

ING PRIME RATE TRUST  
Form N-30D  
October 31, 2002

SEMI-ANNUAL REPORT

August 31, 2002

ING PRIME  
RATE TRUST

[LION LOGO]  
ING FUNDS

ING Prime Rate Trust

SEMI-ANNUAL REPORT

August 31, 2002

-----

Table of Contents

Portfolio Managers' Report .....	2
Statistics and Performance .....	6
Additional Notes and information .....	9
Portfolio of Investments .....	11
Statement of Assets and Liabilities .....	30
Statement of Operations .....	31
Statements of Changes in Net Assets .....	32
Statement of Cash Flows .....	33
Financial Highlights .....	34
Notes to Financial Statements .....	36
Trustee and Officer Information .....	43

-----

ING Prime Rate Trust

-----  
PORTFOLIO MANAGERS' REPORT  
-----

Dear Shareholders:

We are pleased to present the August 31, 2002 Semi-Annual report for the ING Prime Rate Trust.

ING Prime Rate Trust (the "Trust") invests in a diversified portfolio of non-investment grade senior floating rate loans made primarily to U.S. based corporations. During the six months ended August 31, 2002, the Trust paid its 172nd consecutive dividend.

PERFORMANCE OF THE TRUST

Based on \$0.11 of dividends declared to common shareholders during the quarter and the average month-end net asset value ("NAV") per share of \$6.94, the Trust's annualized distribution rate was 6.34%(1) for the quarter ended August 31, 2002, improved slightly from 6.09% for the three-month period ended May 31, 2002.

## Edgar Filing: ING PRIME RATE TRUST - Form N-30D

During a very challenging and volatile quarter, the Trust posted a total return (based on NAV) of -4.46%, as compared to the Lipper Rankings for Loan Participation Funds which showed an average of -2.97%(2), placing the Trust in the third quartile of its peer group according to Lipper. In general, the performance of all loan participation funds has been negatively impacted by a confluence of factors, including the continued slow downward grind in bid levels for most actively traded loans (largely traceable to dramatic movements in the high yield bond and equity markets), a pronounced decline in value across the more troubled sectors (heavy cyclicals, energy and anything remotely related to telecommunications), and credit challenges stemming from a seemingly endless flow of negative news emanating from corporate boardrooms. Nonetheless, although the third quarter was a difficult time in the loan market, there is no question our market has performed well during 2002 relative to high-yield bonds and equities. As reference, the S&P 500 Index was down 29% during the first three quarters of the year while the Merrill Lynch U.S High-Yield Master II Index suffered a loss in excess of 8%. For the six-month period ended August 31, 2002, the S&P 500 Index and the Merrill Lynch U.S. High-Yield Master II Index were down 17% and 6%, respectively. We continue to strive to position the Trust to withstand the continued volatility in the capital markets.

Specific to the Trust, in addition to the factors noted above, the two most significant contributors to the most recent quarterly performance were 1) the ongoing deterioration in value across the wireless telecommunications sector, and 2) dramatically lower recoveries on a handful of existing non-performing credits, particularly on several of the Trust's older, illiquid positions. Although the Trust did benefit from continued strength in several key industry groups (e.g., healthcare, beverage & food), those benefits were more than offset by the continued downward thrust in wireless telecom. With little exception, wireless and related credits continue to suffer from a pronounced lack of bid support, even in the face of, in some cases, apparent financial and operational stabilization. An optimistic view would argue the Trust's telecom holdings are approaching a valuation trough, thereby reducing potential future downside risk. In such a scenario, given the senior position of the Trust's holdings in virtually all of these capital structures, we would expect to see modest recoveries in these positions over time. Any systemic recovery, however, would be subject to tangible evidence supporting fundamental improvement in the sector and the return of investor confidence. At this point, both appear rather elusive.

### LEVERAGE

The Trust utilizes financial leverage to seek to increase the yield to the holders of common shares. As of August 31, 2002, the Trust had \$662 million of borrowings outstanding, consisting of \$450 million of "aaa/AAA" rated cumulative auction rate preferred shares, and \$212 million under \$540

2

million in credit facilities. Total leverage, as a percentage of total assets (including preferred shares), was 41.3% at quarter end. The weighted average leverage cost including all borrowings and preferred shares as of quarter ended August 31, 2002 was 1.86%.

### OUTLOOK

Needless to say, the overall tone to the loan market at large remains cautious at best, as investors and issuers alike grapple with the prospects and consequences of a double-dip recession and potential military engagement in the Middle East. There is no doubt our market will continue to mirror, to some extent, the rollercoaster-like tendencies of the equity and bond markets over the near term. Specific catalysts to loan market performance may continue to be

Edgar Filing: ING PRIME RATE TRUST - Form N-30D

the sustainability of a very recent pick-up in M&A activity (which drives a good portion of new loan supply) and of course, macro, sector and issue-specific credit developments. In the interim, we will remain in a defensive posture while attempting to take advantage of selective accretive buying opportunities.

We thank you for your investment in ING Prime Rate Trust.

/s/ Jeffrey A. Bakalar

/s/ Daniel A. Norman

Jeffrey A. Bakalar  
SENIOR VICE PRESIDENT  
CO-SENIOR PORTFOLIO MANAGER

Daniel A. Norman  
SENIOR VICE PRESIDENT  
CO-SENIOR PORTFOLIO MANAGER

ING Prime Rate Trust  
October 10, 2002

-----  
PORTFOLIO MANAGERS' FOOTNOTES  
-----

1. The distribution rate is calculated by annualizing dividends declared during the quarter and dividing the resulting annualized dividend by the Trust's average month-end 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.
2. Lipper, Inc. rankings are based on average annual total returns, not including sales charges, among 43 Loan Participation Funds.

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.

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 LETTER 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 LETTER 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  
-----

## Edgar Filing: ING PRIME RATE TRUST - Form N-30D

The S&P 500 INDEX is an unmanaged index that measures the performance of securities of approximately 500 large-capitalization companies whose securities are traded on major U.S. stock markets.

The MERRILL LYNCH U.S. HIGH YIELD MASTER II INDEX is an unmanaged market value-weighted index of all domestic and Yankee high yield bonds, including deferred interest bonds and payment-in-kind securities. Issues included in the index have maturities of one year or more and have a credit rating lower than BBB-/Baa3 but are not in default.

All indices are unmanaged.  
An investor cannot invest directly in an index.

5

ING Prime Rate Trust

-----  
STATISTICS AND PERFORMANCE as of August 31, 2002  
-----

### PORTFOLIO CHARACTERISTICS

Net Assets	\$934,298,225
Assets Invested in Senior Loans*	\$1,523,311,527
Total Number of Senior Loans	266
Average Amount Outstanding per Loan	\$5,726,735
Total Number of Industries	35
Average Loan Amount per Industry	\$43,523,186
Portfolio Turnover Rate (YTD)	30%

## Edgar Filing: ING PRIME RATE TRUST - Form N-30D

Weighted Average Days to Interest Rate Reset	48 days
Average Loan Final Maturity	51 months
Total Leverage as a Percentage of Total Assets (including Preferred Shares)	41.3%

-----  
 \* INCLUDES LOANS AND OTHER DEBT RECEIVED THROUGH RESTRUCTURINGS

### TOP TEN INDUSTRY SECTORS AS A PERCENTAGE OF:

	NET ASSETS	TOTAL ASSETS
Cable Television	11.8%	6.9%
Healthcare, Education and Childcare	11.4%	6.6%
Cellular Communications	10.7%	6.3%
Lodging	9.9%	5.8%
Containers, Packaging and Glass	9.5%	5.6%
Leisure, Amusement, Motion Pictures and Entertainment	9.1%	5.3%
Automobile	8.1%	4.7%
Beverage, Food and Tobacco	6.8%	4.0%
Chemicals, Plastics and Rubber	6.7%	3.9%
Retail Stores	6.3%	3.7%

### TOP TEN SENIOR LOANS AS A PERCENTAGE OF:

	NET ASSETS	TOTAL ASSETS
Nextel Finance Company	5.5%	3.2%
Charter Communications Operating LLC	4.5%	2.6%
SC International Services	2.5%	1.5%
Wyndham International, Inc.	2.4%	1.4%
SPX Corporation	2.4%	1.4%
Lodgian Financing Corporation	2.0%	1.2%
Safelite Glass Corporation	2.0%	1.2%
Dean Foods Corporation	1.8%	1.1%
Mandalay Resort Group	1.8%	1.1%
Fitness Holding Worldwide, Inc.	1.8%	1.1%

6

ING Prime Rate Trust

-----  
 STATISTICS AND PERFORMANCE as of August 31, 2002  
 -----

### YIELDS AND DISTRIBUTION RATES

QUARTER-ENDED	PRIME RATE	(NAV) 30-DAY SEC YIELD (A)	(NAV) 30-DAY SEC YIELD (A)	AVERAGE ANNUALIZED DISTRIBUTION RATE AT NAV (B)	AVERAGE ANNUALIZED DISTRIBUTION RATE AT MKT (B)
August 31, 2002	4.75%	7.39%	8.53%	6.34%	7.33%
May 31, 2002	4.75%	7.32%	7.94%	6.09%	6.52%
February 28, 2002	4.75%	7.26%	7.73%	6.80%	7.31%
November 30, 2001	5.00%	8.33%	9.26%	7.48%	8.23%

# Edgar Filing: ING PRIME RATE TRUST - Form N-30D

## AVERAGE ANNUAL TOTAL RETURNS

	NAV	MKT
	---	---
1 Year	-4.40%	-15.47%
3 Years	-0.71%	-5.98%
5 Years	2.46%	-1.87%
10 Years	5.14%	3.82%
Since Trust Inception F,H	6.34%	N/A
Since Initial Trading on NYSE G	N/A	4.29%

-----  
ASSUMES RIGHTS WERE EXERCISED AND EXCLUDES SALES CHARGES AND COMMISSIONS (C,D,E)

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.

See performance footnotes on page 8.

7

ING Prime Rate Trust

-----  
STATISTICS AND PERFORMANCE FOOTNOTES  
-----

- (A) 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 SEC standardized yield formula for open-end investment companies.
- (B) 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.
- (C) Calculation of total return assumes a hypothetical initial investment at the net asset value (in the case of NAV) or the NYSE Composite closing price (in the case of Market) on the last business day before the first day of the stated period, with all dividends and distributions reinvested at the actual reinvestment price.
- (D) On December 27, 1994, the Trust issued to its shareholders transferable rights which entitled the holders to subscribe for 17,958,766 shares of the Trust's common stock at the rate of one share of common stock for each four rights held. On January 27, 1995, the offering expired and was fully subscribed. The Trust issued 17,958,766 shares of its common stock to exercising rights holders at a subscription price of \$8.12. Offering costs of \$4,470,955 were charged against the offering proceeds.
- (E) On October 18, 1996, the Trust issued to its shareholders non-transferable rights which entitled the holders to subscribe for 18,122,963 shares of the Trust's common stock at the rate of one share of common stock for each five rights held. On November 12, 1996, the offering expired and was fully

## Edgar Filing: ING PRIME RATE TRUST - Form N-30D

subscribed. The Trust issued 18,122,963 shares of its common stock to exercising rights holders at a subscription price of \$9.09. Offering costs of \$6,972,203 were charged against the offering proceeds.

- (F) Inception Date -- May 12, 1988.
- (G) Initial Trading on NYSE -- March 9, 1992.
- (H) Reflects partial waiver of fees.

8

### ING Prime Rate Trust

-----  
ADDITIONAL NOTES AND INFORMATION  
-----

#### SHAREHOLDER INVESTMENT PROGRAM

The Trust offers a Shareholder Investment Program (the "Program," formerly known as the Dividend Reinvestment and Cash Purchase Plan) which allows common shareholders a simple way to reinvest dividends and capital gains distributions, if any, in additional common shares of the Trust. The Program also offers Trust common shareholders the ability to make optional cash investments in any amount from \$100 to \$5,000 on a monthly basis. Amounts in excess of \$5,000 require prior approval of the Trust. DST Systems, Inc., the Trust's Transfer Agent, is the Administrator for the Program.

For dividend reinvestment purposes, the Administrator will purchase shares of the Trust on the open market when the market price plus estimated commissions is less than the net asset value on the valuation date. The Trust may issue new shares when the market price plus estimated commissions is equal to or exceeds the net asset value on the valuation date. New shares may be issued at the greater of (i) net asset value or (ii) the market price of the shares during the pricing period, minus a discount of 5%.

For optional cash investments, shares will be purchased on the open market by the Administrator when the market price plus estimated commissions is less than the net asset value on the valuation date. New shares may be issued by the Trust when the market price plus estimated commissions is equal to or exceeds the net asset value on the valuation date.

There is no charge to participate in the Program. Participants may elect to discontinue participation in the Program at any time. Participants will share, on a pro-rata basis, in the fees or expenses of any shares acquired in the open market.

Participation in the Program is not automatic. If you would like to receive more information about the Program or if you desire to participate, please contact your broker or our Shareholder Services Department at (800) 992-0180.

#### KEY FINANCIAL DATES -- CALENDAR 2002 DIVIDENDS:

DECLARATION DATE	EX-DATE	PAYABLE DATE
-----	-----	-----
January 31	February 7	February 25
February 28	March 7	March 22
March 28	April 8	April 22
April 30	May 8	May 22
May 31	June 6	June 24
June 28	July 8	July 22

## Edgar Filing: ING PRIME RATE TRUST - Form N-30D

July 31	August 8	August 22
August 30	September 6	September 23
September 30	October 8	October 22
October 31	November 7	November 22
November 29	December 6	December 23
December 20	December 27	January 13, 2003

RECORD DATE WILL BE TWO BUSINESS DAYS AFTER EACH EX-DATE. THESE DATES ARE SUBJECT TO CHANGE.

### STOCK DATA

The Trust's shares are traded on the New York Stock Exchange (Symbol: PPR). Effective March 1, 2002, the Trust's name changed to ING Prime Rate Trust and its CUSIP number changed to 44977W106. On November 16, 1998 the Trust's name changed to Pilgrim Prime Rate Trust and its CUSIP number became 72146W103. Prior to November 16, 1998 the Trust's name was Pilgrim America Prime Rate Trust and its CUSIP number was 720906106. The Trust's NAV and market price are published daily under the "Closed-End Funds" feature in Barron's, The New York Times, The Wall Street Journal and many other regional and national publications.

9

(THIS PAGE INTENTIONALLY LEFT BLANK)

10

ING Prime Rate Trust

---

PORTFOLIO OF INVESTMENTS as of August 31, 2002 (Unaudited)

---

SENIOR LOANS



Edgar Filing: ING PRIME RATE TRUST - Form N-30D

PRINCIPAL AMOUNT	BORROWER/TRANCHE DESCRIPTION	BANK LOAN RATINGS+ (UNAUDITED)		VALUE
		MOODY'S	S&P	
<b>AEROSPACE AND DEFENSE: 5.2%</b>				
\$ 1,674,485	AEROSTRUCTURES CORPORATION Term Loan, maturing May 9, 2003	NR	BB-	\$ 1,666,
2,992,500	ALLIANT TECHSYSTEMS, INC. Term Loan, maturing April 20, 2009	Ba2	BB-	3,008,
9,853,907	AVBORNE, INC. Term Loan, maturing June 30, 2005(3)	NR	NR	1,125,
1,985,000	DRS TECHNOLOGIES, INC. Term Loan, maturing September 30, 2008	Ba3	BB-	1,999,
8,203,692	ERICKSON AIR-CRANE COMPANY, LLC Term Loan, maturing December 31, 2004	NR	NR	8,064,
8,506,357	NEW PIPER AIRCRAFT, INC. Term Loan, maturing April 15, 2005	NR	NR	8,400,
6,209,887	PIEDMONT AVIATION SERVICES Term Loan, maturing July 23, 2006	NR	NR	6,147,
6,209,887	Term Loan, maturing July 23, 2007			6,147,
3,000,000	TITAN CORPORATION Term Loan, maturing June 30, 2009	Ba3	BB-	3,010,
446,103	TRANSDIGM HOLDING CORPORATION Term Loan, maturing May 15, 2006	B1	B+	446,
1,152,035	Term Loan, maturing May 15, 2007			1,151,
14,866,071	TRANSTAR METALS, INC. Term Loan, maturing December 31, 2005(3)	NR	NR	2,973,
4,053,734	UNITED DEFENSE INDUSTRIES, INC. Term Loan, maturing August 13, 2009	Ba3	BB-	4,059,
				----- 48,200, -----
<b>AUTOMOBILE: 8.1%</b>				
1,995,000	AFTERMARKET TECHNOLOGY CORPORATION Term Loan, maturing February 8, 2008	Ba2	BB-	1,999,
2,456,595	AMERICAN AXLE & MANUFACTURING, INC. Term Loan, maturing April 30, 2006	Ba2	BB	2,458,
1,140,679	BREED TECHNOLOGIES, INC. Term Loan, maturing December 20, 2004	NR	NR	1,077,
8,963,265	CAPITAL TOOL & DESIGN, LTD. Term Loan, maturing May 31, 2003	NR	NR	8,797,
2,985,000	COLLINS & AIKMAN PRODUCTS Term Loan, maturing December 31, 2005	Ba3	BB-	2,987,
3,200,000	DURA OPERATING CORPORATION Term Loan, maturing December 31, 2008	Ba3	BB	3,216,
371,195	EXIDE TECHNOLOGIES(2) Revolving Loan, maturing December 18, 2003(3)	NR	D	215,
1,612,012	Term Loan, maturing December 18, 2003(3)			934,
3,227,260	Term Loan, maturing March 18, 2005(3)			1,882,
15,000,000	FORD MOTOR CREDIT COMPANY Floating Rate Note, maturing October 25, 2004	A3	BBB+	14,362,

See Accompanying Notes to Financial Statements

# Edgar Filing: ING PRIME RATE TRUST - Form N-30D

ING Prime Rate Trust

-----  
 PORTFOLIO OF INVESTMENTS as of August 31, 2002 (Unaudited)  
 -----

PRINCIPAL AMOUNT	BORROWER/TRANCHE DESCRIPTION	BANK LOAN RATINGS+ (UNAUDITED)		VALUE
		MOODY'S	S&P	
AUTOMOBILE (CONTINUED)				
\$ 3,478,750	HAYES LEMMERZ INTERNATIONAL, INC.(2) Term Loan, maturing December 31, 2005(3)	Caa2	NR	\$ 3,052,
4,000,000	METALDYNE COMPANY, LLC Term Loan, maturing December 31, 2009	B1	BB-	3,923,
5,486,250	POLYPORE, INC. Term Loan, maturing December 31, 2007	Ba3	B+	5,503,
19,087,138	SAFELITE GLASS CORPORATION Term Loan, maturing September 30, 2007	B3	B+	18,609,
1,995,000	STONERIDGE, INC. Term Loan, maturing April 30, 2008	Ba3	BB	1,997,
2,489,943	TENNECO AUTOMOTIVE, INC. Term Loan, maturing November 4, 2007	B2	B	2,328,
2,489,943	Term Loan, maturing May 4, 2008			2,328,
				75,675,
BANKING: 1.3%				
12,055,854	OUTSOURCING SOLUTIONS, INC. Term Loan, maturing December 10, 2006	B2	B	11,769,
				11,769,
BEVERAGE, FOOD AND TOBACCO: 6.8%				
4,500,000	AGRILINK FOODS, INC. Term Loan, maturing June 30, 2008	Ba3	B+	4,511,
1,657,143	AURORA FOODS, INC. Revolving Loan, maturing June 30, 2005	B2	B-	1,492,
4,450,091	Term Loan, maturing June 30, 2005			4,127,
1,893,109	COTT BEVERAGES, INC. Term Loan, maturing December 31, 2006	Ba3	BB	1,900,
4,585,563	CP KELCO APS Term Loan, maturing March 31, 2008	B3	B+	4,130,
1,527,683	Term Loan, maturing September 30, 2008			1,375,
16,957,500	DEAN FOODS COMPANY Term Loan, maturing July 15, 2008	Ba2	BB+	17,025,
13,545,000	EMPIRE KOSHER POULTRY, INC. Term Loan, maturing July 31, 2004(3)	NR	NR	8,262,
654,545	FLEMING COMPANIES, INC. Revolving Loan, maturing June 18, 2007	Ba2	BB+	628,
5,000,000	Term Loan, maturing June 19, 2008			4,955,
2,475,000	FLOWERS FOODS, INC. Term Loan, maturing March 26, 2007	Ba2	BBB-	2,489,
3,970,000	INTERSTATE BRANDS CORPORATION Term Loan, maturing July 19, 2007	Ba1	BBB-	3,985,
3,198,844	MAFCO WORLDWIDE CORPORATION Term Loan, maturing March 31, 2006	B1	B	3,166,
	NATIONAL DAIRY HOLDINGS, L.P.	Ba2	BB+	

## Edgar Filing: ING PRIME RATE TRUST - Form N-30D

997,500      Term Loan, maturing April 29, 2009

1,001,

See Accompanying Notes to Financial Statements

12

ING Prime Rate Trust

-----  
 PORTFOLIO OF INVESTMENTS as of August 31, 2002 (Unaudited)  
 -----

PRINCIPAL AMOUNT	BORROWER/TRANCHE DESCRIPTION	BANK LOAN RATINGS+ (UNAUDITED)		VALUE
		MOODY'S	S&P	
<b>BEVERAGE, FOOD AND TOBACCO (CONTINUED)</b>				
\$ 765,213	NUTRASWEET ACQUISITION CORPORATION Term Loan, maturing May 25, 2007	Ba3	NR	\$ 767,
1,448,868	PABST BREWING COMPANY Term Loan, maturing April 27, 2003	NR	CCC	1,438,
2,000,000	SOUTHERN WINE & SPIRITS OF AMERICA, INC. Term Loan, maturing July 2, 2008	Ba3	BBB-	2,004,
				----- 63,264, -----
<b>BUILDINGS AND REAL ESTATE: 3.6%</b>				
772,000	ASSOCIATED MATERIALS, INC. Term Loan, maturing April 19, 2009	Ba3	BB-	776,
3,865,243	HQ GLOBAL WORKPLACES, INC.(2) Term Loan, maturing November 6, 2005(3)	NR	NR	2,744,
10,000,000	JDN REALTY CORPORATION Term Loan, maturing December 31, 2002	Ba3	BB-	10,025,
4,500,000	MACERICH PARTNERSHIP, L.P. Term Loan, maturing January 26, 2003	Ba2	NR	4,477,
6,000,000	Term Loan, maturing July 26, 2005			5,970,
7,284,629	NATIONAL GOLF OPERATING PARTNERSHIP, L.P. Term Loan, maturing March 31, 2003	NR	NR	7,175,
1,555,139	U.S. AGGREGATES, INC.(2) Term Loan, maturing March 31, 2006(3)	NR	NR	388,
2,000,000	VENTAS REALTY, L.P. Term Loan, maturing April 17, 2007	NR	BB-	2,005,
				----- 33,561, -----
<b>CABLE TELEVISION: 11.8%</b>				
8,000,000	CC VI OPERATING, LLC Term Loan, maturing November 12, 2008	Ba3	B+	6,737,
4,477,500	CC VIII OPERATING, LLC Term Loan, maturing February 2, 2008	Ba3	BB-	3,805,
11,000,000	CENTURY CABLE HOLDINGS, LLC(2) Term Loan, maturing June 30, 2009	Caa1	D	7,768,
5,000,000	Term Loan, maturing December 31, 2009			3,534,
28,983,609	CHARTER COMMUNICATIONS OPERATING, LLC Term Loan, maturing March 18, 2008	Ba3	BB	25,070,
19,950,000	Term Loan, maturing September 18, 2008			17,238,

Edgar Filing: ING PRIME RATE TRUST - Form N-30D

2,593,939	FRONTIERVISION OPERATING PARTNERS, L.P.(2) Revolving Loan, maturing October 31, 2005	B2	D	2,146,
14,500,000	INSIGHT MIDWEST HOLDINGS, LLC Term Loan, maturing December 31, 2009	Ba3	BB+	13,615,
992,500	LODGENET ENTERTAINMENT CORPORATION Term Loan, maturing June 30, 2006	Ba3	B+	996,
13,500,000	MCC IOWA MEDIACOM BROADBAND Term Loan, maturing September 30, 2010	Ba3	BB+	12,835,
2,000,000	OLYMPUS CABLE HOLDINGS, LLC(2) Term Loan, maturing June 30, 2010	B2	D	1,605,
18,250,000	Term Loan, maturing September 30, 2010			14,616,
				----- 109,971, -----

See Accompanying Notes to Financial Statements

13

ING Prime Rate Trust

-----  
PORTFOLIO OF INVESTMENTS as of August 31, 2002 (Unaudited)  
-----

PRINCIPAL AMOUNT	BORROWER/TRANCHE DESCRIPTION	BANK LOAN RATINGS+ (UNAUDITED)		VALUE
		MOODY'S	S&P	
CARGO TRANSPORT: 2.2%				
\$ 1,358,758	AMERICAN COMMERCIAL LINES, LLC Term Loan, maturing June 30, 2006	B3	B	\$ 1,251,
1,948,946	Term Loan, maturing June 30, 2007			1,795,
346,265	EVERGREEN INTERNATIONAL AVIATION, INC. Term Loan, maturing May 7, 2003	Ba2	B+	323,
2,242,882	Term Loan, maturing May 7, 2003			2,097,
4,117,116	GEMINI LEASING, INC. Term Loan, maturing August 12, 2005(3)	B1	NR	1,749,
9,588,562	NEOPLAN USA CORPORATION Term Loan, maturing May 29, 2005	NR	NR	8,054,
4,458,552	OMNITRAX RAILROADS, LLC Term Loan, maturing May 13, 2005	NR	NR	4,447,
1,136,786	OSHKOSH TRUCK COMPANY Term Loan, maturing January 31, 2007	Ba1	BB+	1,142,
				----- 20,861, -----
CELLULAR COMMUNICATIONS: 10.7%				
967,427	AIRGATE PCS, INC. Term Loan, maturing August 29, 2007	B2	B-	798,
8,456,026	Term Loan, maturing September 30, 2008			6,976,
2,579,187	AMERICAN CELLULAR CORPORATION Term Loan, maturing March 31, 2008	B3	CCC-	1,761,
4,499,033	Term Loan, maturing March 31, 2009			3,073,
10,000,000	INDEPENDENT WIRELESS ONE CORPORATION Term Loan, maturing June 20, 2008	B2	B	9,759,
	MICROCELL CONNEXIONS, INC.	Caa2	CCC	

Edgar Filing: ING PRIME RATE TRUST - Form N-30D

5,000,000	Term Loan, maturing February 22, 2007 NEXTEL FINANCE COMPANY	Ba3	BB-	1,612,
4,750,000	Term Loan, maturing June 30, 2008			4,151,
4,750,000	Term Loan, maturing December 31, 2008			4,151,
50,500,000	Term Loan, maturing March 31, 2009 NEXTEL OPERATIONS, INC.	Ba3	BB-	42,723,
5,791,757	Term Loan, maturing March 15, 2005 RURAL CELLULAR CORPORATION	Ba3	B+	5,498,
4,911,130	Term Loan, maturing October 3, 2008			3,932,
4,911,130	Term Loan, maturing April 3, 2009 WESTERN WIRELESS CORPORATION	B1	B	3,932,
4,000,000	Revolving Loan, maturing March 31, 2008			2,280,
8,000,000	Term Loan, maturing March 31, 2008			4,790,
8,000,000	Term Loan, maturing September 30, 2008			4,808,
				----- 100,251,1 -----
CHEMICALS, PLASTICS AND RUBBER: 6.7%				
	ACADIA ELASTOMERS CORPORATION	NR	NR	
9,379,562	Term Loan, maturing March 31, 2004			9,079,
	CEDAR CHEMICALS CORPORATION(2)	NR	NR	
9,057,535	Term Loan, maturing October 3, 2003(3)			849,

See Accompanying Notes to Financial Statements

14

ING Prime Rate Trust

-----  
PORTFOLIO OF INVESTMENTS as of August 31, 2002 (Unaudited)  
-----

PRINCIPAL AMOUNT	BORROWER/TRANCHE DESCRIPTION	BANK LOAN RATINGS+ (UNAUDITED)		VALUE
		MOODY'S	S&P	
CHEMICALS, PLASTICS AND RUBBER (CONTINUED)				
\$ 4,962,500	EQUISTAR CHEMICALS, L.P. Term Loan, maturing August 24, 2007	Ba2	BB+	\$ 4,978,
3,014,030	FOAM FABRICATORS, INC. Term Loan, maturing March 5, 2005	NR	NR	3,006,
1,682,843	FOAMEX, L.P. Term Loan, maturing June 30, 2005	B2	BB-	1,677,
1,529,863	Term Loan, maturing June 30, 2006			1,525,
2,757,857	GEO SPECIALITY CHEMICALS, INC. Term Loan, maturing December 31, 2007	B1	B+	2,638,
3,395,120	HUNTSMAN CORPORATION Revolving Loan, maturing December 31, 2002	B3	NR	2,974,
5,800,000	Term Loan, maturing December 31, 2002			5,792,
7,000,000	Term Loan, maturing December 31, 2005 HUNTSMAN INTERNATIONAL, LLC	B2	B+	6,156,
904,712	Term Loan, maturing June 30, 2005			891,
3,940,128	Term Loan, maturing June 30, 2007			3,947,
3,940,128	Term Loan, maturing June 30, 2008			3,947,
4,000,000	JOHNSON DIVERSEY, INC. Term Loan, maturing November 3, 2009	Ba3	BB-	4,025,

Edgar Filing: ING PRIME RATE TRUST - Form N-30D

3,344,070	LYONDELL CHEMICAL COMPANY Term Loan, maturing May 17, 2006	Ba3	BB	3,347,
800,000	MILLENNIUM AMERICA, INC. Term Loan, maturing June 18, 2006	Baa3	BBB-	801,
4,687,575	NOVEON, INC. Term Loan, maturing September 30, 2008	B1	BB-	4,701,
2,000,000	OM GROUP, INC Term Loan, maturing April 1, 2007	Ba3	BB	2,001,
				----- 62,345, -----
CONTAINERS, PACKAGING AND GLASS: 9.5%				
3,000,000	BERRY PLASTICS CORPORATION Term Loan, maturing July 22, 2010	B1	B+	3,016,
8,726,947	BLUE RIDGE PAPER PRODUCTS, INC. Term Loan, maturing May 14, 2006	B2	B+	8,508,
1,990,000	GRAPHIC PACKAGING CORPORATION Term Loan, maturing February 28, 2009	Ba3	BB	1,994,
3,000,000	GREIF BROS. CORPORATION Term Loan, maturing August 23, 2009	Ba3	BB	3,000,
4,246,208	IMPAXX, INC. Term Loan, maturing April 30, 2005	NR	NR	3,779,
3,000,000	JEFFERSON SMURFIT CORPORATION Term Loan, maturing March 31, 2007	Ba3	B+	3,002,
92,280	LINCOLN PULP & EASTERN FINE(2) Term Loan, maturing December 31, 2001	NR	NR	73,
14,881,108	Term Loan, maturing August 31, 2004			11,904,
2,283,631	NEXPAK CORPORATION Term Loan, maturing December 31, 2005	B1	B+	1,952,
2,283,631	Term Loan, maturing December 31, 2006			1,952,

See Accompanying Notes to Financial Statements

15

ING Prime Rate Trust

-----  
PORTFOLIO OF INVESTMENTS as of August 31, 2002 (Unaudited)  
-----

PRINCIPAL AMOUNT	BORROWER/TRANCHE DESCRIPTION	BANK LOAN RATINGS+ (UNAUDITED)		VALUE
		MOODY'S	S&P	
CONTAINERS, PACKAGING AND GLASS (CONTINUED)				
\$ 9,147,525	OWENS-ILLINOIS, INC. Revolving Loan, maturing March 31, 2004	B1	BB	\$ 8,827,
1,446,837	PACKAGING CORPORATION OF AMERICA Term Loan, maturing June 29, 2006	Baa3	BBB	1,443,
2,946,429	PLIANT CORPORATION Term Loan, maturing May 31, 2008	B2	B+	2,959,
861,666	RIVERWOOD INTERNATIONAL CORPORATION Revolving Loan, maturing December 31, 2006	B1	B	842,
15,000,000	Term Loan, maturing December 31, 2006			14,998,
2,000,000	SILGAN HOLDINGS, INC. Term Loan, maturing November 30, 2008	Ba2	BB-	2,003,

Edgar Filing: ING PRIME RATE TRUST - Form N-30D

4,307,692	SMURFIT-STONE CONTAINER CANADA, INC. Term Loan, maturing June 30, 2009	Ba3	B+	4,309,
11,692,308	STONE CONTAINER CORPORATION Term Loan, maturing June 30, 2009	Ba3	B+	11,696,
2,940,000	TEKNI-PLEX, INC. Term Loan, maturing June 21, 2008	B1	B+	2,944,
				89,210,
DATA AND INTERNET SERVICES: 1.4%				
5,000,000	36ONETWORKS, INC.(2) Term Loan, maturing September 30, 2007(3)	NR	NR	1,100,
2,500,000	Term Loan, maturing December 31, 2007(3)			526,
1,328,000	ARCH WIRELESS HOLDINGS, INC. Senior Note, maturing May 15, 2007	NR	NR	823,
6,995,226	ICG EQUIPMENT, INC.(2) Term Loan, maturing March 31, 2006	B3	NR	6,680,
1,858,824	MCLEODUSA, INC. Term Loan, maturing May 30, 2008	Caa2	NR	808,
2,548,020	TELETOUCH COMMUNICATIONS, INC. Term Loan, maturing May 1, 2005	NR	NR	2,458,
4,687,500	TELIGENT, INC.(2) Term Loan, maturing June 30, 2006(3)	NR	NR	121,
11,440,280	TSR WIRELESS, LLC(1) Term Loan, maturing June 30, 2005(3)	NR	NR	188,
				12,707,
DIVERSIFIED/CONGLOMERATE MANUFACTURING: 5.6%				
4,851,000	BARJAN PRODUCTS, LLC Term Loan, maturing May 31, 2006	NR	NR	4,632,
5,620,494	DRESSER, INC. Term Loan, maturing April 10, 2009	Ba3	BB-	5,649,
2,000,000	FLOWSERVE CORPORATION Term Loan, maturing June 30, 2009	Ba3	BB-	1,998,
2,587,775	GENERAL CABLE CORPORATION Term Loan, maturing May 25, 2007	Ba3	BB-	2,092,
1,980,000	MANITOWOC COMPANY, INC. Term Loan, maturing May 9, 2007	Ba2	BB	1,989,

See Accompanying Notes to Financial Statements

16

ING Prime Rate Trust

PORTFOLIO OF INVESTMENTS as of August 31, 2002 (Unaudited)

PRINCIPAL AMOUNT	BORROWER/TRANCHE DESCRIPTION	BANK LOAN RATINGS+		VALUE
		MOODY'S	S&P	
DIVERSIFIED/CONGLOMERATE MANUFACTURING (CONTINUED)				
\$ 4,000,000	MUELLER GROUP, INC. Term Loan, maturing May 31, 2008	B1	B+	\$ 4,005,

## Edgar Filing: ING PRIME RATE TRUST - Form N-30D

	NEPTUNE TECHNOLOGY GROUP, INC.	Ba3	BB-	
3,921,939	Term Loan, maturing November 1, 2008			3,941,
	SPX CORPORATION	Ba2	BB+	
3,304,762	Term Loan, maturing September 30, 2004			3,296,
7,125,000	Term Loan, maturing September 30, 2009			7,135,
11,875,000	Term Loan, maturing March 31, 2010			11,897,
	UNITED PET GROUP	NR	NR	
6,086,937	Term Loan, maturing March 31, 2006			6,078,
				----- 52,717, -----
DIVERSIFIED/CONGLOMERATE SERVICE: 0.7%				
	ENTERPRISE PROFIT SOLUTIONS CORPORATION	NR	NR	
1,494,118	Term Loan, maturing June 14, 2001(3)			
	IRON MOUNTAIN INC.	Ba3	BB	
2,000,000	Term Loan, maturing February 15, 2008			2,009,
	PRIVATE BUSINESS, INC.	NR	NR	
3,682,754	Term Loan, maturing August 19, 2006			3,645,
	URS CORPORATION	Ba3	BB-	
1,382,000	Term Loan, maturing August 22, 2008			1,378,
				----- 7,034, -----
ECOLOGICAL: 2.9%				
	ALLIED WASTE NORTH AMERICA, INC.	Ba3	BB	
3,709,197	Term Loan, maturing July 21, 2005			3,563,
4,001,248	Term Loan, maturing July 21, 2006			3,914,
4,801,497	Term Loan, maturing July 21, 2007			4,697,
	AMERICAN REF-FUEL COMPANY, LLC	Baa2	BBB	
3,716,279	Term Loan, maturing April 30, 2005			3,660,
	IT GROUP, INC.(2)	Caa1	NR	
4,154,605	Term Loan, maturing June 11, 2007(3)			457,
	RUMPKE CONSOLIDATED COMPANIES, INC.	B1	BB-	
6,327,894	Term Loan, maturing September 26, 2002			6,297,
	WASTE CONNECTIONS, INC.	Ba3	BB	
4,252,874	Revolving Loan, maturing May 16, 2005			4,210,
				----- 26,801, -----
ELECTRONICS: 2.9%				
	ACTERNA, LLC	Caa1	B	
6,224,376	Term Loan, maturing September 30, 2007			2,972,
	DECISION ONE CORPORATION	B3	CCC	
10,374,981	Term Loan, maturing April 18, 2005			8,818,
2,057,328	Term Loan, maturing April 18, 2005			1,748,
	ELECTRO MECHANICAL SOLUTIONS(2)	NR	NR	
2,405,453	Term Loan, maturing June 30, 2004(3)			12,
	INSILCO TECHNOLOGIES, INC.	Caa2	D	
4,925,016	Term Loan, maturing March 25, 2007(3)			1,723,

See Accompanying Notes to Financial Statements



Edgar Filing: ING PRIME RATE TRUST - Form N-30D

PRINCIPAL AMOUNT	BORROWER/TRANCHE DESCRIPTION	BANK LOAN RATINGS+ (UNAUDITED)		VALUE
		MOODY'S	S&P	
ELECTRONICS (CONTINUED)				
\$ 3,404,081	KNOWLES ELECTRONICS, INC Term Loan, maturing June 29, 2007	B3	CCC+	\$ 3,191,
8,993,645	SARCOM, INC. Term Loan, maturing December 31, 2002(3)	NR	NR	4,856,
3,947,917	TRANSACTION NETWORK SERVICES, INC. Term Loan, maturing April 3, 2007	Ba3	BB-	3,940,
				27,263,
FINANCE: 2.6%				
8,710,638	ALLIANCE DATA SYSTEMS CORPORATION Term Loan, maturing July 25, 2005	B1	B+	8,612,
14,550,000	ANTHONY CRANE RENTAL, L.P. Term Loan, maturing July 20, 2006	Caa2	CCC+	8,899,
1,611,305	RENT-A-CENTER, INC. Term Loan, maturing January 31, 2006	Ba2	BB	1,607,
3,544,856	Term Loan, maturing January 31, 2007			3,537,
1,404,449	Term Loan, maturing December 31, 2007			1,403,
750,000	VALUE ASSET MANAGEMENT, INC. Term Loan, maturing April 28, 2003	B1	B+	736,
				24,798,
GAMING: 4.9%				
2,968,421	ALADDIN GAMING, LLC (2) Term Loan, maturing August 26, 2006(3)	Caa1	NR	2,463,
4,455,000	Term Loan, maturing February 26, 2008(3)			3,697,
4,987,500	ALLIANCE GAMING CORPORATION Term Loan, maturing December 31, 2006	B1	B+	5,024,
1,362,345	AMERISTAR CASINOS, INC. Term Loan, maturing December 20, 2006	Ba3	B+	1,370,
1,581,906	Term Loan, maturing December 20, 2006			1,591,
4,455,000	ARGOSY GAMING COMPANY Term Loan, maturing July 31, 2008	Ba2	BB	4,472,
1,000,000	BOYD GAMING CORPORATION Term Loan, maturing June 24, 2008	Ba1	BB+	1,000,
997,500	ISLE OF CAPRI CASINOS, INC. Term Loan, maturing April 26, 2008	Ba2	BB-	1,003,
2,000,000	LAS VEGAS SANDS, INC. Term Loan, maturing June 4, 2008	B2	B+	2,005,
17,000,000	MANDALAY RESORT GROUP Term Loan, maturing August 22, 2006	Ba2	BB+	17,005,
1,260,670	PALACE STATION HOTEL & CASINO Revolving Loan, maturing September 30, 2003	Ba2	BB+	1,229,
4,912,500	SCIENTIFIC GAMES CORPORATION Term Loan, maturing September 30, 2007	Ba3	BB-	4,927,
				45,791,

See Accompanying Notes to Financial Statements

Edgar Filing: ING PRIME RATE TRUST - Form N-30D

ING Prime Rate Trust

-----  
 PORTFOLIO OF INVESTMENTS as of August 31, 2002 (Unaudited)  
 -----

PRINCIPAL AMOUNT	BORROWER/TRANCHE DESCRIPTION	BANK LOAN RATINGS+ (UNAUDITED)		VALUE
		MOODY'S	S&P	
GROCERY: 0.4%				
\$ 2,000,000	GIANT EAGLE, INC. Term Loan, maturing August 2, 2009	Ba2	BB+	\$ 2,006,
1,450,000	WINN DIXIE STORES, INC. Term Loan, maturing March 29, 2007	Baa3	BBB	1,455,
				----- 3,462, -----
HEALTHCARE, EDUCATION AND CHILDCARE: 11.4%				
1,190,840	ALLIANCE IMAGING, INC. Term Loan, maturing November 2, 2006	B1	B+	1,167,
6,945,925	Term Loan, maturing June 10, 2008			6,951,
1,388,848	ALPHARMA OPERATING CORPORATION Term Loan, maturing October 5, 2008	B1	BB-	1,302,
4,962,500	APRIA HEALTHCARE GROUP, INC. Term Loan, maturing July 20, 2007	Ba1	BBB-	4,963,
7,872,203	BROWN SCHOOLS Term Loan, maturing June 30, 2003	B3	B	7,783,
4,488,750	CAREMARK RX, INC. Term Loan, maturing March 31, 2006	Ba2	BB+	4,492,
13,000,000	COMMUNITY HEALTH SYSTEMS, INC. Term Loan, maturing July 16, 2010	Ba3	BB-	13,041,
3,233,333	CONCENTRA OPERATING CORPORATION Term Loan, maturing June 30, 2006	B1	B+	3,243,
1,616,667	Term Loan, maturing June 30, 2007			1,620,
5,456,057	COVENANT CARE, INC. Term Loan, maturing June 30, 2003	NR	NR	5,387,
8,958,441	DAVITA, INC. Term Loan, maturing March 31, 2009	Ba3	BB-	8,988,
2,164,404	EXPRESS SCRIPTS, INC. Term Loan, maturing March 31, 2005	Ba1	BBB-	2,150,
721,467	Revolving Loan, maturing March 31, 2005			710,
5,000,000	Term Loan, maturing March 31, 2008			4,995,
12,352,941	FOUNTAIN VIEW, INC.(2) Term Loan, maturing March 31, 2004	NR	NR	11,815,
1,776,583	GENESIS HEALTH VENTURES, INC. Term Loan, maturing March 31, 2007	Ba3	BB-	1,781,
1,555,582	Floating Rate Note, maturing April 2, 2007			1,555,
10,028,571	HCA, INC. Term Loan, maturing April 30, 2006	Ba1	BBB-	9,905,
3,960,000	KINETIC CONCEPTS, INC. Term Loan, maturing March 31, 2006	Ba3	B	3,962,
1,255,288	MAGELLAN HEALTH SERVICES, INC. Term Loan, maturing February 12, 2006	B2	B-	1,207,
1,255,288	Term Loan, maturing February 12, 2005			1,209,
988,381	MARINER HEALTH CARE, INC. Term Loan, maturing May 13, 2009	B1	NR	983,

# Edgar Filing: ING PRIME RATE TRUST - Form N-30D

See Accompanying Notes to Financial Statements

19

## ING Prime Rate Trust

-----  
 PORTFOLIO OF INVESTMENTS as of August 31, 2002 (Unaudited)  
 -----

PRINCIPAL AMOUNT	BORROWER/TRANCHE DESCRIPTION	BANK LOAN RATINGS+ (UNAUDITED)		VALUE
		MOODY'S	S&P	
HEALTHCARE, EDUCATION AND CHILDCARE (CONTINUED)				
	MEDPOINTE, INC.	B1	B+	
\$ 2,977,500	Term Loan, maturing September 30, 2008			\$ 2,994,
	SYBRON DENTAL MANAGEMENT, INC.	Ba3	BB-	
1,850,000	Term Loan, maturing June 6, 2009			1,862,
	TRIAD HOSPITALS, INC.	Ba3	B+	
1,983,636	Term Loan, maturing September 30, 2008			1,999,
	VISION TWENTY-ONE, INC.	NR	NR	
2,898,018	Term Loan, maturing October 31, 2002(3)			289,
				----- 106,365, -----
HOME AND OFFICE FURNISHING, HOUSEWARES: 1.7%				
	AMERICAN BLIND & WALLPAPER FACTORY, INC.	NR	NR	
722,983	Term Loan, maturing December 31, 2005			722,
	DESA INTERNATIONAL, INC.(2)	Caa2	NR	
3,510,000	Debtor in Possession, maturing September 30, 2002			3,492,
7,136,218	Term Loan, maturing November 26, 2004(3)			5,161,
	HOLMES PRODUCTS CORPORATION	B2	B	
3,592,084	Term Loan, maturing February 5, 2007			3,304,
	IDENTITY GROUP, INC.	B2	B+	
4,525,000	Term Loan, maturing May 11, 2007			2,579,
	IMPERIAL HOME DECOR GROUP, INC.	NR	NR	
833,725	Term Loan, maturing April 4, 2006			779,
				----- 16,040, -----
INSURANCE: 1.2%				
	USI HOLDINGS CORPORATION	B1	B+	
7,325,636	Term Loan, maturing September 17, 2004			7,032,
	WHITE MOUNTAINS INSURANCE GROUP, LTD.	Baa2	BBB+	
4,443,750	Term Loan, maturing March 31, 2007			4,445,
				----- 11,478, -----
LEISURE, AMUSEMENT, MOTION PICTURES, AND ENTERTAINMENT: 9.1%				
	AMF BOWLING WORLDWIDE, INC.	B1	B	
2,000,000	Term Loan, maturing February 28, 2008			2,001,
	BALLY TOTAL FITNESS HOLDING CORPORATION	Ba3	B+	
5,942,759	Term Loan, maturing November 10, 2004			5,942,
	FITNESS HOLDINGS WORLDWIDE, INC.	NR	B	

Edgar Filing: ING PRIME RATE TRUST - Form N-30D

9,248,750	Term Loan, maturing November 2, 2006			8,863,
8,268,750	Term Loan, maturing November 2, 2007			7,924,
	LOEWS CINEPLEX ENTERTAINMENT CORPORATION	NR	NR	
9,941,851	Term Loan, maturing February 29, 2008			9,817,
	METRO-GOLDWYN-MAYER STUDIOS, INC.	Ba3	BB-	
14,500,000	Term Loan, maturing June 30, 2008			14,509,
	PANAVISION, INC.	B3	CCC	
14,040,405	Term Loan, maturing March 31, 2005			12,811,

See Accompanying Notes to Financial Statements

20

ING Prime Rate Trust

-----  
 PORTFOLIO OF INVESTMENTS as of August 31, 2002 (Unaudited)  
 -----

PRINCIPAL AMOUNT	BORROWER/TRANCHE DESCRIPTION	BANK LOAN RATINGS+ (UNAUDITED)		VALUE
		MOODY'S	S&P	
LEISURE, AMUSEMENT, MOTION PICTURES, AND ENTERTAINMENT (CONTINUED)				
	REGAL CINEMAS, INC.	B1	BB-	
\$ 2,500,000	Term Loan, maturing December 31, 2007			\$ 2,506,
	SIX FLAGS THEME PARKS, INC.	Ba2	BB-	
11,000,000	Term Loan, maturing June 30, 2009			10,979,
	WFI GROUP, INC.	B1	BB+	
3,000,000	Term Loan, maturing July 14, 2004			3,002,
	XANTERRA PARKS & RESORTS, LLC	NR	NR	
3,454,646	Term Loan, maturing September 30, 2004			3,446,
3,454,646	Term Loan, maturing September 30, 2005			3,446,
				----- 85,250, -----
LODGING: 9.9%				
	EXTENDED STAY AMERICA, INC.	Ba3	BB-	
16,227,853	Term Loan, maturing January 15, 2008			16,258,
	HILTON HAWAIIAN VILLAGE, LLC	Ba1	BBB-	
13,970,588	Revolving Loan, maturing June 1, 2003			13,865,
	KSL RECREATIONAL GROUP, INC.	Ba3	B+	
1,513,611	Term Loan, maturing April 30, 2005			1,507,
1,513,611	Term Loan, maturing April 30, 2006			1,510,
9,075,000	Term Loan, maturing December 22, 2006			9,062,
	LODGIAN FINANCING CORPORATION(2)	Ca	NR	
19,543,212	Term Loan, maturing July 15, 2006			18,908,
	MERISTAR INVESTMENT PARTNERS	Ba3	B-	
8,779,275	Term Loan, maturing March 31, 2003			8,801,
	WYNDHAM INTERNATIONAL, INC.	NR	B-	
7,677,208	Term Loan, maturing June 30, 2004			6,427,
19,471,911	Term Loan, maturing June 30, 2006			16,129,
				----- 92,469, -----
MACHINERY: 0.8%				
	ALLIANCE LAUNDRY HOLDINGS, LLC	B1	B	

Edgar Filing: ING PRIME RATE TRUST - Form N-30D

4,072,034	Term Loan, maturing August 2, 2007 MORRIS MATERIAL HANDLING, INC.	NR	NR	4,055,
258,831	Term Loan, maturing September 28, 2004 VUTEK, INC.	B1	NR	245,
1,712,905	Term Loan, maturing July 31, 2007			1,675,
1,772,705	Term Loan, maturing December 30, 2007			1,726,
				----- 7,704,
MINING, STEEL, IRON AND NON-PRECIOUS METALS: 0.1%				
	NATIONAL REFRACTORIES & MINERALS CORPORATION	NR	NR	
1,250,000	Term Loan, maturing March 30, 2002			1,244,
				----- 1,244,

See Accompanying Notes to Financial Statements

21

ING Prime Rate Trust

-----  
PORTFOLIO OF INVESTMENTS as of August 31, 2002 (Unaudited)  
-----

PRINCIPAL AMOUNT	BORROWER/TRANCHE DESCRIPTION	BANK LOAN RATINGS+ (UNAUDITED)		VALUE
		MOODY'S	S&P	
OIL AND GAS: 2.2%				
\$ 4,000,000	PACIFIC ENERGY GROUP, LLC Term Loan, maturing July 26, 2009	Ba2	BBB-	\$ 4,007,
3,500,000	PLAINS MARKETING, L.P. Term Loan, maturing September 21, 2007	Ba1	BB+	3,510,
2,970,000	PMC COMPANY Term Loan, maturing May 5, 2006	Ba1	BB+	2,973,
5,963,461	TESORO PETROLEUM CORPORATION Term Loan, maturing December 31, 2007	Ba3	BB+	5,444,
996,401	Term Loan, maturing December 31, 2007			909,
3,456,250	W-H ENERGY SERVICES, INC. Term Loan, maturing April 16, 2007	B2	B+	3,469,
				----- 20,314,
OTHER TELECOMMUNICATIONS: 2.2%				
9,779,000	BROADWING, INC. Term Loan, maturing November 9, 2004	Ba3	BB	7,839,
6,342,670	Term Loan, maturing December 30, 2006			5,125,
761,673	Term Loan, maturing June 28, 2007			615,
4,703,611	INFONET SERVICES CORPORATION Term Loan, maturing June 30, 2006	Ba3	BB-	4,656,
3,924,560	PACIFIC COIN Term Loan, maturing March 31, 2004(3)	NR	NR	2,747,
3,189,976	Term Loan, maturing March 31, 2004(3)			-----

Edgar Filing: ING PRIME RATE TRUST - Form N-30D

				20,983,
				-----
PERSONAL & NON DURABLE CONSUMER PRODUCTS: 5.6%				
	AM COSMETICS CORPORATION		NR	NR
2,292,689	Revolving Loan, maturing May 30, 2004(3)			2,292,
1,305,151	Term Loan, maturing May 30, 2004(3)			203,
2,610,303	Term Loan, maturing December 31, 2004(3)			407,
	AMSCAN HOLDINGS, INC.		B1	B+
9,519,257	Term Loan, maturing December 31, 2004			9,233,
	ARMKEL, LLC		Ba3	B+
1,985,000	Term Loan, maturing March 28, 2009			2,000,
	BUHRMANN U.S., INC.		Ba3	BB-
2,958,821	Term Loan, maturing October 26, 2005			2,908,
5,072,551	Term Loan, maturing October 26, 2007			5,033,
	CENTIS, INC.(2)		NR	NR
3,900,000	Term Loan, maturing September 30, 2005(3)			1,014,
3,421,250	Term Loan, maturing September 30, 2006(3)			889,
	CHURCH & DWIGHT CO., INC.		Ba2	BB
2,000,000	Term Loan, maturing September 30, 2007			2,015,
	JOSTENS, INC.		B1	BB-
2,845,552	Term Loan, maturing May 31, 2006			2,800,
4,500,000	Term Loan, maturing December 31, 2009			4,508,
	NORWOOD PROMOTIONAL PRODUCTS, INC.		NR	NR
8,673,040	Term Loan, maturing February 1, 2005			8,673,
5,860,162	Term Loan, maturing February 1, 2005(3)			3,044,
1,641,647	Term Loan, maturing February 1, 2005(3)			

See Accompanying Notes to Financial Statements

22

ING Prime Rate Trust

-----  
 PORTFOLIO OF INVESTMENTS as of August 31, 2002 (Unaudited)  
 -----

PRINCIPAL AMOUNT	BORROWER/TRANCHE DESCRIPTION	BANK LOAN RATINGS+ (UNAUDITED)		VALUE
		MOODY'S	S&P	
PERSONAL & NON DURABLE CONSUMER PRODUCTS (CONTINUED)				
	PAINT SUNDRY BRANDS CORPORATION		B2	B+
\$ 977,360	Term Loan, maturing August 11, 2005			\$ 948,
957,213	Term Loan, maturing August 11, 2006			928,
	PLAYTEX PRODUCTS, INC.		Ba3	BB-
3,666,667	Term Loan, maturing May 31, 2009			3,671,
	RELIZON COMPANY		Ba3	BB-
1,769,250	Revolving Loan, maturing August 4, 2006			1,671,
				-----
				52,246,
PERSONAL, FOOD & MISCELLANEOUS: 5.4%				
	AFC ENTERPRISES, INC.		Ba2	BB
1,600,000	Term Loan, maturing May 23, 2009			1,604,
	COINMACH CORPORATION		B1	BB-
4,925,000	Term Loan, maturing July 25, 2009			4,954,

Edgar Filing: ING PRIME RATE TRUST - Form N-30D

3,000,000	DOMINOS, INC. Term Loan, maturing June 30, 2008	Ba3	BB-	3,011,
4,000,000	NEW WORLD RESTAURANT GROUP, INC. Secured Floating Rate Note, maturing June 15, 2003	Caa2	CCC+	3,600,
7,000,000	OTIS SPUNKMEYER, INC. Term Loan, maturing January 21, 2009	B1	B+	6,877,
7,100,497	PAPA GINO'S, INC. Term Loan, maturing August 31, 2007	NR	NR	7,038,
25,189,225	SC INTERNATIONAL SERVICES Term Loan, maturing March 1, 2007	Ba1	BB	23,583,
				----- 50,669, -----
PRINTING AND PUBLISHING: 5.0%				
1,990,000	ADAMS OUTDOOR ADVERTISING, L.P. Term Loan, maturing February 8, 2008	B1	B+	1,997,
11,150,448	ADVANSTAR COMMUNICATIONS, INC. Term Loan, maturing April 11, 2007	B2	B	10,509,
2,782,857	Term Loan, maturing October 11, 2007			2,612,
4,243,723	CANWEST MEDIA, INC. Term Loan, maturing May 15, 2008	Ba3	BB-	4,259,
4,545,047	Term Loan, maturing May 15, 2009			4,562,
5,471,875	LAMAR MEDIA CORPORATION Term Loan, maturing March 1, 2006	Ba2	BB-	5,390,
3,960,000	PRIMEDIA, INC. Term Loan, maturing June 30, 2009	B3	B	3,210,
7,000,000	READER'S DIGEST ASSOCIATIONS, INC. Term Loan, maturing May 20, 2008	Baa3	BB+	6,944,
2,970,000	TRANSWESTERN PUBLISHING COMPANY Term Loan, maturing June 27, 2008	Ba3	B+	2,984,
2,860,798	VERTIS, INC. Term Loan, maturing December 7, 2008	B1	B+	2,800,
1,696,124	ZIFF DAVIS MEDIA, INC. Term Loan, maturing March 31, 2007	B3	CCC-	1,450,
				----- 46,721, -----

See Accompanying Notes to Financial Statements

23

ING Prime Rate Trust

-----  
PORTFOLIO OF INVESTMENTS as of August 31, 2002 (Unaudited)  
-----

PRINCIPAL AMOUNT	BORROWER/TRANCHE DESCRIPTION	BANK LOAN RATINGS+ (UNAUDITED)		VALUE
		MOODY'S	S&P	
RADIO AND TELEVISION BROADCASTING: 5.4%				
\$ 6,515,585	BENEDEK BROADCASTING CORPORATION (2) Term Loan, maturing November 20, 2007	B2	NR	\$ 6,481,

## Edgar Filing: ING PRIME RATE TRUST - Form N-30D

	BLOCK COMMUNICATIONS, INC.	Ba2	BB-	
3,000,000	Term Loan, maturing November 15, 2009			3,013,
	CITADEL BROADCASTING COMPANY	Ba2	B+	
4,500,000	Term Loan, maturing June 26, 2009			4,532,
	CUMULUS MEDIA, INC.	B1	B	
3,000,000	Term Loan, maturing March 28, 2010			3,016,
	EMMIS OPERATING COMPANY	Ba2	B+	
10,982,904	Term Loan, maturing August 31, 2009			11,008,
	FISHER BROADCASTING, INC.	Ba3	B+	
2,500,000	Term Loan, maturing February 28, 2010			2,498,
	GRAY COMMUNICATIONS SYSTEMS, INC.	Ba3	B+	
3,000,000	Term Loan, maturing September 30, 2009			3,005,
	PAXSON COMMUNICATIONS CORPORATION	Ba3	BB	
4,950,000	Term Loan, maturing June 30, 2006			4,900,
	PEGASUS MEDIA & COMMUNICATIONS, INC.	B3	B+	
5,914,962	Term Loan, maturing April 30, 2005			5,323,
	SINCLAIR BROADCAST GROUP, INC.	Ba2	BB	
4,000,000	Term Loan, maturing December 31, 2009			4,008,
	SUSQUEHANNA MEDIA COMPANY	Ba1	BB-	
2,493,750	Term Loan, maturing June 30, 2008			2,506,
				-----
				50,295,
				-----
RETAIL STORES: 6.3%				
	ADVANCE STORES COMPANY, INC.	Ba3	BB-	
3,500,000	Term Loan, maturing November 30, 2007			3,514,
	CH OPERATING, LLC	B2	B+	
4,758,621	Term Loan, maturing June 30, 2007			4,711,
	HERBALIFE INTERNATIONAL, INC.	B1	BB-	
3,500,000	Term Loan, maturing July 31, 2008			3,491,
	K MART CORPORATION	Ba1	BBB	
3,500,000	Debtor in Possession Term Loan, maturing			
	April 22, 2004			3,474,
	MURRAY'S DISCOUNT AUTO STORES, INC.	NR	B	
14,290,531	Term Loan, maturing June 30, 2003			14,198,
	PEEBLES, INC.	NR	NR	
59,645	Term Loan, maturing April 30, 2003			57,
7,872,213	Term Loan, maturing April 30, 2004			7,636,
	PETCO ANIMAL SUPPLIES, INC.	B1	BB-	
3,500,000	Term Loan, maturing October 2, 2008			3,517,
	RITE AID CORPORATION	B2	BB-	
14,856,764	Term Loan, maturing June 27, 2005			14,633,
	SHOPPERS DRUG MART CORPORATION	Ba1	BBB+	
952,941	Term Loan, maturing February 4, 2009			956,
	TRAVELCENTERS OF AMERICA, INC.	Ba3	BB	
2,487,500	Term Loan, maturing November 14, 2008			2,498,
				-----
				58,690,
				-----

See Accompanying Notes to Financial Statements



Edgar Filing: ING PRIME RATE TRUST - Form N-30D

PRINCIPAL AMOUNT	BORROWER/TRANCHE DESCRIPTION	BANK LOAN RATINGS+ (UNAUDITED)		VALUE
		MOODY'S	S&P	
TELECOMMUNICATIONS EQUIPMENT: 5.3%				
\$ 11,916,667	AMERICAN TOWER, L.P. Term Loan, maturing June 30, 2007	B2	BB-	\$ 9,870,
13,000,000	CROWN CASTLE OPERATING COMPANY Term Loan, maturing March 15, 2008	Ba3	BB-	11,680,
11,933,585	PINNACLE TOWERS, INC.(2) Term Loan, maturing June 30, 2007	B3	D	10,650,
8,500,000	SPECTRASITE COMMUNICATIONS, INC. Term Loan, maturing December 31, 2007	B3	CC	7,020,
4,614,512	TRIPOINT GLOBAL COMMUNICATIONS, INC. Term Loan, maturing May 31, 2006	NR	NR	4,538,
6,000,000	TSI TELECOMMUNICATION SERVICES, INC. Term Loan, maturing December 31, 2006	Ba3	B+	5,700,
				----- 49,460, -----
TEXTILES AND LEATHER: 3.1%				
8,212,974	ACCESSORY NETWORK GROUP, INC. Term Loan, maturing June 30, 2003	NR	NR	5,749,
2,743,904	GALEY & LORD, INC.(2) Term Loan, maturing April 2, 2005	Caa2	NR	1,870,
1,964,649	LEVI STRAUSS & CO Term Loan, maturing April 1, 2006	B1	BB+	1,339,
241,580	Term Loan, maturing August 29, 2003			239,
1,190,426	Revolving Loan, maturing August 29, 2003			1,158,
8,958,296	MALDEN MILLS INDUSTRIES, INC.(2) Term Loan, maturing October 28, 2006(3)	NR	NR	4,755,
4,779,769	POLYMER GROUP, INC.(2) Term Loan, maturing December 20, 2005	B3	NR	4,387,
5,462,500	Term Loan, maturing December 20, 2006			5,011,
3,441,181	TARGUS GROUP, INC. Term Loan, maturing August 31, 2006	NR	NR	3,148,
992,500	WILLIAM CARTER COMPANY Term Loan, maturing September 30, 2008	Ba3	BB-	1,004,
				----- 28,664, -----
UTILITIES: 1.0%				
2,000,000	CALPINE CORPORATION Term Loan, maturing March 8, 2004	Ba3	BBB-	1,731,
3,000,000	MICHIGAN ELECTRIC TRANSMISSION COMPANY Term Loan, maturing May 1, 2007	Baa2	BB+	3,010,
1,788,235	PIKE ELECTRIC, INC. Term Loan, maturing April 18, 2010	Ba3	BB-	1,798,
2,500,000	SOUTHERN CALIFORNIA EDISON COMPANY Term Loan, maturing March 1, 2003	Ba2	BB	2,482,
				----- 9,022, -----
	TOTAL SENIOR LOANS -- 163.0% (COST \$1,708,401,216)			----- \$1,523,311, -----

See Accompanying Notes to Financial Statements

Edgar Filing: ING PRIME RATE TRUST - Form N-30D

25

ING Prime Rate Trust

-----  
 PORTFOLIO OF INVESTMENTS as of August 31, 2002 (Unaudited)  
 -----

OTHER CORPORATE DEBT

PRINCIPAL AMOUNT	BORROWER/TRANCHE DESCRIPTION	BANK LOAN RATINGS+ (UNAUDITED)		VALUE
		MOODY'S	S&P	
AUTOMOBILE: 0.5%				
\$ 6,000,000	CAPITAL TOOL & DESIGN, LTD. Subordinated Note, maturing July 10, 2004	NR	NR	\$ 4,800, ----- 4,800, -----
DATA AND INTERNET SERVICES: 0.0%				
701,000	ARCH WIRELESS HOLDINGS, INC. Subordinated Note, maturing May 15, 2009(3)	NR	NR	84, ----- 84, -----
FINANCE: 1.1%				
10,000,000	VALUE ASSET MANAGEMENT, INC. Senior Subordinated Bridge, maturing August 31, 2005	B2	B	9,825, ----- 9,825, -----
HEALTHCARE, EDUCATION AND CHILDCARE: 0.0%				
368,022	VISION TWENTY-ONE, INC. Convertible Note, maturing October 31, 2003(3)	NR	NR	----- -----
HOME AND OFFICE FURNISHINGS, HOUSEWARES, AND DURABLE CONSUMER PRODUCTS: 0.8%				
64,527	MP HOLDINGS, INC. Subordinated Note, maturing March 14, 2007	NR	NR	61, ----- 61, -----
8,000,000	PREMCOR REFINING GROUP Floating Rate Note, maturing November 15, 2004	Ba3	BB-	7,120, ----- 7,120, -----
PERSONAL & NONDURABLE CONSUMER PRODUCTS: 0.2%				
3,127,215	AM COSMETICS CORPORATION Subordinated Note, maturing March 31, 2006(3)	NR	NR	-----
2,875,000	PAINT SUNDRY BRANDS Subordinated Note, maturing August 11, 2008	B3	B+	2,386, -----

Edgar Filing: ING PRIME RATE TRUST - Form N-30D

				2,386,
				-----
TEXTILES AND LEATHER: 0.1%				
	TARTAN TEXTILE SERVICES, INC.	NR	NR	
1,332,583	Subordinated Note, maturing April 1, 2011			1,265,
				-----
				1,265,
				-----
	TOTAL OTHER CORPORATE DEBT -- 2.7%			
	(COST \$31,368,447)			25,542,
				-----

See Accompanying Notes to Financial Statements

26

ING Prime Rate Trust

-----  
 PORTFOLIO OF INVESTMENTS as of August 31, 2002 (Unaudited)  
 -----

EQUITIES AND OTHER ASSETS

	VALUE
	-----
Allied Digital Technologies Corporation (Residual Interest in Bankruptcy Estate) (1) (@) (R)	\$ 186,
AM Cosmetics Corporation (37,197 Common Shares) (@) (R)	
AM Cosmetics Corporation (415 Preferred Shares) (@) (R)	
American Blind & Wallpaper Factory, Inc. (80,400 Common Shares) (@) (R)	
Arch Wireless Holdings, Inc. (102,124 Common Shares) (@) (R)	65,
Autotote Systems, Inc. (Option to Purchase 0.248% of Common Shares Issued and Outstanding) (@) (R)	
Boston Chicken Inc. (Residual Interest in Boston Chicken Plan Trust) (2) (@) (R)	8,014,
Breed Technologies, Inc. (212,171 Common Shares) (@) (R)	4,281,
Capital Tool & Design, Ltd. (Warrants for 19,000 Common Shares, Expires July 10, 2006) (@) (R)	
Casden Properties Operation (10,000 Shares of Junior Cumulative Preferred Partnership Units) (R)	250,
Covenant Care, Inc. (Warrants for 26,501 Common Shares, Expires March 31, 2003) (@) (R)	
Covenant Care, Inc. (Warrants for 19,000 Common Shares, Expires January 13, 2005) (@) (R)	
Dan River, Inc. (127,306 Common Shares) (@)	413,
Decision One Corporation (350,059 Common Shares) (@) (R)	1,501,
Electro Mechanical Solutions (Warrants for 2,564 Common Shares, Expires September 29, 2002) (2) (@) (R)	
Euro United Corporation (Residual Interest in Bankruptcy Estate) (4) (@) (R)	4,466,
Exide Technologies (Warrants for 16,501 Common Shares, Expires March 16, 2006) (2) (@) (R)	
Genesis Health Ventures, Inc. (190,605 Common Shares) (@)	2,868,
Genesis Health Ventures, Inc. (2,223 Preferred Shares) (@)	200,
Grand Union Company (Residual Interest in Bankruptcy	

## Edgar Filing: ING PRIME RATE TRUST - Form N-30D

Estate) (2) (@) (R)	69,
Holmes Products Corporation (Warrants for 19,397 Common Shares, Expires May 7, 2006) (@) (R)	
Humphreys, Inc. (Residual Interest in Bankruptcy Estate) (2) (@) (R)	25,
Imperial Home Decor Group, Inc. (300,141 Common Shares) (@) (R)	
IHDG Realty (300,141 Common Shares) (@) (R)	
Kevco, Inc. (Residual Interest in Bankruptcy Estate) (2) (@) (R)	400,
Mariner Health Care, Inc. (126,525 Common Shares) (@)	1,613,
Morris Material Handling, Inc. (481,373 Common Shares) (@) (R)	673,
MP Holdings, Inc. (590 Common Shares) (@) (R)	
Murray's Discount Auto Stores, Inc. (17 Common Shares) (@) (R)	62,
Murray's Discount Auto Stores, Inc. (Warrants for 955 Common Shares, Expires January 22, 2007) (@) (R)	3,515,
New World Restaurant Group, Inc. (Warrants for 4,000 Common Shares, Expires June 15, 2006) (@) (R)	96,
Pacific Coin, Inc. (1,091 Common Shares) (@) (R)	
Safelite Glass Corporation (660,808 Common Shares) (@) (R)	7,427,

See Accompanying Notes to Financial Statements

27

### ING Prime Rate Trust

-----  
 PORTFOLIO OF INVESTMENTS as of August 31, 2002 (Unaudited)  
 -----

	VALUE
Safelite Realty (44,605 Common Shares) (@) (R)	\$
Scientific Games Corporation (48,930 Warrants for Class B Non-Voting Common Shares, Expires October 2003) (@) (R)	138,
Soho Publishing (17,582 Common Shares) (@) (R)	
Staff Leasing, Inc. (60,056 Common Shares) (@)	195,
Stellax Aerostructures, Inc. (11,130 Common Shares) (@) (R)	275,
Tartan Textile Services, Inc. (23,449 Shares of Series D Preferred Stock) (@) (R)	2,227,
Tartan Textile Services, Inc. (36,775 Shares of Series E Preferred Stock) (@) (R)	2,333,
Tembec, Inc. (167,239 Common Shares) (@) (R)	1,252,
U.S. Office Products Company (Residual Interest in Bankruptcy Estate) (2) (@) (R)	
Vision Twenty-One, Inc. (Warrants for 243,778 Common Shares, Expires October 31, 2010) (@) (R)	
TOTAL FOR EQUITIES AND OTHER ASSETS -- 4.6% (COST \$34,710,718)	42,556,
TOTAL INVESTMENTS (COST \$1,774,480,381) (5)	170.3% \$1,591,410,
PREFERRED SHARES AND LIABILITIES IN EXCESS OF CASH AND OTHER ASSETS-NET	(70.3)% (657,112,

Edgar Filing: ING PRIME RATE TRUST - Form N-30D

NET ASSETS

-----  
 100.0% \$ 934,298,  
 =====

See Accompanying Notes to Financial Statements

28

ING Prime Rate Trust

-----  
 PORTFOLIO OF INVESTMENTS as of August 31, 2002 (Unaudited)  
 -----

- 
- @ Non-income producing security.
  - (R) Restricted security.
  - \* Senior loans, while exempt from registration under the Securities Act of 1933, as amended contain certain restrictions on resale and cannot be sold publicly. These senior loans bear interest (unless otherwise noted) at rates that float periodically at a margin above the Prime Rate of a U.S. bank specified in the credit agreement, LIBOR, the certificate of deposit rate, or in some cases another base lending rate.
  - NR Not Rated
  - + Bank Loans rated below Baa by Moody's Investors Services, Inc. or BBB by Standard & Poor's Group are considered to be below investment grade.
  - (1) The borrower filed for protection under Chapter 7 of the U.S. Federal bankruptcy code.
  - (2) The borrower filed for protection under Chapter 11 of the U.S. Federal bankruptcy code.
  - (3) Loan is on non-accrual basis.
  - (4) The borrower filed for protection under the Canadian Bankruptcy and Insolvency Act.
  - (5) For federal income tax purposes, the cost of investments is \$1,771,698,381 and net unrealized depreciation consists of the following:

Gross Unrealized Appreciation	\$ 37,141,568
Gross Unrealized Depreciation	(217,429,659)
	-----
Net Unrealized Depreciation	\$ (180,288,091)
	=====

See Accompanying Notes to Financial Statements

29

ING Prime Rate Trust

-----  
 STATEMENT OF ASSETS AND LIABILITIES as of August 31, 2002 (Unaudited)  
 -----

ASSETS:	
Investments in securities at value (Cost \$1,774,480,381)	\$ 1,591,410,290
Cash	171,393
Receivables:	
Interest	8,781,627
Other	87,620
Prepaid expenses	193,119
Prepaid arrangement fees on notes payable	150,637
	-----
Total assets	1,600,794,686

Edgar Filing: ING PRIME RATE TRUST - Form N-30D

-----	
LIABILITIES:	
Notes payable	212,000,000
Deferred arrangement fees on senior loans	1,858,480
Accrued interest payable	333,208
Accrued preferred shares dividend payable	82,251
Payable to affiliates	1,422,713
Accrued expenses	799,809
	-----
Total liabilities	216,496,461
	-----
Preferred shares, \$25,000 stated value per share at liquidation value (18,000 shares outstanding)	450,000,000
NET ASSETS	\$ 934,298,225
	=====
Net asset value per common share outstanding (net assets divided by 136,972,914 common shares authorized and outstanding, par value \$0.01)	\$ 6.82
	=====
NET ASSETS CONSIST OF:	
Paid in capital	\$ 1,287,948,209
Undistributed net investment income	9,908,912
Accumulated net realized loss on investments	(180,488,805)
Net unrealized depreciation of investments	(183,070,091)
	-----
NET ASSETS	\$ 934,298,225
	=====

See Accompanying Notes to Financial Statements

30

ING Prime Rate Trust

-----  
STATEMENT OF OPERATIONS for the Six Months Ended August 31, 2002 (Unaudited)  
-----

INVESTMENT INCOME:	
Interest	\$ 45,822,768
Arrangement fees earned	1,375,117
Dividends	6,006
Other	1,794,317
	-----
Total investment income	48,998,208
	-----
EXPENSES:	
Interest	2,330,041
Investment management fees	6,534,017
Administration fees	2,041,861
Transfer agent and registrar fees	301,063
Printing expense	104,420
Custodian fees	322,250
Revolving credit facility fees	155,174
Professional fees	486,709
Preferred shares -- dividend disbursing agent fees	577,234
Insurance expense	12,406
Pricing fees	39,354
Postage expense	128,800
Trustees' fees	36,800
Miscellaneous expense	151,903
NYSE registration fees	22,207

Edgar Filing: ING PRIME RATE TRUST - Form N-30D

Total expenses	13,244,239
Net investment income	35,753,969
REALIZED AND UNREALIZED GAIN (LOSS) FROM INVESTMENTS:	
Net realized loss on investments	(53,390,412)
Net change in unrealized depreciation of investments	654,802
Net loss on investments	(52,735,610)
DISTRIBUTIONS TO PREFERRED SHAREHOLDERS:	
From net investment income	(4,226,144)
Net decrease in net assets resulting from operations	\$ (21,207,785)

See Accompanying Notes to Financial Statements

31

ING Prime Rate Trust

STATEMENTS OF CHANGES IN NET ASSETS

	SIX MONTHS ENDED AUGUST 31, 2002 (UNAUDITED)	YEAR ENDED FEBRUARY 28, 2002
INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS:		
Net investment income	\$ 35,753,969	\$ 101,753,746
Net realized loss on investments	(53,390,412)	(53,063,828)
Change in unrealized depreciation of investments	654,802	(69,951,020)
Distributions to preferred shareholders from net investment income	(4,226,144)	(15,273,093)
Net decrease in net assets resulting from operations	(21,207,785)	(36,534,195)
DISTRIBUTIONS TO COMMON SHAREHOLDERS:		
Distributions from net investment income	(30,475,669)	(85,728,945)
Decrease in net assets from distributions to common shareholders	(30,475,669)	(85,728,945)
CAPITAL SHARE TRANSACTIONS:		
Common shares issued from dividend reinvestment	--	919,219
Common shares sold in connection with shelf offerings	--	87,513
Offering costs of preferred shares	--	(194,010)
Net increase from capital share transactions	--	812,722
Net decrease in net assets	(51,683,454)	(121,450,418)

## Edgar Filing: ING PRIME RATE TRUST - Form N-30D

NET ASSETS:		
Beginning of period	985,981,679	1,107,432,097
	-----	-----
End of period (including undistributed net investment income of \$9,908,912 and \$8,856,756, respectively)	\$ 934,298,225	\$ 985,981,679
	=====	=====
SUMMARY OF COMMON SHARE TRANSACTIONS:		
Shares issued in payment of distributions from net investment income	--	114,904
Shares sold in connection with shelf offerings	--	10,939
	-----	-----
Net increase in shares common shares outstanding	--	125,843
	=====	=====

See Accompanying Notes to Financial Statements

32

ING Prime Rate Trust

---

STATEMENT OF CASH FLOWS for the Six Months Ended August 31, 2002 (Unaudited)

---

INCREASE (DECREASE) IN CASH	
CASH FLOWS FROM OPERATING ACTIVITIES:	
Interest received	\$ 43,804,938
Dividends received	6,006
Facility fees paid	(35,001)
Dividends paid to preferred shareholders	(4,221,504)
Arrangement fees received	2,615,375
Other income received	1,848,576
Interest paid	(2,513,899)
Other operating expenses paid	(10,293,350)
Purchases of securities	(489,984,004)
Proceeds from sale of securities	558,552,837
	-----
Net cash provided by operating activities	99,779,974
	-----
CASH FLOWS FROM FINANCING ACTIVITIES:	
Dividends paid to common shareholders	(30,475,669)
Loan advance	(70,000,000)
	-----
Net cash flows used in financing activities	(100,475,669)
	-----
Net change in cash	(695,695)
Cash at beginning of period	867,088
	-----
Cash at end of period	\$ 171,393
	=====
RECONCILIATION OF NET DECREASE IN NET ASSETS RESULTING FROM OPERATIONS TO NET CASH USED FOR OPERATING ACTIVITIES:	
Net decrease in net assets resulting from operations	\$ (21,207,785)
	-----
Adjustments to reconcile net increase in net assets resulting from operations to net cash used for operating activities:	
Change in unrealized depreciation of securities	(654,802)
Net accretion of discounts on securities	(2,228,358)
Realized loss on sale of securities	53,390,412
Purchase of securities	(489,984,004)
Proceeds on sale of securities	558,552,837



Edgar Filing: ING PRIME RATE TRUST - Form N-30D

Decrease in interest receivable	210,528
Decrease in other assets	54,257
Decrease in prepaid arrangement fees on notes payable	120,175
Decrease in prepaid expenses	134,275
Increase in deferred arrangement fees on senior loans	1,240,258
Decrease in accrued interest payable	(183,858)
Increase in preferred shareholders dividend payable	4,640
Increase in payable to affiliates	44,351
Increase in accrued expenses	287,048
	-----
Total adjustments	120,987,759
	-----
Net cash provided by operating activities	\$ 99,779,974
	=====

See Accompanying Notes to Financial Statements

33

ING Prime Rate Trust

-----  
FINANCIAL HIGHLIGHTS  
-----

For a common share outstanding throughout the period

	SIX MONTHS ENDED AUGUST 31, 2002 ----- (UNAUDITED)	YEARS ENDED FEBRUARY 28 OR ----- 2002	2001 -----
PER SHARE OPERATING PERFORMANCE			
Net asset value, beginning of period	\$ 7.20	\$ 8.09	\$ 8.95
Net investment income	0.25	0.74	0.88
Net realized and unrealized gain (loss) on investments	(0.38)	(0.89)	(0.78)
Distribution to Preferred Shareholders	(0.03)	(0.11)	(0.06)
Increase (decrease) in net asset value from investment operations	(0.16)	(0.26)	0.04
Distributions to Common Shareholders from net investment income	(0.22)	(0.63)	(0.86)
Increase in net asset value from share offerings	--	--	--
Reduction in net asset value from rights offering	--	--	--
Increase in net asset value from repurchase of capital stock	--	--	--
Reduction in net asset value from Preferred Shares offerings	--	--	(0.04)
	-----	-----	-----
Net asset value, end of period	\$ 6.82	\$ 7.20	\$ 8.09
	=====	=====	=====
Closing market price at end of period	\$ 5.92	\$ 6.77	\$ 8.12
TOTAL RETURN(3)			
Total investment return at closing market price(4)	(9.50)%	(9.20)%	9.10%
Total investment return at net asset value(5)	(1.97)%	(3.02)%	0.19%
RATIOS/SUPPLEMENTAL DATA			
Net assets end of period (000's)	\$ 934,298	\$ 985,982	\$ 1,107,432

Edgar Filing: ING PRIME RATE TRUST - Form N-30D

Preferred Rate Shares			
Aggregate amount outstanding (000's)	\$ 450,000	\$ 450,000	\$ 450,000
Liquidation and market value Per Share	\$ 25,000	\$ 25,000	\$ 25,000
Asset coverage Per Share**	241%	235%	215%
Average borrowings (000's)	\$ 193,853	\$ 365,126	\$ 450,197
Ratios to average net assets including preferred*			
Expenses (before interest and other fees related to revolving credit facility) (1)	1.51%	1.57%	1.62%
Expenses(1)	1.84%	2.54%	3.97%
Net investment income(1)	4.98% (A)	6.83%	9.28%
Ratios to average net assets plus borrowing			
Expenses (before interest and other fees related to revolving credit facility) (1)	1.83%	1.66%	1.31%
Expenses(1)	2.24%	2.70%	3.21%
Net investment income(1)	6.05% (B)	7.24%	7.50%
Ratios to average net assets			
Expenses (before interest and other fees related to revolving credit facility) (1)	2.18%	2.25%	1.81%
Expenses(1)	2.70%	3.64%	4.45%
Net investment income(1)	7.26% (C)	9.79%	10.39%
Portfolio turnover rate	30%	53%	46%
Common shares outstanding at end of period (000's)	136,973	136,973	136,847
YEARS ENDED FEBRUARY 28 OR FEBRUARY 29,			
	-----	-----	-----
	1999 (8)	1998 (8)	1997 (8)
	-----	-----	-----
PER SHARE OPERATING PERFORMANCE			
Net asset value, beginning of period	\$ 9.34	\$ 9.45	\$ 9.61
Net investment income	0.79	0.87	0.82
Net realized and unrealized gain (loss) on investments	(0.10)	(0.13)	(0.02)
Distribution to Preferred Shareholders	--	--	--
Increase (decrease) in net asset value from investment operations	0.69	0.74	0.80
Distributions to Common Shareholders from net investment income	(0.82)	(0.85)	(0.82)
Increase in net asset value from share offerings	0.03	--	--
Reduction in net asset value from rights offering	--	--	(0.14)
Increase in net asset value from repurchase of capital stock	--	--	--
Reduction in net asset value from Preferred Shares offerings	--	--	--
Net asset value, end of period	\$ 9.24	\$ 9.34	\$ 9.45
	=====	=====	=====
Closing market price at end of period	\$ 9.56	\$ 10.31	\$ 10.00
TOTAL RETURN(3)			
Total investment return at closing market price(4)	1.11%	12.70%	15.04%
Total investment return at net asset value(5)	7.86%	8.01%	8.06%
RATIOS/SUPPLEMENTAL DATA			
Net assets end of period (000's)	\$ 1,202,565	\$ 1,034,403	\$ 1,031,089
Preferred Rate Shares			
Aggregate amount outstanding (000's)	--	--	--
Liquidation and market value Per Share	--	--	--
Asset coverage Per Share**	--	--	--
Average borrowings (000's)	\$ 490,978	\$ 346,110	\$ 131,773
Ratios to average net assets including preferred*			
Expenses (before interest and other fees related to revolving credit facility) (1)	--	--	--

## Edgar Filing: ING PRIME RATE TRUST - Form N-30D

Expenses (1)	--	--	--
Net investment income (1)	--	--	--
Ratios to average net assets plus borrowing			
Expenses (before interest and other fees related to revolving credit facility) (1)	1.05% (9)	1.04%	1.13%
Expenses (1)	2.86% (9)	2.65%	1.92%
Net investment income (1)	6.00%	6.91%	7.59%
Ratios to average net assets			
Expenses (before interest and other fees related to revolving credit facility) (1)	1.50% (9)	1.39%	1.29%
Expenses (1)	4.10% (9)	3.54%	2.20%
Net investment income (1)	8.60%	9.23%	8.67%
Portfolio turnover rate	68%	90%	82%
Common shares outstanding at end of period (000's)	130,206	110,764	109,140

- 
- (1) Annualized for periods less than one year.
  - (2) Prior to the waiver of expenses, the ratios of expenses to average net assets were 1.95% (annualized), 1.48% and 1.44% for the period from May 12, 1988 to February 28, 1989, and for the fiscal years ended February 28, 1990 and February 29, 1992, respectively, and the ratios of net investment income to average net assets were 8.91% (annualized), 10.30% and 7.60% for the period from May 12, 1988 to February 28, 1989, and for the fiscal years ended February 28, 1990 and February 29, 1992, respectively.
  - (3) Total return calculations are attributable to common shareholders. (4) 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 dividend reinvestment plan. On March 9, 1992, the shares of the Trust were initially listed for trading on the New York Stock Exchange. Accordingly, the total investment return for the year ended February 28, 1993, covers only the period from March 9, 1992, to February 28, 1993. Total investment return for periods prior to the year ended February 28, 1993, are not presented since market values for the Trust's shares were not available. Total returns for less than one year are not annualized.
  - (5) 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. Total returns for less than one year are not annualized.
  - (6) Calculation of total return excludes the effects of the per share dilution resulting from the rights offering as the total account value of a fully subscribed shareholder was minimally impacted.

See Accompanying Notes to Financial Statements

Edgar Filing: ING PRIME RATE TRUST - Form N-30D

1996(7)	1995	1994	1993	1992	1991
\$ 9.66	\$ 10.02	\$ 10.05	\$ 9.96	\$ 9.97	\$ 10.00
0.89	0.74	0.60	0.60	0.76	0.98
(0.08)	0.07	(0.05)	0.01	(0.02)	(0.05)
0.81	0.81	0.55	0.61	0.74	0.93
(0.86)	(0.73)	(0.60)	(0.57)	(0.75)	(0.96)
--	--	--	--	--	--
--	--	--	--	--	--
--	(0.44)	--	--	--	--
--	--	0.02	0.05	--	--
--	--	--	--	--	--
\$ 9.61	\$ 9.66	\$ 10.02	\$ 10.05	\$ 9.96	\$ 9.97
=====	=====	=====	=====	=====	=====
\$ 9.50	\$ 8.75	\$ 9.25	\$ 9.13	--	--
19.19%	3.27% (6)	8.06%	10.89%	--	--
9.21%	5.24% (6)	6.28%	7.29%	7.71%	9.74%
\$ 862,938	\$ 867,083	\$ 719,979	\$ 738,810	\$ 874,104	\$ 1,158,224
--	--	--	--	--	--
--	--	--	--	--	--
--	--	--	--	--	--
--	--	--	--	--	--
--	--	--	--	--	--
--	--	--	--	--	--
--	--	--	--	--	--
--	--	--	--	--	--
1.23%	1.30%	1.31%	1.42%	1.42% (2)	1.38%
9.23%	7.59%	6.04%	5.88%	7.62% (2)	9.71%
88%	108%	87%	81%	53%	55%
89,794	89,794	71,835	73,544	87,782	116,022

(7) ING Investments, LLC, the Trust's investment manager, acquired certain assets of Pilgrim Management Corporation, the Trust's former investment manager, in a transaction that closed on April 7, 1995.

(8) The Manager agreed to reduce its fee for a period of three years from the Expiration Date of the November 12, 1996 Rights Offering to 0.60% of the average daily net assets, plus the proceeds of any outstanding borrowings, over \$1.15 billion.

(9) Calculated on total expenses before impact of earnings credits.

\* Ratios do not reflect the effect of dividend payments to Preferred Shareholders; income ratios reflect income earned on assets attributable to

## Edgar Filing: ING PRIME RATE TRUST - Form N-30D

preferred shares.

- \*\* 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.
- (A) Had the Trust not amortized premiums and accreted discounts, the ratio of net investment income to average net assets including preferred shares would have been 4.86% for the six months ended August 31, 2002.
- (B) Had the Trust not amortized premiums and accreted discounts, the ratio of net investment income to average net assets plus borrowings applicable to common shares would have been 5.93% for the six months ended August 31, 2002.
- (C) Had the Trust not amortized premiums and accreted discounts, the ratio of net investment income to average net assets applicable to common shares would have been 7.10% for the six months ended August 31, 2002.

See Accompanying Notes to Financial Statements

35

ING Prime Rate Trust

-----  
NOTES TO FINANCIAL STATEMENTS as of August 31, 2002 (Unaudited)  
-----

### NOTE 1 -- SIGNIFICANT ACCOUNTING POLICIES

ING Prime Rate Trust (the "Trust"), is registered under the Investment Company Act of 1940, as amended (the "1940 Act"), as a diversified, closed-end, investment management company. The Trust invests in senior loans which are exempt from registration under the Securities Act of 1933 as amended (the "33 Act"), but 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 Prime Rate of a U.S. bank specified in the credit agreement, the London Inter-Bank Offered Rate ("LIBOR"), the certificate of deposit rate, or in some cases another base lending rate. 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 accounting principles generally accepted in the United States of America.

- A. SENIOR LOAN AND OTHER SECURITY VALUATION. Loans are normally valued at the mean of the means of one or more bid and asked quotations obtained from a pricing service or other sources determined by the Board of Trustees to be independent and believed to be reliable. Loans for which reliable quotations are not available may be valued with reference to another loan or a group of loans for which quotations are more 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. The Trust has engaged an independent pricing service to provide quotations from dealers in loans and to calculate values under the proxy procedure described above. It is expected that most of the loans held by the Trust will be valued with reference to quotations from the independent pricing service or with reference to the proxy procedure described above.

ING Investments, LLC (the "Investment Manager") 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 Manager that the Investment Manager believes may not be known to the pricing service or reflected in a price quote. In this event, the loan

## Edgar Filing: ING PRIME RATE TRUST - Form N-30D

is valued at fair value as determined in good faith under procedures established by the Trust's Board of Trustees and in accordance with the provisions of the 1940 Act. Under these procedures, fair value is determined by the Investment Manager and monitored by the Trust's Board of Trustees through its Valuation 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, 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 or the NASDAQ National Market System are stated at the last reported sale price on the day of valuation. Debt and equity securities traded in the over-the-counter market and listed securities for which no sale was reported on that date are valued at the mean between the last reported bid and asked price. Securities other than senior loans for which reliable quotations are not readily available and all other assets will be valued at their respective fair values as determined in good faith by, or under procedures established by, the Board of Trustees of the Trust. Investments in securities maturing in

36

ING Prime Rate Trust

---

### NOTES TO FINANCIAL STATEMENTS as of August 31, 2002 (Unaudited)

---

less than 60 days from the date of acquisition are valued at amortized cost, which, when combined with accrued interest, approximates market value.

- B. FEDERAL INCOME TAXES. It is the Trust's policy to comply with the requirements of the Internal Revenue Code applicable to regulated investment companies and to distribute substantially all of its taxable income to its shareholders. Therefore, no federal income tax provision is required.

At February 28, 2002, the Trust had capital loss carryforwards for federal income tax purposes of approximately \$125,806,013 which are scheduled to expire through February 28, 2011.

The Board of Trustees intends to offset any future net capital gains with the capital loss carryforwards until each carryforward has been fully utilized or expires.

- C. SECURITY TRANSACTIONS AND REVENUE RECOGNITION. Loans are booked on a settlement date basis and security transactions are accounted for on trade date (date the order to buy or sell is executed). Realized gains or losses

## Edgar Filing: ING PRIME RATE TRUST - Form N-30D

are reported on the basis of identified cost of securities delivered. 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 discontinued when, in the opinion of management, there is an indication that the borrower may be unable to meet payments as they become due. Upon such discontinuance, all unpaid accrued interest is reversed. Cash collections on nonaccrual senior loans are generally applied as a reduction to the recorded investment of the loan. Senior loans are returned to accrual status only after all past due amounts have been received and the borrower has demonstrated sustained performance. For all loans acquired prior to March 1, 2001, arrangement fees, which represent non-refundable fees associated with the acquisition of loans, are deferred and recognized over the shorter of 2.5 years or the actual terms of the loan. For all loans, except revolving credit facilities, acquired subsequent to February 28, 2001, arrangement fees are treated as discounts and accreted as described in Note 1.H. Arrangement fees associated with revolving credit facilities acquired subsequent to February 28, 2001 are deferred and recognized over the shorter of 4 years or the actual term of the loan.

- D. DISTRIBUTIONS TO SHAREHOLDERS. The Trust records distributions to its shareholders on the ex-date. Distributions from income are declared by the Trust on a monthly basis. Distributions from capital gains, if any, are declared on an annual basis. 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 accounting principles generally accepted in the United States of America for items such as the treatment of short term capital gains and the amortization of premiums and accretion of discounts. These "book/tax" differences are considered either temporary or permanent in nature. To the extent that these differences are permanent in nature, such amounts are reclassified within the capital accounts based on their federal tax-basis treatment; temporary differences do not require reclassifications. Distributions which exceed net investment income and net realized capital gains for financial reporting purposes but not for tax purposes are reported as distributions in excess of net investment income and/or realized capital gains. To the extent they exceed net investment income and net realized capital gains for tax purposes, they are reported as a tax return of capital. During the year ended February 28, 2002 the Trust reclassified \$2,580,000 from undistributed net investment income to accumulated net realized loss on investments, to reflect the treatment of permanent book/tax differences.
- E. DIVIDEND REINVESTMENTS. Pursuant to the Shareholder Investment Program (formerly known as the Automatic Dividend Reinvestment Plan), DST Systems, Inc., the Plan Agent, purchases, from time to time, shares of beneficial interest of the Trust on the open market to satisfy dividend reinvestments. Such shares are purchased only when the closing sale or bid price plus commission is less than the net asset value per share of the stock on the valuation date. If the market

price plus commissions is equal to or exceeds the net asset value, new shares are issued at the greater of (i) net asset value or (ii) the market price of the shares during the pricing period, minus a discount of 5%.

## Edgar Filing: ING PRIME RATE TRUST - Form N-30D

- F. USE OF ESTIMATES. Management of the Trust has made certain estimates and assumptions relating to the reporting of assets, liabilities, revenues, expenses and contingencies to prepare these financial statements in conformity with generally accepted accounting principles in the United States of America. Actual results could differ from these estimates.
- G. SHARE OFFERINGS. During the year ended February 28, 1999, the Trust began issuing 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.
- H. CHANGE IN ACCOUNTING PRINCIPLE. In November 2000 the American Institute of Certified Public Accountants (the "AICPA") issued a revised version of the AICPA Audit and Accounting Guide for Investment Companies (the "Guide"). Effective March 1, 2001, the Fund adopted the provisions of the Guide and began amortizing premiums and accreting discounts on debt securities. Prior to March 1, 2001, the Trust had not amortized premiums nor accreted discounts. The cumulative effect of this accounting change had no impact on net assets of the Trust, but resulted in a \$3,653,000 increase in the cost of securities and a corresponding \$3,653,000 increase in net unrealized depreciation of investments, based on securities held by the Trust on March 1, 2001.
- I. RECLASSIFICATION. Under EITF Topic D-98, CLASSIFICATION AND MEASUREMENT OF REDEEMABLE SECURITIES, which was issued on July 19, 2001, preferred securities that are redeemable for cash or other assets are to be classified outside of permanent equity to the extent that the redemption is at a fixed or determinable price and at the option of the holder or upon the occurrence of an event that is not solely within the control of the issuer. Subject to the guidance of the EITF, the Trust's preferred stock, which was previously classified as a component of net assets, has been reclassified outside of permanent equity (net assets) in the accompanying financial statements. Prior year amounts have also been reclassified to conform with this presentation. The impact of this reclassification creates no change to the net assets available to common shareholders.

### NOTE 2 -- INVESTMENTS

For the six months ended August 31, 2002, the cost of purchases and the proceeds from principal repayment and sales of investments, excluding short-term notes, totaled \$489,984,004 and \$558,552,837, respectively. At August 31, 2002, the Trust held senior loans valued at \$1,523,311,257 representing 95.7% of its total investments. The market value of these assets is established as set forth in Note 1.

The senior loans acquired by the Trust may take the form of a direct co-lending relationship with the corporate issuer, an assignment of a co-lender's interest in a loan, or a participation interest in a co-lender's interest in a loan. The lead lender in a typical corporate loan syndicate administers the loan and monitors collateral. In the event that the lead lender becomes insolvent, enters FDIC receivership or, if not FDIC insured, enters into bankruptcy, the Trust may incur certain costs and delays in realizing payment, or may suffer a loss of principal and/or interest. Additionally, certain situations may arise where the Trust acquires a participation in a co-lender's interest in a loan and the Trust does not have privity with or direct recourse against the corporate issuer. Accordingly, the Trust may incur additional credit risk as a participant because it must assume the risk of insolvency or bankruptcy of the co-lender from which the participation was acquired. Common and preferred stocks, and stock purchase warrants held in the portfolio were acquired in conjunction with senior loans held by the Trust. Certain of these stocks and warrants are restricted and may



Edgar Filing: ING PRIME RATE TRUST - Form N-30D

not be publicly

38

ING Prime Rate Trust

-----  
 NOTES TO FINANCIAL STATEMENTS as of August 31, 2002 (Unaudited)  
 -----

sold without registration under the '33 Act, or without an exemption under the '33 Act. In some cases, these restrictions expire after a designated period of time after issuance of the stock or warrant. These restricted securities are valued at fair value as determined by the Board of Trustees by considering quality, dividend rate, and marketability of the securities compared to similar issues. In order to assist in the determination of fair value, the Trust will obtain quotes from dealers who periodically trade in such securities where such quotes are available. Dates of acquisition and cost or assigned basis of restricted securities are as follows:

	DATE OF ACQUISITION	COST OR ASSIGNED B
	-----	-----
Allied Digital Technologies Corporation -- Residual Interest in Bankruptcy Estate	06/05/02	\$ 186,
American Blind and Wallpaper, Inc. -- Common Stock	01/12/99	
AM Cosmetics Corporation -- Common Stock	06/08/99	385,
AM Cosmetics Corporation -- Preferred Stock	06/02/99	
Arch Wireless Holdings, Inc. -- Common Stock	07/22/02	68,
Autotote Systems, Inc. -- Option	02/26/97	
Boston Chicken, Inc. -- Residual interest in Boston Chicken Trust	12/26/00	8,014,
Breed Technologies -- Common Stock	12/27/00	3,343,
Capital Tool & Design, Ltd. -- Warrants	07/26/96	
Casden Properties Corporation -- Preferred Partnership Units	12/31/98	
Covenant Care, Inc. -- Warrants	12/22/95	
Covenant Care, Inc. -- Warrants	01/18/02	
Decision One Corporation -- Common Stock	06/16/00	
Electro Mechanical Solutions -- Warrants	06/20/00	
Euro United Corporation -- Residual Interest in Bankruptcy Estate	06/21/02	4,466,
Exide Technologies -- Warrants	11/30/01	
Grand Union Company -- Residual Interest in Bankruptcy Estate	07/01/02	8,
Holmes Group -- Warrants	10/24/01	
Humphry's, Inc. -- Common Stock	05/01/02	25,
Imperial Home Decor Group -- Common Stock	05/02/01	1,654,
IHDG Realty -- Common Stock	05/02/01	
Kevco, Inc. -- Residual Interest in Bankruptcy Estate	06/05/02	400,
Morris Material Handling, Inc. -- Common Stock	01/10/01	3,009,
MP Holdings, Inc. -- Common Stock	03/14/01	
Murray's Discount Auto Stores, Inc. -- Warrants	02/16/99	
New World Coffee Manhattan Bagel, Inc. -- Warrants	09/27/01	
Pacific Coin, Inc. -- Common Stock	07/09/01	
Safelite Glass Corporation -- Common Stock	09/12/00	
Safelite Realty -- Common Stock	09/12/00	
Scientific Games Corp. -- Common Stock	05/11/01	
Soho Publishing, Inc. -- Common Stock	03/14/01	
Stellex Aerostructures, Inc. -- Common Stock	10/17/01	275,
Tartan Textiles Services, Series D Preferred Stock	07/17/01	2,227,
Tartan Textiles Services, Series E Preferred Stock	07/17/01	2,333,
Tembec, Inc. -- Conversion rights representing		

## Edgar Filing: ING PRIME RATE TRUST - Form N-30D

Tembec Common Stock Shares	01/10/01	1,442,
U.S. Office Products Company -- Residual Interest in Bankruptcy Estate	06/11/02	
Vision Twenty-One -- Warrants	11/28/00	
Total restricted securities excluding senior loans (market value of \$37,265,305 was 4.0% of net assets at August 31, 2002)		\$27,843,

39

### ING Prime Rate Trust

-----  
NOTES TO FINANCIAL STATEMENTS as of August 31, 2002 (Unaudited)  
-----

#### NOTE 3 -- MANAGEMENT AND ADMINISTRATION AGREEMENTS

The Trust has entered into an Investment Management Agreement with the Investment Manager, a wholly-owned subsidiary of ING Funds Services, LLC (the "Administrator"), to provide advisory and management services. The Investment Management Agreement compensates the Investment Manager with a fee, computed daily and payable monthly, at an annual rate of 0.80% of the Trust's average daily net assets (inclusive of preferred stock) plus borrowings ("Managed Assets").

The Trust has also entered into an Administration Agreement with 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% of the Trust's average daily Managed Assets.

At August 31, 2002, the Trust had the following amounts recorded in payable to affiliates on the accompanying Statement of Assets and Liabilities:

ACCRUED INVESTMENT MANAGEMENT FEES	ACCRUED ADMINISTRATIVE FEES	TOTAL
-----	----	-----
\$1,083,984	\$338,729	\$1,422,713

#### NOTE 4 -- COMMITMENTS

The Trust has entered into both a 364-day and a five-year revolving credit agreement, collateralized by assets of the Trust, to borrow up to \$540 million from a syndicate of major financial institutions maturing July 15, 2003. 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 any unborrowed amounts are amortized over the term of the agreements. The amount of borrowings outstanding at August 31, 2002, was \$212 million, at a weighted average interest rate of 2.3%. The amount of borrowings represented 13.2% of total assets at August 31, 2002. Average borrowings for the the six months ended August 31, 2002 were \$193,853,261 and the average annualized interest rate was 2.5%.

As of August 31, 2002, the Trust had unfunded loan commitments pursuant to the terms of the following loan agreements:

Airgate PCS, Inc.	\$ 1,576,547
Aladdin Gaming, LLC	2,500,000
Aurora Foods, Inc.	342,857
Doshi Diagnostic	1,287,031

## Edgar Filing: ING PRIME RATE TRUST - Form N-30D

Express Scripts, Inc.	2,370,538
Fleming Companies, Inc.	1,345,455
Frontiervision Operating Partners, L.P.	1,296,970
Hilton Hawaiian Village, LLC	1,654,412
Huntsman Corporation	2,270,595
Insight Health Services Corp.	5,000,000
Lamar Media Corporation	6,398,437
Levi Strauss & Co.	6,161,575
Murray's Discount Auto Stores, Inc.	3,700,000
Owens -- Illinois, Inc.	2,813,151
Packaging Corporation of America	2,753,594
Palace Station Hotel and Casino	4,904,794
Relizon Company (The)	6,444,539
Riverwood International Corp.	4,638,334
Six Flags Theme Parks, Inc.	3,000,000
Waste Connection, Inc.	5,747,126
Western Wireless Corporation	6,000,000
	-----
	\$72,205,955
	=====

### NOTE 5 -- RIGHTS AND OTHER OFFERINGS

On October 18, 1996, the Trust issued to its shareholders non-transferable rights which entitled the holders to subscribe for 18,122,963 shares of the Trust's common stock at the rate of one share of common stock for each five rights held. On November 12, 1996, the offering expired and was fully subscribed. The Trust issued 18,122,963 shares of its common stock to exercising rights holders at a subscription price of \$9.09. Offering costs of \$6,972,203 were charged against the offering proceeds.

40

### ING Prime Rate Trust

-----  
 NOTES TO FINANCIAL STATEMENTS as of August 31, 2002 (Unaudited)  
 -----

On December 27, 1994, the Trust issued to its shareholders transferable rights which entitled the holders to subscribe for 17,958,766 shares of the Trust's common stock at the rate of one share of common stock for each four rights held. On January 27, 1995, the offering expired and was fully subscribed. The Trust issued 17,958,766 shares of its common stock to exercising rights holders at a subscription price of \$8.12. Offering costs of \$4,470,955 were charged against the offering proceeds.

As of August 31, 2002, share offerings pursuant to shelf registrations were as follows:

REGISTRATION DATE ----	SHARES REGISTERED -----	SHARES REMAINING -----
6/11/98	15,000,000	--
6/19/98	10,000,000	9,730,800
9/15/98	25,000,000	19,170,354
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, \$.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

## Edgar Filing: ING PRIME RATE TRUST - Form N-30D

Cumulative Preferred Shares, \$.01 Par Value, \$25,000, liquidation preference, for a total issuance of \$180 million. Costs associated with the offering of approximately \$5,438,664 were charged against the proceeds received. The Trust used the net proceeds of the offering to partially pay down the then existing indebtedness. The Trust may reborrow amounts in the future to increase its use of leverage which will be consistent with the limitations imposed by the 1940 Act. Preferred Shares pay dividends based on a rate set at auctions, normally held every 7 days. In the most instances dividends are also payable every 7 days, on the first business day following the end of the rate period.

### NOTE 6 -- 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 six months ended August 31, 2002.

### NOTE 7 -- SUBORDINATED LOANS AND 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 Manager 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. The Trust may invest up to 5% of its total assets, measured at the time of investment, in subordinated loans and unsecured loans. As of August 31, 2002, the Trust held 3.2% of its total assets in subordinated loans and unsecured loans.

41

ING Prime Rate Trust

-----  
NOTES TO FINANCIAL STATEMENTS as of August 31, 2002 (Unaudited)  
-----

### NOTE 8 -- SUBSEQUENT EVENTS

Subsequent to August 31, 2002, the Trust paid to Common Shareholders the following dividends from net investment income:

PER SHARE AMOUNT	DECLARATION DATE	RECORD DATE	PAYABLE DATE
-----	-----	-----	-----
\$0.0385	08/30/2002	09/10/2002	09/23/2002
\$0.0375	09/30/2002	10/10/2002	10/22/2002

Subsequent to August 31, 2002, 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
-----	-----	-----	-----	-----
Series M	\$40.15	09/09/02 to 10/07/02	09/16/02 to 10/11/02	09/17/02 to 10/15/02
Series T	\$39.47	09/03/02 to 10/01/02	09/10/02 to 10/08/02	09/11/02 to 10/09/02
Series W	\$40.30	09/04/02 to 10/02/02	09/11/02 to 10/09/02	09/12/02 to 10/10/02
Series Th	\$39.46	09/05/02 to 10/03/02	09/12/02 to 10/10/02	09/13/02 to 10/11/02

## Edgar Filing: ING PRIME RATE TRUST - Form N-30D

Series F      \$41.84      09/06/02 to 10/04/02      09/13/02 to 10/11/02      09/16/02 to 10/15/02

### MANAGEMENT'S ADDITIONAL OPERATING INFORMATION (UNAUDITED)

#### APPROVAL OF CHANGES IN INVESTMENT POLICIES

At a Special Meeting of Trust Shareholders, held August 6, 1998, Shareholders approved changes in the Trust's fundamental investment policies which make available certain additional investment opportunities to the Trust, including (i) investing in loans in any form of business entity, as long as the loans otherwise meet the Trust's requirements regarding the quality of loans in which it may invest; (ii) the treatment of lease participations as Senior Loans which would constitute part of the 80% of the Trust's assets normally invested in Senior Loans; (iii) investing in all types of hybrid loans that meet credit standards established by the Investment Manager constituting part of the 20% of the Trust's assets that may be invested in Other Investments; and (iv) the ability to invest up to 5% of its total assets in both subordinated loans and unsecured loans which would constitute part of the 20% of the Trust's assets that may be invested in Other Investments.

Additionally, another policy change approved by the Board of Trustees of the Trust, which does not require shareholder approval, permits the Trust to accept guarantees and expanded forms of intangible assets as collateral, including copyrights, patent rights, franchise value, and trademarks. Another policy change approved by the Board, that does not require shareholder approval, provides that 80% of the Trust's managed assets, as opposed to 80% of its net assets, may normally be invested in Senior Loans.

The Trust's Manager considered the evolving nature of the syndicated loan market and the potential benefits to the Trust and its shareholders of revising the restriction to permit the Trust to invest in loans other than Senior Loans and the increase in the number of attractive investment opportunities available to the Trust due to the change.

#### REPURCHASE OF SECURITIES BY CLOSED-END COMPANIES

In accordance with Section 23(c) of the 1940 Act, and Rule 23c-1 under the 1940 Act the Trust may from time to time purchase shares of beneficial interest of the Trust in the open market, in privately negotiated transactions and/or purchase shares to correct erroneous transactions.

#### SHAREHOLDER INVESTMENT PROGRAM

The Trust offers a Shareholder Investment Program (the "Program") which enables investors to conveniently add to their holdings at reduced costs. Should you desire further information concerning this Program, please contact the Shareholder Servicing Agent at (800) 992-0180.

42

ING Prime Rate Trust

---

#### TRUSTEE AND OFFICER INFORMATION (Unaudited)

---

The business and affairs of the Trust is managed under the direction of the Trust's Board of Trustees. Information pertaining to the Trustees and Officers of the Trust is set forth below:

Edgar Filing: ING PRIME RATE TRUST - Form N-30D

NAME, ADDRESS AND AGE -----	POSITION(S) HELD WITH TRUST -----	TERM OF OFFICE AND LENGTH OF TIME SERVED -----	PRINCIPAL OCCUPATION(S) DURING THE PAST FIVE YEARS -----
INDEPENDENT TRUSTEES:			
Paul S. Doherty 7337 E. Doubletree Ranch Rd. Scottsdale, Arizona 85258 Age: 68	Trustee	10-29-99 to Present	Mr. Doherty is President and Partner, Doherty, Wallace, Pillsbury and Murphy, P.C., Attorneys (1996 to Present); Director of Tambrands, Inc. (1993 to 1998); and Trustee of each of the funds managed by Northstar Investment Management Corporation (1993 to 1999).
J. Michael Earley 7337 E. Doubletree Ranch Rd. Scottsdale, Arizona 85258 Age: 57	Trustee	2-26-02 to Present	President and Chief Executive Officer of Bankers Trust Company, N.A. (1992 to Present).
R. Barbara Gitenstein 7337 E. Doubletree Ranch Rd. Scottsdale, Arizona 85258 Age: 54	Trustee	2-26-02 to Present	President of the College of New Jersey (1999 to Present); Executive Vice President and Provost at Drake University (1992 to 1998).
Walter H. May 7337 E. Doubletree Ranch Rd. Scottsdale, Arizona 85258 Age: 65	Trustee	10-29-99 to Present	Retired. Mr. May was formerly Managing Director and Director of Marketing for Piper Jaffray, Inc., an investment banking/underwriting firm. Mr. May was formerly a Trustee of each of the funds managed by Northstar Investment Management Corporation (1996 to 1999).
Jock Patton 7337 E. Doubletree Ranch Rd. Scottsdale, Arizona 85258 Age: 56	Trustee	8-28-95 to Present	Private Investor. Mr. Patton was formerly Director and Chief Executive Officer of Rainbow Multimedia Group, Inc. (January 1999 to December 2001); Director of Stuart Entertainment, Inc.; Director of Artisoft, Inc. (1994 to 1998); President and co-owner of StockVal, Inc. (November 1992 to June 1997) and a Partner and Director at Streich,

Edgar Filing: ING PRIME RATE TRUST - Form N-30D

Lang P.A. (1972 to 1993).

43

ING Prime Rate Trust

-----  
 TRUSTEE AND OFFICER INFORMATION (Unaudited) (Continued)  
 -----

NAME, ADDRESS AND AGE -----	POSITION(S) HELD WITH TRUST -----	TERM OF OFFICE AND LENGTH OF TIME SERVED -----	PRINCIPAL OCCUPATION(S) DURING THE PAST FIVE YEARS -----
INDEPENDENT TRUSTEES:			
David W.C. Putnam 7337 E. Doubletree Ranch Rd. Scottsdale, Arizona 85258 Age: 63	Trustee	10-29-99 to Present	President and Director of F.L. Putnam Securities Company, Inc. and its affiliates. Mr. Putnam is also President, Secretary and Trustee of The Principled Equity Market Fund. Mr. Putnam was formerly a Director/Trustee of Trust Realty Corp.; Anchor Investment Trust; Bow Ridge Mining Company and each of the funds managed by Northstar Investment Management Corporation (1994 to 1999).
Blaine E. Rieke	Trustee	2-26-01 to	General Partner of

Edgar Filing: ING PRIME RATE TRUST - Form N-30D

7337 E. Doubletree Ranch Rd.  
 Scottsdale, Arizona 85258  
 Age: 69

Present

Huntington Partners, an investment partnership (1997 to Present). Mr. Rieke was formerly Chairman and Chief Executive Officer of Firststar Trust Company (1973 to 1996). Mr. Rieke was formerly the Chairman of the Board and a Trustee of each of the funds managed by ING Investment Management Co. LLC (1998 to 2001).

Roger B. Vincent  
 7337 E. Doubletree Ranch Rd.  
 Scottsdale, Arizona 85258  
 Age: 57

Trustee

2-26-02 to Present

President of Springwell Corporation, a corporate advisory firm (1989 to Present). Mr. Vincent was formerly a Director of Tatham Offshore, Inc. (1996 to 2000) and Petrolane, Inc. (1993 to 1995).

ING Prime Rate Trust

-----  
 TRUSTEE AND OFFICER INFORMATION (Unaudited) (Continued)  
 -----

NAME, ADDRESS AND AGE -----	POSITION(S) HELD WITH TRUST -----	TERM OF OFFICE AND LENGTH OF TIME SERVED -----	PRINCIPAL OCCUPATION(S) DURING THE PAST FIVE YEARS -----
INDEPENDENT TRUSTEES:			
Richard A. Wedemeyer 7337 E. Doubletree Ranch Rd. Scottsdale, Arizona 85258 Age: 66	Trustee	2-26-01 to Present	Vice President -- Finance and Administration -- of the Channel Corporation, an importer of specialty alloy aluminum products (1996 to Present). Mr. Wedemeyer was formerly Vice President -- Finance and Administration -- of Performance Advantage, Inc., a provider of training and consultation services (1992 to 1996), and Vice President, Operations and Administration, of Jim Henson Productions (1979 to 1997). Mr. Wedemeyer



Edgar Filing: ING PRIME RATE TRUST - Form N-30D

was formerly a Trustee of First Choice Funds (1997 to 2001). Mr. Wedemeyer was also a Trustee of each of the funds managed by ING Investment Management Co., LLC (1998 to 2001).

INTERESTED TRUSTEES:

<p>R. Glenn Hilliard(1) 7337 E. Doubletree Ranch Rd. Scottsdale, Arizona 85258 Age: 59</p>	<p>Trustee</p>	<p>2-26-02 to Present</p>	<p>Chairman and CEO of ING Americas and a member of its Americas Executive Committee (1999 to Present). Mr. Hilliard was formerly Chairman and CEO of ING North America, encompassing the U.S., Mexico and Canada regions (1994 to 1999).</p>
--	----------------	-------------------------------	---

ING Prime Rate Trust

-----  
TRUSTEE AND OFFICER INFORMATION (Unaudited) (Continued)  
-----

NAME, ADDRESS AND AGE -----	POSITION(S) HELD WITH TRUST -----	TERM OF OFFICE AND LENGTH OF TIME SERVED -----	PRINCIPAL OCCUPATION(S) DURING THE PAST FIVE YEARS -----
INTERESTED TRUSTEES:			
<p>Thomas J. McInerney(2) 7337 E. Doubletree Ranch Rd. Scottsdale, Arizona 85258 Age: 46</p>	<p>Trustee</p>	<p>2-26-01 to Present</p>	<p>Chief Executive Officer, ING U.S. Financial Services (September 2001 to Present) and member of ING Americas Executive Committee (2001 to Present); President, Chief Executive Officer and Director of Northern Life Insurance Company (2001 to Present); and President and Director of ING Life Insurance and Annuity Company (1997 to Present), ING Retirement Holdings, Inc. (1997 to</p>

Present), ING Aeltus Holdings Company Inc. (2000 to Present), and ING Retail Holding Company (2000 to Present). Mr. McInerney was formerly General Manager and Chief Executive Officer of ING Worksite Division (December 2000 to October 2001); President of Aetna Financial Services (August 1997 to December 2000); Head of National Accounts and Core Sales and Marketing for Aetna U.S. Healthcare (April 1996 to March 1997); Head of Corporate Strategies for Aetna Inc. (July 1995 to April 1996), and has held a variety of line and corporate staff positions since 1978.

ING Prime Rate Trust

-----  
 TRUSTEE AND OFFICER INFORMATION (Unaudited) (Continued)  
 -----

NAME, ADDRESS AND AGE	POSITION(S) HELD WITH TRUST	TERM OF OFFICE AND LENGTH OF TIME SERVED	PRINCIPAL OCCUPATION(S) DURING THE PAST FIVE YEARS
--------------------------	--------------------------------	--	---

Edgar Filing: ING PRIME RATE TRUST - Form N-30D

INTERESTED TRUSTEES:

<p>John G. Turner(3) 7337 E. Doubletree Ranch Rd. Scottsdale, Arizona 85258 Age: 63</p>	<p>Chairman and Trustee</p>	<p>10-29-99 to Present</p>	<p>President, Turner Investment Company (January 2002 to Present). Mr. Turner was formerly Vice Chairman of ING Americas (2000 to 2001); Chairman and Chief Executive Officer of ReliaStar Financial Corp. and ReliaStar Life Insurance Company (1993 to 2000); Chairman of ReliaStar United Services Life Insurance Company (1995 to 1998); Chairman of ReliaStar Life Insurance Company of New York (1995 to 2001); Chairman of Northern Life Insurance Company (1992 to 2001); Chairman and Director/Trustee of the Northstar affiliated investment companies (1993 to 2001) and Director, Northstar Investment Management Corporation and its affiliates (1993 to 1999).</p>
---	---------------------------------	--------------------------------	--

- 
- (1) Mr. Hilliard is an "interested person," as defined in the 1940 Act, because of his relationship with ING Americas, an affiliate of ING Investments, LLC.
  - (2) Mr. McInerney is an "interested person," as defined in the 1940 Act, because of his affiliation with ING U.S. Financial Services, an affiliate of ING Investments, LLC.
  - (3) Mr. Turner is an "interested person," as defined in the 1940 Act, because of his former affiliation with ING Americas, an affiliate of ING Investments, LLC.

47

ING Prime Rate Trust

-----  
TRUSTEE AND OFFICER INFORMATION (Unaudited) (Continued)  
-----

NAME, ADDRESS AND AGE	POSITION(S) HELD WITH THE TRUST	TERM OF OFFICE AND LENGTH OF TIME SERVED	OO D PAS
-----	-----	-----	-----

## Edgar Filing: ING PRIME RATE TRUST - Form N-30D

### OFFICERS:

James M. Hennessy 7337 E. Doubletree Ranch Rd. Scottsdale, Arizona 85258 Age: 53	President and Chief Executive Officer  Chief Operating Officer  Senior Executive Vice President  Secretary	February 2001 - Present  June 2000 - Present  June 2000 - February 2001  April 1995 - February 2001	President and Chief Executive Officer of ING Capital Funds Services, LLC, ING Investment Distributor, Inc. and EAM December 2000 - Present and Secretary of ING Quantitative (since October 2000) ING Capital Funds Services, LLC, ING Advisory Services, Inc. and Executive Vice President of Capital Corporation affiliates (Senior Vice President, 1995 - April 2002)
Michael J. Roland 7337 E. Doubletree Ranch Rd. Scottsdale, Arizona 85258 Age: 44	Executive Vice President and Assistant Secretary  Chief Financial Officer  Senior Vice President	February 2002 - Present  June 1998 - Present  June 1998 - February 2002	Executive Vice President and Assistant Secretary of ING Capital Funds Services, LLC, ING Advisory Services, Inc. and Executive Vice President of Endeavor Group Corporation (1998 - Present)
Daniel Norman 7337 E. Doubletree Ranch Rd. Scottsdale, Arizona 85258 Age: 44	Senior Vice President Co-Senior Portfolio Manager  Treasurer	April 1995 - Present  June 1997 - Present	Senior Vice President of ING Capital Funds Services, LLC (since December 2000) and has served as Treasurer of ING Capital Funds Services, LLC affiliates (1997 - Present)
Jeffrey A. Bakalar 7337 E. Doubletree Ranch Rd. Scottsdale, Arizona 85258 Age: 42	Senior Vice President Co-Senior Portfolio Manager	November 1999 - Present	Senior Vice President of ING Capital Funds Services, LLC (since November 1999) and has served as Vice President of ING Capital Funds Services, LLC (February 1999 - November 1999) and as President of ING Capital Funds Services, LLC (Chicago) (July 1999 - February 1999)
Curtis F. Lee 7337 E. Doubletree Ranch Rd. Scottsdale, Arizona 85258 Age: 48	Senior Vice President and Chief Credit Officer	January 2001- Present	Senior Vice President and Chief Credit Officer of ING Capital Funds Services, LLC (since January 2001) and has served as Vice President of ING Capital Funds Services, LLC (1999 - 2001) and as Chairman of ING Capital Funds Services, LLC (1999 - 2001)

Edgar Filing: ING PRIME RATE TRUST - Form N-30D

approval and  
management f  
June 1999)

48

ING Prime Rate Trust

-----  
TRUSTEE AND OFFICER INFORMATION (Unaudited) (Continued)  
-----

NAME, ADDRESS AND AGE -----	POSITION(S) HELD WITH THE TRUST -----	TERM OF OFFICE AND LENGTH OF TIME SERVED -----	OC D PAS -----
<b>OFFICERS:</b>			
Robert S. Naka 7337 E. Doubletree Ranch Rd. Scottsdale, Arizona 85258 Age: 39	Senior Vice President Assistant Secretary	November 1999 - Present July 1996 - Present	Senior Vice Secretary, I Funds Distri Inc., ING Ca Investments, Management, and Lexingto (since Decem President, I 1997 - Octob Services, LL 1999) and As Funds Servic February 199
Robyn L. Ichilov 7337 E. Doubletree Ranch Rd. Scottsdale, Arizona 85258 Age: 35	Vice President	November 1997 - Present	Vice Preside LLC (since O Investments, Accounting M LLC (since N
Kimberly A. Anderson 7337 E. Doubletree Ranch Rd. Scottsdale, Arizona 85258 Age: 38	Vice President and Secretary Assistant Vice President and Assistant Secretary	February 2001 - Present November 1999 - February 2001	Vice Preside Management, Vice Preside of ING Funds Distributor, Investments, and Lexingto (since Decem Assistant Vi Services, LL 2001) and ha positions wi for more tha
Lourdes R. Bernal 7337 E. Doubletree Ranch Rd. Scottsdale, Arizona 85258 Age: 32	Vice President	February 2002 - Present	Vice Preside (since Janua ING Investme Bernal was a

Edgar Filing: ING PRIME RATE TRUST - Form N-30D

Todd Modic Assistant Vice President August 2001- Present  
 7337 E. Doubletree Ranch Rd.  
 Scottsdale, Arizona 85258  
 Age: 34

Maria M. Anderson Assistant Vice President August 2001 - Present  
 7337 E. Doubletree Ranch Rd.  
 Scottsdale, Arizona 85258  
 Age: 44

Elliot Rosen Senior Vice President May 2002 - Present  
 7337 E. Doubletree Ranch Rd.  
 Scottsdale, Arizona 85258  
 Age: 49

Investment M  
 Pricewaterho  
 - December 2  
 Pricewaterho  
 - July 2000)  
 Lybrand LLP

Assistant Vi  
 Financial Re  
 LLC (since M  
 Director of  
 Communicatio  
 January 2001  
 Rural/Metro  
 May 2000).

Senior Vice  
 LLC (since F  
 Senior Vice  
 1997 - Febru  
 Sendero, whi  
 (August 1993

ING Prime Rate Trust

-----  
 TRUSTEE AND OFFICER INFORMATION (Unaudited) (Continued)  
 -----

NAME, ADDRESS AND AGE -----	POSITION(S) HELD WITH THE TRUST -----	TERM OF OFFICE AND LENGTH OF TIME SERVED -----	OC D PAS ---
OFFICERS:			
William H. Rivoir III 7337 E. Doubletree Ranch Rd. Scottsdale, Arizona 85258 Age: 51	Senior Vice President and Assistant Secretary	February 2001 - Present	Senior Vice ING Capital Funds Servic 2001), ING F Advisors, In and ING Quan Inc. (since Funds Distri Funding, Inc

Inc., Express  
Liquidation  
2001). Former  
and Assistant  
Services, LLC  
Investments,  
Financial, I  
Senior Vice  
Investments,  
and Assistant  
Distributor,  
and ING Inve  
1998)

50

INVESTMENT MANAGER

ING Investments, LLC  
7337 E. Doubletree Ranch Road  
Scottsdale, Arizona 85258-2034

ADMINISTRATOR

ING Fund Services, LLC  
7337 E. Doubletree Ranch Road  
Scottsdale, Arizona 85258-2034  
1-800-992-0180

INSTITUTIONAL INVESTORS AND ANALYSTS

Call ING Prime Rate Trust  
1-800-336-3436,  
Extension 2217

DISTRIBUTOR

ING Funds Distributor, LLC  
7337 E. Doubletree Ranch Road  
Scottsdale, Arizona 85258-2034  
1-800-334-3444

TRANSFER AGENT

DST Systems, Inc.  
P.O. Box 219368  
Kansas City, Missouri 64141-9368

CUSTODIAN

State Street Bank and Trust Company  
801 Pennsylvania Avenue  
Kansas City, Missouri 64105

LEGAL COUNSEL

Dechert  
1775 Eye Street, N.W.  
Washington, D.C. 20006

INDEPENDENT AUDITORS

Edgar Filing: ING PRIME RATE TRUST - Form N-30D

KPMG LLP  
355 South Grand Avenue  
Los Angeles, California 90071

WRITTEN REQUESTS

Please mail all account inquiries and other comments to:

ING Prime Rate Trust Account  
c/o ING Fund Services, LLC  
7337 E. Doubletree Ranch Road  
Scottsdale, Arizona 85258-2034

TOLL-FREE SHAREHOLDER INFORMATION

Call us from 9:00 a.m. to 7:00 p.m. Eastern time on any business day for account or other information, at 1-800-992-0180

A prospectus containing more complete information regarding the Trust, including charges and expenses, may be obtained by calling ING Funds Distributor, LLC, Distributor, at 1-800-992-0180. Please read the prospectus carefully before you invest or send money.

[LION LOGO]  
ING FUNDS

PRTSAR 083102-102902