ING Senior Loan Strategy

Strategy Brief
Quarter ending September 30, 2009

Summary The ING Senior Loan Strategy is an actively managed, ultra-short duration floating rate income strategy that invests primarily in privately syndicated, below investment grade senior secured corporate loans. Managed by the ING Senior Loan Group, the strategy may be employed with or without leverage. Senior loans are floating rate instruments that provide a natural hedge against rising interest rates. They are typically secured by a first priority lien on a borrower's assets, resulting in historically higher recoveries than unsecured corporate bonds.

Investment Objective Our objective is to seek superior long-term risk-adjusted total returns over a full credit cycle by investing in a broadly diversified portfolio of senior secured loans.

Key Benefits

- Ultra-short duration, secured corporate credit
- Attractive current yield and capital gain opportunity
- High transparency to underlying assets
- Appropriate liquidity options
- Large, experienced, cycle proven investment management team
- Disciplined, consistent investment process

ING Senior Loan Products

- Collective Trust for U.S. Pension Plans
- U.S. mutual funds with retail and institutional share classes
- Luxembourg-based SICAV with institutional share classes
- Private accounts
- Structured products (CLOs)

Performance ING's Senior Loan Strategy, as exemplified by the ING Senior Loan Unleveraged Composite, has generally outperformed its benchmark, the S&P/LSTA Leveraged Loan Index (the "Index"), as shown in the table below.

Composite Gross and Net Returns vs. the Index
April 2, 2001 to September 30, 2009

	2001	2002	2003	2004	2005	2006	2007	2008	2009 YTD
Composite Total Return - Gross	5.15%	4.43%	10.25%	6.48%	6.28%	8.07%	3.05%	-29.28%	46.56%
Composite Total Return - Net	4.68%	3.81%	9.60%	5.84%	5.65%	7.42%	2.43%	-29.71%	45.92%
S&P/LSTA Leveraged Loan Index	2.02%	1.91%	9.97%	5.17%	5.08%	6.77%	2.02%	-29.10%	46.10%
Credit Suisse Leveraged Loan Index	1.04%	1.12%	11.01%	5.60%	5.69%	7.33%	1.88%	-28.75%	39.77%
Composite Excess Gross Over S&P/LSTA Index	3.13%	2.52%	0.28%	1.31%	1.20%	1.29%	1.03%	-0.17%	0.45%
Composite Excess Gross Over Credit Suisse Index	4.11%	3.32%	-0.77%	0.87%	0.59%	0.73%	1.17%	-0.52%	6.79%

Past performance does not guarantee future results and there is the possibility of loss. Net performance assumes 60 bps per annum management fee. Returns include reinvestment of interest and income. Portfolio and S&P/LSTA Leveraged Loan Index returns for 2001 are for a partial year beginning April 2, 2001 and are not annualized. The S&P/LSTA Leveraged Loan Index is a total return index that tracks the current outstanding balance and spread over LIBOR for fully funded term loans in the Index. Investors cannot invest directly in the Index.

Loan Default History The ING Senior Loan Unleveraged Composite has historically experienced fewer defaults than the Index, as shown in the table below. Note that the 2009 LTM data below shows defaults over the most recent 12 months. Therefore, the number of defaults and the default rates shown for 2009 include defaults from portions of 2008. The LTM default rate is shown to permit comparison to the Index rate, which also shows LTM performance.

Composite Default History vs. the Index
April 2, 2001 to September 30, 2009

	2001	2002	2003	2004	2005	2006	2007	2008	2009 LTM
Composite Payment Defaults (number)	1	0	1	2	1	1	0	4	10
Composite Aggregate Defaults (number)	1	1	2	4	1	1	0	6	18
S&P/LSTA Index Defaults (number)	17	21	9	7	10	5	2	37	57
Composite Payment Default Rate	0.81%	0.00%	0.79%	0.24%	0.03%	0.16%	0.00%	0.30%	3.55%
Composite Aggregate Default Rate	0.81%	0.50%	1.27%	0.39%	0.03%	0.16%	0.00%	0.66%	6.59%
S&P/LSTA Index Default Rate	6.30%	6.01%	2.25%	1.01%	3.02%	0.48%	0.26%	3.75%	9.75%

Payment default means a borrower failed to make a scheduled payment of principal or interest on a loan. Non-payment default means a borrower continues to make scheduled principal and interest payments, but is rated "D" or "SD" by a ratings agency or enters bankruptcy. Aggregate defaults are payment and non-payment defaults combined. Default rates shown are by principal amount. Source: ING Investment Management, S&P/LCD LoanStats Weekly "Lagging Twelve-Month Default Rate by Principal Amount & Rolling Twelve-Month Principal Amount of Index Defaults."

ING Senior Loan Strategy

Investment Process

We invest primarily in non-investment-grade senior loans because they generally offer attractive yields, are typically secured by borrower assets, and are not subject to traditional interest rate risk. We target the top-tier of the non-investment grade senior loan category with the objective of achieving superior long-term risk-adjusted returns, rather than investing for the absolute highest returns at the expense of significantly increased credit risk. Our investment process utilizes top-down analysis to target industries with strong operating momentum or improving credit conditions, while avoiding those sectors prone to the clustering of defaults. The other major component of our process, specific borrower selection, is based on fundamental credit analysis that includes independent credit research, in-depth collateral and relative value analysis, and often direct contact with management. Overall, our portfolio management strategy focuses on fundamental credit analysis, relative value assessment and high levels of diversification.

Stage 1	Stage 2	Stage 3	Stage 4	Stage 5	Stage 6	Stage 7
Macro / Sector Strategy	Preliminary Screening	Independent Credit / Structural Analysis	Relative Value Analysis	Technical Analysis	Credit Approval / Portfolio Construction	Ongoing Monitoring / Risk Management

Core Strengths

- Highly experienced management team - one of the largest dedicated teams in the industry
- Focus on consistent results through broad diversification, high relative quality, and liquidity
- Investment Committee approach to decision making and oversight
- Disciplined, consistent investment process
- Avoidance of defaults through meticulous fundamental credit research
- Proprietary research and portfolio management system
- Dedicated support team of trading, operations and legal personnel

Investment Team

Jeff Bakalar
Group Head
23 Years Experience

Dan Norman
Group Head
24 Years Experience

Senior Loan Team Americas

Robert Wilson
Team Leader
22 Years Experience

Jim Essert
Portfolio Manager
10 Years Experience

Jason Esplin, CFA
Sr. Research Analyst
7 Years Experience

Joseph Laguna
Research Analyst
9 Years Experience

Industries
- Gaming/Lodging
- Food/Beverage
- Entertainment/Leisure
- Paper/Forest Products
- Technology
- Telecommunications
- Real Estate

Michel Prince, CFA
Team Leader
22 Years Experience

Mohamed Basma, CFA
Portfolio Manager
12 Years Experience

Stan Zou, CFA
Research Analyst
11 Years Experience

Jason Almiro, CPA, CFA
Research Analyst
11 Years Experience

Industries
- Broadcasting/Media
- Cable TV
- Publishing
- Ecological
- Healthcare

Chuck LeMieux, CFA
Team Leader
22 Years Experience

Mark Haak, CFA
Portfolio Manager
15 Years Experience

Kelly Byrne
Research Analyst
7 Years Experience

Romain Catois
Research Analyst
8 Years Experience

Industries
- Aerospace/Defense
- Automotive
- Chemicals
- Packaging
- Energy/Utilities
- Metals/Mining

Brian Horton
Team Leader
19 Years Experience

Marc Boatwright
Portfolio Manager
19 Years Experience

Josh Mahon
Research Analyst
9 Years Experience

Kris Trocki
Research Analyst
6 Years Experience

Industries
- Building Products
- Consumer Products
- Manufacturing
- Retail/Restaurants
- Transportation
- Alternative Assets

Senior Loan Team Europe

Olivier Struben
Team Head
12 Years Experience

Floris van den Berg, CFA
Investment Manager
8 Years Experience

Indra Mawira
Research Analyst
4 Years Experience

Jean Walther
Research Analyst
3 Years Experience

Credit Risk Management

Curtis Lee[1]
Chief Credit Officer
28 Years Experience

Ralph Bucher
Senior Credit Officer; Acting Chief Credit Officer
23 Years Experience

[1] Mr. Lee is currently on a medical leave of absence. His duties are being performed by Ralph Bucher, Acting Chef Credit Officer

Investment Committee

Jeff Bakalar
Group Head

Dan Norman
Group Head

Curtis Lee[1]
Chief Credit Officer

Ralph Bucher
Senior Credit Officer; Acting Chief Credit Officer

Treasury and Operations

Eliot Rosen
Head of Treasury and Operations
32 Years Experience

15 Specialists

Trading

Bill Nutting
Senior Trader
13 Years Experience

Warren Miller
Trader
9 Years Experience

Legal

Hank Rivoir
Head of Legal
34 Years Experience

Mary Floberg
Marketing Specialist
3 Years Experience

The ING Competitive Advantage

Our primary competitive advantage is the scale and experience of the ING Senior Loan team. We are one of the industry's largest teams dedicated to senior loans, with 14 team members having over 15 years of experience and seven team members with between 10 to 15 years of experience. The team manages senior loans strictly from the private side of the market, meaning that it regularly has access to material non-public information about borrowers, providing a decided edge over managers that attempt to manage senior bank loans from the public side, which legally restricts access to material non-public information.

Another competitive advantage is the ING Senior Loan strategy itself. Our relatively conservative approach focuses on investing in the best available credits originated in the category and maintaining extensive sector and issuer diversification levels. Rigorous implementation of this strategy has produced long-term outperformance versus the Index in terms of the avoidance of defaults and, in turn, total return. Additionally, this higher quality approach typically provides for better asset level liquidity, and a higher degree of pricing transparency, benefiting our investors.

Manager Commentary

Strong market technicals continued to drive loan price appreciation throughout the quarter. While the US economy appears to have bottomed out, issuer-level fundamentals remain challenging. We expect the loan market's default rate to continue to creep up through the remainder of the year. However, as the large principal default amounts from late 2008 and early 2009 begin to roll off, barring a double-dip recession, the default rate (by principal amount) is likely to decline as we move into the second half of 2010. High-risk credit continued to outperform substantially during the quarter. We remain fundamentally cautious on the lowest quality segment of the market since, in our view, the downside risk to recoveries outweighs the potential remaining price upside.

The Composite outperformed both the S&P/LSTA Leveraged Loan Index (the "Index") and the Credit Suisse Leveraged Loan Index during the period. Favorable performance was driven largely by avoidance of new defaults and occurred despite a continued underweight in terms of CCC and lower credit risk. Overall issuer selection was generally positive as the Composite held positions in four of the five top contributors to Index returns during the period and did not hold any of the top-five detractors. Sector-wise, media and retailers again contributed to excess return as these industries continue to recover from lower overall price points than the market average. Healthcare and cable, historically well-represented in the Composite (based on solid and reasonably stable cash flows, and good asset coverage) also again underperformed the average from a total return perspective as investors bid up riskier sectors (again, automotive and distressed real estate leading that pack). Non-performing assets within the Composite remained within our expectations during a period in which the overall market default rate continued to rise. Since January 2008, the unofficial onset of this default cycle, the Composite has experienced 20 defaults (performing and nonperforming), compared to 89 in the Index.

Heading into the last quarter of 2009, the global loan market has reached an interesting juncture. Optimists continue to see strong value in an ultra-short duration credit instrument trading at a still substantial discount, particularly if one is more than moderately concerned about higher inflation and interest rates in the future. Moreover, should the economy turn the corner into sustainable growth, the velocity of default rates should continue to naturally diminish, furthering the case for the asset class. Those less optimistic point to the unprecedented run in loan prices since the first of the year (which argues a less compelling valuation) and a fundamental outlook that still hinges on the path of the economic recovery. While we agree that the unprecedented returns earned in the first half of this year will not be repeated, we also believe both the technical backdrop and the fundamental outlook for the loan market are aligned to provide loan investors with relatively favorable risk adjusted return opportunities over the foreseeable investment horizon.

ING Senior Loan Unleveraged Composite

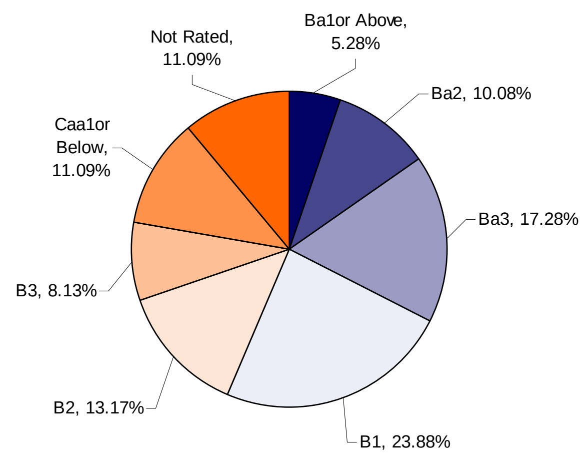
Characteristics	
Number of Industries	38
Average per Industry	$58,191,168
Average per Industry as a % of AUM	2.63%
Number of Issuers	338
Average per Issuer	$6,542,202
Average per Issuer as a % of AUM	0.30%
% of loans denominated in USD	89.97%
AUM	$2,211,264,398
Previous Month End	$2,148,952,888
Weighted Average Maturity (years)	4.2
Weighted Average Market Price	85.61%

Top Ten Portfolio Holdings ($ mil)	Market Value	% of AUM
Cequel Communications, LLC	$60.2	2.72%
CHS/Community Health Systems, Inc.	$46.5	2.10%
Univision Communications, Inc.	$40.1	1.82%
Lyondell Chemical Company	$35.5	1.61%
Metro-Goldwyn-Mayer, Inc	$35.0	1.58%
Texas Competitive Electric Holdings Compa	$33.2	1.50%
PBL Media	$32.4	1.47%
Hotel Del Coronado	$27.9	1.26%
HCA, Inc.	$27.4	1.24%
UPC Financing Partnership	$26.6	1.20%

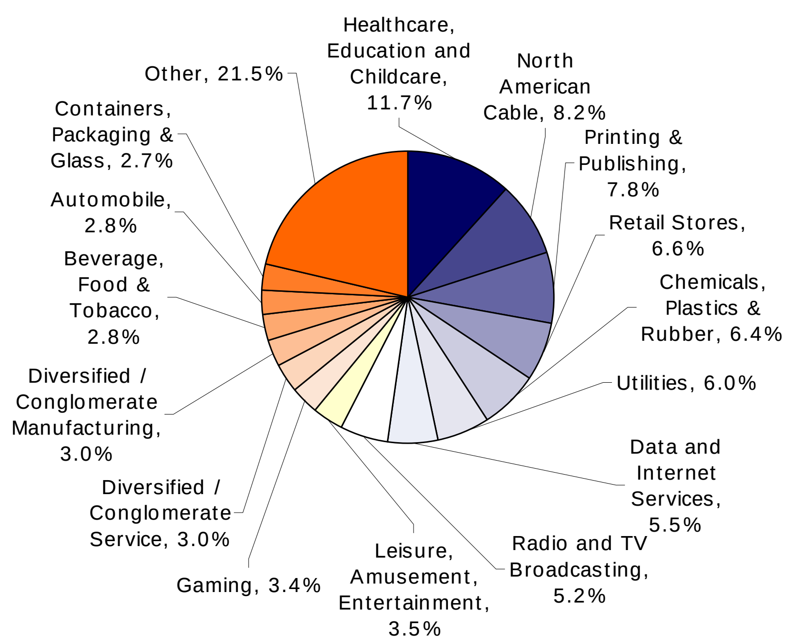
Top Ten Industry Allocations* ($ mil)	Market Value	% of AUM
Healthcare, Education and Childcare	$259.7	11.74%
North American Cable	$181.5	8.21%
Printing & Publishing	$172.3	7.79%
Retail Stores	$145.2	6.57%
Chemicals, Plastics & Rubber	$141.2	6.39%
Utilities	$131.6	5.95%
Data and Internet Services	$121.5	5.50%
Radio and TV Broadcasting	$116.0	5.25%
Leisure, Amusement, Entertainment	$76.6	3.46%
Gaming	$74.1	3.35%

*Industry allocation is tracked using Moody's Industries for the Portfolio and S&P Industries for the Index.

Ratings Distribution



Industry Distribution*



Contact Information

Group Heads

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The ING Senior Loan Group is a part of ING Investment Management, the world-wide investment arm of ING Group N.V., with over 700 investment professionals managing nearly $500 billion in assets globally. Our Group is headquartered in Scottsdale, Arizona U.S.A., with an additional office in London, England. We manage senior loans through two U.S. based mutual funds, a Luxembourg based SICAV, a collective trust for U.S. based pension plans, and several structured finance vehicles.