

# ING Investment Advisors, LLC

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## Form ADV, Part 2A Brochure

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This brochure provides information about the qualifications and business practices of ING Investment Advisors, LLC, an investment advisor registered with the United States Securities and Exchange Commission ("SEC"). If you have any questions about the contents of this brochure, please contact us by calling 877-814-0808. The information in this brochure has not been approved or verified by the SEC or by any state securities authority.

Any reference to or use of the terms "registered investment adviser" or "registered," does not imply that ING Investment Advisors, LLC or any person associated with ING Investment Advisors, LLC has achieved a certain level of skill or training.

Additional information about ING Investment Advisors, LLC also is available on the Securities and Exchange Commission ("SEC") website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

## **MATERIAL CHANGES**

Revised January 31, 2012

In summary, page 4 includes a change to the description of the services outlined under the section titled Advisory Services Offered. The previous brochure did not include information on the Professional Account Manager IRA offered to individuals with IRAs at Fidelity.

The assets under management stated on page 6 have been updated to reflect assets as of 12/31/2011.

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## ADVISORY BUSINESS

### Description of Advisory Firm

Established in 2000, ING Investment Advisors, LLC (“IIA,” “Advisors,” “we,” or “us”) is a registered broker-dealer, insurance broker and a federally registered investment adviser. It is a direct wholly-owned subsidiary of ING Institutional Plan Services, LLC, which, in turn, is wholly-owned by Lion Connecticut Holdings Inc., which is owned by ING America Insurance Holdings, Inc., which is an indirect wholly-owned subsidiary of ING Groep, N.V. IIA’s primary business is acting as a Registered Investment Advisor and spends less than 5% of its time engaged in broker-dealer or insurance related activities.

IIA provides investment advice on retirement plan accounts where its affiliate, ING Institutional Plan Services, LLC, acts as administrator and record keeper to the retirement plan.

### Advisory Services Offered

Advisors offers two advisory programs, each of which involve the use of the investment methodology and computer programs (the “Workstation”) of Financial Engines, Inc. an unaffiliated registered investment advisor. The Workstation generates financial analysis, asset allocation and investment recommendations relevant to retirement planning. Advisors provide these advisory services through its Investment Advisor Representatives (“Advisor Representatives”). The two advisory programs are:

1. Advisors offers the “ING Advisor Service” to certain retirement plan participants. The ING Advisor Service includes the Personal Online Advisor (“POA”) and the Professional Account Manager (“PAM”). The POA is an investment advisory tool participants can access and use online to receive investment advice recommendations on their account. The PAM is a discretionary managed account program where participants can enroll (online, via an enrollment form or via an Advisor registered representative) and receive ongoing updates to their account, including updated investment recommendations and allocation changes. Please find additional information on the “POA” and “PAM” accounts on the next page.
2. Advisors services the “Professional Account Manager IRA” (“PAM IRA”) to certain individuals with IRAs at Fidelity. The PAM IRA is a discretionary managed account program where participants are serviced via an Advisors’ Representative and receive ongoing updates to their account, including updated investment recommendations and allocation changes. The PAM IRA program at Fidelity is no longer accepting enrollment of new participants. Please find additional information on the “PAM” account on the next page.

### Retirement Evaluation

You may receive a printed Retirement Evaluation (“RE”) providing an assessment of your current savings and/or investment decisions relative to your retirement plan account. The statement may also provide an estimate as well as savings and/or investment recommendations. A RE may be made available to you or requested through an advisor.

### Personal Online Advisor

If you prefer to receive investment advice using a self-service approach without the help of an advisor, you may access the Personal Online Advisor (“POA”) directly via the internet. The POA is an online investment advice service provided by Financial Engines Advisors L.L.C. (“FE”), which is an independent investment advisor and financial expert. FE is a wholly-owned subsidiary of Financial Engines, Inc. and serves as a subadvisor to IIA. The POA is a computer program that incorporates financial analysis and asset allocation methods consistent with FE guidelines and generally accepted financial planning and asset allocation principles. These include discounted cash flow and annuity forecasts, mean variance optimization, and style analysis. This program may:

- assist you in setting retirement goals;
- provide goal-appropriate saving and investment recommendations;
- help you monitor your retirement account; and
- permit you to perform “what-if” modeling.

## Professional Account Manager

In retirement plan accounts of certain plan participants, we provide an optional managed account service called the Professional Account Manager (“PAM”). For purposes of this service, IIA shall act as an “investment manager” as defined under Section 3(38) of the Employee Retirement Income Security Act of 1974, as amended (“ERISA”). This means that IIA implements its investment recommendations, provides ongoing monitoring of your retirement account and makes changes designed to keep your investment allocation aligned with your goals. To learn if this service is available to you, you may either call us to speak with an advisor, or read your plan’s fact sheet. IIA recommendations consider your current savings, number of years to your assumed retirement age and a suitable level of risk. You may also be provided with an assessment of your current investment risk and forecast of your probability of achieving your retirement goal. The PAM may be delivered by advisors who may be contacted by calling your plan’s toll-free information line. The investment transactions are transmitted to your plan’s record keeper and implemented on your behalf.

Central to the delivery of the PAM is the advisor’s use of the advice workstation. Information about your retirement plan account that is provided from your plan’s record keeper and the fact finding and goal defining conversation between you and the advisor is input into the advice workstation. Based upon your responses during the interview and the data and information you provide to an advisor, the advisor provides a forecast of the probability of achieving your desired retirement income goal(s), which is based on the output of the advice workstation.

The forecasted retirement income is based on income provided by the following sources:

- your retirement accounts (including individual retirement plan accounts and other accounts designated for retirement);
- your pension;
- Social Security estimates; and
- other sources of retirement-designated income.

The forecasts generated by the advice workstation focus on a personalized analysis and are designed to answer the following questions:

- What is the chance that I might reach my retirement goal(s)?
- How much value might I lose over the next year?
- What is the range of income I might expect in retirement?
- How much might my portfolio be worth at retirement?

The advisor also solicits responses from you regarding your tolerance for risk or loss (in percentage and/or dollar terms) and consequences of financial transactions (for example, withdrawals and outflows). The objective of this process is to provide an optimized asset allocation and personalized retirement savings strategy. The result is a personalized, inflation-adjusted retirement income forecast.

IIA uses the forecasts described above to offer strategies designed to help improve your understanding of, and ability to achieve your retirement goal(s). For example, if the illustrations show a shortfall of retirement income (as compared to your expected needs), one or a combination of the following actions may be discussed:

- increase contributions to the retirement plan account;
- range investment mix;
- retire later or supplement your income during retirement; and
- reduce retirement income expectations.

Making adjustments to your current savings, investments and portfolio risk can have a significant impact on the probability of achieving your retirement goals(s). Your advisor will model assumed changes to savings rates and investment allocations and communicate the results to you during the course of your conversation. This approach is designed to help you understand how actions such as reallocating investments or increasing your savings may improve your chances to achieve your retirement goal(s).

If you enroll in the PAM, you authorize IIA to provide ongoing management of your retirement plan account which may include automatically increasing your contributions, rebalancing and/ or re-optimizing and updating your investment allocation and adjusting your allocation over time based on your changing retirement time horizon. Rebalancing and re-optimization occur periodically, but no less frequently than on an annual basis.

## Assets Under Management

As of 12/31/2011 IIA managed \$5,012,343,837 in total assets on a discretionary basis in the Professional Account Manager program. IIA does not manage assets on a non-discretionary basis.

## FEES AND COMPENSATION

Please read your plan's fact sheet or terms and conditions to learn about Investment Advisory Service ("IAS") fees, if any, for your plan. You can get a fact sheet by calling your plan's information line and asking to speak with an advisor or by accessing the POA or PAM web site, if available, for your plan. Additional fees may apply if you enroll your retirement plan account in the optional PAM.

Funds or plan investments may charge expenses and fees that are in addition to the IIA advisory fee. Please refer to the prospectus, fund fact sheet or other fund description for information regarding fees that apply to the funds.

If you enroll in the PAM, fees may be deducted from your retirement plan account on a monthly or quarterly basis. Fees are paid in arrears and begin as of the first day of the month or quarter you enroll regardless of what day of the period you enroll.

## PERFORMANCE-BASED FEES AND SIDEBYSIDE MANAGEMENT

IIA does not charge and does not receive performance-based fees.

## TYPES OF CLIENTS

IIA provides investment advice to individuals with retirement plan accounts where its affiliate, ING Institutional Plan Services, LLC acts as administrator and recordkeeper to the retirement plan.

## METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS

All recommendations made to you through the IAS regarding specific allocations are based on the output from the advice workstation and are delivered by an advisor by telephone, through paper reports and/or online via the internet.

The advice workstation is the computer program and investment methodology provided by FE. The advice workstation program incorporates financial analysis and asset allocation methods consistent with FE guidelines and generally accepted financial planning and asset allocation principles. These include discounted cash flow and annuity forecasts, mean variance optimization, and style analysis. The advice workstation is used to perform the following:

- information gathering and goal setting;
- financial forecasting; and
- providing investment advice recommendations

The use of the advice workstation requires entry of personal information such as date of birth, income, retirement age and income goals, sources of retirement income such as pensions and Social Security, and specific investments and investment options.

The financial forecasts are a simulation of hypothetical economic scenarios based upon analysis of historic returns, volatility, cross-correlation, and other factors. Of course, for any of these factors, past performance is not an indication of future performance. The software creates thousands of possible future economic scenarios to evaluate how your investment allocation might perform under a variety of circumstances, including changing interest rates, inflation, and market conditions. The forecast is a percentage figure representing the number of hypothetical scenarios in which your annual retirement income would equal or exceed the amount you chose for your goal.

The forecasts are not guarantees of future results. The forecasts derive from forward-looking models of the economy and securities markets that may use such data as historical returns, historical correlation, expected growth rates and calculated risk premiums based on those and other hypothetical assumptions.

The investment advice provided may include specific investment recommendations from among the designated investment options available in your plan. Based upon input from you regarding your short-term loss tolerance (in dollar terms) and risk of retirement income shortfall, the advice workstation helps determine a level of investment risk within a suitable range. For a given level of risk, the advice workstation determines an optimized asset allocation strategy. The Advice Workstation database incorporates specific past risk/return data series, the result of which is a style analysis of the unique investment characteristics of the investment options, which is included in the customized, risk/return adjusted allocation recommendations. The database is updated periodically for securities prices and economic data. It is also updated as necessary for any material changes that affect retirement planning and investments.

## DISCIPLINARY INFORMATION

We are required to disclose whether there are legal or disciplinary events that are material to a client's or prospective client's evaluation of our advisory business or the integrity of our management. At this time, IIA does not have any legal or disciplinary information to disclose.

## OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS

IIA is a registered broker-dealer but does not engage in any selling activity with regard to investment or financial products. IIA does not act as a broker-deal on behalf of any individuals or institutional clients and is not involved in any transactions that would impact its advisory business. There is no conflict of interest with regard to our investment advisory business and our management persons.

## CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING

IIA has adopted a Code of Ethics ("Code") which provides a standard of honesty, integrity and professionalism in the way we conduct business and affirms IIA's duty as a fiduciary to advance the interests of our clients in a manner in which they are served and protected. The Code requires all investment advisory activities to be carried out in the best interests of the client. Any actual or potential conflict of interest with a client must be avoided or disclosed. IIA advisors may not take advantage of their positions, must comply with all federal securities law requirements, may not use confidential information for their personal benefit or to the detriment of clients, may not engage in improper trading and must report any Code violations to IIA's Compliance Department.

Additionally, identified employees must submit reports on their personal securities trading activities. Based upon their position certain employees must submit securities transactions to IIA's Compliance Department for pre-clearance to ensure compliance with the Code.

If you would like a copy of IIA's Code of Ethics please call your plan's toll-free information line. Your advisor will also provide a copy upon request.

IIA, its officers and employees may purchase securities for their own accounts which may, in certain circumstances, be the same securities as those recommended to clients, such as shares of the same mutual fund. In the course of providing its advisory services, IIA does not select the investment alternatives available to clients within their plans or publish any recommended list of securities.

Also, from time to time, IIA may provide investment recommendations with respect to mutual funds which hold the equity securities of ING, IIA's parent company. In providing its services, IIA does not give consideration to whether or not a fund has exposure to ING's equity securities and any modeling of such funds or equity securities will be in accordance with IIA's or FE's standard of modeling securities.

## BROKERAGE PRACTICES

### Research and Other Soft Dollar Benefits

As a policy and practice, IIA does not have any arrangements to utilize research, research-related products and other services obtained from broker-dealers or third parties on a soft-dollar commission basis. IIA does receive referrals from other broker-dealers.

### Directed Brokerage

IIA does not have the authority to select, and does not recommend, broker-dealers to effect trades or determine commissions paid and is not responsible for obtaining or monitoring best execution. In addition, FE does not enter into directed brokerage arrangements with clients, engage in agency cross transaction or make any principal trades for advisory clients.

## REVIEW OF ACCOUNTS

You may call us during our regular business hours for updated information or a periodic review. It is up to you to decide when and if you want a periodic review. Remember, the advice we give is dependent on the information you provide. It is important that you review your retirement plan account at least annually, or more frequently if your situation changes.



One of the features of the POA allows you to elect to receive periodic progress reports via email. Remember, the information and recommendations included in the progress report are dependent on the information you provide. It's important that you review your savings and investment plan account at least annually, or more frequently if your situation changes.

If you enroll in the PAM, you authorize IIA to provide ongoing management of your retirement plan account which may include automatically increasing your contributions, rebalancing and/or re-optimizing and updating your investment allocation and adjusting your allocation over time based on your changing retirement time horizon. Rebalancing and re-optimization occur periodically, but no less frequently than on an annual basis.

Participants enrolled in the PAM will receive printed or electronic quarterly retirement updates which generally include information concerning retirement plan account holdings and balances.

## CLIENT REFERRALS AND OTHER COMPENSATION

IIA does not receive referrals or other compensation from any third party with respect to the investment advisory activity.

## CUSTODY

IIA does not hold or otherwise maintain custody of any retirement plan account assets.

## INVESTMENT DISCRETION

For purposes of the PAM, ING shall act as an investment manager as defined under Section 3(38) of ERISA.

IIA accepts investment discretionary authority to manage retirement plan accounts on behalf of clients who enroll in PAM. A participant's acceptance of the PAM Terms and Conditions grants IIA discretionary authority over the participant's account. PAM participants may provide additional information to IIA concerning:

- Investment preferences;
- Risk tolerance;
- Assets held outside the plan; and
- Desired retirement age.

In addition, PAM participants may communicate to IIA a desired allocation up to a maximum of 20% of employer stock that may be held in the retirement plan account, if applicable.

## VOTING CLIENT SECURITIES

IIA does not have responsibility for voting proxies relating to securities held in retirement plan accounts. PAM members will receive any proxies or other solicitations directly from their provider. IIA does not have the legal authority or any responsibility for initiating, taking, advising on, or responding to any action with respect to potential or existing class action litigation, bankruptcy or other proceeding involving any security held in PAM participant accounts.

## FINANCIAL INFORMATION

IIA has discretionary authority of client securities held in retirement plan accounts for PAM members.

Otherwise, IIA does not have discretionary authority of client funds nor does it require or solicit prepayment of more than \$1,200 in fees from clients six (6) months or more in advance.

IIA does not believe that its financial condition would reasonably be likely to impair its ability to meet its contractual commitments to its clients.

## CLIENT PRIVACY NOTICE

At ING Investment Advisors, LLC, we are concerned about the privacy of our individual customers who obtain financial services or products from or through us for personal, family or household purposes. We are providing you with this notice to help you understand how we handle, protect, and limit certain nonpublic personal information about you that we collect in order to conduct and process your business with us. The provisions of this notice apply to former customers as well as current customers.

We protect personal information we collect about you by maintaining physical, electronic and procedural safeguards that meet or exceed applicable law. Third parties who have access to personal information must agree to follow appropriate standards of security and confidentiality. We train people who work for us on how to properly handle personal information, and we restrict access to it.

The personal information we collect about you comes from the following sources:

- Information received from you, such as on applications or other forms;
- Information about your transactions with us, our affiliates, or nonaffiliated third parties; and
- Information we receive about you from other sources, such as your employer and other third parties.

IIA's parent company is ING Institutional Plan Services, LLC, which in turn is owned by Lion Connecticut Holdings Inc., which is owned by ING America Insurance Holdings, Inc., which is an indirect wholly-owned subsidiary of ING Groep, N.V. Our affiliates are those companies controlled by ING Groep, N.V. They are in several different lines of business, including insurance and securities.

We do not disclose any nonpublic personal information about you to anyone, except as permitted by law. This may include providing information to companies that perform support services on our behalf or to other firms that assist us in providing you with innovative products and services. These companies agree only to use this information for the services for which we hired them and are not permitted to use or share this information for any other purpose.

The law allows us to share with our affiliates any information about our transactions or experiences with you. Unless otherwise permitted by law, we will not share with our affiliates other information that you provide to us or that we obtain from third parties.