

ING PRIME RATE TRUST  
Form N-30B-2  
August 08, 2003

FIRST QUARTER REPORT

May 31, 2003

ING PRIME RATE TRUST

[GRAPHIC]

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ING FUNDS

ING Prime Rate Trust

FIRST QUARTER REPORT

May 31, 2003

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ING Prime Rate Trust

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PORTFOLIO MANAGERS' REPORT  
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PERFORMANCE OF THE TRUST

The Trust declared to common shareholders \$0.11 of dividends during the fiscal quarter ended May 31, 2003, which, based on the average month-end net asset value ("NAV") per share of \$6.81, resulted in an annualized distribution rate of 6.16%. (1) Total return (based on NAV) for the quarter was 3.96%, up from 2.63% during the previous fiscal quarter, and above the 2.28% level of the fiscal quarter ended May 31, 2002. The favorable comparison against the prior year period is significant in light of a further decline in short-term interest rates since that time.

The Trust's common shares also performed well during the quarter, as investors

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continued to search for relatively higher yields on their income-oriented investments. Total return based on market value (assuming full dividend reinvestment) was 11.14% for the three-month period ended May 31, 2003. Since the beginning of 2003, the Trust's common shares have provided a total return of 18.37%, as compared to 10.35% for the S&P 500 Index.

Not unlike last quarter, performance during the fiscal quarter ended May 31, 2003 was driven by a broad-based technical rally in the high yield loan and bond markets, and further enhanced by favorable credit-specific developments in several of the Trust's larger holdings. Specifically, Nextel Communications (approximately 3.64% of total assets, the largest single issuer at the end of the quarter) and Charter Communications Operating, LLC (2.91%, the second largest) again posted respectable to comparably strong operating and financial results. Equally as important, both issuers took significant steps to improve their respective balance sheets and/or liquidity positions. By way of its bellwether standing, Nextel's success has also had a tangible positive effect on loan prices across the cellular communications sector, historically one of the Trust's largest. As a case-in-point, Western Wireless Corporation, the second largest wireless position in the portfolio (1.24%), was one of several issuers in the sector to take advantage of improved investor sentiment in order to access alternative capital markets and thereby reduce its secured debt level. Similarly, the strengthening of Charter's loan prices had a marked positive impact on the cable sector at large (which, at approximately 8.64% of the Trust's total assets, represented the largest sector exposure at quarter-end). Fortunately, detractors were few during the quarter; there was relatively little deterioration across the Trust's older, illiquid positions, existing non-performing loans and/or areas of difficulty over the last several quarters.

The Trust utilizes financial leverage to seek to increase the yield to the holders of common shares. As of May 31, 2003, the Trust had \$534 million of borrowings outstanding, consisting of \$450 million of "aaa/AAA" rated cumulative auction rate preferred shares, and \$84 million outstanding under \$540 million in available credit facilities. Total leverage, as a percentage of total assets (including preferred shares), was 35.9% at quarter end. The weighted average leverage cost including all borrowings and preferred shares as of quarter end was 1.13%. While the use of leverage for investment purposes increases both investment opportunity and investment risk, we continue to deploy leverage only when it is in the best interest of the Trust's common shareholders.

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### OUTLOOK

Although the bulk of the expected price appreciation appears to be behind us, our near-term outlook for the loan market in general, and the Trust specifically, remains relatively favorable. Overall credit conditions continue to consistently improve, as evidenced by another quarter-over-quarter decline in the market-wide trailing loan default rate to approximately 2.48%, after peaking at 7.4% in June of last year.<sup>(2)</sup> Assuming even a modest economic recovery takes hold, we'd expect a coupon-like return for the balance of the year, with some upside available on those few actively traded issues still changing hands at a discount to par. Assuming also that the easing bias on the part of the Federal Reserve has run its course, our most immediate issue/challenge is to ensure access to attractive investment opportunities as the loan market enters a seasonally slow part of the year and continues to battle a persistent imbalance between supply of new loans (stubbornly low) and investor demand (very high).

We thank you for your investment in ING Prime Rate Trust.

/s/ Jeffrey A. Bakalar

/s/ Daniel A. Norman

Jeffrey A. Bakalar

Daniel A. Norman

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SENIOR VICE PRESIDENT  
CO-SENIOR PORTFOLIO MANAGER

SENIOR VICE PRESIDENT  
CO-SENIOR PORTFOLIO MANAGER

ING Prime Rate Trust  
July 17, 2003

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### PORTFOLIO MANAGERS' FOOTNOTES

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1. The distribution rate is calculated by annualizing dividends declared during the quarter and dividing the resulting annualized dividend by the Trust's average month-end 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.
2. Source: As tracked by S&P Leveraged Commentary & Data Group, July 15, 2003, a leading data provider to the Loan Market.

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.

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 LETTER 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 LETTER 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.

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### INDEX DESCRIPTIONS

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The S&P 500 INDEX is a capitalization-weighted index of 500 stocks chosen for market size, liquidity, and industry group representation.

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All indices are unmanaged.  
An investor cannot invest directly in an index.

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STATISTICS AND PERFORMANCE as of May 31, 2003  
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PORTFOLIO CHARACTERISTICS

|  |                 |
|--|-----------------|
| Net Assets   | \$ 944,738,398  |
| Assets Invested in Senior Loans  | \$1,416,046,783 |
| Total Number of Senior Loans   | 343             |
| Average Amount Outstanding per Loan  | \$ 4,128,416    |
| Total Number of Industries   | 36              |
| Average Loan Amount per Industry   | \$ 39,334,633   |
| Portfolio Turnover Rate  | 50%             |
| Weighted Average Days to Interest Rate Reset                                   | 310 days        |
| Average Loan Final Maturity  | 51 months       |
| Total Leverage as a Percentage of Total Assets<br>(including Preferred Shares) | 35.9%           |

TOP TEN INDUSTRY SECTORS AS A PERCENTAGE OF:

|  | NET ASSETS | TOTAL ASSETS |
|--|------------|--------------|
|  | -----      | -----        |
| Cable Television                       | 13.6%      | 8.6%         |
| Healthcare, Education and Childcare    | 11.8%      | 7.5%         |
| Cellular                               | 11.6%      | 7.4%         |
| Automobile                             | 10.5%      | 6.6%         |
| Leisure, Amusement and Entertainment   | 10.1%      | 6.4%         |
| Printing and Publishing                | 8.6%       | 5.4%         |
| Containers, Packaging and Glass        | 8.5%       | 5.4%         |
| Beverage, Food and Tobacco             | 6.8%       | 4.3%         |
| Chemicals, Plastics and Rubber         | 6.2%       | 4.0%         |
| Diversified/Conglomerate Manufacturing | 5.6%       | 3.6%         |

TOP TEN SENIOR LOAN ISSUERS AS A PERCENTAGE OF:

|                                       | NET ASSETS | TOTAL ASSETS |
|---------------------------------------|------------|--------------|
|                                       | -----      | -----        |
| Nextel Communications(1)              | 5.7%       | 3.6%         |
| Charter Communications Operating, LLC | 4.5%       | 2.9%         |
| Wyndham International, Inc.           | 2.2%       | 1.4%         |
| Western Wireless Corporation          | 1.9%       | 1.2%         |
| Olympus Cable Holdings, LLC           | 1.9%       | 1.2%         |
| Safelite Glass Corporation            | 1.8%       | 1.2%         |
| Mandalay Resort Group                 | 1.8%       | 1.1%         |
| Broadwing, Inc.                       | 1.7%       | 1.1%         |
| Extended Stay America, Inc.           | 1.7%       | 1.1%         |
| Dean Foods Company                    | 1.6%       | 1.0%         |

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(1) COMBINATION OF NEXTEL FINANCE COMPANY AND NEXTEL OPERATIONS, INC.

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 STATISTICS AND PERFORMANCE as of May 31, 2003  
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### YIELDS AND DISTRIBUTION RATES

| QUARTER ENDED     | PRIME<br>RATE | NET ASSET<br>VALUE ("NAV")<br>30-DAY SEC<br>YIELD (A) | MARKET<br>30-DAY SEC<br>YIELD (A) | AVERAGE<br>ANNUALIZED<br>DISTRIBUTION<br>RATE AT NAV (B) | AVERAGE<br>ANNUALIZED<br>DISTRIBUTION<br>RATE AT MARKET (B) |
|-------------------|---------------|---|-----------------------------------|--|---|
| -----             | ----          | -----   | -----                             | -----  | -----   |
| May 31, 2003      | 4.25%         | 6.93%   | 6.75%                             | 6.16%  | 6.07%   |
| February 28, 2003 | 4.25%         | 6.93%   | 7.23%                             | 6.52%  | 6.93%   |
| November 30, 2002 | 4.25%         | 8.02%   | 9.10%                             | 6.86%  | 7.87%   |
| August 31, 2002   | 4.75%         | 7.39%   | 8.53%                             | 6.34%  | 7.33%   |

### AVERAGE ANNUAL TOTAL RETURNS

|                                   | NAV    | MARKET |
|-----------------------------------|--------|--------|
|                                   | ---    | -----  |
| 1 Year                            | 1.99%  | 13.41% |
| 3 Years                           | -0.08% | 1.94%  |
| 5 Years                           | 2.48%  | 1.15%  |
| 10 Years                          | 5.27%  | 5.97%  |
| Since Trust Inception (F,H)       | 6.46%  | N/A    |
| Since Initial Trading on NYSE (G) | N/A    | 6.15%  |

ASSUMES RIGHTS WERE EXERCISED AND EXCLUDES SALES CHARGES AND COMMISSIONS (C,D,E)

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.

See statistics and performance footnotes on page 8.

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 STATISTICS AND PERFORMANCE FOOTNOTES  
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(A) 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 SEC standardized yield formula for open-end investment companies.

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- (B) 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.
- (C) Calculation of total return assumes a hypothetical initial investment at the net asset value (in the case of NAV) or the NYSE Composite closing price (in the case of Market) on the last business day before the first day of the stated period, with all dividends and distributions reinvested at the actual reinvestment price.
- (D) On December 27, 1994, the Trust issued to its shareholders transferable rights which entitled the holders to subscribe for 17,958,766 shares of the Trust's common stock at the rate of one share of common stock for each four rights held. On January 27, 1995, the offering expired and was fully subscribed. The Trust issued 17,958,766 shares of its common stock to exercising rights holders at a subscription price of \$8.12. Offering costs of \$4,470,955 were charged against the offering proceeds.
- (E) On October 18, 1996, the Trust issued to its shareholders non-transferable rights which entitled the holders to subscribe for 18,122,963 shares of the Trust's common stock at the rate of one share of common stock for each five rights held. On November 12, 1996, the offering expired and was fully subscribed. The Trust issued 18,122,963 shares of its common stock to exercising rights holders at a subscription price of \$9.09. Offering costs of \$6,972,203 were charged against the offering proceeds.
- (F) Inception Date -- May 12, 1988.
- (G) Initial Trading on NYSE -- March 9, 1992.
- (H) Reflects partial waiver of fees.

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ADDITIONAL NOTES AND INFORMATION  
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### SHAREHOLDER INVESTMENT PROGRAM

The Trust offers a Shareholder Investment Program (the "Program," formerly known as the Dividend Reinvestment and Cash Purchase Plan) 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 \$5,000 on a monthly basis. Amounts in excess of \$5,000 require prior approval of the Trust. DST Systems, Inc., the Trust's Transfer Agent, is the administrator for the Program.

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

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For optional cash investments, shares will be purchased on the open market by the DST Systems, Inc. when the market price plus estimated commissions is less than the net asset value on the valuation date. New shares may be issued by the Trust when the market price plus estimated commissions is equal to or exceeds the net asset value on the valuation date.

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 our Shareholder Services Department at (800) 992-0180.

### KEY FINANCIAL DATES -- CALENDAR 2003 DIVIDENDS:

| DECLARATION DATE | EX-DIVIDEND DATE | PAYABLE DATE     |
|------------------|------------------|------------------|
| -----            | -----            | -----            |
| January 31       | February 6       | February 25      |
| February 28      | March 6          | March 24         |
| March 31         | April 8          | April 23         |
| 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, 2004 |

RECORD DATE WILL BE TWO BUSINESS DAYS AFTER EACH EX-DIVIDEND DATE. THESE DATES ARE SUBJECT TO CHANGE.

### STOCK DATA

The Trust's 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.

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 STATEMENT OF ASSETS AND LIABILITIES as of May 31, 2003 (Unaudited)  
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|   |                  |
|---|------------------|
| ASSETS:   |                  |
| Investments in securities at value (Cost \$1,555,091,343)   | \$ 1,474,827,100 |
| Cash  | 4,067,233        |
| Receivables:  |                  |
| Interest  | 8,559,115        |
| Other   | 76,678           |
| Prepaid expenses  | 260,637          |
|   | -----            |
| Total assets  | 1,487,790,763    |
|   | -----            |
| LIABILITIES:  |                  |
| Notes payable   | 84,000,000       |
| Payable for investments purchased   | 2,305,612        |
| Deferred income on revolving senior loans   | 4,042,244        |
| Accrued auction preferred shares dividends payable  | 59,341           |
| Payable to affiliates   | 1,338,176        |
| Accrued trustees' fees  | 34,737           |
| Other accrued expenses  | 1,272,255        |
|   | -----            |
| Total liabilities   | 93,052,365       |
|   | -----            |
| Preferred shares, \$25,000 stated value per share at liquidation value<br>(18,000 shares outstanding) | 450,000,000      |
|   | -----            |
| NET ASSETS  | \$ 944,738,398   |
|   | =====            |
| Net asset value per common share outstanding (net assets less preferred shares                        |                  |



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|  |    |               |
|--|----|---------------|
| at liquidation value, divided by 137,100,184 shares of beneficial interest authorized and outstanding, no par value) | \$ | 6.89          |
| NET ASSETS CONSIST OF:   |    |               |
| Paid-in capital  | \$ | 1,288,813,843 |
| Undistributed net investment income  |    | 12,368,697    |
| Accumulated net realized loss on investments   |    | (276,179,899) |
| Net unrealized depreciation of investments   |    | (80,264,243)  |
|  |    | -----         |
| NET ASSETS   | \$ | 944,738,398   |
|  |    | =====         |

See Accompanying Notes to Financial Statements

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ING Prime Rate Trust

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STATEMENT OF OPERATIONS for the Three Months Ended May 31, 2003 (Unaudited)  
-----

|   |               |
|---|---------------|
| INVESTMENT INCOME:                                    |               |
| Interest  | \$ 20,301,670 |
| Revolver fees earned                                  | 713,986       |
| Dividends   | 3,003         |
| Other   | 977,557       |
|   | -----         |
| Total investment income                               | 21,996,216    |
|   | -----         |
| EXPENSES:   |               |
| Investment management fees                            | 3,068,743     |
| Administration fees                                   | 958,982       |
| Transfer agent and registrar fees                     | 175,293       |
| Interest  | 696,397       |
| Shareholder reporting expense                         | 38,088        |
| Custodian fees  | 127,236       |
| Revolving credit facility fees                        | 54,907        |
| Professional fees                                     | 219,971       |
| Preferred Shares - Dividend disbursing agent fees     | 297,043       |
| Insurance expense                                     | 9,088         |
| Pricing expense                                       | 13,782        |
| ICI fees  | 3,088         |
| Postage expense                                       | 74,116        |
| Trustees' fees  | 18,400        |
| Miscellaneous expense                                 | 75,783        |
|   | -----         |
| Total expenses  | 5,830,917     |
|   | -----         |
| Net investment income                                 | 16,165,299    |
|   | -----         |
| REALIZED AND UNREALIZED GAIN (LOSS) FROM INVESTMENTS: |               |
| Net realized loss on investments                      | (30,723,480)  |
| Net change in unrealized appreciation of investments  | 51,567,554    |
|   | -----         |
| Net realized and unrealized gain on investments       | 20,844,074    |
|   | -----         |
| DISTRIBUTIONS TO PREFERRED SHAREHOLDERS:              |               |
| From net investment income                            | (1,407,386)   |
|   | -----         |
| Net increase in net assets resulting from operations  | \$ 35,601,987 |
|   | =====         |

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See Accompanying Notes to Financial Statements

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STATEMENTS OF CHANGES IN NET ASSETS  
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|  | THREE MONTHS<br>ENDED MAY 31,<br>2003<br>(UNAUDITED) | YEAR ENDED<br>FEBRUARY 28,<br>2003 |
|--|--|------------------------------------|
|  | -----  | -----                              |
| INCREASE IN NET ASSETS FROM OPERATIONS:  |  |                                    |
| Net investment income  | \$ 16,165,299  | \$ 69,429,083                      |
| Net realized loss on investments   | (30,723,480)   | (115,778,026)                      |
| Change in unrealized depreciation on investments   | 51,567,554   | 51,893,096                         |
| Distributions to preferred shareholders from net investment income   | (1,407,386)  | (7,499,067)                        |
|  | -----  | -----                              |
| Net increase in net assets resulting from operations   | 35,601,987   | (1,954,914)                        |
| DISTRIBUTIONS TO COMMON SHAREHOLDERS:  |  |                                    |
| Distributions from net investment income   | (14,112,565)   | (61,643,423)                       |
|  | -----  | -----                              |
| Decrease in net assets from distributions to common shareholders   | (14,112,565)   | (61,643,423)                       |
| CAPITAL SHARE TRANSACTIONS:  |  |                                    |
| Common shares issued from dividend reinvestment  | 865,634  | --                                 |
|  | -----  | -----                              |
| Net increase from capital share transactions   | 865,634  | --                                 |
|  | -----  | -----                              |
| Net decrease in net assets   | 22,355,056   | (63,598,337)                       |
| NET ASSETS:  |  |                                    |
| Beginning of period  | 922,383,342  | 985,981,679                        |
|  | -----  | -----                              |
| End of period (including undistributed net investment income of \$12,368,697 and \$11,723,349, respectively) | \$ 944,738,398                                       | \$ 922,383,342                     |
|  | =====  | =====                              |

See Accompanying Notes to Financial Statements

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ING Prime Rate Trust

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STATEMENT OF CASH FLOWS for the Three Months Ended May 31, 2003 (Unaudited)  
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INCREASE (DECREASE) IN CASH  
CASH FLOWS FROM OPERATING ACTIVITIES:

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|  |               |
|--|---------------|
| Interest received  | 17,714,933    |
| Dividends received   | 3,003         |
| Facility fees paid   | (54,907)      |
| Dividends paid to preferred shareholders   | (1,394,459)   |
| Revolver fee received  | 1,663,663     |
| Other income received  | 981,861       |
| Interest paid  | (696,397)     |
| Other operating expenses paid  | (4,900,912)   |
| Purchases of securities  | (234,923,162) |
| Proceeds from sales of securities  | 320,578,819   |
|  | -----         |
| Net cash provided by operating activities  | 98,972,442    |
|  | -----         |
| CASH FLOWS FROM FINANCING ACTIVITIES:  |               |
| Dividends paid to common shareholders  | (14,112,565)  |
| Net repayment of notes payable   | (83,000,000)  |
| Dividends reinvested for common shares   | 865,634       |
|  | -----         |
| Net cash flows used in financing activities  | (96,246,931)  |
|  | -----         |
| Net change in cash   | 2,725,511     |
| Cash at beginning of period  | 1,341,722     |
|  | -----         |
| Cash at end of period  | 4,067,233     |
|  | =====         |
| RECONCILIATION OF NET INCREASE IN NET ASSETS RESULTING FROM OPERATIONS TO<br>NET CASH PROVIDED BY OPERATING ACTIVITIES:        |               |
| Net increase in net assets resulting from operations   | 35,601,987    |
|  | -----         |
| Adjustments to reconcile net increase in net assets resulting<br>from operations to net cash provided by operating activities: |               |
| Change in unrealized depreciation of securities  | (51,567,554)  |
| Net accretion of discounts on securities   | (1,406,199)   |
| Realized loss on sale of securities  | 30,723,480    |
| Purchase of securities   | (234,923,162) |
| Proceeds on sale of securities   | 320,578,819   |
| Increase in other assets   | 4,304         |
| Decrease in interest receivable  | (1,180,538)   |
| Decrease in prepaid expenses   | (56,860)      |
| Increase in deferred fees on revolver senior loans   | 949,677       |
| Increase in preferred shareholder dividend payable   | 12,927        |
| Increase in affiliate payable  | 105,609       |
| Increase in accrued trustees' fees   | 5,362         |
| Increase in accrued expenses   | 124,590       |
|  | -----         |
| Total adjustments  | 63,370,455    |
|  | -----         |
| Net cash provided by operating activities  | 98,972,442    |
|  | =====         |

See Accompanying Notes to Financial Statements

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**FINANCIAL HIGHLIGHTS**  
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For a common share outstanding throughout the period

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|  | THREE                              | YEARS ENDED FEBRUARY 2 |            |              |
|--|------------------------------------|------------------------|------------|--------------|
|  | MONTHS<br>ENDED<br>MAY 31,<br>2003 | 2003                   | 2002       | 2001         |
|  | (UNAUDITED)                        |                        |            |              |
| <b>PER SHARE OPERATING PERFORMANCE</b>   |                                    |                        |            |              |
| Net asset value, beginning of period   | \$ 6.73                            | \$ 7.20                | \$ 8.09    | \$ 8.09      |
| Net investment income  | 0.11                               | 0.50                   | 0.74       | 0.74         |
| Net realized and unrealized gain (loss) on investments                         | 0.17                               | (0.47)                 | (0.89)     | (0.89)       |
| Increase (decrease) in net asset value from investment operations              | 0.27                               | (0.02)                 | (0.26)     | (0.26)       |
| Distributions to Common Shareholders from net investment income                | (0.11)                             | (0.45)                 | (0.63)     | (0.63)       |
| Distribution to Preferred Shareholders   | (0.01)                             | (0.05)                 | (0.11)     | (0.11)       |
| Increase in net asset value from share offerings                               | --                                 | --                     | --         | --           |
| Reduction in net asset value from Preferred Shares offerings                   | --                                 | --                     | --         | (0.00)       |
| Net asset value, end of period   | \$ 6.89                            | \$ 6.73                | \$ 7.20    | \$ 8.09      |
| Closing market price at end of period  | \$ 7.07                            | \$ 6.46                | \$ 6.77    | \$ 8.09      |
| <b>TOTAL INVESTMENT RETURN(1)</b>  |                                    |                        |            |              |
| Total investment return at closing market price(2)                             | 11.13%                             | 2.53%                  | (9.20)%    | 9.20%        |
| Total investment return at net asset value(3)                                  | 3.96%                              | 0.44%                  | (3.02)%    | 0.00%        |
| <b>RATIOS/SUPPLEMENTAL DATA</b>  |                                    |                        |            |              |
| Net assets end of period (000's)   | \$ 944,738                         | \$ 922,383             | \$ 985,982 | \$ 1,107,000 |
| Preferred Shares   |                                    |                        |            |              |
| Aggregate amount outstanding (000's)   | \$ 450,000                         | \$ 450,000             | \$ 450,000 | \$ 450,000   |
| Borrowings at end of period (000's)  | \$ 84,000                          | \$ 167,000             | \$ 282,000 | \$ 510,000   |
| Liquidation and market value per share of Preferred Shares                     | \$ 25,000                          | \$ 25,000              | \$ 25,000  | \$ 25,000    |
| Asset coverage ratios(6)   | 277%                               | 250%                   | 235%       | 235%         |
| Average borrowings (000's)   | \$ 147,848                         | \$ 190,671             | \$ 365,126 | \$ 450,000   |
| <b>Ratios to average net assets including Preferred Shares(7)</b>              |                                    |                        |            |              |
| Expenses (before interest and other fees related to revolving credit facility) | 1.47%                              | 1.49%                  | 1.57%      | 1.57%        |
| Expenses   | 1.67%                              | 1.81%                  | 2.54%      | 3.02%        |
| Net investment income  | 4.64%                              | 4.97%                  | 6.83%      | 9.20%        |
| <b>Ratios to average net assets plus borrowing</b>                             |                                    |                        |            |              |
| Expenses (before interest and other fees related to revolving credit facility) | 1.86%                              | 1.82%                  | 1.66%      | 1.66%        |
| Expenses   | 2.14%                              | 2.23%                  | 2.70%      | 3.02%        |
| Net investment income  | 5.95%                              | 6.10%                  | 7.24%      | 7.24%        |
| <b>Ratios to average net assets</b>  |                                    |                        |            |              |
| Expenses (before interest and other fees related to revolving credit facility) | 2.18%                              | 2.19%                  | 2.25%      | 2.25%        |
| Expenses   | 2.50%                              | 2.68%                  | 3.64%      | 4.00%        |
| Net investment income  | 6.90%                              | 7.33%                  | 9.79%      | 10.00%       |
| Portfolio turnover rate  | 50%                                | 48%                    | 53%        | 53%          |
| Common shares outstanding at end of period (000's)                             | 136,973                            | 136,973                | 136,973    | 136,973      |

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- (1) Total investment return calculations are attributable to common shareholders.
  - (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 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) The Investment Manager agreed to reduce its fee for a period of three years from the Expiration Date of the November 12, 1996 Rights Offering to 0.60% of the average daily net assets, plus the proceeds of any outstanding borrowings, over \$1.15 billion.
  - (5) Calculated on total expenses before impact on earnings credits.
  - (6) 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.
  - (7) Ratios do not reflect the effect of dividend payments to Preferred Shareholders; income ratios reflect income earned on assets attributable to preferred shares.

See Accompanying Notes to Financial Statements

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ING Prime Rate Trust

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NOTES TO FINANCIAL STATEMENTS as of May 31, 2003 (Unaudited)  
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### NOTE 1 -- SIGNIFICANT ACCOUNTING POLICIES

ING Prime Rate Trust (the "Trust"), is registered under the Investment Company Act of 1940, as amended (the "1940 Act"), as a diversified, closed-end, investment management company. The Trust invests in senior loans which are exempt from registration under the Securities Act of 1933 as amended (the "33 Act"), but 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 Prime Rate of a U.S. bank specified in the credit agreement, the London Inter-Bank Offered Rate ("LIBOR"), the certificate of deposit rate, or in some cases another base lending rate. 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 accounting principles generally accepted in the United States of America.

- A. SENIOR LOAN AND OTHER SECURITY VALUATION. Loans are normally valued at the mean of the means of one or more bid and asked quotations obtained from a pricing service or other sources determined by the Board of Trustees to be independent and believed to be reliable. Loans for which reliable quotations are not available may be valued with reference to another loan or a group of loans for which quotations are more readily available and whose characteristics are comparable to the loan being valued. Under this

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approach, the comparable loan or loans serve as a proxy for changes in value. The Trust has engaged an independent pricing service to provide quotations from dealers in loans and to calculate values under the proxy procedure described above. As of May 31, 2003, 92.21% of total investments were valued based on these procedures. It is expected that most of the loans held by the Trust will 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 Manager") 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 Manager that the Investment Manager 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 Trust's Board of Trustees and in accordance with the provisions of the 1940 Act. Under these procedures, fair value is determined by the Investment Manager and monitored by the Trust's Board of Trustees through its Valuation 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, 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 or the NASDAQ National Market System are stated at the last reported sale price on the day of valuation. Debt and equity securities traded in the over-the-counter market and listed securities for which no sale was reported on that date are valued at the mean between the last reported bid and asked price. Securities other than senior loans for which reliable quotations are not readily available and all other assets will be valued at their respective fair

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ING Prime Rate Trust

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NOTES TO FINANCIAL STATEMENTS as of May 31, 2003 (Unaudited) (Continued)

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values as determined in good faith by, or under procedures established by, the Board of Trustees of the Trust. Investments in securities maturing in less than 60 days from the date of acquisition are valued at amortized cost, which, when combined with accrued interest, approximates market value.

B. FEDERAL INCOME TAXES. It is the Trust's policy to comply with the

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requirements of the Internal Revenue Code applicable to "regulated investment companies" and to distribute all of its taxable income to its shareholders. Therefore, no provision for Federal income taxes is required. In addition, by distributing during each calendar year substantially all of its net investment income and net realized capital gains (if any), the Trust intends not to be subject to any federal excise tax.

- C. SECURITY TRANSACTIONS AND REVENUE RECOGNITION. Loans are booked on a settlement date basis and security transactions 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 delivered. 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 discontinued when, in the opinion of management, there is an indication that the borrower may be unable to meet payments as they become due. Upon such discontinuance, all unpaid accrued interest is reversed. Cash collections on nonaccrual senior loans are generally applied as a reduction to the recorded investment of the loan. Senior loans are returned to accrual status only after all past due amounts have been received. For all loans acquired prior to March 1, 2001, fees, which represent non-refundable fees associated with the acquisition of loans, are deferred and recognized over the shorter of 2.5 years or the actual terms of the loan. For all loans, except revolving credit facilities, acquired subsequent to February 28, 2001, fees are treated as discounts and accreted as described in Note 1.H. Fees associated with revolving credit facilities acquired subsequent to February 28, 2001 are deferred and recognized over the shorter of 4 years or the actual term of the loan.
- D. DISTRIBUTIONS TO COMMON SHAREHOLDERS. The Trust records distributions to its shareholders on the ex-dividend date. Distributions from income are declared by the Trust on a monthly basis. Distributions from capital gains, if any, are declared on an annual basis.
- E. DIVIDEND REINVESTMENTS. Pursuant to the Shareholder Investment Program (formerly known as the Automatic Dividend Reinvestment Plan), DST Systems, Inc., the Plan Agent, purchases, from time to time, shares of beneficial interest of the Trust on the open market to satisfy dividend reinvestments. Such shares are purchased only when the closing sale or bid price plus commission is less than the net asset value per share of the stock on the valuation date. If the market price plus commissions is equal to or exceeds the net asset value, new shares are issued at the greater of (i) net asset value or (ii) the market price of the shares during the pricing period, minus a discount of 5%.
- F. USE OF ESTIMATES. Management of the Trust has made certain estimates and assumptions relating to the reporting of assets, liabilities, revenues, expenses and contingencies to prepare these financial statements in conformity with generally accepted accounting principles in the United States of America. Actual results could differ from these estimates.
- G. SHARE OFFERINGS. During the year ended February 28, 1999, the Trust began issuing 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.

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NOTES TO FINANCIAL STATEMENTS as of May 31, 2003 (Unaudited) (Continued)

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- H. CHANGE IN ACCOUNTING PRINCIPLE. In November 2000 the American Institute of Certified Public Accountants (the "AICPA") issued a revised version of the AICPA Audit and Accounting Guide for Investment Companies (the "Guide"). Effective March 1, 2001, the Fund adopted the provisions of the Guide and began amortizing premiums and accreting discounts on debt securities. Prior to March 1, 2001, the Trust had not amortized premiums nor accreted discounts. The cumulative effect of this accounting change had no impact on net assets of the Trust, but resulted in a \$3,653,000 increase in the cost of securities and a corresponding \$3,653,000 increase in net unrealized depreciation of investments, based on securities held by the Trust on March 1, 2001.

### NOTE 2 -- INVESTMENTS

For the three months ended May 31, 2003, the cost of purchases and the proceeds from principal repayment and sales of investments, excluding short-term notes, totaled \$230,834,763 and \$313,525,585, respectively. At May 31, 2003, the Trust held senior loans valued at \$1,416,046,783 representing 96.0% of its total investments. The market value of these assets is established as set forth in Note 1.

The senior loans acquired by the Trust may take the form of a direct lending relationship with the borrower, an assignment of a lender's interest in a loan, or a participation interest in a lender's interest in a loan. The lead lender in a typical corporate loan syndicate administers the loan and monitors collateral. In the event that the lead lender becomes insolvent, enters FDIC receivership or, if not FDIC insured, enters into bankruptcy, the Trust may incur certain costs and delays in realizing payment, or may suffer a loss of principal and/or interest. Additionally, certain situations may arise where the Trust acquires a participation in a lender's interest in a loan and the Trust does not have privity with or direct recourse against the borrower. Accordingly, the Trust may incur additional credit risk as a participant because it must assume the risk of insolvency or bankruptcy of the lender from which the participation was acquired.

Common and preferred shares, and stock purchase warrants held in the portfolio were acquired in conjunction with senior loans held by the Trust. Certain of these stocks and warrants are restricted and may not be publicly sold without registration under the '33 Act, or without an exemption under the '33 Act. In some cases, these restrictions expire after a designated period of time after issuance of the shares or warrant.

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ING Prime Rate Trust

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NOTES TO FINANCIAL STATEMENTS as of May 31, 2003 (Unaudited) (Continued)

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The Fund values portfolio securities by using the market value of the securities when market quotations for the securities are readily available. When market quotations are not readily available, the Fund determines, in good faith, the fair value of the securities in accordance with the Trust's fair valuation procedures as established by the Board of Trustees. Dates of acquisition and cost or assigned basis of restricted securities are as follows:



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|   | DATE OF<br>ACQUISITION | COST<br>ASSIGNED |
|---|------------------------|------------------|
|   | -----                  | -----            |
| 360Networks, Inc. -- Common Shares  | 11/26/02               | \$               |
| Allied Digital Technologies Corporation -- Residual Interest in<br>Bankruptcy Estate  | 06/05/02               | 18               |
| AM Cosmetics Corporation -- Common Shares   | 06/08/99               | 38               |
| AM Cosmetics Corporation -- Preferred Shares  | 06/02/99               |                  |
| Autotote Systems, Inc. -- Option  | 02/26/97               |                  |
| Block Vision Holdings Corporation -- Common Shares  | 09/30/02               |                  |
| Boston Chicken Inc. -- Residual Interest in Boston Chicken Plan Trust   | 12/26/00               | 8,01             |
| Capital Tool & Design, Ltd. -- Warrants   | 07/26/96               |                  |
| Cedar Chemical -- Residual Interest in Bankruptcy Estate  | 12/31/02               |                  |
| Centis, Inc. -- Residual Interest in Bankruptcy Estate  | 05/23/03               |                  |
| Covenant Care, Inc. -- Warrants   | 12/22/95               |                  |
| Covenant Care, Inc. -- Warrants   | 01/18/02               |                  |
| Decision One Corporation -- Common Shares   | 06/16/00               |                  |
| Electro Mechanical Solutions -- Residual Interest in Bankruptcy Estate  | 10/01/02               | 1                |
| Enterprise Profit Solutions -- Liquidation Interest   | 10/21/02               |                  |
| Euro United Corporation -- Residual Interest in Bankruptcy Estate   | 06/21/02               | 4,46             |
| Exide Technologies -- Warrants  | 11/30/01               |                  |
| Gevity HR -- Common Shares  | 07/21/97               | 3                |
| Grand Union Company -- Residual Interest in Bankruptcy Estate   | 07/01/02               |                  |
| Holmes Group -- Warrants  | 10/24/01               |                  |
| Humphreys, Inc. -- Residual Interest in Bankruptcy Estate   | 05/15/02               | 2                |
| Imperial Home D-cor Group, Inc. -- Common Shares  | 05/02/01               | 1,65             |
| IHDG Realty -- Common Shares  | 05/02/01               |                  |
| Insilco Technologies -- Residual Interest in Bankruptcy Estate  | 05/02/03               | 14               |
| Intera Group, Inc. -- Common Shares   | 11/29/02               |                  |
| Kevco, Inc. -- Residual Interest in Bankruptcy Estate   | 06/05/02               | 40               |
| Morris Material Handling, Inc. -- Common Shares   | 01/10/01               | 3,00             |
| MP Holdings, Inc. -- Common Shares  | 03/14/01               |                  |
| Murray's Discount Auto Stores, Inc. -- Common Shares  | 03/25/02               |                  |
| Murray's Discount Auto Stores, Inc. -- Warrants   | 02/16/99               |                  |
| New World Restaurant Group, Inc. -- Warrants  | 09/27/01               |                  |
| Safelite Glass Corporation -- Common Shares   | 09/12/00               |                  |
| Safelite Realty -- Common Shares  | 09/12/00               |                  |
| Sarcom Corporation -- Common Shares   | 12/11/02               |                  |
| Sarcom Corporation -- Preferred Shares  | 12/11/02               | 2,78             |
| Scientific Games Corporation -- Warrants  | 05/11/01               |                  |
| Soho Publishing -- Common Shares  | 03/14/01               |                  |
| Stellex Aerostructures, Inc. -- Common Shares   | 10/17/01               | 27               |
| Tartan Textile Services, Inc. -- Series D Preferred Shares  | 07/17/01               | 2,22             |
| Tartan Textile Services, Inc. -- Series E Preferred Shares  | 07/17/01               | 2,33             |
| Telinget, Inc. -- Residual Interest in Bankruptcy Estate  | 09/18/02               |                  |
| Tembec, Inc. -- Common Shares   | 01/10/01               | 1,44             |
| Transtar Metals -- Residual Interest in Bankruptcy Estate   | 01/09/03               | 16               |
| TSR Wireless, LLC -- Residual Interest in Bankruptcy Estate   | 10/14/02               |                  |
| U.S. Aggregates -- Residual Interest in Bankruptcy Estate   | 04/07/03               |                  |
| U.S. Office Products Company -- Residual Interest in Bankruptcy Estate  | 11/28/00               |                  |
|   |                        | -----            |
| Total restricted securities excluding senior loans (market value of<br>\$31,859,267 was 3.4% of net assets at May 31, 2003) |                        | \$27,56<br>===== |

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NOTES TO FINANCIAL STATEMENTS as of May 31, 2003 (Unaudited) (Continued)

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### NOTE 3 -- MANAGEMENT AND ADMINISTRATION AGREEMENTS

The Trust has entered into an Investment Management Agreement with the Investment Manager, a wholly-owned subsidiary of ING Funds Services, LLC (the "Administrator"), to provide advisory and management services. The Investment Management Agreement compensates the Investment Manager with a fee, computed daily and payable monthly, at an annual rate of 0.80% of the Trust's average daily net assets (inclusive of preferred stock) plus borrowings ("Managed Assets").

The Trust has also entered into an Administration Agreement with 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% of the Trust's average daily Managed Assets.

At May 31, 2003, the Trust had the following amounts recorded in payable to affiliates on the accompanying Statement of Assets and Liabilities:

| ACCRUED INVESTMENT<br>MANAGEMENT FEES | ACCRUED ADMINISTRATIVE<br>FEES | TOTAL       |
|---------------------------------------|--------------------------------|-------------|
| \$ 1,019,602                          | \$318,574                      | \$1,338,176 |

The Trust has adopted a Retirement Policy covering all independent trustees of the Trust who will have served as a independent trustee for at least five years at the time of retirement. Benefits under this plan are based on an annual rate as defined in the plan agreement, as amended May 24, 2002.

### NOTE 4 -- COMMITMENTS

The Trust has entered into both a \$90 million 364-day revolving credit agreement which matures on August 27, 2003 and a \$450 million five-year revolving credit agreement which matures on July 15, 2003, 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 any unborrowed amounts are amortized over the term of the agreements. The amount of borrowings outstanding at May 31, 2003, was \$84 million, at a weighted average interest rate of 1.7%. The amount of borrowings represented 5.7% of total assets at May 31, 2003. Average borrowings for the period ended May 31, 2003 were \$147,847,826 and the average annualized interest rate was 2.0%.

As of May 31, 2003, the Trust had unfunded loan commitments pursuant to the terms of the following loan agreements:

|                                     |            |
|-------------------------------------|------------|
| Airgate PCS, Inc.                   | \$ 644,951 |
| Aurora Foods, Inc.                  | 404,571    |
| Block Vision Holdings Corp.         | 118,771    |
| Centennial Cellular Operating Co.   | 400,000    |
| Citadel Broadcasting Company        | 1,505,000  |
| Express Script, Inc.                | 2,061,337  |
| Hercules Incorporated               | 1,500,000  |
| Hilton Hawaiian Village, LLC        | 8,455,882  |
| Houghton Mifflin Co.                | 2,076,923  |
| Insight Health Services Corporation | 1,666,667  |
| Levi Strauss & Co.                  | 2,500,000  |
| Lyondell Chemical Company           | 9,000,000  |
| Murray's Discount Auto Stores, Inc. | 3,083,332  |
| Owens -- Illinois, Inc.             | 4,675,501  |

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|                                      |               |
|--------------------------------------|---------------|
| Packaging Corporation of America     | 2,753,596     |
| Park Place Entertainment Corporation | 5,078,740     |
| Primedia, Inc.                       | 1,379,158     |
| Relizon Company (The)                | 7,096,674     |
| Sears Roebuck and Co.                | 10,000,000    |
| Six Flags Theme Parks, Inc.          | 1,100,000     |
| Smurfit-Stone Container              | 2,230,596     |
| Waste Connections, Inc.              | 5,298,851     |
| Western Wireless Corporation         | 6,000,000     |
|                                      | -----         |
|                                      | \$ 79,030,550 |
|                                      | =====         |

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### ING Prime Rate Trust

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NOTES TO FINANCIAL STATEMENTS as of May 31, 2003 (Unaudited) (Continued)  
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#### NOTE 5 -- RIGHTS AND OTHER OFFERINGS

As of May 31,, 2003, share offerings pursuant to shelf registrations were as follows:

| REGISTRATION<br>DATE<br>---- | SHARES<br>REGISTERED<br>----- | SHARES<br>REMAINING<br>----- |
|------------------------------|-------------------------------|------------------------------|
| 6/11/98                      | 15,000,000                    | --                           |
| 6/19/98                      | 10,000,000                    | 9,730,800                    |
| 9/15/98                      | 25,000,000                    | 19,170,354                   |
| 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, \$.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, \$.01 Par Value, \$25,000, liquidation preference, for a total issuance of \$180 million. Costs associated with the offering of approximately \$5,438,664 were charged against the proceeds received. The Trust used the net proceeds of the offering to partially pay down the then existing indebtedness. The Trust may reborrow amounts in the future to increase its use of leverage which will be consistent with the limitations imposed by the 1940 Act. 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.

#### NOTE 6 -- 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 period ended May 31, 2003.

#### NOTE 7 -- SUBORDINATED LOANS AND 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 Manager believes, at the time

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of acquisition, that the Trust would have the right to payment upon default that is not subordinate to any other creditor. The Trust may invest up to 5% of its total assets, measured at the time of investment, in subordinated loans and unsecured loans. As of May 31, 2003, the Trust held 3.8% of its total assets in subordinated loans and unsecured loans.

### NOTE 8 -- SUBSEQUENT EVENTS

Subsequent to May 31, 2003, the Trust paid to Common Shareholders the following dividends from net investment income:

| PER SHARE AMOUNT | DECLARATION DATE | RECORD DATE | PAYABLE DATE |
|------------------|------------------|-------------|--------------|
| -----            | -----            | -----       | -----        |
| \$0.0345         | 6/30/03          | 7/10/03     | 7/22/03      |

Subsequent to May 31, 2003, 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        |
|------------------|------------------------|----------------------|----------------------|----------------------|
| -----            | -----                  | -----                | -----                | -----                |
| Series M         | \$ 34.57               | 06/02/03 to 07/07/03 | 06/09/03 to 07/14/03 | 06/10/03 to 07/15/03 |
| Series T         | \$ 33.14               | 06/03/03 to 07/08/03 | 06/10/03 to 07/15/03 | 06/11/03 to 07/16/03 |
| Series W         | \$ 31.55               | 06/04/03 to 07/09/03 | 06/11/03 to 07/16/03 | 06/12/03 to 07/17/03 |
| Series Th        | \$ 33.62               | 06/05/03 to 07/10/03 | 06/12/03 to 07/17/03 | 06/13/03 to 07/18/03 |
| Series F         | \$ 32.36               | 06/06/03 to 07/11/03 | 06/13/03 to 07/18/03 | 06/16/03 to 07/21/03 |

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### ING Prime Rate Trust

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 PORTFOLIO OF INVESTMENTS as of May 31, 2003 (Unaudited)  
 -----

SENIOR LOANS\*: 149.9%

| PRINCIPAL AMOUNT            | BORROWER/TRANCHE DESCRIPTION                                     | MOODY'S | BANK LOAN RATINGS+ (UNAUDITED) S&P |
|-----------------------------|--|---------|------------------------------------|
| -----                       | -----  | -----   | -----                              |
| AEROSPACE AND DEFENSE: 2.9% |  |         |                                    |
| \$ 2,428,571                | ALLIANT TECHSYSTEMS, INC.<br>Term Loan, maturing April 20, 2009  | Ba2     | BB-                                |
| 1,970,035                   | DRS TECHNOLOGIES, INC.<br>Term Loan, maturing September 30, 2008 | Ba3     | BB-                                |
| 8,240,533 (3)               | NEW PIPER AIRCRAFT, INC.<br>Term Loan, maturing April 15, 2005   | NR      | NR                                 |
| 4,680,432                   | PIEDMONT AVIATION SERVICES<br>Term Loan, maturing July 23, 2006  | NR      | NR                                 |
| 4,680,432                   | Term Loan, maturing July 23, 2007                                |         |                                    |
| 2,977,500                   | TITAN CORPORATION<br>Term Loan, maturing June 30, 2009           | Ba3     | BB-                                |

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|                  |   |      |     |
|------------------|---|------|-----|
|                  | TRANSDIGM HOLDING CORPORATION                 | B1   | B+  |
| 432,575          | Term Loan, maturing May 15, 2006              |      |     |
| 2,140,740        | Term Loan, maturing May 15, 2007              |      |     |
|                  | UNITED DEFENSE INDUSTRIES, INC.               | Ba3  | BB- |
| 3,309,888        | Term Loan, maturing August 13, 2009           |      |     |
| -----            |   |      |     |
| AUTOMOBILE: 9.8% |   |      |     |
|                  | AFTERMARKET TECHNOLOGY CORPORATION            | Ba2  | BB- |
| 1,722,367        | Term Loan, maturing February 8, 2008          |      |     |
| 1,252,607        | Term Loan, maturing February 8, 2008          |      |     |
|                  | AMERICAN AXLE & MANUFACTURING, INC.           | Ba1  | BB+ |
| 5,116,000        | Term Loan, maturing April 30, 2006            |      |     |
|                  | CAPITAL TOOL & DESIGN, LTD.                   | NR   | NR  |
| 6,346,127        | Term Loan, maturing May 31, 2003              |      |     |
|                  | COLLINS & AIKMAN PRODUCTS                     | Ba3  | BB- |
| 4,424,906        | Term Loan, maturing December 31, 2005         |      |     |
|                  | DURA OPERATING CORPORATION                    | Ba3  | BB  |
| 3,176,000        | Term Loan, maturing December 31, 2008         |      |     |
|                  | (2) EXIDE TECHNOLOGIES                        | NR   | D   |
| 1,612,012        | (3) Revolver, maturing December 18, 2003      |      |     |
| 371,195          | (3) Term Loan, maturing December 18, 2003     |      |     |
| 3,227,260        | (3) Term Loan, maturing March 18, 2005        |      |     |
|                  | (2) FEDERAL-MOGUL CORPORATION                 | D    | D   |
| 1,500,000        | Term Loan, maturing February 24, 2004         |      |     |
| 4,880,000        | Term Loan, maturing February 24, 2005         |      |     |
|                  | FORD MOTOR CREDIT COMPANY                     | A3   | BBB |
| 15,000,000       | Floating Rate Note, maturing October 25, 2004 |      |     |
|                  | GOODYEAR TIRE & RUBBER COMPANY                | Ba2  | BB+ |
| 5,500,000        | Term Loan, maturing April 30, 2005            |      |     |
|                  | (2) HAYES LEMMERZ INTERNATIONAL, INC.         | Caa2 | NR  |
| 3,478,750        | (3) Term Loan, maturing December 31, 2005     |      |     |
|                  | METALDYNE COMPANY, LLC                        | B2   | BB- |
| 3,995,000        | Term Loan, maturing December 31, 2009         |      |     |
|                  | POLYPORE, INC.                                | Ba3  | B+  |
| 5,445,000        | Term Loan, maturing December 31, 2007         |      |     |
|                  | SAFELITE GLASS CORPORATION                    | B3   | B+  |
| 6,757,557        | Term Loan, maturing September 30, 2007        |      |     |
| 10,852,547       | Term Loan, maturing September 30, 2007        |      |     |

See Accompanying Notes to Financial Statements

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ING Prime Rate Trust

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 PORTFOLIO OF INVESTMENTS as of May 31, 2003 (Unaudited) (Continued)  
 -----

| PRINCIPAL AMOUNT       | BORROWER/TRANCHE DESCRIPTION | BANK LOAN RATINGS+ (UNAUDITED) |     |
|------------------------|------------------------------|--------------------------------|-----|
|                        |                              | MOODY'S                        | S&P |
| -----                  |                              |                                |     |
| AUTOMOBILE (CONTINUED) | STONERIDGE, INC.             | Ba3                            | BB  |

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|                                  |            |  |      |      |    |
|----------------------------------|------------|--|------|------|----|
| \$                               | 580,000    | Term Loan, maturing April 30, 2008<br>TENNECO AUTOMOTIVE, INC.                   | B1   | B    | \$ |
|                                  | 2,000,000  | Term Loan, maturing September 30, 2005   |      |      |    |
|                                  | 1,424,113  | Term Loan, maturing November 4, 2007   |      |      |    |
|                                  | 1,424,113  | Term Loan, maturing May 4, 2008  |      |      |    |
|                                  | 8,000,000  | TRW AUTOMOTIVE ACQUISITIONS CORPORATION<br>Term Loan, maturing February 27, 2011 | Ba2  | BB   |    |
| -----                            |            |  |      |      |    |
| BANKING: 0.6%                    |            |  |      |      |    |
|                                  |            | (2) OUTSOURCING SOLUTIONS, INC.  | Caa1 | D    |    |
|                                  | 12,055,854 | (3) Term Loan, maturing June 10, 2006  |      |      |    |
| -----                            |            |  |      |      |    |
| BEVERAGE, FOOD AND TOBACCO: 6.8% |            |  |      |      |    |
|                                  |            | AURORA FOODS, INC.   | B3   | CCC  |    |
|                                  | 1,595,429  | Revolver, maturing June 30, 2005   |      |      |    |
|                                  | 3,423,147  | Term Loan, maturing June 30, 2005  |      |      |    |
|                                  |            | BIRDS EYE FOODS, INC.  | Ba3  | B+   |    |
|                                  | 6,977,500  | Term Loan, maturing June 30, 2008  |      |      |    |
|                                  |            | COMMONWEALTH BRANDS, INC.  | Ba3  | BB-  |    |
|                                  | 7,979,833  | Term Loan, maturing August 28, 2007  |      |      |    |
|                                  |            | CONSTELLATION BRANDS, INC.   | Ba1  | BB   |    |
|                                  | 6,000,000  | Term Loan, maturing November 30, 2008  |      |      |    |
|                                  |            | COTT BEVERAGES, INC.   | Ba3  | BB-  |    |
|                                  | 673,000    | Term Loan, maturing December 31, 2006  |      |      |    |
|                                  |            | CP KELCO APS   | B3   | B+   |    |
|                                  | 3,873,131  | Term Loan, maturing March 31, 2008   |      |      |    |
|                                  | 1,297,279  | Term Loan, maturing September 30, 2008   |      |      |    |
|                                  |            | DEAN FOODS COMPANY   | Ba1  | BB+  |    |
|                                  | 15,378,097 | Term Loan, maturing July 15, 2008  |      |      |    |
|                                  |            | DEL MONTE CORPORATION  | Ba3  | BB-  |    |
|                                  | 4,643,762  | Term Loan, maturing December 20, 2010  |      |      |    |
|                                  |            | (2) FLEMING COMPANIES, INC.  | B3   | D    |    |
|                                  | 820,420    | Revolver, maturing June 18, 2007   |      |      |    |
|                                  | 1,685,300  | Term Loan, maturing June 18, 2008  |      |      |    |
|                                  |            | INTERSTATE BRANDS CORPORATION  | Ba2  | BB+  |    |
|                                  | 2,947,500  | Term Loan, maturing July 19, 2007  |      |      |    |
|                                  | 992,500    | Term Loan, maturing July 19, 2007  |      |      |    |
|                                  |            | MAFCO WORLDWIDE CORPORATION  | B1   | B    |    |
|                                  | 2,100,676  | Term Loan, maturing March 31, 2006   |      |      |    |
|                                  |            | NATIONAL DAIRY HOLDINGS, L.P.  | Ba2  | BB+  |    |
|                                  | 2,475,000  | Term Loan, maturing April 30, 2009   |      |      |    |
|                                  |            | NUTRASWEET ACQUISITION CORPORATION   | Ba3  | NR   |    |
|                                  | 502,901    | Term Loan, maturing June 30, 2006  |      |      |    |
|                                  |            | SOUTHERN WINE & SPIRITS OF AMERICA, INC.   | Ba3  | BBB- |    |
|                                  | 1,985,000  | Term Loan, maturing July 2, 2008   |      |      |    |

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| PRINCIPAL AMOUNT                | BORROWER/TRANCHE DESCRIPTION                           | BANK LOAN RATINGS+ (UNAUDITED) |      |
|---------------------------------|--|--------------------------------|------|
|                                 |  | MOODY'S                        | S&P  |
| BUILDINGS AND REAL ESTATE: 0.7% |  |                                |      |
|                                 | (2) HQ GLOBAL WORKPLACES, INC.                         | NR                             | NR   |
| \$ 3,865,243                    | (3) Term Loan, maturing November 6, 2005               |                                |      |
|                                 | MACERICH PARTNERSHIP, L.P.                             | Ba2                            | NR   |
| 4,915,200                       | Term Loan, maturing July 26, 2005                      |                                |      |
| CABLE TELEVISION: 13.6%         |  |                                |      |
|                                 | (2) ADELPHIA COMMUNICATIONS CORPORATION                | NR                             | BBB  |
| 2,970,000                       | Debtor in Possession Term Loan, maturing June 25, 2004 |                                |      |
|                                 | BRESNAN COMMUNICATIONS, LLC                            | B1                             | BB-  |
| 5,000,000                       | Term Loan, maturing December 31, 2007                  |                                |      |
|                                 | CC VI OPERATING COMPANY, LLC                           | B2                             | CCC+ |
| 7,980,000                       | Term Loan, maturing November 12, 2008                  |                                |      |
|                                 | CC VIII OPERATING, LLC                                 | B2                             | B-   |
| 4,443,750                       | Term Loan, maturing February 2, 2008                   |                                |      |
|                                 | (2) CENTURY CABLE HOLDINGS, LLC                        | Caa1                           | D    |
| 1,230,000                       | Revolver, maturing March 31, 2009                      |                                |      |
| 11,000,000                      | Term Loan, maturing June 30, 2009                      |                                |      |
| 5,000,000                       | Term Loan, maturing December 31, 2009                  |                                |      |
|                                 | CHARTER COMMUNICATIONS OPERATING, LLC                  | B2                             | B    |
| 16,355,000                      | Term Loan, maturing September 18, 2008                 |                                |      |
| 30,210,706                      | Term Loan, maturing March 18, 2008                     |                                |      |
|                                 | (2) FRONTIERVISION OPERATING PARTNERS, L.P.            | B2                             | D    |
| 2,593,939                       | Revolver, maturing October 31, 2005                    |                                |      |
| 2,000,000                       | Term Loan, maturing September 30, 2005                 |                                |      |
| 2,400,000                       | Term Loan, maturing March 31, 2006                     |                                |      |
|                                 | INSIGHT MIDWEST HOLDINGS, LLC                          | Ba3                            | BB+  |
| 14,500,000                      | Term Loan, maturing December 31, 2009                  |                                |      |
|                                 | MCC IOWA MEDIACOM BROADBAND                            | Ba3                            | BB+  |
| 13,500,000                      | Term Loan, maturing September 30, 2010                 |                                |      |
|                                 | (2) OLYMPUS CABLE HOLDINGS, LLC                        | B2                             | D    |
| 2,000,000                       | Term Loan, maturing June 30, 2010                      |                                |      |
| 18,250,000                      | Term Loan, maturing September 30, 2010                 |                                |      |
| CARGO TRANSPORT: 2.5%           |  |                                |      |
|                                 | (2) AMERICAN COMMERCIAL LINES, LLC                     | Caa1                           | D    |
| 1,258,356                       | Term Loan, maturing June 30, 2006                      |                                |      |
| 1,804,934                       | Term Loan, maturing June 30, 2007                      |                                |      |
|                                 | (2) AMERICAN COMMERCIAL LINES, LLC                     | Ba3                            | NR   |
| 2,000,000                       | Debtor in Possession Term Loan, maturing July 31, 2004 |                                |      |
|                                 | CSX/HORIZON LINES, LLC                                 | Ba3                            | BB-  |
| 1,666,667                       | Term Loan, maturing February 27, 2009                  |                                |      |
|                                 | GEMINI LEASING, INC.                                   | B1                             | NR   |
| 4,117,116                       | (3) Term Loan, maturing August 12, 2005                |                                |      |
|                                 | NEOPLAN USA CORPORATION                                | NR                             | NR   |
| 2,406,000                       | (3) Letter of Credit, maturing May 29, 2005            |                                |      |

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|            |     |                                  |
|------------|-----|----------------------------------|
| 1,603,721  | (3) | Revolver, maturing May 29, 2005  |
| 15,026,825 | (3) | Term Loan, maturing May 29, 2005 |
| 2,315,775  | (3) | Term Loan, maturing May 29, 2005 |

See Accompanying Notes to Financial Statements

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ING Prime Rate Trust

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 PORTFOLIO OF INVESTMENTS as of May 31, 2003 (Unaudited) (Continued)  
 -----

| PRINCIPAL AMOUNT            | BORROWER/TRANCHE DESCRIPTION  | BANK LOAN RATINGS+ (UNAUDITED) |      |    |
|-----------------------------|---|--------------------------------|------|----|
|                             |   | MOODY'S                        | S&P  |    |
| CARGO TRANSPORT (CONTINUED) |   |                                |      |    |
| \$ 2,801,953                | OMNITRAX RAILROADS, LLC<br>Term Loan, maturing May 13, 2005                   | NR                             | NR   | \$ |
| 3,480,006                   | TEREX CORPORATION<br>Term Loan, maturing December 31, 2009                    | B1                             | BB-  |    |
| CELLULAR: 11.6%             |   |                                |      |    |
| 894,870                     | AIRGATE PCS, INC.<br>Term Loan, maturing June 6, 2007                         | B3                             | CCC- |    |
| 9,387,622                   | Term Loan, maturing September 30, 2008  |                                |      |    |
| 2,469,499                   | AMERICAN CELLULAR CORPORATION<br>Term Loan, maturing March 31, 2008           | B3                             | CC   |    |
| 4,330,351                   | Term Loan, maturing March 31, 2009  |                                |      |    |
| 1,600,000                   | CENTENNIAL CELLULAR OPERATING COMPANY<br>Revolver, maturing January 30, 2006  | B3                             | B-   |    |
| 956,522                     | Term Loan, maturing November 30, 2006   |                                |      |    |
| 498,700                     | Term Loan, maturing May 31, 2007  |                                |      |    |
| 498,695                     | Term Loan, maturing November 30, 2007   |                                |      |    |
| 10,000,000                  | (3) INDEPENDENT WIRELESS ONE CORPORATION<br>Term Loan, maturing June 20, 2008 | Caa1                           | CC   |    |
| 2,510,152                   | MICROCELL CONNEXIONS, INC.<br>Term Loan, maturing March 1, 2006               | NR                             | CCC+ |    |
| 13,641,026                  | NEXTEL FINANCE COMPANY<br>Term Loan, maturing December 31, 2007               | Ba3                            | BB-  |    |
| 2,731,250                   | Term Loan, maturing June 30, 2008   |                                |      |    |
| 2,731,250                   | Term Loan, maturing December 31, 2008   |                                |      |    |
| 36,408,750                  | Term Loan, maturing March 31, 2009  |                                |      |    |
| 2,124,580                   | NEXTEL OPERATIONS, INC.<br>Term Loan, maturing February 10, 2007              | Ba3                            | BB-  |    |
| 4,911,130                   | RURAL CELLULAR CORPORATION<br>Term Loan, maturing October 3, 2008             | B2                             | B    |    |
| 4,911,130                   | Term Loan, maturing April 3, 2009   |                                |      |    |
| 4,000,000                   | WESTERN WIRELESS CORPORATION<br>Revolver, maturing March 31, 2008             | B3                             | B-   |    |
| 7,800,000                   | Term Loan, maturing March 31, 2008  |                                |      |    |
| 7,980,000                   | Term Loan, maturing September 30, 2008  |                                |      |    |



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|                                      |                                       |     |      |
|--------------------------------------|---------------------------------------|-----|------|
| CHEMICALS, PLASTICS AND RUBBER: 6.2% |                                       |     |      |
|                                      | ACADIA ELASTOMERS CORPORATION         | NR  | NR   |
| 9,270,073                            | Term Loan, maturing March 31, 2004    |     |      |
|                                      | EQUISTAR CHEMICALS, L.P.              | Ba2 | BB+  |
| 4,988,885                            | Term Loan, maturing August 24, 2007   |     |      |
|                                      | FMC CORPORATION                       | Ba1 | BBB- |
| 3,990,000                            | Term Loan, maturing October 21, 2007  |     |      |
|                                      | FOAMEX, L.P.                          | B2  | B+   |
| 1,682,653                            | Term Loan, maturing June 30, 2005     |     |      |
| 1,529,690                            | Term Loan, maturing June 30, 2006     |     |      |
|                                      | GEO SPECIALTY CHEMICALS, INC.         | B1  | B    |
| 2,757,857                            | Term Loan, maturing December 31, 2007 |     |      |

See Accompanying Notes to Financial Statements

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ING Prime Rate Trust

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 PORTFOLIO OF INVESTMENTS as of May 31, 2003 (Unaudited) (Continued)  
 -----

| PRINCIPAL AMOUNT                           | BORROWER/TRANCHE DESCRIPTION                                     | BANK LOAN RATINGS+ (UNAUDITED) |     |
|--|--|--------------------------------|-----|
|  |  | MOODY'S                        | S&P |
| CHEMICALS, PLASTICS AND RUBBER (CONTINUED) |  |                                |     |
| \$ 4,987,500                               | HERCULES, INC.<br>Term Loan, maturing May 15, 2007               | Ba1                            | BB  |
|  | HUNTSMAN INTERNATIONAL, LLC<br>Term Loan, maturing June 30, 2005 | B2                             | B+  |
| 509,663                                    | Term Loan, maturing June 30, 2005                                |                                |     |
| 4,624,593                                  | Term Loan, maturing June 30, 2007                                |                                |     |
| 4,624,593                                  | Term Loan, maturing June 30, 2008                                |                                |     |
|  | HUNTSMAN, LLC  | B2                             | B+  |
| 7,700,916                                  | Term Loan, maturing March 31, 2007                               |                                |     |
| 3,694,203                                  | Term Loan, maturing March 31, 2007                               |                                |     |
|  | JOHNSON DIVERSEY, INC.   | Ba3                            | BB- |
| 3,960,000                                  | Term Loan, maturing November 3, 2009                             |                                |     |
|  | MILLENNIUM AMERICA, INC.   | Baa3                           | BB+ |
| 770,000                                    | Term Loan, maturing June 18, 2006                                |                                |     |
|  | NOVEON, INC.   | B1                             | BB- |
| 4,663,901                                  | Term Loan, maturing September 30, 2008                           |                                |     |
|  | OM GROUP, INC.   | B2                             | B+  |
| 917,075                                    | Term Loan, maturing April 1, 2006                                |                                |     |

|                                       |                                       |    |     |
|---------------------------------------|---------------------------------------|----|-----|
| CONTAINERS, PACKAGING AND GLASS: 8.5% |                                       |    |     |
|                                       | BERRY PLASTICS CORPORATION            | B1 | B+  |
| 2,977,500                             | Term Loan, maturing July 22, 2010     |    |     |
|                                       | BLUE RIDGE PAPER PRODUCTS, INC.       | B3 | B+  |
| 8,658,467                             | Term Loan, maturing May 14, 2006      |    |     |
|                                       | CONSTAR INTERNATIONAL, INC.           | B1 | BB- |
| 2,985,000                             | Term Loan, maturing November 20, 2009 |    |     |

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|            |  |      |     |
|------------|--|------|-----|
| 3,500,000  | CROWN CORK & SEAL COMPANY, INC.<br>Term Loan, maturing September 15, 2008      | Ba3  | BB  |
| 1,975,000  | GRAPHIC PACKAGING CORPORATION<br>Term Loan, maturing February 28, 2009         | Ba3  | BB  |
| 2,977,500  | GREIF BROS. CORPORATION<br>Term Loan, maturing August 23, 2009                 | Ba3  | BB  |
| 4,197,914  | IMPAXX, INC.<br>Term Loan, maturing April 30, 2005                             | NR   | NR  |
| 1,647,273  | JEFFERSON SMURFIT CORPORATION<br>Term Loan, maturing March 31, 2007            | Ba3  | B+  |
| 92,280     | (2) LINCOLN PULP & EASTERN FINE<br>(3) Term Loan, maturing December 31, 2001   | NR   | NR  |
| 14,881,108 | (3) Term Loan, maturing August 31, 2004<br>NEXPAK CORPORATION                  | B1   | B+  |
| 2,191,514  | (3) Term Loan, maturing March 31, 2004   |      |     |
| 2,191,551  | (3) Term Loan, maturing March 31, 2004<br>OWENS-BROCKWAY GLASS CONTAINER, INC. | B1   | BB  |
| 7,732,214  | Revolver, maturing March 31, 2004<br>PACKAGING CORPORATION OF AMERICA          | Baa3 | BBB |
| 1,002,633  | Term Loan, maturing June 29, 2006<br>PLIANT CORPORATION                        | B2   | BB- |
| 2,640,080  | Term Loan, maturing May 31, 2008<br>RIVERWOOD INTERNATIONAL CORPORATION        | B1   | B   |
| 15,000,000 | Term Loan, maturing December 31, 2006  |      |     |

See Accompanying Notes to Financial Statements

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ING Prime Rate Trust

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 PORTFOLIO OF INVESTMENTS as of May 31, 2003 (Unaudited) (Continued)  
 -----

| PRINCIPAL AMOUNT                            | BORROWER/TRANCHE DESCRIPTION  | BANK LOAN RATINGS+ (UNAUDITED) |     |    |
|---|---|--------------------------------|-----|----|
|   |   | MOODY'S                        | S&P |    |
| CONTAINERS, PACKAGING AND GLASS (CONTINUED) |   |                                |     |    |
| \$ 2,990,000                                | SILGAN HOLDINGS, INC.<br>Term Loan, maturing November 30, 2008            | Ba2                            | BB  | \$ |
| 769,404                                     | SMURFIT-STONE CONTAINER<br>Revolver, maturing February 28, 2005           | Ba3                            | B+  |    |
| 1,597,010                                   | SMURFIT-STONE CONTAINER CANADA, INC.<br>Term Loan, maturing June 30, 2009 | Ba3                            | B+  |    |
| 9,425,605                                   | STONE CONTAINER CORPORATION<br>Term Loan, maturing June 30, 2009          | Ba3                            | B+  |    |
| 2,917,500                                   | TEKNI-PLEX, INC.<br>Term Loan, maturing June 21, 2008                     | B1                             | B+  |    |
| -----                                       |   |                                |     |    |
| DATA AND INTERNET SERVICES: 0.6%            |   |                                |     |    |
| 1,353,721                                   | 360NETWORKS, INC.<br>Term Loan, maturing November 12, 2007                | NR                             | NR  |    |
|   | ARCH WIRELESS HOLDINGS, INC.  | Caa3                           | NR  |    |

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|  |   |      |      |
|--|---|------|------|
| 423,939                                      | Senior Note, maturing May 15, 2007<br>ICG COMMUNICATIONS, INC.      | NR   | NR   |
| 4,863,150                                    | Term Loan, maturing May 31, 2005<br>MCLEODUSA, INC.                 | Caa2 | NR   |
| 1,329,412                                    | Term Loan, maturing May 30, 2008                                    |      |      |
| -----  |   |      |      |
| DIVERSIFIED/CONGLOMERATE MANUFACTURING: 5.6% |   |      |      |
|  | BARJAN PRODUCTS, LLC  | NR   | NR   |
| 4,813,875                                    | Term Loan, maturing May 31, 2006<br>BRAND SERVICES, INC.            | B1   | B+   |
| 3,990,000                                    | Term Loan, maturing October 16, 2009<br>DRESSER, INC.               | Ba3  | BB-  |
| 5,219,136                                    | Term Loan, maturing April 10, 2009<br>FLOWSERVE CORPORATION         | Ba3  | BB-  |
| 1,506,892                                    | Term Loan, maturing June 30, 2006                                   |      |      |
| 4,673,400                                    | Term Loan, maturing June 30, 2009<br>GENERAL CABLE CORPORATION      | B1   | BB-  |
| 1,541,037                                    | Term Loan, maturing May 28, 2007<br>MANITOWOC COMPANY, INC.         | Ba2  | BB   |
| 1,965,000                                    | Term Loan, maturing May 9, 2007<br>MUELLER GROUP, INC.              | B1   | B+   |
| 5,955,000                                    | Term Loan, maturing May 31, 2008<br>NEPTUNE TECHNOLOGY GROUP, INC.  | B1   | B+   |
| 4,750,000                                    | Term Loan, maturing March 31, 2010<br>NORCROSS SAFETY PRODUCTS, LLC | B1   | B+   |
| 1,250,000                                    | Term Loan, maturing March 20, 2009<br>SPX CORPORATION               | Ba2  | BBB- |
| 6,477,812                                    | Term Loan, maturing September 30, 2009                              |      |      |
| 7,606,296                                    | Term Loan, maturing March 31, 2010<br>UNITED PET GROUP              | NR   | NR   |
| 5,748,984                                    | Term Loan, maturing March 31, 2006                                  |      |      |
| -----  |   |      |      |
| -----  |   |      |      |

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ING Prime Rate Trust

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 PORTFOLIO OF INVESTMENTS as of May 31, 2003 (Unaudited) (Continued)  
 -----

| PRINCIPAL AMOUNT                       | BORROWER/TRANCHE DESCRIPTION   | BANK LOAN RATINGS+ (UNAUDITED) |     |
|--|--|--------------------------------|-----|
|  |  | MOODY'S                        | S&P |
| -----                                  |  |                                |     |
| DIVERSIFIED/CONGLOMERATE SERVICE: 1.1% |  |                                |     |
|  | IRON MOUNTAIN, INC.  | Ba3                            | BB  |
| \$ 1,994,000                           | Term Loan, maturing February 15, 2008                                  |                                |     |
|  | PRIVATE BUSINESS, INC.   | NR                             | NR  |
| 3,537,882                              | Term Loan, maturing August 19, 2006<br>US INVESTIGATIONS SERVICES, LLC | B1                             | BB- |

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|                   |     |  |      |      |
|-------------------|-----|--|------|------|
| 4,738,813         |     | Term Loan, maturing January 10, 2009   |      |      |
| -----             |     |  |      |      |
| -----             |     |  |      |      |
| ECOLOGICAL: 0.5%  |     |  |      |      |
|                   | (2) | IT GROUP, INC.                         | Caa1 | NR   |
| 4,154,605         | (3) | Term Loan, maturing June 11, 2007      |      |      |
|                   |     | WASTE CONNECTIONS, INC.                | Ba3  | BB   |
| 4,701,149         |     | Revolver, maturing May 16, 2005        |      |      |
| -----             |     |  |      |      |
| -----             |     |  |      |      |
| ELECTRONICS: 1.9% |     |  |      |      |
|                   | (2) | ACTERNA, LLC                           | Caa1 | D    |
| 6,098,973         | (3) | Term Loan, maturing September 30, 2007 |      |      |
|                   |     | DECISION ONE CORPORATION               | B3   | CCC  |
| 9,050,516         |     | Term Loan, maturing April 18, 2005     |      |      |
| 1,794,690         |     | Term Loan, maturing April 18, 2005     |      |      |
|                   |     | KNOWLES ELECTRONICS, INC.              | B3   | CCC+ |
| 3,170,210         |     | Term Loan, maturing June 29, 2007      |      |      |
|                   |     | SARCOM, INC.                           | NR   | NR   |
| 1,003,670         |     | Term Loan, maturing June 30, 2007      |      |      |
|                   |     | TRANSACTION NETWORK SERVICES, INC.     | Ba3  | BB-  |
| 3,722,219         |     | Term Loan, maturing April 3, 2007      |      |      |
| -----             |     |  |      |      |
| -----             |     |  |      |      |
| GAMING: 4.9%      |     |  |      |      |
|                   | (2) | ALADDIN GAMING, LLC                    | Caa1 | NR   |
| 2,968,421         | (3) | Term Loan, maturing August 26, 2006    |      |      |
| 4,455,000         | (3) | Term Loan, maturing February 26, 2008  |      |      |
|                   |     | ALLIANCE GAMING CORPORATION            | B1   | BB-  |
| 4,950,000         |     | Term Loan, maturing December 31, 2006  |      |      |
|                   |     | AMERISTAR CASINOS, INC.                | Ba3  | BB-  |
| 2,921,762         |     | Term Loan, maturing December 20, 2006  |      |      |
|                   |     | ARGOSY GAMING COMPANY                  | Ba2  | BB   |
| 4,421,250         |     | Term Loan, maturing July 31, 2008      |      |      |
|                   |     | BOYD GAMING CORPORATION                | Ba1  | BB+  |
| 992,500           |     | Term Loan, maturing June 24, 2008      |      |      |
|                   |     | ISLE OF CAPRI CASINOS, INC.            | Ba2  | BB-  |
| 990,000           |     | Term Loan, maturing April 26, 2008     |      |      |
|                   |     | MANDALAY RESORT GROUP                  | Ba2  | BB+  |
| 17,000,000        |     | Term Loan, maturing August 22, 2006    |      |      |
|                   |     | PARK PLACE ENTERTAINMENT CORPORATION   | Ba1  | BBB- |
| 4,921,260         |     | Revolver, maturing December 31, 2003   |      |      |
|                   |     | PENN NATIONAL GAMING                   | Ba3  | B+   |
| 3,500,000         |     | Term Loan, maturing September 3, 2007  |      |      |
| -----             |     |  |      |      |
| -----             |     |  |      |      |

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| PRINCIPAL AMOUNT                           | BORROWER/TRANCHE DESCRIPTION  | BANK LOAN RATINGS+ (UNAUDITED) |      |
|--|---|--------------------------------|------|
|  |   | MOODY'S                        | S&P  |
| GROCERY: 0.2%                              |   |                                |      |
| \$ 1,985,000                               | GIANT EAGLE, INC.<br>Term Loan, maturing August 2, 2009                       | Ba2                            | BB+  |
| HEALTHCARE, EDUCATION AND CHILDCARE: 11.8% |   |                                |      |
| 1,038,168                                  | ALLIANCE IMAGING, INC.<br>Term Loan, maturing November 2, 2006                | B1                             | B+   |
| 6,217,331                                  | Term Loan, maturing June 10, 2008   |                                |      |
| 2,100,000                                  | AMERIPATH, INC.<br>Term Loan, maturing March 27, 2010                         | B1                             | B+   |
| 4,925,000                                  | APRIA HEALTHCARE GROUP, INC.<br>Term Loan, maturing July 20, 2008             | Ba1                            | BBB- |
| 2,470,038                                  | CAREMARK RX, INC.<br>Term Loan, maturing March 31, 2006                       | Ba2                            | BB+  |
| 14,935,000                                 | COMMUNITY HEALTH SYSTEMS, INC.<br>Term Loan, maturing July 16, 2010           | Ba3                            | BB-  |
| 2,987,259                                  | CONCENTRA OPERATING CORPORATION<br>Term Loan, maturing June 30, 2006          | B1                             | B+   |
| 1,493,630                                  | Term Loan, maturing June 30, 2007   |                                |      |
| 5,304,415                                  | COVENANT CARE, INC.<br>Term Loan, maturing June 30, 2003                      | NR                             | NR   |
| 8,910,000                                  | DAVITA, INC.<br>Term Loan, maturing March 31, 2009                            | Ba3                            | BB-  |
| 1,030,668                                  | EXPRESS SCRIPTS, INC.<br>Revolver, maturing March 31, 2005                    | Ba1                            | BBB- |
| 3,076,923                                  | Term Loan, maturing March 31, 2008  |                                |      |
| 4,000,000                                  | FISHER SCIENTIFIC INTERNATIONAL, INC.<br>Term Loan, maturing March 31, 2010   | Ba3                            | BB+  |
| 9,939,548                                  | (2) FOUNTAIN VIEW, INC.<br>Term Loan, maturing March 31, 2004                 | NR                             | NR   |
| 4,000,000                                  | FRESENIUS MEDICAL CARE HOLDING, INC.<br>Term Loan, maturing February 21, 2010 | Ba1                            | BB+  |
| 1,539,950                                  | GENESIS HEALTH VENTURES, INC.<br>Floating Rate Note, maturing April 2, 2007   | Ba3                            | B+   |
| 9,257,143                                  | HCA, INC.<br>Term Loan, maturing April 30, 2006                               | Ba1                            | BBB- |
| 1,995,000                                  | IASIS HEALTHCARE CORPORATION<br>Term Loan, maturing February 7, 2009          | B1                             | B    |
| 3,333,333                                  | INSIGHT HEALTH SERVICES CORPORATION<br>Term Loan, maturing October 17, 2008   | B1                             | B+   |
| 2,639,967                                  | KINETIC CONCEPTS, INC.<br>Term Loan, maturing March 31, 2006                  | Ba3                            | B+   |
| 1,231,415                                  | MAGELLAN HEALTH SERVICES, INC.<br>Term Loan, maturing February 12, 2005       | Caa1                           | D    |
| 1,231,415                                  | Term Loan, maturing February 12, 2006   |                                |      |
| 988,381                                    | MARINER HEALTH CARE, INC.<br>Floating Rate Note, maturing May 13, 2009        | B1                             | NR   |
| 3,500,000                                  | OXFORD HEALTH PLANS, INC.<br>Term Loan, maturing April 25, 2009               | Ba2                            | BB+  |

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 PORTFOLIO OF INVESTMENTS as of May 31, 2003 (Unaudited) (Continued)  
 -----

| PRINCIPAL AMOUNT                                | BORROWER/TRANCHE DESCRIPTION   | BANK LOAN RATINGS+ (UNAUDITED) |     |
|---|--|--------------------------------|-----|
|   |  | MOODY'S                        | S&P |
| HEALTHCARE, EDUCATION AND CHILDCARE (CONTINUED) |  |                                |     |
| \$ 1,338,503                                    | SYBRON DENTAL MANAGEMENT, INC.<br>Term Loan, maturing June 6, 2009               | Ba3                            | BB- |
| 1,967,273                                       | TRIAD HOSPITALS, INC.<br>Term Loan, maturing September 30, 2008                  | Ba3                            | B+  |
| 5,486,250                                       | VANGUARD HEALTH SYSTEMS, INC.<br>Term Loan, maturing January 3, 2010             | Ba3                            | B+  |
| 4,967,475                                       | VICAR OPERATING, INC.<br>Term Loan, maturing September 30, 2008                  | B1                             | B+  |
| HOME AND OFFICE FURNISHING, HOUSEWARES: 1.3%    |  |                                |     |
| 801,544   | (2) DESA INTERNATIONAL, INC.<br>Term Loan, maturing November 26, 2004            | Caa2                           | NR  |
| 2,431,443                                       | HOLMES PRODUCTS CORPORATION<br>Term Loan, maturing February 5, 2007              | B2                             | B   |
| 4,525,000                                       | IDENTITY GROUP, INC.<br>Term Loan, maturing May 11, 2007                         | NR                             | NR  |
| 833,725   | (3) IMPERIAL HOME DECOR GROUP, INC.<br>Term Loan, maturing April 4, 2006         | NR                             | NR  |
| 2,957,955                                       | NATIONAL BEDDING COMPANY<br>Term Loan, maturing August 31, 2008                  | B1                             | B+  |
| 794,004   | SEALY MATTRESS COMPANY<br>Term Loan, maturing December 15, 2004                  | B1                             | B+  |
| 1,062,244                                       | Term Loan, maturing December 15, 2005  |                                |     |
| 1,358,133                                       | Term Loan, maturing December 15, 2006  |                                |     |
| INSURANCE: 0.2%                                 |  |                                |     |
| 2,274,198                                       | USI HOLDINGS CORPORATION<br>Term Loan, maturing September 17, 2004               | B1                             | B+  |
| LEISURE, AMUSEMENT AND ENTERTAINMENT: 10.1%     |  |                                |     |
| 1,821,058                                       | AMF BOWLING WORLDWIDE, INC.<br>Term Loan, maturing February 28, 2008             | B1                             | B   |
| 5,881,479                                       | BALLY TOTAL FITNESS HOLDING CORPORATION<br>Term Loan, maturing November 10, 2004 | Ba3                            | B+  |
| 8,347,370                                       | FITNESS HOLDINGS WORLDWIDE, INC.<br>Term Loan, maturing November 2, 2006         | B1                             | B   |
| 7,462,881                                       | Term Loan, maturing November 2, 2007   |                                |     |

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|            |   |     |     |
|------------|---|-----|-----|
| 1,995,000  | KERASOTES THEATRES, INC.<br>Term Loan, maturing December 31, 2008                 | B1  | B+  |
| 4,969,836  | LODGENET ENTERTAINMENT CORPORATION<br>Term Loan, maturing June 30, 2006           | Ba3 | B+  |
| 9,796,480  | LOEWS CINEPLEX ENTERTAINMENT CORPORATION<br>Term Loan, maturing February 29, 2008 | NR  | NR  |
| 500,000    | METRO-GOLDWYN-MAYER STUDIOS, INC.<br>Term Loan, maturing June 30, 2007            | Ba3 | BB- |
| 14,500,000 | Term Loan, maturing June 30, 2008   |     |     |
| 4,000,000  | NEW JERSEY BASKETBALL, LLC<br>Term Loan, maturing December 8, 2003                | B2  | B-  |

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 PORTFOLIO OF INVESTMENTS as of May 31, 2003 (Unaudited) (Continued)  
 -----

| PRINCIPAL AMOUNT                                 | BORROWER/TRANCHE DESCRIPTION  | BANK LOAN RATINGS+ (UNAUDITED) |      |    |
|--|---|--------------------------------|------|----|
|  |   | MOODY'S                        | S&P  |    |
| LEISURE, AMUSEMENT AND ENTERTAINMENT (CONTINUED) |   |                                |      |    |
| \$ 13,990,723                                    | PANAVISION, INC.<br>Term Loan, maturing March 31, 2005                | Caa1                           | CCC  | \$ |
| 2,343,750  | REGAL CINEMAS, INC.<br>Term Loan, maturing December 31, 2007          | Ba2                            | BB-  |    |
| 1,900,000  | SIX FLAGS THEME PARKS, INC.<br>Revolver, maturing June 30, 2008       | Ba2                            | BB-  |    |
| 11,000,000                                       | WASHINGTON FOOTBALL, INC.<br>Term Loan, maturing June 30, 2009        | Baa3                           | NR   |    |
| 3,000,000  | XANTERRA PARKS & RESORTS, LLC<br>Term Loan, maturing October 16, 2007 | NR                             | NR   |    |
| 3,287,317  | Term Loan, maturing September 30, 2004                                |                                |      |    |
| 3,287,317  | Term Loan, maturing September 30, 2005                                |                                |      |    |
| -----  |   |                                |      |    |
| LODGING: 5.2%                                    |   |                                |      |    |
| 16,227,853                                       | EXTENDED STAY AMERICA, INC.<br>Term Loan, maturing January 15, 2008   | Ba3                            | BB-  |    |
| 5,000,000  | GAYLORD ENTERTAINMENT COMPANY<br>Term Loan, maturing March 22, 2006   | NR                             | NR   |    |
| 7,169,118  | HILTON HAWAIIAN VILLAGE, LLC<br>Revolver, maturing June 1, 2003       | Ba1                            | BBB- |    |
| 7,136,323  | WYNDHAM INTERNATIONAL, INC.<br>Term Loan, maturing June 30, 2004      | NR                             | CCC+ |    |
| 17,947,072                                       | Term Loan, maturing June 30, 2006                                     |                                |      |    |
| -----  |   |                                |      |    |
| MACHINERY: 2.8%                                  |   |                                |      |    |
|  | ALLIANCE LAUNDRY HOLDINGS, LLC  | B1                             | B    |    |

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|   |   |      |     |
|---|---|------|-----|
| 3,755,555   | Term Loan, maturing August 2, 2007<br>ANTHONY CRANE RENTAL, L.P.              | Caa2 | CC  |
| 14,437,500  | Term Loan, maturing July 20, 2006<br>MORRIS MATERIAL HANDLING, INC.           | NR   | NR  |
| 258,831   | Term Loan, maturing September 28, 2004<br>NATIONAL WATERWORKS, INC.           | B1   | BB- |
| 1,980,000   | Term Loan, maturing November 22, 2009<br>REXNORD CORPORATION                  | B1   | B+  |
| 6,805,556   | Term Loan, maturing November 25, 2009<br>UNITED RENTALS (NORTH AMERICA), INC. | Ba3  | BB  |
| 1,725,660   | Term Loan, maturing August 31, 2007<br>VUTEK, INC.                            | B1   | NR  |
| 903,446   | Term Loan, maturing July 31, 2005   |      |     |
| 1,699,805   | Term Loan, maturing July 31, 2007   |      |     |
| 641,133   | Term Loan, maturing December 30, 2007   |      |     |
| -----   |   |      |     |
| MINING, STEEL, IRON AND NON-PRECIOUS METALS: 1.0% |   |      |     |
|   | PEABODY ENERGY CORPORATION  | Ba1  | BB+ |
| 9,000,000   | Term Loan, maturing March 21, 2010  |      |     |
| -----   |   |      |     |

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PORTFOLIO OF INVESTMENTS as of May 31, 2003 (Unaudited) (Continued)  
-----

| PRINCIPAL AMOUNT                           | BORROWER/TRANCHE DESCRIPTION   | BANK LOAN RATINGS+ (UNAUDITED) |      |
|--|--|--------------------------------|------|
|  |  | MOODY'S                        | S&P  |
| OIL AND GAS: 1.7%                          |  |                                |      |
| \$ 2,500,000                               | CITGO PETROLEUM CORPORATION<br>Term Loan, maturing February 27, 2006 | Ba2                            | BB   |
| 4,000,000                                  | PACIFIC ENERGY GROUP, LLC<br>Term Loan, maturing July 26, 2009       | Ba2                            | BBB- |
| 3,465,000                                  | PLAINS MARKETING, L.P.<br>Term Loan, maturing September 21, 2007     | Ba1                            | BBB- |
| 2,760,000                                  | PMC COMPANY<br>Term Loan, maturing May 5, 2006                       | Ba1                            | BBB- |
| 3,430,016                                  | W-H ENERGY SERVICES, INC.<br>Term Loan, maturing April 16, 2007      | B2                             | B+   |
| -----                                      |  |                                |      |
| OTHER BROADCASTING AND ENTERTAINMENT: 1.8% |  |                                |      |
| 1,000,000                                  | AMERICAN MOVIE CLASSICS<br>Term Loan, maturing March 14, 2009        | Ba3                            | BBB- |
|  | DIRECTV HOLDINGS, LLC  | Ba2                            | BB-  |



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|  |     |   |     |     |
|--|-----|---|-----|-----|
| 6,000,000  |     | Term Loan, maturing March 6, 2010<br>PEGASUS MEDIA & COMMUNICATIONS, INC.   | B3  | B-  |
| 5,869,924  |     | Term Loan, maturing April 30, 2005<br>RAINBOW MEDIA GROUP                   | Ba3 | BB+ |
| 4,000,000  |     | Term Loan, maturing March 14, 2009  |     |     |
| -----  |     |   |     |     |
| OTHER TELECOMMUNICATIONS: 2.2%                   |     |   |     |     |
|  |     | BROADWING, INC.   | B1  | B-  |
| 10,229,922                                       |     | Term Loan, maturing November 9, 2004  |     |     |
| 5,709,366  |     | Term Loan, maturing December 30, 2006                                       |     |     |
| 687,357  |     | Term Loan, maturing June 28, 2007<br>GCI HOLDINGS, INC.                     | Ba3 | BB+ |
| 1,500,000  |     | Term Loan, maturing October 15, 2004<br>INTERA GROUP, INC.                  | NR  | NR  |
| 2,854,468  |     | Term Loan, maturing December 31, 2005                                       |     |     |
| 1,681,780  | (3) | Term Loan, maturing December 31, 2005                                       |     |     |
| 909,384  | (3) | Term Loan, maturing December 31, 2005                                       |     |     |
| -----  |     |   |     |     |
| PERSONAL AND NON DURABLE CONSUMER PRODUCTS: 4.7% |     |   |     |     |
|  |     | ARMKEL, LLC   | Ba3 | B+  |
| 1,924,301  |     | Term Loan, maturing March 28, 2009<br>BUHRMANN U.S., INC.                   | B1  | B+  |
| 2,261,865  |     | Term Loan, maturing October 26, 2005  |     |     |
| 1,090,140  |     | Term Loan, maturing October 26, 2007<br>CHURCH & DWIGHT COMPANY, INC.       | Ba2 | BB  |
| 2,979,987  |     | Term Loan, maturing September 30, 2007<br>JOSTENS, INC.                     | B1  | BB- |
| 1,758,052  |     | Term Loan, maturing May 31, 2006  |     |     |
| 4,486,364  |     | Term Loan, maturing December 31, 2009<br>NORWOOD PROMOTIONAL PRODUCTS, INC. | NR  | NR  |
| 9,510,848  |     | Term Loan, maturing February 1, 2005  |     |     |
| 7,731,328  | (3) | Term Loan, maturing February 1, 2005  |     |     |
| 1,998,167  | (3) | Term Loan, maturing February 1, 2005  |     |     |

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ING Prime Rate Trust

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PORTFOLIO OF INVESTMENTS as of May 31, 2003 (Unaudited) (Continued)  
-----

| PRINCIPAL AMOUNT                                       | BORROWER/TRANCHE DESCRIPTION                                  | BANK LOAN RATINGS+ (UNAUDITED) |     |    |
|--|---|--------------------------------|-----|----|
|  |   | MOODY'S                        | S&P |    |
| PERSONAL AND NON DURABLE CONSUMER PRODUCTS (CONTINUED) |   |                                |     |    |
|  | PAINT SUNDRY BRANDS CORPORATION                               | B2                             | B+  |    |
| \$ 894,245   | Term Loan, maturing August 11, 2005                           |                                |     | \$ |
| 875,811  | Term Loan, maturing August 11, 2006<br>PLAYTEX PRODUCTS, INC. | Ba3                            | BB- |    |

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|   |   |     |      |
|---|---|-----|------|
| 11,218,425                                      | Term Loan, maturing May 31, 2009<br>RAYOVAC CORPORATION                     | Ba3 | BB-  |
| 4,450,000                                       | Term Loan, maturing September 30, 2009                                      |     |      |
| -----   |   |     |      |
| -----   |   |     |      |
| PERSONAL, FOOD AND MISCELLANEOUS SERVICES: 3.1% |   |     |      |
|   | AFC ENTERPRISES, INC.   | Ba2 | BB   |
| 1,512,013                                       | Term Loan, maturing May 23, 2009<br>COINMACH CORPORATION                    | B1  | BB-  |
| 4,900,000                                       | Term Loan, maturing July 25, 2009<br>DOMINO'S, INC.                         | Ba3 | BB-  |
| 2,977,500                                       | Term Loan, maturing June 30, 2008<br>GATE GOURMET BORROWER, LLC             | B1  | BB   |
| 1,000,000                                       | Term Loan, maturing December 31, 2008                                       |     |      |
| 1,000,000                                       | Term Loan, maturing December 31, 2009<br>NEW WORLD RESTAURANT GROUP, INC.   | B3  | CCC- |
| 4,000,000                                       | Secured Floating Rate Note, maturing June 15, 2003<br>OTIS SPUNKMEYER, INC. | B1  | B+   |
| 6,835,055                                       | Term Loan, maturing February 20, 2009<br>PAPA GINO'S, INC.                  | NR  | NR   |
| 1,866,477                                       | Term Loan, maturing August 31, 2006   |     |      |
| 4,757,812                                       | Term Loan, maturing August 31, 2007<br>RELIZON COMPANY                      | Ba3 | BB-  |
| 1,117,115                                       | Revolver, maturing August 4, 2006   |     |      |
| -----   |   |     |      |
| -----   |   |     |      |
| PRINTING AND PUBLISHING: 8.6%                   |   |     |      |
|   | ADAMS OUTDOOR ADVERTISING, L.P.   | B1  | B+   |
| 1,775,000                                       | Term Loan, maturing February 8, 2008<br>ADVANSTAR COMMUNICATIONS, INC.      | B2  | B    |
| 9,629,933                                       | Term Loan, maturing April 11, 2007<br>AMERICAN MEDIA OPERATIONS, INC.       | Ba3 | B+   |
| 3,989,822                                       | Term Loan, maturing April 1, 2007<br>BELL ACTIMEDIA, INC.                   | Ba3 | BB-  |
| 1,821,991                                       | Term Loan, maturing November 29, 2010<br>CANWEST MEDIA, INC.                | Ba3 | B+   |
| 4,200,639                                       | Term Loan, maturing May 15, 2008  |     |      |
| 4,498,904                                       | Term Loan, maturing May 15, 2009<br>DEX MEDIA EAST, LLC                     | Ba3 | BB-  |
| 5,164,634                                       | Term Loan, maturing May 8, 2009<br>HOLLINGER INTERNATIONAL PUBLISHING, INC. | Ba2 | BB-  |
| 2,487,500                                       | Term Loan, maturing September 30, 2009<br>HOUGHTON MIFFLIN COMPANY          | Ba3 | BB-  |
| 423,077   | Revolver, maturing February 28, 2008<br>LAMAR MEDIA CORPORATION             | Ba2 | BB-  |
| 15,000,000                                      | Term Loan, maturing June 30, 2010   |     |      |

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| PRINCIPAL AMOUNT                    | BORROWER/TRANCHE DESCRIPTION          | BANK LOAN RATINGS+ (UNAUDITED) |     |    |
|-------------------------------------|---------------------------------------|--------------------------------|-----|----|
|                                     |                                       | MOODY'S                        | S&P |    |
| PRINTING AND PUBLISHING (CONTINUED) |                                       |                                |     |    |
|                                     | MOORE CORPORATION                     | Ba2                            | BB+ |    |
| \$ 6,000,000                        | Term Loan, maturing March 15, 2010    |                                |     | \$ |
|                                     | PRIMEDIA, INC.                        | B3                             | B   |    |
| 620,843                             | Revolver, maturing June 30, 2008      |                                |     |    |
| 3,743,351                           | Term Loan, maturing June 30, 2009     |                                |     |    |
|                                     | R.H. DONNELLEY, INC.                  | Ba3                            | BB  |    |
| 7,980,000                           | Term Loan, maturing June 30, 2010     |                                |     |    |
|                                     | READER'S DIGEST ASSOCIATIONS, INC.    | Baa3                           | BB+ |    |
| 6,947,500                           | Term Loan, maturing May 20, 2008      |                                |     |    |
|                                     | TRANSWESTERN PUBLISHING COMPANY       | Ba3                            | BB- |    |
| 2,947,500                           | Term Loan, maturing June 27, 2008     |                                |     |    |
|                                     | VERTIS, INC.                          | B2                             | B+  |    |
| 2,994,437                           | Term Loan, maturing December 7, 2008  |                                |     |    |
|                                     | ZIFF DAVIS MEDIA, INC.                | B3                             | CCC |    |
| 1,694,296                           | Term Loan, maturing March 31, 2007    |                                |     |    |
| RADIO AND TV BROADCASTING: 5.3%     |                                       |                                |     |    |
|                                     | BLOCK COMMUNICATIONS, INC.            | Ba2                            | BB- |    |
| 2,834,660                           | Term Loan, maturing November 15, 2009 |                                |     |    |
|                                     | CITADEL BROADCASTING COMPANY          | Ba2                            | B+  |    |
| 1,995,000                           | Revolver, maturing April 2, 2008      |                                |     |    |
| 1,617,778                           | Term Loan, maturing June 26, 2008     |                                |     |    |
| 3,328,000                           | Term Loan, maturing June 26, 2009     |                                |     |    |
|                                     | CUMULUS MEDIA, INC.                   | Ba3                            | B+  |    |
| 3,000,000                           | Term Loan, maturing March 28, 2010    |                                |     |    |
|                                     | EMMIS OPERATING COMPANY               | Ba2                            | B+  |    |
| 10,982,904                          | Term Loan, maturing August 31, 2009   |                                |     |    |
|                                     | FISHER BROADCASTING, INC.             | Ba3                            | B+  |    |
| 2,000,000                           | Term Loan, maturing February 28, 2010 |                                |     |    |
|                                     | GRAY TELEVISION, INC.                 | Ba3                            | B+  |    |
| 4,000,000                           | Term Loan, maturing December 31, 2010 |                                |     |    |
|                                     | LIN TELEVISION CORPORATION            | Ba2                            | BB  |    |
| 2,102,857                           | Term Loan, maturing December 31, 2007 |                                |     |    |
| 1,897,143                           | Term Loan, maturing December 31, 2007 |                                |     |    |
|                                     | PAXSON COMMUNICATIONS CORPORATION     | Ba3                            | BB- |    |
| 4,912,500                           | Term Loan, maturing June 30, 2006     |                                |     |    |
|                                     | SINCLAIR BROADCAST GROUP, INC.        | Ba2                            | BB  |    |
| 5,000,000                           | Term Loan, maturing December 31, 2009 |                                |     |    |
| 3,000,000                           | Term Loan, maturing December 31, 2009 |                                |     |    |
|                                     | SUSQUEHANNA MEDIA COMPANY             | Ba1                            | BB- |    |
| 2,475,000                           | Term Loan, maturing June 30, 2008     |                                |     |    |
| RETAIL: 3.8%                        |                                       |                                |     |    |
|                                     | ADVANCE STORES COMPANY, INC.          | Ba3                            | BB- |    |
| 4,706,353                           | Term Loan, maturing November 30, 2007 |                                |     |    |
| 4,706,352                           | Term Loan, maturing November 30, 2007 |                                |     |    |
|                                     | CH OPERATING, LLC                     | B2                             | B+  |    |
| 2,431,034                           | Term Loan, maturing June 21, 2007     |                                |     |    |

See Accompanying Notes to Financial Statements

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ING Prime Rate Trust

-----  
 PORTFOLIO OF INVESTMENTS as of May 31, 2003 (Unaudited) (Continued)  
 -----

| PRINCIPAL AMOUNT                   | BORROWER/TRANCHE DESCRIPTION  | BANK LOAN RATINGS+ (UNAUDITED) |      |
|------------------------------------|---|--------------------------------|------|
|                                    |   | MOODY'S                        | S&P  |
| RETAIL (CONTINUED)                 |   |                                |      |
| \$ 12,839,799                      | MURRAY'S DISCOUNT AUTO STORES, INC.<br>Term Loan, maturing June 30, 2003      | NR                             | B    |
| 616,667                            | Revolver, maturing June 30, 2003  |                                |      |
| 5,000,000                          | PANTRY, INC.<br>Term Loan, maturing March 31, 2007                            | B1                             | B+   |
| 3,472,868                          | PETCO ANIMAL SUPPLIES, INC.<br>Term Loan, maturing October 2, 2008            | Ba3                            | BB-  |
| 882,353                            | SHOPPERS DRUG MART CORPORATION<br>Term Loan, maturing February 4, 2009        | Baa3                           | BBB+ |
| 2,382,515                          | TRAVELCENTERS OF AMERICA, INC.<br>Term Loan, maturing November 14, 2008       | Ba3                            | BB   |
| TELECOMMUNICATIONS EQUIPMENT: 4.9% |   |                                |      |
| 9,797,583                          | AMERICAN TOWER, L.P.<br>Term Loan, maturing June 30, 2007                     | B2                             | B    |
| 1,663,816                          | Term Loan, maturing December 31, 2007   |                                |      |
| 13,000,000                         | CROWN CASTLE OPERATING COMPANY<br>Term Loan, maturing March 15, 2008          | Ba3                            | B-   |
| 8,266,878                          | PINNACLE TOWERS, INC.<br>Term Loan, maturing October 31, 2005                 | B3                             | D    |
| 6,999,889                          | SPECTRASITE COMMUNICATIONS, INC.<br>Term Loan, maturing December 31, 2007     | B1                             | B+   |
| 3,093,034                          | TRIPOINT GLOBAL COMMUNICATIONS, INC.<br>Term Loan, maturing May 31, 2006      | NR                             | NR   |
| 3,980,352                          | TSI TELECOMMUNICATION SERVICES, INC.<br>Term Loan, maturing December 31, 2006 | Ba3                            | B+   |
| TEXTILES AND LEATHER: 2.6%         |   |                                |      |
| 2,692,043                          | (2) GALEY & LORD, INC.<br>Term Loan, maturing April 2, 2005                   | Caa2                           | NR   |
| 1,927,515                          | Term Loan, maturing April 1, 2006   |                                |      |
| 4,906,930                          | LEVI STRAUSS & COMPANY<br>Term Loan, maturing July 31, 2006                   | B1                             | BB   |
| 8,958,296                          | (2) MALDEN MILLS INDUSTRIES, INC.<br>Term Loan, maturing October 28, 2006     | NR                             | NR   |
| 8,902,127                          | (3) POLYMER GROUP, INC.<br>Term Loan, maturing December 31, 2006              | NR                             | NR   |
| 3,306,761                          | TARGUS GROUP, INC.<br>Term Loan, maturing August 31, 2006                     | NR                             | NR   |
|                                    | WILLIAM CARTER COMPANY  | Ba3                            | BB   |

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|                 |   |      |      |
|-----------------|---|------|------|
| 946,442         | Term Loan, maturing September 30, 2008                            |      |      |
| UTILITIES: 0.8% |   |      |      |
| 1,899,130       | CALPINE CORPORATION<br>Term Loan, maturing March 8, 2004          | Ba3  | BBB- |
| 1,000,000       | ITC HOLDINGS CORPORATION<br>Term Loan, maturing February 28, 2009 | Baa3 | BBB- |

See Accompanying Notes to Financial Statements

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ING Prime Rate Trust

-----  
 PORTFOLIO OF INVESTMENTS as of May 31, 2003 (Unaudited) (Continued)  
 -----

| PRINCIPAL AMOUNT                              | BORROWER/TRANCHE DESCRIPTION   | BANK LOAN RATINGS+ (UNAUDITED) |     |       |
|---|--|--------------------------------|-----|-------|
|   |  | MOODY'S                        | S&P |       |
| -----   |  |                                |     |       |
| UTILITIES (CONTINUED)                         |  |                                |     |       |
| \$ 2,977,500                                  | MICHIGAN ELECTRIC TRANSMISSION COMPANY<br>Term Loan, maturing May 1, 2007                    | Baa2                           | BB+ | \$    |
| 1,647,059                                     | PIKE ELECTRIC, INC.<br>Term Loan, maturing April 18, 2010                                    | Ba3                            | BB- |       |
|   | TOTAL SENIOR LOANS<br>(COST \$1,489,750,945)   |                                |     | \$1,4 |
| -----   |  |                                |     |       |
| OTHER CORPORATE DEBT: 2.1%                    |  |                                |     |       |
| AUTOMOBILE: 0.6%                              |  |                                |     |       |
| 6,000,000                                     | CAPITAL TOOL & DESIGN, LTD.<br>Subordinated Note, maturing July 10, 2004                     | NR                             | NR  |       |
| DATA AND INTERNET SERVICES: 0.1%              |  |                                |     |       |
| 739,789 (3)                                   | ARCH WIRELESS HOLDINGS, INC.<br>Subordinated Note, maturing May 15, 2009                     | Ca                             | NR  |       |
| FINANCE: 1.0%                                 |  |                                |     |       |
| 10,000,000                                    | VALUE ASSET MANAGEMENT, INC.<br>Senior Subordinated Bridge Note,<br>maturing August 31, 2005 | B3                             | B   |       |
| HEALTHCARE, EDUCATION AND CHILDCARE: 0.0%     |  |                                |     |       |
| 13,365  | BLOCK VISION HOLDINGS CORPORATION<br>Junior Term Loan, maturing January 31, 2006             | NR                             | NR  |       |
| HOME AND OFFICE FURNISHINGS, HOUSEWARES: 0.0% |  |                                |     |       |
| 45,229  | MP HOLDINGS, INC.<br>Subordinated Note, maturing March 14, 2007                              | NR                             | NR  |       |

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|  |  |    |    |
|--|--|----|----|
| PERSONAL AND NON DURABLE CONSUMER PRODUCTS: 0.3% |  |    |    |
|  | PAINT SUNDRY BRANDS                            | B2 | B+ |
| 2,875,000  | Subordinated Note, maturing August 11, 2008    |    |    |
| TEXTILES AND LEATHER: 0.1%                       |  |    |    |
|  | TARTAN TEXTILE SERVICES, INC.                  | NR | NR |
| 1,332,583  | Subordinated Note, maturing April 1, 2011      |    |    |
|  | TOTAL OTHER CORPORATE DEBT (COST \$20,232,242) |    |    |

See Accompanying Notes to Financial Statements

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ING Prime Rate Trust

-----  
 PORTFOLIO OF INVESTMENTS as of May 31, 2003 (Unaudited) (Continued)  
 -----

-----  
 SECURITY DESCRIPTION  
 -----

EQUITIES AND OTHER ASSETS: 4.1%

|  |   |    |
|--|---|----|
|  | (0) , (R) 360Networks, Inc. (76,029 Common Shares)  | \$ |
|  | (1), (0) , (R) Allied Digital Technologies Corporation<br>(Residual Interest in Bankruptcy Estate)      |    |
|  | (0) , (R) AM Cosmetics Corporation (Liquidation Interest)   |    |
|  | (0) Arch Wireless Holdings, Inc. (102,124 Common Shares)  |    |
|  | (0) , (R) Autotote Systems, Inc. (Option to Purchase 0.248% of<br>Common Shares Issued and Outstanding) |    |
|  | (0) , (R) Block Vision Holdings Corporation (571 Common Shares)   |    |
|  | (2), (0) , (R) Boston Chicken, Inc. (Residual Interest in Boston Chicken Plan Trust)                    |    |
|  | (0) , (R) Capital Tool & Design, Ltd. (Warrants for 121,159 Common Shares)                              |    |
|  | (0) , (R) Cedar Chemical (Liquidation Interest)   |    |
|  | (2), (0) , (R) Centis, Inc. (Residual Interest in Bankruptcy Estate)                                    |    |
|  | (0) , (R) Covenant Care, Inc. (Warrants for 19,000 Common Shares,<br>Expires January 13, 2005)          |    |
|  | Covenant Care, Inc. (Warrants for 28,901 Common Shares,<br>Expires March 31, 2013)                      |    |
|  | (0) Dan River, Inc. (127,306 Common Shares)   |    |
|  | (0) , (R) Decision One Corporation (350,059 Common Shares)  |    |
|  | (2), (0) , (R) Electro Mechanical Solutions (Residual Interest in Bankruptcy Estate)                    |    |
|  | (0) , (R) Enterprise Profit Solutions (Liquidation Interest)  |    |
|  | (4), (0) , (R) Euro United Corporation (Residual Interest in Bankruptcy Estate)                         |    |
|  | (2), (0) , (R) Exide Technologies (Warrants for 16,501 Common Shares,<br>Expires March 16, 2006)        |    |
|  | (0) Genesis Health Ventures, Inc. (190,605 Common Shares)   |    |
|  | (0) Genesis Health Ventures, Inc. (2,223 Preferred Shares)  |    |
|  | (0) , (R) Gevity HR (60,056 Common Shares)  |    |
|  | (2), (0) , (R) Grand Union Company (Residual Interest in Bankruptcy Estate)                             |    |
|  | (0) , (R) Holmes Products Corporation (Warrants for 19,397 Common Shares,<br>Expires May 7, 2006)       |    |
|  | (2), (0) , (R) Humphreys, Inc. (Residual Interest in Bankruptcy Estate)                                 |    |
|  | (0) , (R) Imperial Home Decor Group, Inc. (300,141 Common Shares)                                       |    |
|  | (0) , (R) IHDG Realty (300,141 Common Shares)   |    |
|  | (2), (0) , (R) Insilco Technologies (Residual Interest in Bankruptcy Estate)                            |    |

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(@) , (R) Intera Group, Inc. (864 Common Shares)  
 (2) , (@) , (R) Kevco, Inc. (Residual Interest in Bankruptcy Estate)  
 (@) Mariner Health Care, Inc. (126,525 Common Shares)  
 (@) Microcell Connexions, Inc. (2,473 1st Preferred Voting Shares)  
 (@) Microcell Connexions, Inc. (171,635 1st Preferred Non-Voting Shares)  
 (@) Microcell Connexions, Inc. (53,271 2nd Preferred Non-Voting Shares)  
 (@) , (R) Morris Material Handling, Inc. (481,373 Common Shares)  
 (@) , (R) MP Holdings, Inc. (590 Common Shares)  
 (@) , (R) Murray's Discount Auto Stores, Inc. (17 Common Shares)  
 (@) , (R) Murray's Discount Auto Stores, Inc. (Warrants for 955 Common Shares,  
 Expires January 22, 2007)

See Accompanying Notes to Financial Statements

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### ING Prime Rate Trust

-----  
 PORTFOLIO OF INVESTMENTS as of May 31, 2003 (Unaudited) (Continued)  
 -----

#### SECURITY DESCRIPTION

-----

|                 |   |        |       |
|-----------------|---|--------|-------|
| (@) , (R)       | New World Restaurant Group, Inc. (Warrants for 4,489 Common Shares, Expires June 15, 2006)                |        | \$    |
| (@) , (R)       | Safelite Glass Corporation (660,808 Common Shares)  |        |       |
| (@) , (R)       | Safelite Realty (44,605 Common Shares)  |        |       |
| (@) , (R)       | Sarcom Corporation (462,984 Common Shares)  |        |       |
| (@) , (R)       | Sarcom Corporation (4,015 Preferred Shares)   |        |       |
| (@) , (R)       | Scientific Games Corporation (48,930 Warrants for Class B Non-Voting Common Shares, Expires October 2003) |        |       |
| (@) , (R)       | Soho Publishing (17,582 Common Shares)  |        |       |
| (@) , (R)       | Stellex Aerostructures, Inc. (11,130 Common Shares)   |        |       |
| (@) , (R)       | Tartan Textile Services, Inc. (23,449 Shares of Series D Preferred Stock)                                 |        |       |
| (@) , (R)       | Tartan Textile Services, Inc. (36,775 Shares of Series E Preferred Stock)                                 |        |       |
| (@) , (R)       | Teligent, Inc. (50 Common Shares)   |        |       |
| (@) , (R)       | Tembec, Inc. (167,239 Common Shares)  |        |       |
| (1) , (@) , (R) | Transtar Metals (Residual Interest in Bankruptcy Estate)  |        |       |
| (1) , (@) , (R) | TSR Wireless, LLC (Residual Interest in Bankruptcy Estate)  |        |       |
| (2) , (@) , (R) | U.S. Aggregates (Residual Interest in Bankruptcy Estate)  |        |       |
| (2) , (@) , (R) | U.S. Office Products Company (Residual Interest in Bankruptcy Estate)                                     |        |       |
|                 | TOTAL FOR EQUITIES AND OTHER ASSETS (COST \$45,108,156)   |        | ----- |
|                 | TOTAL INVESTMENTS (COST \$1,555,091,343) (5)  | 156.1% | \$1,4 |
|                 | PREFERRED SHARES AND LIABILITIES IN EXCESS OF CASH AND OTHER ASSETS, NET                                  | (56.1) | (5)   |
|                 | NET ASSETS  | 100.0% | \$ 9  |
|                 |   | =====  | ===== |

See Accompanying Notes to Financial Statements

ING Prime Rate Trust

-----  
 PORTFOLIO OF INVESTMENTS as of May 31, 2003 (Unaudited) (Continued)  
 -----

- (@) Non-income producing security.
- (R) Restricted security.
- \* Senior loans, while exempt from registration under the Security 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.
- NR Not Rated
- + Bank Loans rated below Baa by Moody's Investor Services, Inc. or BBB by Standard & Poor's Group are considered to be below investment grade.
- (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.
- (5) For federal income tax purposes, the cost of investment is \$1,554,263,115 and net unrealized depreciation consists of the following:

|                               |                 |
|-------------------------------|-----------------|
| Gross Unrealized Appreciation | \$ 14,809,113   |
| Gross Unrealized Depreciation | (94,245,128)    |
|                               | -----           |
| Net Unrealized Depreciation   | \$ (79,436,015) |
|                               | =====           |

See Accompanying Notes to Financial Statements

ING Prime Rate Trust

-----  
 ADDITIONAL INFORMATION (Unaudited) (Continued)  
 -----

Management's Additional Operating Information (Unaudited)

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.

SHAREHOLDER INVESTMENT PROGRAM

The Trust offers a Shareholder Investment Program (the "Program") which enables investors to conveniently add to their holdings at reduced costs. Should you desire further information concerning this Program, please contact the Shareholder Servicing Agent at (800) 992-0180.

NUMBER OF SHAREHOLDERS



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The approximate number of record holders of Common Stock as of June 30, 2003 was 7,931 which does not include approximately 49,750 beneficial owners of shares held in the name of brokers of other nominees.

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### ING Prime Rate Trust

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 TRUSTEE AND OFFICER INFORMATION (Unaudited)  
 -----

The business and affairs of the Trust are managed under the direction of the Trust's Board of Trustees. 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 of the Trust are listed below. The Statement of Additional Information includes additional information about trustees of the Registrant and is available, without charge, upon request at 1-800-992-0180.

| NAME, ADDRESS<br>AND AGE<br>-----   | POSITION(S)<br>HELD WITH<br>FUND<br>---- | TERM OF<br>OFFICE AND<br>LENGTH OF<br>TIME<br>SERVED(1)<br>----- | PRINCIPAL<br>OCCUPATION(S)<br>DURING THE<br>PAST FIVE YEARS<br>-----  | NUMBER OF<br>PORTFOLIOS IN<br>FUND COMPLEX<br>OVERSEEN<br>BY TRUSTEE<br>----- |
|---|--|--|---|---|
| <br>INDEPENDENT TRUSTEES  |  |  |   |   |
| Paul S. Doherty(2)<br>7337 E. Doubletree Ranch Rd.<br>Scottsdale, Arizona 85258<br>Born: 1934       | Trustee                                  | October<br>1999 -<br>Present                                     | Mr. Doherty is<br>President and Partner,<br>Doherty, Wallace,<br>Pillsbury and Murphy,<br>P.C., Attorneys (1996 -<br>Present); Director,<br>Tambrands, Inc. (1993 -<br>1998); and Trustee of<br>each of the funds<br>managed by Northstar<br>Investment Manage-<br>ment Corporation<br>(1993 - 1999). | 106   |
| J. Michael Earley(3)<br>7337 E. Doubletree Ranch Rd.<br>Scottsdale, Arizona 85258<br>Born: 1945     | Trustee                                  | February<br>2002 -<br>Present                                    | President and Chief<br>Executive Officer,<br>Bankers Trust Company,<br>N.A. (1992 - Present).   | 106   |
| R. Barbara Gitenstein(2)<br>7337 E. Doubletree Ranch Rd.<br>Scottsdale, Arizona 85258<br>Born: 1948 | Trustee                                  | February<br>2002 -<br>Present                                    | President, College of<br>New Jersey (1999 -<br>Present). Formerly,<br>Executive Vice<br>President and Provost,<br>Drake University (1992<br>- 1998).  | 106   |
| Walter H. May(2)<br>7337 E. Doubletree Ranch Rd.<br>Scottsdale, Arizona 85258<br>Born: 1936         | Trustee                                  | October<br>1999 -<br>Present                                     | Retired. Formerly,<br>Managing Director and<br>Director of Marketing,<br>Piper Jaffray, Inc.;<br>Trustee of each of the<br>funds managed by   | 106   |

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|   |         |                             |   |     |
|---|---------|-----------------------------|---|-----|
| Jock Patton(2)<br>7337 E. Doubletree Ranch Rd.<br>Scottsdale, Arizona 85258<br>Born: 1945 | Trustee | August<br>1995 -<br>Present | Northstar Investment<br>Management<br>Corporation (1996 -<br>1999).<br><br>Private Investor (June<br>1997 - Present).<br>Formerly, Director and<br>Chief Executive Officer,<br>Rainbow Multimedia<br>Group, Inc. (January<br>1999 - December 2001);<br>Director of Stuart<br>Entertainment, Inc.;<br>Director of Artisoft, Inc.<br>(1994 - 1998). | 106 |
|---|---------|-----------------------------|---|-----|

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ING Prime Rate Trust

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 TRUSTEE AND OFFICER INFORMATION (Unaudited) (Continued)  
 -----

| NAME, ADDRESS<br>AND AGE<br>-----   | POSITION(S)<br>HELD WITH<br>FUND<br>---- | TERM OF<br>OFFICE AND<br>LENGTH OF<br>TIME<br>SERVED(1)<br>----- | PRINCIPAL<br>OCCUPATION(S)<br>DURING THE<br>PAST FIVE YEARS<br>-----  | NUMBER OF<br>PORTFOLIOS IN<br>FUND COMPLEX<br>OVERSEEN<br>BY TRUSTEE<br>----- |
|---|--|--|---|---|
| David W.C. Putnam(3)<br>7337 E. Doubletree Ranch Rd.<br>Scottsdale, Arizona 85258<br>Born: 1939 | Trustee                                  | October<br>1999 -<br>Present                                     | President and Director,<br>F.L. Putnam Securities<br>Company, Inc. and its<br>affiliates; President,<br>Secretary and Trustee,<br>The Principled Equity<br>Marke Fund. Formerly,<br>Trustee, Trust Realty<br>Trust (December Corp.;<br>Anchor Investment<br>Trust; Bow 2000 -<br>Present); Ridge Mining<br>Company and each of<br>the F.L. Putnam funds<br>managed by Northstar<br>Investment Foundation<br>Management<br>Corporation (1994 -<br>1999). | 106   |

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|  |                |  |   |            |
|--|----------------|--|---|------------|
| <p>Blaine E. Rieke(3)<br/>7337 E. Doubletree Ranch Rd.<br/>Scottsdale, Arizona 85258<br/>Born: 1933</p>      | <p>Trustee</p> | <p>February<br/>2001 -<br/>Present</p> | <p>General Partner,<br/>Huntington Partners<br/>(January 1997 -<br/>Present). Chairman of<br/>the Board and Trustee<br/>of each of the funds<br/>managed by ING<br/>Investment<br/>Management Co. LLC<br/>(November 1998 -<br/>February 2001).</p>  | <p>106</p> |
| <p>Roger B. Vincent(3)<br/>7337 E. Doubletree Ranch Rd.<br/>Scottsdale, Arizona 85258<br/>Born: 1945</p>     | <p>Trustee</p> | <p>February<br/>2002 -<br/>Present</p> | <p>President, Springwell<br/>Corporation (1989 -<br/>Present). Formerly,<br/>Director, Tatham<br/>Offshore, Inc. (1996 -<br/>2000).</p>   | <p>106</p> |
| <p>Richard A. Wedemeyer(2)<br/>7337 E. Doubletree Ranch Rd.<br/>Scottsdale, Arizona 85258<br/>Born: 1936</p> | <p>Trustee</p> | <p>February<br/>2001 -<br/>Present</p> | <p>Retired. Mr.<br/>Wedemeyer was<br/>formerly Vice President<br/>- Finance and<br/>Administration,<br/>Channel Corporation<br/>(June 1996 - April<br/>2002). Formerly, Vice<br/>President, Operations<br/>and Administration,<br/>Jim Henson<br/>Productions. (1979 -<br/>1997); Trustee, First<br/>Choice Funds (1997 -<br/>2001); and of each of<br/>the funds managed by<br/>ING Investment<br/>Management Co. LLC<br/>(1998 - 2001).</p> | <p>106</p> |

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ING Prime Rate Trust

-----  
TRUSTEE AND OFFICER INFORMATION (Unaudited) (Continued)  
-----

| NAME, ADDRESS<br>AND AGE | POSITION(S)<br>HELD WITH<br>FUND | TERM OF<br>OFFICE AND<br>LENGTH OF<br>TIME<br>SERVED (1) | PRINCIPAL<br>OCCUPATION(S)<br>DURING THE<br>PAST FIVE YEARS | NUMBER OF<br>PORTFOLIOS IN<br>FUND COMPLEX<br>OVERSEEN<br>BY TRUSTEE |
|--------------------------|----------------------------------|--|---|--|
|--------------------------|----------------------------------|--|---|--|

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-----  
 TRUSTEES WHO ARE "INTERESTED PERSONS"

|   |         |                               |   |     |
|---|---------|-------------------------------|---|-----|
| Thomas J. McInerney(4)<br>7337 E. Doubletree Ranch Rd.<br>Scottsdale, Arizona 85258<br>Born: 1956 | Trustee | February<br>2001 -<br>Present | Chief Executive Officer,<br>ING U.S. Financial<br>Services (September<br>2001 - Present);<br>General Manager and<br>Chief Executive Officer,<br>ING U.S. Worksite<br>Financial Services<br>(December 2000 -<br>Present); Member, ING<br>Americas Executive<br>Committee (2001 -<br>Present); President,<br>Chief Executive Officer<br>and Director of<br>Northern Life Insurance<br>Company (2001 -<br>Present), ING Aeltus<br>Holding Company, Inc.<br>(2000 - Present), ING<br>Retail Holding<br>Company (1998 -<br>Present), Formerly, ING<br>Life Insurance and<br>Annuity Company<br>(1997 - November<br>2002) and ING<br>Retirement Holdings,<br>Inc. (1997 - March<br>2003). Formerly,<br>General Manager and<br>Chief Executive Officer,<br>ING Worksite Division<br>(December 2000 -<br>October 2001),<br>President, ING-SCI, Inc.<br>(August 1997 -<br>December 2000);<br>President, Aetna<br>Financial Services<br>(August 1997 -<br>December 2000); Head<br>of National Accounts<br>Core Sales and<br>Marketing, Aetna U.S.<br>Healthcare (April 1996 -<br>March 1997). | 160 |
|---|---------|-------------------------------|---|-----|

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| NAME, ADDRESS<br>AND AGE<br>-----   | POSITION(S)<br>HELD WITH<br>FUND<br>----- | TERM OF<br>OFFICE AND<br>LENGTH OF<br>TIME<br>SERVED (1)<br>----- | PRINCIPAL<br>OCCUPATION(S)<br>DURING THE<br>PAST FIVE YEARS<br>-----   | NUMBER OF<br>PORTFOLIOS IN<br>FUND COMPLEX<br>OVERSEEN<br>BY TRUSTEE<br>----- |
|---|---|---|--|---|
| John G. Turner (5)<br>7337 E. Doubletree Ranch Rd.<br>Scottsdale, Arizona 85258<br>Born: 1939 | Trustee                                   | October<br>1999 -<br>Present                                      | Chairman, Hillcrest<br>Capital Partners (May<br>2002-Present);<br>President, Turner<br>Investment Company<br>(January 2002 -<br>Present). Mr. Turner<br>was formerly Vice<br>Chairman of ING<br>Americas (2000 - 2002);<br>Chairman and Chief<br>Executive Officer of<br>ReliaStar Financial<br>Corp. and ReliaStar<br>Life Insurance Company<br>(1993 - 2000); Chairman<br>of ReliaStar United<br>Services Life Insurance<br>Company (1995 - 1998);<br>Chairman of ReliaStar<br>Life Insurance Company<br>of New York (1995 -<br>2001); Chairman of<br>Northern Life Insurance<br>Company (1992 - 2001);<br>Chairman and Trustee of<br>the Northstar<br>affiliated investment<br>companies (1993 - 2001)<br>and Director, Northstar<br>Investment Management<br>Corporation and its<br>affiliates (1993 - 1999<br>) . (1) Trustees serve<br>until their successors<br>are duly elected and<br>qualified. (2)<br>Valuation Committee<br>member. (3) Audit<br>Committee member. (4)<br>Mr. McInerney is an<br>"interested person," as<br>defined by the 1940<br>Act, because of his<br>affiliation with ING<br>U.S. Worksite Financial<br>Services, an affiliate<br>of ING Investments,<br>LLC. (5) Mr. Turner is<br>an "interested person,"<br>as defined by the 1940<br>Act, because of his<br>affiliation with ING<br>Americas, an affiliate | 157   |

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of ING Investments,  
LLC.

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ING Prime Rate Trust

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TRUSTEE AND OFFICER INFORMATION (Unaudited) (Continued)  
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| NAME, ADDRESS<br>AND AGE<br>-----   | POSITION(S)<br>HELD WITH THE TRUST<br>-----            | TERM OF OFFICE<br>AND LENGTH OF<br>TIME SERVED(1)<br>----- |  |
|---|--|--|--|
| <b>OFFICERS:</b>  |  |  |  |
| James M. Hennessy<br>7337 E. Doubletree Ranch Rd.,<br>Scottsdale, Arizona 85258<br>Born: 1949 | President and Chief<br>Executive Officer               | February 2001 -<br>Present                                 | President a<br>Officer of<br>LLC, ING Fu<br>Advisors, I<br>LLC, Lexing<br>Inc., Expre<br>EAMC Liquid<br>December 20<br>President a<br>Officer of<br>LLC (since<br>Executive V<br>Operating O<br>Quantitativ<br>(October 20<br>Senior Exec<br>(June 2000<br>Secretary (<br>2000) of IN<br>LLC, ING Fu<br>Investments<br>Inc., Expre<br>and EAMC Li<br>Executive V<br>Capital Cor<br>affiliates<br>and Senior<br>Capital Cor<br>affiliates<br>1998). |
|   | Chief Operating<br>Officer                             | June 2000 - Present  |  |
|   | Senior Executive<br>Vice President                     | June 2000 - February<br>2001                               |  |
|   | Secretary  | April 1995 - February<br>2001                              |  |
| Michael J. Roland<br>7337 E. Doubletree Ranch Rd.,<br>Scottsdale, Arizona 85258<br>Born: 1958 | Executive Vice<br>President and<br>Assistant Secretary | February 2002 -<br>Present                                 | Executive V<br>Financial O<br>ING Funds S<br>Distributor<br>ING Investm<br>2001 to pre<br>Distributor<br>T.C. Inc. a<br>Corp. (sinc  |
|   | Chief Financial Officer                                | June 1998 - Present  |  |
|   | Senior Vice President                                  | June 1998 - February<br>2002                               |  |

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|  |  |  |
|--|--|--|
| Robert S. Naka<br>7337 E. Doubletree Ranch Rd.,<br>Scottsdale, Arizona 85258<br>Born: 1963 | Senior Vice President<br><br>Assistant Secretary | November 1999 - Present<br><br>July 1996 - Present |
|--|--|--|

Formerly, E  
 Chief Finan  
 Treasurer o  
 Management,  
 October 200  
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 Officer of  
 1997 to Jun

Senior Vice  
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 LLC, ING Fu  
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ING Prime Rate Trust

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 TRUSTEE AND OFFICER INFORMATION (Unaudited) (Continued)  
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| NAME, ADDRESS<br>AND AGE<br>-----  | POSITION(S)<br>HELD WITH THE TRUST<br>-----                                  | TERM OF OFFICE<br>AND LENGTH OF<br>TIME SERVED (1)<br>-----                    |
|--|--|--|
| OFFICERS:  |  |  |
| Daniel Norman<br>7337 E. Doubletree Ranch Rd.,<br>Scottsdale, Arizona 85258<br>Born: 1957      | Senior Vice President<br><br>Co-Senior Portfolio<br>Manager<br><br>Treasurer | April 1995 - Present<br><br>November 1999 - Present<br><br>June 1997 - Present |
| Jeffrey A. Bakalar<br>7337 E. Doubletree Ranch Rd.,<br>Scottsdale, Arizona 85258<br>Born: 1959 | Senior Vice President<br><br>Co-Senior Portfolio<br>Manager                  | January 1998 - Present<br><br>November 1999 - Present                          |

Senior Vice  
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Senior Vice  
 Investments  
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 Assistant P  
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 November 19

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|   |  |                            |
|---|--|----------------------------|
| Elliot Rosen<br>7337 E. Doubletree Ranch Rd.,<br>Scottsdale, Arizona 85258<br>Born: 1953          | Senior Vice President                                | May 2002 - Present         |
| William H. Rivoir III<br>7337 E. Doubletree Ranch Rd.,<br>Scottsdale, Arizona 85258<br>Born: 1951 | Senior Vice President<br>and Assistant<br>Secretary  | February 2001 -<br>Present |
| Curtis F. Lee<br>7337 E. Doubletree Ranch Rd.,<br>Scottsdale, Arizona 85258<br>Born: 1955         | Senior Vice President<br>and Chief Credit<br>Officer | January 2001- Present      |

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 TRUSTEE AND OFFICER INFORMATION (Unaudited) (Continued)  
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| NAME, ADDRESS<br>AND AGE<br>----- | POSITION(S)<br>HELD WITH THE TRUST<br>----- | TERM OF OFFICE<br>AND LENGTH OF<br>TIME SERVED (1)<br>----- |
|-----------------------------------|---|---|
|-----------------------------------|---|---|



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OFFICERS:

Kimberly A. Anderson  
7337 E. Doubletree Ranch Rd.,  
Scottsdale, Arizona 85258  
Born: 1964

Vice President and  
Secretary  
  
Assistant Vice  
President and  
Assistant Secretary

February 2001 -  
Present

November 1999 -  
February 2001

Vice President and  
Secretary of ING Prime  
Rate Trust, ING Prime  
Rate Trust LLC, ING Prime  
Rate Trust Investments  
(2001) and ING Prime  
Rate Trust Distributor  
(2001). Form  
ING Quantitative  
Inc. (October  
2002); Assistant  
ING Funds S  
1999 to Jan  
held various  
ING Funds S  
than the la

Robyn L. Ichilov  
7337 E. Doubletree Ranch Rd.,  
Scottsdale, Arizona 85258  
Born: 1967

Vice President

November 1997 -  
Present

Vice President  
Services, L  
and ING Inv  
August 1997  
Manager, IN  
(since Nov

Maria M. Anderson  
7337 E. Doubletree Ranch Rd.,  
Scottsdale, Arizona 85258  
Born: 1958

Assistant Vice  
President

August 2001 - Present

Assistant V  
Funds Servi  
2001). Form  
Accounting  
ING Investm  
1999 to Nov  
Manager of  
Roe Mutual  
August 1999  
Reporting A  
Funds (Augu

Todd Modic  
7337 E. Doubletree Ranch Rd.,  
Scottsdale, Arizona 85258  
Born: 1967

Assistant Vice  
President

August 2001 - Present

Vice President  
Reporting-F  
Funds Servi  
2002 to Pre  
Financial R  
Investments  
September 2  
of Financia  
Communicati  
January 200  
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(March 1995

Susan P. Kinens  
7337 E. Doubletree Ranch Rd.  
Scottsdale, Arizona 85258  
Born: 1976

Assistant Vice  
President and  
Assistant Secretary

February 2003 -  
Present (For the ING  
Funds)

Assistant V  
Assistant S  
Services, L  
Present); a  
other posit  
Services, L  
years.

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(1) The officers hold office until the next meeting of the Trustees and until

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their successors shall have been elected and qualified.

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### INVESTMENT MANAGER

ING Investments, LLC  
7337 E. Doubletree Ranch Road  
Scottsdale, Arizona 85258-2034

### ADMINISTRATOR

ING Fund Services, LLC  
7337 E. Doubletree Ranch Road  
Scottsdale, Arizona 85258-2034  
1-800-992-0180

### INSTITUTIONAL INVESTORS AND ANALYSTS

Call ING Prime Rate Trust  
1-800-336-3436, Extension 2217

### DISTRIBUTOR

ING Funds Distributor, LLC  
7337 E. Doubletree Ranch Road  
Scottsdale, Arizona 85258-2034  
1-800-334-3444

### TRANSFER AGENT

DST Systems, Inc.  
P.O. Box 219368  
Kansas City, Missouri 64141-9368

### CUSTODIAN

State Street Bank and Trust Company  
801 Pennsylvania Avenue  
Kansas City, Missouri 64105

### LEGAL COUNSEL

Dechert  
1775 Eye Street, N.W.  
Washington, D.C. 20006

### INDEPENDENT AUDITORS

KPMG LLP  
355 S. Grand Avenue, Suite 2000  
Los Angeles, CA 90071

### WRITTEN REQUESTS

Please mail all account inquiries and other comments to:  
ING Prime Rate Trust  
Account c/o ING Fund Services, LLC  
7337 E. Doubletree Ranch Road  
Scottsdale, Arizona 85258-2034

### 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 1-800-992-0180

A prospectus containing more complete information regarding the Trust, including charges and expenses, may be obtained by calling ING Funds Distributor, LLC, Distributor, at 1-800-992-0180. Please read the prospectus carefully before you invest or send money.

[LION LOGO]

