

ING Investments, LLC

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This Form ADV Part 2A ("brochure") provides information about the qualifications and business practices of ING Investments, LLC ("ILL" or "ING Investments"). If you have any questions about the contents of this brochure, please contact ILL's Legal department at (480) 477-2497. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission ("SEC") or by any state securities authority. ILL is a registered investment adviser. Registration of an investment adviser does not imply a certain level of skill or training.

Additional information about ILL is also available on the SEC's website at www.adviserinfo.sec.gov. You can search this site by a unique identifying number, known as a CRD number. ILL's CRD number is 111091.

ITEM 2

Material Changes

Pursuant to SEC rules, we will ensure that you receive a summary of any material changes to this and subsequent brochures within 120 days of the close of our business' fiscal year, which is December 31. We may provide other ongoing disclosure information about material changes as necessary. Upon request, we will further provide you with a new brochure at any time without charge.

The following is only a description of the material changes to this brochure since its last annual update, dated March 27, 2013.

In October 2009, ING Groep N.V. ("ING Groep") submitted a restructuring plan (the "Restructuring Plan") to the European Commission in order to receive approval for state aid granted to ING Groep by the Kingdom of the Netherlands in November 2008 and March 2009. To receive approval for this state aid, ING Groep was required to divest its insurance and investment management businesses, including ING U.S., Inc. ("ING U.S.") before the end of 2013. In November 2012, the Restructuring Plan was amended to permit ING Groep additional time to complete the divestment. Pursuant to the amended Restructuring Plan, ING Groep must divest at least 25% of ING U.S. by the end of 2013, more than 50% by the end of 2014, and the remaining interest by the end of 2016 (such divestment, the "Separation Plan"). As is described in more detail in Section 4, IIL is an indirect subsidiary of ING U.S., which is a subsidiary of ING Groep.

In May 2013, ING U.S. conducted an initial public offering of ING U.S. common stock (the "IPO"). In October 2013, ING Groep divested additional shares in a secondary offering of common stock of ING U.S. In March 2014, ING Groep divested additional shares, reducing its ownership interest in ING U.S. below 50%. ING U.S. did not receive any proceeds from these offerings.

ING Groep has stated that it intends to sell its remaining interest in ING U.S. over time. While the base case for the remainder of the Separation Plan is the divestment of ING Groep's remaining interest in one or more broadly distributed offerings, all options remain open and it is possible that ING Groep's divestment of its remaining interest in ING U.S. may take place by means of a sale to a single buyer or group of buyers.

The Separation Plan, whether implemented through public offerings or other means, may be disruptive to the businesses of ING U.S. and its subsidiaries, including IIL and affiliated entities that provide services to IIL's advisory clients, and may cause, among other things, interruption of business operations or services, diversion of management's attention from day-to-day operations, reduced access to capital, and loss of key employees or customers. The completion of the Separation Plan is expected to result in the Adviser's loss of access to the resources of ING Groep, which could adversely affect its business. Since a portion of the shares of ING U.S., as a standalone entity, are publicly held, it is subject to the reporting requirements of the Securities Exchange Act of 1934 as well as other U.S. government and state regulations, and subject to the risk of changing regulation.

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

ITEM 3

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ITEM 4

Advisory Business

ILL, an Arizona limited liability company, is wholly-owned by ING Funds Services, LLC ("IFS"). IFS is wholly-owned by ING Capital Corporation, LLC, which in turn is a wholly-owned subsidiary of ING Investment Management LLC, which in turn is a wholly-owned subsidiary of Lion Connecticut Holdings Inc., which in turn is a wholly-owned subsidiary of ING U.S. Inc., a public company which is a partially-owned subsidiary of ING Groep N.V. ("ING Groep"), a publicly held company headquartered in Amsterdam. As of December 31, 2013, approximately 57% of ING U.S., Inc. was owned by ING Groep and 43% was owned by public shareholders. In March 2014, ING Groep divested additional shares, reducing its ownership interest in ING U.S. below 50%.

ILL is registered with the SEC as an investment adviser, and with the Commodity Futures Trading Commission ("CFTC") as a Commodity Pool Operator ("CPO"). It serves as an investment adviser for certain registered investment companies ("RICs"), consisting of open and closed end mutual funds (each a "Fund", and collectively the "Funds"), and collateralized loan obligations ("CLOs").

The predecessor of ILL, ING Pilgrim Investments, Inc. began business as an investment adviser on December 27, 1994. On February 23, 2001, the name of the adviser changed from "Pilgrim Investments, Inc." to "ING Pilgrim Investments, LLC." On February 26, 2002, the name of the adviser was changed from "ING Pilgrim Investments, LLC," to "ING Investments, LLC." As part of the Separation Plan, discussed in more detail in Item 2, ING U.S. and certain of its subsidiaries, including ILL, will be changing their names in 2014. ING U.S. will change its name to "Voya Financial, Inc." Effective May 1, 2014, ING Investments, LLC will be renamed "Voya Investments, LLC".

The overwhelming majority of assets managed by ILL are discretionary in nature, although from time to time non-discretionary mandates may be accepted. As of December 31, 2013, ILL managed \$51,563,985,267 in discretionary assets and \$0 in non-discretionary assets.

INVESTMENT AUTHORITY

At this time, ILL is not primarily in the business of actively managing assets on behalf of advisory clients. Instead, ILL's primary role is to function as a Manager-of-Managers. This means that ILL hires other registered investment advisers (the "Sub-Advisers") to perform asset management services in a sub-advisory capacity. While ILL retains overall investment oversight, trading on behalf of the clients is substantially executed by the Sub-Advisers, although ILL may itself exercise direct authority over purchases and sales for all, or a portion of a client's portfolio. As a Manager-of-Manager, ILL's roles are primarily in developing the investment programs for certain client's portfolios, selecting and removing the Sub-Advisers of such clients (subject to approval of such client's board of directors/trustees (the "ING Funds Board")) and verifying and monitoring that the Sub-Adviser has appropriate procedures in place and that such Sub-Adviser is following its policies.

There are certain exceptions in which ILL does not act in a Manager-of-Manager's capacity. For example, ILL provides certain investment advisory services to certain CLOs, which services may include liquidating security positions that come into the possession of the CLOs. In addition, even where ILL currently acts as Manager-of-Managers, should the need arise, ILL can act in a traditional asset management role.

ITEM 5

Fees and Compensation

ILL provides services to the Funds pursuant to a written contract in conformity with Section 15 of the Investment Company Act of 1940, as amended (the "1940 Act"). Similarly, ILL provides services, including investment advisory services, to the CLOs pursuant to a written contract.

The basic fee schedule for the Funds is a percentage of assets under ILL's management ranging from 0.00% to 1.25%, and the Funds are generally billed monthly in arrears. ILL may voluntarily agree to waive all or a portion of its fees and to reimburse costs and operating expenses of a Fund so that the Fund's total operating expenses do not exceed certain set limitations. Any such waivers or reimbursements are disclosed in the relevant prospectus.

The basic fee structure for a CLO issuer is up to 0.75% per annum of the principal, payable quarterly or semi-annually in arrears (except for the final payment period, which may vary). A portion of this fee may be subordinated, contingent or deferred. Fees are negotiable and therefore may vary from this schedule if special circumstances apply to an account. ILL has currently voluntarily agreed to waive all of its fees with respect to services provided to the CLOs.

NEGOTIATION OF FEES AND OTHER UNIQUE ARRANGEMENTS

All fees are subject to negotiation. Clients may incur certain charges imposed by custodians, brokers, third party investment and other third parties such as fees charged by managers, custodial fees, deferred sales charges, odd-lot differentials, transfer taxes, wire transfer and electronic fund fees, and other fees and taxes on transactions. Such charges, fees and commissions are exclusive of and in addition to ILL's fee.

ITEM 6

Performance-Based Fees and Side-By-Side Management

ILL has no performance-based fee arrangements with its Funds. Although the CLOs technically have performance fees available under their fee arrangements, ILL has voluntarily agreed to waive its fees. As such, while a conflict of interest may theoretically exist where certain clients have performance-based fees while others do not, which conflict may incentivize a manager to favor a client with a performance based fee, this conflict does not exist in this particular situation because ILL is not receiving any performance fees.

COMPLIANCE PROCEDURES

In order to monitor and address the potential conflicts described above, IIL has implemented various processes and procedures. These processes and procedures are designed to ensure that all investors are treated fairly; that any short sales are conducted in an appropriate manner; and that allocations of offerings or investment opportunities among investments are equitable.

ITEM 7

Types of Clients

IIL serves as an investment adviser for certain open-end and closed-end registered investment companies and to certain Cayman Islands-based CLOs. In addition, IIL is a registered CPO but does not currently advise any non-exempt commodity pools. The minimum investment amount required for an investment is described in the applicable prospectus or other applicable documents. IIL typically reserves the right to waive the minimum investment requirements.

ITEM 8

Methods of Analysis, Investment Strategies and Risk of Loss

For the majority of the Funds, ING Investments acts as a Manager-of-Managers and enters into portfolio management agreements with Sub-Advisers for the provision of day-to-day management of the Funds. ING Investments remains responsible for the oversight of the Sub-Advisers and the management of each Fund's investment portfolio. In addition, ING Investments serves as the investment adviser to ING feeder funds that invest all of their assets in non-affiliated master funds. Any risk to which the Funds are subject, including the risk that a Sub-Adviser allocates assets in a type of investment or asset class that underperforms other types of investments or asset classes, could affect a Fund's performance or cause an investment to lose money or to underperform market averages.

In addition to the Funds, ING Investments serves as the investment adviser to certain CLOs, for which they supervise and direct the investment and reinvestment of assets. In managing the CLOs, IIL uses top-down analysis to determine industries and sectors and fundamental bottom-up analysis to determine individual investments.

The CLOs invest primarily in below investment-grade, floating rate senior loans that carry a higher than normal risk that borrowers may default in the timely payment of principal and interest on their loans, which would likely negatively impact the value of a CLO's portfolio. Changes in short-term market interest rates will directly affect the yield on the CLO's portfolio. If such rates fall, the CLO's yield will also fall. If interest rate spreads on CLO's loans decline in general, the yield on the CLO's loans will fall and the value of the CLO's loans may decrease. When short-term market interest rates rise, because of the lag between changes in such short term rates and the resetting of the floating rates on loans in the CLO's portfolio, the impact of rising rates will be delayed to the extent of such lag. Because of the limited secondary market for floating rate senior bank loans, the CLO's ability to sell its loans in a timely fashion and/or at a favorable

price may be limited. An increase in the demand for loans may adversely affect the rate of interest payable on new loans acquired by the CLOs, and it may also increase the price of loans purchased by the CLOs in the secondary market. A decrease in the demand for loans may adversely affect the price of loans in a CLO's portfolio, which would cause the CLO's value to decrease.

Investing in securities involves risk of loss that clients should be prepared to bear. Clients can lose money on an investment.

ITEM 9

Disciplinary Information

As part of a large, global financial services company, IIL and its affiliates may be involved in disciplinary, regulatory or other legal matters from time to time, as well as being subject to examinations, investigations and inquiries from governmental and regulatory authorities.

Neither IIL nor its management has been involved in any legal or disciplinary events in the past ten years that would be material to a client's evaluation of IIL or the integrity of IIL's management.

For more information on disciplinary and legal matters that may involve IIL or certain of its related companies, see Item 11 of IIL's Form ADV-Part 1, available at www.adviserinfo.sec.gov.

ITEM 10

Other Financial Industry Activities and Affiliations

IIL is part of a large, global financial services company and, as such, has relationships and affiliations with many other entities engaged in the financial industry. IIL's ownership structure is explained more fully in Item 4, above. Aside from being registered as an investment adviser with the SEC, IIL is registered with the CFTC as a CPO and became a member of the NFA.

Within the global ING Investment Management business unit, IIL is affiliated with a number of broker-dealers, including ING Investment Distributors LLC ("IID"), which acts as the distributor for the Funds. Certain officers, directors and employees of IIL are registered representatives of IID, and therefore are licensed to sell securities for separately commissioned compensation. IIL does not currently execute client transactions through IID or other affiliated broker-dealers, although it may determine to do so in the future where permitted by applicable laws and regulations. Execution of transactions through an affiliated broker-dealer can result in a conflict of interest, in that the affiliate may profit from such commissions or other fees on such transactions. These transactions are governed by regulations and disclosure requirements designed to inform clients of the potential conflicts of interest and reduce their potential impact. For example, where an investment team formerly employed by IIL or its affiliates becomes part of an independent advisory entity, IIL and its affiliates may provide trading and related services. These trading and related services may include, among other things: execution of transactions; access to meetings with various financial institutions and other information sources; and access to securities offerings. These transactions would generally be subject

to ILL's trading policies and procedures, including those governing trade allocations.

Within the global ING Investment Management business unit, ILL is also affiliated with a number of registered and unregistered investment advisers, including ING Investment Management Co. LLC ("IIM Co. LLC"), which serves as Sub-Adviser to certain Funds advised by ILL. IIM Co. LLC may recommend funds advised by it or its advisory affiliates, and registered representatives affiliated with IIM Co. LLC may sell these funds to clients. In general, IIM Co. LLC will not, pursuant to its investment discretionary authority, purchase shares in any mutual fund to which it acts as portfolio manager, except with client consent and where permitted by applicable law. In such a case, the advisory fee charged by IIM Co. or its affiliates is generally waived on either the fund or advisory side, unless otherwise permitted by the client or applicable law.

Further, officers and employees of ILL may also be officers and employees of affiliated entities, including IIM Co. LLC, ING Funds Services, LLC the administrator for the Funds, IID, and other affiliates. In addition to the work performed for ILL, these officers and employees may be required to perform services for affiliated entities. Finally, from time to time various ING insurance companies may invest in funds or other products managed by ILL. ILL or its affiliates negotiate contracts at arm's length with these affiliated insurance companies pursuant to which the insurance companies provide services to separate accounts that invest directly, or certain plans that may invest directly or indirectly, with the Funds. In addition, ILL has arm's length agreements with certain affiliated insurance companies pursuant to which ILL shares a portion of its profits with such companies. The inter-company payments are paid from ILL's own resources and do not result in an increase in expenses borne by the Funds or their shareholders.

ITEM 11

Code of Ethics

ILL has adopted a Code of Ethics ("Code"), pursuant to Section 17(j) of the 1940 Act and Rule 17j-1 promulgated thereunder by the SEC.

In general, Rule 17j-1 imposes an obligation on registered investment advisers to adopt written codes of ethics covering the securities activities of all directors, trustees, officers, and persons employed or appointed by one or more of the ING entities as well as their immediate family members (collectively referred to as "Access Persons or Employees") unless otherwise noted. The Code is designed to ensure that: (i) those individuals who have access to information regarding the portfolio securities activities of registered investment company clients and other advisory clients, do not intentionally use information concerning such clients' portfolio securities activities for his or her personal benefit and to the detriment of such clients and (ii) Access Persons or employees do not engage in improper trading of the funds. Each Fund's Sub-Adviser (and the Sub-Adviser's Access Persons or employees) shall be subject to the Code unless the ING Funds Board has approved a separate code of ethics for that Sub-Adviser (a "Sub-adviser Code"). In reviewing and approving a

Sub-adviser Code, the ING Funds Board, in addition to making the findings required by Rule 17j-1, considered whether the Sub-adviser's Code has provisions reasonably designed to detect and deter improper trading by sub-adviser employees in shares of the portfolio of the fund sub-advised by it. It is not the intention of the Code to prohibit personal securities activities by Access Persons or employees, but rather to prescribe rules designed to prevent actual and apparent conflicts of interest. While it is not possible to define and prescribe all-inclusive rules addressing all possible situations in which conflicts may arise, the Code sets forth the policies of ING Investments regarding conduct in those situations in which conflicts are most likely to develop.

ILL and its related persons may, from time to time, come into possession of material nonpublic and other confidential information which, if disclosed, might affect an investor's decision to buy, sell or hold a security. Under applicable law, persons in possession of material nonpublic and other confidential information may be prohibited from improperly disclosing or using such information for their personal benefit or for the benefit of any other person, regardless of whether such other person is an advisory client. Accordingly, should ILL come into possession of material nonpublic or other confidential information with respect to any company, it may be prohibited from communicating such information to, or using such information for the benefit of, its clients, and will have no obligation or responsibility to disclose such information to, nor to use such information for the benefit of, its clients when following policies and procedures designed to comply with law. Therefore, the possession of such information could have the effect of restricting ILL's freedom of action in making or disposing of investments on behalf of a client, except where client specifically directs ILL to act on its behalf in purchasing or disposing of an investment.

ILL has adopted a "Policy Statement on Insider Trading" in accordance with Advisers Act Section 204A which establishes procedures to prevent the misuse of material nonpublic information by ILL and its supervised persons. Among other things, these procedures include the review of transaction and holdings reports required under ILL's Code by ILL's CCO or an appropriate designee. Other policies/procedures include maintaining "ethical walls" as well as "restricted lists" of companies about which the adviser may have inside information.

A copy of the Code is available to clients and prospective clients upon request.

PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING

ILL may not acquire for the Funds any equity or debt security issued by ING or any ING affiliate. ILL may, but does not intend to, acquire any such securities for other advisory clients.

The Funds and other advisory clients, including ERISA accounts, will not knowingly engage in principal transactions (i.e., buy any security from or sell any security to) with ING or any ING affiliate. Securities cannot be purchased from, or sold to, these related brokers if the related broker is acting as principal.

Related brokers may effect brokerage transactions, on an agency basis only, for the Funds. The Funds will pay reasonable and customary commissions to the related brokers in accordance with procedures incorporating the standards of Rule 17e-1 under the 1940 Act. Related brokers can effect agency transactions for other advisory clients, excluding ERISA accounts, if the related brokers are acting as an agent only for the advisory client. IIL will not place trades for an ERISA account through related brokers.

With regard to securities being offered through an underwriting or selling syndicate in which a related broker participates, the Funds and other advisory clients, including ERISA accounts, may purchase such securities only through a syndicate member other than the related broker and only if the related broker does not directly or indirectly benefit from the transaction. In addition, as to the Funds, all such purchases made must be in accordance with the procedures incorporating the standards of Rule 10f-3 under the 1940 Act. Purchases for other advisory clients, including ERISA accounts, must comply with that client's procedures for purchases of securities in an underwriting or selling syndicate where a related broker is a syndicate member.

IIL and Sub-Advisers to the Funds may buy or sell securities for the Funds from or to their other client accounts. When the purchase or sale transaction is between the Funds, or between a Fund and a person affiliated solely by reason of having common advisers or investment advisers that are affiliated persons of each other, common directors, and/or common officers, then that transaction will be effected in accordance with the procedures incorporating the standards of Rule 17a-7 under the 1940 Act.

In addition, if IIL or a Sub-adviser or a related broker is engaging in an agency transaction and is acting as an agent for the other side of the transaction, then IIL, the Sub-Adviser or the related broker may engage in the agency transaction only if, prior to the completion of the transaction IIL, the Sub-Adviser or the related broker, as applicable, makes a written disclosure of the capacity in which it is acting and obtains the client's consent to the transaction, in accordance with Rule 206(3)-2 under the Investment Advisers Act of 1940, as amended ("Adviser's Act"). Clients who have provided to us their prior consent under Rule 206(3)-2 to engage in these "agency cross transactions" understand that such consent may be revoked at any time by the client upon written notice to IIL or the relevant sub-adviser, or related broker. IIL will not engage in such agency transactions between an ERISA account and any other ING Investments Client.

IIL will not purchase for the Funds or its other advisory clients, including ERISA accounts, any security that would be held in custody by a foreign sub-custodian that is an affiliate of ING. This does not prohibit the purchase of American Depositary Receipts or Global Depositary Receipts of foreign issuers.

The Sub-Advisers may recommend that the Funds or the institutional account buy or sell securities in which a related person has some financial interest. The ING organization offers banking, investments, life insurance, and retirement services to millions of clients in various countries. It is possible the Sub-Adviser could direct the Funds or institutional account to invest in companies in which other related persons in the ING

Organization (i) provide debt or equity financing; (ii) provide investment banking services or consulting services on an ongoing basis; (iii) serve as directors and/or in other executive capacities; and/or (iv) have control provided that such transactions are permissible under and in accordance with the requirements (including disclosure, client consent and reporting requirements) of the laws and regulations applicable (e.g., ERISA, the Advisers Act, the 1940 Act, the Securities Exchange Act of 1934, state laws as applied to trusts and government funds) in the particular situation in light of (a) the type of transaction (e.g., principal transactions, agency brokerage transaction, purchases in underwritings, open market purchases of securities issued by related persons) and (b) the nature of the client account (e.g., ERISA, non-ERISA, investment company).

From time to time a related person of IIL may purchase for his, her or its own account a security that is also recommended to clients. Such purchases or sales are made only after purchases or sales for clients' accounts have been completed.

It is possible that related brokers might initiate transactions, which fall within Item 11, with certain of IIL's clients. It may occur that IIL may not be aware of these transactions.

Finally, it is possible that transactions which fall within Item 11 may occur between a related person of IIL and certain of IIL's clients. When IIL becomes aware of these transactions, it will take such steps as are necessary to bring the transactions into compliance with regulatory requirements. If that is not possible, IIL will take steps to break the trade.

ITEM 12

Brokerage Practices

HOW THE ADVISERS SELECT BROKER-DEALERS

The Adviser generally serves as Manager-of-Managers and does not, as a general matter, exercise discretion over the selection of broker-dealers. In its role as a Manager-of-Managers, IIL focuses on oversight of the Sub-Advisers, which includes the oversight of best execution. The Management Agreement or Sub-Advisory Agreement with each Fund contains provisions obligating the Sub-Adviser to seek best execution for the Fund. As part of best execution oversight, each month, via a monthly checklist, each Sub-Adviser is required to certify that the Sub-Adviser seeks to obtain best execution in accordance with industry norms and related SEC guidance for the fund(s) that the Sub-Adviser manages.

IIL, acting as asset manager, or a Sub-Adviser has a duty to seek to obtain best execution of a Fund's orders, taking into consideration a full range of factors designed to produce the most favorable overall terms reasonably available under the circumstances. In selecting brokers and dealers to execute trades, IIL, acting as asset manager, or a Sub-Adviser may consider both the characteristics of the trade and the full range and quality of the brokerage services available from eligible broker dealers. This consideration often involves qualitative as well as quantitative judgments. Factors relevant to the nature of the trade may include, among others, price (including the applicable brokerage commission or dollar spread), the size of the order,

the nature and characteristics (including liquidity) of the market for the security, the difficulty of execution, the timing of the order, potential market impact, and the need for confidentiality, speed, and certainty of execution. Factors relevant to the range and quality of brokerage services available from eligible brokers and dealers may include, among others, the firms' execution, clearance, settlement, and other operational facilities; willingness and ability to commit capital or take risk in positioning a block of securities, where necessary; special expertise in particular securities or markets; ability to provide liquidity, speed and anonymity; the nature and quality of other brokerage and research services provided to ILL or a Sub-Adviser (consistent with the "safe harbor," described below); and the firms' general reputation, financial condition and responsiveness to ILL or a Sub-Adviser, as demonstrated in the particular transaction or other transactions. Subject to its duty to seek best execution of a Fund's orders, ILL or a Sub-Adviser may select broker-dealers that participate in commission recapture programs that have been established for the benefit of a Fund. Under these programs, the participating broker-dealers will return to a Fund (in the form of a credit to the Fund) a portion of the brokerage commissions paid to the broker-dealers by the Fund. These credits are used to pay certain expenses of the Fund. These commission recapture payments benefit the Fund, and not ILL or a Sub-Adviser.

THE SAFE HARBOR FOR SOFT DOLLAR PRACTICES

In selecting broker dealers to execute a trade for a Fund, ILL or a Sub-Adviser may consider the nature and quality of brokerage and research services provided to ILL or a Sub-Adviser as a factor in evaluating the most favorable overall terms reasonably available under the circumstances. As permitted by Section 28(e) of the Securities Exchange Act of 1934 Act (the "Securities Exchange Act"), ILL or a Sub-Adviser may cause a Fund to pay a broker-dealer a commission for effecting a securities transaction for a Fund that is in excess of the commission which another broker-dealer would have charged for effecting the transaction, if the Fund or a Sub-Adviser makes a good faith determination that the broker's commission paid by the Fund is reasonable in relation to the value of the brokerage and research services provided by the broker-dealer, viewed in terms of either the particular transaction or ILL's or a Sub-Adviser's overall responsibilities to a Fund and its other investment advisory clients. The practice of using a portion of a Fund's commission dollars to pay for brokerage and research services provided to ILL or a Sub-Adviser is sometimes referred to as "soft dollars." Section 28(e) of the Securities Exchange Act is sometimes referred to as a "safe harbor," because it permits this practice, subject to a number of restrictions, including ILL's or a Sub-Adviser's compliance with certain procedural requirements and limitations on the type of brokerage and research services that qualify for the safe harbor.

Research products and services may include, but are not limited to, general economic, political, business and market information and reviews, industry and company information and reviews, evaluations of securities and recommendations as to the purchase and sale of securities, financial data on a company or companies, performance and risk measuring services and analysis, stock price quotation services, computerized historical financial databases and related software, credit rating services,

analysis of corporate responsibility issues, brokerage analysts' earnings estimates, computerized links to current market data, software dedicated to research, and portfolio modeling. Research services may be provided in the form of reports, computer-generated data feeds and other services, telephone contacts, and personal meetings with securities analysts, as well as in the form of meetings arranged with corporate officers and industry spokespersons, economists, academics and governmental representatives. Brokerage products and services assist in the execution, clearance and settlement of securities transactions, as well as functions incidental thereto, including but not limited to related communication and connectivity services and equipment, and software related to order routing, market access, algorithmic trading, and other trading activities. On occasion, a broker-dealer may furnish ILL or a Sub-Adviser with a service that has a mixed use (that is, the service is used both for brokerage and research activities that are within the safe harbor and for other activities). In this case, ILL or a Sub-Adviser is required to reasonably allocate the cost of the service, so that any portion of the service that does not qualify for the safe harbor is paid for by ILL or a Sub-Adviser from its own funds, and not by portfolio commissions paid by a Fund.

Research products and services provided to ILL or a Sub-Adviser by broker dealers that effect securities transactions for a Fund may be used by ILL or a Sub-Adviser in servicing all of its accounts. Accordingly, not all of these services may be used by ILL or a Sub-Adviser in connection with that Fund or any of the Funds. Some of these products and services are also available to ILL or a Sub-Adviser for cash, and some do not have an explicit cost or determinable value. The research received does not reduce the advisory fees payable to ILL or sub-advisory fees payable to a Sub-Adviser for services provided to the Funds. ILL's or a Sub-Adviser's expenses would likely increase if ILL or a Sub-Adviser had to generate these research products and services through its own efforts, or if it paid for these products or services itself.

BROKER-DEALERS THAT ARE AFFILIATED WITH AN ADVISER OR A SUB-ADVISER

Fund transactions may be executed by brokers affiliated with ING Groep, ILL, or a Sub-Adviser, so long as the commission paid to the affiliated broker is reasonable and fair compared to the commission that would be charged by an unaffiliated broker in a comparable transaction.

PROHIBITION ON USE OF BROKERAGE COMMISSIONS FOR SALES OR PROMOTIONAL ACTIVITIES

The placement of portfolio brokerage with broker-dealers who have sold shares of a Fund is subject to rules adopted by the SEC and the Financial Industry Regulatory Authority ("FINRA"). Under these rules, ILL or a Sub-Adviser may not consider a broker's promotional or sales efforts on behalf of any Fund when selecting a broker-dealer for portfolio transactions, and neither a Fund nor ILL or a Sub-Adviser may enter into an agreement under which a Fund directs brokerage transactions (or revenue generated from such transactions) to a broker dealer to pay for distribution of Fund shares. Each Portfolio has adopted policies and procedures, approved by the ING Funds Board, that are designed to attain compliance with these prohibitions.

PRINCIPAL TRADES AND RESEARCH

Purchases of securities for a Fund may also be made directly from issuers or from underwriters. Purchase and sale transactions may be effected through dealers which specialize in the types of securities which the Funds will be holding. Dealers and underwriters usually act as principals for their own account. Purchases from underwriters will include a concession paid by the issuer to the underwriter and purchases from dealers will include the spread between the bid and the asked price. If the execution and price offered by more than one dealer or underwriter are comparable, the order may be allocated to a dealer or underwriter which has provided such research or other services as mentioned above.

COMPLIANCE POLICIES AND PROCEDURES

During the past fiscal year, as well as in general, the use of client commissions for soft dollar services is subject to various ILL policies and procedures. These policies and procedures are designed to ensure that services obtained with commissions are used for appropriate purposes, such as assisting in the investment decision making process. These processes include pre-approval and documentation of soft dollar services, including mixed-use services. ILL periodically monitors and evaluates the performance and execution capabilities of the firms which provide research and brokerage services and also monitors the levels of commission costs in comparison to those commissions paid by other institutional investment managers.

DIRECTED BROKERAGE

ILL generally serves as a Manager-of-Managers and does not, as a general matter, exercise discretion over the selection of broker-dealers to execute transactions on behalf of the Funds, nor does ILL currently maintain a list of approved broker-dealers and counterparties. In this role, it is the Adviser's responsibility to mandate and monitor the directed brokerage policies of the Funds' Sub-Advisers. In its role of asset manager, ILL does not direct brokerage to specified broker-dealers in recognition of the sale of a Fund or CLO shares.

ALLOCATION AND AGGREGATION OF TRADES

ILL generally acts as a Manager-of-Managers and engages both affiliated and unaffiliated sub-advisers who are primarily responsible for the day-to-day management, including trade allocation activity, of the Funds. In monitoring the allocation of aggregated trades of the Sub-Advisers, the Adviser will follow the monitoring and reporting provisions set forth in the Procedures for Monitoring Trade Allocation as approved by the ING Funds Board.

Some securities considered for investment by a Fund may also be appropriate for other clients served by that Fund's Sub-Adviser. If the purchase or sale of securities consistent with the investment policies of a Fund and one or more of these other clients is considered at or about the same time, transactions in such securities will be placed on an aggregate basis and allocated among the Fund and such other clients in a manner deemed fair and equitable, over time, by the Sub-Adviser and consistent with the Sub-Adviser's written policies and procedures. Sub-Advisers

may use different methods of allocating the results of aggregated trades. Each Sub-Adviser's relevant policies and procedures and the results of aggregated trades in which a Portfolio participated are subject to periodic review by the ING Funds Board. To the extent any of the Funds seek to acquire (or dispose of) the same security at the same time, one or more of the Funds may not be able to acquire (or dispose of) as large a position in such security as it desires, or it may have to pay a higher (or receive a lower) price for such security. It is recognized that in some cases, this system could have a detrimental effect on the price or value of the security insofar as the Funds are concerned. However, over time, a Fund's ability to participate in aggregate trades is expected to provide better execution for the Fund.

In the unlikely event that ILL must aggregate and/or allocate trades, ILL may, but shall not be obligated to, aggregate or "batch" orders for the purchase or sale of securities for all clients. To the extent that ILL chooses to batch orders, it will do so to the extent consistent with: (i) best execution, (ii) the terms of the relevant investment advisory agreement(s), and (iii) as well as the Procedures for Monitoring Trade Allocation as established by the ING Funds Board.

ITEM 13

Review of Accounts

Generally, the primary responsibility for the investment management services provided to each Fund resides with the Sub-Advisers who are assigned to manage that Fund. Portfolio managers are responsible for the appropriateness of the investments pursuant to the Fund's investment objectives, guidelines and restrictions. ILL, or one of its affiliates, review the portfolio holdings of the Funds to ensure that they are consistent with the investment objectives, guidelines and restrictions of such Fund.

In addition, ILL periodically furnishes reports to its clients, as agreed upon in the advisory agreement and/or required by applicable law. These reports may contain information regarding their portfolio assets, positions, costs, valuation, performance, transactions and narrative information about the investments, market and economic conditions.

ITEM 14

Client Referrals and Other Compensation

ILL does not directly or indirectly compensate any person who is not ILL's supervised person for client referrals. In addition, no person who is not a client provides an economic benefit to ILL for providing investment advice or other advisory services to ILL's clients.

ITEM 15

Custody

ILL is not itself a qualified custodian. In addition, ILL is not currently deemed by the SEC to have custody of client assets as it is not in physical possession of client funds or securities, does not

have any arrangements under which it is permitted or authorized to withdraw client funds or securities (such as check-writing authority or the ability to deduct fees from client assets), and it does not act in any capacity that gives IIL legal ownership of or access to client funds or securities (such as acting as general partner or trustee of a pooled investment vehicle).

However, if IIL were deemed under SEC guidance to be in custody of client assets (e.g., if IIL were to enter into a relationship with a client pursuant to which the client permitted IIL to deduct its management fee directly from the client's custodial account), IIL would comply with rule 206(4)-2, to safeguard such client's assets.

ITEM 16

Investment Discretion

IIL typically receives complete discretionary authority from the client at the outset of an advisory relationship through an investment management agreement or other documents to select the identity and amount of securities to be bought and sold, select the broker-dealers and other service providers that will service and support the operation of the account, execute trades on behalf of the client and generally engage in all activities that are essential or incidental to the investment management services IIL provides. In all cases, however, such discretion is to be exercised in a manner consistent with the stated investment objectives for the particular fund or client account. When selecting securities and determining amounts, IIL observes the investment policies, limitations and restrictions of the clients for which it advises.

At this time, IIL is not primarily in the business of actively managing assets on behalf of advisory clients. Instead, IIL's primary role is to function as a Manager-of-Managers. This means that IIL hires other registered investment advisers (the "Sub-Advisers") to perform asset management services in a sub-advisory capacity. While IIL retains overall investment oversight, trading on behalf of the clients is substantially executed by the Sub-Advisers, although IIL may itself exercise direct authority over purchases and sales for all, or a portion of a client's portfolio. As a Manager-of Manager, IIL's roles are primarily in IIL developing the investment programs for certain client's portfolios, selecting and removing the Sub-Advisers of such clients (subject to approval of the ING Funds Board) and verifying and monitoring that the Sub-Adviser has appropriate procedures in place and that such Sub-Adviser is following its policies.

There are certain exceptions in which IIL does not act in a Manager-of-Manager's capacity. For example, IIL provides certain investment advisory services to certain collateralized loan obligations ("CLOs"), which services may include liquidating security positions that come into the possession of the CLOs. In addition, even where IIL currently acts as Manager-of-Managers, should the need arise, IIL can act in a traditional asset management role. In all cases, however, an adviser's discretion is to be exercised in a manner consistent with the stated investment objectives for the particular Fund or CLO. When selecting securities and determining amounts, an adviser observes the investment policies, limitations and restrictions of the Funds and

CLOs for which it advises as noted within each Fund's prospectus, or other relevant documents.

ITEM 17

Voting Client Securities

PROXY VOTING PROCEDURES

IIL has adopted proxy voting procedures and guidelines to govern the voting of proxies. The proxy voting procedures and guidelines provide a method for responding to potential conflicts of interest. IIL's proxy voting procedures require IIL to vote proxies in accordance with the Funds and CLO's proxy voting procedures and guidelines. IIL's proxy voting procedures may be amended from time to time. An independent proxy voting service, subject to oversight by IIL's Proxy Group, has been retained to assist in the voting of proxies through the provision of vote analysis, implementation and recordkeeping and disclosure services.

A copy of IIL's proxy voting procedures is available upon request. No later than August 31st of each year, information regarding how the Funds voted proxies for the one-year period ending June 30th is also available through the ING Funds' website.

In connection with the provision of administrative or investment management services to CLOs, IIL has also been authorized to vote proxies relating to investments of such clients. IIL has adopted proxy voting procedures and guidelines for CLOs which provide a method for conflict resolution. A copy of IIL's proxy voting procedures for CLOs is available upon request.

While IIL's proxy voting procedures and guidelines for CLOs may change over time, IIL's Proxy Group handles vote analysis, implementation and recordkeeping. The Proxy Group generally contacts the CLOs investment personnel for recommendations regarding the voting of proxies, but the Proxy Group may also rely on other sources, including an independent proxy voting service, for vote analysis and recommendations.

ITEM 18

Financial Information

This item requires an adviser to include a balance sheet for its most recent fiscal year with this brochure if it required or solicited prepayment of more than \$1,200 in fees per client, six months or more in advance. IIL is not required to provide the balance sheet as it does not require or solicit payment of fees in excess of \$1,200 per client six months or more in advance.

In addition, this item requires an adviser to include disclosure about any financial condition that is reasonably likely to impair its ability to meet its contractual commitments to clients if the adviser, like IIL, has discretionary authority over client funds or securities. To the best of our knowledge and belief, IIL has no financial condition that is reasonably likely to impair its ability to provide investment management services to its clients, and has not been the subject of a bankruptcy petition.

