

ING PRIME RATE TRUST  
Form DEF 14A  
May 01, 2012

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

**SCHEDULE 14A**  
(Rule 14a-101)

**INFORMATION REQUIRED IN PROXY STATEMENT**

**SCHEDULE 14A INFORMATION**

Proxy Statement Pursuant to Section 14(a) of  
the Securities Exchange Act of 1934 (Amendment No. )

Filed by the Registrant  X

Filed by a Party other than the Registrant  O

Check the appropriate box:

- Preliminary Proxy Statement
- Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))**
- Definitive Proxy Statement
- Definitive Additional Materials
- Soliciting Material under §240.14a-12

ING PRIME RATE TRUST  
(Name of Registrant as Specified In Its Charter)

(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

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- No fee required.
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  - (1) Amount Previously Paid:
  - (2) Form, Schedule or Registration Statement No.:
  - (3) Filing Party:

(4)

Date Filed:

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**ING PRIME RATE TRUST**

7337 East Doubletree Ranch Road, Suite 100

Scottsdale, Arizona 85258-2034

(800) 992-0180

May 15, 2012

Dear Shareholder:

On behalf of the Board of Trustees (the **Board**), we are pleased to invite you to the annual meeting of shareholders (the **Annual Meeting**) of ING Prime Rate Trust (the **Fund**). The Annual Meeting is scheduled for 10:00 A.M., Local time, on July 5, 2012, at 7337 Doubletree Ranch Road, Suite 100, Scottsdale, Arizona 85258-2034.

At the Annual Meeting, shareholders of the Fund will be asked to consider and to vote on whether to elect ten trustees to the Board of Trustees of the Fund (the **Proposal**).

Formal notice of the Annual Meeting appears on the next page followed by the Proxy Statement. The Proposal is discussed in detail in the enclosed Proxy Statement, which you should read carefully.

After careful consideration, the Board recommends that you vote **FOR** the Proposal.

**Your vote is important regardless of the number of shares you own. To avoid the added cost of follow-up solicitations and possible adjournments, please take a few minutes to read the Proxy Statement and cast your vote. It is important that your vote be received no later than July 4, 2012.**

We appreciate your participation and prompt response in this matter and thank you for your continued support.

Sincerely,

Shaun P. Mathews

*President and Chief Executive Officer*

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**NOTICE OF ANNUAL MEETING OF SHAREHOLDERS**

**OF**

**ING PRIME RATE TRUST**

7337 East Doubletree Ranch Road, Suite 100

Scottsdale, Arizona 85258-2034

(800) 992-0180

Scheduled for July 5, 2012

To the Shareholders:

NOTICE IS HEREBY GIVEN that an annual meeting of the shareholders (the Annual Meeting ) of ING Prime Rate Trust (the Fund ) is scheduled for 10:00 A.M., Local time on July 5, 2012 at 7337 East Doubletree Ranch Road, Suite 100, Scottsdale, Arizona 85258-2034.

At the Annual Meeting, shareholders will be asked:

1. To elect 10 trustees to the Board of Trustees of the Fund (the Proposal );
2. To transact such other business, not currently contemplated, that may properly come before the Annual Meeting, or any adjournments or postponements thereof, in the discretion of the proxies or their substitutes.

Please read the enclosed Proxy Statement carefully for information concerning the Proposal to be placed before the Annual Meeting.

**The Board of Trustees recommends that you vote FOR the Proposal.**

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Shareholders of record as of the close of business on April 9, 2012, are entitled to notice of, and to vote at, the Annual Meeting, and are also entitled to vote at any adjournments or postponements thereof. Your attention is called to the accompanying Proxy Statement. Regardless of whether you plan to attend the Annual Meeting, **please complete, sign, and return promptly, but in no event later than July 4, 2012, the enclosed Proxy Ballot** so that a quorum will be present and a maximum number of shares may be voted. Proxies may be

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revoked at any time before they are exercised by submitting a revised Proxy Ballot, by giving written notice of revocation to the Fund or by voting in person at the Annual Meeting.

By Order of the Board of Trustees

Huey P. Falgout, Jr.  
*Secretary*

May 15, 2012

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**PROXY STATEMENT**

**May 15, 2012**

**ING PRIME RATE TRUST**

7337 East Doubletree Ranch Road, Suite 100

Scottsdale, Arizona 85258-2034

(800) 992-0180

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**Annual Meeting of Shareholders**

**Scheduled for July 5, 2012**

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**Important Notice Regarding the Availability of Proxy Materials  
for the Shareholder Meeting to be Held on July 5, 2012**

This Proxy Statement/Prospectus and Notice of Annual Meeting are

available at: [www.proxyvote.com/ing](http://www.proxyvote.com/ing)

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## INTRODUCTION

### Why did you send me this booklet?

This booklet includes a proxy statement ( Proxy Statement ) and a Proxy Ballot for ING Prime Rate Trust (the Fund ). It provides you with information you should review before providing voting instructions on the matters listed below and in the Notice of the Annual Meeting. The words you and shareholder are used in this Proxy Statement to refer to the person or entity that has voting rights or is being asked to provide voting instructions in connection with the shares.

### What proposals will be considered at the Annual Meeting?

At the annual meeting of shareholders (the Annual Meeting ), shareholders are being asked to approve the election of 10 nominees to the Board of Trustees for the Fund (the Proposal ).

### Who is eligible to vote?

Shareholders holding an investment in shares of the Fund as of the close of business on April 9, 2012 (the Record Date ) are eligible to vote.

### How do I vote?

Shareholders can vote by completing, signing and returning the enclosed Proxy Ballot promptly in the enclosed envelope, through telephone touch-tone voting, via Internet voting, or by attending the Annual Meeting in person and voting. To vote by telephone or Internet, follow the voting instructions as outlined on your Proxy Ballot. These options require shareholders to input a control number, which is located on your Proxy Ballot. After entering this number, shareholders will be prompted to provide their voting instructions on the proposals, as applicable. Shareholders will have the opportunity to review their voting instructions and make any necessary changes before submitting their voting instructions and terminating their telephone call or Internet link. Shareholders who vote on the Internet, in addition to confirming their voting instructions prior to submission, may also request an e-mail confirming their instructions.

Joint owners must each sign the Proxy Ballot. Shareholders whose shares are held by nominees, such as brokers, can vote their shares by contacting their respective nominee.

If a shareholder wishes to participate in the Annual Meeting, but does not wish to give a proxy by telephone or Internet, the shareholder



may submit by mail the Proxy Ballot originally sent with this Proxy Statement or attend the Annual Meeting in person.

**When and where will the Annual Meeting be held?**

The Annual Meeting is scheduled to be held at 7337 East Doubletree Ranch Road, Suite 100, Scottsdale, Arizona 85258-2034, on July 5, 2012, at 10:00 A.M., Local time, and, if the Annual Meeting is adjourned or postponed, any adjournments or postponements of the Annual Meeting will also be held at the above location. If you expect to attend the Annual Meeting in person, please call Shareholder Services toll-free at (800) 992-0180.

**How can I obtain more information about the Fund?**

Should you have any questions about the Fund, please do not hesitate to contact Shareholder Services toll free at (800) 992-0180. Copies of the Fund's Annual Report for the fiscal year ended February 29, 2012 and the Semi-Annual Report for the period ended August 31, 2011 were previously mailed to shareholders and are available upon request without charge on the Internet at [www.ingfunds.com/literature](http://www.ingfunds.com/literature); by calling (800) 992-0180; or by writing to: The ING Funds, 7337 E. Doubletree Ranch Road, Suite 100, Scottsdale, Arizona 85258-2034, Attention: Literature Fulfillment. This Proxy Statement should be read in conjunction with the Annual and Semi-Annual Reports.



**PROPOSAL ONE ELECTION OF THE NOMINEES**

**What is Proposal One?**

The Board has nominated 10 individuals (the Nominees) for election as Trustees of the Fund. Shareholders are being asked to elect the Nominees as Trustees, each to serve until their death, resignation, or retirement or until his or her successor is duly elected and qualified.

The Nominees include each of the current Trustees of the Board, eight (8) of whom are not interested persons of the Fund, as defined in the Investment Company Act of 1940, as amended (the 1940 Act). Such persons are commonly referred to as Independent Trustees. The remaining Nominees are considered interested persons. Each Nominee is currently a Trustee of the Fund and has consented to serve as a Trustee and to being named in this Proxy Statement.

Please read the section entitled Further Information about the Trustees and Officers before voting on the Proposal.

**Who are the Nominees and what are their qualifications?**

Independent Nominees

**Colleen D. Baldwin** has been a Trustee of the Fund and a board member of other investment companies in the ING Fund Complex (the ING Funds) since at least 2007. She also has served as the Chairperson of the Board's Nominating and Governance Committee since 2009. Ms. Baldwin has been President of Glantam Partners, LLC, a business consulting firm, since 2009. Prior to that, she served in senior positions at the following financial services firms: Chief Operating Officer for Ivy Asset Management, Inc. (2002-2004), a hedge fund manager; Chief Operating Officer and Head of Global Business and Product Development for AIG Global Investment Group (1995-2002), a global investment management firm; Senior Vice President at Bankers Trust Company (1994-1995); and Senior Managing Director at J.P. Morgan & Company (1987-1994). In addition to her undergraduate degree, Ms. Baldwin has an MBA degree from Pace University. These positions and experiences have provided Ms. Baldwin with a strong background in asset management matters and in the oversight of related service activities.

**John V. Boyer** has been a Trustee of the Fund and a board member of other ING Funds since at least 2005. He also has served as Chairperson of the Board's International/Balanced/Fixed-Income Funds Investment Review Committee (the I/B/F IRC) since 2006 and, prior to that, as Chairperson of the Trust's Compliance Committee. Since 2008,

Mr. Boyer has been President of the Bechtler Arts Foundation for which, among his other duties, Mr. Boyer oversees all fiduciary aspects of the Foundation and assists in the oversight of the Foundation's endowment portfolio. Previously, he served as President and Chief Executive Officer of the Franklin and Eleanor Roosevelt Institute (2006-2007) and as Executive Director of The Mark Twain House & Museum (1989-2006) where he was responsible for overseeing business operations, including endowment portfolios. He also served as a board member of certain predecessor mutual funds of the ING Funds (1997-2005). In addition to his undergraduate degree, Mr. Boyer has an MFA degree from Princeton University. These positions and experiences have provided Mr. Boyer with a strong background in business management, asset management oversight, and related service activities.

**Patricia W. Chadwick** has been a Trustee of the Fund and a board member of other ING Funds since at least 2006. She also has served as Chairperson of the Board's Domestic Equity Funds Investment Review Committee (the DE IRC) since 2007. Since 2000, Ms. Chadwick has been the Founder and President of Ravengate Partners LLC, a consulting firm that provides advice regarding financial markets and the global economy. She also is a director of Wisconsin Energy Corp. (since 2006), AMICA Mutual Insurance Company (since 1992), and The Royce Funds (since 2009). Previously, she served in senior roles at several major financial services firms where her duties included the management of corporate pension funds, endowments and foundations, as well as management responsibilities for an asset management business. These positions and experiences have provided Ms. Chadwick with a strong background in asset management matters and in the oversight of related service providers.

**Peter S. Drotch** has been a Trustee of the Fund and a board member of other ING Funds since at least 2007. Prior to his retirement in 2000, he was a partner at the accounting firm of PricewaterhouseCoopers LLP, where he was the leader of the firm's asset management practice group and acquired extensive experience with respect to audits and other financial matters relating to registered investment companies. Since his retirement, he also has served on the boards of registered investment companies in other fund complexes (the State Street Research Funds and BlackRock Funds) from 2005 to 2007 and as a consultant with respect to investment company regulatory compliance matters. In addition to his undergraduate degree, Mr. Drotch is a Certified Public Accountant. These positions and experiences have provided Mr. Drotch with a strong background in financial reporting, compliance, and internal control matters relating to registered investment companies.

**J. Michael Earley** has been a Trustee of the Fund and a board member of other ING Funds since at least 2002. He also has served as Chairperson of the Fund's Audit Committee since 2003. Mr. Earley retired in 2008 as President and Chief Executive Officer of Bankers Trust Company, N.A. (Des Moines, Iowa), where he had worked since 1992. He also has served on the boards of directors of that company (1992-2009) and of Midamerica Financial Corporation (2002-2009), and as a board member of certain predecessor mutual funds of the ING Funds (1997-2002). In addition to his undergraduate degree, Mr. Earley has a JD degree from the University of Iowa. These positions and experiences have provided Mr. Earley with a strong background in management matters relating to financial institutions and with respect to financial reporting and internal controls matters.

**Patrick W. Kenny** has been a Trustee of the Fund and a board member of other ING Funds since at least 2005. He also has served as the Chairperson of the Fund's Compliance Committee since 2006. He previously served as President and Chief Executive Officer (2001-2009) of the International Insurance Society (insurance trade association), Executive Vice President (1998-2001) of Frontier Insurance Group (property and casualty insurance company), Senior Vice President (1995-1998) of SS&C Technologies (software and technology company), Chief Financial Officer (1988-1994) of Aetna Life & Casualty Company (multi-line insurance company), and as Partner (until 1988) of KPMG (accounting firm). Mr. Kenny currently serves (since 2004) on the board of directors of Assured Guaranty Ltd. (provider of financial guaranty insurance) and previously served on the boards of Odyssey Re Holdings Corporation (multi-line reinsurance company) (2006-2009) and of certain predecessor mutual funds of the ING Fund Complex (2002-2005). In addition to his undergraduate degree, Mr. Kenny has an MS degree from the University of Missouri and is a Certified Public Accountant. These positions and experiences have provided Mr. Kenny with a strong background in financial, accounting, insurance and management matters.

**Sheryl K. Pressler** has been a Trustee of the Fund and a board member of other ING Funds since at least 2006. She also has served as Chairperson of the Fund's Contracts Committee since 2007. Ms. Pressler has served as a consultant on financial matters since 2001. Previously, she held various senior positions involving financial services, including as Chief Executive Officer (2000-2001) of Lend Lease Real Estate Investments, Inc. (real estate investment management and mortgage servicing firm), Chief Investment Officer (1994-2000) of California Public Employees Retirement System (state pension fund), and Director of Retirement Funds Management (1981-1994) of McDonnell Douglas Corporation (aircraft manufacturer). In addition to

her undergraduate degree, Ms. Pressler has an MBA degree from Washington University. These positions and experiences have provided Ms. Pressler with extensive experience in asset management and retirement service matters, as well as management oversight of such operations.

**Roger B. Vincent** has been a Trustee of the Fund and a board member of ING Funds since at least 2002. He also has served as Chairman of the Board since 2007 and he previously served as Chairperson of the Contracts Committee and the DE IRC. Mr. Vincent currently is President (since 1989) of Springwell Corporation (corporate finance firm) and a Director of UGI Corporation and UGI Utilities, Inc. (since 2006). He previously worked for 20 years at Bankers Trust Company. He also previously served as a Director of AmeriGas Partners, L.P. (1998-2006), Tatham Offshore, Inc. (1996-2000) and Petrolane, Inc. (1993-1995), and as a board member of certain predecessor funds of the ING Funds (1994-2002). Mr. Vincent is a frequent speaker or panelist at mutual fund industry conferences and seminars. In addition to his undergraduate degree, Mr. Vincent has an MBA degree from Harvard University. These positions and experiences have provided Mr. Vincent with extensive experience in financial management and oversight matters.

#### Interested Nominees

**Robert W. Crispin** has been a Trustee of the Fund and a board member of ING Funds since at least 2007. He formerly served as Chairman and Chief Executive Officer of ING Investment Management Co. LLC (2001-2007), an investment sub-adviser of many of the ING Funds, and in other senior positions in financial service firms. These positions and experiences have provided Mr. Crispin with a strong background in investment management and distribution activities and related administrative oversight activities, as well as with extensive knowledge of many of the Fund's key service providers.

**Shaun P. Mathews** has been a Trustee of the Fund and a board member of ING Funds since at least 2007. He also is President and Chief Executive Officer of ING Investments, LLC (2006 to present). Mr. Mathews previously served as President of ING Mutual Funds and Investment Products (2004-2006) and several other senior management positions in various aspects of the financial services business. These positions and experiences have provided Mr. Mathews with extensive investment management, distribution and oversight experience, as well as with extensive direct knowledge of many of the Fund's key service providers.

For additional information on the Nominees, please see **Appendix A**.

No Nominee is a party adverse to the Fund or any of its affiliates in any material pending legal proceeding, nor does any the Nominee have an interest materially adverse to the Fund.

If any or all of the Nominees become unavailable due to events not now known or anticipated, the persons named as proxies will vote for such other nominee or nominees as the current Trustees may recommend or the Board may reduce the number of Trustees as provided for in the Fund's charter documents.

**What is the required vote?**

Shareholders of the Fund will vote collectively as a single class on the election of each Nominee. The election of each Nominee must be approved by a plurality of the votes cast at the Annual Meeting at which a quorum is present. Shareholders who vote for the Proposal will vote for each Nominee. Those shareholders who wish to withhold their vote on any specific nominee may do so on the Proxy Card. Shareholders do not have appraisal rights in connection with the Proposal.

**What is the Board's Recommendation?**

After consideration of the above factors and other information it considered relevant, the Board, including all of the Independent Trustees, unanimously approved the nomination of each of the Nominees. The Board is recommending that the shareholders vote **FOR** each of the Nominees.

**FURTHER INFORMATION ABOUT THE TRUSTEES AND OFFICERS**

**What are the Trustees paid for their services?**

Each Trustee is reimbursed for reasonable expenses incurred in connection with each meeting of the Board or any of its Committee meetings attended. Each Independent Trustee is compensated for his or her services, on a quarterly basis, according to a fee schedule adopted by the Board. The current fee schedule consists of an annual retainer, compensation for Board and Committee Chairpersons, and additional compensation for attendance at regularly scheduled meetings. The Board may from time to time designate other meetings as subject to compensation.

The Fund pays each Independent Trustee a *pro rata* share, as described above, of: (i) an annual retainer of \$200,000; (ii) Mr. Vincent, as Chairperson of the Board, receives an additional annual retainer of \$80,000; (iii) Mses. Baldwin, Chadwick and Pressler and Messrs. Earley, Boyer and Kenny as Chairpersons of Committees of the Board, each receives an additional annual retainer of \$25,000, \$30,000, \$65,000, \$25,000, \$30,000 and \$25,000, respectively; (iv) \$10,000 per attendance at any of the regularly scheduled meetings (four (4) quarterly meetings, two (2) auxiliary meetings, and two (2) annual contract review meetings; and (v) out-of-pocket expenses. The Board at its discretion may from time to time designate other special meetings as subject to an attendance fee in the amount of \$5,000 for in person meetings and \$2,500 for special telephonic meetings. The *pro rata* share paid by the Fund is based on the Fund's average net assets as a percentage of the average net assets of all the funds managed by the Adviser or its affiliates, for which the Trustee serve in common as Trustees.

Future Compensation Payment

Each Independent Trustee who was a Trustee on or before May 9, 2007, and who will have served as an Independent Trustee for five or more years for one or more ING Fund is entitled to a future payment ( Future Payment ), if such Trustee: (i) retires in accordance with the Board's Retirement Policy; (ii) dies; or (iii) becomes disabled. The Future Payment shall be made promptly to, as applicable, the Trustee or the Trustee's estate, in an amount equal to two times the annual compensation payable to such Trustee, as in effect at the time of his or her retirement, death, or disability if the Trustee had served as Trustee for at least five years as of May 9, 2007, or in a lesser amount calculated based on the proportion of time served by such Trustee (as compared to five years) as of May 9, 2007. The annual compensation determination shall be based upon the annual Board membership retainer fee in effect

at the time of that Trustee's retirement, death, or disability (but not any separate annual retainer fees for chairpersons of committees and of the Board), provided that the annual compensation used for this purpose shall not exceed the annual retainer fees as of May 9, 2007. This amount shall be paid by the ING Fund or ING Funds on whose Board the Trustee was serving at the time of his or her retirement, death, or disability. Each applicable Trustee may elect to receive payment of his or her benefit in a lump sum or in three substantially equal payments.

**Appendix B** details the compensation paid to the Trustees by the Fund and by all ING Funds.

**Do the Independent Trustees own shares of the Fund or certain affiliate entities?**

As of April 9, 2012, none of the Independent Trustees or their immediate family members owned any shares of the adviser or principal underwriter or of any entity controlling, controlled by or under common control with the investment adviser or principal underwriter of the Fund (not including registered investment companies).

**Appendix C** provides the dollar value of all shares of the Fund and of all ING Funds held directly or indirectly by each Independent Trustee as of a recent date.

**How is the Board Structured?**

The Fund is governed by a Board, which oversees the Fund's business and affairs. The Board delegates the day-to-day management of the Fund and its portfolio to the Fund's officers and to various service providers that have been contractually retained to provide such day-to-day services. The ING entities that render services to the Fund do so pursuant to contracts that have been approved by the Board. The Trustees are experienced executives who, among other duties, oversee the Fund's activities, review contractual arrangements with companies that provide services to the Fund, and review the Fund's investment performance.

Board Leadership Structure and Related Matters

The Board is currently comprised of ten members, eight of whom are Independent Trustees. The Fund is one of 19 registered investment companies (with a total of approximately 138 separate series) and all of the Trustees serve as members of, as applicable, each investment company's Board of Trustees. The Board employs substantially the same leadership structure with respect to each of these investment companies.

One of the Independent Trustees, currently Roger B. Vincent, serves as the Chairman of the Board of the Fund. The responsibilities of the Board Chairman include: (i) coordinating with management in the preparation of agendas for Board meetings; (ii) presiding at Board meetings; (iii) between Board meetings, serving as a primary liaison with other Trustees, officers of the Fund, management personnel, and legal counsel to the Independent Trustees; and (iv) such other duties as the Board periodically may determine. Mr. Vincent holds no position with any firm that is a sponsor of a Fund.

The Board performs many of its oversight and other activities through the committee structure described below in the Board Committees section. Each Committee operates pursuant to a written Charter approved by the Board. The Board believes that its leadership structure is an effective means of empowering the Trustees to perform their fiduciary and other duties. For example, the Board's committee structure facilitates, as appropriate, the ability of individual Board members to receive detailed presentations on topics under their review and to develop increased familiarity with respect to such topics and with key personnel at relevant service providers. At least annually, with guidance from its Nominating and Governance Committee, the Board analyzes whether there are potential means to enhance the efficiency and effectiveness of the Board's operations.

#### Board Committees

*Audit Committee.* The Board has established an Audit Committee whose functions include, among other things: (i) meeting with the independent registered public accounting firm of the Fund to review the scope of the Fund's audit, the Fund's financial statements and accounting controls, and meeting with management concerning these matters; (ii) internal audit activities; and (iii) other matters. The Audit Committee operates pursuant to a charter approved by the Board, a copy of which is available on the ING Funds' website: [www.ingfunds.com](http://www.ingfunds.com). The Audit Committee currently consists of four (4) Independent Trustees. The following Trustees currently serve as members of the Audit Committee: Messrs. Boyer, Drotch, and Earley and Ms. Baldwin. Mr. Earley currently serves as Chairperson of the Audit Committee. Ms. Baldwin and Messrs. Drotch and Earley have each been designated as an Audit Committee Financial Expert under the Sarbanes-Oxley Act. The Audit Committee, which currently meets regularly four (4) times per year, held six (6) meetings during the fiscal year ended February 29, 2012.

*Compliance Committee.* The Board has established a Compliance Committee for the purpose of, among other things: (i)



coordinating activities between the Board and the Chief Compliance Officer ( CCO ) of the Fund; (ii) facilitating information flow among Board members and the CCO between Board meetings; (iii) working with the CCO and management to identify the types of reports to be submitted by the CCO to the Compliance Committee and the Board; (iv) coordinating CCO oversight activities with other ING Funds boards; (v) making recommendations regarding the role, performance, and oversight of the CCO; (vi) overseeing the implementation of the Fund's valuation procedures and the fair value determinations made with respect to securities held by the Fund for which market value quotations are not readily available; (vii) overseeing management's administration of proxy voting; and (viii) overseeing the effectiveness of brokerage usage by the Fund's adviser or sub-adviser, and compliance with regulations regarding the allocation of brokerage for services. The Compliance Committee currently consists of four (4) Independent Trustees: Messrs. Kenny and Vincent, and Meses. Chadwick and Pressler. Mr. Kenny currently serves as Chairperson of the Compliance Committee, which currently meets regularly four (4) times per year, held five (5) meetings during the fiscal year ended February 29, 2012.

*Contracts Committee.* The Board has established a Contracts Committee for the purpose of overseeing the annual renewal process relating to investment advisory and sub-advisory agreements and, at the discretion of the Board, other agreements or plans involving the Fund. The responsibilities of the Contracts Committee, among other things, include: (i) identifying the scope and format of information to be provided by service providers in connection with applicable contract approvals or renewals; (ii) providing guidance to independent legal counsel regarding specific information requests to be made by such counsel on behalf of the Trustees; (iii) evaluating regulatory and other developments that might have an impact on applicable approval and renewal processes; (iv) reporting to the Trustee its recommendations and decisions regarding the foregoing matters; (v) assisting in the preparation of a written record of the factors considered by Trustee relating to the approval and renewal of advisory and sub-advisory agreements; (vi) recommending to the Board specific steps to be taken by it regarding the contracts approval and renewal process, including, for example, proposed schedules of meetings by the Trustees; and (vii) otherwise providing assistance in connection with Board decisions to renew, reject or modify agreements or plans. The Contracts Committee currently consists of five (5) Independent Trustees: Meses. Chadwick and Pressler, and Messrs. Boyer, Drotch, and Vincent. Ms. Pressler currently serves as Chairperson of the Contracts Committee. The Contracts Committee, which currently meets regularly seven (7) times per year, held eight (8) meetings during the fiscal year ended February 29, 2012.

*Executive Committee.* The Board has established an Executive Committee whose function is to act on behalf of the full Board between meetings when necessary. The Executive Committee currently consists of three (3) Independent Trustees and two (2) Trustees who are interested persons. The following Trustees currently serve as members of the Executive Committee: Ms. Pressler and Messrs. Boyer, Crispin, Mathews, and Vincent. Mr. Vincent, Chairman of the Board, currently serves as Chairperson of the Executive Committee. The Executive Committee, which meets on an as needed basis, held one (1) meeting during the fiscal year ended February 29, 2012.

*Investment Review Committees.* The Board has established two Investment Review Committees to, among other things: (i) monitor the investment performance of the Fund and make recommendations to the Board with respect to investment management activities performed by the ING Investments and sub-adviser on behalf of the Fund, and (ii) to review and make recommendations regarding proposals by management to retain new or additional sub-advisers for a Fund. The Fund is monitored by the following Investment Review Committees:

Each committee is described below:

*DE IRC.* The DE IRC currently consists of four (4) Independent Trustees and one (1) Trustee who is an interested person. The following Trustees serve as members of the DE IRC: Ms. Chadwick, and Messrs. Crispin, Earley, Kenny, and Vincent. Ms. Chadwick currently serves as Chairperson of the DE IRC. The DE IRC, which currently meets regularly six (6) times per year, held seven (7) meetings during the fiscal year ended February 29, 2012.

*I/B/F/ IRC.* The I/B/F/ IRC currently consists of four (4) Independent Trustees and one (1) Trustee who is an interested person. The following Trustees serve as members of the I/B/F IRC: Mses. Baldwin and Pressler, and Messrs. Boyer, Drotch, and Mathews. Mr. Boyer currently serves as Chairperson of the I/B/F IRC. The I/B/F IRC, which currently meets regularly six (6) times per year, held six (6) meetings during the fiscal year ended February 29, 2012.

*Nominating and Governance Committee.* The Board has established a Nominating and Governance Committee for the purpose of, among other things: (i) identifying and recommending to the Board candidates it proposes for nomination to fill Independent Trustee vacancies on the Board; (ii) reviewing workload and capabilities of Independent Trustees and recommending changes to the size or composition of the Board, as necessary; (iii) monitoring regulatory developments and recommending modifications to the Committee s

responsibilities; (iv) considering and, if appropriate, recommending the creation of additional committees or changes to Trustee policies and procedures based on rule changes and best practices in corporate governance; (v) conducting an annual review of the membership and chairpersons of all Board committees and of practices relating to such membership and chairpersons; (vi) undertaking a periodic study of compensation paid to independent board members of investment companies and making recommendations for any compensation changes for the Independent Trustee; (vii) overseeing the Board's annual self evaluation process; (viii) developing (with assistance from management) an annual meeting calendar for the Board and its committees; and (ix) overseeing actions to facilitate attendance by Independent Trustee at relevant educational seminars and similar programs.

In evaluating potential candidates to fill Independent Trustee vacancies on the Board, the Nominating and Governance Committee will consider a variety of factors, but it has not at this time set any specific minimum qualifications that must be met. Specific qualifications of candidates for Board membership will be based on the needs of the Board at the time of nomination. The Nominating and Governance Committee will consider nominations received from shareholders and shall assess shareholder nominees in the same manner as it reviews nominees that it identifies initially as potential candidates. A shareholder nominee for Trustee should be submitted in writing to the Trustee's Secretary. Any such shareholder nomination should include at least the following information as to each individual proposed for nominations as Trustee: (i) such person's written consent to be named in a proxy statement as a nominee (if nominated) and to serve as a Trustee (if elected); and (ii) all information relating to such individual that is required to be disclosed in the solicitation of proxies for election of Trustees, or is otherwise required, in each case under applicable federal securities laws, rules and regulations, including such information as the Board may reasonably deem necessary to satisfy its oversight and due diligence duties.

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

The Nominating and Governance Committee consists of four (4) Independent Trustees: Mses. Baldwin and Chadwick, and Messrs. Kenny and Vincent. Ms. Baldwin currently serves as Chairperson of the Nominating and Governance Committee. The Nominating and Governance Committee, which currently meets regularly four (4) times per year, held two (2) meetings during the fiscal year ended February 29, 2012.

The Board's Risk Oversight Role

The day-to-day management of various risks relating to the administration and operation of the Fund is the responsibility of management and other service providers retained by the Board or by management, most of whom employ professional personnel who have risk management responsibilities. The Board oversees this risk management function consistent with and as part of its oversight duties. The Board performs this risk management oversight function directly and, with respect to various matters, through its committees. The following description provides an overview of many, but not all, aspects of the Board's oversight of risk management for the Fund. In this connection, the Board has been advised that it is not practicable to identify all of the risks that may impact the Fund or to develop procedures or controls that are designed to eliminate all such risk exposures, and that applicable securities law regulations do not contemplate that all such risks be identified and addressed.

The Board, working with management personnel and other service providers, has endeavored to identify the primary risks that confront the Fund. In general, these risks include, among others, investment risks, credit risks, liquidity risks, valuation risks, operational risks, reputational risks, regulatory risks, risks related to potential legislative changes, and the risk of conflicts of interest affecting ING affiliates in managing the Fund. The Board has adopted and periodically reviews various policies and procedures that are designed to address these and other risks confronting the Fund. In addition, many service providers to the Fund have adopted their own policies, procedures and controls designed to address particular risks to the Fund. The Board and persons retained to render advice and service to the Board periodically review and/or monitor changes to and developments relating to the effectiveness of these policies and procedures.

The Board oversees risk management activities in part through receipt and review by the Board or its committees of regular and special reports, presentations and other information from officers of the Fund, including the CCOs for a Fund and its investment adviser, a Fund's Chief Investment Risk Officer ( CIRO ), and from other service providers. For

example, management personnel and the other persons make regular reports and presentations to: (i) the Compliance Committee regarding compliance with regulatory requirements; (ii) the Investment Review Committees regarding investment activities and strategies that may pose particular risks; (iii) the Audit Committee with respect to financial reporting controls and internal audit activities; (iv) the Nominating and Governance Committee regarding corporate governance and best practice developments; and (v) the Contracts Committee regarding regulatory and related developments that might impact the retention of service providers to the Fund. The CIRO oversees an Investment Risk Department ( IRD ) that provides an independent source of analysis and research for Board members in connection with their oversight of the investment process and performance of portfolio managers. Among its other duties, the IRD seeks to identify and, where practicable, measure the investment risks being taken by the Fund's portfolio managers. Although the IRD works closely with management of the Fund in performing its duties, the CIRO is directly accountable to and maintains an ongoing dialogue with the Independent Trustees.

**How often does the Board meet?**

The Board currently conducts regular meetings eight (8) times a year. Six of these regular meetings consist of sessions held over a two-day period and two of these meetings consist of a one-day session. In addition, during the course of a year, the Board and many of its Committees typically hold special meetings by telephone or in person to discuss specific matters that require action prior to their next regular meeting. For fiscal year ended February 29, 2012, no Trustee attended fewer than 75% of the total meetings held by the Board or any Committees of which he or she is a member, with the exception of Mr. Crispin who attended 72% of such meetings.

**Who are the officers of the Fund?**

The Fund's officers are elected by the Board and hold office until they resign, are removed, or are otherwise disqualified to serve. The officers of the Fund, together with such person's position with the Fund and principal occupation for the last five years, are listed in **Appendix D**.

**What are the officers paid for their services?**

The Fund does not pay its officers for the services they provide to the Fund. Instead, the officers, who are also officers or employees of ING Investments, LLC ( ING Investments or Adviser ) or its affiliates, are compensated by ING Investments or its affiliates.

**GENERAL INFORMATION ABOUT THE PROXY STATEMENT**

**Who is asking for my vote?**

The Board is soliciting your vote for the Annual Meeting of the Fund's shareholders.

**How is my proxy being solicited?**

Solicitation of proxies is being made primarily by the mailing of the Notice of Annual Meeting, the Proxy Statement, and the Proxy Ballot on or about May 15, 2012. In addition to the solicitation of proxies by mail, employees of ING Investments and its affiliates, without additional compensation, may solicit proxies in person or by telephone, telegraph, facsimile, or oral communications.

If a shareholder wishes to participate in the Annual Meeting, the shareholder may submit the Proxy Card originally sent with the Proxy Statement, attend in person, or vote online by logging on to [www.proxyvote.com/ing](http://www.proxyvote.com/ing) and following the on-line directions. Should shareholders require additional information regarding the proxy or require replacement of the proxy, they may contact Shareholder Services toll-free at (800) 922-0180.

**What happens to my proxy once I submit it?**

The Board has named Huey P. Falgout, Jr., Secretary, Theresa K. Kelety, Assistant Secretary, and Todd Modic, Assistant Secretary, or one or more substitutes designated by them, as proxies who are authorized to vote Fund shares as directed by shareholders. Please complete and execute your Proxy Ballot. If you follow the voting instructions, your proxies will vote your shares as you have directed. If you submitted your Proxy Ballot but did not vote on the proposals, your proxies will vote on the proposals as recommended by the Board, except as described under "What are the voting rights and the quorum requirements?"

**Can I revoke my proxy after I submit it?**

A shareholder may revoke the accompanying proxy at any time prior to its use by filing with the Fund a written revocation or a duly executed proxy bearing a later date. In addition, any shareholder who attends the Annual Meeting in person may vote by ballot at the Annual Meeting, thereby canceling any proxy previously given. The persons named in the accompanying proxy will vote as directed by the shareholder under the proxy. In the absence of voting directions under any proxy that is signed and returned, they intend to vote **FOR** the

proposals and may vote in their discretion with respect to other matters not now known to the Board that may be presented at the Annual Meeting.

**What are the voting rights and quorum requirements**

Each shareholder of the Fund is entitled to one vote for each share held as to any matter on which such shareholder is entitled to vote and for each fractional share that is owned, the shareholder shall be entitled to a proportionate fractional vote. A majority of shares entitled to vote shall constitute a quorum. Shares have no preemptive or subscription rights.

Only shareholders of the Fund at the close of business on the Record Date will be entitled to be present and give voting instructions for the Fund at the Annual Meeting with respect to their shares owned as of that Record Date. To be counted, the properly executed Proxy Ballot must be received no later than 5:00 p.m. on July 4, 2012. **Appendix E** sets forth the number of shares of the Fund issued and outstanding as of the Record Date.

If there are insufficient votes to approve the Proposal, the persons named as proxies may propose one or more adjournments of the Annual Meeting to permit additional time for the solicitation of proxies, in accordance with applicable law. Solicitation of votes may continue to be made without any obligation to provide any additional notice of the adjournment. The persons named as proxies will vote in favor of such adjournments in their discretion.

If a shareholder abstains from voting as to any matter, or if a broker returns a non-vote proxy, indicating a lack of authority to vote on a matter, then the shares represented by such abstention or non-vote will be treated as shares that are present at the Annual Meeting for purposes of determining the existence of a quorum. However, abstentions and broker non-votes will be disregarded in determining the votes cast on an issue. For this reason, with respect to matters requiring the affirmative vote of a majority of the total shares outstanding, an abstention or broker non-vote will have the effect of a vote against such matters.

[To the knowledge of ING Investments, as of the Record Date, no current Trustee owns 1% or more of the outstanding shares of the Fund, and the officers and Trustees own, as a group, less than 1% of the shares of the Fund.]

**Appendix F** hereto lists the persons that, as of the Record Date owned beneficially or of record 5% or more of the outstanding shares of the Fund.

**Who are the adviser, sub-adviser, and administrator to the Fund?**

ING Investments, LLC serves as the investment adviser to the Funds and ING Funds Services LLC (the Administrator) serves as the administrator to the Fund. The principal offices of the Adviser and Administrator are located at 7337 E. Doubletree Ranch Road, Suite 100, Scottsdale, Arizona 85258-2034.

ING Investment Management Co. LLC (ING IM) serves as the sub-adviser to the Fund. The principal office of ING IM is located at 230 Park Avenue, New York, NY 10169.

The Adviser, the Administrator, and, ING IM are all indirect, wholly-owned subsidiaries of ING Groep N.V. (ING Groep) and are affiliated with one another.

ING Groep has adopted a formal restructuring plan that was approved by the European Commission in November 2009 under which the ING life insurance businesses, including the retirement services and investment management businesses, which include the adviser, sub-advisers and certain affiliates, would be separated from ING Groep by the end of 2013. To achieve this goal, in a series of announcements beginning in November 2010, ING Groep announced its plans to pursue transactions to restructure certain businesses, including an initial public offering for its U.S. based insurance, retirement services, and investment management operations and other transactions which could include an initial public offering or other type of transaction, for its European based insurance and investment management operations and Asian based insurance and investment management operations. There can be no assurance that all or part of the restructuring plan will be carried out.

The restructuring plan and the uncertainty about its implementation, whether implemented through the planned public offerings or through other means, in whole or in part, may be disruptive to the businesses of ING entities, including the ING entities that service the Fund, and may cause, among other things, interruption or reduction of business and services, diversion of management's attention from day-to-day operations, and loss of key employees or customers. A failure to complete the offerings or other means of implementation on favorable terms could have a material adverse impact on the operations of the businesses subject to the restructuring plan. The restructuring plan may result in the Adviser's loss of access to services and resources of ING



Groep, which could adversely affect its businesses and profitability. In addition, the divestment of ING businesses, including the Adviser, may potentially be deemed a change of control of the entity. A change of control would result in the termination of the Fund's advisory and sub-advisory agreements, which would trigger the necessity for new agreements that would require approval of the Fund's Board, and may trigger the need for shareholder approval. Currently, the Adviser does not anticipate that the restructuring will have a material adverse impact on the Fund or its operations and administration.

#### **Section 16(a) Beneficial Ownership Reporting Compliance**

Section 16(a) of the Securities Exchange Act of 1934, as amended, and Section 30(h) of the 1940 Act, as applied to the Fund, require the Fund's officers, Trustees, investment adviser, affiliates of the investment adviser, and persons who beneficially own more than 10% of a registered class of the Fund's outstanding securities ( Reporting Persons ), to file reports of ownership of the Fund's securities and changes in such ownership with the SEC and the New York Stock Exchange. Such persons are required by the SEC regulations to furnish the Fund with copies of all such filings.

Based solely on its review of the copies of such forms received by it and written representations from certain Reporting Persons, the Fund believes that during the fiscal year ended February 29, 2012, its Reporting Persons complied with all applicable filing requirements.

#### **Shareholder Communications with the Board of Trustees**

Shareholders may send other communications to the Board, a Committee thereof, or an individual Trustee. Such communications should be sent to the Fund's Secretary at the address on the front of this Proxy Statement.

#### **What is the deadline for submitting a shareholder proposal for the Fund's 2013 Annual Meeting?**

It is anticipated that the next annual meeting of the Fund will be held in June 2013, but the exact date, time, and location of such meeting have yet to be determined. Any proposals of shareholders that are intended to be presented at the Fund's next annual meeting must be in writing and received at the Fund's principal executive offices no later than January 15, 2013, in order for the proposal to be considered for inclusion in the Fund's proxy statement for that meeting. The submission of a proposal does not guarantee its inclusion in the Fund's proxy statement or presentation at the meeting.

In addition, pursuant to relevant SEC proxy rules, a company may use discretionary voting authority to vote on matters coming before an annual meeting of shareholders if the company does not have notice of the matter at least 45 days before the date corresponding to the date on which the company first mailed its proxy materials for the prior year's annual meeting of stockholders or the date specified by an overriding advance notice provision in the company's bylaws. As the Fund's bylaws do not contain such an advance notice provision, for the Fund's 2013 Annual Meeting of shareholders, shareholders must submit to the Fund written notice of a shareholder proposal on or before March 31, 2013.

**What if a proposal that is not in the Proxy Statement comes up at the Annual Meeting?**

If any other matter is properly presented, your proxies will vote in their discretion in accordance with their best judgment, including on any proposal to adjourn the meeting. At the time this Proxy Statement was printed, the Board knew of no matter that needed to be acted upon at the Annual Meeting other than the Proposals discussed in this Proxy Statement.

**Who are the Fund's independent public accountants?**

The accounting firm of KPMG LLP ( KPMG ) currently serves as the independent auditor for the Fund. The Board has selected KPMG as the independent auditor to examine and report on the financial statements of the Fund for the fiscal year ending February 29, 2012.

As part of its oversight of the Fund's financial statements, the Audit Committee reviewed and discussed with ING Investments and KPMG the Fund's financial statements for the fiscal year ended February 29, 2012. The Audit Committee also discussed with KPMG the matters required to be discussed by Statement on Auditing Standards No. 61, Communication with Audit Committees, as amended, by the Auditing Standards Board of the American Institute of Certified Public Accountants. The Audit Committee received and reviewed the written disclosures from KPMG required by Independence Standard No. 1, Independence Discussions with Audit Committees, as amended, by the Independence Standards Board, and discussed KPMG's independence with KPMG. The Audit Committee has reviewed the audit fees of KPMG and has also reviewed non-audit services to assure compliance with the Fund's and the Audit Committee's policies restricting KPMG from performing services that might impair their independence.

Based on the reviews and discussion referred to above, the Audit Committee recommended to the Board that the financial statements as of and for the fiscal year ended February 29, 2012, be included in the Fund's Annual Report to shareholders. The Audit Committee also recommended the selection of KPMG to serve as independent auditor for the fiscal year ending February 28, 2013.

The fees paid to KPMG for professional audit services during the Fund's most recent fiscal years ended February 29, 2012 and February 28, 2011, amounts billed for other services rendered by KPMG to the Fund, and the aggregate non-audit fees billed by KPMG for services rendered to the Fund, ING Investments, and any entity controlling, controlled by, or under common control with ING Investments that provides ongoing services to the Fund for the fiscal years ended February 29, 2012 and February 28, 2011 are described in **Appendix G**.

All of the services provided by the Fund's independent public accountants were approved by the Audit Committee pursuant to pre-approval policies and procedures adopted by the Committee. Pursuant to such policies and procedures, the Audit Committee approves: (i) all audit and non-audit services to be rendered to the Fund by KPMG; and (ii) all non-audit services impacting the operations and financial reporting of the Fund provided by KPMG to the Adviser or any affiliate thereof that provides ongoing services to the Fund (collectively, Covered Services). The Audit Committee has adopted pre-approval procedures authorizing one or more members of the Audit Committee to approve from time to time, on behalf of the Audit Committee, all Covered Services to be provided by KPMG which are not otherwise approved at a meeting of the Audit Committee, provided that such delegate reports to the full Audit Committee at its next regularly scheduled meeting. The pre-approval procedures do not include delegation of the Audit Committee's responsibilities to management. Pre-approval has not been waived with respect to any of the services described above since the date on which the Audit Committee adopted its current pre-approval procedures.

The Audit Committee of the Board has considered and will periodically consider whether KPMG's receipt of non-audit fees from the Fund, the Adviser and all entities controlling, controlled by, or under common control with the Adviser that provide services to the Fund is compatible with maintaining the independence of KPMG.

KPMG has advised the Fund that neither KPMG nor any of its partners has any direct or material indirect financial interest in the Fund. Representatives of KPMG are not expected to be at the Annual Meeting but have been given the opportunity to make a statement if they wish,

and will be available telephonically should any matter arise requiring their participation.

**What is Householding ?**

Only one copy of this Proxy Statement may be mailed to each household, even if more than one person in the household is a Fund shareholder of record, unless the Fund has received contrary instructions from one or more of the household's shareholders. If a shareholder needs an additional copy of this Proxy Statement, please contact Shareholder Services at (800) 992-0180. If in the future, any shareholder does not wish to combine or wishes to recombine the mailing of a proxy statement with household members, please inform the Fund in writing at 7337 East Doubletree Ranch Road, Suite 100, Scottsdale, Arizona, 85258-2034 or via telephone at (800) 922-0180.

**Who pays for this proxy solicitation?**

The Fund will pay the expenses incurred in connection with the Notice of Annual Meeting, Proxy Statement, and the Annual Meeting, including printing, mailing, and vote tabulation expenses as well as legal fees and out of pocket expenses.

**In order that the presence of a quorum at the Annual Meeting may be assured, prompt execution and return of the enclosed Proxy Ballot is requested. A self-addressed postage paid envelope is enclosed for your convenience. You also may vote via telephone or via the internet. Please follow the voting instructions as outlined on your Proxy Ballot.**

Huey P. Falgout, Jr.  
Secretary

May 15, 2012

7337 East Doubletree Ranch Road, Suite 100  
Scottsdale, Arizona 85258-2034

**APPENDIX A: NOMINEES**

The following table sets forth information concerning the Nominees of the Fund. The address for each Nominee is 7337 E. Doubletree Ranch Road, Suite 100, Scottsdale, Arizona 85258-2034.

<b>Name and Age</b>	<b>Positions Held with the Fund</b>	<b>Term of Office and Length of Time Served(1)</b>	<b>Principal Occupations During the Past 5 Years</b>	<b>Number of Funds in Fund Complex Overseen by Trustee(2)</b>	<b>Other Board Positions Held by Trustee</b>
<b>Independent Trustees</b>					
Colleen D. Baldwin Age: 51	Trustee	10/2007-Present	President, Glantuum Partners, LLC, a business consulting firm (01/2009-Present).	138	None.
John V. Boyer(3) Age: 58	Trustee	01/2005	President and Chief Executive Officer, Bechtler Arts Foundation, an arts and education foundation (01/ 2008-Present). Formerly, Consultant (07/2007-02/2008) and President and Chief Executive Officer, Franklin and Eleanor Roosevelt Institute, a public policy foundation (03/2006-07/2007).	138	None.

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Name and Age	Positions Held with the Fund	Term of Office and Length of Time Served(1)	Principal Occupations During the Past 5 Years	Number of Funds in Fund Complex Overseen by Trustee(2)	Other Board Positions Held by Trustee
Patricia W. Chadwick Age: 63	Trustee	11/2006-Present	Consultant and President, Ravengate Partners LLC, a consulting firm that provides advice regarding financial markets and the global economy (01/2000-Present).	138	Wisconsin Energy Corporation (06/2006-Present) and The Royce Fund, 35 funds (12/2009-Present).
Peter S. Drotch Age: 70	Trustee	10/2007-Present	Retired.	138	First Marblehead Corporation (09/2003 - Present)
J. Michael Earley Age: 67	Trustee	02/2002-Present	Retired. Formerly, Banking President and Chief Executive Officer, Bankers Trust Company, N.A., Des Moines (06/1992-12/2008)	138	None.
Patrick W. Kenny Age: 69	Trustee	01/2008-Present	Retired. Formerly, President and Chief Executive Officer, International Insurance Society (06/2001-06/2009).	138	Assured Guaranty Ltd. (04/2004-Present).
Sheryl K. Pressler Age: 61	Trustee	01/2006-Present	Consultant (05/ 2001-Present).	138	Stillwater Mining Company (05/ 2002-Present).

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Name and Age	Positions Held with the Fund	Term of Office and Length of Time Served(1)	Principal Occupations During the Past 5 Years	Number of Funds in Fund Complex Overseen by Trustee(2)	Other Board Positions Held by Trustee
Roger B. Vincent(3) Age: 66	Chairperson and Trustee	02/2002-Present	Retired. Formerly, President, Springwell Corporation, a corporate finance firm (03/1989-08/2011).	138	UGI Corporation (02/2006-Present) and UGI Utilities, Inc. (02/2006-Present).
<b>Trustees who are Interested Persons</b>					
Robert W. Crispin(5) Age:65	Trustee	10/2007-Present	Retired. Formerly, Chairman and Chief Executive Officer, ING Investment Management Co. LLC (07/ 2001-12/2007).	138	Intact Financial Corporation (12/ 2004-Present) and PFM Group (11/2010-Present).
Shaun P. Mathews(4),(5) Age: 56	Trustee	01/2005	President and Chief Executive Officer, ING Investments(6) (11/ 2006-Present).	138	ING Capital Corporation LLC (12/2005-Present).

(1) Trustees serve until their successors are duly elected and qualified. The tenure of each Trustee is subject to the Board's retirement policy, which states that each duly elected or appointed Trustee who is an Independent Trustee shall retire from service as a Trustee at the conclusion of the first regularly scheduled meeting of the Board that is held after the Trustee reaches the age of 72. A unanimous vote of the Board may extend the retirement date of a Trustee for up to one year. An extension may be permitted if the retirement would trigger a requirement to hold a meeting of shareholders of the Fund, under applicable law, whether for purposes of appointing a successor to the Trustee or if otherwise necessary under applicable law, in which case the extension would apply until such time as the shareholder meeting can be held or is no longer needed.

(2) For purposes of this table, Fund Complex means the following investment companies in addition to the Fund: ING Asia Pacific High Dividend Equity Income Fund; ING Emerging Markets High Dividend Equity Fund; ING Emerging Markets Local Bond Fund; ING Equity Trust; ING Funds

Trust; ING Global Advantage and Premium Opportunity Fund; ING Global Equity Dividend and Premium Opportunity Fund; ING Infrastructure, Industrials and Materials Fund; ING International High Dividend Equity Income Fund; ING Investors Trust; ING Mayflower Trust; ING Mutual Funds; ING Partners, Inc; ING Risk Managed Natural Resources Fund; ING Senior Income Fund; ING Separate Portfolios Trust; ING Variable Insurance Trust; and ING Variable Products Trust.

(3) Messrs. Boyer and Vincent previously were elected as Trustees by shareholders of the Auction Rate Cumulative Preferred Shares ( Preferred Shares ) of the Fund to represent the interests of those shareholders. On January 12, 2012, the Board approved the termination and abolition of the Preferred Shares and the redesignation of Messrs. Boyer and Vincent as Trustees to represent the interests of the holders of the common shares of the Fund.

(4) Messrs. Crispin and Mathews are deemed to be an interested person of the Fund as defined in the 1940 Act because of their affiliation with ING Groep, N.V., the parent corporation of the adviser, ING Investments, LLC and the distributor, ING Investment Distributor, LLC.

(5) For Mr. Mathews the Fund Complex also includes the following investment companies: ING Balanced Portfolio, Inc.; ING Intermediate Bond Portfolio; ING Money Market Portfolio; ING Series Fund, Inc; ING Strategic Allocation Portfolios, Inc.; ING Variable Funds; and ING Variable Portfolios, Inc.

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



**APPENDIX B: TRUSTEE COMPENSATION TABLE**

The following table has been provided to the Fund by the Adviser and its affiliates and sets forth information regarding the compensation paid to the Trustees for the Fund's fiscal year ended February 29, 2012 for service on the Board of the ING Funds.

<b>Name of Trustee</b>	<b>Aggregate Compensation from the Fund</b>	<b>Total Compensation from Trust and Fund and Complex Paid to Trustees(1),(2)</b>
Colleen D. Baldwin	\$ 3,405	293,000
John V. Boyer(3)	\$ 3,463	298,000
Patricia W. Chadwick	\$ 3,463	298,000
Robert W. Crispin(4)	\$ N/A	N/A
Peter Drotch	\$ 3,114	268,000
J. Michael Earley	\$ 3,405	293,000
Patrick W. Kenny(3)	\$ 3,405	293,000
Shaun P. Mathews(4)	\$ N/A	N/A
Sheryl K. Pressler	\$ 3,870	333,000
Roger B. Vincent	\$ 4,044	348,000

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- (1) Trustee compensation includes compensation paid by funds that are not discussed in this Proxy Statement.
- (2) As of February 29, 2012, the Fund Complex consisted of 133 registered investment companies or series thereof.
- (3) During fiscal year ended February 29, 2012, Messrs. Boyer and Kenny deferred \$20,000 and \$732,350 of their compensation, respectively, payable by the ING Funds.
- (4) Messrs. Crispin and Mathews are interested persons of the Fund, as defined by the 1940 Act, because of their affiliation with ING Groep N.V., the parent corporation of the adviser, ING Investments, LLC, and the distributor, ING Investments Distributor, LLC.

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## APPENDIX C: SHARES OWNED BY TRUSTEES

The following table sets forth information regarding the dollar range of equity securities of the Fund and other ING Funds beneficially owned by each Trustee as of December 31, 2011.

Name of Trustee	Dollar Range of Equity Securities in the Fund	Aggregate Dollar Range of Equity Securities in all Registered Investment Companies Overseen by Trustee in Family of Investment Companies
<b>Independent Trustees</b>		
Colleen D. Baldwin	\$ 0	\$50,001-\$100,000(1)
John V. Boyer	\$ 0	Over \$100,000
		\$10,001-\$50,000(1)
Patricia W. Chadwick	\$ 0	Over \$100,000
Peter Drotch	\$ 0	Over \$100,000
J. Michael Earley	\$ 0	Over \$100,000
Patrick W. Kenny	\$ 0	Over \$100,000
		Over \$100,000(1)
Sheryl K. Pressler	\$ 0	Over \$100,000
Roger B. Vincent	\$ 0	Over \$100,000
		Over \$100,000(1)
<b>Trustees who are Interested Persons</b>		
Robert W. Crispin	\$ 0	None
Shaun P. Mathews	\$ 0	Over \$100,000
		Over \$100,000(1)

(1) Held in a 401(k)/deferred compensation account.

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## APPENDIX D: OFFICERS

Information for each Officer of the Fund is set forth in the table below:

<b>Name and Age</b>	<b>Positions Held with the Funds</b>	<b>Term of Office and Length of Time Served(1)</b>	<b>Principal Occupation During the Last Five Years</b>
Shaun P. Mathews Age: 56	President and Chief Executive Officer	11/2006-Present	President and Chief Executive Officer, ING Investments, LLC (11/2006 Present).
Michael J. Roland Age: 53	Executive Vice President	02/2002-Present	Chief Compliance Officer, Directed Services LLC and ING Investments, LLC (03/2011-Present) and Executive Vice President and Chief Operating Officer, ING Investments, LLC and ING Funds Services, LLC (01/2007-Present). Formerly, Chief Compliance Officer, ING Funds (03/2011-02/2012).
Stanley D. Vyner Age: 62	Executive Vice President	08/2003-Present	Executive Vice President, ING Investments, LLC (07/2000-Present) and Chief Investment Risk Officer, ING Investments, LLC (01/2003-Present).
	Chief Investment Risk Officer	09/2009-Present	
Kevin Gleason Age: 45	Chief Compliance Officer	02/2012-Present	Senior Vice President, ING Investment Management LLC (02/2012-Present). Formerly, Assistant General Counsel and Assistant Secretary, The Northwestern Mutual Life Insurance Company (06/2004-01/2012).
Todd Modic Age: 44	Senior Vice President, Chief/Principal Financial Officer and Assistant Secretary	03/2005-Present	Senior Vice President, ING Funds Services, LLC (03/2005-Present).

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<b>Name and Age</b>	<b>Positions Held with the Funds</b>	<b>Term of Office and Length of Time Served(1)</b>	<b>Principal Occupation During the Last Five Years</b>
Daniel A. Norman Age: 54	Senior Vice President  Treasurer	04/1995-Present  06/1997-Present	Senior Vice President and Group Head, ING Investment Management Co. LLC (01/2004-Present)
William H. Rivior III Age: 62	Senior Vice President and Assistant Secretary	02/2001-Present	Senior Vice President, ING Investment Management Co. LLC (01/2004-Present).
Kimberly A. Anderson Age: 47	Senior Vice President	11/2003-Present	Senior Vice President, ING Investments, LLC (10/2003-Present).
Jeffrey A. Bakalar Age: 52	Senior Vice President	11/1999-Present	Senior Vice President and Group Head, ING Investment Management Co. LLC (01/2000-Present).
Elliot A. Rosen Age: 57	Senior Vice President	05/2002-Present	Senior Vice President, ING Investment Management Co. LLC (02/1999-Present).
Robert Terris Age: 41	Senior Vice President	05/2006-Present	Senior Vice President, Head of Division Operations, ING Funds Services, LLC (05/2006 Present).
Gregory K. Wilson Age: 52	Senior Vice President	09/2011-Present	Senior Vice President Fund Compliance, ING Funds Services, LLC (03/2012-Present). Formerly, Vice President-Fund Compliance, ING Funds Services, LLC (10/2009-03/2012) and Finance Director, ING Funds Services, LLC (09/2006-10/2009).

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<b>Name and Age</b>	<b>Positions Held with the Funds</b>	<b>Term of Office and Length of Time Served(1)</b>	<b>Principal Occupation During the Last Five Years</b>
Robyn L. Ichilov Age: 44	Vice President	11/1997-Present	Vice President and Treasurer, ING Funds Services, LLC (11/1995-Present) and ING Investments, LLC (08/1997-Present). Formerly, Treasurer, ING Funds (11/1999-02/2012).
Maria M. Anderson Age: 53	Vice President	09/2004-Present	Vice President, ING Funds Services, LLC (09/2004-Present).
Lauren D. Bensinger Age: 58	Vice President	08/2003-Present	Vice President, ING Investments, LLC and ING Funds Services, LLC (02/1996-Present); Director of Compliance, ING Investments, LLC (10/2004-Present); and Vice President and Money Laundering Reporting Officer, ING Investments Distributor, LLC (04/2010-Present). Formerly, Chief Compliance Officer, ING Investments Distributor, LLC (08/1995-04/2010).
William Evans Age: 39	Vice President	09/2007-Present	Senior Vice President (03/2010-Present) and Head of Manager Research and Selection Group, ING Investment Management (04/2007-Present).
Denise Lewis Age: 48	Vice President	01/2007-Present	Vice President, ING Fund Services, LLC (12/2006-Present).
Kimberly K. Springer Age: 55	Vice President	03/2006-Present	Vice President, ING Investment Management ING Funds (03/2010-Present); Vice President, ING Funds Services, LLC (03/2006-Present); and Managing Paralegal, Registration Statements (06/2003-Present).

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<b>Name and Age</b>	<b>Positions Held with the Funds</b>	<b>Term of Office and Length of Time Served(1)</b>	<b>Principal Occupation During the Last Five Years</b>
Craig Wheeler Age: 43	Assistant Vice President	05/2008-Present	Assistant Vice President Director of Tax, ING Funds Services, LLC (03/2008-Present). Formerly, Tax Manager, ING Funds Services, LLC (03/2005-03/2008).
Huey P. Falgout, Jr. Age: 48	Secretary	08/2003-Present	Senior Vice President and Chief Counsel, ING Investment Management ING Funds (03/2010-Present). Formerly, Chief Counsel, ING Americas, U.S. Legal Services (10/2003-03/2010).
Theresa K. Kelety Age: 49	Assistant Secretary	08/2003-Present	Vice President and Senior Counsel, ING Investment Management ING Funds (03/2010-Present). Formerly Senior Counsel, ING Americas, U.S. Legal Service (04/2008-03/2010) and Counsel, ING Americas, U.S. Legal Services (04/2003-04/2008).
Paul Caldarelli Age: 60	Assistant Secretary	06/2010-Present	Vice President and Senior Counsel, ING Investment Management ING Funds (03/2010-Present). Formerly, Senior Counsel, ING Americas, U.S. Legal Services (04/2008-03/2010) and Counsel, ING Americas, U.S. Legal Services (05/2005-04/2008).
Kathleen M. Nichols Age: 36	Assistant Secretary	05/2008-Present	Vice President and Counsel, ING Investment Management ING Funds (03/2010-Present). Formerly, Counsel, ING Americas, U.S. Legal Services (02/2008-03/2010) and Associate, Ropes & Gray LLP (09/2005-02/2008).

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



**APPENDIX E: COMMON SHARES OUTSTANDING**

The following table sets for the Common Shares outstanding for the Fund as of the Record Date.

<b>Fund</b>	<b>Number of Common Shares Outstanding</b>
ING Prime Rate Trust	147,116,275.408

E-1

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**APPENDIX F: 5% BENEFICIAL OWNERSHIP**

Name and Address of Shareholder(1)	Percentage of Fund
Cede & Co  PO Box 20  Bowling Green Station  New York, NY 10274	94.66%

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(1) This entity is the shareholder of record and may be deemed to be the beneficial owner of the shares listed for certain purposes under the securities laws, although in certain instances it may not have an economic interest in these shares and would, therefore, ordinarily disclaim any beneficial ownership therein.

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**APPENDIX G: FEES PAID TO THE INDEPENDENT REGISTERED PUBLIC ACCOUNTANTS**

The following table shows fees paid to KPMG for professional audit services during the Fund's most recent fiscal years ended February 29, 2012 and February 28, 2011, as well as fees billed for other services rendered by KPMG to the Fund.

Audit Fees(1)		Audit-Related Fees(2)		Tax Fees(3)		All Other Fees(4)	
2012	2011	2012	2011	2012	2011	2012	2011
\$ 73,500	\$ 73,500	\$ 2,400	\$ 2,150	\$ 6,734	\$ 6,648	N/A	N/A

(1) Audit fees consist of fees billed for professional services rendered for the audit of the Fund's year-end financial statements and services that are normally provided by KPMG in connection with statutory and regulatory filings.

(2) Audit-related fees consist principally of fees billed for assurance and related services that are reasonably related to the performance of the audit or review of the Fund's consolidated financial statements and are not reported under Audit Fees. These services include attest services that are not required by statute or regulations and consultations concerning financial accounting and reporting standards.

(3) Tax fees consist of fees billed for professional services for tax compliance. These services include assistance regarding federal, state, and local tax compliance.

(4) All other fees would include fees for products and services other than the services reported above, including those related to the review and issuance of consents on various SEC filings.

The following table shows non-audit fees billed by KPMG during the Fund's most recent fiscal years ended February 29, 2012 and February 28, 2011 for services rendered to the Fund, the Adviser, and any entity controlling, controlled, or under common control with the Adviser that provides ongoing services to the Fund.

Aggregate Non-Audit Fees	
2012	2011
\$ 1,233,678	\$ 1,084,113

7337 East Doubletree Ranch Road, Suite 100

Scottsdale, Arizona 85258-2034

**3 EASY WAYS TO VOTE YOUR PROXY**

**VOTE BY PHONE:** Call toll-free 1-877-907-7646 and follow the recorded instructions.

**VOTE ON THE INTERNET:** Log on to Proxyvote.com and follow the on-line directions.

**VOTE BY MAIL:** Check the appropriate boxes on the reverse side of the Proxy Ballot, sign and date the Proxy Ballot and return in the envelope provided.

If you vote via phone or the Internet, you do not need to return your Proxy Ballot.

**ANNUAL MEETING OF SHAREHOLDERS TO BE HELD ON JULY 5, 2011**

**THIS PROXY IS SOLICITED ON BEHALF OF THE BOARD OF TRUSTEES**

Important notice regarding the availability of proxy materials for the meeting to be held on July 5, 2012

The proxy statement for the meeting and the notice of meeting are available at [www.proxyvote.com/ing](http://www.proxyvote.com/ing)

**ING PRIME RATE TRUST COMMON SHARES**

The undersigned hereby instructs Todd Modic and Huey P. Falgout, Jr. ( Proxies ), or any of them, with full power of substitution in each of them, to vote the shares held by him or her at the Annual Meeting of shareholders (the Annual Meeting ) of the ING Prime Rate Trust (the Trust ) to be held at 7337 E. Doubletree Ranch Road, Suite 100, Scottsdale, Arizona 85258-2034, on July 5, 2011, at 10:00 a.m., Local time and at any adjournment(s) or postponement(s) thereof, in the manner directed on the reverse side with respect to the matters referred to in the Proxy Statement for the Annual Meeting, receipt of which is hereby acknowledged, and in the Proxies' discretion, upon such other matters as may properly come before the meeting or any adjournment(s) or postponement(s) thereof.

These voting instructions will be voted as specified.

If no specification is made, the proxy will be voted FOR the proposal.

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In order to avoid the additional expense of further solicitation, we strongly urge you to review, complete and return your Proxy Ballot as soon as possible.

Your vote is important regardless of the number of shares you own.

Please vote, date and sign this proxy and return it promptly in the enclosed envelope.

Signature(s) (Joint Owners)

(Please sign in box)Date

This Proxy Ballot must be signed exactly as your name(s) appears hereon. If as an attorney, executor, guardian or in some representative capacity or as an officer of a corporation, please add title(s) as such. Joint owners must each sign.

Please fill in box(es) as shown using black or blue ink or number 2 pencil. x

PLEASE DO NOT USE FINE POINT PENS.

THE BOARD OF TRUSTEES RECOMMENDS A VOTE FOR THE FOLLOWING PROPOSAL

		<b><u>FOR ALL</u></b>	<b><u>WITHHOLD ALL</u></b>	<b><u>FOR ALL EXCEPT</u></b>
<b><u>VOTE ON TRUSTEES</u></b>				
1.	To elect ten trustees to the Board of Trustees  (1) Colleen D. Baldwin, (2) John V. Boyer, (3) Patricia W. Chadwick, (4) Robert W. Crispin, (5) Peter S. Drotch, (6) J. Michael Earley, (7) Patrick W. Kenny, (8) Shaun P. Mathews, (9) Sheryl K. Pressler, and (10) Roger B. Vincent  To withhold authority to vote, mark For All Except and write the nominee s number on the line below.	o	o	o

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2. Not Applicable

The undersigned authorizes the Proxies to vote and otherwise represent the undersigned on any other matter that may properly come before the meeting or any adjournment(s) or postponement(s) thereof in the discretion of the Proxies.

**THIS PROXY BALLOT IS VALID ONLY WHEN SIGNED AND DATED.**

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