

ING PRIME RATE TRUST  
Form N-CSR  
May 09, 2008

OMB APPROVAL

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**UNITED STATES**  
**SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

**FORM N-CSR**

**CERTIFIED SHAREHOLDER REPORT OF  
REGISTERED MANAGEMENT INVESTMENT COMPANIES**

Investment Company Act file number: **811-5410**

**ING Prime Rate Trust**

(Exact name of registrant as specified in charter)

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

**85258**  
(Zip code)

**CT Corporation System, 101 Federal Street, Boston, MA 02110**

(Name and address of agent for service)

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

Date of fiscal year end: February 29

Date of reporting period: February 29, 2008

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**Item 1. Reports to Stockholders.**

The following is a copy of the report transmitted to stockholders pursuant to Rule 30e-1 under the Act (17 CFR 270.30e-1):

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**Funds**

**Annual Report**

**February 29, 2008**

ING Prime Rate Trust

E-Delivery Sign-up details inside

This report is submitted for general information to shareholders of the ING Funds. It is not authorized for distribution to prospective shareholders unless accompanied or preceded by a prospectus which includes details regarding the funds' investment objectives, risks, charges, expenses and other information. This information should be read carefully.

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ING Prime Rate Trust

**ANNUAL REPORT**

February 29, 2008

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## ING Prime Rate Trust

## PORTFOLIO MANAGERS' REPORT

Dear Shareholders:

ING Prime Rate Trust (the "Trust") is a diversified, closed-end management investment company that seeks to provide investors with as high a level of current income as is consistent with the preservation of capital. The Trust seeks to achieve this objective by investing, under normal circumstances, at least 80% of its net assets, plus the amount of any borrowings for investment purposes, in U.S. dollar denominated floating rate secured senior loans.

**PORTFOLIO CHARACTERISTICS**  
**AS OF FEBRUARY 29, 2008**

|  |                  |
|--|------------------|
| Net Assets   | \$ 886,975,904   |
| Total Assets   | \$ 1,687,029,654 |
| Assets Invested in Senior Loans  | \$ 1,643,761,920 |
| Senior Loans Represented   | 586              |
| Average Amount Outstanding per Loan  | \$ 2,805,054     |
| Industries Represented   | 38               |
| Average Loan Amount per Industry   | \$ 43,256,893    |
| Portfolio Turnover Rate (YTD)  | 60%              |
| Weighted Average Days to Interest Rate Reset                                   | 42               |
| Average Loan Final Maturity  | 64 months        |
| Total Leverage as a Percentage of Total Assets<br>(including Preferred Shares) | 46.71%           |

**PERFORMANCE SUMMARY**

The Trust declared \$0.14 of dividends to common shareholders during the fourth fiscal quarter and \$0.56 for the year ended February 29, 2008. Based on the average month-end net asset value ("NAV") per share of \$7.15, this resulted in an annualized distribution rate of 8.79%<sup>(1)</sup> for the quarter and 7.95%<sup>(1)</sup> for the year. The Trust's total net return for the fourth fiscal quarter, based on NAV, was (10.55)% versus a total gross return on the S&P/LSTA Leveraged Loan Index ("LLI")<sup>(2)</sup> of (5.37)% for the same quarter. For the year, the Trust's total return, based on NAV, was (13.28)% versus (5.29)% gross return for the LLI. The total market value return (based on full reinvestment of dividends) for the Trust's common shares during the fourth fiscal quarter was (12.15)% and (17.25)% for the year ended February 29, 2008.

**MARKET REVIEW**

The Trust's fiscal year ended February 29, 2008 marked arguably the most extraordinary and challenging period in recorded loan market history. The early part of the year saw a continuation of a very strong issuer's market, as investor demand for senior loans remained exceptionally robust and credit spreads and default rates compressed to record lows. Beginning in mid-summer, however, global credit markets began to quickly unravel as investors in the mortgage and asset backed securities markets struggled with accelerating losses and plummeting valuations. While the corporate loan market is not directly linked to these securities markets (the Trust has never invested directly in mortgages or mortgage-backed securities), they do share, in part, a common investor

<sup>(1)</sup> The distribution rate is calculated by annualizing dividends declared during the period and dividing the resulting annualized dividend by the Trust's average net asset value (in the case of NAV) or the average month-end NYSE Composite closing price (in the case of Market). The distribution rate is based solely on the actual dividends and distributions, which are made at the discretion of management. The distribution rate may or may not include all investment income and ordinarily will not include capital gains or losses, if any.

<sup>(2)</sup> The LLI is an unmanaged total return index that captures accrued interest, repayments, and market value changes. It represents a broad cross section of leveraged loans syndicated in the United States, including dollar-denominated loans to overseas issuers. Standard & Poor's and the Loan Syndications and Trading Association ("LSTA") conceived the LLI to establish a performance benchmark for the syndicated leveraged loan industry. An investor cannot invest directly in an index.





## ING Prime Rate Trust

## PORTFOLIO MANAGERS' REPORT (continued)

base. As a result of this broad reassessment of risk, underlying demand for senior loans fell dramatically, at a time when the visible supply of new loans coming to market hit an all time high. This extreme "technical" dislocation, in concert with falling short-term interest rates and concerns about the outlook for the U.S. economy, had a decidedly negative impact on loan prices (and loan fund NAVs) during the period, even though default rates, while up noticeably from the all-time low of December 2007, have thus far remained below the long-run historical average. Since the end of the fiscal year, loan prices have recovered somewhat, buoyed by a continued (albeit slow-moving) reduction in the supply overhang and improving, but still opportunistic, investor demand for senior secured loans at what many now consider exceptionally attractive yields.

The Trust's performance during this difficult time must be viewed from two perspectives. Total net returns relative to the LLI were negatively impacted by the use of leverage (see below). We continue to believe that the disciplined use of leverage in this asset category is appropriate and accretive to common shareholders under normal market conditions. The velocity of the technical dislocation described above effectively precluded us from materially reducing leverage sufficiently in advance of the contraction in loan prices. Conversely, performance based on asset selection and industry positioning continues to be solid. The Trust did not hold any defaulted loans over the course of the fiscal year ended February 29, 2008 and is, we believe, well positioned to withstand a rising default rate environment. Further, the Trust's long-standing underweight of the generally riskier component of the loan asset category (e.g., second lien loans) has proved beneficial to recent asset-level performance, as has a continual underweight of problematic industry sectors (e.g. autos and real estate). As loan investors look to increasingly factor in a more challenging fundamental credit landscape, better quality non-investment grade loans have begun to outperform the broader market. We expect that trend to continue.

**USE OF LEVERAGE**

The Trust utilizes financial leverage to seek to increase the yield to the holders of common shares while maintaining the appropriate credit standards. Using leverage for investment purposes involves borrowing at a floating short-term rate, and investing those proceeds at a higher floating rate. Unlike traditional fixed income asset classes, using leverage in the floating rate

**TOP TEN SENIOR LOAN ISSUERS  
AS OF FEBRUARY 29, 2008  
AS A PERCENTAGE OF:**

|                                       | TOTAL<br>ASSETS | NET<br>ASSETS |
|---------------------------------------|-----------------|---------------|
| Charter Communications Operating, LLC | 3.2%            | 6.0%          |
| CHS/Community Health Systems, Inc.    | 2.9%            | 5.4%          |
| Metro-Goldwyn-Mayer, Inc.             | 2.0%            | 3.9%          |
| Cequel Communications, LLC            | 2.0%            | 3.7%          |
| HCA, Inc.                             | 1.9%            | 3.7%          |
| Georgia Pacific Corporation           | 1.9%            | 3.6%          |
| CSC Holdings, Inc.                    | 1.7%            | 3.3%          |
| Sungard Data Systems, Inc.            | 1.6%            | 3.0%          |
| UPC Financing Partnership             | 1.4%            | 2.6%          |
| Univision Communications, Inc.        | 1.3%            | 2.6%          |

**TOP TEN INDUSTRY SECTORS  
AS OF FEBRUARY 29, 2008  
AS A PERCENTAGE OF:**

|                                     | TOTAL<br>ASSETS | NET<br>ASSETS |
|-------------------------------------|-----------------|---------------|
| Healthcare, Education and Childcare | 11.6%           | 22.0%         |
| North American Cable                | 9.0%            | 17.1%         |
| Printing & Publishing               | 6.2%            | 11.8%         |
| Retail Stores                       | 5.4%            | 10.2%         |

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|   |      |      |
|---|------|------|
| Utilities   | 5.0% | 9.4% |
| Data and Internet Services                        | 4.9% | 9.4% |
| Leisure, Amusement, Entertainment                 | 4.3% | 8.1% |
| Chemicals, Plastics & Rubber                      | 4.3% | 8.1% |
| Foreign Cable, Foreign TV, Radio<br>and Equipment | 3.8% | 7.1% |
| Oil & Gas   | 3.6% | 6.8% |

## ING Prime Rate Trust

### PORTFOLIO MANAGERS' REPORT (continued)

senior loan asset class should not expose investors to the same degree of risk from rising short-term interest rates, as the income produced from the Trust's loan investments will adjust in a fashion consistent with the Trust's borrowing costs. The use of leverage can, however, magnify the erosion of the Trust's net asset value in declining markets. As of February 29, 2008, the Trust had \$450 million of "Aaa/AAA<sup>(3)</sup>" rated cumulative auction rate preferred shares outstanding, and \$338 million of borrowings outstanding under \$550 million in available credit facilities. Total leverage, as a percentage of total assets (including preferred shares), was 46.71% at period end.

Since early February 2008, for the first time in the history of its auction rate preferred shares program, the Trust did not receive hold orders and purchase requests for its preferred shares during their weekly auctions that equaled the full amount of such shares. As a result the amount sold by each selling shareholder was reduced pro rata or to zero. In addition, the dividend rate on such preferred shares, which is normally set by means of a Dutch Auction procedure, automatically reset to the maximum rate permitted under the preferred shares program. That maximum rate is 150% of the applicable commercial paper base rate on the day of the auction. Since early February, Preferred Shareholders have had limited liquidity for their preferred shares.

It is important for investors in the Trust's common and preferred shares to understand that this is a market liquidity issue and not a credit issue. The preferred shares of ING Prime Rate Trust have the highest rating issued by the rating agencies and are backed by the assets of the Trust. Further, even under current conditions, we believe that the Trust will be able to continue to pay the dividends required under its preferred shares program, whether those dividend rates are set by the Dutch Auction procedure or at the maximum rate.

We are very sensitive to the effects recent auction failures are having on holders of the Trust's auction rate preferred shares. We are closely monitoring the situation and are evaluating potential options to restore liquidity to and/or provide additional refinancing options in the context of regulatory guidelines, as well as the economic and tax implications for both common and preferred shareholders. We are also working with industry groups that are exploring with regulators various methods to try to provide liquidity to preferred shares of closed-end funds. There can be no assurance that any means for liquidity will be identified, and if they are, it is possible that the Trust's leverage or its benefits from leverage will diminish.

### **OUTLOOK**

Looking forward, although decent progress has been made in mending the technical imbalance largely responsible for recent loan market woes, we believe substantial headwinds still exist. Global credit markets have not yet returned to full functionality, and most credit investors still envision further write-downs coming from the corporate banking ranks as weaker economic conditions take hold of both the consumer and corporate markets. However, we also believe that

<sup>(3)</sup> Obligations rated Aaa by Moody's Investors Service are judged to be of the highest quality, with minimal credit risk. An obligator rated 'AAA' has extremely strong capacity to meet its financial commitments. 'AAA' is the highest Issuer Credit Rating assigned by Standard & Poor's. Credit quality refers to the Trust's underlying investments, not to the stability or safety of this Trust.

ING Prime Rate Trust

PORTFOLIO MANAGERS' REPORT (continued)

the recent actions taken by the Federal Reserve to aggressively infuse liquidity into the U.S financial system have not only had an immediate positive psychological impact on investor sentiment, but will provide the foundation for improved credit conditions longer-term. Specific to the senior loan market, we remain of the opinion that, given time, the still present technical imbalance will eventually subside and thus provide a natural catalyst to higher loan prices, even if default rates continue to moderately increase. We also believe that our strategy of investing primarily in the better quality and most liquid non-investment grade bank loans, combined with rigorous ongoing monitoring, has the potential to continue our favorable default experience. Recall that, absent a loss associated with a default, senior bank loans pay off at par, which would provide investors the opportunity to, over time, recapture price declines and price discounts. Investors looking to capitalize on that favorable total return opportunity must have a reasonable risk tolerance and a sufficiently long investment horizon.

Jeffrey A. Bakalar  
*Senior Vice President*  
*Senior Portfolio Manager*  
*ING Investment Management Co.*

Daniel A. Norman  
*Senior Vice President*  
*Senior Portfolio Manager*  
*ING Investment Management Co.*

ING Prime Rate Trust  
April 11, 2008

## ING Prime Rate Trust

## PORTFOLIO MANAGERS' REPORT (continued)

|                                    | Average Annual Total Returns for the<br>Years Ended February 29, 2008 |         |         |          |
|------------------------------------|---|---------|---------|----------|
|                                    | 1 Year  | 3 Years | 5 Years | 10 Years |
| Based on Net Asset Value (NAV)     | (13.28)%  | 0.81%   | 5.01%   | 3.57%    |
| Based on Market Value              | (17.25)%  | (2.24)% | 4.19%   | 1.73%    |
| S&P/LSTA Leveraged Loan Index      | (5.29)%   | 2.27%   | 4.20%   | 4.13%    |
| Credit-Suisse Leveraged Loan Index | (5.13)%   | 2.64%   | 4.70%   | 4.29%    |

The table above illustrates the total return of the Trust against the Indices indicated. An index has no cash in its portfolio, imposes no sales charges and incurs no operating expenses. An investor cannot invest directly in an index.

Total returns based on NAV reflect that ING Investments, LLC (the Trust's "Investment Adviser") may have waived or recouped fees and expenses otherwise payable by the Trust.

***Performance data represents past performance and is no guarantee of future results. Investment return and principal value of an investment in the Trust will fluctuate. Shares, when sold, may be worth more or less than their original cost. The Trust's future performance may be lower or higher than the performance data shown. Please log on to [www.ingfunds.com](http://www.ingfunds.com) or call (800) 992-0180 to get performance through the most recent month end.***

Calculation of total return assumes a hypothetical initial investment at the net asset value (in the case of NAV) or the New York Stock Exchange ("NYSE") Composite closing price (in the case of Market Value) on the last business day before the first day of the stated period, with all dividends and distributions reinvested at the actual reinvestment price.

*Senior loans are subject to credit risks and the potential for non-payment of scheduled principal or interest payments, which may result in a reduction of the Trust's NAV.*

*This report contains statements that may be "forward-looking" statements. Actual results could differ materially from those projected in the "forward-looking" statements.*

***The views expressed in this report reflect those of the portfolio managers only through the end of the period of the report as stated on the cover. The portfolio managers' views are subject to change at any time based on market and other conditions.***

## INDEX DESCRIPTIONS

The **LLI** is an unmanaged total return index that captures accrued interest, repayments, and market value changes. It represents a broad cross section of leveraged loans syndicated in the United States, including dollar-denominated loans to overseas issuers. Standard & Poor's and the Loan Syndications & Trading Association ("LSTA") conceived the LLI to establish a performance benchmark for the syndicated leveraged loan industry. An investor cannot invest directly in an index.

The **Credit-Suisse Leveraged Loan Index** is an unmanaged index of below investment grade loans designed to mirror the investable universe of the U.S. dollar-denominated leveraged loan market. An investor cannot invest directly in an index.

## ING Prime Rate Trust

PORTFOLIO MANAGERS' REPORT (continued)

## YIELDS AND DISTRIBUTION RATES

| Quarter Ended        | Prime Rate | NAV 30-day<br>SEC Yield <sup>(A)</sup> | Mkt. 30-Day<br>SEC Yield <sup>(A)</sup> | Annualized Dist.<br>Rate @ NAV <sup>(B)</sup> | Annualized Dist.<br>Rate @ Mkt. <sup>(B)</sup> |
|----------------------|------------|--|---|---|--|
| February 29,<br>2008 | 6.00%      | 10.99%                                 | 11.93%                                  | 9.03%   | 9.79%  |
| November 30,<br>2007 | 7.50%      | 10.46%                                 | 11.15%                                  | 7.97%   | 8.67%  |
| August 31,<br>2007   | 8.25%      | 10.92%                                 | 10.18%                                  | 7.53%   | 8.44%  |
| May 31, 2007         | 8.25%      | 9.89%                                  | 9.81%                                   | 7.38%   | 7.52%  |

<sup>(A)</sup> Yield is calculated by dividing the Trust's net investment income per share for the most recent thirty days by the net asset value (in the case of NAV) or the NYSE Composite closing price (in the case of Market) at quarter-end. Yield calculations do not include any commissions or sales charges, and are compounded for six months and annualized for a twelve-month period to derive the Trust's yield consistent with the U.S. Securities and Exchange Commission ("SEC") standardized yield formula.

<sup>(B)</sup> The distribution rate is calculated by annualizing each monthly dividend, then averaging the annualized dividends declared for each month during the quarter and dividing the resulting average annualized dividend amount by the Trust's average net asset value (in the case of NAV) or the NYSE Composite closing price (in the case of Market) at the end of the period.

*Risk is inherent in all investing. The following are the principal risks associated with investing in the Trust. This is not, and is not intended to be, a description of all risks of investing in the Trust. A more detailed description of the risks of investing in the Trust is contained in the Trust's current prospectus.*

**Credit Risk:** The Trust invests a substantial portion of its assets in below investment grade senior loans and other below investment grade assets. Below investment grade loans involve a greater risk that borrowers may not make timely payment of the interest and principal due on their loans. They also involve a greater risk that the value of such loans could decline significantly. If borrowers do not make timely payments of the interest due on their loans, the yield on the Trust's common shares will decrease. If borrowers do not make timely payment of the principal due on their loans, or if the value of such loans decreases, the value of the Trust's NAV will decrease.

**Interest Rate Risk:** Changes in short-term market interest rates will directly affect the yield on the Trust's common shares. If short-term market interest rates fall, the yield on the Trust's common shares will also fall. To the extent that the interest rate spreads on loans in the Trust experience a general decline, the yield on the Trust will fall and the value of the Trust's assets may decrease, which will cause the Trust's value to decrease. Conversely, 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 assets in the Trust's portfolio, the impact of rising rates will be delayed to the extent of such lag.

**Leverage Risk:** The Trust borrows money for investment purposes. Borrowing increases both investment opportunity and investment risk. In the event of a general market decline in the value of assets such as those in which the Trust invests, the effect of that decline will be magnified in the Trust because of the additional assets purchased with the proceeds of the borrowings.

ING Prime Rate Trust

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

The Shareholders and Board of Trustees  
ING Prime Rate Trust

We have audited the accompanying statement of assets and liabilities, including the portfolio of investments, of ING Prime Rate Trust, as of February 29, 2008, and the related statements of operations and cash flows for the year then ended, the statements of changes in net assets for each of the years in the two-year period then ended, and the financial highlights for each of the years in the five-year period then ended. These financial statements and financial highlights are the responsibility of management. Our responsibility is to express an opinion on these financial statements and financial highlights based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements and financial highlights are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. Our procedures included confirmation of securities owned as of February 29, 2008, by correspondence with the custodian and brokers or by other appropriate auditing procedures where replies from brokers were not received. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements and financial highlights referred to above present fairly, in all material respects, the financial position of ING Prime Rate Trust as of February 29, 2008, the results of its operations and its cash flows, the changes in its net assets, and the financial highlights for the periods specified in the first paragraph above, in conformity with U.S. generally accepted accounting principles.

Boston, Massachusetts  
April 29, 2008





## ING Prime Rate Trust

STATEMENT OF ASSETS AND LIABILITIES as of February 29, 2008

|  |                       |
|--|-----------------------|
| <b>ASSETS:</b>   |                       |
| Investments in securities at value (Cost \$1,842,102,096)  | \$ 1,649,661,151      |
| Cash   | 11,689,975            |
| Foreign currencies at value (Cost \$1,255,057)   | 1,229,556             |
| Receivables:   |                       |
| Investment securities sold   | 5,964,084             |
| Interest   | 17,855,736            |
| Other  | 42,419                |
| Unrealized appreciation on forward foreign currency contracts  | 541,323               |
| Prepaid expenses   | 20,512                |
| Prepaid facility fees on notes payable   | 24,898                |
| Total assets   | 1,687,029,654         |
| <b>LIABILITIES:</b>  |                       |
| Notes payable  | 338,000,000           |
| Payable for investment securities purchased  | 1,853,668             |
| Accrued interest payable   | 1,359,855             |
| Deferred arrangement fees on revolving credit facilities   | 698,810               |
| Dividends payable - preferred shares   | 163,114               |
| Payable to affiliates  | 1,386,655             |
| Payable to custodian   | 75,458                |
| Accrued trustees fees  | 44,563                |
| Unrealized depreciation on forward foreign currency contracts  | 3,550,376             |
| Unrealized depreciation on unfunded commitments  | 2,210,079             |
| Other accrued expenses   | 711,172               |
| Total liabilities  | 350,053,750           |
| Preferred shares, \$25,000 stated value per share at liquidation value (18,000 shares outstanding)   | 450,000,000           |
| <b>NET ASSETS</b>  | <b>\$ 886,975,904</b> |
| Net assets value per common share outstanding (net assets less preferred shares at liquidation value, divided by 145,094,493 shares of beneficial interest authorized and outstanding, no par value) | \$ 6.11               |
| <b>NET ASSETS WERE COMPRISED OF:</b>   |                       |
| Paid-in capital  | \$ 1,312,128,054      |
| Undistributed net investment income  | 390,926               |
| Accumulated net realized loss on investments and foreign currency related transactions   | (228,096,961)         |
| Net unrealized depreciation on investments and foreign currency related transactions   | (197,446,115)         |
| <b>NET ASSETS</b>  | <b>\$ 886,975,904</b> |

See Accompanying Notes to Financial Statements

## ING Prime Rate Trust

STATEMENT OF OPERATIONS for the Year Ended February 29, 2008

|  |    |               |
|--|----|---------------|
| <b>INVESTMENT INCOME:</b>  |    |               |
| Interest   | \$ | 150,101,644   |
| Arrangement fees earned  |    | 578,747       |
| Other  |    | 3,073,112     |
| Total investment income  |    | 153,753,503   |
| <b>EXPENSES:</b>   |    |               |
| Investment management fees   |    | 15,097,475    |
| Administration fees  |    | 4,717,961     |
| Transfer agent fees  |    | 101,022       |
| Interest expense   |    | 22,536,395    |
| Shareholder reporting expense  |    | 179,800       |
| Custody and accounting expense   |    | 834,097       |
| Professional fees  |    | 235,190       |
| Preferred shares dividend disbursing agent fees  |    | 1,148,193     |
| ICI fees   |    | 2,949         |
| Postage expense  |    | 218,050       |
| Trustees fees  |    | 72,377        |
| Miscellaneous expense  |    | 417,806       |
| Total expenses   |    | 45,561,315    |
| Net investment income  |    | 108,192,188   |
| <b>REALIZED AND UNREALIZED GAIN (LOSS) FROM INVESTMENTS AND FOREIGN CURRENCY RELATED TRANSACTIONS:</b>         |    |               |
| Net realized gain (loss) on:   |    |               |
| Investments  |    | 17,974,664    |
| Foreign currency related transactions  |    | (12,901,195)  |
| Net realized gain on investments and foreign currency related transactions                                     |    | 5,073,469     |
| Net change in unrealized appreciation or depreciation on:  |    |               |
| Investments  |    | (226,464,695) |
| Foreign currency related transactions  |    | (2,324,193)   |
| Unfunded commitments   |    | (2,210,079)   |
| Net change in unrealized appreciation or depreciation on investments and foreign currency related transactions |    | (230,998,967) |
| Net realized and unrealized loss on investments and foreign currency related transactions                      |    | (225,925,498) |
| <b>DISTRIBUTIONS TO PREFERRED SHAREHOLDERS:</b>  |    |               |
| From net investment income   |    | (23,475,824)  |
| Net decrease in net assets resulting from operations   | \$ | (141,209,134) |

See Accompanying Notes to Financial Statements

## ING Prime Rate Trust

## STATEMENTS OF CHANGES IN NET ASSETS

|  | Year<br>Ended<br>February 29,<br>2008 | Year<br>Ended<br>February 28,<br>2007 |
|--|---------------------------------------|---------------------------------------|
| <b>FROM OPERATIONS:</b>  |                                       |                                       |
| Net investment income  | \$ 108,192,188                        | \$ 103,083,218                        |
| Net realized gain on investments and foreign<br>currency related transactions  | 5,073,469                             | 14,599,027                            |
| Net change in unrealized appreciation or<br>depreciation on investments and<br>foreign currency related transactions | (230,998,967)                         | (6,442,840)                           |
| Distributions to preferred shareholders from net<br>investment income  | (23,475,824)                          | (22,313,381)                          |
| Net increase (decrease) in net assets resulting<br>from operations   | (141,209,134)                         | 88,926,024                            |
| <b>FROM DISTRIBUTIONS TO COMMON SHAREHOLDERS:</b>  |                                       |                                       |
| From net investment income   | (81,821,838)                          | (80,058,346)                          |
| Decrease in net assets from distributions<br>to common shareholders  | (81,821,838)                          | (80,058,346)                          |
| <b>CAPITAL SHARE TRANSACTIONS:</b>   |                                       |                                       |
| Reinvestment of distributions from common<br>shares  | 450,139                               |                                       |
| Proceeds from shares sold  | 17,785                                |                                       |
| Net increase from capital share transactions   | 467,924                               |                                       |
| Net increase (decrease) in net assets  | (222,563,048)                         | 8,867,678                             |
| <b>NET ASSETS:</b>   |                                       |                                       |
| Beginning of year  | 1,109,538,952                         | 1,100,671,274                         |
| End of year (including undistributed net<br>investment<br>income of \$390,926 and \$4,124,094, respectively)         | \$ 886,975,904                        | \$ 1,109,538,952                      |

See Accompanying Notes to Financial Statements

## ING Prime Rate Trust

STATEMENT OF CASH FLOWS for the Year Ended February 29, 2008

| <b>INCREASE (DECREASE) IN CASH</b>  |                  |
|---|------------------|
| <b>Cash Flows From Operating Activities:</b>  |                  |
| Interest received   | \$ 138,197,551   |
| Facility fees received  | 32,030           |
| Dividend paid to preferred shareholder  | (23,549,121)     |
| Arrangement fee received  | 742,902          |
| Other income received   | 3,314,797        |
| Interest paid   | (22,788,174)     |
| Other operating expenses paid   | (23,104,880)     |
| Purchases of securities   | (1,168,747,773)  |
| Proceeds on sale of securities  | 1,126,524,909    |
| Net cash provided by operating activities   | 30,622,241       |
| <b>Cash Flows From Financing Activities:</b>  |                  |
| Dividends paid to common shareholders   | (81,371,699)     |
| Proceeds from shares sold   | 17,785           |
| Net increase in notes payable   | 57,000,000       |
| Net cash flows provided by financing activities   | (24,353,914)     |
| Net increase  | 6,268,327        |
| Cash at beginning of year   | 5,421,648        |
| Cash at end of year   | \$ 11,689,975    |
| <b>Reconciliation Of Net Decrease In Net Assets Resulting From Operations To Net Cash Provided by Operating Activities:</b> |                  |
| Net decrease in net assets resulting from operations  | \$ (141,209,134) |
| Adjustments to reconcile net decrease in net assets resulting from operations to net cash provided by operating activities: |                  |
| Change in unrealized depreciation on investments  | 226,464,695      |
| Change in unrealized depreciation on foreign currencies   | 27,482           |
| Change in unrealized depreciation on forward currency contracts   | 2,534,758        |
| Change in unrealized depreciation on unfunded commitments   | 2,210,079        |
| Net accretion of discounts on investments   | (6,545,513)      |
| Net amortization of premiums on investments   | 350,311          |
| Net realized gain on sale of investments and forward foreign currency related transactions                                  | (5,073,469)      |
| Purchases of securities   | (1,168,747,773)  |
| Proceeds on sale of securities  | 1,126,524,909    |
| Decrease in other assets  | 3,638            |
| Increase in interest receivable   | (5,708,891)      |
| Decrease in prepaid facility fees on notes payable  | 32,030           |
| Decrease in prepaid expenses  | 20,547           |
| Increase in deferred arrangement fees on revolving credit facilities  | 164,155          |
| Decrease in accrued interest payable  | (251,780)        |
| Decrease in dividends payable - preferred shares  | (73,297)         |
| Decrease in payable to affiliates   | (142,745)        |
| Increase in accrued trustees fees   | 13,576           |
| Increase in other accrued expenses  | 28,663           |
| Total adjustments   | 171,831,375      |

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|   |    |            |
|---|----|------------|
| Net cash provided by operating activities | \$ | 30,622,241 |
|---|----|------------|

**Non Cash Financing Activities**

|  |    |         |
|--|----|---------|
| Reinvestment of distributions from common shares | \$ | 450,139 |
|--|----|---------|

See Accompanying Notes to Financial Statements

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ING PRIME RATE TRUST FINANCIAL HIGHLIGHTS

For a common share outstanding throughout the year

|  | Years Ended February 28 or February 29, |           |           |           |           |
|--|---|-----------|-----------|-----------|-----------|
|  | 2008                                    | 2007      | 2006      | 2005      | 2004      |
| <b>Per Share Operating Performance</b>   |   |           |           |           |           |
| Net asset value, beginning of year   | \$ 7.65                                 | 7.59      | 7.47      | 7.34      | 6.73      |
| Income (loss) from investment operations:                                      |   |           |           |           |           |
| Net investment income  | \$ 0.75                                 | 0.71      | 0.57      | 0.45      | 0.46      |
| Net realized and unrealized gain (loss) on investments                         | \$ (1.57)                               | 0.06      | 0.12      | 0.16      | 0.61      |
| Total from investment operations   | \$ (0.82)                               | 0.77      | 0.69      | 0.61      | 1.07      |
| Distributions to Common Shareholders from net investment income                |   |           |           |           |           |
|  | \$ (0.56)                               | (0.55)    | (0.46)    | (0.43)    | (0.42)    |
| Distribution to Preferred Shareholders   |   |           |           |           |           |
|  | \$ (0.16)                               | (0.16)    | (0.11)    | (0.05)    | (0.04)    |
| Net asset value, end of year   | \$ 6.11                                 | 7.65      | 7.59      | 7.47      | 7.34      |
| Closing market price at end of year  | \$ 5.64                                 | 7.40      | 7.02      | 7.56      | 7.84      |
| Total Investment Return <sup>(1)</sup>   |   |           |           |           |           |
| Total investment return at closing market price <sup>(2)</sup>                 | % (17.25)                               | 13.84     | (0.82)    | 2.04      | 28.77     |
| Total investment return at net asset value <sup>(3)</sup>                      | % (13.28)                               | 8.85      | 8.53      | 7.70      | 15.72     |
| <b>Ratios/Supplemental Data</b>  |   |           |           |           |           |
| Net assets end of year (000's)   | \$ 886,976                              | 1,109,539 | 1,100,671 | 1,082,748 | 1,010,325 |
| Preferred Shares-Aggregate amount outstanding (000's)                          | \$ 450,000                              | 450,000   | 450,000   | 450,000   | 450,000   |
| Liquidation and market value per share of Preferred Shares                     | \$ 25,000                               | 25,000    | 25,000    | 25,000    | 25,000    |
| Borrowings at end of year (000's)  | \$ 338,000                              | 281,000   | 465,000   | 496,000   | 225,000   |
| Asset coverage per \$1,000 of debt <sup>(4)</sup>                              | \$ 2,125                                | 2,517     | 2,203     | 2,140     | 2,500     |
| Average borrowings (000's)   | \$ 391,475                              | 459,982   | 509,178   | 414,889   | 143,194   |
| <b>Ratios to average net assets including Preferred Shares<sup>(5)</sup></b>   |   |           |           |           |           |
| Expenses (before interest and other fees related to revolving credit facility) |   |           |           |           |           |
|  | % 1.54                                  | 1.57      | 1.64      | 1.60      | 1.45      |
| Net expenses after expense reimbursement                                       |   |           |           |           |           |
|  | % 3.05                                  | 3.27      | 3.02      | 2.21      | 1.65      |
| Gross expenses prior to expense reimbursement                                  |   |           |           |           |           |
|  | % 3.05                                  | 3.27      | 3.02      | 2.22      | 1.65      |
| Net investment income  |   |           |           |           |           |
|  | % 7.23                                  | 6.68      | 5.44      | 4.21      | 4.57      |
| <b>Ratios to average net assets plus borrowings</b>                            |   |           |           |           |           |
| Expenses (before interest and other fees related to revolving credit facility) |   |           |           |           |           |
|  | % 1.60                                  | 1.56      | 1.58      | 1.63      | 1.84      |
| Net expenses after expense reimbursement                                       |   |           |           |           |           |
|  | % 3.17                                  | 3.25      | 2.90      | 2.26      | 2.09      |
| Gross expenses prior to expense reimbursement                                  |   |           |           |           |           |
|  | % 3.17                                  | 3.25      | 2.90      | 2.27      | 2.09      |
| Net investment income  |   |           |           |           |           |
|  | % 7.53                                  | 6.63      | 5.24      | 4.32      | 5.82      |
| <b>Ratios to average net assets</b>  |   |           |           |           |           |

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|  |   |         |         |         |         |         |
|--|---|---------|---------|---------|---------|---------|
| Expenses (before interest and other fees related to revolving credit facility) | % | 2.20    | 2.21    | 2.33    | 2.29    | 2.11    |
| Net expenses after expense reimbursement                                       | % | 4.36    | 4.62    | 4.27    | 3.17    | 2.40    |
| Gross expenses prior to expense reimbursement                                  | % | 4.36    | 4.62    | 4.27    | 3.18    | 2.40    |
| Net investment income  | % | 10.35   | 9.42    | 7.71    | 6.04    | 6.68    |
| Portfolio turnover rate  | % | 60      | 60      | 81      | 93      | 87      |
| Common shares outstanding at end of year (000's)                               |   | 145,094 | 145,033 | 145,033 | 145,033 | 137,638 |

(1) Total investment return calculations are attributable to common shares.

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

(3) Total investment return at net asset value has been calculated assuming a purchase at net asset value at the beginning of each period and a sale at net asset value at the end of each period and assumes reinvestment of dividends and capital gain distributions in accordance with the provisions of the dividend reinvestment plan.

This calculation differs from total investment return because it excludes the effects of changes in the market values of the Trust's shares.

(4) Asset coverage represents the total assets available for settlement of Preferred Stockholder's interest and notes payables in relation to the Preferred Shareholder interest and notes payable balance outstanding. The Preferred Shares were first offered November 2, 2000.

(5) Ratios do not reflect the effect of dividend payments to Preferred Shareholders; income ratios reflect income earned on assets attributable to the Preferred Shares; ratios do not reflect any add-back for the borrowings.

See Accompanying Notes to Financial Statements





ING Prime Rate Trust

NOTES TO FINANCIAL STATEMENTS as of February 29, 2008

**NOTE 1 ORGANIZATION**

ING Prime Rate Trust (the "Trust"), a Massachusetts business trust, is registered under the Investment Company Act of 1940, as amended (the "1940 Act"), as a diversified, closed-end, management investment company. The Trust invests primarily in senior loans, which generally are not registered under the Securities Act of 1933, as amended (the "1933 Act"), and which contain certain restrictions on resale and cannot be sold publicly. These loans bear interest (unless otherwise noted) at rates that float periodically at a margin above the London Inter-Bank Offered Rate ("LIBOR") and other short-term rates.

**NOTE 2 SIGNIFICANT ACCOUNTING POLICIES**

The following is a summary of the significant accounting policies consistently followed by the Trust in the preparation of its financial statements. The policies are in conformity with U.S. generally accepted accounting principles for investment companies.

A. *Senior Loan and Other Security Valuation.* Senior loans held by the Trust are normally valued at the average of the means of one or more bid and ask quotations obtained from an independent pricing service or other sources determined by the Trust's Board of Trustees ("Board") to be independent and believed to be reliable. Loans for which reliable market value quotations are not readily available may be valued with reference to another loan or a group of loans for which reliable quotations are readily available and whose characteristics are comparable to the loan being valued. Under this approach, the comparable loan or loans serve as a proxy for changes in value of the loan being valued.

The Trust has engaged an independent pricing service to provide market value quotations from dealers in loans and, when such quotations are not readily available, to calculate values under the proxy procedure described above. As of February 29, 2008, 98.92% of total loans were valued based on these procedures. It is expected that most of the loans held by the Trust will continue to be valued with reference to quotations from the independent pricing service or with reference to the proxy procedure described above.

Prices from a pricing source may not be available for all loans and ING Investments, LLC (the "Investment Adviser") or ING Investment Management Co. ("ING IM" or the "Sub-Adviser"), may believe that the price for a loan derived from market quotations or the proxy procedure described above is not reliable or accurate. Among other reasons, this may be the result of information about a particular loan or borrower known to the Investment Adviser or the Sub-Adviser that the Investment Adviser or the Sub-Adviser believes may not be known to the pricing service or reflected in a price quote. In this event, the loan is valued at fair value as determined in good faith under procedures established by the Board and in accordance with the provisions of the 1940 Act. Under these procedures, fair value is determined by the Investment Adviser or Sub-Adviser and monitored by the Board through its Valuation, Brokerage and Proxy Committee.

In fair valuing a loan, consideration is given to several factors, which may include, among others, the following: (i) the characteristics of and fundamental analytical data relating to the loan, including the cost, size, current interest rate, period until the next interest rate reset, maturity and base lending rate of the loan, the terms and conditions of the loan and any related agreements, and the position of the loan in the borrower's debt structure; (ii) the nature, adequacy and value of the collateral, including the Trust's rights, remedies and interests with respect to the collateral; (iii) the creditworthiness of the borrower and the cash flow coverage of outstanding principal and interest, based on an evaluation of its financial condition, financial statements and information about the borrower's business, cash flows, capital structure and future prospects; (iv) information relating to the market for the loan,

ING Prime Rate Trust

NOTES TO FINANCIAL STATEMENTS as of February 29, 2008 (continued)

**NOTE 2 SIGNIFICANT ACCOUNTING POLICIES (continued)**

including price quotations for, and trading in, the loan and interests in similar loans; (v) the reputation and financial condition of the agent for the loan and any intermediate participants in the loan; (vi) the borrower's management; and (vii) the general economic and market conditions affecting the fair value of the loan. Securities for which the primary market is a national securities exchange are valued at the last reported sale price. Securities reported by NASDAQ will be valued at the NASDAQ Official Closing Price. Securities traded in the over-the-counter market and listed securities for which no sale was reported on a valuation date are valued at the mean between the last reported bid and ask price on such exchange. Securities, other than senior loans, for which reliable market value quotations are not readily available, and all other assets, will be valued at their respective fair values as determined in good faith by, and under procedures established by, the Board. Investments in securities maturing in 60 days or less from the date of acquisition are valued at amortized cost which approximates market value.

B. *Federal Income Taxes.* It is the Trust's policy to comply with subchapter M of the Internal Revenue Code and related excise tax provisions applicable to regulated investment companies and to distribute substantially all of its net investment income and net realized capital gains to its shareholders. Therefore, no federal income tax provision is required. No capital gain distributions will be made by the Trust until any capital loss carryforwards have been fully utilized or expire.

C. *Security Transactions and Revenue Recognition.* Revolver and delayed draw loans are booked on a settlement date basis. Security transactions and senior loans are accounted for on trade date (date the order to buy or sell is executed). Realized gains or losses are reported on the basis of identified cost of securities sold. Dividend income is recognized on the ex-dividend date. Interest income is recorded on an accrual basis at the then-current interest rate of the loan. The accrual of interest on loans is partially or fully discontinued when, in the opinion of management, there is an indication that the borrower may be unable to meet payments as they become due. If determined to be uncollectable, accrued interest is also written off. Cash collections on non-accrual senior loans are generally applied as a reduction to the recorded investment of the loan. Senior loans are generally returned to accrual status only after all past due amounts have been received and the borrower has demonstrated sustained performance. For all loans, except revolving credit facilities, fees received are treated as discounts and are accreted whereas premiums are amortized. Fees associated with revolving credit facilities are deferred and recognized over the shorter of four years or the actual term of the loan.

D. *Foreign Currency Translation.* The books and records of the Trust are maintained in U.S. dollars. Any foreign currency amounts are translated into U.S. dollars on the following basis:

- (1) Market value of investment securities, other assets and liabilities at the exchange rates prevailing at the end of the day.
- (2) Purchases and sales of investment securities, income and expenses at the rates of exchange prevailing on the respective dates of such transactions.

Although the net assets and the market values are presented at the foreign exchange rates at the end of the day, the Trust does not isolate the portion of the results of operations resulting from changes in foreign exchange rates on investments from the fluctuations arising from changes in market prices of securities held. Such fluctuations are included with the net realized and unrealized gains or losses from investments. For securities, which are subject to foreign withholding tax upon disposition, liabilities are recorded on the Statement of Assets and Liabilities for the estimated tax withholding based on the securities current market value. Upon disposition, realized gains or losses on such securities are recorded net of foreign withholding tax.

ING Prime Rate Trust

NOTES TO FINANCIAL STATEMENTS as of February 29, 2008 (continued)

**NOTE 2 SIGNIFICANT ACCOUNTING POLICIES (continued)**

Reported net realized foreign exchange gains or losses arise from sales of foreign currencies, currency gains or losses realized between the trade and settlement dates on securities transactions, the difference between the amounts of dividends, interest, and foreign withholding taxes recorded on the Trust's books, and the U.S. dollar equivalent of the amounts actually received or paid. Net unrealized foreign exchange gains and losses arise from changes in the value of assets and liabilities other than investments in securities at fiscal year end, resulting from changes in the exchange rate. Foreign security and currency transactions may involve certain considerations and risks not typically associated with investing in U.S. companies and the U.S. government. These risks include, but are not limited to, revaluation of currencies and future adverse political and economic developments which could cause securities and their markets to be less liquid and prices more volatile than those of comparable U.S. companies and U.S. government securities.

E. *Forward Foreign Currency Contracts.* The Trust may enter into forward foreign currency contracts primarily to hedge against foreign currency exchange rate risks on its non-U.S. dollar denominated investment securities. When entering into a currency forward contract, the Trust agrees to receive or deliver a fixed quantity of foreign currency for an agreed-upon price on an agreed future date. These contracts are valued daily and the Trust's net equity therein, representing unrealized gain or loss on the contracts as measured by the difference between the forward foreign exchange rates at the dates of entry into the contracts and the forward rates at the reporting date, is included in the Statement of Assets and Liabilities. Realized and unrealized gains and losses are included in the Statement of Operations. These instruments involve market and/or credit risk in excess of the amount recognized in the Statement of Assets and Liabilities. Risks arise from the possible inability of counterparties to meet the terms of their contracts and from movement in currency and securities values and interest rates. Open forward foreign currency contracts are presented following the respective Portfolio of Investments.

F. *Distributions to Common Shareholders.* The Trust declares and pays dividends monthly from net investment income. Distributions from capital gains, if any, are declared and paid annually. The Trust may make additional distributions to comply with the distribution requirements of the Internal Revenue Code. The character and amounts of income and gains to be distributed are determined in accordance with federal income tax regulations, which may differ from U.S. generally accepted accounting principles for investment companies. The Trust records distributions to its shareholders on the ex-dividend date.

G. *Dividend Reinvestments.* Pursuant to the Trust's Shareholder Investment Program (the "Program"), DST Systems, Inc. ("DST"), the Program administrator, purchases, from time to time, shares of beneficial interest of the Trust on the open market to satisfy dividend reinvestments. Such shares are purchased on the open market only when the closing sale or bid price plus commission is less than the NAV per share of the Trust's common shares on the valuation date. If the market price plus commissions is equal to or exceeds NAV, new shares are issued by the Trust at the greater of (i) NAV or (ii) the market price of the shares during the pricing period, minus a discount of 5%.

H. *Use of Estimates.* The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of increases and decreases in net assets from operations during the reporting period. Actual results could differ from those estimates.

ING Prime Rate Trust

NOTES TO FINANCIAL STATEMENTS as of February 29, 2008 (continued)

**NOTE 2 SIGNIFICANT ACCOUNTING POLICIES (continued)**

I. *Share Offerings*. The Trust issues shares under various shelf registration statements, whereby the net proceeds received by the Trust from share sales may not be less than the greater of (i) the NAV per share or (ii) 94% of the average daily market price over the relevant pricing period.

**NOTE 3 INVESTMENTS**

For the year ended February 29, 2008, the cost of purchases and the proceeds from principal repayment and sales of investments, excluding short-term notes, totaled \$1,137,452,291 and \$1,139,645,431, respectively. At February 29, 2008, the Trust held senior loans valued at \$1,643,761,920 representing 99.6% of its total investments. The market value of these assets is established as set forth in Note 2.

The senior loans acquired by the Trust typically take the form of a direct lending relationship with the borrower, and are typically acquired through an assignment of another lender's interest in a loan. The lead lender in a typical corporate loan syndicate administers the loan and monitors the collateral securing the loan.

Common and preferred shares, and stock purchase warrants held in the portfolio were acquired in conjunction with loans held by the Trust. Certain of these stocks and warrants are restricted and may not be publicly sold without registration under the 1933 Act, or without an exemption under the 1933 Act. In some cases, these restrictions expire after a designated period of time after issuance of the shares or warrants.

## ING Prime Rate Trust

NOTES TO FINANCIAL STATEMENTS as of February 29, 2008 (continued)

**NOTE 3 INVESTMENTS (continued)**

Dates of acquisition and cost of assigned basis of restricted securities are as follows:

|   | Date of<br>Acquisition | Cost or<br>Assigned Basis |
|---|------------------------|---------------------------|
| Allied Digital Technologies Corporation (Residual Interest in Bankruptcy Estate)  | 06/05/02               | \$ 100                    |
| Block Vision Holdings Corporation (571 Common Shares)   | 09/17/02               |                           |
| Boston Chicken, Inc. (Residual Interest in Boston Chicken Plan Trust)   | 12/26/00               | 9,893                     |
| Cedar Chemical (Liquidation Interest)   | 12/31/02               |                           |
| Covenant Care, Inc. (Warrants for 19,000 Common Shares, Expires January 13, 2005)   | 12/22/95               |                           |
| Covenant Care, Inc. (Warrants for 26,901 Common Shares, Expires March 31, 2013)   | 01/18/02               |                           |
| Decision One Corporation (1,752,103 Common Shares)  | 05/17/05               | 1,116,773                 |
| Enterprise Profit Solutions (Liquidation Interest)  | 10/21/02               |                           |
| EquityCo, LLC (Warrants for 28,752 Common Shares)   | 02/25/05               |                           |
| Euro United Corporation (Residual Interest in Bankruptcy Estate)  | 06/21/02               | 100                       |
| Grand Union Company (Residual Interest in Bankruptcy Estate)  | 07/01/02               | 2,576                     |
| Humphrey's, Inc. (Residual Interest in Bankruptcy Estate)   | 05/15/02               | 50                        |
| IAP Acquisition Corporation (3,524 Common Shares)   | 08/29/03               |                           |
| IAP Acquisition Corporation (1,084 Common Shares)   | 08/29/03               | 3,524,300                 |
| IAP Acquisition Corporation (1,814 Common Shares)   | 08/29/03               |                           |
| IAP Acquisition Corporation (17,348 Common Shares)  | 08/29/03               | 428,603                   |
| Imperial Home Décor Group, Inc. (Liquidation Interest)  | 01/22/04               |                           |
| IT Group, Inc. (Residual Interest in Bankruptcy Estate)   | 09/12/03               | 25                        |
| Kevco Inc. (Residual Interest in Bankruptcy Estate)   | 06/05/02               | 25                        |
| Lincoln Paper & Tissue (Warrants for 291 Common Shares, Expires August 14, 2015)  | 08/25/05               |                           |
| Lincoln Pulp and Easten Fine (Residual Interest in Bankruptcy Estate)   | 06/08/04               |                           |
| Norwood Promotional Products, Inc. (104,148 Common Shares)  | 08/23/04               | 32,939                    |
| Norwood Promotional Products, Inc. (Contingent Value Rights)  | 12/14/07               | 377,999                   |
| Safelite Realty Corporation (57,804 Common Shares)  | 10/12/00               |                           |
| Transtar Metals (Residual Interest in Bankruptcy Estate)  | 01/09/03               | 40,230                    |
| TSR Wireless, LLC (Residual Interest in Bankruptcy Estate)  | 10/15/02               |                           |
| US Office Products Company (Residual Interest in Bankruptcy Estate)   | 02/11/04               |                           |
| Total Restricted Securities excluding senior loans (market value of \$840,481 was 0.10% of net assets at February 29, 2008) |                        | \$ 5,533,613              |

## ING Prime Rate Trust

NOTES TO FINANCIAL STATEMENTS as of February 29, 2008 (continued)

**NOTE 4 MANAGEMENT AND ADMINISTRATION AGREEMENTS**

The Trust has entered into an investment management agreement ("Investment Advisory Agreement") with the Investment Adviser, an Arizona limited liability company, to provide advisory and management services. The Investment Advisory Agreement compensates the Investment Adviser with a fee, computed daily and payable monthly, at an annual rate of 0.80% of the Trust's Managed Assets. For purposes of the Investment Advisory Agreement, "Managed Assets" shall mean the Trust's average daily gross asset value, minus the sum of the Trust's accrued and unpaid dividends on any outstanding preferred shares and accrued liabilities (other than liabilities for the principal amount of any borrowings incurred, commercial paper or notes issued by the Trust and the liquidation preference of any outstanding preferred shares).

The Investment Adviser entered into a Sub-Advisory agreement with ING IM, a Connecticut corporation. Subject to such policies as the Board or the Investment Adviser may determine, ING IM manages the Trust's assets in accordance with the Trust's investment objectives, policies, and limitations.

The Trust has also entered into an administration agreement with ING Funds Services, LLC (the "Administrator") to provide administrative services and also to furnish facilities. The Administrator is compensated with a fee, computed daily and payable monthly, at an annual rate of 0.25% plus the proceeds of any outstanding borrowings of the Trust's Managed Assets.

The Investment Adviser, ING IM and the Administrator are indirect, wholly-owned subsidiaries of ING Groep N.V. ("ING Groep"). ING Groep is one of the largest financial services organizations in the world, and offers an array of banking, insurance and asset management services to both individual and institutional investors.

**NOTE 5 TRANSACTIONS WITH AFFILIATES AND RELATED PARTIES**

At February 29, 2008, the Trust had the following amounts recorded in payables to affiliates on the accompanying Statement of Assets and Liabilities:

| Accrued Investment<br>Management Fees | Accrued<br>Administrative Fees | Total        |
|---------------------------------------|--------------------------------|--------------|
| \$ 1,056,499                          | \$ 330,156                     | \$ 1,386,655 |

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

**NOTE 6 COMMITMENTS**

The Trust has entered into both a \$90 million 364-day revolving credit agreement which matures August 20, 2008 and a \$460 million 364-day revolving securitization facility which matures June 12, 2008, collateralized by assets of the Trust. Borrowing rates under these agreements are based on a fixed spread over LIBOR, the federal funds rate, or a commercial paper-based rate. Prepaid arrangement fees for these facilities are amortized over the term of the agreements. The amount of borrowings outstanding at February 29, 2008, was \$338 million. Weighted average interest rate on outstanding borrowings was 5.63%, excluding fees related to the unused portion of the facilities, and other fees. The amount of borrowings represented 20.0% of total assets at February 29, 2008. Average borrowings for the year ended February 29, 2008 were \$391,475,410 and the average annualized interest rate was 5.75% excluding other fees related to the unused portion of the facilities, and other fees.

## ING Prime Rate Trust

NOTES TO FINANCIAL STATEMENTS as of February 29, 2008 (continued)

**NOTE 6 COMMITMENTS (continued)**

As of February 29, 2008, the Trust had unfunded loan commitments pursuant to the terms of the following loan agreements:

|  |    |            |
|--|----|------------|
| Advance Food Company                         | \$ | 116,878    |
| Calpine Corporation                          |    | 1,785,000  |
| Cannery Casino Resorts                       |    | 755,906    |
| Cellular South, Inc.                         |    | 500,000    |
| Cengage Learning, Inc.                       |    | 3,333,333  |
| Centaur Gaming                               |    | 350,877    |
| Coach America Holdings, Inc.                 |    | 442,989    |
| Coletto Creek Power                          |    | 4,625,000  |
| Community Health Systems, Inc.               |    | 2,645,012  |
| Fleetcor Technologies Operating Company, LLC |    | 116,667    |
| Fountainebleau Resorts, LLC                  |    | 966,667    |
| Golden Nugget, Inc.                          |    | 545,455    |
| Hub International Holdings, Inc.             | \$ | 81,046     |
| Iasis Healthcare Corporation                 |    | 266,614    |
| Kerasotes Theatres, Inc.                     |    | 996,930    |
| Las Vegas Sands LLC                          |    | 1,600,000  |
| Longview Power LLC                           |    | 96,000     |
| Meg Energy Corporation                       |    | 1,880,000  |
| Ply Gem Industries, Inc.                     |    | 1,000,000  |
| Sturm Foods, Inc.                            |    | 500,000    |
| United Surgical Partners International, Inc. |    | 117,742    |
| Univision Communications                     |    | 973,323    |
| Valassis Communications, Inc.                |    | 320,000    |
|  | \$ | 24,015,439 |

The unrealized depreciation on these commitments of \$2,210,079 as of February 29, 2008 is reported as such on the Statement of Assets and Liabilities.

**NOTE 7 RIGHTS AND OTHER OFFERINGS**

As of February 29, 2008, outstanding share offerings pursuant to shelf registrations were as follows:

| Registration Date | Shares Registered | Shares Remaining |
|-------------------|-------------------|------------------|
| 9/15/98           | 25,000,000        | 12,372,589       |
| 3/04/99           | 5,000,000         | 3,241,645        |

On November 2, 2000, the Trust issued 3,600 shares each of Series M, Series W and Series F Auction Rate Cumulative Preferred Shares, \$0.01 Par Value, \$25,000 liquidation preference, for a total issuance of \$270 million. Also, on November 16, 2000, the Trust issued 3,600 shares of Series T and Series Th Auction Rate Cumulative Preferred Shares, \$0.01 Par Value, \$25,000, liquidation preference, for a total issuance of \$180

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million. The Trust used the net proceeds of the offering to partially pay down the then existing indebtedness and to purchase additional senior loans. Preferred Shares pay dividends based on a rate set at auctions, normally held every 7 days. In most instances dividends are also payable every 7 days, on the first business day following the end of the rate period. Preferred shares have no stated conversion, redemption or liquidation date, but may be redeemed at the election of the Trust. Such shares may only be redeemed by the Preferred Shareholders if the Trust fails to meet certain credit quality thresholds within its portfolio.

Since early February 2008, for the first time in the history of its auction rate preferred shares program, the Trust did not receive hold orders and purchase requests for its preferred shares during their weekly auctions that equaled the full amount of such shares. As a result the amount sold by each selling shareholder was reduced pro rata or to zero. In addition, the dividend rate on such preferred shares, which is normally set by means of a Dutch Auction procedure, automatically reset to the maximum rate permitted under the preferred shares program. That maximum rate is 150% of the applicable commercial paper base rate on the day of the auction.

### **NOTE 8 CUSTODIAL AGREEMENT**

State Street Bank and Trust Company ("SSB") serves as the Trust's custodian and recordkeeper. Custody fees paid to SSB are reduced by earnings credits based on the cash balances held by SSB for the Trust. There were no earnings credits for the year ended February 29, 2008.



## ING Prime Rate Trust

NOTES TO FINANCIAL STATEMENTS as of February 29, 2008 (continued)

**NOTE 9 SUBORDINATED LOANS AND UNSECURED LOANS**

The Trust may invest in subordinated loans and in unsecured loans. The primary risk arising from investing in subordinated loans or in unsecured loans is the potential loss in the event of default by the issuer of the loans. The Trust may acquire a subordinated loan only if, at the time of acquisition, it acquires or holds a senior loan from the same borrower. The Trust will acquire unsecured loans only where the Investment Adviser believes, at the time of acquisition, that the Trust would have the right to payment upon default that is not subordinate to any other creditor. Subject to the aggregate 20% limit on other investments, the Trust may invest up to 20% of its total assets in unsecured floating rate loans, notes and other debt instruments and 5% of its total assets in floating rate subordinated loans. As of February 29, 2008, the Trust held 0.3% of its total assets in subordinated loans and unsecured loans.

**NOTE 10 CAPITAL SHARES**

Transactions in capital shares and dollars were as follows:

|  | Prime Rate Trust                   |                                    |
|--|------------------------------------|------------------------------------|
|  | Year Ended<br>February 29,<br>2008 | Year Ended<br>February 28,<br>2007 |
| <b>Number of Shares</b>                          |                                    |                                    |
| Reinvestment of distributions from common shares | 58,938                             |                                    |
| Proceeds from shares sold                        | 2,320                              |                                    |
| Net increase in shares outstanding               | 61,258                             |                                    |
| <b>Dollar Amount (\$)</b>                        |                                    |                                    |
| Reinvestment of distributions from common shares | \$ 450,139                         | \$                                 |
| Proceeds from shares sold                        | 17,785                             |                                    |
| Net increase                                     | \$ 467,924                         | \$                                 |

**NOTE 11 FEDERAL INCOME TAXES**

The amount of distributions from net investment income and net realized capital gains are determined in accordance with federal income tax regulations, which may differ from U.S. generally accepted accounting principles for investment companies. These book/tax differences may be either temporary or permanent. Permanent differences are reclassified within the capital accounts based on their federal tax-basis treatment; temporary differences are not reclassified. Key differences include the treatment of short-term capital gains, foreign currency transactions, and wash sale deferrals. Distributions in excess of net investment income and/or net realized capital gains for tax purposes are reported as distributions of paid-in capital.

The following permanent tax differences have been reclassified as of February 29, 2008:

| Paid-in<br>Capital | Undistributed<br>Net Investment Income | Accumulated<br>Net Realized<br>Gains/(Losses) |
|--------------------|--|---|
| \$ (19,753,526)    | \$ (6,627,694)                         | \$ 26,381,220                                 |

Dividends paid by the Trust from net investment income and distributions of net realized short-term capital gains are, for federal income tax purposes, taxable as ordinary income to shareholders.

The tax composition of dividends and distributions to shareholders was as follows:

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Year Ended February 29, 2008

Year Ended February 28, 2007

Ordinary Income

Ordinary Income

\$ 105,297,662

\$ 102,371,727

## ING Prime Rate Trust

NOTES TO FINANCIAL STATEMENTS as of February 29, 2008 (continued)

**NOTE 11 FEDERAL INCOME TAXES (continued)**

The tax-basis components of distributable earnings and the expiration dates of the capital loss carryforwards which may be used to offset future realized capital gains for federal income tax purposes as of February 29, 2008 were:

| Unrealized<br>Appreciation/<br>(Depreciation) | Post-October<br>Currency<br>Losses<br>Deferred | Post-October<br>Capital<br>Losses<br>Deferred | Capital<br>Loss<br>Carryforwards | Expiration<br>Dates |
|---|--|---|----------------------------------|---------------------|
| \$ (194,491,261)                              | \$ (2,455,013)                                 | \$ (2,086,199)                                | \$ (847,193)                     | 2009                |
|   |  |   | (47,376,376)                     | 2010                |
|   |  |   | (97,064,717)                     | 2011                |
|   |  |   | (57,686,392)                     | 2012                |
|   |  |   | (22,421,058)                     | 2013                |
|   |  |   | (560,828)                        | 2014                |
|   |  |   | \$ (225,956,564)                 |                     |

The Trust's major tax jurisdictions are federal and Arizona. The earliest tax year that remains subject to examination by these jurisdictions is 2003.

**NOTE 12 OTHER ACCOUNTING PRONOUNCEMENTS**

In June 2006, the Financial Accounting Standards Board ("FASB") issued FASB Interpretation No. 48 ("FIN 48"), "Accounting for Uncertainty in Income Taxes." This standard defines the threshold for recognizing the benefits of tax-return positions in the financial statements as "more-likely-than-not" to be sustained upon challenge by the taxing authority and requires measurement of a tax position meeting the more-likely-than-not criterion, based on the largest benefit that is more than 50 percent likely to be realized. FIN 48 was effective for fiscal years beginning after December 15, 2006, with early application permitted if no interim financial statements have been issued. Acknowledging the unique issues that FIN 48 presents for investment companies that calculate NAVs, the SEC indicated that they would not object if a fund implemented FIN 48 in its NAV calculation as late as its last NAV calculation in the first required financial statement reporting period for its fiscal year beginning after December 15, 2006. At adoption, companies must adjust their financial statements to reflect only those tax positions that are more likely-than-not to be sustained as of the adoption date. Management of the Trust has analyzed the tax positions of the Trust. Upon adoption of FIN 48, we identified no uncertain tax positions that have not met the more likely-than-not standard.

On September 15, 2006, the FASB issued Statement of Financial Accounting Standards No. 157 ("SFAS No. 157"), "Fair Value Measurements." The new accounting statement defines fair value, establishes a framework for measuring fair value in generally accepted accounting principles ("GAAP"), and expands disclosures about fair value measurements. SFAS No. 157 defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (an exit price). SFAS No. 157 also stipulates that, as a market-based measurement, fair value should be determined based on the assumptions that market participants would use in pricing the asset or liability, and establishes a fair value hierarchy that distinguishes between (a) market participant assumptions developed based on market data obtained from sources independent of the reporting entity (observable inputs) and (b) the reporting entity's own assumptions about market participant assumptions developed based on the best information available in the circumstances (unobservable inputs). SFAS No. 157 is effective for financial statements issued for fiscal years beginning after November 15, 2007. As of February 29, 2008, management of the Trust is currently assessing the potential impact, in addition to expanded financial statement disclosure, that may result from adopting SFAS No. 157.

On March 19, 2008, the FASB issued Statement of Financial Accounting Standards No. 161 ("SFAS No. 161"), "Disclosure about Derivative Instruments and Hedging Activities." This new



ING Prime Rate Trust

NOTES TO FINANCIAL STATEMENTS as of February 29, 2008 (continued)

**NOTE 12 OTHER ACCOUNTING PRONOUNCEMENTS (continued)**

accounting statement requires enhanced disclosures about an entity's derivative and hedging activities. Entities are required to provide enhanced disclosures about (a) how and why an entity invests in derivatives, (b) how derivatives are accounted for under Statement 133, and (c) how derivatives affect an entity's financial position, financial performance, and cash flows. SFAS No. 161 also requires enhanced disclosures regarding credit-risk-related contingent features of derivative instruments.

SFAS No. 161 is effective for financial statements issued for fiscal years and interim periods beginning after November 15, 2008. As of February 29, 2008, management of the Trust is currently assessing the impact of the expanded financial statement disclosures that will result from adopting SFAS No. 161.

**NOTE 13 INFORMATION REGARDING TRADING OF ING'S US MUTUAL FUNDS**

As discussed in earlier supplements filed with the SEC, ING Investments, LLC ("Investments"), the adviser to the ING Funds, has reported to the Boards of Directors/Trustees (the "Boards") of the ING Funds that, like many U.S. financial services companies, Investments and certain of its U.S. affiliates have received informal and formal requests for information since September 2003 from various governmental and self-regulatory agencies in connection with investigations related to mutual funds and variable insurance products. Investments has advised the Boards that it and its affiliates have cooperated fully with each request.

In addition to responding to regulatory and governmental requests, Investments reported that management of U.S. affiliates of ING Groep N.V., including Investments (collectively, "ING"), on their own initiative, have conducted, through independent special counsel and a national accounting firm, an extensive internal review of trading in ING insurance, retirement, and mutual fund products. The goal of this review was to identify any instances of inappropriate trading in those products by third parties or by ING investment professionals and other ING personnel. ING's internal review related to mutual fund trading is now substantially completed. ING has reported that, of the millions of customer relationships that ING maintains, the internal review identified several isolated arrangements allowing third parties to engage in frequent trading of mutual funds within ING's variable insurance and mutual fund products, and identified other circumstances where frequent trading occurred, despite measures taken by ING intended to combat market timing. ING further reported that each of these arrangements has been terminated and fully disclosed to regulators. The results of the internal review were also reported to the independent members of the Boards.

Investments has advised the Boards that most of the identified arrangements were initiated prior to ING's acquisition of the businesses in question in the U.S. Investments further reported that the companies in question did not receive special benefits in return for any of these arrangements, which have all been terminated.

Based on the internal review, Investments has advised the Boards that the identified arrangements do not represent a systemic problem in any of the companies that were involved.

Despite the extensive internal review conducted through independent special counsel and a national accounting firm, there can be no assurance that the instances of inappropriate trading reported to the Boards are the only instances of such trading respecting the ING Funds.

Investments reported to the Boards that ING is committed to conducting its business with the highest standards of ethical conduct with zero tolerance for noncompliance. Accordingly, Investments advised the Boards that ING management was disappointed that its voluntary internal review identified these situations. Viewed in the context of the breadth and magnitude of its U.S. business as a whole, ING management does not believe that ING's acquired companies had systemic ethical or compliance issues in these areas. Nonetheless, Investments reported that given ING's

ING Prime Rate Trust

NOTES TO FINANCIAL STATEMENTS as of February 29, 2008 (continued)

**NOTE 13 INFORMATION REGARDING TRADING OF ING'S US MUTUAL FUNDS (continued)**

refusal to tolerate any lapses, it has taken the steps noted below, and will continue to seek opportunities to further strengthen the internal controls of its affiliates.

ING has agreed with the ING Funds to indemnify and hold harmless the ING Funds from all damages resulting from wrongful conduct by ING or its employees or from ING's internal investigation, any investigations conducted by any governmental or self-regulatory agencies, litigation or other formal proceedings, including any proceedings by the SEC. Investments reported to the Boards that ING management believes that the total amount of any indemnification obligations will not be material to ING or its U.S. business.

ING updated its Code of Conduct for employees reinforcing its employees' obligation to conduct personal trading activity consistent with the law, disclosed limits, and other requirements.

**Other Regulatory Matters**

The New York Attorney General (the "NYAG") and other federal and state regulators are also conducting broad inquiries and investigations involving the insurance industry. These initiatives currently focus on, among other things, compensation and other sales incentives; potential conflicts of interest; potential anti-competitive activity; reinsurance; marketing practices (including suitability); specific product types (including group annuities and indexed annuities); fund selection for investment products and brokerage sales; and disclosure. It is likely that the scope of these industry investigations will further broaden before they conclude. ING has received formal and informal requests in connection with such investigations, and is cooperating fully with each request.

Other federal and state regulators could initiate similar actions in this or other areas of ING's businesses. These regulatory initiatives may result in new legislation and regulation that could significantly affect the financial services industry, including businesses in which ING is engaged. In light of these and other developments, ING continuously reviews whether modifications to its business practices are appropriate. At this time, in light of the current regulatory factors, ING U.S. is actively engaged in reviewing whether any modifications in our practices are appropriate for the future.

There can be no assurance that these matters, or the adverse publicity associated with them, will not result in increased fund redemptions, reduced sale of fund shares, or other adverse consequences to ING Funds.

**NOTE 14 SUBSEQUENT EVENTS**

Subsequent to February 29, 2008, the Trust paid to Common Shareholders the following dividends from net investment income:

| Per Share Amount | Declaration Date | Record Date | Payable Date |
|------------------|------------------|-------------|--------------|
| \$ 0.044         | 2/29/08          | 3/10/08     | 3/25/08      |
| \$ 0.042         | 3/31/08          | 4/10/08     | 4/22/08      |

Subsequent to February 29, 2008, the Trust paid to Preferred Shareholders the following dividends from net investment income:

| Preferred Shares | Total Per Share Amount | Auction Dates     | Record Dates      | Payable Dates     | Average Rate |
|------------------|------------------------|-------------------|-------------------|-------------------|--------------|
| Series M         | \$ 129.15              | 03/03/08-04/14/08 | 03/10/08-04/21/08 | 03/11/08-04/22/08 | 3.796%       |
| Series T         | \$ 126.59              | 03/04/08-04/15/08 | 03/11/08-04/22/08 | 03/12/08-04/23/08 | 3.720%       |
| Series W         | \$ 126.98              | 03/05/08-04/16/08 | 03/12/08-04/23/08 | 03/13/08-04/24/08 | 3.732%       |
| Series Th        | \$ 127.56              | 03/06/08-04/17/08 | 03/13/08-04/24/08 | 03/14/08-04/25/08 | 3.673%       |
| Series F         | \$ 124.28              | 03/07/08-04/18/08 | 03/14/08-04/25/08 | 03/17/08-04/28/08 | 3.652%       |







## ING Prime Rate Trust

PORTFOLIO OF INVESTMENTS as of February 29, 2008

| <i>Principal Amount</i>              |           | <i>Borrower/Tranche Description</i>               | <i>Bank Loan Ratings (Unaudited)</i> |                | <i>Market Value</i> |
|--------------------------------------|-----------|---|--------------------------------------|----------------|---------------------|
|                                      |           |   | <i>Moody's</i>                       | <i>S&amp;P</i> |                     |
| <b>Senior Loans*: 185.3%</b>         |           |   |                                      |                |                     |
| <b>Aerospace &amp; Defense: 3.1%</b> |           |   |                                      |                |                     |
|                                      |           | <b>Avio Group</b>                                 | NR                                   | NR             |                     |
| EUR                                  | 708,333   | Term Loan, 6.425%, maturing December 13, 2014     |                                      |                | \$ 932,172          |
| \$                                   | 556,314   | Term Loan, 6.510%, maturing December 13, 2014     |                                      |                | 478,430             |
| EUR                                  | 708,333   | Term Loan, 7.050%, maturing December 13, 2015     |                                      |                | 936,880             |
| \$                                   | 590,346   | Term Loan, 7.468%, maturing December 13, 2015     |                                      |                | 510,649             |
|                                      |           | <b>Delta Air Lines, Inc.</b>                      | Ba2                                  | BB-            |                     |
|                                      | 1,417,500 | Term Loan, 6.832%, maturing April 30, 2012        |                                      |                | 1,217,869           |
|                                      |           | <b>Delta Air Lines, Inc.</b>                      | B2                                   | B              |                     |
|                                      | 2,487,500 | Term Loan, 8.082%, maturing April 30, 2012        |                                      |                | 2,114,375           |
|                                      |           | <b>Dyncorp International, LLC</b>                 | Ba2                                  | BB             |                     |
|                                      | 2,163,626 | Term Loan, 6.875%, maturing February 11, 2011     |                                      |                | 2,001,354           |
|                                      |           | <b>Hawker Beechcraft Acquisition Company, LLC</b> | Ba3                                  | BB             |                     |
|                                      | 6,762,532 | Term Loan, 6.830%, maturing March 26, 2014        |                                      |                | 6,278,592           |
|                                      | 712,208   | Term Loan, 6.930%, maturing March 26, 2014        |                                      |                | 661,241             |
|                                      |           | <b>Hexcel Corporation</b>                         | Ba1                                  | BB+            |                     |
|                                      | 582,999   | Term Loan, 5.862%, maturing March 01, 2012        |                                      |                | 565,510             |
|                                      |           | <b>McKechmie Aerospace DE, Inc.</b>               | Ba3                                  | B+             |                     |
|                                      | 995,000   | Term Loan, 6.772%, maturing May 11, 2014          |                                      |                | 875,600             |
|                                      |           | <b>Transdigm, Inc.</b>                            | Ba3                                  | BB-            |                     |
|                                      | 3,000,000 | Term Loan, 6.858%, maturing June 23, 2013         |                                      |                | 2,799,999           |
|                                      |           | <b>United Airlines, Inc.</b>                      | B1                                   | BB-            |                     |

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|                         |  |     |                   |
|-------------------------|--|-----|-------------------|
| 2,496,357               | Term Loan, 6.529%,<br>maturing<br>February 01, 2014  |     | 2,112,542         |
|                         | <b>US Airways Group,<br/>Inc.</b>                    | B2  | B+                |
| 6,200,000               | Term Loan, 5.625%,<br>maturing<br>March 24, 2014     |     | 4,903,816         |
|                         | <b>Wesco Aircraft<br/>Hardware<br/>Corporation</b>   | B1  | BB-               |
| 1,458,750               | Term Loan, 7.080%,<br>maturing<br>September 29, 2013 |     | 1,369,402         |
|                         |  |     | <b>27,758,431</b> |
| <b>Automobile: 3.0%</b> |  |     |                   |
|                         | <b>Dollar Thrifty<br/>Automotive Group,<br/>Inc.</b> | B1  | BB                |
| 746,250                 | Term Loan, 5.122%,<br>maturing June 15,<br>2014      |     | 643,641           |
|                         | <b>Ford Motor<br/>Company</b>                        | Ba3 | B+                |
| 1,231,281               | Term Loan, 8.000%,<br>maturing<br>December 15, 2013  |     | 1,057,876         |
|                         | <b>Hertz Corporation</b>                             | Ba1 | BB+               |
| 2,292,468               | Term Loan, 5.002%,<br>maturing<br>December 21, 2012  |     | 2,134,574         |
| 570,329                 | Term Loan, 6.660%,<br>maturing<br>December 21, 2012  |     | 531,047           |

See Accompanying Notes to Financial Statements

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## ING Prime Rate Trust

PORTFOLIO OF INVESTMENTS as of February 29, 2008 (continued)

| <i>Principal Amount</i>                   | <i>Borrower/Tranche Description</i>   | <i>Bank Loan Ratings (Unaudited)</i> |                | <i>Market Value</i> |
|---|---|--------------------------------------|----------------|---------------------|
|   |   | <i>Moody's</i>                       | <i>S&amp;P</i> |                     |
| <i>Automobile: (continued)</i>            |   |                                      |                |                     |
| \$ 4,477,500                              | <b>KAR Holdings, Inc.</b><br>Term Loan, 7.080%,<br>maturing<br>October 20, 2013                 | Ba3                                  | B+             | \$ 4,023,034        |
| 1,800,000                                 | <b>Navistar International Corporation</b><br>Term Loan, 7.276%,<br>maturing<br>January 19, 2012 | NR                                   | BB-            | 1,620,000           |
| 17,775,000                                | <b>Oshkosh Truck Corporation</b><br>Term Loan, 6.900%,<br>maturing<br>December 06, 2013         | Ba3                                  | BBB-           | 16,643,692          |
|   |   |                                      |                | <b>26,653,864</b>   |
| <i>Beverage, Food &amp; Tobacco: 4.4%</i> |   |                                      |                |                     |
| 50,090                                    | <b>Advance Food Company</b><br>Term Loan, 2.364%,<br>maturing<br>March 16, 2014                 | B1                                   | BB-            | 42,076              |
| 580,005                                   | Term Loan, 6.580%,<br>maturing<br>March 16, 2014  |                                      |                | 487,204             |
| 2,970,000                                 | <b>ARAMARK Corporation</b><br>Term Loan, 6.705%,<br>maturing<br>January 26, 2014                | Ba3                                  | BB             | 2,757,205           |
| 16,822,496                                | Term Loan, 6.705%,<br>maturing<br>January 26, 2014  |                                      |                | 15,617,198          |
| 1,447,943                                 | Term Loan, 7.223%,<br>maturing<br>January 26, 2014  |                                      |                | 1,344,201           |
| 859,167                                   | <b>Birds Eye Foods, Inc.</b><br>Term Loan, 6.580%,<br>maturing<br>March 22, 2013                | B1                                   | B+             | 762,510             |
| 1,200,000                                 | <b>Bumble Bee Foods, LLC</b><br>Term Loan, 5.521%,<br>maturing May 02,<br>2012                  | B1                                   | B+             | 1,116,000           |
| 3,850,000                                 | <b>Golden State Foods</b><br>Term Loan, 4.994%,<br>maturing<br>February 28, 2011                | B1                                   | B+             | 3,763,375           |

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|     |           |   |    |           |
|-----|-----------|---|----|-----------|
|     |           | <b>Iglo Birds Eye</b>                             | NR | NR        |
|     |           | Term Loan, 7.018%,<br>maturing                    |    |           |
| EUR | 51,247    | October 25, 2014                                  |    | 70,569    |
|     |           | Term Loan, 7.018%,<br>maturing                    |    |           |
| EUR | 380,330   | October 27, 2014                                  |    | 523,732   |
|     |           | Term Loan, 7.018%,<br>maturing                    |    |           |
| EUR | 568,424   | October 27, 2014                                  |    | 782,747   |
|     |           | Term Loan, 7.393%,<br>maturing                    |    |           |
| EUR | 51,247    | October 25, 2015                                  |    | 70,930    |
|     |           | Term Loan, 7.393%,<br>maturing                    |    |           |
| EUR | 380,330   | October 27, 2015                                  |    | 523,732   |
|     |           | Term Loan, 7.393%,<br>maturing                    |    |           |
| EUR | 568,424   | October 27, 2015                                  |    | 786,755   |
|     |           | <b>Pinnacle Foods<br/>Holding<br/>Corporation</b> | B2 | B         |
|     |           | Term Loan, 7.483%,<br>maturing April 02,<br>2014  |    |           |
| \$  | 5,671,500 |   |    | 5,013,963 |
|     |           | <b>Sturm Foods, Inc.</b>                          | B1 | B         |
|     |           | Term Loan, 5.813%,<br>maturing                    |    |           |
|     | 2,977,500 | January 31, 2014                                  |    | 2,243,049 |

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PORTFOLIO OF INVESTMENTS as of February 29, 2008 (continued)

| <i>Principal Amount</i>                                 |           | <i>Borrower/Tranche Description</i>  | <i>Bank Loan Ratings (Unaudited)</i> |                | <i>Market Value</i> |
|---|-----------|--|--------------------------------------|----------------|---------------------|
|   |           |  | <i>Moody's</i>                       | <i>S&amp;P</i> |                     |
| <b><i>Beverage, Food &amp; Tobacco: (continued)</i></b> |           |  |                                      |                |                     |
| GBP   | 1,476,692 | <b>United Biscuits</b><br>Term Loan, 7.962%,<br>maturing<br>December 14, 2014                    | NR                                   | NR             | \$ 2,566,025        |
| \$  | 89,550    | <b>Van Houtte, Inc.</b><br>Term Loan, 7.330%,<br>maturing July 19,<br>2014                       | B1                                   | BB-            | 83,282              |
|   | 656,700   | Term Loan, 7.330%,<br>maturing July 19,<br>2014  |                                      |                | 610,731             |
|   |           |  |                                      |                | <b>39,165,284</b>   |
| <b><i>Buildings &amp; Real Estate: 3.0%</i></b>         |           |  |                                      |                |                     |
|   | 9,913,155 | <b>Capital Automotive, L.P.</b><br>Term Loan, 5.020%,<br>maturing<br>December 16, 2010           | Ba1                                  | BB+            | 9,257,092           |
|   | 1,715,972 | <b>Contech Construction Products, Inc.</b><br>Term Loan, 5.191%,<br>maturing<br>January 31, 2013 | Ba3                                  | BB             | 1,501,476           |
|   | 4,288,276 | <b>Custom Building Products, Inc.</b><br>Term Loan, 6.977%,<br>maturing<br>October 29, 2011      | B1                                   | BB-            | 3,816,566           |
|   | 1,830,256 | <b>Headwaters, Inc.</b><br>Term Loan, 6.808%,<br>maturing April 30,<br>2011                      | Ba2                                  | BB+            | 1,747,894           |
|   | 4,268,161 | <b>John Maneely Company</b><br>Term Loan, 7.461%,<br>maturing<br>December 08, 2013               | B3                                   | B+             | 3,723,971           |
|   | 562,196   | <b>KCPC Acquisition, Inc.</b><br>Term Loan, 5.318%,<br>maturing May 22,<br>2014                  | Ba2                                  | B              | 500,354             |
|   | 189,655   | Term Loan, 7.000%,<br>maturing May 22,<br>2014   |                                      |                | 168,793             |
| EUR   | 441,573   | <b>LaFarge Roofing</b><br>Term Loan, 6.890%,<br>maturing June 14,<br>2015                        | NR                                   | NR             | 475,736             |

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|     |           |   |     |     |                   |
|-----|-----------|---|-----|-----|-------------------|
| EUR | 180,337   | Term Loan, 6.890%,<br>maturing June 14,<br>2015     |     |     | 194,289           |
| \$  | 169,425   | Term Loan, 6.955%,<br>maturing June 14,<br>2015     |     |     | 120,150           |
| EUR | 409,551   | Term Loan, 7.140%,<br>maturing<br>March 14, 2016    |     |     | 453,680           |
| EUR | 210,674   | Term Loan, 7.140%,<br>maturing<br>March 14, 2016    |     |     | 233,374           |
| \$  | 171,654   | Term Loan, 7.205%,<br>maturing<br>March 14, 2016    |     |     | 125,164           |
|     |           | <b>Nortek, Inc.</b>                                 | Ba2 | B+  |                   |
|     | 2,472,064 | Term Loan, 5.350%,<br>maturing<br>August 27, 2011   |     |     | 2,144,515         |
|     |           | <b>Ply Gem Industries,<br/>Inc.</b>                 | B1  | BB- |                   |
|     | 428,571   | Revolver, 2.799%,<br>maturing<br>February 12, 2009  |     |     | 353,571           |
|     |           | <b>Shea Capital I, LLC</b>                          | Ba3 | BB- |                   |
|     | 553,535   | Term Loan, 6.828%,<br>maturing<br>October 27, 2011  |     |     | 426,222           |
|     |           | <b>Tishman Speyer</b>                               | Ba2 | BB- |                   |
|     | 1,500,000 | Term Loan, 4.920%,<br>maturing<br>December 27, 2012 |     |     | 1,275,000         |
|     |           |   |     |     | <b>26,517,847</b> |

See Accompanying Notes to Financial Statements

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ING Prime Rate Trust

PORTFOLIO OF INVESTMENTS as of February 29, 2008 (continued)

| <i>Principal Amount</i>      | <i>Borrower/Tranche Description</i>           | <i>Bank Loan Ratings (Unaudited)</i> |                | <i>Market Value</i> |
|------------------------------|---|--------------------------------------|----------------|---------------------|
|                              |   | <i>Moody's</i>                       | <i>S&amp;P</i> |                     |
| <i>Cargo Transport: 2.2%</i> |   |                                      |                |                     |
|                              | <b>Baker Tanks, Inc.</b>                      | B1                                   | B              |                     |
| \$ 1,985,000                 | Term Loan, 5.333%, maturing May 08, 2014      |                                      |                | \$ 1,836,125        |
|                              | <b>Dockwise Transport, N.V.</b>               | NR                                   | NR             |                     |
| 1,094,819                    | Term Loan, 7.205%, maturing January 11, 2015  |                                      |                | 952,493             |
| 875,000                      | Term Loan, 7.205%, maturing January 11, 2015  |                                      |                | 761,250             |
| 875,000                      | Term Loan, 7.705%, maturing January 11, 2016  |                                      |                | 764,166             |
| 1,094,819                    | Term Loan, 7.705%, maturing January 11, 2016  |                                      |                | 956,142             |
| 500,000                      | Term Loan, 9.330%, maturing July 11, 2016     |                                      |                | 460,000             |
| 560,000                      | Term Loan, 9.330%, maturing October 20, 2016  |                                      |                | 515,200             |
|                              | <b>Gainey Corporation</b>                     | Caa1                                 | B-             |                     |
| 755,528                      | Term Loan, 10.000%, maturing April 20, 2012   |                                      |                | 498,648             |
|                              | <b>Greatwide Logistics Services, Inc.</b>     | B3                                   | B              |                     |
| 2,970,000                    | Term Loan, 8.330%, maturing December 19, 2013 |                                      |                | 2,361,150           |
|                              | <b>Inmar, Inc.</b>                            | B1                                   | B              |                     |
| 570,688                      | Term Loan, 7.330%, maturing April 29, 2013    |                                      |                | 496,498             |
|                              | <b>Kenan Advantage Group, Inc.</b>            | B3                                   | B+             |                     |
| 980,010                      | Term Loan, 7.580%, maturing December 16, 2011 |                                      |                | 891,809             |
|                              | <b>Neoplan USA Corporation</b>                | NR                                   | NR             |                     |
| 953,221                      | Term Loan, 11.008%, maturing June 30, 2006    |                                      |                | 88,406              |
|                              | <b>Railamerica Transportation Corporation</b> | NR                                   | NR             |                     |

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|                       |  |     |     |                   |
|-----------------------|--|-----|-----|-------------------|
| 4,200,000             | Term Loan, 5.320%,<br>maturing<br>August 14, 2008    |     |     | 3,969,000         |
|                       | <b>TNT Logistics</b>                                 | Ba2 | BB- |                   |
| 1,907,611             | Term Loan, 6.122%,<br>maturing<br>November 04, 2013  |     |     | 1,721,619         |
| 723,070               | Term Loan, 7.830%,<br>maturing<br>November 04, 2013  |     |     | 667,032           |
|                       | <b>US Shipping<br/>Partners, L.P.</b>                | B3  | B   |                   |
| 2,802,377             | Term Loan, 8.330%,<br>maturing March 31,<br>2012     |     |     | 2,276,931         |
|                       |  |     |     | <b>19,216,469</b> |
| <b>Cellular: 2.9%</b> |  |     |     |                   |
|                       | <b>Alltel<br/>Communications,<br/>Inc.</b>           | Ba3 | BB- |                   |
| 3,739,375             | Term Loan, 5.866%,<br>maturing May 16,<br>2015       |     |     | 3,401,769         |
| 2,000,000             | Term Loan, 4.991%<br>maturing May 16,<br>2015        |     |     | 1,819,432         |
|                       | <b>Centennial<br/>Communications<br/>Corporation</b> | Ba2 | BB- |                   |
| 10,085,631            | Term Loan, 6.705%,<br>maturing<br>February 09, 2011  |     |     | 9,641,863         |
|                       | <b>Cricket<br/>Communications,<br/>Inc.</b>          | Ba2 | B+  |                   |
| 5,910,000             | Term Loan, 7.830%,<br>maturing June 16,<br>2013      |     |     | 5,660,468         |
|                       | <b>NTELOS, Inc.</b>                                  | Ba3 | BB- |                   |
| 4,322,237             | Term Loan, 5.271%,<br>maturing<br>August 24, 2011    |     |     | 4,122,333         |

See Accompanying Notes to Financial Statements



## ING Prime Rate Trust

PORTFOLIO OF INVESTMENTS as of February 29, 2008 (continued)

| <i>Principal Amount</i>                       | <i>Borrower/Tranche Description</i>       | <i>Bank Loan Ratings (Unaudited)</i>           |                | <i>Market Value</i> |
|---|---|--|----------------|---------------------|
|   |   | <i>Moody's</i>                                 | <i>S&amp;P</i> |                     |
| <b>Cellular: (continued)</b>                  |   |  |                |                     |
|   | <b>Telepak, Inc. / Cellular South</b>     | Ba3  | B+             |                     |
| \$  | 1,488,833                                 | Term Loan, 4.665%, maturing May 29, 2014       |                | \$ 1,384,615        |
|   |   |  |                | <b>26,030,480</b>   |
| <b>Chemicals, Plastics &amp; Rubber: 8.1%</b> |   |  |                |                     |
|   | <b>AZ Chem US, Inc.</b>                   | B1   | BB-            |                     |
| EUR   | 753,893                                   | Term Loan, 6.996%, maturing February 28, 2013  |                | 937,726             |
|   | <b>AZ Chem US, Inc.</b>                   | Caa1   | CCC+           |                     |
| \$  | 333,333                                   | Term Loan, 8.590%, maturing February 28, 2014  |                | 200,000             |
|   | <b>Borsodchem Nyrt.</b>                   | NR   | NR             |                     |
| EUR   | 804,394                                   | Term Loan, 6.593%, maturing March 26, 2015     |                | 1,066,227           |
|   | <b>Borsodchem Nyrt.</b>                   | NR   | NR             |                     |
| EUR   | 804,394                                   | Term Loan, 7.075%, maturing March 26, 2016     |                | 1,072,337           |
|   | <b>Brenntag Holding GmbH &amp; Co. KG</b> | B1   | B+             |                     |
| \$  | 1,178,182                                 | Term Loan, 5.794%, maturing January 17, 2014   |                | 1,025,755           |
|   | <b>Brenntag Holding GmbH &amp; Co. KG</b> | B1   | B+             |                     |
|   | 3,621,818                                 | Term Loan, 5.794%, maturing January 17, 2014   |                | 3,153,245           |
|   | <b>Celanese</b>                           | Ba3  | BB+            |                     |
|   | 3,200,000                                 | Term Loan, 3.144%, maturing April 02, 2014     |                | 3,000,445           |
|   | 6,947,500                                 | Term Loan, 6.479%, maturing April 02, 2014     |                | 6,514,247           |
|   | <b>Cristal Inorganic Chemicals, Inc.</b>  | Ba3  | BB-            |                     |
|   | 2,900,000                                 | Term Loan, 7.080%, maturing May 15, 2014       |                | 2,320,000           |
|   | <b>Cristal Inorganic Chemicals, Inc.</b>  | B3   | CCC+           |                     |
|   | 900,000                                   | Term Loan, 10.580%, maturing November 15, 2014 |                | 616,500             |
|   | <b>Flint Group</b>                        | NR   | NR             |                     |
|   | 936,821                                   | Term Loan, 7.393%, maturing                    |                | 815,034             |

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|     |           |   |     |           |
|-----|-----------|---|-----|-----------|
|     |           | December 31, 2012                               |     |           |
|     | 353,279   | Term Loan, 7.393%,<br>maturing                  |     | 307,353   |
|     |           | December 31, 2014                               |     |           |
| EUR | 666,667   | Term Loan, 7.002%,<br>maturing May 29,<br>2015  |     | 886,200   |
|     |           | Term Loan, 7.393%,<br>maturing May 29,<br>2015  |     | 2,030,000 |
| \$  | 2,333,333 | Term Loan, 7.393%,<br>maturing                  |     |           |
|     | 1,290,100 | December 31, 2015                               |     | 1,128,838 |
|     |           | <b>Hawkeye<br/>Renewables, LLC</b>              | B3  | NR        |
|     | 3,693,750 | Term Loan, 7.234%,<br>maturing June 30,<br>2012 |     | 2,677,969 |
|     |           | <b>Hexion Specialty<br/>Chemicals, Inc.</b>     | Ba3 | B+        |
|     | 2,468,750 | Term Loan, 5.375%,<br>maturing May 05,<br>2013  |     | 2,273,993 |
|     | 7,846,851 | Term Loan, 7.000%,<br>maturing May 05,<br>2013  |     | 7,227,820 |
|     | 1,703,188 | Term Loan, 7.125%,<br>maturing May 05,<br>2013  |     | 1,568,825 |
|     | 995,000   | Term Loan, 7.125%,<br>maturing May 05,<br>2013  |     | 916,505   |
|     | 1,176,000 | Term Loan, 7.474%,<br>maturing May 05,<br>2013  |     | 1,083,227 |
|     |           | <b>Ineos US Finance,<br/>LLC</b>                | Ba3 | BB-       |
|     | 2,150,615 | Term Loan, 7.357%,<br>maturing                  |     |           |
|     |           | December 16, 2012                               |     | 1,835,416 |

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PORTFOLIO OF INVESTMENTS as of February 29, 2008 (continued)

| <i>Principal Amount</i>                              | <i>Borrower/Tranche Description</i>  | <i>Bank Loan Ratings (Unaudited)</i> |                | <i>Market Value</i> |
|--|--|--------------------------------------|----------------|---------------------|
|  |  | <i>Moody's</i>                       | <i>S&amp;P</i> |                     |
| <b>Chemicals, Plastics &amp; Rubber: (continued)</b> |  |                                      |                |                     |
| \$ 2,854,474   | Term Loan, 7.357%, maturing December 16, 2013  |                                      |                | \$ 2,538,341        |
| 2,853,691  | Term Loan, 7.857%, maturing December 16, 2014  |                                      |                | 2,537,645           |
| 3,482,500  | <b>ISP Chemco, Inc.</b> Term Loan, 5.294%, maturing June 04, 2014                    | Ba3                                  | BB-            | 3,149,486           |
| 503,580  | <b>JohnsonDiversey, Inc.</b> Term Loan, 5.112%, maturing December 16, 2010           | Ba2                                  | BB-            | 472,946             |
| 2,612,396  | Term Loan, 5.112%, maturing December 16, 2011  |                                      |                | 2,453,476           |
| 1,582,434  | <b>Kraton Polymers, LLC</b> Term Loan, 6.750%, maturing May 12, 2013                 | Ba3                                  | B+             | 1,388,586           |
| 1,032,977  | <b>Lucite International US Finco, Ltd.</b> Term Loan, 5.500%, maturing July 07, 2013 | Ba3                                  | BB-            | 890,943             |
| 701,155  | Term Loan, 5.500%, maturing July 07, 2013  |                                      |                | 604,746             |
| 1,698,375  | <b>MacDermid, Inc.</b> Term Loan, 6.830%, maturing April 12, 2014                    | B1                                   | BB-            | 1,426,635           |
| EUR 832,042  | Term Loan, 7.021%, maturing April 12, 2014   |                                      |                | 1,011,231           |
| 1,073,171  | <b>Northeast Biofuels, LLC</b> Term Loan, 8.080%, maturing June 30, 2013             | B1                                   | B+             | 965,854             |
| 3,316,666  | <b>Polypore, Inc.</b> Term Loan, 5.370%, maturing July 03, 2014                      | Ba3                                  | BB-            | 2,918,666           |
| 9,725,235  | <b>Rockwood Specialties Group, Inc.</b> Term Loan, 4.744%, maturing                  | Ba2                                  | BB+            | 9,161,978           |

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December 13, 2013

72,178,195

*Containers, Packaging & Glass: 5.3%*

|     |            |   |     |      |            |
|-----|------------|---|-----|------|------------|
|     |            | <b>Berry Plastics Corporation</b>                               | B1  | BB-  |            |
|     |            | Term Loan, 5.095%, maturing April 03, 2015                      |     |      | 8,626,449  |
|     | 9,941,169  |   |     |      |            |
|     |            | <b>Graham Packaging Company</b>                                 | B1  | B+   |            |
|     |            | Term Loan, 7.253%, maturing October 07, 2011                    |     |      | 11,944,837 |
|     | 13,101,000 |   |     |      |            |
|     |            | <b>Graphic Packaging International, Inc.</b>                    | Ba2 | BB-  |            |
|     |            | Term Loan, 6.032%, maturing May 16, 2014                        |     |      | 7,085,168  |
|     | 7,866,343  |   |     |      |            |
|     |            | <b>Klockner Pentaplast</b>                                      | NR  | NR   |            |
|     |            | Term Loan, 7.043%, maturing January 03, 2016                    |     |      | 1,485,000  |
|     | 2,000,000  |   |     |      |            |
| EUR | 1,019,453  | Term Loan, 7.116%, maturing January 03, 2016                    |     |      | 1,113,167  |
| EUR | 480,547    | Term Loan, 7.116%, maturing January 03, 2016                    |     |      | 524,721    |
|     |            | <b>Mauser AG</b>  | NR  | NR   |            |
| EUR | 625,000    | Term Loan, 6.561%, maturing June 13, 2013                       |     |      | 699,070    |
| EUR | 625,000    | Term Loan, 6.811%, maturing June 13, 2014                       |     |      | 703,817    |
| \$  | 842,699    | Term Loan, 5.498%, maturing June 13, 2015                       |     |      | 620,437    |
|     | 842,699    | Term Loan, 5.748%, maturing June 13, 2016                       |     |      | 624,651    |
| EUR | 2,154,375  | <b>Owens-Illinois</b> Term Loan, 5.677%, maturing June 14, 2013 | Ba2 | BBB- | 2,929,270  |

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## ING Prime Rate Trust

PORTFOLIO OF INVESTMENTS as of February 29, 2008 (continued)

| <i>Principal Amount</i>                               | <i>Borrower/Tranche Description</i>   | <i>Bank Loan Ratings (Unaudited)</i> |                | <i>Market Value</i> |
|---|---|--------------------------------------|----------------|---------------------|
|   |   | <i>Moody's</i>                       | <i>S&amp;P</i> |                     |
| <i>Containers, Packaging &amp; Glass: (continued)</i> |   |                                      |                |                     |
| \$ 2,456,250  | <b>Pro Mach, Inc.</b><br>Term Loan, 7.080%,<br>maturing<br>December 01, 2011                              | B1                                   | B              | \$ 2,296,594        |
| 1,575,522   | <b>Smurfit-Stone<br/>Container<br/>Corporation</b><br>Term Loan, 6.638%,<br>maturing<br>November 01, 2011 | Ba2                                  | BB             | 1,494,974           |
| 3,126,468   | Term Loan, 6.704%,<br>maturing<br>November 01, 2011   |                                      |                | 2,968,841           |
| 496,250   | <b>Tegrant Holding<br/>Company</b><br>Term Loan, 7.600%,<br>maturing<br>March 08, 2014                    | B2                                   | BB-            | 357,300             |
| 500,000   | <b>Tegrant Holding<br/>Company</b><br>Term Loan,<br>10.350%, maturing<br>March 08, 2015                   | Caa2                                 | CCC+           | 247,500             |
| 4,247,314   | <b>Xerium<br/>Technologies, Inc.</b><br>Term Loan, 7.580%,<br>maturing May 18,<br>2012                    | B2                                   | B+             | 3,684,545           |
|   |   |                                      |                | <b>47,406,341</b>   |
| <i>Data and Internet Services: 9.4%</i>               |   |                                      |                |                     |
| 930,897   | <b>Activant Solutions,<br/>Inc.</b><br>Term Loan, 6.771%,<br>maturing May 02,<br>2013                     | B1                                   | B+             | 800,572             |
| 1,741,667   | <b>Acxiom<br/>Corporation</b><br>Term Loan, 5.840%,<br>maturing<br>September 15, 2012                     | Ba2                                  | BB+            | 1,584,917           |
| EUR 768,581   | <b>Amadeus IT Group,<br/>S.A.</b><br>Term Loan, 6.959%,<br>maturing May 04,<br>2015                       | NR                                   | NR             | 998,322             |
| EUR 768,581   | Term Loan, 7.209%,<br>maturing May 04,<br>2016  |                                      |                | 1,004,403           |
| \$ 3,105,857  | <b>Audatex</b><br>Term Loan, 7.063%,<br>maturing May 16,  | B1                                   | BB-            | 2,764,213           |

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|            |   |     |            |
|------------|---|-----|------------|
|            | 2014                                      |     |            |
|            | <b>Carlson Wagonlit Holdings, B.V.</b>    | Ba2 | BB-        |
|            | Term Loan, 5.501%, maturing               |     |            |
| 2,750,000  | August 03, 2012                           |     | 2,392,500  |
|            | <b>First Data Corporation</b>             | Ba3 | BB-        |
|            | Term Loan, 7.630%, maturing               |     |            |
| 4,485,681  | September 24, 2014                        |     | 4,088,824  |
|            | Term Loan, 7.630%, maturing               |     |            |
| 249,375    | September 24, 2014                        |     | 227,498    |
|            | Term Loan, 7.630%, maturing               |     |            |
| 2,198,337  | September 30, 2014                        |     | 2,004,059  |
|            | <b>Open Text Corporation</b>              | Ba3 | BB         |
|            | Term Loan, 5.372%, maturing               |     |            |
| 1,325,972  | October 02, 2013                          |     | 1,277,905  |
|            | <b>Orbitz</b>                             | B1  | BB-        |
|            | Term Loan, 6.965%, maturing July 25, 2014 |     |            |
| 10,473,750 |   |     | 9,164,531  |
|            | <b>Reynolds &amp; Reynolds Company</b>    | Ba2 | BB         |
|            | Term Loan, 6.843%, maturing               |     |            |
| 9,957,012  | October 26, 2012                          |     | 8,762,171  |
|            | <b>Sabre, Inc.</b>                        | B1  | B+         |
|            | Term Loan, 5.244%, maturing               |     |            |
| 15,958,689 | September 30, 2014                        |     | 13,309,179 |

See Accompanying Notes to Financial Statements

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PORTFOLIO OF INVESTMENTS as of February 29, 2008 (continued)

| <i>Principal Amount</i>                               | <i>Borrower/Tranche Description</i>           | <i>Bank Loan Ratings (Unaudited)</i> |                | <i>Market Value</i> |
|---|---|--------------------------------------|----------------|---------------------|
|   |   | <i>Moody's</i>                       | <i>S&amp;P</i> |                     |
| <i>Data and Internet Services: (continued)</i>        |   |                                      |                |                     |
|   | <b>Sitel, LLC</b>                             | B2                                   | B+             |                     |
| \$ 3,893,842  | Term Loan, 5.900%, maturing January 30, 2014  |                                      |                | \$ 3,134,543        |
|   | <b>Sungard Data Systems, Inc.</b>             | Ba3                                  | BB             |                     |
| 28,249,874  | Term Loan, 5.128%, maturing February 28, 2014 |                                      |                | 26,170,853          |
|   | <b>Transaction Network Services, Inc.</b>     | B1                                   | BB-            |                     |
| 2,310,780   | Term Loan, 7.479%, maturing March 28, 2014    |                                      |                | 2,114,364           |
|   | <b>Travelport, Inc.</b>                       | Ba3                                  | BB-            |                     |
| 289,971   | Term Loan, 7.080%, maturing August 23, 2013   |                                      |                | 256,036             |
| 1,445,156   | Term Loan, 7.080%, maturing August 23, 2013   |                                      |                | 1,276,028           |
| 995,000   | Term Loan, 7.080%, maturing May 23, 2014      |                                      |                | 877,777             |
|   | <b>Verifone, Inc.</b>                         | B1                                   | BB             |                     |
| 1,057,500   | Term Loan, 5.250%, maturing October 31, 2013  |                                      |                | 983,475             |
|   |   |                                      |                | <b>83,192,170</b>   |
| <i>Diversified / Conglomerate Manufacturing: 3.9%</i> |   |                                      |                |                     |
|   | <b>BOC Edwards</b>                            | B1                                   | BB             |                     |
| 2,238,750   | Term Loan, 5.085%, maturing May 31, 2014      |                                      |                | 1,499,963           |
|   | <b>Brand Services, Inc.</b>                   | B1                                   | B              |                     |
| 2,851,721   | Term Loan, 6.971%, maturing February 07, 2014 |                                      |                | 2,680,617           |
| 1,246,875   | Term Loan, 8.125%, maturing February 07, 2014 |                                      |                | 1,172,063           |
|   | <b>Brand Services, Inc.</b>                   | Caa1                                 | CCC+           |                     |
| 1,600,000   | Term Loan, 9.238%, maturing February 07, 2015 |                                      |                | 1,458,000           |
| 4,910,577   | <b>Dresser, Inc.</b>                          | B2                                   | B+             | 4,552,105           |

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|     |           |   |     |           |
|-----|-----------|---|-----|-----------|
|     |           | Term Loan, 5.566%,<br>maturing May 04,<br>2014      |     |           |
|     |           | <b>EPD, Inc.</b>                                    | B1  | B+        |
|     | 437,500   | Term Loan, 5.630%,<br>maturing July 31,<br>2014     |     | 363,672   |
|     | 3,054,844 | Term Loan, 5.750%,<br>maturing July 31,<br>2014     |     | 2,539,339 |
|     |           | <b>Ferretti, S.P.A</b>                              | NR  | NR        |
| EUR | 600,000   | Term Loan, 4.715%,<br>maturing<br>January 21, 2008  |     | 785,275   |
| EUR | 600,000   | Term Loan, 4.715%,<br>maturing<br>January 22, 2008  |     | 780,717   |
|     |           | <b>Flextronics<br/>International, Ltd.</b>          | Ba1 | BB+       |
| \$  | 691,825   | Term Loan, 7.394%,<br>maturing<br>October 01, 2014  |     | 646,280   |
|     | 198,322   | Term Loan, 7.455%,<br>maturing<br>October 01, 2014  |     | 185,266   |
|     |           | <b>Generac Power<br/>Systems, Inc.</b>              | B1  | B         |
|     | 4,410,000 | Term Loan, 7.203%,<br>maturing<br>November 09, 2013 |     | 3,679,201 |
|     |           | <b>Gentek Holding<br/>Corporation</b>               | Ba3 | BB-       |
|     | 382,635   | Term Loan, 6.330%,<br>maturing<br>February 28, 2011 |     | 353,459   |

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PORTFOLIO OF INVESTMENTS as of February 29, 2008 (continued)

| <i>Principal Amount</i>                                      | <i>Borrower/Tranche Description</i>           | <i>Bank Loan Ratings (Unaudited)</i> |                | <i>Market Value</i> |
|--|---|--------------------------------------|----------------|---------------------|
|  |   | <i>Moody's</i>                       | <i>S&amp;P</i> |                     |
| <i>Diversified / Conglomerate Manufacturing: (continued)</i> |   |                                      |                |                     |
| \$ 2,134,193   | Term Loan, 6.347%, maturing February 28, 2011 |                                      |                | \$ 1,971,461        |
|  | <b>Mueller Group, Inc.</b>                    | Ba3                                  | BB+            |                     |
| 3,757,345  | Term Loan, 5.129%, maturing May 24, 2014      |                                      |                | 3,437,971           |
|  | <b>Norcross Safety Products, LLC</b>          | Ba1                                  | BB             |                     |
| 960,980  | Term Loan, 5.125%, maturing June 30, 2012     |                                      |                | 893,712             |
|  | <b>Rexnord Corporation / RBS Global, Inc.</b> | Ba2                                  | BB-            |                     |
| 968,485  | Term Loan, 7.401%, maturing July 19, 2013     |                                      |                | 878,900             |
|  | <b>Sensata Technologies</b>                   | Ba3                                  | BB             |                     |
| 4,137,000  | Term Loan, 5.056%, maturing April 27, 2013    |                                      |                | 3,540,089           |
|  | <b>Sensus Metering Systems, Inc.</b>          | Ba3                                  | BB             |                     |
| 1,495,652  | Term Loan, 5.763%, maturing December 17, 2010 |                                      |                | 1,346,087           |
| 97,174   | Term Loan, 6.878%, maturing December 17, 2010 |                                      |                | 87,457              |
|  | <b>Springs Window Fashions, LLC</b>           | B1                                   | B+             |                     |
| 1,434,427  | Term Loan, 7.625%, maturing December 31, 2012 |                                      |                | 1,032,788           |
|  | <b>Textron Fastening Systems</b>              | B2                                   | B+             |                     |
| 493,750  | Term Loan, 8.330%, maturing August 11, 2013   |                                      |                | 459,188             |
|  |   |                                      |                | <b>34,343,610</b>   |
| <i>Diversified / Conglomerate Service: 4.4%</i>              |   |                                      |                |                     |
|  | <b>Affinion Group</b>                         | Ba2                                  | BB             |                     |
| 3,937,668  | Term Loan, 5.572%, maturing October 17, 2012  |                                      |                | 3,629,219           |
| 2,648,250  | <b>AlixPartners, LLP</b>                      | B1                                   | BB-            |                     |
|  | Term Loan, 6.380%, maturing                   |                                      |                | 2,449,631           |

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|     |           |   |     |           |
|-----|-----------|---|-----|-----------|
|     |           | October 12, 2013  |     |           |
|     |           | <b>Brickman Group</b>   | Ba3 | BB-       |
|     |           | Term Loan, 7.143%,<br>maturing                                  |     |           |
|     | 1,985,000 | January 23, 2014  |     | 1,816,275 |
|     |           | <b>Brock Holdings,<br/>Inc.</b>                                 | B1  | B         |
|     |           | Term Loan, 7.142%,<br>maturing                                  |     |           |
|     | 1,488,750 | February 26, 2014   |     | 1,317,544 |
|     |           | <b>Catalina Marketing<br/>Corporation</b>                       | Ba3 | BB-       |
|     |           | Term Loan, 7.830%,<br>maturing                                  |     |           |
|     | 2,992,500 | October 01, 2014  |     | 2,748,112 |
|     |           | <b>Coach America<br/>Holdings, Inc.</b>                         | B2  | B         |
|     |           | Term Loan, 6.200%,<br>maturing April 20,<br>2014                |     |           |
|     | 1,714,701 |   |     | 1,144,563 |
|     |           | Term Loan, 7.680%,<br>maturing April 20,<br>2014                |     |           |
|     | 442,989   |   |     | 295,695   |
|     |           | <b>Fleetcor<br/>Technologies<br/>Operating<br/>Company, LLC</b> | Ba3 | B+        |
|     |           | Term Loan, 5.511%,<br>maturing                                  |     |           |
|     | 578,958   | April 30, 2013  |     | 523,957   |
|     |           | <b>Intergraph<br/>Corporation</b>                               | Ba3 | BB-       |
|     |           | Term Loan, 5.092%,<br>maturing May 29,<br>2014                  |     |           |
|     | 1,884,107 |   |     | 1,723,958 |
|     |           | <b>ISS Global A/S</b>   | NR  | NR        |
|     |           | Term Loan, 6.949%,<br>maturing                                  |     |           |
| EUR | 122,807   | December 31, 2013   |     | 164,035   |

See Accompanying Notes to Financial Statements

## ING Prime Rate Trust

PORTFOLIO OF INVESTMENTS as of February 29, 2008 (continued)

| <i>Principal Amount</i>   |            | <i>Borrower/Tranche Description</i>           | <i>Bank Loan Ratings (Unaudited)</i> |                | <i>Market Value</i> |
|---|------------|---|--------------------------------------|----------------|---------------------|
|   |            |   | <i>Moody's</i>                       | <i>S&amp;P</i> |                     |
| <i>Diversified / Conglomerate Service: (continued)</i>                |            |   |                                      |                |                     |
| EUR   | 877,193    | Term Loan, 6.949%, maturing December 31, 2013 |                                      |                | \$ 1,171,675        |
|   |            | <b>ISTA International GmbH</b>                | NR                                   | NR             |                     |
| EUR   | 1,668,522  | Term Loan, 6.769%, maturing June 30, 2015     |                                      |                | 2,105,168           |
| EUR   | 331,478    | Term Loan, 6.769%, maturing June 30, 2015     |                                      |                | 418,224             |
|   |            | <b>Mitchell International, Inc.</b>           | Ba3                                  | B+             |                     |
| \$  | 446,625    | Term Loan, 6.843%, maturing March 28, 2014    |                                      |                | 395,263             |
|   |            | <b>Mitchell International, Inc.</b>           | Caa1                                 | B+             |                     |
|   | 250,000    | Term Loan, 10.125%, maturing March 28, 2015   |                                      |                | 210,000             |
|   |            | <b>Valley National Gases, Inc.</b>            | Ba3                                  | BB-            |                     |
|   | 1,965,879  | Term Loan, 6.741%, maturing February 28, 2014 |                                      |                | 1,670,997           |
|   |            | <b>Valley National Gases, Inc.</b>            | B3                                   | CCC+           |                     |
|   | 250,000    | Term Loan, 9.122%, maturing August 28, 2014   |                                      |                | 212,500             |
|   |            | <b>Valleycrest Companies, LLC</b>             | B1                                   | B+             |                     |
|   | 1,981,898  | Term Loan, 7.131%, maturing October 04, 2013  |                                      |                | 1,744,071           |
|   |            | <b>Vertafore, Inc.</b>                        | B1                                   | B              |                     |
|   | 3,076,808  | Term Loan, 5.593%, maturing January 31, 2012  |                                      |                | 2,861,432           |
|   |            | <b>West Corporation</b>                       | B1                                   | BB-            |                     |
|   | 14,417,803 | Term Loan, 5.744%, maturing October 24, 2013  |                                      |                | 12,338,035          |
|   |            |   |                                      |                | <b>38,940,354</b>   |
| <i>Diversified Nat'l Rsrchs, Precious Metals &amp; Minerals: 3.6%</i> |            |   |                                      |                |                     |
|   |            | <b>Georgia Pacific Corporation</b>            | Ba2                                  | BB+            |                     |
|   | 34,692,011 | Term Loan, 6.696%, maturing                   |                                      |                | 32,064,091          |

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December 20, 2012

**32,064,091**

**Ecological: 0.4%**

**Allied Waste North America, Inc.**

Ba3

BBB-

Term Loan, 4.599%, maturing

572,651

January 15, 2012

539,455

Term Loan, 6.000%, maturing

629,351

January 15, 2012

592,868

**IESI Corporation**

B1

BB+

Term Loan, 6.610%, maturing

1,800,000

January 21, 2012

1,656,000

**Synagro Technologies, Inc.**

Ba3

BB-

Term Loan, 5.088%, maturing April 02, 2014

895,500

754,459

**Synagro Technologies, Inc.**

Caa1

B-

Term Loan, 7.820%, maturing

485,000

October 02, 2014

380,725

**3,923,507**

**Electronics: 1.6%**

**Decision One**

NR

NR

Term Loan, 12.000%, maturing

1,674,773

April 15, 2010

1,507,296

See Accompanying Notes to Financial Statements

## ING Prime Rate Trust

PORTFOLIO OF INVESTMENTS as of February 29, 2008 (continued)

| <i>Principal Amount</i>         | <i>Borrower/Tranche Description</i> | <i>Bank Loan Ratings (Unaudited)</i>                  |                | <i>Market Value</i> |                   |
|---------------------------------|-------------------------------------|---|----------------|---------------------|-------------------|
|                                 |                                     | <i>Moody's</i>  | <i>S&amp;P</i> |                     |                   |
| <b>Electronics: (continued)</b> |                                     |   |                |                     |                   |
| \$                              | 4,100,503                           | <b>Freescale Semiconductor, Inc.</b>                  | Ba1            | BB                  |                   |
|                                 |                                     | Term Loan, 5.014%, maturing December 01, 2013         |                |                     | \$ 3,498,241      |
|                                 | 494,761                             | <b>Infor Global Solutions</b>                         | B1             | B+                  | 426,355           |
|                                 |                                     | Term Loan, 7.580%, maturing July 28, 2012             |                |                     |                   |
| EUR                             | 742,500                             | Term Loan, 7.771%, maturing July 28, 2012             |                |                     | 902,405           |
| \$                              | 106,069                             | Term Loan, 8.580%, maturing July 28, 2012             |                |                     | 95,992            |
|                                 | 203,298                             | Term Loan, 8.580%, maturing March 02, 2014            |                |                     | 183,985           |
|                                 |                                     | <b>Infor Global Solutions</b>                         | Caa2           | CCC+                |                   |
| EUR                             | 500,000                             | Term Loan, 10.976%, maturing March 02, 2014           |                |                     | 603,882           |
|                                 |                                     | <b>Kronos, Inc.</b>                                   | Ba3            | B+                  |                   |
| \$                              | 2,469,643                           | Term Loan, 7.080%, maturing June 11, 2014             |                |                     | 2,009,672         |
|                                 | 1,750,000                           | <b>NXP, B.V.</b>                                      | Ba3            | BB-                 | 1,413,125         |
|                                 |                                     | Floating Rate Note, 7.008%, maturing October 15, 2013 |                |                     |                   |
| EUR                             | 1,500,000                           | Floating Rate Note, 7.326%, maturing October 15, 2013 |                |                     | 1,754,676         |
|                                 |                                     | <b>ON Semiconductor</b>                               | Ba1            | BB                  |                   |
| \$                              | 1,985,000                           | Term Loan, 6.580%, maturing September 03, 2013        |                |                     | 1,766,650         |
|                                 |                                     |   |                |                     | <b>14,162,279</b> |
| <b>Finance: 1.6%</b>            |                                     |   |                |                     |                   |
|                                 | 7,449,969                           | <b>LPL Holdings, Inc.</b>                             | B1             | B                   | 6,649,097         |
|                                 |                                     | Term Loan, 6.830%, maturing June 28, 2013             |                |                     |                   |
|                                 | 2,411,071                           | <b>Rent-A-Center, Inc.</b>                            | Ba2            | BB+                 | 2,209,144         |
|                                 |                                     | Term Loan, 5.766%, maturing June 30, 2012             |                |                     |                   |
|                                 |                                     | <b>Riskmetrics</b>                                    | Ba3            | BB                  |                   |

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|  |           |   |     |    |                   |
|--|-----------|---|-----|----|-------------------|
|  | 1,389,500 | Term Loan, 7.080%,<br>maturing<br>January 11, 2014      |     |    | 1,321,762         |
|  |           | <b>TD Ameritrade<br/>Holding<br/>Corporation</b>        | Ba1 | BB |                   |
|  | 3,834,062 | Term Loan, 4.620%,<br>maturing<br>December 31, 2012     |     |    | 3,601,357         |
|  |           |   |     |    | <b>13,781,360</b> |
| <b><i>Foreign Cable, Foreign TV, Radio and Equipment: 7.1%</i></b> |           |   |     |    |                   |
|  |           | <b>Casema<br/>Bidco/Serpering<br/>Investments, B.V.</b> | NR  | NR |                   |
| EUR  | 548,444   | Term Loan, 6.685%,<br>maturing<br>November 14, 2014     |     |    | 771,401           |
| EUR  | 284,889   | Term Loan, 6.685%,<br>maturing<br>November 14, 2014     |     |    | 400,704           |
| EUR  | 583,333   | Term Loan, 6.685%,<br>maturing<br>November 14, 2014     |     |    | 820,473           |
| EUR  | 583,333   | Term Loan, 7.185%,<br>maturing<br>November 14, 2015     |     |    | 824,413           |
| EUR  | 833,333   | Term Loan, 7.185%,<br>maturing<br>November 14, 2015     |     |    | 1,177,732         |
|  |           | <b>Com Hem</b>  | NR  | NR |                   |
| SEK  | 8,666,667 | Term Loan, 7.030%,<br>maturing<br>January 31, 2014      |     |    | 1,263,127         |

See Accompanying Notes to Financial Statements

## ING Prime Rate Trust

PORTFOLIO OF INVESTMENTS as of February 29, 2008 (continued)

| <i>Principal Amount</i>  |           | <i>Borrower/Tranche Description</i>                | <i>Bank Loan Ratings (Unaudited)</i> |                | <i>Market Value</i> |
|--|-----------|--|--------------------------------------|----------------|---------------------|
|  |           |  | <i>Moody's</i>                       | <i>S&amp;P</i> |                     |
| <i>Foreign Cable, Foreign TV, Radio and Equipment: (continued)</i> |           |  |                                      |                |                     |
| SEK  | 8,000,000 | Term Loan, 7.155%,<br>maturing<br>January 31, 2015 |                                      |                | \$ 1,165,963        |
|  |           | <b>Levana Holding 4 GmbH</b>                       | NR                                   | NR             |                     |
| EUR  | 1,081,359 | Term Loan, 6.770%,<br>maturing<br>March 02, 2015   |                                      |                | 1,161,696           |
| EUR  | 1,081,359 | Term Loan, 7.284%,<br>maturing<br>March 02, 2016   |                                      |                | 1,169,910           |
|  |           | <b>Numericable/YPSO France SAS</b>                 | NR                                   | NR             |                     |
| EUR  | 765,871   | Term Loan, 6.054%,<br>maturing July 28,<br>2016    |                                      |                | 962,079             |
| EUR  | 1,249,580 | Term Loan, 6.679%,<br>maturing July 28,<br>2016    |                                      |                | 1,569,708           |
| EUR  | 1,984,549 | Term Loan, 6.679%,<br>maturing July 28,<br>2016    |                                      |                | 2,492,968           |
| EUR  | 1,305,125 | Term Loan, 6.929%,<br>maturing July 28,<br>2016    |                                      |                | 1,656,832           |
| EUR  | 694,875   | Term Loan, 6.929%,<br>maturing July 28,<br>2016    |                                      |                | 882,131             |
|  |           | <b>ProSiebenSat.1 Media AG</b>                     | NR                                   | NR             |                     |
| EUR  | 64,583    | Term Loan, 6.123%,<br>maturing July 02,<br>2014    |                                      |                | 79,768              |
| EUR  | 1,190,021 | Term Loan, 6.123%,<br>maturing July 02,<br>2014    |                                      |                | 1,469,806           |
| SEK  | 2,269,914 | Term Loan, 6.223%,<br>maturing July 02,<br>2014    |                                      |                | 299,682             |
| EUR  | 122,161   | Term Loan, 6.248%,<br>maturing May 09,<br>2015     |                                      |                | 132,164             |
| EUR  | 2,715,121 | Term Loan, 6.248%,<br>maturing May 09,<br>2015     |                                      |                | 3,405,783           |
|  |           | <b>TDF, S.A.</b>                                   | NR                                   | NR             |                     |
| EUR  | 1,000,000 | Term Loan, 6.185%,<br>maturing<br>January 31, 2015 |                                      |                | 1,212,943           |
| EUR  | 1,000,000 | Term Loan, 6.645%,<br>maturing<br>January 31, 2016 |                                      |                | 1,219,850           |

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|                     |            |   |     |                   |
|---------------------|------------|---|-----|-------------------|
|                     |            | <b>UPC Financing Partnership</b>              | Ba3 | B+                |
|                     |            | Term Loan, 5.014%, maturing                   |     |                   |
| \$                  | 5,000,000  | December 31, 2014                             |     | 4,407,815         |
|                     |            | <b>Virgin Media Investment Holdings, Ltd.</b> | Ba2 | BB                |
|                     |            | Term Loan, 6.193%, maturing                   |     |                   |
| EUR                 | 1,741,434  | December 31, 2014                             |     | 2,288,983         |
|                     |            | Term Loan, 6.193%, maturing                   |     |                   |
| EUR                 | 12,401,899 | December 31, 2014                             |     | 16,301,358        |
|                     |            | <b>Cannery Casino Resorts, LLC</b>            | B2  | BB                |
|                     |            | Term Loan, 7.657%, maturing                   |     |                   |
| GBP                 | 3,928,977  | September 03, 2012                            |     | 7,203,207         |
|                     |            | Term Loan, 7.657%, maturing                   |     |                   |
| GBP                 | 3,361,428  | September 03, 2012                            |     | 6,162,689         |
|                     |            | Term Loan, 7.680%, maturing                   |     |                   |
| GBP                 | 828,509    | September 03, 2012                            |     | 1,518,950         |
|                     |            | Term Loan, 7.680%, maturing                   |     |                   |
| GBP                 | 421,274    | September 03, 2012                            |     | 772,346           |
|                     |            |   |     | <b>62,794,481</b> |
| <b>Gaming: 4.7%</b> |            |   |     |                   |
|                     |            | <b>CCM Merger, Inc.</b>                       | Ba3 | BB-               |
|                     |            | Term Loan, 4.025%, maturing May 18, 2013      |     |                   |
| \$                  | 590,551    | 2013  |     | 553,641           |
|                     |            | Term Loan, 5.320%, maturing May 18, 2013      |     |                   |
|                     | 1,645,276  |   |     | 1,542,446         |
|                     |            | <b>Centaur, LLC</b>                           | B1  | BB-               |
|                     |            | Term Loan, 6.519%, maturing July 13, 2012     |     |                   |
|                     | 3,384,049  |   |     | 2,944,122         |
|                     |            | Term Loan, 8.830%, maturing                   |     |                   |
|                     | 1,649,123  | October 30, 2012                              |     | 1,442,982         |

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PORTFOLIO OF INVESTMENTS as of February 29, 2008 (continued)

| <i>Principal Amount</i>    | <i>Borrower/Tranche Description</i>            | <i>Bank Loan Ratings (Unaudited)</i> |                | <i>Market Value</i> |
|----------------------------|--|--------------------------------------|----------------|---------------------|
|                            |  | <i>Moody's</i>                       | <i>S&amp;P</i> |                     |
| <b>Gaming: (continued)</b> |  |                                      |                |                     |
|                            | <b>Fontainebleau Las Vegas, LLC</b>            | B1                                   | B+             |                     |
| \$ 1,933,333               | Term Loan, 8.400%, maturing June 06, 2014      |                                      |                | \$ 1,614,333        |
|                            | <b>Golden Nugget, Inc.</b>                     | B1                                   | BB-            |                     |
| 954,545                    | Term Loan, 5.125%, maturing June 30, 2014      |                                      |                | 830,455             |
|                            | <b>Green Valley Ranch Gaming, LLC</b>          | B1                                   | BB-            |                     |
| 1,434,205                  | Term Loan, 5.740%, maturing February 16, 2014  |                                      |                | 1,168,877           |
|                            | <b>Green Valley Ranch Gaming, LLC</b>          | Caa1                                 | CCC+           |                     |
| 750,000                    | Term Loan, 6.335%, maturing August 16, 2014    |                                      |                | 573,750             |
|                            | <b>Greenwood Racing, Inc.</b>                  | B2                                   | BB-            |                     |
| 1,485,000                  | Term Loan, 5.380%, maturing November 28, 2011  |                                      |                | 1,373,625           |
|                            | <b>Harrahs Operating Company, Inc</b>          | Ba2                                  | BB             |                     |
| 2,000,000                  | Term Loan, 6.244%, maturing January 28, 2015   |                                      |                | 1,836,608           |
|                            | <b>Isle Of Capri Casinos, Inc.</b>             | Ba3                                  | BB+            |                     |
| 1,324,622                  | Term Loan, 4.875%, maturing November 25, 2013  |                                      |                | 1,146,901           |
| 4,393,328                  | Term Loan, 6.580%, maturing November 25, 2013  |                                      |                | 3,803,889           |
| 1,757,331                  | Term Loan, 6.580%, maturing November 25, 2013  |                                      |                | 1,521,556           |
|                            | <b>Las Vegas Sands, LLC</b>                    | Ba3                                  | BB             |                     |
| 6,368,000                  | Term Loan, 6.580%, maturing May 23, 2014       |                                      |                | 5,688,082           |
|                            | <b>New World Gaming Partners, Ltd.</b>         | Ba3                                  | BB-            |                     |
| 708,333                    | Term Loan, 7.229%, maturing September 30, 2014 |                                      |                | 605,625             |
| 3,541,667                  |  |                                      |                |                     |

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|                      |  |      |      |                   |
|----------------------|--|------|------|-------------------|
|                      | Term Loan, 7.229%,<br>maturing<br>September 30, 2014 |      |      | 3,028,125         |
|                      | <b>Penn National<br/>Gaming, Inc.</b>                | Ba2  | BBB- |                   |
| 1,500,000            | Term Loan, 4.959%,<br>maturing<br>October 03, 2012   |      |      | 1,430,454         |
|                      | <b>Riviera Holdings<br/>Corporation</b>              | B2   | BB-  |                   |
| 500,000              | Term Loan, 5.130%,<br>maturing June 08,<br>2014      |      |      | 455,000           |
|                      | <b>Seminole Tribe Of<br/>Florida</b>                 | Baa3 | BBB  |                   |
| 16,791               | Term Loan, 6.688%,<br>maturing<br>March 05, 2014     |      |      | 15,909            |
|                      | <b>Tropicana<br/>Entertainment<br/>Landco</b>        | B3   | B-   |                   |
| 3,750,000            | Term Loan, 5.372%,<br>maturing July 03,<br>2008      |      |      | 3,576,563         |
|                      | <b>VML US Finance,<br/>LLC</b>                       | B1   | BB-  |                   |
| 1,600,000            | Term Loan, 7.080%,<br>maturing May 26,<br>2012       |      |      | 1,454,182         |
| 3,200,000            | Term Loan, 7.080%,<br>maturing May 25,<br>2013       |      |      | 2,908,365         |
| 2,000,000            | Term Loan, 7.080%,<br>maturing May 26,<br>2013       |      |      | 1,817,728         |
|                      |  |      |      | <b>41,333,218</b> |
| <b>Grocery: 0.1%</b> |  |      |      |                   |
|                      | <b>Roundys<br/>Supermarkets, Inc.</b>                | Ba3  | B+   |                   |
| 1,131,970            | Term Loan, 5.910%,<br>maturing<br>November 03, 2011  |      |      | 1,063,345         |
|                      |  |      |      | <b>1,063,345</b>  |

See Accompanying Notes to Financial Statements

ING Prime Rate Trust

PORTFOLIO OF INVESTMENTS as of February 29, 2008 (continued)

| <i>Principal Amount</i> | <i>Bank Loan<br/>Ratings<br/>(Unaudited)</i> | <i>Market</i> |
|-------------------------|--|---------------|
|-------------------------|--|---------------|