

ING PRIME RATE TRUST  
Form N-CSR  
May 07, 2007

OMB APPROVAL

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

Washington, D.C. 20549

**FORM N-CSR**

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

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

**ING Prime Rate Trust**

(Exact name of registrant as specified in charter)

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

**85258**  
(Zip code)

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

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(Name and address of agent for service)

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

Date of fiscal year end: February 28

Date of reporting period: February 28, 2007

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**Item 1. Reports to Stockholders.**

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

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**Funds**

**Annual Report**

**February 28, 2007**

ING Prime Rate Trust

E-Delivery Sign-up details inside

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

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ING Prime Rate Trust

**ANNUAL REPORT**

February 28, 2007

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## ING Prime Rate Trust

## PORTFOLIO MANAGERS' REPORT

Dear Shareholders:

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

**PORTFOLIO CHARACTERISTICS  
AS OF FEBRUARY 28, 2007**

Net Assets	\$1,109,538,952
Total Assets	\$1,878,156,056
Assets Invested in Senior Loans	\$1,829,047,888
Senior Loans Represented	563
Average Amount Outstanding per Loan	\$3,248,753
Industries Represented	39
Average Loan Amount per Industry	\$46,898,664
Portfolio Turnover Rate (YTD)	60%
Weighted Average Days to Interest Rate Reset	40
Average Loan Final Maturity	64 months
Total Leverage as a Percentage of Total Assets (including Preferred Shares)	38.92%

**PERFORMANCE SUMMARY**

The Trust declared \$0.14 of dividends during the fourth fiscal quarter and \$0.55 for the year ended February 28, 2007. Based on the average month-end net asset value ("NAV") per share of \$7.56, this resulted in an annualized distribution rate of 7.50%<sup>(1)</sup> for the quarter and 7.39%<sup>(1)</sup> for the year. The Trust's total net return for the fourth fiscal quarter, based on NAV, was 3.30%, versus a total gross return on the S&P/LSTA Leveraged Loan Index ("LLI")<sup>(2)</sup> of 2.29% for the same quarter. For the year, the Trust's total net return, based on NAV was 8.85% versus 7.02% gross return for the LLI. The total market value return (based on full reinvestment of dividends) for the Trust's common shares during the fourth fiscal quarter was 4.92% and 13.84% for the year ended February 28, 2007.

**PORTFOLIO REVIEW**

The Trust's performance during the fiscal quarter and year ended February 28, 2007 was attributable to a combination of factors, including the avoidance of material downside credit volatility (the Trust was not impaired by those defaults that did occur in the LLI during the period), a continued emphasis on the better performing issuers and sectors, and generally buoyant conditions across the global leveraged loan market.

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

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





ING Prime Rate Trust

PORTFOLIO MANAGERS' REPORT (continued)

Although risk levels have become elevated somewhat across the high yield markets (discussed below), the overall loan market environment remained healthy during the period. Indeed, loans exhibited remarkable resiliency in the face of the turmoil that roiled other capital markets late in the fiscal quarter. Importantly, the loan market also recently regained its relative balance as new institutional loan supply rose to a record \$137 billion during the first quarter (a 79% increase over the year-earlier period). Due to a continually robust level of investor demand, a consistent supply of new loans is crucial to maintaining equilibrium and fostering a stable credit spread environment. A constructive fundamental credit backdrop also proved positive investor sentiment as the trailing twelve-month default rate (by number of issuers) declined to a new recorded low of 0.46% (2.09% at February 28, 2006).

Individual credit selection and sector positioning also added to returns during the period. The Trust held meaningful positions in the top five contributing loans to LLI returns during the fiscal year, and did not hold or took no losses on any of the five greatest detractors. A general underweight of the auto supplier and real estate/construction sectors also positively impacted results as these sectors continue to exhibit much higher volatility profiles than the LLI at large.

USE OF LEVERAGE

The Trust utilizes financial leverage to seek to increase the yield to the holders of common shares. As of February 28, 2007, the Trust had \$450 million of "Aaa/AAA<sup>(3)</sup>" rated cumulative auction rate preferred shares outstanding, and \$281 million of borrowings outstanding under \$625 million in available credit facilities. Total leverage, as a percentage of total assets (including preferred shares), was 38.92% at period end. The use of leverage for investment purposes increases both investment opportunity and investment risk.

**TOP TEN INDUSTRY SECTORS  
AS OF FEBRUARY 28, 2007  
AS A PERCENTAGE OF:**

	<b>TOTAL ASSETS</b>	<b>NET ASSETS</b>
Healthcare, Education and Childcare	8.3%	14.0%
North American Cable	7.6%	12.9%
Chemicals, Plastics & Rubber	5.9%	10.0%
Utilities	5.4%	9.2%
Printing & Publishing	5.4%	9.1%
Leisure, Amusement, Entertainment	5.1%	8.6%
Oil & Gas	4.8%	8.2%
Retail Stores	4.5%	7.7%
Data and Internet Services	3.7%	6.2%
Beverage, Food & Tobacco	3.2%	5.4%

*Portfolio holdings are subject to change daily.*

**TOP TEN SENIOR LOAN ISSUERS  
AS OF FEBRUARY 28, 2007  
AS A PERCENTAGE OF:**

	<b>TOTAL ASSETS</b>	<b>NET ASSETS</b>
Charter Communications Operating, LLC	2.9%	4.9%
Metro-Goldwyn-Mayer, Inc.	2.2%	3.7%
Georgia Pacific Corporation	1.7%	2.9%
Sungard Data Systems, Inc.	1.5%	2.6%
NRG Energy, Inc.	1.5%	2.5%
West Corp.	1.3%	2.2%

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CSC Holdings, Inc. (Cablevision)	1.2%	2.1%
ARAMARK	1.1%	1.9%
Idearc, Inc.	1.1%	1.9%
Advance Micro Devices	1.0%	1.6%

*Portfolio holdings are subject to change daily.*

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

ING Prime Rate Trust

PORTFOLIO MANAGERS' REPORT (continued)

**CURRENT STRATEGY AND OUTLOOK**

As with all active capital markets, we believe that the leveraged loan markets are heading into a period of increased uncertainty as the U.S. economy looks to extend its ongoing expansion, albeit at what most agree to be a slower pace. While several headwinds are present (energy price volatility and the yet unknown final impact of the residential housing slowdown as the two headliners), we still believe issuing corporations will post respectable earnings growth during the coming quarters, and thus be in a position to comfortably leverage and de-leverage their balance sheets. Further, Mergers and Acquisition activity (a primary driver of new loan issuance) is expected to remain strong into the foreseeable future, as is overall liquidity. Combined, we believe these factors provide a good backdrop for favorable performance on the part of a well diversified loan portfolio.

We do remain concerned, however, with the ongoing trend toward structure erosion, specifically looser protective covenants, the proliferation of second lien loan tranches, and inferior collateral packages. Our strategy seeks to provide high risk adjusted returns over a full credit cycle by investing primarily in traditional secured, floating rate senior loans, and as stated previously, we are content to forgo excess returns during period of elevated risk in exchange for maintaining discipline in terms of credit selection.

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

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

ING Prime Rate Trust  
April 18, 2007

## ING Prime Rate Trust

## PORTFOLIO MANAGERS' REPORT (continued)

	Average Annual Total Returns for the Years Ended February 28, 2007			
	1 Year	3 Years	5 Years	10 Years
Based on Net Asset Value (NAV)	8.85%	8.36%	8.14%	5.87%
Based on Market Value	13.84%	4.83%	8.75%	4.92%
S&P/LSTA Leveraged Loan Index	7.02%	5.80%	6.03%	5.44%
Credit-Suisse Leveraged Loan Index	7.57%	6.29%	6.40%	5.65%

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

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

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

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

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

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

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

## INDEX DESCRIPTIONS

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

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

# ING Prime Rate Trust

## PORTFOLIO MANAGERS' REPORT (continued)

### YIELDS AND DISTRIBUTIONS RATES

Quarter Ended	Prime Rate	Net Asset Value ("NAV") 30-Day SEC Yield <sup>(A)</sup>	Market 30-Day SEC Yield <sup>(A)</sup>	Average Annualized Distribution Rate at NAV <sup>(B)</sup>	Average Annualized Distribution Rate at Market <sup>(B)</sup>
February 28, 2007	8.25%	9.69%	10.02%	7.50%	7.68%
November 30, 2006	8.25%	9.76%	10.25%	7.55%	7.95%
August 31, 2006	8.25%	9.42%	9.95%	7.47%	7.86%
May 31, 2006	8.00%	9.63%	10.31%	7.10%	7.57%

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

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

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

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

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

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

ING Prime Rate Trust

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

The Shareholders and Board of Trustees  
of ING Prime Rate Trust

We have audited the accompanying statement of assets and liabilities of ING Prime Rate Trust, including the portfolio of investments, as of February 28, 2007, and the related statements of operations and cash flows for the year then ended, the statements of changes in net assets for each of the years in the two-year period then ended, and the financial highlights for each of the years in the five-year period then ended. These financial statements and financial highlights are the responsibility of management. Our responsibility is to express an opinion on these financial statements and financial highlights based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements and financial highlights are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. Our procedures included confirmation of securities owned as of February 28, 2007, by correspondence with the custodian and brokers, or by other appropriate auditing procedures when replies from brokers were not received. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements and financial highlights referred to above present fairly, in all material respects, the financial position of ING Prime Rate Trust as of February 28, 2007, and the results of its operations, its cash flows, the changes in its net assets, and the financial highlights for the periods specified in the first paragraph above, in conformity with U.S generally accepted accounting principles.

Boston, Massachusetts  
April 27, 2007



## ING Prime Rate Trust

STATEMENT OF ASSETS AND LIABILITIES as of February 28, 2007

<b>ASSETS:</b>	
Investments in securities at value (Cost \$1,820,026,454)	\$ 1,854,050,204
Cash	5,421,648
Foreign currencies at value (Cost \$532,304)	534,285
Receivables:	
Investment securities sold	5,843,674
Interest	12,146,845
Other	46,057
Unrealized appreciation on foreign currency contracts	15,357
Prepaid expenses	41,058
Prepaid arrangement fees on notes payable	56,928
Total assets	1,878,156,056
<b>LIABILITIES:</b>	
Notes payable	281,000,000
Payable for investments purchased	32,426,397
Accrued interest payable	1,611,635
Deferred arrangement fees on senior loans	534,655
Dividends payable – preferred shares	236,411
Payable to affiliates	1,529,400
Payable to custodian	178,545
Accrued trustees fees	30,987
Unrealized depreciation on foreign currency contracts	489,652
Other accrued expenses	579,422
Total liabilities	318,617,104
Preferred shares, \$25,000 stated value per share at liquidation value (18,000 shares outstanding)	450,000,000
<b>NET ASSETS</b>	<b>\$ 1,109,538,952</b>
Net asset value per common share outstanding (net assets less preferred shares at liquidation value, divided by 145,033,235 shares of beneficial interest authorized and outstanding, no par value)	\$ 7.65
<b>NET ASSETS WERE COMPRISED OF:</b>	
Paid-in capital	1,331,413,656
Undistributed net investment income	4,124,094
Accumulated net realized loss on investments	(259,551,650)
Net unrealized appreciation on investments and foreign currency related transactions	33,552,852
<b>NET ASSETS</b>	<b>\$ 1,109,538,952</b>

See Accompanying Notes to Financial Statements



## ING Prime Rate Trust

STATEMENT OF OPERATIONS for the Year Ended February 28, 2007

<b>INVESTMENT INCOME:</b>		
Interest	\$	150,681,482
Arrangement fees earned		1,232,811
Other		1,689,851
Total investment income		153,604,144
<b>EXPENSES:</b>		
Investment Management fees		16,030,822
Administration fees		5,009,632
Transfer agent fees		120,905
Interest expense		26,339,161
Shareholder reporting expense		132,190
Custody and accounting expense		819,400
Professional fees		240,402
Preferred Shares Dividend disbursing agent fees		1,230,973
Pricing expense		54,725
ICI fees		3,243
Postage expense		247,250
Trustees fees		73,365
Miscellaneous expense		218,858
Total expenses		50,520,926
Net investment income		103,083,218
<b>REALIZED AND UNREALIZED GAIN (LOSS) FROM INVESTMENTS AND FOREIGN CURRENCY RELATED TRANSACTIONS:</b>		
Net realized gain (loss) on:		
Investments		16,459,812
Foreign currency related transactions		(1,860,785)
Net realized gain on investments and foreign currency related transactions		14,599,027
Net change in unrealized appreciation or depreciation on:		
Investments		(5,971,942)
Foreign currency related transactions		(470,898)
Net change in unrealized appreciation or depreciation on investments and foreign currency related transactions		(6,442,840)
Net realized and unrealized gain on investments and foreign currency related transactions		8,156,187
<b>DISTRIBUTIONS TO PREFERRED SHAREHOLDERS:</b>		
From net investment income		(22,313,381)
Net increase in net assets resulting from operations	\$	88,926,024

See Accompanying Notes to Financial Statements

## ING Prime Rate Trust

## STATEMENTS OF CHANGES IN NET ASSETS

	Year Ended February 28, 2007	Year Ended February 28, 2006
<b>FROM OPERATIONS:</b>		
Net investment income	\$ 103,083,218	\$ 83,109,460
Net realized gain on investments and foreign currency related transactions	14,599,027	422,159
Net change in unrealized appreciation or depreciation on investments and foreign currency related transactions	(6,442,840)	16,658,806
Distributions to preferred shareholders from net investment income	(22,313,381)	(15,839,470)
Net increase in net assets resulting from operations	88,926,024	84,350,955
<b>FROM DISTRIBUTIONS TO COMMON SHAREHOLDERS:</b>		
From net investment income	(80,058,346)	(66,428,156)
Decrease in net assets from distributions to common shareholders	(80,058,346)	(66,428,156)
Net increase in net assets	8,867,678	17,922,799
<b>NET ASSETS:</b>		
Beginning of year	1,100,671,274	1,082,748,475
End of year (including undistributed net investment income of \$4,124,094 and \$5,062,694, respectively)	\$ 1,109,538,952	\$ 1,100,671,274

See Accompanying Notes to Financial Statements

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# ING Prime Rate Trust

STATEMENT OF CASH FLOWS for the year ended February 28, 2007

## INCREASE (DECREASE) IN CASH

### Cash Flows From Operating Activities:

Interest received	\$ 153,443,673
Facility fees paid	(27,052)
Dividends paid to preferred shareholders	(22,304,952)
Arrangement fees received	855,295
Other income received	1,679,765
Interest paid	(26,714,578)
Other operating expenses paid	(24,349,911)
Purchases of securities	(1,248,116,897)
Proceeds from sale of securities	1,430,719,366
Net cash provided by operating activities	265,184,709

### Cash Flows From Financing Activities:

Dividends paid to common shareholders	(80,058,346)
Net paydown of notes payable	(184,000,000)
Net cash flows used in financing activities	(264,058,346)
Net increase	1,126,363
Cash at beginning of period	4,295,285
Cash at end of period	\$ 5,421,648

### Reconciliation Of Net Increase In Net Assets Resulting From Operations To Net Cash Provided By Operating Activities:

Net increase in net assets resulting from operations	\$ 88,926,024
Adjustments to reconcile net increase in net assets resulting from operations to net cash provided by operating activities:	
Change in unrealized appreciation on investments	5,971,942
Change in unrealized appreciation on foreign currencies	(1,981)
Change in unrealized depreciation on forward currency contracts	474,295
Net accretion of discounts on investments	(1,748,612)
Net amortization of premiums on investments	678,625
Realized gain on investments and foreign currency related transactions	(14,599,027)
Purchases of securities	(1,248,116,897)
Proceeds on sale of securities	1,430,719,366
Increase in other assets	(11,502)
Decrease in interest receivable	3,832,178
Increase in prepaid arrangement fees on notes payable	(27,052)
Decrease in prepaid expenses	20,086
Decrease in deferred arrangement fees on senior loans	(377,516)
Decrease in accrued interest payable	(375,417)
Increase in dividends payable - preferred shares	8,429
Decrease in payable to affiliates	(136,963)
Increase in accrued trustees fees	14,756
Decrease in other accrued expenses	(66,025)
Total adjustments	176,258,685
Net cash provided by operating activities	\$ 265,184,709



# ING PRIME RATE TRUST FINANCIAL HIGHLIGHTS

For a common share outstanding throughout the period

	Years Ended February 28 or February 29,				
	2007	2006	2005	2004	2003
<b>Per Share Operating Performance</b>					
Net asset value, beginning of year	\$ 7.59	7.47	7.34	6.73	7.20
Income (loss) from investment operations:					
Net investment income	\$ 0.71	0.57	0.45	0.46	0.50
Net realized and unrealized gain (loss) on investments	\$ 0.06	0.12	0.16	0.61	(0.47)
Total from investment operations	\$ 0.77	0.69	0.61	1.07	0.03
Distributions to Common Shareholders from net investment income	\$ (0.55)	(0.46)	(0.43)	(0.42)	(0.45)
Distribution to Preferred Shareholders	\$ (0.16)	(0.11)	(0.05)	(0.04)	(0.05)
Net asset value, end of year	\$ 7.65	7.59	7.47	7.34	6.73
Closing market price at end of year	\$ 7.40	7.02	7.56	7.84	6.46
Total Investment Return <sup>(1)</sup>					
Total investment return at closing market price <sup>(2)</sup>	% 13.84	(0.82)	2.04	28.77	2.53
Total investment return at net asset value <sup>(3)</sup>	% 8.85	8.53	7.70	15.72	0.44
<b>Ratios/Supplemental Data</b>					
Net assets end of year (000's)	\$ 1,109,539	1,100,671	1,082,748	1,010,325	922,383
Preferred Shares-Aggregate amount outstanding (000's)	\$ 450,000	450,000	450,000	450,000	450,000
Liquidation and market value per share of Preferred Shares	\$ 25,000	25,000	25,000	25,000	25,000
Borrowings at end of year (000's)	\$ 281,000	465,000	496,000	225,000	167,000
Asset coverage per \$1,000 of debt <sup>(4)</sup>	\$ 2,517	2,203	2,140	2,500	2,500
Average borrowings (000's)	\$ 459,982	509,178	414,889	143,194	190,671
<b>Ratios to average net assets including Preferred Shares<sup>(5)</sup></b>					
Expenses (before interest and other fees related to revolving credit facility)	% 1.57	1.64	1.60	1.45	1.49
Net expenses after expense reimbursement	% 3.27	3.02	2.21	1.65	1.81
Gross expenses prior to expense reimbursement	% 3.27	3.02	2.22	1.65	1.81
Net investment income	% 6.68	5.44	4.21	4.57	4.97
<b>Ratios to average net assets plus borrowings</b>					
Expenses (before interest and other fees related to revolving credit facility)	% 1.56	1.58	1.63	1.84	1.82
Net expenses after expense reimbursement	% 3.25	2.90	2.26	2.09	2.23
Gross expenses prior to expense reimbursement	% 3.25	2.90	2.27	2.09	2.23
Net investment income	% 6.63	5.24	4.32	5.82	6.10
<b>Ratios to average net assets</b>					

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Expenses (before interest and other fees related to revolving credit facility)	%	2.21	2.33	2.29	2.11	2.19
Net expenses after expense reimbursement	%	4.62	4.27	3.17	2.40	2.68
Gross expenses prior to expense reimbursement	%	4.62	4.27	3.18	2.40	2.68
Net investment income	%	9.42	7.71	6.04	6.68	7.33
Portfolio turnover rate	%	60	81	93	87	48
Common shares outstanding at end of year (000's)		145,033	145,033	145,033	137,638	136,973

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

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

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

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

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

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

See Accompanying Notes to Financial Statements

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ING Prime Rate Trust

NOTES TO FINANCIAL STATEMENTS as of February 28, 2007

**NOTE 1 ORGANIZATION**

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

**NOTE 2 SIGNIFICANT ACCOUNTING POLICIES**

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

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

The Trust has engaged an independent pricing service to provide market value quotations from dealers in loans and, when such quotations are not readily available, to calculate values under the proxy procedure described above. As of February 28, 2007, 99.57% of total loans were valued based on these procedures. It is expected that most of the loans held by the Trust will continue to be valued with reference to quotations from the independent pricing service or with reference to the proxy procedure described above.

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

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



ING Prime Rate Trust

NOTES TO FINANCIAL STATEMENTS as of February 28, 2007 (continued)

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

including price quotations for, and trading in, the loan and interests in similar loans; (v) the reputation and financial condition of the agent for the loan and any intermediate participants in the loan; (vi) the borrower's management; and (vii) the general economic and market conditions affecting the fair value of the loan. Securities for which the primary market is a national securities exchange are valued at the last reported sale price. Securities reported by NASDAQ will be valued at the NASDAQ Official Closing Price. Securities traded in the over-the-counter market and listed securities for which no sale was reported on a valuation date are valued at the mean between the last reported bid and ask price on such exchange. Securities, other than senior loans, for which reliable market value quotations are not readily available, and all other assets, will be valued at their respective fair values as determined in good faith by, and under procedures established by, the Board. Investments in securities maturing in 60 days or less from the date of valuation 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 subchapter M of the Internal Revenue Code and related excise tax provisions applicable to regulated investment companies and to distribute substantially all of its net investment income and net realized capital gains to its shareholders. Therefore, no federal income tax provision is required. No capital gain distributions will be made by the Trust until any capital loss carryforwards have been fully utilized or expire.

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

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

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

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

ING Prime Rate Trust

NOTES TO FINANCIAL STATEMENTS as of February 28, 2007 (continued)

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

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

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

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

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

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

ING Prime Rate Trust

NOTES TO FINANCIAL STATEMENTS as of February 28, 2007 (continued)

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

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

**NOTE 3 INVESTMENTS**

For the year ended February 28, 2007, the cost of purchases and the proceeds from principal repayment and sales of investments, excluding short-term notes, totaled \$1,211,750,596 and \$1,429,252,901, respectively. At February 28, 2007, the Trust held senior loans valued at \$1,829,047,888 representing 98.7% of its total investments. The market value of these assets is established as set forth in Note 2.

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

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

## ING Prime Rate Trust

NOTES TO FINANCIAL STATEMENTS as of February 28, 2007 (continued)

**NOTE 3 INVESTMENTS (continued)**

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

	<b>Date of Acquisition</b>	<b>Cost or Assigned Basis</b>
Allied Digital Technologies Corporation (Residual Interest in Bankruptcy Estate)	06/05/02	\$ 107,510
AM Cosmetics Corporation (Liquidation Interest)	03/07/03	
Block Vision Holdings Corporation (571 Common Shares)	09/17/02	
Boston Chicken, Inc. (Residual Interest in Boston Chicken Plan Trust)	12/26/00	9,893
Cedar Chemical (Liquidation Interest)	12/31/02	
Covenant Care, Inc. (Warrants for 19,000 Common Shares, Expires January 13, 2005)	12/22/95	
Covenant Care, Inc. (Warrants for 26,901 Common Shares, Expires March 31, 2013)	01/18/02	
Decision One Corporation (1,402,038 Common Shares)	05/17/05	1,116,773
Electro Mechanical Solutions (Residual Interest in Bankruptcy Estate)	10/02/02	15
Enterprise Profit Solutions (Liquidation Interest)	10/21/02	
EquityCo, LLC (Warrants for 28,752 Common Shares)	02/25/05	
Euro United Corporation (Residual Interest in Bankruptcy Estate)	06/21/02	305,999
Gemini Leasing, Inc. (143,079 Common Shares)	01/08/04	
Grand Union Company (Residual Interest in Bankruptcy Estate)	07/01/02	2,576
Humphrey's, Inc. (Residual Interest in Bankruptcy Estate)	05/15/02	50
Imperial Home Décor Group, Inc. (Liquidation Interest)	01/22/04	
Insilco Technologies (Residual Interest in Bankruptcy Estate)	05/02/03	1
IT Group, Inc. (Residual Interest in Bankruptcy Estate)	09/12/03	50
Kevco Inc. (Residual Interest in Bankruptcy Estate)	06/05/02	25
Lincoln Paper & Tissue (Warrants for 291 Common Shares, Expires August 14, 2015)	08/25/05	
Lincoln Pulp and Easten Fine (Residual Interest in Bankruptcy Estate)	06/08/04	
IAP Acquisition Corporation (17,348 Common Shares)	08/29/03	
IAP Acquisition Corporation (1,084 Common Shares)	08/29/03	428,603
IAP Acquisition Corporation (1,814 Common Shares)	08/29/03	
IAP Acquisition Corporation (3,524 Common Shares)	08/29/03	3,524,300
New Piper Aircraft, Inc. (Residual Interest in Bankruptcy Estate)	07/02/03	
Norwood Promotional Products, Inc. (104,148 Common Shares)	08/23/04	32,939
Safelite Glass Corporation (856,340 Common Shares)	10/12/00	173,588
Safelite Realty Corporation (57,804 Common Shares)	10/12/00	
Transtar Metals (Residual Interest in Bankruptcy Estate)	01/09/03	40,230
TSR Wireless, LLC (Residual Interest in Bankruptcy Estate)	10/15/02	
US Aggregates (Residual Interest in Bankruptcy Estate)	04/07/03	
US Office Products Company (Residual Interest in Bankruptcy Estate)	02/11/04	
Total Restricted Securities excluding senior loans (market value of \$18,820,902 was 1.7% of net assets at February 28, 2007)		\$ 5,742,552



## ING Prime Rate Trust

NOTES TO FINANCIAL STATEMENTS as of February 28, 2007 (continued)

**NOTE 4 MANAGEMENT AND ADMINISTRATION AGREEMENTS**

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

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

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

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

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

At February 28, 2007, the Trust had the following amounts recorded in payables to affiliates on the accompanying Statement of Assets and Liabilities:

Accrued Investment Management Fees	Accrued Administrative Fees	Total
\$ 1,165,257	\$ 364,143	\$ 1,529,400

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

**NOTE 6 COMMITMENTS**

The Trust has entered into both a \$90 million 364-day revolving credit agreement which matured on August 23, 2006 and has been extended to August 22, 2007 and a \$535 million 364-day revolving securitization facility which matured on July 9, 2006, and has been extended to June 14, 2007, collateralized by assets of the Trust. Borrowing rates under these agreements are based on a fixed spread over LIBOR, the federal funds rate, or a commercial paper-based rate. Prepaid arrangement fees for these facilities are amortized over the term of the agreements. The amount of borrowings outstanding at February 28, 2007, was \$281 million. Weighted average interest rate on outstanding borrowings was 5.69%, excluding fees related to the unused portion of the facilities, and other fees. The amount of borrowings represented 15.0% of total assets at February 28, 2007. Average borrowings for the year ended February 28, 2007 were \$459,982,192 and the average annualized interest rate was 5.73% excluding other fees related to the unused portion of the facilities, and other fees.

## ING Prime Rate Trust

NOTES TO FINANCIAL STATEMENTS as of February 28, 2007 (continued)

**NOTE 6 COMMITMENTS (continued)**

As of February 28, 2007, the Trust had unfunded loan commitments pursuant to the terms of the following loan agreements:

Builders Firstsource, Inc.	\$ 1,500,000
Coletto Creek Power	5,000,000
Federal-Mogul Corp.	4,120,000
Hearthstone Housing Partners II, LLC	1,108,824
Herbst Gaming, Inc.	750,000
Infrastrux Group, Inc.	350,000
Kerasotes Theatres, Inc.	900,000
Lucite International US Finco Limited	1,038,168
MEG Energy Corp.	2,800,000
Neoplan USA Corp.	382,500
Norwood Promotional Products Holdings, Inc.	2,135,662
Oglebay Norton Co.	\$ 400,000
PLY Gem Industries, Inc.	892,857
Primedia, Inc.	1,133,250
Sturm Foods, Inc.	500,000
Syniverse Holding, LLC	1,500,000
Trump Entertainment Resorts Holdings, L.P.	1,723,750
United States Shipping, LLC	503,226
Venetian Macau Ltd.	1,600,000
Wastequip, Inc.	3,000,000
	\$ 31,363,237

**NOTE 7 RIGHTS AND OTHER OFFERINGS**

As of February 28, 2007, outstanding share offerings pursuant to shelf registrations were as follows:

Registration Date	Shares Registered	Shares Remaining
9/15/98	25,000,000	12,374,909
3/04/99	5,000,000	3,241,645

On November 2, 2000, the Trust issued 3,600 shares each of Series M, Series W and Series F Auction Rate Cumulative Preferred Shares, \$0.01 Par Value, \$25,000 liquidation preference, for a total issuance of \$270 million. Also, on November 16, 2000, the Trust issued 3,600 shares of Series T and Series Th Auction Rate Cumulative Preferred Shares, \$0.01 Par Value, \$25,000, liquidation preference, for a total issuance of \$180 million. The Trust used the net proceeds of the offering to partially pay down the then existing indebtedness and to purchase additional senior loans. Preferred Shares pay dividends based on a rate set at auctions, normally held every 7 days. In most instances dividends are also payable every 7 days, on the first business day following the end of the rate period. Preferred shares have no stated conversion, redemption or liquidation date, but may be redeemed at the election of the Trust. Such shares may only be redeemed by the Preferred Shareholders if the Trust fails to meet certain credit quality thresholds within its portfolio.

**NOTE 8 CUSTODIAL AGREEMENT**

State Street Bank and Trust Company ("SSB") serves as the Trust's custodian and recordkeeper. Custody fees paid to SSB are reduced by earnings credits based on the cash balances held by SSB for the Trust. There were no earnings credits for the year ended February 28, 2007.

**NOTE 9 SUBORDINATED LOANS AND UNSECURED LOANS**

The Trust may invest in subordinated loans and in unsecured loans. The primary risk arising from investing in subordinated loans or in unsecured loans is the potential loss in the event of default by the issuer of the loans. The Trust may acquire a subordinated loan only if, at the time of acquisition, it acquires or holds a senior loan from the same borrower. The Trust will acquire unsecured loans only where the Investment Adviser believes, at the time of acquisition, that the Trust would have the right to payment upon default that is not subordinate to any other creditor. Subject to the aggregate 20% limit on other investments, the Trust may invest up to 20% of its total assets in unsecured floating rate loans, notes and other debt instruments and 5% of its total assets in floating rate subordinated loans. As of February 28, 2007, the Trust held 0.5% of its total assets in subordinated loans and unsecured loans.



## ING Prime Rate Trust

NOTES TO FINANCIAL STATEMENTS as of February 28, 2007 (continued)

**NOTE 10 FEDERAL INCOME TAXES**

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

The following permanent tax differences have been reclassified as of February 28, 2007:

Undistributed Net Investment Income	Accumulated Net Realized Gains
\$ (1,650,091)	\$ 1,650,091

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

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

Year Ended February 28, 2007	Year Ended February 28, 2006
Ordinary Income	Ordinary Income
\$ 102,371,727	\$ 82,267,626

The tax-basis components of distributable earnings and the expiration dates of the capital loss carryforwards which may be used to offset future realized capital gains for federal income tax purposes as of February 28, 2007 were:

Undistributed Ordinary Income	Unrealized Appreciation	Post-October Currency Losses Deferred	Capital Loss Carryforwards	Expiration Dates
\$ 5,656,916	\$ 33,968,276	\$ (1,770,705)	\$ (33,536,215)	2008
			(847,193)	2009
			(47,376,376)	2010
			(97,064,717)	2011
			(57,686,392)	2012
			(22,421,058)	2013
			(560,828)	2014
			\$ (259,492,779)	

**NOTE 11 OTHER ACCOUNTING PRONOUNCEMENTS**

In June 2006, the Financial Accounting Standards Board ("FASB") issued FASB Interpretation No. 48 ("FIN 48"), "Accounting for Uncertainty in Income Taxes." This standard defines the threshold for recognizing the benefits of tax-return positions in the financial statements as "more-likely-than-not" to be sustained upon challenge by the taxing authority and requires measurement of a tax position meeting the more-likely-than-not criterion, based on the largest benefit that is more than 50 percent likely to be realized. FIN 48 is effective for fiscal years beginning after December 15, 2006, with early application permitted if no interim financial statements have been issued. However,

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acknowledging the unique issues that FIN 48 presents for investment companies that calculate NAVs, the Securities and Exchange Commission (the "SEC") has indicated that they would not object if a fund implements FIN 48 in its NAV calculation as late as its last NAV calculation in the first required financial statement reporting period for its fiscal year beginning after December 15, 2006. For the February year-end closed-end funds, this would be no later than their August 31, 2007 NAV and the

ING Prime Rate Trust

NOTES TO FINANCIAL STATEMENTS as of February 28, 2007 (continued)

**NOTE 11 OTHER ACCOUNTING PRONOUNCEMENTS (continued)**

effects of FIN 48 would be reflected in the funds' semi-annual financial statements contained in their Form N-CSR filing. At adoption, companies must adjust their financial statements to reflect only those tax positions that are more likely-than-not to be sustained as of the adoption date. Management of the Trust has assessed the impact of adopting FIN 48 and currently does not believe that there will be a material impact to the Trust.

On September 15, 2006, the FASB issued Statement of Financial Accounting Standards No. 157 ("SFAS No. 157"), "Fair Value Measurements." The new accounting statement defines fair value, establishes a framework for measuring fair value in generally accepted accounting principles ("GAAP"), and expands disclosures about fair value measurements. SFAS No. 157 defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (an exit price). SFAS No. 157 also stipulates that, as a market-based measurement, fair value measurement should be determined based on the assumptions that market participants would use in pricing the asset or liability, and establishes a fair value hierarchy that distinguishes between (a) market participant assumptions developed based on market data obtained from sources independent of the reporting entity (observable inputs) and (b) the reporting entity's own assumptions about market participant assumptions developed based on the best information available in the circumstances (unobservable inputs). SFAS No. 157 is effective for financial statements issued for fiscal years beginning after November 15, 2007. As of February 28, 2007, management of the Trust is currently assessing the impact, if any, that will result from adopting SFAS No. 157.

**NOTE 12 INFORMATION REGARDING TRADING OF ING'S US MUTUAL FUNDS**

In 2004, ING Investments reported to the Boards of Directors/Trustees (the "Boards") of the ING Funds that, like many U.S. financial services companies, ING Investments and certain of its U.S. affiliates had received informal and formal requests for information since September 2003 from various governmental and self-regulatory agencies in connection with investigations related to mutual funds and variable insurance products. ING Investments has advised the Boards that it and its affiliates have cooperated fully with each request.

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

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

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

ING Prime Rate Trust

NOTES TO FINANCIAL STATEMENTS as of February 28, 2007 (continued)

**NOTE 12 INFORMATION REGARDING TRADING OF ING'S US MUTUAL FUNDS (continued)**

In September 2005, ING Funds Distributor, LLC ("IFD"), the distributor of certain ING Funds, settled an administrative proceeding with the NASD regarding three arrangements, dating from 1995, 1996 and 1998, under which the administrator to the then-Pilgrim Funds, which subsequently became part of the ING Funds, entered into formal and informal arrangements that permitted frequent trading. Under the terms of the Letter of Acceptance, Waiver and Consent ("AWC") with the NASD, under which IFD neither admitted nor denied the allegations or findings, IFD consented to the following sanctions: (i) a censure; (ii) a fine of \$1.5 million; (iii) restitution of approximately \$1.44 million to certain ING Funds for losses attributable to excessive trading described in the AWC; and (iv) agreement to make certification to NASD regarding the review and establishment of certain procedures.

In addition to the arrangements discussed above, in 2004 ING Investments reported to the Boards that, at that time, these instances include the following, in addition to the arrangements subject to the AWC discussed above:

Aeltus Investment Management, Inc. (a predecessor entity to ING Investment Management Co.) identified two investment professionals who engaged in extensive frequent trading in certain ING Funds. One was subsequently terminated for cause and incurred substantial financial penalties in connection with this conduct and the second has been disciplined.

ReliaStar Life Insurance Company ("ReliaStar") entered into agreements seven years ago permitting the owner of policies issued by the insurer to engage in frequent trading and to submit orders until 4pm Central Time. In 2001 ReliaStar also entered into a selling agreement with a broker-dealer that engaged in frequent trading. Employees of ING affiliates were terminated and/or disciplined in connection with these matters.

In 1998, Golden American Life Insurance Company entered into arrangements permitting a broker-dealer to frequently trade up to certain specific limits in a fund available in an ING variable annuity product. No employee responsible for this arrangement remains at the company.

For additional information regarding these matters, you may consult the Form 8-K and Form 8-K/A for each of four life insurance companies, ING USA Annuity and Life Insurance Company, ING Life Insurance and Annuity Company, ING Insurance Company of America, and ReliaStar Life Insurance Company of New York, each filed with the SEC on October 29, 2004 and September 8, 2004. These Forms 8-K and Forms 8-K/A can be accessed through the SEC's Web site at <http://www.sec.gov>. Despite the extensive internal review conducted through independent special counsel and a national accounting firm, there can be no assurance that the instances of inappropriate trading reported to the Boards are the only instances of such trading respecting the ING Funds.

ING Investments reported to the Boards that ING is committed to conducting its business with the highest standards of ethical conduct with zero tolerance for noncompliance. Accordingly, ING Investments advised the Boards that ING management was disappointed that its voluntary internal review identified these situations. Viewed in the context of the breadth and magnitude of its U.S. business as a whole, ING management does not believe that ING's acquired companies had systemic ethical or compliance issues in these areas. Nonetheless, ING Investments reported that given ING's refusal to tolerate any lapses, it has taken the steps noted below, and will continue to seek opportunities to further strengthen the internal controls of its affiliates.

ING has agreed with the ING Funds to indemnify and hold harmless the ING Funds from all damages resulting from wrongful conduct by ING or its employees or from ING's internal investigation, any investigations conducted by any governmental or self-regulatory

ING Prime Rate Trust

NOTES TO FINANCIAL STATEMENTS as of February 28, 2007 (continued)

**NOTE 12 INFORMATION REGARDING TRADING OF ING'S US MUTUAL FUNDS (continued)**

agencies, litigation or other formal proceedings, including any proceedings by the SEC. ING Investments reported to the Boards that ING management believes that the total amount of any indemnification obligations will not be material to ING or its U.S. business.

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

The ING Funds, upon a recommendation from ING, updated their respective Codes of Ethics applicable to investment professionals with ING entities and certain other fund personnel, requiring such personnel to pre-clear any purchases or sales of ING Funds that are not systematic in nature (i.e., dividend reinvestment), and imposing minimum holding periods for shares of ING Funds.

ING instituted excessive trading policies for all customers in its variable insurance and retirement products and for shareholders of the ING Funds sold to the public through financial intermediaries. ING does not make exceptions to these policies.

ING reorganized and expanded its U.S. Compliance Department, and created an Enterprise Compliance team to enhance controls and consistency in regulatory compliance.

**Other Regulatory Matters**

The New York Attorney General (the "NYAG") and other federal and state regulators are also conducting broad inquiries and investigations involving the insurance industry. These initiatives currently focus on, among other things, compensation and other sales incentives; potential conflicts of interest; potential anti-competitive activity; reinsurance; marketing practices (including suitability); specific product types (including group annuities and indexed annuities); fund selection for investment products and brokerage sales; and disclosure. It is likely that the scope of these industry investigations will further broaden before they conclude. ING has received formal and informal requests in connection with such investigations, and is cooperating fully with each request. In connection with one such investigation, affiliates of ING Investments were named in a petition for relief and cease and desist order filed by the New Hampshire Bureau of Securities Regulation (the "NH Bureau") concerning their administration of the New Hampshire state employees deferred compensation plan.

On October 10, 2006, an affiliate of ING Investments entered into an assurance of discontinuance with the NYAG (the "NYAG Agreement") regarding the endorsement of its products by the New York State United Teachers Union Member Benefits Trust ("NYSUT") and the sale of their products to NYSUT members. Under the terms of the NYAG Agreement, the affiliate of ING Investments, without admitting or denying the NYAG's findings, will distribute \$30 million to NYSUT members, and/or former NYSUT members, who participated in the NYSUT-endorsed products at any point between January 1, 2001 and June 30, 2006. The affiliate also agreed with the NYAG's office to develop a one-page disclosure that will further improve transparency and disclosure regarding retirement product fees (the "One-Page Disclosure"). Pursuant to the terms of the NYAG Agreement, the affiliate has agreed for a five year period to provide its retirement product customers with the One-Page Disclosure.

In addition, on the same date, these affiliates of ING Investments entered into a consent agreement with the NH Bureau (the "NH Agreement") to resolve this petition for relief and cease and desist order. Under the terms of the NH Agreement, these affiliates of ING Investments, without admitting or denying the NH Bureau's claims, have agreed to pay \$3 million to resolve the matter, and for a five year period to provide their retirement product customers with the One-Page Disclosure described above.

## ING Prime Rate Trust

NOTES TO FINANCIAL STATEMENTS as of February 28, 2007 (continued)

**NOTE 12 INFORMATION REGARDING TRADING OF ING'S US MUTUAL FUNDS (continued)**

Other federal and state regulators could initiate similar actions in this or other areas of ING's businesses.

These regulatory initiatives may result in new legislation and regulation that could significantly affect the financial services industry, including businesses in which ING is engaged.

In light of these and other developments, ING continuously reviews whether modifications to its business practices are appropriate.

At this time, in light of the current regulatory factors, ING U.S. is actively engaged in reviewing whether any modifications in our practices are appropriate for the future.

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

**NOTE 13 SUBSEQUENT EVENTS**

Subsequent to February 28, 2007, the Trust paid to Common Shareholders the following dividends from net investment income:

Per Share Amount	Declaration Date	Record Date	Payable Date
\$ 0.0450	2/28/07	3/12/07	3/22/07
0.0475	3/30/07	4/10/07	4/23/07

Subsequent to February 28, 2007, 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	\$ 173.87	03/05/07-04/16/07	03/12/07-04/23/07	03/13/07-04/24/07
Series T	\$ 173.30	03/06/07-04/17/07	03/13/07-04/24/07	03/14/07-04/25/07
Series W	\$ 172.83	03/07/07-04/18/07	03/14/07-04/25/07	03/15/07-04/26/07
Series Th	\$ 197.98	03/01/07-04/19/07	03/08/07-04/26/07	03/09/07-04/27/07
Series F	\$ 196.59	03/02/07-04/20/07	03/09/07-04/27/07	03/12/07-04/30/07



## ING Prime Rate Trust

PORTFOLIO OF INVESTMENTS as of February 28, 2007

<i>Senior Loans*: 164.9%</i>				<i>Bank Loan Ratings (Unaudited)</i>		<i>Market Value</i>
				<i>Moody's</i>	<i>S&amp;P</i>	
<i>Principal Amount</i>				<i>Borrower/Tranche Description</i>		<i>Value</i>
<i>Aerospace &amp; Defense: 2.8%</i>						
				<b>Avio Group</b>	NR	NR
EUR	708,333			Term Loan, 6.032%, maturing December 13, 2014		\$ 951,516
\$	590,346			Term Loan, 7.725%, maturing December 13, 2014		598,279
EUR	708,333			Term Loan, 6.407%, maturing December 13, 2015		955,721
\$	590,346			Term Loan, 8.100%, maturing December 13, 2015		601,230
				<b>DeCrane Aircraft Holdings, Inc.</b>	B1	B
	500,000	(5)		Term Loan, maturing February 28, 2014		502,500
				<b>Delta</b>	Ba3	B+
	2,000,000	(2)		Debtor in Possession Term Loan, 10.110%, maturing March 16, 2008		2,017,500
				<b>Dyncorp International LLC</b>	Ba2	BB-
	2,435,449			Term Loan, 7.656%, maturing February 11, 2011		2,457,774
				<b>Forgings International Ltd.</b>	NR	NR
GBP	239,337			Term Loan, 7.769%, maturing August 11, 2014		475,703
\$	1,362,698			Term Loan, 7.850%, maturing August 11, 2014		1,379,449
GBP	241,073			Term Loan, 8.019%, maturing August 11, 2015		481,322
\$	1,369,696			Term Loan, 8.100%, maturing August 11, 2015		1,392,810
				<b>Hexcel Corporation</b>	Ba2	BB-
	1,078,657			Term Loan, 7.125%, maturing March 01, 2012		1,081,803
				<b>IAP Worldwide Services, Inc.</b>	B2	B
	990,000					995,260



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	Term Loan, 9.688%, maturing December 30, 2012		
	<b>K&amp;F Industries, Inc.</b>	Ba3	B+
3,979,167	Term Loan, 7.320%, maturing November 18, 2012		4,005,282
	<b>Onex Wind Finance LP</b>		
	<b>(Mid-Western Aircraft Systems, Inc).</b>	Ba3	BB+
982,953	Term Loan, 7.110%, maturing December 31, 2011		989,402
	<b>Transdigm, Inc.</b>	Ba3	B+
3,500,000	Term Loan, 7.366%, maturing June 23, 2013		3,530,625
	<b>United Airlines, Inc.</b>	B1	B+
2,500,000	Term Loan, 7.375%, maturing February 01, 2014		2,514,648
	<b>US Airways</b>	B2	B
3,000,000	Term Loan, 8.864%, maturing March 31, 2011		3,024,108
	<b>Wesco Aircraft Hardware Corporation</b>	B1	B+
1,500,000	Term Loan, 7.600%, maturing September 29, 2013		1,512,891

See Accompanying Notes to Financial Statements

## ING Prime Rate Trust

PORTFOLIO OF INVESTMENTS as of February 28, 2007 (continued)

		Bank Loan Ratings (Unaudited)		Market	
Principal Amount		Borrower/Tranche Description	Moody's	S&P	Value
Aerospace & Defense: (continued)					
		Wyle Holdings Inc.	NR	B+	
		Term Loan, 8.110%, maturing January 28, 2011			
\$	1,788,109				\$ 1,797,609
31,265,432					
Automobile: 4.9%					
	(2)	Federal-Mogul Corporation	NR	BBB+	
		Revolver, 1.641%, maturing July 01, 2007			880,000
	880,000	Debtor in Possession Term Loan, 7.320%, maturing July 01, 2007			1,503,563
	1,500,000				1,503,563
		Ford Motor Company	Ba3	B	
		Term Loan, 8.360%, maturing December 15, 2013			2,531,770
	2,500,000				2,531,770
		Goodyear Tire & Rubber Co.	Ba1	BB	
		Term Loan, 7.572%, maturing April 30, 2010			5,549,110
	5,500,000				5,549,110
		Goodyear Tire & Rubber Co.	Ba3	B+	
		Term Loan, 8.140%, maturing April 30, 2010			9,521,420
	9,400,000				9,521,420
		Hertz	Ba1	BB	
		Term Loan, 7.086%, maturing December 21, 2012			4,928,026
	4,878,857				4,928,026
		Term Loan, 7.365%, maturing December 21, 2012			1,038,136
	1,027,778				1,038,136
		Navistar International Corporation	NR	NR	
		Revolver, 7.168%, maturing January 19, 2012			1,833,975
	1,800,000				1,833,975

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			<b>Oshkosh Truck Corporation</b>	Ba3	BB
17,000,000			Term Loan, 7.350%, maturing December 06, 2013		17,165,444
			<b>SAF-Holland Group GmbH</b>	NR	NR
768,615	(5)		Term Loan, maturing January 07, 2015		778,223
703,366	(5)		Term Loan, maturing February 07, 2016		712,158
			<b>Tower (R.J.) Corporation</b>	B1	BBB
3,500,000			Term Loan, 9.938%, maturing August 02, 2007		3,495,989
			<b>Vanguard Car Rental USA Holdings Inc.</b>	Ba3	B+
4,097,500			Term Loan, 8.352%, maturing June 14, 2013		4,146,158
					<b>54,083,972</b>
<b>Beverage, Food &amp; Tobacco: 5.4%</b>					
			<b>ARAMARK</b>	Ba3	B+
1,600,000			Term Loan, 7.445%, maturing January 26, 2014		1,618,301
19,000,000			Term Loan, 7.470%, maturing January 26, 2014		19,217,322
			<b>B&amp;G Foods, Inc.</b>	Ba2	B+
750,000	(5)		Term Loan, maturing February 23, 2013		760,313

See Accompanying Notes to Financial Statements

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PORTFOLIO OF INVESTMENTS as of February 28, 2007 (continued)

		<b>Bank Loan Ratings (Unaudited)</b>		<i>Market</i>	
<i>Principal Amount</i>		<i>Borrower/Tranche Description</i>	<i>Moody's</i>	<i>S&amp;P</i>	<i>Value</i>
<b>Beverage, Food &amp; Tobacco: (continued)</b>					
		<b>Bolthouse Farms, Inc</b>	B1	B+	
\$	1,975,000	Term Loan, 7.625%, maturing December 16, 2012			\$ 1,987,962
		<b>Bumble Bee Foods, LLC</b>	Ba3	B+	
	1,200,000	Term Loan, 7.110%, maturing May 02, 2012			1,200,000
		<b>Commonwealth Brands, Inc.</b>	B1	B+	
	8,293,720	Term Loan, 7.625%, maturing December 22, 2012			8,342,446
		<b>Gate Gourmet Borrower LLC</b>	B2	B	
	169,681	Revolver, 8.114%, maturing March 09, 2012			167,135
	425,614	Term Loan, 8.095%, maturing March 09, 2012			430,934
		<b>Golden State Foods</b>	B1	B+	
	3,890,000	Term Loan, 7.110%, maturing February 28, 2011			3,899,725
		<b>Iglo Birds Eye</b>	NR	NR	
EUR	51,247	Term Loan, 5.982%, maturing November 30, 2014			68,817
EUR	948,754	Term Loan, 6.085%, maturing November 30, 2014			1,274,048
EUR	51,247	Term Loan, 6.357%, maturing November 30, 2015			69,110
EUR	380,330	Term Loan, 6.460%, maturing November 30, 2015			510,731
EUR	568,424	Term Loan, 6.460%, maturing November 30, 2015			766,563
		<b>Michael Foods</b>	Ba3	B+	
\$	3,227,084	Term Loan, 7.360%, maturing November 21, 2010			3,243,891
		<b>Nutro Products, Inc.</b>	Ba3	B	
	2,115,758				2,126,999

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		Term Loan, 7.364%, maturing April 26, 2013		
		<b>Pierre Foods</b>	Ba3	B+
		Term Loan, 7.610%, maturing June 30, 2010		
	3,535,786			3,560,095
		<b>Reynolds American</b>	Baa2	BBB-
		Term Loan, 7.265%, maturing May 31, 2012		
	4,975,000			5,020,865
		<b>Sturm Foods, Inc.</b>	B1	B
		Term Loan, 7.875%, maturing January 31, 2014		
	3,000,000			3,015,939
		<b>United Biscuits</b>	NR	NR
		Term Loan, 8.228%, maturing December 31, 2014		
GBP	1,476,692			2,947,611
				<b>60,228,807</b>
<b>Buildings &amp; Real Estate: 3.8%</b>				
		<b>Armstrong World Industries, Inc.</b>	Ba2	BB
		Term Loan, 7.070%, maturing October 02, 2013		
\$	1,745,625			1,753,262
		<b>Atrium Companies, Inc.</b>	B1	B
		Term Loan, 8.104%, maturing May 31, 2012		
	754,468			749,596

See Accompanying Notes to Financial Statements

## ING Prime Rate Trust

PORTFOLIO OF INVESTMENTS as of February 28, 2007 (continued)

		<b>Bank Loan Ratings (Unaudited)</b>		<i>Market</i>	
<i>Principal Amount</i>		<i>Borrower/Tranche Description</i>	<i>Moody's</i>	<i>S&amp;P</i>	<i>Value</i>
<b>Buildings &amp; Real Estate: (continued)</b>					
		<b>Capital Automotive L.P.</b>	Ba1	BB+	
\$	11,163,155	Term Loan, 7.070%, maturing December 16, 2010			\$ 11,285,257
		<b>CB Richard Ellis</b>	Ba1	BB+	
	1,400,000	Term Loan, 6.847%, maturing December 20, 2013			1,406,875
		<b>Champion Home Builders Co.</b>	B1	B+	
	875,000	Revolver, 5.264%, maturing October 31, 2012			871,719
	710,000	Term Loan, 7.820%, maturing October 31, 2012			708,225
		<b>Contech Construction Products Inc.</b>	Ba3	B+	
	1,733,472	Term Loan, 7.330%, maturing January 31, 2013			1,749,183
		<b>Custom Building Products, Inc.</b>	B1	B+	
	4,939,522	Term Loan, 7.614%, maturing October 29, 2011			4,954,958
		<b>Headwaters Incorporated</b>	Ba3	BB-	
	2,287,820	Term Loan, 7.320%, maturing April 30, 2011			2,299,259
		<b>Hearthstone Housing Partners II, LLC</b>	NR	NR	
	4,626,471	Revolver, 5.953%, maturing December 01, 2007			4,614,905
		<b>John Maneely Company</b>	B3	B+	
	4,713,035	Term Loan, 8.619%, maturing December 08, 2013			4,774,894
		<b>Nortek, Inc.</b>	Ba2	B	
	3,754,207	Term Loan, 7.350%, maturing August 27, 2011			3,780,017
		<b>Ply Gem Industries, Inc.</b>	Ba3	BB-	

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357,143	Revolver, 3.377%, maturing February 12, 2009		342,857
	<b>Shea Capital I, LLC</b>	Ba3	BB-
997,500	Term Loan, 7.370%, maturing October 27, 2011		997,500
	<b>Tishman Speyer</b>	Ba2	BB-
1,500,000	Term Loan, 7.070%, maturing February 01, 2012		1,513,751
			<b>41,802,258</b>
<b>Cargo Transport: 2.0%</b>			
	<b>Baker Tanks, Inc.</b>	B2	B
1,975,000	Term Loan, 7.570%, maturing November 22, 2012		1,991,047
	<b>Gainey Corporation</b>	B2	BB-
796,000	Term Loan, 8.156%, maturing April 20, 2012		798,488
	<b>Greatwide Logistics Services, Inc.</b>	B1	B-
3,000,000	Term Loan, 8.614%, maturing December 19, 2013		3,023,751
	<b>Helm Holding Corporation</b>	B2	B+
979,000	Term Loan, 7.866%, maturing July 08, 2011		982,060

See Accompanying Notes to Financial Statements

## ING Prime Rate Trust

PORTFOLIO OF INVESTMENTS as of February 28, 2007 (continued)

		Bank Loan Ratings (Unaudited)		Market	
Principal Amount		Borrower/Tranche Description	Moody's	S&P	Value
Cargo Transport: (continued)					
		Horizon Lines, LLC	Ba2	B	
\$	2,188,139	Term Loan, 7.620%, maturing July 07, 2011			\$ 2,203,868
		Kenan Advantage Group, Inc.	B3	B+	
	990,003	Term Loan, 8.364%, maturing December 16, 2011			997,428
	(2)	Neoplan USA Corporation	NR	NR	
	1,867,500	Revolver, 7.213%, maturing June 30, 2006			1,867,500
	5,306,058	Term Loan, 11.008%, maturing June 30, 2006			4,457,089
		Pacer International, Inc.	Ba3	BB	
	694,118	Term Loan, 6.916%, maturing June 10, 2010			692,383
		TNT Logistics	B1	B	
	1,927,881	Term Loan, 7.820%, maturing November 04, 2013			1,942,340
	723,070	Term Loan, 7.860%, maturing November 04, 2013			732,259
		US Shipping Partners L.P.	B1	B+	
	335,274	Term Loan, 4.584%, maturing March 31, 2012			340,093
	1,990,000	Term Loan, 8.864%, maturing March 31, 2012			2,018,606
					22,046,912
Cellular: 2.3%					
		Centennial Communications Corp	Ba2	B	
	10,085,631	Term Loan, 7.363%,			10,190,693



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	maturing February 09, 2011		
	<b>Cricket Communications, Inc.</b>	B1	B
5,970,000	Term Loan, 8.114%, maturing June 16, 2013		6,052,088
	<b>NTELOS Inc.</b>	B2	B
4,410,157	Term Loan, 7.570%, maturing August 24, 2011		4,442,131
	<b>Rogers Wireless</b>	Ba1	BB+
2,500,000	Floating Rate Note, 8.485%, maturing December 15, 2010		2,550,000
	<b>Telepak, Inc. / Cellular South</b>	Ba3	B+
1,950,000	Term Loan, 7.113%, maturing May 04, 2011		1,959,750
			<b>25,194,662</b>
<b>Chemicals, Plastics &amp; Rubber: 10.0%</b>			
	<b>Basell</b>	Ba3	B+
1,000,000	Term Loan, 7.595%, maturing September 07, 2013		1,012,231
1,000,000	Term Loan, 8.345%, maturing September 07, 2014		1,012,231
	<b>Brenntag Holding GmbH &amp; Co. KG</b>	B2	B
4,800,000	Term Loan, 7.887%, maturing January 17, 2014		4,853,252
	<b>Celanese</b>	Ba3	BB-
5,625,000	Term Loan, 5.320%, maturing April 06, 2009		5,696,483
5,303,498	Term Loan, 7.114%, maturing April 06, 2011		5,351,378

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ING Prime Rate Trust

PORTFOLIO OF INVESTMENTS as of February 28, 2007 (continued)

		Bank Loan Ratings (Unaudited)		Market	
Principal Amount		Borrower/Tranche Description	Moody's	S&P	Value
Chemicals, Plastics & Rubber: (continued)					
		Flint Group	NR	NR	
\$	936,821	Term Loan, 7.864%, maturing December 31, 2012			\$ 945,101
	353,279	Term Loan, 7.864%, maturing December 31, 2013			356,402
	1,290,100	Term Loan, 8.364%, maturing December 31, 2013			1,307,263
		Georgia Gulf Co	Ba2	BB	
	1,620,938	Term Loan, 7.320%, maturing October 03, 2013			1,638,594
		Hawkeye Renewables, LLC	B3	NR	
	3,731,250	Term Loan, 9.364%, maturing June 30, 2012			3,626,309
		Hexion Specialty Chemicals, Inc.	Ba3	B	
	1,188,000	Term Loan, 7.222%, maturing May 05, 2013			1,199,583
	9,060,750	Term Loan, 7.875%, maturing May 05, 2013			9,149,092
		Huntsman International LLC	Ba3	BB-	
	15,198,139	Term Loan, 7.070%, maturing August 16, 2012			15,309,283
		Ineos US Finance LLC	Ba3	B+	
	2,520,000	Term Loan, 7.611%, maturing December 16, 2012			2,538,270
	2,970,000	Term Loan, 7.611%, maturing December 16, 2013			3,011,146
	2,970,000	Term Loan, 8.111%, maturing December 23, 2014			3,011,146
		Innophos, Inc.	Ba1	B+	
	1,015,909	Term Loan, 7.570%, maturing August 13, 2010			1,022,893
		ISP Chemco Inc.	Ba3	BB-	
	3,473,750	Term Loan, 7.375%, maturing February 16, 2013			3,513,761
	508,666	JohnsonDiversey, Inc.	Ba2	B+	513,912

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	Term Loan, 7.860%, maturing December 16, 2010		
2,672,031	Term Loan, 7.860%, maturing December 16, 2011		2,703,345
	<b>Kraton Polymers LLC</b>	Ba3	B+
1,786,500	Term Loan, 7.375%, maturing May 12, 2013		1,803,808
	<b>Lucite International Us Finco Limited</b>	B1	B+
708,273	Term Loan, 8.070%, maturing July 07, 2013		716,684
	<b>Lyondell Chemical Company</b>	Ba2	BB
3,482,500	Term Loan, 7.110%, maturing August 16, 2013		3,511,279
	<b>Nalco Company</b>	Ba2	BB-
12,626,135	Term Loan, 7.106%, maturing November 04, 2010		12,731,538
	<b>Northeast Biofuels, LLC</b>	B1	B+
1,268,293	Term Loan, 8.614%, maturing June 30, 2013		1,266,707

See Accompanying Notes to Financial Statements

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ING Prime Rate Trust

PORTFOLIO OF INVESTMENTS as of February 28, 2007 (continued)

		<i>Bank Loan Ratings (Unaudited)</i>		<i>Market</i>	
<i>Principal Amount</i>		<i>Borrower/Tranche Description</i>	<i>Moody's</i>	<i>S&amp;P</i>	<i>Value</i>
<i>Chemicals, Plastics &amp; Rubber: (continued)</i>					
		<b>Polypore Incorporated</b>	Ba3	B	
\$	6,953,993	Term Loan, 8.320%, maturing November 12, 2011			\$ 6,988,763
		<b>PQ Corporation</b>	Ba2	B+	
	2,456,250	Term Loan, 7.370%, maturing February 10, 2012			2,473,648
		<b>Ripplewood Phosphorus LLC</b>	Ba3	B	
	1,925,113	Term Loan, 8.620%, maturing July 20, 2011			1,927,519
		<b>Rockwood Specialties Group, Inc.</b>	Ba2	B+	
	9,825,495	Term Loan, 7.360%, maturing December 13, 2013			9,921,293
		<b>Vertellus Specialties Inc.</b>	B3	B+	
	2,363,125	Term Loan, 8.611%, maturing March 31, 2013			2,383,802
					<b>111,496,316</b>
<i>Containers, Packaging &amp; Glass: 4.1%</i>					
		<b>Bluegrass Container Company</b>	Ba3	BB-	
	1,197,769	Term Loan, 7.601%, maturing June 30, 2013			1,214,862
		<b>Boise Cascade, L.L.C.</b>	Ba2	BB	
	4,094,702	Term Loan, 7.108%, maturing October 29, 2011			4,129,254
		<b>Graham Packaging Company</b>	B1	B	
	13,244,522	Term Loan, 7.625%, maturing October 07, 2011			13,407,708
		<b>Graphic Packaging International, Inc.</b>	Ba2	B+	
	9,183,118	Term Loan, 7.858%, maturing August 08, 2010			9,310,818
EUR	2,199,375	<b>Owens-Illinois</b>	Ba2	BB-	2,898,548

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		Term Loan, 5.114%, maturing April 01, 2008		
		<b>Pro Mach, Inc</b>	B1	B
\$	2,481,250	Term Loan, 7.620%, maturing December 01, 2011		2,499,859
		<b>Smurfit-Stone Container Corporation</b>	Ba1	B+
	8,334,672	Term Loan, 7.625%, maturing November 01, 2011		8,425,119
		<b>Xerium Technologies, Inc.</b>	B2	B+
	3,296,167	Term Loan, 7.864%, maturing May 18, 2012		3,300,287
				<b>45,186,455</b>
<b>Data and Internet Services: 6.2%</b>				
		<b>Activant Solutions, Inc.</b>	B1	B
	930,897	Term Loan, 7.375%, maturing May 02, 2013		933,225
		<b>Acxiom Corporation</b>	Ba2	BB
	1,995,000	Term Loan, 7.083%, maturing September 15, 2012		2,013,081

See Accompanying Notes to Financial Statements

## ING Prime Rate Trust

PORTFOLIO OF INVESTMENTS as of February 28, 2007 (continued)

		Bank Loan Ratings (Unaudited)		Market	
		Borrower/Tranche Description	Moody's	S&P	Value
Principal Amount					
Data and Internet Services: (continued)					
		<b>Carlson Wagonlit Holdings B.V.</b>	Ba3	B+	
\$	2,750,000	Term Loan, 7.860%, maturing August 03, 2012			\$ 2,759,023
		<b>IPayment, Inc.</b>	B1	B	
	2,977,500	Term Loan, 7.352%, maturing May 10, 2013			2,996,109
		<b>Open Text Corporation</b>	Ba3	BB-	
	1,745,625	Term Loan, 7.864%, maturing October 02, 2013			1,759,808
		<b>Reynolds &amp; Reynolds Company</b>	B3	B	
	2,375,000	Term Loan, 10.845%, maturing October 26, 2013			2,449,962
		<b>Reynolds &amp; Reynolds Company</b>	Ba2	BB-	
	10,972,500	Term Loan, 7.845%, maturing October 26, 2012			11,099,858
		<b>Sitel, LLC</b>	B2	B+	
	4,000,000	Term Loan, 7.909%, maturing January 29, 2014			4,030,000
		<b>Sungard Data Systems Inc</b>	Ba3	B+	
	28,535,227	Term Loan, 6.860%, maturing February 11, 2013			28,856,248
		<b>Transfirst Holdings, Inc.</b>	B1	B+	
	870,625	Term Loan, 7.870%, maturing August 15, 2012			879,331
		<b>Travelport, Inc.</b>	Ba3	B+	
	3,242,599	Term Loan, 7.864%, maturing August 23, 2013			3,278,472
		<b>Verifone, Inc.</b>	B1	BB-	
	2,250,000	Term Loan, 7.110%, maturing October 31, 2013			2,258,438
	1,300,000	<b>Worldspan, L.P.</b>	B3	CCC+	1,316,250

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	Term Loan, 12.360%, maturing December 21, 2013		
	<b>Worldspan, L.P.</b>	Ba3	B
4,000,000	Term Loan, 8.603%, maturing December 21, 2013		4,029,500
			<b>68,659,305</b>
<i>Diversified / Conglomerate Manufacturing: 4.4%</i>			
	<b>Aearo Technologies, Inc</b>	B1	B
1,588,000	Term Loan, 7.864%, maturing March 24, 2013		1,603,218
	<b>Aearo Technologies, Inc</b>	Caa1	CCC+
1,200,000	Term Loan, 11.864%, maturing September 24, 2013		1,222,876
	<b>Axia Incorporated</b>	B2	B
1,485,000	Term Loan, 8.620%, maturing December 21, 2012		