

ING PRIME RATE TRUST
Form N-CSR
May 05, 2005

OMB APPROVAL

OMB Number: 3235-0570

Expires: October 31, 2006

Estimated average burden hours per response: 19.3

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, 2005

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):

Annual Report

February 28, 2005

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.

ING Prime Rate Trust

ANNUAL REPORT

February 28, 2005



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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 in a professionally managed portfolio comprised primarily of senior loans.

PORTFOLIO CHARACTERISTICS AS OF FEBRUARY 28, 2005

Net Assets	\$1,082,748,475
Total Assets	\$2,081,042,903
Assets Invested in Senior Loans	\$2,017,770,985
Senior Loans Represented	447
Average Amount Outstanding per Loan	\$4,514,029
Industries Represented	38
Average Loan Amount per Industry	\$53,099,236
Portfolio Turnover Rate	93%
Weighted Average Days to Interest Rate Reset	39
Average Loan Final Maturity	64 months
Total Leverage as a Percentage of Total Assets (including Preferred Shares)	45.46%

PERFORMANCE SUMMARY

The Trust declared \$0.11 of dividends during the fourth fiscal quarter and \$0.43 for the year ended February 28, 2005. Based on the average month-end net asset value (NAV) per share of \$7.38, this resulted in an annualized distribution rate of 5.80%(1) for the quarter and 5.75%(1) for the year. The Trust's total return for the fourth fiscal quarter, based on NAV, was 2.43%, versus a total return on the S&P/LSTA Leveraged Loan Index of 1.27% for the same quarter. For the year, the total return, based on NAV, was 7.70%, versus 4.81% for the S&P/LSTA Leveraged Loan Index. The total market value return (based on full reinvestment of dividends) for the Trust's common shares during the fourth fiscal quarter was 3.10% and 2.04% for the year ended February 28, 2005.

MARKET OVERVIEW

The non-investment grade (or leveraged) loan market continued to exhibit what is, in our view, a very firm tone during the Trust's fourth fiscal quarter. For some time now, market sentiment has been buoyed by a combination of solid domestic economic growth and good prospects for further expansion, a relatively benign credit environment (i.e., low cyclical default rates and fewer ratings downgrades), and perhaps most

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importantly, the expectation of a continued measured (i.e., slow and steady) pace of Federal Reserve Board (Fed) interest rate increases. These factors have combined to create unprecedented demand for higher-yielding, ultra-short duration floating rate investment alternatives, such as non-investment grade loans. While demand has accelerated to levels not seen in several years, the supply of new leveraged loans, although respectable from a statistical perspective (\$79 billion in the first calendar quarter of 2005), has continued to lag investor appetite. As in any credit market, with excess demand typically comes a host of less desirable outcomes, such as spread compression (i.e., lower borrowing spreads on newly issued loans); increasingly aggressive transaction structures and; specific to the secured loan market, less restrictive covenant protection

(1) The distribution rate is calculated by annualizing dividends declared during the period 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.

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PORTFOLIO MANAGERS REPORT (continued)

afforded to secured lenders. To the former, the average borrowing spread on a new BB/BB- rated loan fell to a record low in March of 2005, further evidencing a market that favors the seller (i.e., the loan issuer or borrowing company). Looking forward, it remains difficult to say whether the descent in average borrowing spreads is approaching, or has reached, a bottom. As to the structural integrity of the loan market, it is clear to us that investors have become comfortable with placing more debt on companies while offering more flexible terms and conditions. Although we remain confident, generally speaking, that the bulk of new loan transactions currently coming to market are being arranged for companies with proven managers and business models, we remain very sensitive to structural degradation, and have thus become increasingly selective in our investment selection process, effectively investing with one eye toward expected performance in a decidedly less receptive credit environment.

TOP TEN INDUSTRY SECTORS AS OF FEBRUARY 28, 2005 AS A PERCENTAGE OF:

	TOTAL ASSETS	NET ASSETS
North American Cable	9.2%	17.8%
Printing and Publishing	7.9%	15.2%
Healthcare, Education and Childcare	7.3%	14.0%
Chemicals, Plastics and Rubber	5.0%	9.7%
Leisure, Amusement, Entertainment	4.6%	8.8%
Containers, Packaging and Glass	4.4%	8.5%
Buildings and Real Estate	4.3%	8.2%
Utilities	4.1%	7.8%
Radio and TV Broadcasting	3.9%	7.6%
Automobile	3.4%	6.6%

Portfolio holdings are subject to change daily.

PORTFOLIO OVERVIEW

Consistent with recent periods, strong performance by the Trust's top holdings drove returns, as did our ability to both avoid developing problems and remain fully invested through the use of leverage by the Trust. The Trust held meaningful positions in the quarter's top five contributing loans, two of which resided within the Trust's top five positions (Charter Communications Operating, LLC and General Growth Properties, Inc., 2.7% and 1.7% of total assets, respectively, at fiscal year-end). Equally as important, the Trust did not have a material position in any of the five worst contributing issues during the quarter. Sector weightings did not vary significantly from the end of last quarter. Each of the top three sector exposures (Cable Television: 9.2% of total assets at February 28, 2005; Printing and Publishing: 7.9%; and Healthcare: 7.3%) were positive contributors to quarterly returns. Notable changes in other sectors during the fourth fiscal quarter include a continued

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reduction in Automobile (to 3.6%, from 4.5% at the end of the prior quarter), predicated on an adverse earnings and liquidity outlook, and an increase in Buildings and Real Estate (to 4.3% from 3.8% at last quarter-end), owing principally to an increase in new activity from several diversified Real Estate Investment Trusts (REITs). Non-performing loan assets (i.e., past due as to contractual interest and/or principal) continued to decline, ending the quarter at less than 0.70% of total assets, the bulk of which are illiquid positions acquired several years ago.

The Trust remains well-diversified. As of February 28, 2005, the average individual loan position represented approximately 0.22% of total assets, while the average industry sector exposure accounted for roughly 2.56%.

TOP TEN SENIOR LOAN ISSUERS AS OF FEBRUARY 28, 2005 AS A PERCENTAGE OF:

	TOTAL ASSETS	NET ASSETS
Charter Communications Operating, LLC	2.7%	5.3%
General Growth Properties, Inc.	1.7%	3.3%
Olympus Cable Holdings, LLC	1.4%	2.6%
Century Cable Holdings, LLC	1.2%	2.4%
Community Health Systems, Inc.	1.2%	2.3%
Dex Media West, LLC	1.1%	2.0%
Insight Midwest Holding, LLC	1.0%	1.9%
Metro-Goldwyn-Mayer Studios, Inc.	0.9%	1.8%
Davita, Inc.	0.9%	1.7%
Paxson Communications Corporation	0.9%	1.7%

Portfolio holdings are subject to change daily.

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PORTFOLIO MANAGERS REPORT (continued)

USE OF LEVERAGE

The Trust utilizes financial leverage to seek to increase the yield to the holders of common shares. As of February 28, 2005, the Trust had \$450 million of Aaa/AA⁽²⁾ rated cumulative auction rate preferred shares outstanding, and \$496 million of borrowings outstanding under \$570 million in available credit facilities. Total leverage, as a percentage of total assets (including preferred shares), was 45.46% at period end. The use of leverage for investment purposes increases both investment opportunity and investment risk.

OUTLOOK

Short of any material external disruption that would affect investor sentiment or the capital markets at large, the near-term outlook for the non-investment grade loan market is one of little change. We believe that robust demand is likely to continue to outstrip what appears to be an increasingly inconsistent supply of new loans, keeping secondary loan prices very firm (a positive for net asset value stability) and new issue spreads and yields at historical lows. However, we expect that the new issue pipeline to remain skewed towards lower-rated issuers, further testing the risk/return profile of the loan asset class. Fortunately, unless default rates were to rise rapidly and materially, an assumption not

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supported by the currently available data, we do not expect the recent volatility experienced in the fixed income and equity markets to spill over into the traditional leveraged loan market. In short, we believe an investment in the non-investment grade loan market will deliver a coupon-like return over the near-term, one that should continue to increase as the Fed marches forward in its attempt to keep inflation at an acceptable level. In addition, and equally as important, an investment in the asset class is also expected to provide an effective hedge against a potential decline in bond fund values brought on by rising interest rates. Our investment strategy remains credit-focused; as in the past, we will continue to forfeit spread in order to maintain credit discipline.

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

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 12, 2005

(2) 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.

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PORTFOLIO MANAGERS REPORT (continued)

	Average Annual Total Returns for the Periods Ended February 28, 2005			
	1 Year	3 Years	5 Years	10 Years
Based on Net Asset Value (NAV)	7.70%	7.77%	3.99%	5.85%
Based on Market Value	2.04%	10.45%	5.95%	6.97%
Credit Suisse First Boston Leveraged Loan Index	5.33%	6.16%	4.97%	5.90%
S&P/LSTA Leveraged Loan Index ^(a)	4.81%	5.83%	5.11%	

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 performance may be lower or higher than the performance data shown. Please log on to www.ingfunds.com or call (800) 992-0180 to get performance through the most recent month end.

Assumes rights were exercised and excludes sales charges and commissions^{(b),(c)}

(a) Performance since inception for the index is 5.37% from January 1, 1997.

(b) 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 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.

(c) 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.

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.

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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 **Credit Suisse First Boston 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.

The **S&P/LSTA Leveraged Loan Index (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.

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PORTFOLIO MANAGERS REPORT (continued)

YIELDS AND DISTRIBUTIONS RATES

Quarter Ended	Prime Rate	Net Asset Value (NAV) 30-Day SEC Yield(A)	Market 30-Day SEC Yield(A)	Average Annualized Distribution Rate at NAV(B)	Average Annualized Distribution Rate at Market(B)
February 28, 2005	5.50%	6.84%	6.75%	5.80%	5.68%
November 30, 2004	5.00%	5.83%	5.80%	5.86%	5.62%
August 31, 2004	4.50%	6.03%	5.55%	5.74%	5.31%
May 31, 2004	4.00%	5.83%	5.44%	5.62%	5.17%

(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 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.

Principal Risk Factor(s): This closed-end Fund may invest in below investment grade senior loans. Investment in the Fund involves the risk that borrowers may default on obligations, or that lenders may have difficulty liquidating the collateral securing the loans or enforcing their rights under the terms of the senior loans. 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 Fund's NAV. The use of leverage for investment purposes 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 Fund invests, the effect of that decline will be magnified in the Fund because of the additional assets purchased with the proceeds of the leverage.

Interest Rate Risk: Changes in market interest rates will affect the yield on the Fund's Common Shares. If market interest rates fall, the yield on the Fund's Common Shares will also fall. In addition, changes in market interest rates may cause

the Fund's NAV to experience moderate volatility because of the lag between changes in market rates and the resetting of the floating rates on assets in the Fund's portfolio. To the extent that market interest rate changes are reflected as a change in the market spreads for loans of the type and quality in which the Fund invests, the value of the Fund's portfolio may decrease in response to an increase in such spreads. Finally, substantial increases in interest rates may cause an increase in loan defaults as borrowers may lack the resources to meet higher debt service requirements.

ING Prime Rate Trust

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

The Board of Trustees and
Shareholders of
ING Prime Rate Trust:

We have audited the accompanying statement of assets and liabilities of ING Prime Rate Trust (the Trust), including the portfolio of investments, as of February 28, 2005, 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, 2005 by correspondence with the custodian and brokers, or by other appropriate auditing procedures. 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, 2005, the results of its operations and its cash flows for the year then ended, the changes in its 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, in conformity with principles generally accepted in the United States of America.

April 15, 2005
Los Angeles, California

ING Prime Rate Trust

STATEMENT OF ASSETS AND LIABILITIES as of February 28, 2005

ASSETS:	
Investments in securities at value (Cost \$2,027,910,179)	\$ 2,051,247,065
Cash	11,412,908
Receivables:	
Investment securities sold	6,883,979
Interest	11,310,753
Other	77,753
Prepaid expenses	110,445
Total assets	2,081,042,903
LIABILITIES:	
Notes payable	496,000,000
Payable for investments purchased	46,760,536
Deferred arrangement fees on senior loans	1,766,828
Dividends payable - preferred shares	144,812
Payable to affiliates	1,611,779
Accrued trustee fees	881
Other accrued expenses and liabilities	2,009,592
Total liabilities	548,294,428
Preferred shares, \$25,000 stated value per share at liquidation value (18,000 shares outstanding)	450,000,000
NET ASSETS	\$ 1,082,748,475
Net assets 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)	\$ 7.47
NET ASSETS CONSIST OF:	
Paid-in capital	\$ 1,343,955,826
Undistributed net investment income	4,220,860
Accumulated net realized loss on investments	(288,765,097)
Net unrealized appreciation on investments	23,336,886
NET ASSETS	\$ 1,082,748,475

See Accompanying Notes to Financial Statements

ING Prime Rate Trust

STATEMENT OF OPERATIONS for the Year Ended February 28, 2005

INVESTMENT INCOME:

Interest	\$	91,324,169
Arrangement fees earned		1,884,734
Dividends		106,482
Other		2,215,636
Total investment income		95,531,021

EXPENSES:

Investment management fees		15,215,686
Administration fees		4,754,902
Transfer agent and registrar fees		76,188
Interest		9,128,168
Shareholder reporting expense		147,899
Custodian fees		902,207
Professional fees		886,116
Preferred Shares - Dividend disbursing agent fees		1,187,231
Pricing expense		71,406
ICI fees		34,280
Postage expense		209,959
Trustee fees		39,011
Excise tax expense		117,314
Miscellaneous expense		202,658
Total expenses		32,973,025
Reimbursed expenses		(117,314)
Net expenses		32,855,711
Net investment income		62,675,310

REALIZED AND UNREALIZED GAIN (LOSS) FROM INVESTMENTS:

Net realized loss on investments		(7,289,446)
Net change in unrealized appreciation or depreciation on investments		28,507,450
Net realized and unrealized gain on investments		21,218,004

DISTRIBUTIONS TO PREFERRED SHAREHOLDERS:

From net investment income		(7,597,393)
Net increase in net assets resulting from operations	\$	76,295,921

See Accompanying Notes to Financial Statements

ING Prime Rate Trust

STATEMENTS OF CHANGES IN NET ASSETS

	Year Ended February 28, 2005	Year Ended February 29, 2004
FROM OPERATIONS:		
Net investment income	\$ 62,675,310	\$ 64,881,220
Net realized loss on investments	(7,289,446)	(45,502,509)
Net change in unrealized appreciation or depreciation on investments	28,507,450	126,661,233
Distributions to preferred shareholders from net investment income	(7,597,393)	(5,199,537)
Net increase in net assets resulting from operations	76,295,921	140,840,407
FROM DISTRIBUTIONS TO COMMON SHAREHOLDERS:		
From net investment income	(59,700,239)	(57,649,691)
Total distributions to common shareholders	(59,700,239)	(57,649,691)
FROM CAPITAL SHARE TRANSACTIONS:		
Dividends reinvested for common shares	4,891,202	4,364,604
Sales of shares in connection with shelf offering	50,936,150	386,779
Net increase from capital share transactions	55,827,352	4,751,383
Net increase in net assets	72,423,034	87,942,099
NET ASSETS:		
Beginning of year	1,010,325,441	922,383,342
End of year (including undistributed net investment income of \$4,220,860 and \$9,661,472, respectively)	\$ 1,082,748,475	\$ 1,010,325,441
SUMMARY OF CAPITAL SHARE TRANSACTIONS:		
Shares issued in payment of distributions from net investments income	652,703	612,173
Shares sold in connection with shelf offering	6,742,261	53,184
Net increase in shares outstanding	7,394,964	665,357

See Accompanying Notes to Financial Statements

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STATEMENT OF CASH FLOWS for the Year Ended February 28, 2005

INCREASE (DECREASE) IN CASH

Cash Flows from Operating Activities:

Interest received	\$	85,293,736
Dividends received		106,482
Dividends paid to preferred shareholders		(7,519,860)
Arrangement fee paid		(579,456)
Other income received		2,231,200
Interest paid		(8,296,983)
Other operating expenses paid		(23,896,220)
Purchases of securities		(2,091,167,613)
Proceeds from sales of securities		1,785,646,425
Net cash used in operating activities		(258,182,289)

Cash Flows from Financing Activities:

Distributions paid to common shareholders		(54,809,037)
Proceeds from shelf offerings		50,936,150
Net issuance of notes payable		271,000,000
Net cash flows provided by financing activities		267,127,113
Net increase in cash		8,944,824
Cash at beginning of year		2,468,084
Cash at end of year	\$	11,412,908

Reconciliation of Net Increase in Net Assets Resulting from Operations to Net Cash Used in Operating Activities:

Net increase in net assets resulting from operations	\$	76,295,921
Adjustments to reconcile net increase in net assets resulting from operations to net cash provided by operating activities:		
Change in unrealized depreciation on securities		(28,507,450)
Net accretion of discounts on securities		(2,458,968)
Realized loss on sale of securities		7,289,446
Purchase of securities		(2,091,167,613)
Proceeds on sale of securities		1,785,646,425
Decrease in other assets		15,564
Increase in interest receivable		(3,571,465)
Increase in prepaid expenses		(73,155)
Decrease in deferred arrangement fees on senior loans		(2,464,190)
Increase in preferred shareholder dividend payable		77,533
Increase in affiliate payable		227,361
Decrease in accrued trustee fees		(41,321)
Increase in accrued expenses		549,623
Total adjustments		(334,478,210)
Net cash used in operating activities	\$	(258,182,289)
Noncash Financing Activities		
Reinvestment of dividends	\$	4,891,202

See Accompanying Notes to Financial Statements

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ING PRIME RATE TRUST	FINANCIAL HIGHLIGHTS
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For a common share outstanding throughout the period

	Years Ended February 28 or February 29,				
	2005	2004	2003	2002	2001
Per Share Operating Performance					
Net asset value, beginning of period	\$ 7.34	6.73	7.20	8.09	8.95
Income from investment operations:					
Net investment income	\$ 0.45	0.46	0.50	0.74	0.88
Net realized and unrealized gain (loss) on investments	\$ 0.16	0.61	(0.47)	(0.89)	(0.78)
Total from investment operations	\$ 0.61	1.07	0.03	(0.15)	0.10
Distributions to Common Shareholders from net investment income					
	\$ (0.43)	(0.42)	(0.45)	(0.63)	(0.86)
Distribution to Preferred Shareholders					
	\$ (0.05)	(0.04)	(0.05)	(0.11)	(0.06)
Reduction in net asset value from Preferred Shares offerings					
	\$				(0.04)
Net asset value, end of year	\$ 7.47	7.34	6.73	7.20	8.09
Closing market price at end of period	\$ 7.56	7.84	6.46	6.77	8.12
Total Investment Return(1)					
Total investment return at closing market price(2)	% 2.04	28.77	2.53	(9.20)	9.10
Total investment return at net asset value(3)	% 7.70	15.72	0.44	(3.02)	0.19
Ratios/Supplemental Data					
Net assets end of year (000 s)	\$ 1,082,748	1,010,325	922,383	985,982	1,107,432
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)	\$ 496,000	225,000	167,000	282,000	510,000
Asset coverage per \$1,000 of debt(4)	\$ 2,140	2,500	2,500	2,350	2,150
Average borrowings (000 s)	\$ 414,889	143,194	190,671	365,126	450,197
Ratios to average net assets including Preferred Shares(5)					
Expenses (before interest and other fees related to revolving credit facility)(6)	% 1.60	1.45	1.49	1.57	1.62
Net expenses after expense reimbursement(6)	% 2.21	1.65	1.81	2.54	3.97
Gross expenses prior to expense reimbursement(6)	% 2.22	1.65	1.81	2.54	3.97
Net investment income(6)	% 4.21	4.57	4.97	6.83	9.28
Ratios to average net assets plus borrowings					
Expenses (before interest and other fees related to revolving credit facility)(6)	% 1.63	1.84	1.82	1.66	1.31
Net expenses after expense reimbursement(6)	% 2.26	2.09	2.23	2.70	3.21
Gross expenses prior to expense reimbursement(6)	% 2.27	2.09	2.23	2.70	3.21
Net investment income(6)	% 4.32	5.82	6.10	7.24	7.50
Ratios to average net assets					
Expenses (before interest and other fees related to revolving credit facility)(6)	% 2.29	2.11	2.19	2.25	1.81
Net expenses after expense reimbursement(6)	% 3.17	2.40	2.68	3.64	4.45
Gross expenses prior to expense reimbursement(6)	% 3.18	2.40	2.68	3.64	4.45
Net investment income(6)	% 6.04	6.68	7.33	9.79	10.39
Portfolio turnover rate	% 93	87	48	53	46
Common shares outstanding at end of period (000 s)	145,033	137,638	136,973	136,973	136,847

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- (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.
- (6) Annualized for periods less than one year.

See Accompanying Notes to Financial Statements

ING Prime Rate Trust

NOTES TO FINANCIAL STATEMENTS as of February 28, 2005

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 are exempt from registration under the Securities Act of 1933, as amended (the 33 Act), but 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 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.

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 accounting principals generally accepted in the United States of America for investment companies.

A. *Senior Loan and Other Security Valuation.* Senior loans held by the Trust are normally valued at the mean of the means of one or more bid and ask quotations obtained from an independent pricing service or other sources determined by the Board of Trustees 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 readily available, reliable 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, 2005, 98.62% of total investments 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 Manager) or ING Investment Management Co. (formerly, Aeltus Investment Management, Inc.) (ING IM, 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 Manager or the Sub-Adviser that the Investment Manager 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 Trust's Board of Trustees and in accordance with the provisions of the 1940 Act.

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Under these procedures, fair value is determined by the Investment Manager and monitored by the Trust's Board of Trustees through its Valuation and Proxy Voting 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;

ING Prime Rate Trust

NOTES TO FINANCIAL STATEMENTS as of February 28, 2005 (continued)

NOTE 2 SIGNIFICANT ACCOUNTING POLICIES (continued)

(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 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 of Trustees of the Trust. 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 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 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. For all loans acquired prior to March 1, 2001, arrangement fees received, which represent non-refundable fees associated with the acquisition of loans, were 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, fees received are treated as discounts and are accreted whereas premiums are amortized. Fees associated with revolving credit facilities acquired subsequent to February 28, 2001 are deferred and recognized over the shorter of four years or the actual term of the loan.

D. *Distributions to Common Shareholders.* The Trust declares 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 accounting principles generally accepted in the United States of America for investment companies. 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 Trust records distributions to its shareholders on the ex-dividend date.

ING Prime Rate Trust

NOTES TO FINANCIAL STATEMENTS as of February 28, 2005 (continued)

NOTE 2 SIGNIFICANT ACCOUNTING POLICIES (continued)

E. *Dividend Reinvestments.* Pursuant to the Trust's 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 on the open market only when the closing sale or bid price plus commission is less than the net asset value per share of the Trust's common shares on the valuation date. If the market price plus commissions is equal to or exceeds the net asset value, new shares are issued by the Trust 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%.

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 for investment companies. Actual results could differ from these estimates.

G. *Share Offerings.* Beginning in 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.

NOTE 3 INVESTMENTS

For the year ended February 28, 2005, the cost of purchases and the proceeds from principal repayment and sales of investments, excluding short-term notes, totaled \$2,074,963,421 and \$1,768,215,260, respectively. At February 28, 2005, the Trust held senior loans valued at \$2,017,770,985 representing 98.3% 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.

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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 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 shares or warrants.

ING Prime Rate Trust

NOTES TO FINANCIAL STATEMENTS as of February 28, 2005 (continued)

NOTE 3 INVESTMENTS (continued)

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

	Date of Acquisition	Cost or Assigned Basis
Acterna, Inc. Contingent Right	11/24/03	\$
Allied Digital Technologies Corporation Residual Interest in Bankruptcy Estate	06/05/02	186,961
AM Cosmetics Corporation Liquidation Interest	03/07/03	50
Block Vision Holdings Corporation Common Shares	09/30/02	
Boston Chicken, Inc. Residual Interest in Boston Chicken Plan Trust	12/26/00	6,044,327
Cedar Chemical Liquidation Interest	12/31/02	
Covenant Care, Inc. Warrants	12/22/95	
Covenant Care, Inc. Warrants	01/18/02	
Decision One Corporation Common Shares	06/16/00	
Electro Mechanical Solutions Residual Interest in Bankruptcy Estate	10/02/02	15
Enginen Realty Common Shares	11/24/03	
Enterprise Profit Solutions Liquidation Interest	10/21/02	
EquityCo, LLC Warrants	02/25/05	
Euro United Corporation Residual Interest in Bankruptcy Estate	06/21/02	2,335,366
Galey & Lord, Inc. Common Shares	03/31/04	
Gate Gourment Borrower, LLC Warrants	12/04/03	
Gemini Leasing, Inc. Common Shares	01/08/04	
Grand Union Company Residual Interest in Bankruptcy Estate	07/01/02	2,576
Holmes Group, Inc. Common Shares	05/26/04	
Humphreys, Inc. Residual Interest in Bankruptcy Estate	05/15/02	50
Imperial Home Décor Group, Inc. Common Shares	05/02/01	1,654,378
Imperial Home Décor Group, Inc. Liquidation Interest	01/22/04	
Insilco Technologies Residual Interest in Bankruptcy Estate	05/02/03	10,008
Intera Group, Inc. Common Shares	11/29/02	
IT Group, Inc. Residual Interest in Bankruptcy Estate	09/12/03	87,001
Kevco, Inc. Residual Interest in Bankruptcy Estate	06/05/02	147,443
Lincoln Pulp and Eastern Fine Residual Interest in Bankruptcy Estate	06/08/04	
London Clubs International Warrants	12/08/04	
Malden Mills Industries, Inc. Common Shares	11/04/03	
Malden Mills Industries, Inc. Preferred Shares	11/04/03	
Morris Material Handling, Inc. Common Shares	10/09/01	3,009,059
MP Holdings, Inc. Common Shares	04/16/01	6
Murray s Discount Auto Stores, Inc. Escrow Interest	08/11/03	40,136
Neoplan USA Corporation Common Shares	08/29/03	
Neoplan USA Corporation Series B Preferred Shares	08/29/03	
Neoplan USA Corporation Series C Preferred Shares	08/29/03	428,603
Neoplan USA Corporation Series D Preferred Shares	08/29/03	3,524,300
New Piper Aircraft, Inc. Residual Interest in Litigation Proceeds	07/02/03	

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New World Restaurant Group, Inc. Warrants	09/27/01	40
Norwood Promotional Products, Inc. Common Shares	08/23/04	32,939
Safelite Glass Corporation Common Shares	10/17/00	
Safelite Realty Corporation Common Shares	10/17/00	
Scientific Games Corporation Common Shares	10/30/03	213,975
Soho Publishing Common Shares	01/10/02	176
Targus Group, Inc. Common Shares	03/11/03	
Transtar Metals Residual Interest in Bankruptcy Estate	01/09/03	80,459
TSR Wireless, LLC Residual Interest in Bankruptcy Estate	10/15/02	
U.S. Aggregates Residual Interest in Bankruptcy Estate	04/07/03	
U.S. Office Products Company Residual Interest in Bankruptcy Estate	02/11/04	
Total restricted securities excluding senior loans (market value of \$19,487,199 was 1.8% of net assets at February 28, 2005)		\$ 17,797,868

ING Prime Rate Trust

NOTES TO FINANCIAL STATEMENTS as of February 28, 2005 (continued)

NOTE 4 MANAGEMENT AND ADMINISTRATION AGREEMENTS

The Trust has entered into an Investment Management Agreement with the Investment Manager, a wholly-owned subsidiary of ING Fund 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 Managed Assets. For purposes of this 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 Manager entered into a Sub-Advisory Agreement with ING IM, a wholly-owned subsidiary of ING Groep N.V., effective August 19, 2003. Subject to such policies as the Board or the Investment Manager 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 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.

NOTE 5 TRANSACTIONS WITH AFFILIATES AND RELATED PARTIES

At February 28, 2005, 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
\$1,228,022	\$383,757	\$1,611,779

The Trust has adopted a Retirement 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 plan are based on an annual rate as defined in the plan agreement.

NOTE 6 COMMITMENTS

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The Trust has entered into both a \$90 million 364-day revolving credit agreement which matures on August 24, 2005 and a \$480 million 364-day revolving securitization facility which matures on July 11, 2005, 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, 2005, was \$496 million. Weighted average interest rate on outstanding borrowings was 3.01%, excluding fees related to the unused portion of the facilities, and other fees. The amount of borrowings represented 23.83% of total assets at February 28, 2005. Average borrowings for the year ended February 28, 2005 were \$414,790,411 and the average annualized interest rate was 2.91% excluding other fees related to the unused portion of the facilities, and other fees.

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NOTES TO FINANCIAL STATEMENTS as of February 28, 2005 (continued)

NOTE 6 COMMITMENTS (continued)

As of February 28, 2005, the Trust had unfunded loan commitments pursuant to the terms of the following loan agreements:

Allied Waste North America, Inc.	\$	696,537
Baker & Taylor, Inc.		322,500
Block Vision Holdings Corporation		91,815
Federal-Mogul Corporation		1,850,000
Green Valley Ranch Gaming, LLC		500,000
InSight Health Services Corporation		160,896
Interstate Bakeries Corporation		1,901,278
Isle of Capri Casinos, Inc.		1,000,000
Kerasotes Theatres, Inc.		1,500,000
Motorsport Aftermarket Group, Inc.		900,000
Neoplan USA Corporation		382,500
Outsourcing Solutions, Inc.	\$	63,692
Owens-Illinois Group, Inc.		100
Ply Gem Industries, Inc.		794,643
Primedia, Inc.		1,046,126
Six Flags Theme Parks, Inc.		2,050,000
Texas Genco, LLC		4,384,615
United Defense Industries, Inc.		2,878,170
United States Shipping, LLC		576,923
Vanguard Health Systems, Inc.		3,500,000
Venetian Casino Resorts, LLC		2,564,103
	\$	27,163,898

NOTE 7 RIGHTS AND OTHER OFFERINGS

As of February 28, 2005, 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

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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. 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 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 fail 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, 2005.

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 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 February 28, 2005, the Trust held 0.39% of its total assets in subordinated loans and unsecured loans.

ING Prime Rate Trust

NOTES TO FINANCIAL STATEMENTS as of February 28, 2005 (continued)

NOTE 10 FEDERAL INCOME TAXES

Federal excise tax of \$117,314 was paid by the Trust and subsequently reimbursed by the investment advisor. 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 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 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, 2005:

Paid-in Capital	Undistributed Net Investment Income On Investments	Accumulated Net Realized Losses
\$	\$(818,290)	\$818,290

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, 2005	Year ended February 29, 2004
Ordinary Income \$67,297,632	Ordinary Income \$62,849,228

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, 2005 were:

Undistributed Ordinary Income	Undistributed Long-Term Capital Gains	Unrealized Appreciation/ (Depreciation)	Post-October Capital Losses Deferred	Capital Loss Carryforwards	Expiration Dates
----------------------------------	---------------------------------------------	-----------------------------------------------	--------------------------------------------	----------------------------------	---------------------

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\$4,356,782	\$	\$21,346,306	\$(223,838)	\$	(12,542,170)	2006
					(10,485,033)	2007
					(38,118,850)	2008
					(847,193)	2009
					(47,376,376)	2010
					(97,064,717)	2011
					(57,686,392)	2012
					(22,421,058)	2013
				\$	(286,541,789)	

NOTE 11 SUBSEQUENT EVENTS

Subsequent to February 28, 2005, the Trust paid to Common Shareholders the following dividends from net investment income:

Per Share Amount	Declaration Date	Record Date	Payable Date
\$0.034	2/28/05	3/10/05	3/22/05

Subsequent to February 28, 2005, 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	\$86.48	3/07/05 to 4/11/05	3/14/05 to 4/18/05	3/15/05 to 4/19/05
Series T	\$84.68	3/01/05 to 4/05/05	3/08/05 to 4/12/05	3/09/05 to 4/13/05
Series W	\$84.78	3/02/05 to 4/06/05	3/09/05 to 4/13/05	3/10/05 to 4/14/05
Series Th	\$84.34	3/03/05 to 4/07/05	3/10/05 to 4/14/05	3/11/05 to 4/15/05
Series F	\$87.93	3/04/05 to 4/08/05	3/11/05 to 4/15/05	3/14/05 to 4/18/05

ING Prime Rate Trust

PORTFOLIO OF INVESTMENTS as of February 28, 2005

Senior Loans: 186.4%*

<i>Principal Amount</i>		<i>Borrower/Tranche Description</i>	<i>Bank Loan Ratings</i>		<i>Value</i>
			<i>Moody's</i>	<i>S&P</i>	
<i>Aerospace and Defense: 3.3%</i>					
\$ 1,536,131		Alliant Techsystems, Inc. Term Loan, 3.960%-4.640%, maturing March 31, 2011	Ba2	BB	\$ 1,560,452
2,500,000		American Airlines, Inc. Revolver, 7.290%-7.620%, maturing June 30, 2009	B2	B+	2,501,043
1,000,000		Term Loan, 7.790%-8.120%, maturing December 31, 2010			1,020,938
992,500		Arinc, Inc. Term Loan, 4.560%-4.780%, maturing March 10, 2011	Ba3	BB	1,008,628
2,493,750		Ceradyne, Inc. Term Loan, 4.625%-4.875% maturing August 18, 2011	Ba3	BB-	2,534,273
3,000,000		Dyncorp, Inc. Term Loan, 7.250%, maturing February 11, 2011	B2	B+	3,049,374
1,500,000	(5)	Hexcel Corporation Term Loan, maturing February 18, 2012	B2	B+	1,523,438
4,802,083		K&F Industries, Inc. Term Loan, 5.120%-7.000%, maturing November 16, 2012	B2	B+	4,888,622
1,500,000		Northwest Airlines, Inc. Term Loan, 9.100%, maturing November 23, 2010	B1	B+	1,544,625
4,361,538		Standard Aero Holdings, Inc. Term Loan, 5.170%-5.280%, maturing August 20, 2012	B2	B+	4,431,053
1,980,038		Transdigm, Inc. Term Loan, 4.935%, maturing July 22, 2010	B1	B+	2,012,213
1,992,350	(2)	United Air Lines, Inc. Debtor in Possession Term Loan, 8.000%, maturing September 30, 2005	Ba3	BB-	2,013,104
5,884,693		United Defense Industries, Inc. Term Loan, 4.560%-4.670%, maturing August 13, 2009	Ba2	BB+	5,953,350
2,000,000		Wyle Holdings, Inc. Term Loan, 5.500%, maturing	NR	B+	

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	January 28, 2011			2,038,126
				36,079,239
Automobile: 6.6%				
	Accuride Corporation	B2	B+	
8,000,000	Term Loan, 4.875%-6.750%, maturing January 31, 2010			8,095,000
	Affinia Group, Inc.	B2	BB-	
2,000,000	Term Loan, 5.440%, maturing November 30, 2011			2,033,500
	Aftermarket Technology Corporation	Ba3	BB-	
951,270	Term Loan, 5.920%-5.990%, maturing February 08, 2008			957,661

See Accompanying Notes to Financial Statements

ING Prime Rate Trust

PORTFOLIO OF INVESTMENTS as of February 28, 2005 (continued)

<i>Principal Amount</i>	<i>Borrower/Tranche Description</i>	<i>Bank Loan Ratings</i>		<i>Value</i>
		<i>Moody's</i>	<i>S&P</i>	
<i>Automobile: (continued)</i>				
\$ 1,308,082	Aftermarket Technology Corporation (continued) Term Loan, 5.920%-5.950%, maturing February 08, 2008			\$ 1,321,163
1,171,686	Collins & Aikman Products Company Term Loan, 6.340%, maturing September 11, 2011	B1	B+	1,181,449
4,475,006	Dayco Products, LLC Term Loan, 5.120%-5.770%, maturing June 23, 2011	B1	BB-	4,558,913
2,373,333	Dura Operating Corporation Term Loan, 5.170%, maturing December 31, 2008	Ba3	BB-	2,395,090
3,150,000	(2) Federal-Mogul Corporation Revolver, maturing 4.875%-5.063%, November 01, 2009	B1	B+	3,150,000
5,500,000	Goodyear Tire & Rubber Company Term Loan, 6.560%, maturing March 31, 2006	B1	BB	5,558,438
1,500,000	Goodyear Tire & Rubber Company Term Loan, 7.030%, maturing March 31, 2006	B2	B	1,518,750
2,985,000	Grand Vehicle Works Holdings Corporation Term Loan, 5.560%-7.500%, maturing July 31, 2010	B2	B+	2,895,450
2,752,475	HLI Operating Company, Inc. Term Loan, 5.920%-6.690%, maturing June 03, 2009	Ba3	BB-	2,814,405
1,955,879	Key Automotive Group Term Loan, 5.580%-5.890%, maturing June 29, 2010	B1	BB-	1,992,551
1,369,565	Keystone Automotive Industries, Inc. Term Loan, 5.340%-5.780%, maturing October 30, 2009	B1	B+	1,384,973
1,982,500	Meridian Automotive Systems, Inc. Term Loan, 6.740%-7.430%, maturing April 28, 2010	B2	CCC+	1,911,873
1,600,000	Motorsport Aftermarket Group, Inc. Term Loan, 5.820%, maturing December 15, 2011	B2	B	1,612,000
7,711,878	Safelite Glass Corporation Term Loan, 7.060%, maturing September 30, 2007	B3	B+	6,612,936
12,403,267	Term Loan, 7.560%, maturing September 30, 2007			10,635,801

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7,500,000	TRW Automotive Acquisitions Corporation Term Loan, 4.375%, maturing June 30, 2012	Ba2	BB+	7,545,315
2,706,667	United Components, Inc. Term Loan, 5.290%, maturing June 30, 2010	B1	BB-	2,748,958
				70,924,226

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PORTFOLIO OF INVESTMENTS as of February 28, 2005 (continued)

<i>Principal Amount</i>	<i>Borrower/Tranche Description</i>	<i>Bank Loan Ratings</i>		<i>Value</i>
		<i>Moody's</i>	<i>S&P</i>	
<i>Banking: 0.3%</i>				
\$ 3,426,801	Outsourcing Solutions, Inc. Term Loan, 7.590%-8.750%, maturing December 09, 2008	NR	NR	\$ 3,439,651
				3,439,651
<i>Beverage, Food and Tobacco: 5.1%</i>				
6,514,775	Birds Eye Foods, Inc. Term Loan, 5.310%, maturing June 30, 2008	B1	B+	6,605,982
4,436,491	Commonwealth Brands, Inc. Term Loan, 5.938%, maturing August 28, 2007	B1	B+	4,508,584
16,484,028	Constellation Brands, Inc. Term Loan, 4.313%-4.750%, maturing November 30, 2011	Ba2	BB	16,742,876
2,250,000	Del Monte Corporation Term Loan, 4.270%, maturing February 08, 2012	Ba3	BB	2,279,813
3,586,438	Dr. Pepper Bottling Company of Texas, Inc. Term Loan, 4.470%-4.848%, maturing December 19, 2010	B1	BB-	3,654,581
3,970,000	Golden State Foods Corporation Term Loan, 5.230%, maturing February 28, 2011	B1	B+	4,041,956
4,222,429	Keystone Foods Holdings, LLC Term Loan, 4.438%-4.875%, maturing June 16, 2011	Ba3	B+	4,267,292
3,677,172	Michael Foods, Inc. Term Loan, 4.841%-6.750%, maturing November 21, 2010	B1	B+	3,743,821
4,550,000	Pierre Foods, Inc. Term Loan, 4.480%, maturing June 30, 2010	B1	B+	4,608,772
2,937,477	Southern Wine & Spirits of America, Inc. Term Loan, 4.810%, maturing July 02, 2008	Ba3	BB+	2,981,081
1,139,173	Swift & Company Term Loan, 5.050%-5.390%, maturing September 19, 2008	Ba2	BB	1,160,533
				54,595,291
<i>Buildings and Real Estate: 8.2%</i>				
1,750,000	Associated Materials, Inc. Term Loan, 5.000%-5.170%, maturing August 29, 2010	B2	B+	1,778,437
3,000,000	Atrium Companies, Inc. Term Loan, 5.200%-5.300%, maturing December 28, 2011	B1	B	3,046,251

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5,000,000	(5)	Builders FirstSource, Inc. Term Loan, maturing August 11, 2011	B1	B+	5,084,375
1,970,000		Building Materials Holding Corporation Term Loan, 5.313%, maturing August 21, 2010	Ba2	BB-	1,984,775

See Accompanying Notes to Financial Statements

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PORTFOLIO OF INVESTMENTS as of February 28, 2005 (continued)

<i>Principal Amount</i>	<i>Borrower/Tranche Description</i>	<i>Bank Loan Ratings</i>		<i>Value</i>
		<i>Moody's</i>	<i>S&P</i>	
<i>Buildings and Real Estate: (continued)</i>				
\$ 1,500,000	Contech Construction Products, Inc. Term Loan, 4.940%, maturing December 07, 2010	Ba3	BB-	\$ 1,529,062
2,130,585	Crescent Real Estate Equities, L.P. Term Loan, 4.840%, maturing January 12, 2006	B1	BB+	2,149,895
3,982,535	DMB Newco, LLC Term Loan, 4.940%-5.250%, maturing February 28, 2009	NR	NR	3,992,492
18,420,001	General Growth Properties, Inc. Term Loan, 4.840%, maturing November 12, 2007	Ba2	BB+	18,606,301
17,000,000	Term Loan, 4.840%, maturing November 10, 2008			17,284,937
5,142,147	Headwaters, Inc. Term Loan, 5.920%-7.750%, maturing April 30, 2011	B1	B+	5,217,135
6,000,000	LNR Property Corporation Term Loan, 5.590%, maturing January 15, 2007	B2	B+	6,094,998
1,455,000	NCI Building Systems, Inc. Term Loan, 4.750%, maturing September 15, 2008	Ba2	BB	1,475,462
6,961,384	Nortek, Inc. Term Loan, 4.620%-7.000%, maturing August 27, 2011	B2	B	7,090,462
455,357	Ply Gem Industries, Inc. Revolver, 5.180%-5.350%, maturing February 12, 2009	B1	B+	445,681
619,375	Term Loan, 5.060%-5.280%, maturing March 15, 2010			627,117
1,500,000	Term Loan, 4.590%, maturing February 12, 2011			1,518,750
4,218,125	Term Loan, 5.060%-5.280%, maturing October 01, 2011			4,270,852
5,452,462	St. Marys Cement, Inc. Term Loan, 4.560%, maturing December 04, 2009	B1	BB-	5,534,249
861,111	Werner Holdings Company, Inc. Term Loan, 6.000%-6.343%, maturing June 11, 2009	B1	CCC+	835,708
				88,566,939
<i>Cargo/Transport: 3.4%</i>				
6,000,000	Atlantic Express Transportation Corporation Floating Rate Note, 11.410%, maturing	B3	CCC+	

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	April 15, 2008			5,820,000
	Baker Tanks, Inc.	B2	B	
3,361,000	Term Loan, 5.200%-5.743%, maturing			
	January 30, 2011			3,410,366

See Accompanying Notes to Financial Statements

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PORTFOLIO OF INVESTMENTS as of February 28, 2005 (continued)

<i>Principal Amount</i>	<i>Borrower/Tranche Description</i>	<i>Bank Loan Ratings</i>		<i>Value</i>
		<i>Moody's</i>	<i>S&P</i>	
<i>Cargo/Transport: (continued)</i>				
\$ 1,867,972	Gemini Leasing, Inc. Term Loan, 5.670%, maturing December 31, 2011	NR	NR	\$ 1,214,182
3,491,250	Helm Holding Corporation Term Loan, 5.560%-5.620%, maturing July 02, 2010	B2	B+	3,537,799
2,487,500	Horizon Lines, LLC Term Loan, 5.390%, maturing July 04, 2011	B2	B	2,518,594
1,510,000	Kansas City Southern Railway Company Term Loan, 4.150%-4.328%, maturing March 30, 2008	B1	BB+	1,534,726
1,867,500	Neoplan USA Corporation Revolver, 6.560%, maturing June 30, 2006	NR	NR	1,867,500
5,374,084	Term Loan, 9.000%, maturing June 30, 2006			5,374,084
1,811,765	Pacer International, Inc. Term Loan, 4.063%-5.063%, maturing June 10, 2010	B1	BB-	1,850,265
394,488	Railamerica, Inc. Term Loan, 4.875%, maturing September 29, 2011	Ba3	BB	401,720
3,337,154	Term Loan, 4.875%, maturing September 29, 2011			3,398,335
1,198,262	Term Loan, 5.390%, maturing December 31, 2009			1,213,240
2,595,963	Transport Industries, L.P. Term Loan, 6.563%, maturing June 13, 2010	B2	B+	2,600,831
1,915,865	United States Shipping, LLC Term Loan, 4.560%, maturing April 30, 2010	Ba3	BB-	1,939,814
				36,681,456
<i>Cellular: 5.7%</i>				
1,990,000	Cellular South, Inc. Term Loan, 4.700%-6.250%, maturing May 04, 2011	Ba3	B+	2,021,094
10,892,481	Centennial Cellular Operating Company Term Loan, 4.880%-4.920%, maturing February 09, 2011	B2	B-	11,083,100
11,500,000	Cricket Communications, Inc. Term Loan, 5.090%, maturing December 20, 2010	B1	B-	11,622,187
(2) 3,175,000	IWO Escrow Company Floating Rate Note, 6.320%, maturing	B3	CCC+	

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	January 15, 2012			3,286,125
	Nextel Partners Operating Corporation	Ba3	B+	
8,000,000	Term Loan, 4.938%, maturing			
	May 31, 2011			8,120,712

See Accompanying Notes to Financial Statements

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PORTFOLIO OF INVESTMENTS as of February 28, 2005 (continued)

<i>Principal Amount</i>			<i>Borrower/Tranche Description</i>	<i>Bank Loan Ratings</i>		<i>Value</i>
				<i>Moody's</i>	<i>S&P</i>	
<i>Cellular: (continued)</i>						
\$ 4,500,000	(5)		Ntelos, Inc. Term Loan, maturing August 25, 2011	B2	B	\$ 4,567,500
1,000,000	(5)		Ntelos, Inc. Term Loan, maturing February 25, 2012	B3	CCC+	1,027,500
2,500,000			Rogers Wireless Communications, Inc. Floating Rate Note, 5.525%, maturing December 15, 2010	Ba3	BB	2,637,500
2,500,000			Rural Cellular Corporation Floating Rate Note, 6.380%, maturing March 15, 2010	B2	B-	2,625,000
14,925,000			Western Wireless Corporation Term Loan, 5.570%-5.710%, maturing May 31, 2011	B2	B-	15,050,937
						62,041,655
<i>Chemicals, Plastics and Rubber: 9.7%</i>						
4,000,000			Brenntag, AG Term Loan, 5.880%, maturing February 27, 2012	B1	BB-	4,073,332
4,041,964			Celanese, AG Term Loan, 5.060%-5.126%, maturing April 06, 2011	B1	B+	4,127,856
2,500,000	(5)		Hawkeye Renewables, LLC Term Loan, maturing January 31, 2012	B2	B	2,518,750
9,255,062			Hercules, Inc. Term Loan, 3.966%-4.310%, maturing October 08, 2010	Ba1	BB	9,377,979
17,704,146			Huntsman International, LLC Term Loan, 5.125%, maturing December 31, 2010	Ba3	BB-	18,044,950
13,000,000			Huntsman, LLC Term Loan, 6.150%, maturing March 31, 2010	B1	BB-	13,255,125
1,496,966			Innophos, Inc. Term Loan, 4.780%-5.220%, maturing August 13, 2010	B2	B	1,523,163
3,030,731			JohnsonDiversey, Inc. Term Loan, 4.840%, maturing November 03, 2009	Ba3	BB-	3,089,924
1,459,725			Kraton Polymers, LLC Term Loan, 4.875%-5.750%, maturing December 23, 2010	B1	B+	1,484,662
14,982,417			Nalco Company Term Loan, 4.530%-4.920%, maturing November 04, 2010	B1	BB-	15,279,982
			Polypore, Inc.	B1	B	

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9,350,000	Term Loan, 4.920%, maturing November 12, 2011			9,466,875
	PQ Corporation	B1	B+	
2,500,000	Term Loan, 4.750%, maturing February 11, 2012			2,545,313

See Accompanying Notes to Financial Statements

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PORTFOLIO OF INVESTMENTS as of February 28, 2005 (continued)

<i>Principal Amount</i>	<i>Borrower/Tranche Description</i>	<i>Bank Loan Ratings</i>		<i>Value</i>
		<i>Moody's</i>	<i>S&P</i>	
<i>Chemicals, Plastics and Rubber: (continued)</i>				
\$ 15,750,000	Rockwood Specialties Group, Inc. Term Loan, 4.950%, maturing July 30, 2012	B1	B+	\$ 16,020,002
3,983,117	Supresta, LLC Term Loan, 5.560%, maturing July 30, 2012	NR	B+	4,042,864
				104,850,777
<i>Containers, Packaging and Glass: 8.5%</i>				
1,492,500	Appleton Papers, Inc. Term Loan, 4.330%-4.790%, maturing June 11, 2010	Ba3	BB	1,510,223
3,470,412	Berry Plastics Corporation Term Loan, 4.680%-4.770%, maturing June 30, 2010	B1	B+	3,524,637
9,503,839	Boise Cascade Corporation Term Loan, 4.938%, maturing October 29, 2011	Ba3	BB	9,689,763
1,302,000	BWAY Corporation Term Loan, 4.875%-5.000%, maturing June 30, 2011	B1	B+	1,323,158
7,500,000	Graham Packaging Company, L.P. Term Loan, 5.000%-5.125%, maturing October 07, 2011	B2	B	7,646,250
1,500,000	Graham Packaging Company, L.P. Term Loan, 6.813%, maturing March 15, 2012	B3	CCC+	1,550,625
9,079,397	Graphic Packaging International, Inc. Term Loan, 5.060%-5.440%, maturing June 30, 2010	B1	B+	9,250,770
586,300	Greif Bros. Corporation Term Loan, 4.230%, maturing August 23, 2009	Ba2	BB+	589,964
2,743,125	Intertape Polymer Group, Inc. Term Loan, 4.813%-4.960%, maturing July 28, 2011	Ba3	B+	2,797,988
2,146,859	Kerr Group, Inc. Term Loan, 6.060%-7.750%, maturing August 13, 2010	B1	BB-	2,172,084
1,777,879	Koch Cellulose, LLC Term Loan, 4.800%, maturing May 07, 2011	B1	BB	1,808,992
117,581	Lincoln Paper And Tissue, LLC Term Loan, 6.670%, maturing November 28, 2005	NR	NR	117,581
6,700,000	Term Loan, 6.670%, maturing May 01, 2009			6,700,000
1,800,000	Term Loan, 6.670%, maturing May 01, 2009			1,800,000

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12,239,568	(3)	Term Loan, maturing August 28, 2009 Owens-Illinois Group, Inc.	B1	BB-	2,921,418
3,239,571		Term Loan, 5.370%, maturing April 01, 2008 Pro Mach, Inc.	B1	B	3,299,908
2,500,000		Term Loan, 5.340%-5.390%, maturing December 01, 2011			2,534,375

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PORTFOLIO OF INVESTMENTS as of February 28, 2005 (continued)

<i>Principal Amount</i>	<i>Borrower/Tranche Description</i>	<i>Bank Loan Ratings</i>		<i>Value</i>
		<i>Moody's</i>	<i>S&P</i>	
<i>Containers, Packaging and Glass: (continued)</i>				
\$ 4,932,679	Silgan Holdings, Inc. Term Loan, 4.330%, maturing November 30, 2008	Ba3	BB	\$ 5,002,047
10,468,862	Smurfit-Stone Container Corporation Term Loan, 4.438%-4.688%, maturing November 01, 2011	Ba3	BB-	10,647,702
3,221,188	Term Loan, 4.438%-4.625%, maturing November 01, 2011			3,276,753
9,405,000	Solo Cup, Inc. Term Loan, 5.049%-5.090%, maturing February 27, 2011	B1	B+	9,596,044
4,476,225	U.S. Can Company Term Loan, 6.400%, maturing January 10, 2010	B2	B	4,504,201
				92,264,483
<i>Data and Internet Services: 0.5%</i>				
1,309,471	McLeodUSA, Inc. Term Loan, 6.420%, maturing May 30, 2008	Caa2	NR	488,869
5,000,000	Worldspan, L.P. Term Loan, 5.500%, maturing February 16, 2010	B2	B	5,031,250
				5,520,119
<i>Diversified/Conglomerate Manufacturing: 4.6%</i>				
1,795,489	Axia, Inc. Term Loan, 6.320%-7.110%, maturing November 30, 2010	B2	B	1,826,910
5,444,667	Cinram International, Inc. Term Loan, 5.400%, maturing September 30, 2009	Ba3	BB	5,563,769
1,520,424	Dresser Rand, Inc. Term Loan, 4.560%, maturing October 01, 2010	B1	B+	1,548,932
2,866,154	Dresser, Inc. Term Loan, 5.170%, maturing April 10, 2009	Ba3	BB-	2,903,772
537,228	Flowsolve Corporation Term Loan, 4.375%-4.500%, maturing June 30, 2006	Ba3	BB-	542,712
1,962,657	Term Loan, 5.150%-5.438%, maturing June 30, 2009			1,995,777
2,500,000	(5) Gentek Holding Corporation Term Loan, maturing February 28, 2011	B2	B+	2,547,395
2,000,000	Goodman Global Holdings, Inc. Term Loan, 4.813%, maturing	B2	B+	

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	December 23, 2011			2,036,250
	Itron, Inc.	Ba3	BB-	
757,162	Term Loan, 4.813%-4.938%, maturing June 28, 2011			765,364
	Mueller Group, Inc.	B2	B+	
9,449,541	Term Loan, 5.420%-5.740%, maturing April 23, 2011			9,561,754
	Norcross Safety Products, LLC	B1	B+	
939,663	Term Loan, 4.920%, maturing March 20, 2009			952,878

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PORTFOLIO OF INVESTMENTS as of February 28, 2005 (continued)

<i>Principal Amount</i>	<i>Borrower/Tranche Description</i>	<i>Bank Loan Ratings</i>		<i>Value</i>
		<i>Moody's</i>	<i>S&P</i>	
<i>Diversified/Conglomerate Manufacturing: (continued)</i>				
\$ 3,338,695	RLC Industries Company Term Loan, 4.170%, maturing February 26, 2009	B1	BB+	\$ 3,351,215
1,704,348	Sensus Metering Systems, Inc. Term Loan, 5.348%-5.580%, maturing December 17, 2010	B2	B+	1,723,167
255,652	Term Loan, 5.348%-5.580%, maturing December 17, 2010			258,475
10,467,026	SPX Corporation Term Loan, 4.688%, maturing September 30, 2009	Ba2	BBB-	10,535,062
4,000,000	Universal Compression, Inc. Term Loan, 4.340%, maturing February 15, 2012	Ba2	BB	4,063,124
				50,176,556
<i>Diversified/Conglomerate Service: 2.4%</i>				
12,902,172	Amerco, Inc. Term Loan, 6.710%, maturing February 27, 2009	NR	BB	13,216,663
3,157,381	Brand Services, Inc. Term Loan, 6.020%-6.890%, maturing October 16, 2009	B1	B	3,204,741
6,976,667	Iron Mountain, Inc. Term Loan, 4.340%, maturing April 02, 2011	B2	BB-	7,044,982
2,274,790	Term Loan, 4.688%, maturing April 02, 2011			2,293,273
				25,759,659
<i>Ecological: 2.0%</i>				
73,900	Allied Waste North America, Inc. Revolver, 5.580%-7.500%, maturing June 30, 2010	B1	BB	73,438
12,828,825	Term Loan, 5.220%-5.520%, maturing January 15, 2010			12,872,931
1,963,062	Term Loan, 5.240%-5.270%, maturing January 15, 2010			1,970,302
1,163,636	Envirosolutions, Inc. Term Loan, 7.060%, maturing March 01, 2009	NR	NR	1,163,636
3,559,091	Term Loan, 7.060%, maturing March 01, 2009			3,554,642
1,800,000	IESI Corporation Term Loan, 4.598%-4.680%, maturing January 14, 2012	B1	BB	1,829,250
				21,464,199

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Electronics: 1.3%

479,077		Acterna, LLC Term Loan, 12.000%, maturing October 14, 2008	NR	NR	
		Decision One Corporation	B3	CCC	483,868
10,541,011	(3)	Term Loan, maturing April 18, 2005			5,428,621

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PORTFOLIO OF INVESTMENTS as of February 28, 2005 (continued)

<i>Principal Amount</i>		<i>Borrower/Tranche Description</i>	<i>Bank Loan Ratings</i>		<i>Value</i>
			<i>Moody's</i>	<i>S&P</i>	
<i>Electronics: (continued)</i>					
\$	1,977,157	Invensys International Holdings, Ltd. Term Loan, 6.091%, maturing September 05, 2009	Ba3	B+	\$ 2,012,993
	2,074,883	Knowles Electronics, Inc. Term Loan, 7.188%, maturing June 29, 2007	B3	B-	2,092,173
	2,500,000	On Semiconductor Corporation Term Loan, 5.563%, maturing December 15, 2011	B3	B	2,535,938
	1,750,000	SI International, Inc. Term Loan, 5.780%, maturing February 09, 2011	B1	B+	1,783,906
					14,337,499
<i>Farming and Agriculture: 1.2%</i>					
	4,590,833	AGCO Corporation Term Loan, 4.470%-4.550%, maturing January 31, 2006	Ba1	BB+	4,675,479
	2,500,000	(5) Mosaic Company Term Loan, maturing February 11, 2012	Ba2	BB+	2,530,208
	5,862,245	Vicar Operating, Inc. Term Loan, 4.188%, maturing September 30, 2008	Ba3	BB-	5,950,179
					13,155,866
<i>Finance: 0.9%</i>					
	4,037,500	Refco Finance Holdings, LLC Term Loan, 5.370%, maturing August 05, 2011	B1	BB-	4,094,530
	5,970,000	Rent-A-Center, Inc. Term Loan, 4.210%, maturing June 30, 2010	Ba2	BB+	6,054,326
					10,148,856
<i>Gaming: 5.5%</i>					
	2,245,570	Alliance Gaming Corporation Term Loan, 5.650%, maturing September 04, 2009	Ba3	BB-	2,259,138
	1,000,000	Ameristar Casinos, Inc. Term Loan, 4.625%, maturing December 20, 2006	Ba3	BB-	1,016,667
	2,308,712	Term Loan, 4.625%, maturing December 20, 2006			2,347,192
	1,995,000	Argosy Gaming Company Term Loan, 4.310%, maturing July 31, 2008	Ba2	BB	2,009,340
	6,467,500	Boyd Gaming Corporation Term Loan, 3.920%-4.530%,	Ba2	BB	

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	maturing June 30, 2011			6,560,470
	Global Cash Access, LLC	B2	B+	
2,806,731	Term Loan, 5.420%, maturing March 10, 2010			2,827,781
	Green Valley Ranch Gaming, LLC	B1	NR	
2,485,000	Term Loan, 4.501%, maturing December 24, 2010			2,519,169

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PORTFOLIO OF INVESTMENTS as of February 28, 2005 (continued)

<i>Principal Amount</i>	<i>Borrower/Tranche Description</i>	<i>Bank Loan Ratings</i>		<i>Value</i>
		<i>Moody's</i>	<i>S&P</i>	
<i>Gaming: (continued)</i>				
\$ 1,000,000	Herbst Gaming, Inc. Term Loan, 4.890%, maturing January 31, 2011	B3	B+	\$ 1,015,938
1,500,000	Isle of Capri Casinos, Inc. Term Loan, 4.340%, maturing January 27, 2011	Ba2	BB-	1,521,563
2,000,000	Marina District Finance Company, Inc. Term Loan, 3.930%, maturing October 20, 2011	NR	NR	2,022,500
14,228,479	Opbiz, LLC Term Loan, 5.560%, maturing September 01, 2010	NR	B-	14,159,556
33,573	Term Loan, 6.560%, maturing September 01, 2010			33,410
1,577,689	Penn National Gaming, Inc. Term Loan, 5.060%-5.080%, maturing September 01, 2007	Ba3	BB-	1,585,578
500,000	Pinnacle Entertainment, Inc. Term Loan, 5.670%, maturing August 27, 2010	B1	BB-	507,500
4,000,000	Ruffin Gaming, LLC Term Loan, 5.938%, maturing July 14, 2007	NR	NR	4,060,000
2,733,591	United Auburn Indian Community Term Loan, 7.060%, maturing January 24, 2009	Ba3	BB+	2,747,259
12,435,897	Venetian Casino Resorts, LLC Term Loan, 4.370%, maturing July 31, 2011	B1	BB-	12,647,307
				59,840,368
<i>Grocery: 0.3%</i>				
1,031,074	Giant Eagle, Inc. Term Loan, 4.770%, maturing August 06, 2009	Ba2	BB+	1,044,607
1,889,074	Term Loan, 4.560%-4.770%, maturing August 06, 2009			1,913,869
				2,958,476
<i>Healthcare, Education and Childcare: 14.0%</i>				
3,971,272	Accredo Health, Inc. Term Loan, 4.420%, maturing March 31, 2009	Ba2	BB	3,993,610
3,297,873	Advanced Medical Optics, Inc. Term Loan, 4.590%, maturing June 25, 2009	B1	BB-	3,336,007
	Alliance Imaging, Inc.	B1	B+	

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2,882,813	Term Loan, 4.688%-5.125%, maturing December 29, 2011 Arden Healthcare, Inc.	B1	B+	2,926,055
1,992,500	Term Loan, 4.800%, maturing August 12, 2011			2,020,521

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110,329	October 17, 2008 Term Loan, 6.560%, maturing October 17, 2008	480,182 110,811
55,164	Term Loan, 6.560%, maturing October 17, 2008	55,406

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<i>Home and Office Furnishings: 4.0%</i>				151,476,991
3,965,075	Buhrmann U.S., Inc.	Ba3	BB-	
	Term Loan, 4.940%, maturing December 31, 2010			4,051,811

See Accompanying Notes to Financial Statements

ING Prime Rate Trust

PORTFOLIO OF INVESTMENTS as of February 28, 2005 (continued)

<i>Principal Amount</i>	<i>Borrower/Tranche Description</i>	<i>Bank Loan Ratings</i>		<i>Value</i>
		<i>Moody's</i>	<i>S&P</i>	
<i>Home and Office Furnishings: (continued)</i>				
\$ 2,489,994	Global Imaging Systems, Inc. Term Loan, 4.560%-4.790%, maturing May 10, 2010	Ba3	BB-	\$ 2,521,898
2,977,500	Hillman Group, Inc. Term Loan, 5.500%-5.813%, maturing March 30, 2011	B2	B	3,014,719
3,977,506	Holmes Group, Inc. Term Loan, 5.730%-6.098%, maturing November 08, 2010	B1	B	4,022,253
3,721,649	Identity Group, Inc. Term Loan, 6.250%, maturing April 30, 2006	NR	NR	3,237,834
3,945,682	Juno Lighting, Inc. Term Loan, 5.090%-7.000%, maturing November 21, 2010	B1	B+	4,024,595
3,980,000	Maax Corporation Term Loan, 5.188%-5.520%, maturing June 04, 2011	B2	B	4,024,775
500,000	National Bedding Company Term Loan, 4.920%-5.380%, maturing December 29, 2010	Ba3	BB-	506,562
7,473,214	Sealy Mattress Company Term Loan, 4.650%-4.910%, maturing April 06, 2012	B2	B+	7,591,538
8,323,704	Simmons Company Term Loan, 4.750%-7.000%, maturing December 19, 2011	B2	B+	8,479,773
2,000,000	Xerox Corporation Term Loan, 4.420%, maturing September 30, 2008	Ba1	BB-	2,023,438
				43,499,196
<i>Insurance: 2.1%</i>				
3,864,081	CCC Information Services, Inc. Term Loan, 5.670%, maturing August 20, 2010	B1	B+	3,912,382
14,400,000	Conseco, Inc. Term Loan, 6.170%, maturing June 22, 2010	B2	BB-	14,697,000
1,417,690	Mitchell International, Inc. Term Loan, 5.550%, maturing August 15, 2011	B1	B+	1,442,499
2,500,000	Vertafore, Inc. Term Loan, 5.620%, maturing December 22, 2010	B2	B	2,543,750
	Vertafore, Inc.	B3	NR	

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500,000

Term Loan, 8.870%, maturing
December 22, 2011

505,625
23,101,256

See Accompanying Notes to Financial Statements

ING Prime Rate Trust

PORTFOLIO OF INVESTMENTS as of February 28, 2005 (continued)

<i>Principal Amount</i>	<i>Borrower/Tranche Description</i>	<i>Bank Loan Ratings</i>		<i>Value</i>
		<i>Moody's</i>	<i>S&P</i>	
<i>Leisure, Amusement, Entertainment: 8.8%</i>				
\$ 7,948,914	24 Hour Fitness Worldwide, Inc. Term Loan, 6.023%-6.250%, maturing July 01, 2009	B1	B	\$ 7,968,787
1,462,249	AMF Bowling Worldwide, Inc. Term Loan, 5.170%-7.500%, maturing August 27, 2009	B1	B	1,472,760
1,488,750	Cinemark USA, Inc. Term Loan, 4.350%-4.590%, maturing March 31, 2011	Ba3	BB-	1,514,803
2,736,250	Hollywood Theaters, Inc. Term Loan, 5.810%, maturing July 31, 2009	B2	B	2,792,685
6,000,000	Kerasotes Theatres, Inc. Term Loan, 5.310%, maturing October 31, 2011	B1	B	6,097,500
3,704,251	Lodgenet Entertainment Corporation Term Loan, 5.310%, maturing August 29, 2008	B1	B+	3,734,926
7,481,249	Loews Cineplex Entertainment Corporation Term Loan, 4.810%-5.000%, maturing July 31, 2011	B1	B	7,611,004
18,952,500	Metro-Goldwyn-Mayer Studios, Inc. Term Loan, 5.060%, maturing April 30, 2011	Ba3	B+	19,002,838
2,977,500	Pure Fishing, Inc. Term Loan, 5.550%-5.850%, maturing September 30, 2010	B1	BB-	3,037,050
13,472,884	Regal Cinemas, Inc. Term Loan, 4.560%, maturing November 10, 2010	Ba3	BB-	13,680,986
1,496,250	Riddell Bell Holding, Inc. Term Loan, 4.750%-7.000%, maturing September 28, 2011	B1	BB-	1,522,746
950,000	Six Flags Theme Parks, Inc. Revolver, 5.080%-5.120%, maturing June 30, 2008	B1	B-	929,812
5,930,070	Term Loan, 5.090%, maturing June 30, 2009			6,036,812
5,000,000	Universal City Development Partners, L.P. Term Loan, 4.560%-4.820%, maturing June 09, 2011	Ba3	BB-	5,087,500
14,850,000	WGM Acquisition Corporation Term Loan, 4.720%-5.370%, maturing February 28, 2011	B1	B+	15,105,242
				95,595,451

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Lodging: 0.7%

7,853,269	Wyndham International, Inc. Term Loan, 7.375%, maturing June 30, 2006	NR	NR	7,898,261
				7,898,261

See Accompanying Notes to Financial Statements

ING Prime Rate Trust

PORTFOLIO OF INVESTMENTS as of February 28, 2005 (continued)

<i>Principal Amount</i>	<i>Borrower/Tranche Description</i>	<i>Bank Loan Ratings</i>		<i>Value</i>
		<i>Moody's</i>	<i>S&P</i>	
Machinery: 3.5%				
\$ 3,500,000	Alliance Laundry Holdings, LLC Term Loan, 4.840%, maturing January 27, 2012	B3	B	\$ 3,545,210
1,990,002	Blount, Inc. Term Loan, 5.150%-5.310%, maturing August 09, 2010	B2	B+	2,023,997
2,437,500	Bucyrus International, Inc. Term Loan, 4.810%-5.000%, maturing July 28, 2010	Ba3	BB-	2,486,250
4,255,239	Energys, Inc. Term Loan, 4.510%-4.848%, maturing March 17, 2011	Ba3	BB	4,319,068
2,500,000	Maxim Crane Works, L.P. Term Loan, 7.250%, maturing January 25, 2010	B2	BB-	2,559,375
1,500,000	Maxim Crane Works, L.P. Term Loan, 8.125%, maturing January 30, 2012	B3	B+	1,561,875
2,571,429	National Waterworks, Inc. Term Loan, 5.060%, maturing November 22, 2009	B1	B+	2,616,428
5,891,667	Rexnord Corporation Term Loan, 5.230%-7.250%, maturing November 25, 2009	B1	B+	5,950,583
862,907	Terex Corporation Term Loan, 4.890%, maturing July 03, 2009	B1	BB-	874,053
10,255,833	United Rentals (North America), Inc. Term Loan, 4.920%, maturing February 14, 2011	Ba3	BB	10,441,720
1,950,000	Vutek, Inc. Term Loan, 8.000%, maturing June 25, 2010	B1	B+	1,959,750
				38,338,309
Mining, Steel, Iron and Nonprecious Metals: 1.4%				
3,071,809	Foundation Coal Corporation Term Loan, 4.560%-4.780%, maturing July 30, 2011	Ba3	BB-	3,125,181
1,496,250	International Coal Group, LLC Term Loan, 5.360%, maturing October 01, 2010	B2	B-	1,520,564
3,653,846	Novelis, Inc. Term Loan, 4.500%, maturing January 05, 2012	Ba2	BB-	3,715,048
6,346,154	Term Loan, 4.500%, maturing			

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January 05, 2012

6,452,452
14,813,245

North American Cable: 17.8%

11,000,000	(2)	Adelphia Communications Corporation	NR	NR	
	(5)	Debtor in Possession Term Loan, maturing March 31, 2006			11,000,000

See Accompanying Notes to Financial Statements

ING Prime Rate Trust

PORTFOLIO OF INVESTMENTS as of February 28, 2005 (continued)

<i>Principal Amount</i>	<i>Borrower/Tranche Description</i>	<i>Bank Loan Ratings</i>		<i>Value</i>
		<i>Moody's</i>	<i>S&P</i>	
<i>North American Cable: (continued)</i>				
\$ 2,000,000	Atlantic Broadband Finance, LLC Term Loan, 5.690%, maturing September 01, 2011	B2	B	\$ 2,042,500
2,487,500	Bragg Communications, Inc. Term Loan, 5.390%, maturing August 31, 2011	B1	NR	2,531,031
5,000,000	Bresnan Communications, LLC Term Loan, 5.940%-6.140%, maturing December 31, 2007	B1	BB-	5,083,595
1,488,750	Cebridge Connections, Inc. Term Loan, 5.240%-7.750%, maturing February 23, 2009	NR	NR	1,494,333
2,466,250	Term Loan, 8.225%-9.130%, maturing February 23, 2010			2,500,161
1,230,000	(2) Century Cable Holdings, LLC Revolver, 6.500%, maturing March 31, 2009	Caa1	NR	1,215,586
19,357,940	Term Loan, 7.500%, maturing June 30, 2009			19,293,981
5,500,000	Term Loan, 7.500%, maturing December 31, 2009			5,479,375
7,000,000	Charter Communications Operating, LLC Term Loan, 5.730%, maturing April 27, 2010	B2	B	6,995,079
49,750,000	Term Loan, 5.890%-5.980%, maturing April 27, 2011			49,982,183
7,000,000	(2) Hilton Head Communications, L.P. Revolver, 5.500%, maturing September 30, 2007	Caa1	NR	6,881,000
8,500,000	Term Loan, 6.750%, maturing March 31, 2008			8,391,625
1,760,000	Insight Midwest Holdings, LLC Term Loan, 4.188%, maturing June 30, 2009	Ba3	BB	1,764,951
1,980,000	Term Loan, 5.440%, maturing December 31, 2009			2,016,662
16,335,000	Term Loan, 5.438%, maturing December 31, 2009			16,641,281
15,920,000	Mediacom Communications Corporation Term Loan, 4.940%-5.340%, maturing September 30, 2010	Ba3	BB-	16,188,650
7,500,000	(2) Olympus Cable Holdings, LLC Term Loan, 6.750%, maturing June 30, 2010	B2	NR	7,443,165
21,000,000	Term Loan, 7.500%, maturing			

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	September 30, 2010			20,914,698
	Persona Communication, Inc.	B2	B+	
3,482,500	Term Loan, 5.560%, maturing			
	August 01, 2011			3,522,768

See Accompanying Notes to Financial Statements

ING Prime Rate Trust

PORTFOLIO OF INVESTMENTS as of February 28, 2005 (continued)

<i>Principal Amount</i>	<i>Borrower/Tranche Description</i>	<i>Bank Loan Ratings</i>		<i>Value</i>
		<i>Moody's</i>	<i>S&P</i>	
<i>North American Cable: (continued)</i>				
\$ 1,000,000	Puerto Rico Cable Acquisition Company Term Loan, 6.188%, maturing November 30, 2010	NR	NR	\$ 1,021,250
				192,403,874
<i>Oil and Gas: 4.6%</i>				
7,500,000	BPL Acquisition, L.P. Term Loan, 4.790%, maturing December 16, 2011	Ba3	BB-	7,621,875
14,950,000	El Paso Corporation Term Loan, 5.438%, maturing November 23, 2009	B3	B-	15,230,313
5,800,000	Getty Petroleum Marketing, Inc. Term Loan, 5.800%, maturing May 19, 2010	B1	BB-	5,912,375
1,990,000	Lyondell-Citgo Refining, L.P. Term Loan, 4.591-4.670%, maturing May 21, 2007	Ba3	BB	2,012,387
4,358,605	Magellan Midstream Holdings, L.P. Term Loan, 5.090%, maturing December 10, 2011	Ba2	BB	4,423,984
3,611,429	Plains Resources, Inc. Term Loan, 4.640%, maturing December 09, 2010	Ba2	BB	3,662,216
1,500,000	Regency Gas Services, LLC Term Loan, 5.310%-5.530%, maturing May 30, 2010	B1	B+	1,537,500
500,000	Regency Gas Services, LLC Term Loan, 8.780%, maturing November 30, 2010	B3	B-	509,375
4,364,063	Semcrude, L.P. Term Loan, 7.250%, maturing August 27, 2010	Ba3	NR	4,428,162
3,951,347	Williams Production RMT Company Term Loan, 4.990%, maturing May 30, 2008	B2	BB	4,017,204
				49,355,391
<i>Other Broadcasting and Entertainment: 4.5%</i>				
2,500,000	Alliance Atlantis Communications, Inc. Term Loan, 4.400%, maturing December 20, 2011	Ba2	BB	2,540,625
7,020,306	DirecTV Holdings, LLC Term Loan, 4.590%, maturing March 06, 2010	Ba1	BB	7,132,926
12,000,000	Echostar DBS Corporation Floating Rate Note, 5.256%, maturing	Ba3	BB-	

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	October 01, 2008			12,360,000
	Liberty Media Corporation	Baa3	BBB-	
15,000,000	Floating Rate Note, 3.380%, maturing September 17, 2006			15,184,650
	Rainbow National Services, LLC	B1	BB+	
10,000,000	Term Loan, 5.690%, maturing March 31, 2012			10,143,750

See Accompanying Notes to Financial Statements

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PORTFOLIO OF INVESTMENTS as of February 28, 2005 (continued)

<i>Principal Amount</i>	<i>Borrower/Tranche Description</i>	<i>Bank Loan Ratings</i>		<i>Value</i>
		<i>Moody's</i>	<i>S&P</i>	
<i>Other Broadcasting and Entertainment: (continued)</i>				
\$ 685,714	Yankeenets, LLC Term Loan, 4.900%-5.373%, maturing June 25, 2007	NR	NR	\$ 698,143
314,286	Yankees Holdings, L.P. Term Loan, 4.000%-5.250%, maturing June 25, 2007	NR	NR	319,982
				48,380,076
<i>Other Telecommunications: 5.1%</i>				
2,000,000	Alaska Communications Systems Holdings, Inc. Term Loan, 4.640%, maturing January 31, 2012	B1	B+	2,021,562
3,308,743	Consolidated Communications, Inc. Term Loan, 4.810%-4.920%, maturing March 31, 2010	B1	B+	3,317,015
4,214,308	Term Loan, 5.060%-5.320%, maturing August 15, 2011			4,266,987
2,969,763	D&E Communications, Inc. Term Loan, 4.440%-6.500%, maturing December 31, 2011	Ba3	BB-	2,995,748
3,500,000	Fairpoint Communications, Inc. Term Loan, 4.750%, maturing February 15, 2012	B1	BB-	3,557,421
2,087,144	GCI Holdings, Inc. Term Loan, 4.920%, maturing October 31, 2007	Ba2	BB+	2,108,016
2,473,623 (3)	Intera Group, Inc. Term Loan, maturing December 31, 2005	NR	NR	1,124,049
1,083,735 (3)	Term Loan, maturing December 31, 2005			
2,135,651 (3)	Term Loan, maturing December 31, 2005			
5,250,000	Iowa Telecommunications Services, Inc. Term Loan, 4.460%-4.610%, maturing November 30, 2011	Ba3	BB-	5,316,717
712,500	Metrocall Holdings, Inc. Term Loan, 5.060%, maturing November 16, 2006	Ba3	NR	717,844
9,000,000	Qwest Communications International, Inc. Floating Rate Note, 5.790%, maturing February 15, 2009	B3	CCC+	9,180,000
2,000,000	Qwest Corporation Term Loan, 7.390%, maturing June 30, 2007	B2	BB-	2,087,032
3,000,000	Time Warner Telecom Holdings, Inc. Floating Rate Note, 6.794%, maturing February 15, 2011	B1	B	3,112,500

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3,000,000	Triton PCS, Inc. Term Loan, 5.870%, maturing November 18, 2009	B2	BB+	3,046,407
10,000,000	Valor Telecommunications, LLC Term Loan, 4.598%-6.500%, maturing February 28, 2012	Ba3	BB-	10,177,080

See Accompanying Notes to Financial Statements

ING Prime Rate Trust

PORTFOLIO OF INVESTMENTS as of February 28, 2005 (continued)

<i>Principal Amount</i>	<i>Borrower/Tranche Description</i>	<i>Bank Loan Ratings</i>		<i>Value</i>
		<i>Moody's</i>	<i>S&P</i>	
<i>Other Telecommunications: (continued)</i>				
\$ 1,745,395	Witel Communications Group, LLC Term Loan, 5.900%-6.060%, maturing October 01, 2009	B2	B-	\$ 1,729,032
750,000	Witel Communications Group, LLC Term Loan, 8.374%, maturing January 01, 2010	Caa1	CCC+	712,969
				55,470,379
<i>Personal and Nondurable Consumer Products: 4.0%</i>				
2,985,000	Amscan Holdings, Inc. Term Loan, 5.290%-7.250%, maturing April 30, 2012	B1	B+	3,003,656
5,159,190	Church & Dwight Company, Inc. Term Loan, 4.400%, maturing May 30, 2011	Ba2	BB	5,235,505
8,750,000	Jarden Corporation Term Loan, 4.650%, maturing January 24, 2012	B1	B+	8,894,007
7,438,733 (3)	Norwood Promotional Products Holdings, Inc. Term Loan, maturing August 16, 2011	NR	NR	3,440,414
12,642,847	Norwood Promotional Products, Inc. Term Loan, maturing 9.000%, August 16, 2009	NR	NR	12,310,972
1,975,050	Prestige Brands Holdings, Inc. Term Loan, maturing 5.380%-6.750%, April 06, 2011	B1	B+	2,007,556
8,000,000	Rayovac Corporation Term Loan, 4.590%-4.770%, maturing February 06, 2012	B1	B+	8,161,248
				43,053,358
<i>Personal, Food and Miscellaneous: 4.0%</i>				
1,021,278	AFC Enterprises, Inc. Term Loan, 7.750%, maturing May 23, 2009	B1	B	1,029,257
2,420,348	Alderwoods Group, Inc. Term Loan, 4.060%-5.080%, maturing September 29, 2009	B1	BB-	2,464,216
1,961,905	Allied Security Holdings, LLC Term Loan, 6.810%, maturing June 30, 2010	B2	B+	1,996,238
2,500,000	Carrols Corporation Term Loan, 5.063%, maturing December 31, 2010	B1	B+	2,545,832
1,000,000	Central Garden & Pet Company Term Loan, 4.340%-4.420%, maturing May 15, 2009	Ba2	BB+	1,007,500
	Coinmach Corporation	B2	B	

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4,850,000	Term Loan, 5.563%-5.688%, maturing July 25, 2009 Coinstar, Inc.	Ba3	BB-	4,916,688
2,702,086	Term Loan, 4.840%, maturing July 07, 2011 Culligan International Company	B1	B+	2,749,372
2,500,000	Term Loan, 5.090%, maturing September 30, 2011			2,542,708

See Accompanying Notes to Financial Statements

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PORTFOLIO OF INVESTMENTS as of February 28, 2005 (continued)

<i>Principal Amount</i>	<i>Borrower/Tranche Description</i>	<i>Bank Loan Ratings</i>		<i>Value</i>
		<i>Moody's</i>	<i>S&P</i>	
<i>Personal, Food and Miscellaneous: (continued)</i>				
\$ 3,000,000	Del Laboratories, Inc. Term Loan, 4.840%-5.210%, maturing July 25, 2011	B1	B	\$ 3,041,250
7,209,566	Domino's, Inc. Term Loan, 4.313%, maturing June 25, 2010	Ba3	B+	7,328,221
5,452,462	Jack In The Box, Inc. Term Loan, 4.420%-5.190%, maturing January 09, 2011	Ba2	BB	5,532,548
2,000,000	Landry's Restaurants, Inc. Term Loan, 4.420%-4.530%, maturing December 28, 2010	Ba2	BB-	2,031,250
2,000,000	MD Beauty, Inc. Term Loan, 7.750%, maturing February 18, 2012	B2	B	2,025,000
1,666,667	N.E.W. Customer Services Companies, Inc. Term Loan, 6.000%-6.250%, maturing August 01, 2009	B1	B+	1,683,334
2,000,000	Oreck Corporation Term Loan, 5.340%, maturing January 27, 2012	B1	B+	2,033,750
				42,927,164
<i>Printing and Publishing: 15.2%</i>				
4,975,000	Adams Outdoor Advertising, L.P. Term Loan, 4.920%, maturing October 15, 2011	B1	B+	5,061,028
9,000,000	Advertising Directory Solutions, Inc. Term Loan, 4.720%, maturing November 09, 2011	B1	BB-	9,131,247
2,000,000	Advertising Directory Solutions, Inc. Term Loan, 6.470%, maturing May 09, 2012	B3	B-	2,060,834
932,082	American Achievement Corporation Term Loan, 5.230%-7.000%, maturing March 25, 2011	B1	B+	947,228
949,029	American Media Operations, Inc. Term Loan, 5.313%, maturing April 01, 2007	Ba3	B+	964,748
4,379,910	American Media Operations, Inc. Term Loan, 5.313%, maturing April 01, 2007			4,451,084
2,145,000	American Reprographics Company Term Loan, 5.260%, maturing June 18, 2009	B1	BB	2,171,813
700,000	American Reprographics Company Term Loan, 9.465%, maturing December 18, 2009	B3	B	745,500
6,660,474	Canwest Media, Inc. Term Loan, 5.044%, maturing	Ba3	B+	

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	August 15, 2009			6,760,381
	Dex Media East, LLC	Ba2	BB-	
6,271,583	Term Loan, 4.340%-4.750%, maturing			
	November 08, 2008			6,358,689
3,662,972	Term Loan, 4.340%-4.750%, maturing			
	May 08, 2009			3,716,876

See Accompanying Notes to Financial Statements

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PORTFOLIO OF INVESTMENTS as of February 28, 2005 (continued)

<i>Principal Amount</i>	<i>Borrower/Tranche Description</i>	<i>Bank Loan Ratings</i>		<i>Value</i>
		<i>Moody's</i>	<i>S&P</i>	
<i>Printing and Publishing: (continued)</i>				
\$ 3,564,427	Dex Media West, LLC Term Loan, 4.590%-5.000%, maturing September 09, 2009	Ba2	BB-	\$ 3,615,170
18,157,308	Term Loan, 4.340%-4.750%, maturing March 09, 2010			18,432,754
3,000,000	Enterprise Newsmedia, LLC Term Loan, 5.680%, maturing July 20, 2012	B2	B	3,058,125
12,000,000	Freedom Communications, Inc. Term Loan, 4.150%-4.590%, maturing May 18, 2012	Ba3	BB	12,199,500
1,500,000	IWCO Direct, Inc. Term Loan, 7.750%, maturing January 31, 2011	B1	B	1,518,750
9,700,000	Jostens, Inc. Term Loan, 4.809%, maturing October 04, 2011	B1	B+	9,857,625
5,368,811	Journal Register Company Term Loan, 3.760%-4.230%, maturing August 12, 2012	Ba2	BB+	5,410,758
12,370,370	Lamar Media Corporation Term Loan, 4.500%-4.563%, maturing June 30, 2010	Ba2	BB-	12,534,661
3,500,000	MC Communications, LLC Term Loan, 7.010%-7.580%, maturing December 31, 2010	B2	B	3,526,250
2,144,009	Merrill Communications, LLC Term Loan, 5.059%, maturing July 30, 2009	B1	B	2,174,160
838,832	Term Loan, 5.078%, maturing July 30, 2009			850,628
2,500,000	Newspaper Holdings, Inc. Term Loan, 4.313%, maturing August 24, 2011	NR	NR	2,503,125
485,305	Primedia Inc. Revolver, 4.625%-4.750%, maturing June 30, 2008	B3	B	474,386
7,117,339	Term Loan, 5.375%, maturing June 30, 2009			7,125,125
1,492,500	Term Loan, 6.875%, maturing December 31, 2009			1,524,216
1,174,314	R.H. Donnelley, Inc. Term Loan, 4.190%-4.500%, maturing December 31, 2009	Ba3	BB	1,188,574
11,799,033	Term Loan, 4.190%-4.360%, maturing June 30, 2011			11,991,439
1,627,701	Reader's Digest Associations, Inc. Term Loan, 4.550%, maturing May 20, 2008	Ba1	BB	1,650,846
	Source Media, Inc.	B1	B	

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3,750,000	Term Loan, 4.690%, maturing November 08, 2011			3,801,562
	Transwestern Publishing Company	B1	B+	
5,817,500	Term Loan, 3.938%-6.500%, maturing February 25, 2011			5,845,377

See Accompanying Notes to Financial Statements

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PORTFOLIO OF INVESTMENTS as of February 28, 2005 (continued)

<i>Principal Amount</i>	<i>Borrower/Tranche Description</i>	<i>Bank Loan Ratings</i>		<i>Value</i>
		<i>Moody's</i>	<i>S&P</i>	
<i>Printing and Publishing: (continued)</i>				
\$ 3,970,006	Transwestern Publishing Company Term Loan, 6.670%-7.078%, maturing February 25, 2012	B3	B-	\$ 4,016,324
8,681,443	Ziff Davis Media, Inc. Term Loan, 7.080%, maturing March 31, 2007	B3	CCC	8,722,141
				164,390,924
<i>Radio and TV Broadcasting: 7.6%</i>				
2,782,440	Block Communications, Inc. Term Loan, 5.310%, maturing November 15, 2009	Ba2	BB-	2,808,525
1,850,000	Cumulus Media, Inc. Term Loan, 4.500%, maturing March 28, 2009	Ba3	B+	1,871,392
3,482,500	Term Loan, 4.500%, maturing March 28, 2010			3,536,190
9,975,000	Emmis Operating Company Term Loan, 4.340%, maturing November 10, 2011	Ba2	B+	10,116,056
750,000	Entravision Communications Corporation Term Loan, 4.310%, maturing February 24, 2012	B1	B+	761,563
2,500,000	Term Loan, 4.310%, maturing February 24, 2012			2,538,542
6,000,000	Gray Television, Inc. Term Loan, 4.300%-4.310%, maturing June 30, 2011	Ba2	B+	6,085,002
1,788,571	LIN Television Corporation Term Loan, 4.560%, maturing December 31, 2007	Ba1	BB	1,806,681
3,379,572	Mission Broadcasting, Inc. Term Loan, 4.310%, maturing December 31, 2010	Ba3	B+	3,408,089
2,000,000	NEP Supershooters, L.P. Term Loan, 7.750%, maturing February 03, 2011	B1	B	2,041,250
2,992,500	Term Loan, 6.560%, maturing February 03, 2011			3,056,091
1,845,425	Nexstar Broadcasting, Inc. Term Loan, 4.310%, maturing December 31, 2010	Ba3	B+	1,860,996
18,000,000	Paxson Communications Corporation Floating Rate Note, 5.410%, maturing January 15, 2010	B1	B-	18,405,000
	Raycom Media, Inc.	NR	NR	

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4,750,000	Term Loan, 4.563%, maturing March 31, 2012			4,809,375
	Sinclair Broadcast Group, Inc.	Ba2	BB	
3,000,000	Term Loan, 4.420%, maturing June 30, 2009			3,014,064
5,000,000	Term Loan, 4.420%, maturing December 31, 2009			5,046,875

See Accompanying Notes to Financial Statements

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PORTFOLIO OF INVESTMENTS as of February 28, 2005 (continued)

<i>Principal Amount</i>	<i>Borrower/Tranche Description</i>	<i>Bank Loan Ratings</i>		<i>Value</i>
		<i>Moody's</i>	<i>S&P</i>	
<i>Radio and TV Broadcasting: (continued)</i>				
\$ 1,980,000	Spanish Broadcasting Systems, Inc. Term Loan, 5.920%, maturing October 30, 2009	B1	B+	\$ 2,009,700
7,000,000	Susquehanna Media Company Term Loan, 4.070%-4.670%, maturing March 31, 2012	Ba2	BB-	7,120,316
1,840,000	Teleicentro Of Puerto Rico, LLC Term Loan, 4.230%, maturing December 31, 2007	Ba1	BB	1,858,630
				82,154,337
<i>Retail Stores: 6.5%</i>				
2,555,297	Advance Stores Company, Inc. Term Loan, 4.313%-4.375%, maturing September 30, 2010	Ba2	BB+	2,594,426
4,334,004	Term Loan, 4.250%-4.375%, maturing September 30, 2010			4,400,371
1,212,245	Alimentation Couche-Tard, Inc. Term Loan, 4.375%-4.438%, maturing December 17, 2010	Ba2	BB	1,231,186
1,177,500	Baker & Taylor, Inc. Revolver, 3.908%-8.250%, maturing May 06, 2009	B1	B	1,165,725
1,000,000	Term Loan, 9.350%, maturing May 06, 2011			1,008,750
11,000,000	Blockbuster Entertainment Corporation Term Loan, 5.040%-5.580%, maturing August 19, 2011	Ba2	BB	11,062,854
2,479,975	CSK Automotive, Inc. Term Loan, 4.850%, maturing June 19, 2009	Ba3	B+	2,507,875
3,500,000	Dollarama Group, L.P. Term Loan, 5.020%, maturing November 18, 2011	B1	B+	3,557,970
1,995,000	Harbor Freight Tools, Inc. Term Loan, 4.750%-4.910%, maturing July 15, 2010	B1	B+	2,010,711
4,987,500	Term Loan, 4.750%-4.910%, maturing July 15, 2010			5,026,777
9,950,000	Jean Coutu Group, Inc. Term Loan, 5.000%, maturing July 30, 2011	B1	BB	10,138,891
2,481,250	Nebraska Book Company, Inc. Term Loan, 4.670%, maturing March 04, 2011	B2	B	2,520,019
2,790,810	Oriental Trading Company, Inc. Term Loan, 7.250%, maturing August 06, 2010	B1	B+	2,805,928
	Oriental Trading Company, Inc.	B3	B-	

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1,000,000	Term Loan, 9.000%, maturing January 08, 2011			1,017,708
	Pantry, Inc.	B1	B+	
8,165,217	Term Loan, 4.920%, maturing March 12, 2011			8,305,561

See Accompanying Notes to Financial Statements

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PORTFOLIO OF INVESTMENTS as of February 28, 2005 (continued)

<i>Principal Amount</i>	<i>Borrower/Tranche Description</i>	<i>Bank Loan Ratings</i>		<i>Value</i>
		<i>Moody's</i>	<i>S&P</i>	
<i>Retail Stores: (continued)</i>				
\$ 1,990,000	Rite Aid Corporation Term Loan, 4.340%-4.420%, maturing August 31, 2009	NR	NR	\$ 2,009,279
9,000,000	Travelcenters Of America, Inc. Term Loan, 4.150%-4.380%, maturing November 18, 2011	Ba3	BB	9,106,875
				70,470,906
<i>Satellite: 1.1%</i>				
11,909,639	Panamsat Corporation Term Loan, 5.340%, maturing August 20, 2011	B1	BB+	12,111,757
				12,111,757
<i>Telecommunications Equipment: 3.3%</i>				
4,000,000	AAT Communications Corporation Term Loan, 5.250%-5.260%, maturing January 16, 2012	B1	B-	