnishing statistical and other factual information; providing advice with respect to potential investment strategies that may be employed for the Fund, including, but not limited to, potential options strategies; developing economic models of the anticipated investment performance and yield for the Fund; and providing advice to the Investment Adviser and/or Sub-Adviser with respect to the Fund s level and/or managed distribution policy. For its services, the Consultant will receive a consultancy fee from the Investment Adviser. No fee will be paid by the Fund directly to the Consultant.

ING Funds Services, LLC (the Administrator), a Delaware limited liability company, serves as Administrator to the Fund. The Fund pays the Administrator for its services a fee based on an annual rate of 0.10% of the Fund s average daily managed assets.

NOTE 4 OTHER TRANSACTIONS WITH AFFILIATED AND RELATED PARTIES

The Fund has adopted a Deferred Compensation Plan (the Plan), which allows eligible non-affiliated trustees as described in the Plan to defer the receipt of all or a portion of the trustees fees payable. Amounts deferred are treated as though invested in various notional funds advised by ING Investments until distribution in accordance with the Plan.

NOTE 5 PURCHASES AND SALES OF INVESTMENT SECURITIES

The cost of purchases and proceeds from sales of investments for the period ended February 28, 2013, excluding short-term securities, were $177,710,120 and $227,425,804, respectively.

NOTE 6 OTHER ACCRUED EXPENSES AND LIABILITIES

At February 28, 2013, the Fund had the following payable included in Other Accrued Expenses and Liabilities on the Statement of Assets and Liabilities that exceeded 5% of total liabilities:

Accrued Expense	Amount
Custody	$ 101,888

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NOTES TO FINANCIAL STATEMENTS AS OF FEBRUARY 28, 2013 (CONTINUED)

NOTE 7 EXPENSE LIMITATION

The Investment Adviser has entered into a written expense limitation agreement (Expense Limitation Agreement) with the Fund under which it will limit the expenses of the Fund, excluding interest, taxes, leverage expenses, and extraordinary expenses to 1.50% of average daily managed assets. The Investment Adviser may at a later date recoup from the Fund fees waived and other expenses assumed by the Investment Adviser during the previous 36 months, but only if, after such reimbursement, the Fund s expense ratio does not exceed the percentage described above. The Expense Limitation Agreement is contractual and shall renew automatically for one-year terms unless ING Investments or the Fund provides written notice of the termination within 90 days of the end of the then current term or upon written termination of the Management Agreement.

Waived and reimbursed fees and any recoupment by the Investment Adviser of such waived and reimbursed fees are reflected on the accompanying Statement of Operations for the Fund.

As of February 28, 2013, there are no amounts of waived and reimbursed fees that are subject to possible recoupment by the Investment Adviser.

NOTE 8 TRANSACTIONS IN WRITTEN OPTIONS

Transactions in written OTC call options on indices were as follows:

	Number of Contracts	Premiums Received
Balance at 02/29/12	1,433,100	$ 1,604,535
Options Written	17,150,300	16,216,078
Options Expired	(7,539,900)	(7,046,751)
Options Exercised		
Options Terminated in Closing Purchase Transactions	(9,746,200)	(9,938,440)
Balance at 02/28/13	1,297,300	$ 835,422

NOTE 9 CONCENTRATION OF INVESTMENT RISKS

All mutual funds involve risk some more than others and there is always the chance that you could lose money or not earn as much as you hope. The Fund s risk profile is largely a factor of the principal securities in which it invests and investment techniques that it uses. For more information regarding the types of securities and investment techniques that may be used by the Fund and its corresponding risks, see the Fund s Prospectus and/or the Statement of Additional Information.

Foreign Securities and Emerging Markets. The Fund makes significant investments in foreign securities and securities issued by companies located in countries with emerging markets. Investments in foreign securities may entail risks not present in domestic investments. Since investments in securities are denominated in foreign currencies, changes in the relationship of these foreign currencies to the U.S. dollar can significantly affect the value of the investments and earnings of the Fund. Foreign investments may also subject the Fund to foreign government exchange restrictions, expropriation, taxation or other political, social or economic developments, as well as from movements in currency, security value and interest rate, all of which could affect the market and/or credit risk of the investments. The risks of investing in foreign securities can be intensified in the case of investments in issuers located in countries with emerging markets.

Leverage. Although the Fund has no current intention to do so, the Fund is authorized to utilize leverage through the issuance of preferred shares and/or borrowings, including the issuance of debt securities. In the event that the Fund determines in the future to utilize investment leverage, there can be no assurance that such a leveraging strategy will be successful during any period in which it is employed.

NOTE 10 CAPITAL SHARES

Transactions in capital shares and dollars were as follows:

Year or period ended	Shares sold #	Reinvestment of distributions #	Net increase (decrease) in shares outstanding #	Shares sold ($)	Reinvestment of distributions ($)	Net increase (decrease) ($)
2/28/2013		192,532	192,532		2,817,921	2,817,921
4/26/2011[1] - 2/29/2012	19,255,000		19,255,000	367,005,000[2]		367,005,000

(1) Commencement of operations.

(2) Proceeds from sales of shares net of sales load paid of $17,325,000 and offering costs of $770,000.

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NOTES TO FINANCIAL STATEMENTS AS OF FEBRUARY 28, 2013 (CONTINUED)

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, income from passive foreign investment companies (PFICs) and wash sale deferrals. Distributions in excess of net investment income and/or net realized capital gains for tax purposes are reported as return of capital.

The following permanent tax differences have been reclassified as of the Fund s tax year ended December 31, 2012:

Undistributed Net Investment Income	Accumulated Net Realized Gains/(Losses)
$ (28,332)	$ 28,332

Dividends paid by the Fund 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 in the current period will not be determined until after the Fund s tax year-end of December 31, 2013. The tax composition of dividends and distributions as of the Fund s most recent tax year-end was as follows:

Tax Year Ended December 31, 2012	
Ordinary Income	Return of Capital
$ 5,994,073	$ 23,408,633

Tax Year Ended December 31, 2011	
Ordinary Income	Return of Capital
$ 3,346,360	$ 19,759,640

The tax-basis components of distributable earnings and the capital loss carryforwards which may be used to offset future realized capital gains for federal income tax purposes as of December 31, 2012 are detailed below. The Regulated Investment Company Modernization Act of 2010 (the Act) provides an unlimited carryforward period for newly generated capital losses. Under the Act, there may be a greater likelihood that all or a portion of the Fund s pre-enactment capital loss carryforwards may expire without being utilized due to the fact that post-enactment capital losses are required to be utilized before pre-enactment capital loss carryforwards.

Late Year Ordinary Losses Deferred	Post-October Capital Losses Deferred	Unrealized Appreciation/ (Depreciation)	Capital Loss Carryforwards		
			Amount	Character	Expiration
$(75,644)	$(1,067,539)	$ (14,342,779)	$ (11,859,322)	Short-term	None
			(15,614,184)	Long-term	None
			$ (27,473,506)		

The Fund s major tax jurisdictions are U.S. federal and Arizona. The earliest tax year that remains subject to examination by these jurisdictions is the Fund s initial tax year of 2011.

As of February 28, 2013, no provision for income tax is required in the Fund s financial statements as a result of tax positions taken on federal and state income tax returns for open tax years. The Fund s federal and state income and federal excise tax returns for tax years for which the applicable statutes of limitations have not expired are subject to examination by the Internal Revenue Service and state department of revenue.

NOTE 12 RESTRUCTURING PLAN

The Investment Adviser, ING IM, and the Administrator, are indirect, wholly-owned subsidiaries of ING U.S., Inc. (ING U.S.). ING U.S. is a U.S.-based financial institution whose subsidiaries operate in the retirement, investment, and insurance industries. As of February 28, 2013, ING U.S. and IIMA are wholly-owned subsidiaries of ING Groep N.V. (ING Groep), which is a global financial institution of Dutch origin, with operations in more than 40 countries.

In October 2009, ING Groep submitted a restructuring plan (the Restructuring Plan) to the European Commission in order to receive approval for state aid

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NOTES TO FINANCIAL STATEMENTS AS OF FEBRUARY 28, 2013 (CONTINUED)

NOTE 12 RESTRUCTURING PLAN (continued)

granted to ING Groep by the Kingdom of the Netherlands in November 2008 and March 2009. To receive approval for this state aid, ING Groep was required to divest its insurance and investment management businesses, including ING U.S., before the end of 2013. In November 2012, the Restructuring Plan was amended to permit ING Groep additional time to complete the divestment. Pursuant to the amended Restructuring Plan, ING Groep must divest at least 25% of ING U.S. by the end of 2013, more than 50% by the end of 2014, and the remaining interest by the end of 2016 (such divestment, the Separation Plan).

On November 9, 2012, ING U.S. filed a Registration Statement on Form S-1 (the Form S-1) with the U.S. Securities and Exchange Commission (SEC) to register an initial public offering of ING U.S. common stock (the IPO). Following an IPO, ING Groep would likely continue to own a majority of the common stock of ING U.S. Subsequent to an IPO, ING Groep would likely sell its controlling ownership interest in ING U.S. over time. While the base case for the Separation Plan is the IPO, all options remain open and it is possible that ING Groep s divestment of ING U.S. may take place by means of a sale to a single buyer or group of buyers. Notwithstanding the filing of the Form S-1, there can be no assurance that the IPO will occur.

It is anticipated that one or more of the transactions contemplated by the Separation Plan would result in the automatic termination of the existing advisory and sub-advisory agreements under which the Adviser and sub-adviser(s) provide services to the Fund. In order to ensure that the existing investment advisory and sub-advisory services can continue uninterrupted, the Board approved new advisory and sub-advisory agreements for the Fund in connection with the IPO. In addition, shareholders of the Fund will be asked to approve new investment advisory and sub-advisory agreements prompted by the IPO, as well as any future advisory and sub-advisory agreements prompted by the Separation Plan that are approved by the Board and whose terms are not be materially different from the current agreements. This means that shareholders may not have another opportunity to vote on a new agreement with the Adviser or an affiliated sub-adviser even if they undergo a change of control, as long as no single person or group of persons acting together gains control (as defined in the 1940 Act) of ING U.S.

The Separation Plan, whether implemented through public offerings or other means, may be disruptive to

the businesses of ING U.S. and its subsidiaries, including the Adviser and affiliated entities that provide services to the Fund, and may cause, among other things, interruption of business operations or services, diversion of management s attention from day-to-day operations, reduced access to capital, and loss of key employees or customers. The completion of the Separation Plan is expected to result in the Adviser s and affiliated entities loss of access to the resources of ING Groep, which could adversely affect its business. It is anticipated that ING U.S., as a stand-alone entity, may be a publicly held U.S. company subject to the reporting requirements of the Securities Exchange Act of 1934 as well as other U.S. government and state regulations, and subject to the risk of changing regulation.

During the time that ING Groep retains a majority interest in ING U.S., circumstances affecting ING Groep, including restrictions or requirements imposed on ING Groep by European and other authorities, may also affect ING U.S. A failure to complete the Separation Plan could create uncertainty about the nature of the relationship between ING U.S. and ING Groep, and could adversely affect ING U.S. and the Adviser and its affiliates. Currently, the Adviser and its affiliates do not anticipate that the Separation Plan will have a material adverse impact on their operations or the Fund and its operation.

NOTE 13 SUBSEQUENT EVENTS

On April 23, 2013, IIMA made a payment of $1,730,621 to reimburse the Fund for the foregone investment opportunities attributable to available cash amounts not properly reported on IIMA s portfolio management reporting system.

Dividends: Subsequent to February 28, 2013, the Fund made a distribution of:

Per Share Amount	Declaration Date	Payable Date	Record Date
$ 0.3600	3/15/2013	4/15/2013	4/3/2013

Each quarter, the Fund will provide disclosures with distribution payments made that estimate the percentages of that distribution that represent net investment income, capital gains, and return of capital, if any. A significant portion of the quarterly distribution payments made by the Fund may constitute a return of capital.

At a meeting of the Board on January 10, 2013, the Board nominated to Class II of the Board five

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NOTE 13 SUBSEQUENT EVENTS (continued)

individuals (collectively, the Nominees) for election as Trustees of the Trust. The Nominees include John V. Boyer, Patricia W. Chadwick, and Sheryl K. Pressler, each of whom is a current member of the Board. In addition, the Board has nominated to Class II of the Board Albert E. DePrince Jr. and Martin J. Gavin and appointed to Class I of the Board Joseph E. Obermeyer and Russell H. Jones, each of whom is not currently a member of the Board, but serves as a director or trustee to other investment companies in the ING Fund complex. If the Nominees are approved by shareholders, the election of the Nominees and appointment of Messrs. Obermeyer and Jones are expected to be effective May 21, 2013. These nominations and appointments are, in part, the result of an effort on the part of the Board, another board in the ING Fund complex, and the Investment Adviser to the Fund to consolidate the membership of the boards

so that the same members serve on each board in the ING Fund complex. A proxy statement has been sent to shareholders of the Fund included in this report, as well as shareholders of other ING Funds, seeking approval of the same Nominees. If these proposals were all approved by shareholders, the result would be that all ING Funds would be governed by a board made up of the same individuals.

The Fund has evaluated events occurring after the Statement of Assets and Liabilities date (subsequent events) to determine whether any subsequent events necessitated adjustment to or disclosure in the financial statements. Other than the above, no such subsequent events were identified.

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ING EMERGING MARKETS HIGH DIVIDEND EQUITY FUND

SUMMARY PORTFOLIO OF INVESTMENTS AS OF FEBRUARY 28, 2013

Shares		Value	Percentage of Net Assets
COMMON STOCK: 86.5%			
	Belgium: 1.2%		
101,342	Oriflame Cosmetics S.A.	$ 3,498,839	1.2
	Brazil: 11.1%		
466,212	BM&F Bovespa S.A.	3,158,484	1.1
249,000	Cia Energetica de Minas Gerais ADR	2,963,100	1.1
109,100	Embraer SA ADR	3,702,854	1.3
181,171	Itau Unibanco Holding S.A.	3,209,895	1.1
190,184	Petroleo Brasileiro SA ADR	3,181,778	1.1
265,248	Porto Seguro SA	3,517,611	1.3
825,584	Tim Participacoes SA	3,607,811	1.3
289,306	Vale SA	5,342,091	1.9
519,747	Other Securities	2,625,781	0.9
		31,309,405	**11.1**
	Chile: 1.1%		
8,179,877	Enersis SA	3,125,301	1.1
	China: 17.0%		
908,000	BOC Hong Kong Holdings Ltd.	3,058,431	1.1
5,054,000	China Communications Services Corp., Ltd.	3,154,209	1.1
3,605,000	China Construction Bank	2,969,820	1.1
130,700	China Mobile Ltd. ADR	7,162,360	2.5
2,612,000	China Petroleum & Chemical Corp.	2,965,872	1.1
1,184,000	China Resources Power Holdings Co.	3,195,132	1.1
4,007,000	China Shanshui Cement Group Ltd.	2,862,438	1.0
1,861,000	China Shineway Pharmaceutical Group Ltd.	3,165,693	1.1
3,434,000	Harbin Electric Co. Ltd.	2,998,060	1.1
4,128,000	Industrial and Commercial Bank of China Ltd.	2,959,442	1.0
2,882,000	Jiangsu Expressway Co. Ltd.	2,910,074	1.0
3,709,000	Zhejiang Expressway Co., Ltd.	3,117,299	1.1
6,852,500	Other Securities	7,667,208	2.7
		48,186,038	**17.0**

Shares	Value	Percentage of Net

				Assets
COMMON STOCK: (continued)				
		Colombia: 1.1%		
366,900		Petrominerales Ltd.	$ 3,059,724	1.1
		Czech Republic: 1.9%		
13,746		Komercni Banka AS	2,793,955	1.0
84,587		Other Securities	2,542,869	0.9
			5,336,824	**1.9**
		Hong Kong: 1.9%		
749,000		Hang Lung Properties Ltd.	2,903,128	1.0
23,780,000		Other Securities	2,601,380	0.9
			5,504,508	**1.9**
		Hungary: 0.9%		
17,132		Other Securities	2,614,652	0.9
		India: 4.3%		
970,903		NTPC Ltd.	2,693,018	1.0
575,578		Oil & Natural Gas Corp., Ltd.	3,315,981	1.2
1,197,875		Other Securities	6,139,670	2.1
			12,148,669	**4.3**
		Indonesia: 2.5%		
7,529,000		Bank Negara Indonesia Persero Tbk PT	3,578,183	1.3
4,594,000		Indofood Sukses Makmur Tbk PT	3,463,569	1.2
			7,041,752	**2.5**
		Malaysia: 3.0%		
1,994,866		Berjaya Sports Toto BHD	2,712,504	1.0
2,381,600		Gamuda BHD	2,957,536	1.0
1,770,400	&nbs> (100)			

11/30/10	Sale	24.6500	(200)
12/16/10	Sale	26.9826	(100)
12/17/10	Sale	27.0040	(200)
12/20/10	Sale	26.9732	(100)
12/21/10	Sale	26.9500	(100)
12/22/10	Sale	26.9896	(300)
12/23/10	Sale	26.9602	(500)
12/27/10	Sale	26.9958	(400)

Transactions by MLCO last 60 days

Date	Transaction	Price	Shares
11/08/10	Sale	24.2051	(100)
11/18/10	Sale	24.2112	(600)
12/01/10	Sale	24.2001	(4,300)
12/17/10	Sale	27.0040	(100)
12/22/10	Sale	26.9896	(100)
12/23/10	Sale	26.9602	(100)

12/27/10	Sale	26.9958	(100)
12/30/10	Sale	26.9677	(100)
01/03/11	Sale	27.0065	(300)
01/04/11	Sale	26.9503	(200)
01/05/11	Sale	26.9656	(100)
01/06/11	Sale	27.0185	(200)
01/10/11	Sale	26.9900	(100)

(d) Not applicable.

(e) Not applicable.

Item 6. Contracts, Arrangements, Understandings or Relationships With Respect to Securities of the Issuer.

There are no contracts, arrangements, understandings or relationships among the persons named in Item 2 or between such persons and any other person with respect to any securities of the Issuer.

Item 7. Material to be Filed as Exhibits.

Exhibit 1	Written Agreement relating to the filing of joint acquisition statements as required by Rule 13d-1(f)(1) of the Securities and Exchange Commission

SIGNATURES

After reasonable inquiry and to the best of my knowledge and belief, I certify that the information set forth in this statement is true, complete and correct.

Dated: January 14, 2011

MALTA PARTNERS, L.P.

By:	SOAM Holdings, LLC, the sole general partner
By:	/s/ Terry Maltese Terry Maltese Managing Member

MALTA HEDGE FUND, L.P.

By:	SOAM Holdings, LLC, the sole general partner
By:	/s/ Terry Maltese Terry Maltese Managing Member

MALTA MLC FUND, L.P.

By:	SOAM Holdings, LLC, the sole general partner
By:	/s/ Terry Maltese Terry Maltese Managing Member

MALTA HEDGE FUND II, L.P.

By:	SOAM Holdings, LLC, the sole general partner
By:	/s/ Terry Maltese Terry Maltese Managing Member

MALTA OFFSHORE, LTD.

By:	/s/ Terry Maltese Terry Maltese Director

Sandler O'Neill Asset Management LLC

By:	/s/ Terry Maltese Terry Maltese President

MALTA MLC OFFSHORE, LTD.

By:	/s/ Terry Maltese Terry Maltese Director

Terry Maltese

By:	/s/ Terry Maltese Terry Maltese

SOAM Holdings, LLC

By:	/s/ Terry Maltese Terry Maltese

Managing Member

EXHIBIT 1

JOINT ACQUISITION STATEMENT PURSUANT TO RULE 13d-1(f)(1)

The undersigned acknowledge and agree that the foregoing statement on Schedule 13D is filed on behalf of each of the undersigned and that all subsequent amendments to this statement on Schedule 13D shall be filed on behalf of each of the undersigned without the necessity of filing additional joint acquisition statements. The undersigned acknowledge that each shall be responsible for the timely filing of such amendments, and for the completeness and accuracy of the information concerning it contained herein, but shall not be responsible for the completeness and accuracy of the information concerning the other, except to the extent that it knows or has reason to believe that such information is inaccurate.

Dated: January 14, 2011

MALTA PARTNERS, L.P.

By: SOAM Holdings, LLC,
the sole general partner
By: /s/ Terry Maltese
Terry Maltese
Managing Member

MALTA HEDGE FUND, L.P.

By: SOAM Holdings, LLC,
the sole general partner
By: /s/ Terry Maltese
Terry Maltese
Managing Member

MALTA MLC FUND, L.P.

By: SOAM Holdings, LLC,
the sole general partner
By: /s/ Terry Maltese
Terry Maltese
Managing Member

MALTA HEDGE FUND II, L.P.

By: SOAM Holdings, LLC,
the sole general partner
By: /s/ Terry Maltese
Terry Maltese
Managing Member

MALTA OFFSHORE, LTD.

By: /s/ Terry Maltese
Terry Maltese
Director

Sandler O'Neill Asset Management LLC

By: /s/ Terry Maltese
Terry Maltese
President

MALTA MLC OFFSHORE, LTD.

By: /s/ Terry Maltese
Terry Maltese
Director

Terry Maltese

By: /s/ Terry Maltese
Terry Maltese

SOAM Holdings, LLC

By:	/s/ Terry Maltese Terry Maltese Managing Member