

ING PRIME RATE TRUST
Form N-30D
May 06, 2002
ANNUAL REPORT

February 28, 2002

ING PRIME RATE TRUST

[PHOTO]

[LION LOGO]
ING FUNDS

ING Prime Rate Trust

ANNUAL REPORT

February 28, 2002

Table of Contents

Portfolio Managers' Report	2
Statistics and Performance	5
Performance Footnotes	7
Additional Notes and information	8
Report of Independent Auditors	9
Portfolio of Investments	10
Statement of Assets and Liabilities	30
Statement of Operations	31
Statement of Changes in Net Assets	32
Statements of Cash Flows	33
Financial Highlights	34
Notes to Financial Statements	36
Tax Information	43

ING Prime Rate Trust

PORTFOLIO MANAGERS' REPORT

Dear Shareholders:

We are pleased to present the February 28, 2002 Annual Report for the ING Prime Rate Trust (formerly the Pilgrim Prime Rate Trust).

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

Our fund family now has many funds of varying types which are designed to provide core investment choices for the serious investor.

On March 1, 2002, several name changes took place with the Pilgrim Funds to reflect our new association with the Aetna Funds under ING Group. The integrated fund family is now called ING Funds.

ING Prime Rate Trust (the "Trust") invests in a diversified portfolio of non-investment grade senior floating rate loans made primarily to U.S. based corporations. During the year ended February 28, 2002, the Trust paid its 166th consecutive dividend.

PERFORMANCE OF THE TRUST

Based on \$0.12 of dividends declared for common shareholders during the quarter ended February 28, 2002 and the average month-end net asset value ("NAV") per share of \$7.25, the annualized distribution rate was 6.80% for the quarter, down from 7.48% as of November 30, 2001. As stated in earlier reports, the decline in the annualized distribution rate is consistent with the dramatic reduction in short term interest rates, commencing late in 2000 and lasting through the end of the Trust's 2002 fiscal year end. The Trust's annualized distribution rate based on the Trust's month-end NYSE Composite Closing Price ("Market") for the quarter was 7.31%, which continues to present an attractive yield advantage over many other variable and fixed income investment products.

The Trust's total return (based on NAV) for the quarter was 0.33%, as compared to -3.06%, for the quarter ended November 30, 2001. The improvement reflects both a decidedly better tone across the non-investment grade loan market in recent months and a general firming of indicative loan prices subsequent to the September 11, 2001 tragedies. Total return for the full fiscal year ended February 28, 2002 was -3.02%, reflective largely of the still challenging credit conditions that were undoubtedly exacerbated by the events of September 11th. Default and recovery experience market-wide remains challenging, particularly in those sectors in which fresh capital is scarce (e.g., telecommunications and technology).

We continue to strive to improve the overall quality of the Trust's portfolio. To that end, the Trust increased its exposure to borrowers from the cable television and healthcare sectors, both of which have performed relatively well in a comparably volatile credit environment. Conversely, we were fortunately able to reduce exposure to the hospitality sector, one of the industry groupings most significantly impacted in the wake of the attacks, without a meaningful impact on net asset value. Diversification measures were also improved slightly during the quarter ended February 28, 2002, as the number of individual issuers increased to 254 (from 250) and the average position size remained unchanged, at approximately 0.38% of total assets.

LEVERAGE

The Trust has utilized financial leverage to seek to increase the yield to the holders of common shares. As of February 28, 2002, the Trust had \$732 million of borrowings outstanding, consisting of \$450 million of 'aaa/AAA' rated cumulative auction rate preferred shares, and \$282 million under a \$550 million credit facility. Total leverage, as a percentage of total assets (including preferred shares), was 42.5% at year end. The weighted average cost of all borrowing and leveraging as of the year end was 1.98%.

2

OUTLOOK

We continue to be encouraged by signs, some admittedly nascent, of recovery in

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

the U.S. economy. Improving economic conditions and the associated probability of rising short-term interest provides the ideal backdrop for solid performance on the part of loans. By definition, floating rate loans would provide an increasing yield once the Federal Reserve begins to raise interest rates. Conversely, bond prices generally move in the opposite direction as interest rates, regardless of credit quality. As such, we believe the Trust at this time is attractively positioned from a risk/return standpoint, relative to other income generating alternatives.

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

/s/ Jeffrey A. Bakalar

/s/ Daniel A. Norman

Jeffrey A. Bakalar
Senior Vice President
Co-Senior Portfolio Manager

Daniel A. Norman
Senior Vice President
Co-Senior Portfolio Manager

ING Prime Rate Trust
April 19, 2002

3

PORTFOLIO MANAGERS' FOOTNOTES

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

PERFORMANCE DATA REPRESENTS PAST PERFORMANCE AND IS NO GUARANTEE OF FUTURE RESULTS. INVESTMENT RETURN AND PRINCIPAL VALUE OF AN INVESTMENT IN THE TRUST WILL FLUCTUATE. SHARES, WHEN SOLD, MAY BE WORTH MORE OR LESS THAN THEIR ORIGINAL COST.

SENIOR LOANS ARE SUBJECT TO CREDIT RISKS AND THE POTENTIAL FOR NON-PAYMENT OF SCHEDULED PRINCIPAL OR INTEREST PAYMENTS, WHICH MAY RESULT IN A REDUCTION OF THE TRUST'S NAV.

THIS LETTER CONTAINS STATEMENTS THAT MAY BE "FORWARD-LOOKING STATEMENTS." ACTUAL RESULTS COULD DIFFER MATERIALLY FROM THOSE PROJECTED IN THE "FORWARD-LOOKING STATEMENTS."

THE VIEWS EXPRESSED IN THIS LETTER REFLECT THOSE OF THE PORTFOLIO MANAGERS ONLY THROUGH THE END OF THE PERIOD OF THE REPORT AS STATED ON THE COVER. THE PORTFOLIO MANAGERS' VIEWS ARE SUBJECT TO CHANGE AT ANY TIME BASED ON MARKET AND OTHER CONDITIONS.

4

ING Prime Rate Trust

STATISTICS AND PERFORMANCE as of February 28, 2002

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

PORTFOLIO CHARACTERISTICS

Net Assets	\$	985,981,679
Assets Invested in Senior Loans*	\$1,644,669,913	
Total Number of Senior Loans		254
Average Amount Outstanding per Loan	\$	6,475,078
Total Number of Industries		34
Average Loan Amount per Industry	\$	48,372,645
Portfolio Turnover Rate (YTD)		53%
Weighted Average Days to Interest Rate Reset		46 days
Average Loan Final Maturity		51 months
Total Leverage as a Percentage of Total Assets (including Preferred Shares)		42.5%

* Includes loans and other debt received through restructurings

TOP TEN SENIOR LOAN INDUSTRIES AS A PERCENTAGE OF:

	NET ASSETS	TOTAL ASSETS
	-----	-----
Cable Television	11.5%	6.6%
Cellular Communications	11.3%	6.5%
Healthcare, Education and Childcare	10.3%	5.9%
Lodging	10.0%	5.8%
Leisure, Amusement, Motion Pictures and Entertainment	10.0%	5.7%
Chemicals, Plastics and Rubber	8.4%	4.9%
Containers, Packaging and Glass	7.6%	4.4%
Aerospace and Defense	7.3%	4.2%
Automobile	6.2%	3.6%
Beverage, Food and Tobacco	6.2%	3.5%

TOP TEN SENIOR LOANS AS A PERCENTAGE OF:

	NET ASSETS	TOTAL ASSETS
	-----	-----
Nextel Finance Co.	5.0%	2.8%
Charter Communications Operating LLC	4.5%	2.6%
Broadwing Corporation	2.8%	1.6%
Wyndham International, Inc.	2.5%	1.4%
Allied Waste Industries, Inc.	2.4%	1.4%
SC International Services	2.4%	1.4%
Starwood Hotels & Resorts Worldwide, Inc.	2.3%	1.3%
Ford Motor Credit Corp.	2.0%	1.1%
Dean Foods Corporation	1.7%	1.0%
Western Wireless Corp.	1.7%	1.0%

5

ING Prime Rate Trust

 STATISTICS AND PERFORMANCE as of February 28, 2002

YIELDS AND DISTRIBUTION RATES

	(NAV)	(MKT)	Average	Average
Prime	30-Day SEC	30-Day SEC	Annualized Distribution	Annualized Distribution

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

Quarter-ended	Rate	Yield(A)	Yield(A)	Rate at NAV(B)	Rate at MKT(B)
February 28, 2002	4.75%	7.26%	7.73%	6.80%	7.31%
November 30, 2001	5.00%	8.33%	9.26%	7.48%	8.23%
August 31, 2001	6.50%	10.49%	10.69%	8.19%	8.37%
May 31, 2001	7.00%	11.20%	11.38%	9.42%	9.50%

AVERAGE ANNUAL TOTAL RETURNS

	NAV	MKT
1 Year	-3.02%	-9.20%
3 Years	0.89%	-2.04%
5 Years	3.65%	1.23%
10 Years	5.70%	N/A
Since Trust Inception(F,H)	6.73%	N/A
Since Initial Trading on NYSE(G)	N/A	5.56%

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

PERFORMANCE DATA REPRESENTS PAST PERFORMANCE AND IS NO GUARANTEE OF FUTURE RESULTS. INVESTMENT RETURN AND PRINCIPAL VALUE OF AN INVESTMENT IN THE TRUST WILL FLUCTUATE. SHARES, WHEN SOLD, MAY BE WORTH MORE OR LESS THAN THEIR ORIGINAL COST.

See performance footnotes on page 7.

6

ING Prime Rate Trust

PERFORMANCE FOOTNOTES

- (A) Yield is calculated by dividing the Trust's net investment income per share for the most recent thirty days by the net asset value (in the case of NAV) or the NYSE Composite closing price (in the case of market) at quarter-end. Yield calculations do not include any commissions or sales charges, and are compounded for six months and annualized for a twelve-month period to derive the Trust's yield consistent with the SEC standardized yield formula for open-end investment companies.
- (B) The distribution rate is calculated by annualizing each monthly dividend, then averaging the annualized dividends declared for each month during the quarter and dividing the resulting average annualized dividend amount by the Trust's average net asset value (in the case of NAV) or the NYSE Composite closing price (in the case of Market) at the end of the period.
- (C) Calculation of total return assumes a hypothetical initial investment at the net asset value (in the case of NAV) or the NYSE Composite closing price (in the case of Market) on the last business day before the first day of the stated period, with all dividends and distributions reinvested at the actual reinvestment price.
- (D) On December 27, 1994, the Trust issued to its shareholders transferable rights which entitled the holders to subscribe for 17,958,766 shares of the Trust's common stock at the rate of one share of common stock for each four rights held. On January 27, 1995, the offering expired and was fully

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

subscribed. The Trust issued 17,958,766 shares of its common stock to exercising rights holders at a subscription price of \$8.12. Offering costs of \$4,470,955 were charged against the offering proceeds.

- (E) On October 18, 1996, the Trust issued to its shareholders non-transferable rights which entitled the holders to subscribe for 18,122,963 shares of the Trust's common stock at the rate of one share of common stock for each five rights held. On November 12, 1996, the offering expired and was fully subscribed. The Trust issued 18,122,963 shares of its common stock to exercising rights holders at a subscription price of \$9.09. Offering costs of \$6,972,203 were charged against the offering proceeds.
- (F) Inception Date -- May 12, 1988.
- (G) Initial Trading on NYSE -- March 9, 1992.
- (H) Reflects partial waiver of fees.

7

ING Prime Rate Trust

ADDITIONAL NOTES AND INFORMATION

SHAREHOLDER INVESTMENT PROGRAM

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

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

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

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

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

KEY FINANCIAL DATES -- Calendar 2002 Dividends:

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

DECLARATION DATE	EX-DATE	PAYABLE DATE
January 31	February 7	February 25
February 28	March 7	March 22
March 28	April 8	April 22
April 30	May 8	May 22
May 31	June 6	June 24
June 28	July 8	July 22
July 31	August 8	August 22
August 30	September 6	September 23
September 30	October 8	October 22
October 31	November 7	November 22
November 29	December 6	December 23
December 20	December 27	January 13, 2003

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

STOCK DATA

The Trust's shares are traded on the New York Stock Exchange (Symbol: PPR). Effective March 1, 2002, the Trust's name changed to ING Prime Rate Trust and its CUSIP number changed to 44977W106. On November 16, 1998 the Trust's name changed to Pilgrim Prime Rate Trust and its cusip number became 72146W 10 3. Prior to November 16, 1998 the Trust's name was Pilgrim America Prime Rate Trust and its cusip number was 720906 10 6. The Trust's NAV and market price are published daily under the "Closed-End Funds" feature in Barron's, The New York Times, The Wall Street Journal and many other regional and national publications.

8

ING Prime Rate Trust

REPORT OF INDEPENDENT AUDITORS

To the Shareholders and the Board of Trustees
ING Prime Rate Trust:

We have audited the accompanying statement of assets and liabilities, including the portfolio of investments, of the ING Prime Rate Trust (the "Trust") (formerly the Pilgrim Prime Rate Trust) as of February 28, 2002, and the related statements of operations and cash flows for the year then ended, and the statements of changes in net assets for each of the years in the two-year period ended February 28, 2002, and the financial highlights for each of the years in the seven-year period ended February 28, 2002. These financial statements and financial highlights are the responsibility of the Trust's management. Our responsibility is to express an opinion on these financial statements and financial highlights based on our audits. For all periods ending prior to March 1, 1995, the financial highlights were audited by the auditors whose report thereon dated March 16, 1995, expressed an unqualified opinion on those financial highlights.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit 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. An audit also includes assessing the

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

accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. Our procedures included confirmation of investments owned as of February 28, 2002 by confirmation with the custodian and other procedures we considered necessary. 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 the ING Prime Rate Trust as of February 28, 2002 and the results of its operations and its cash flows for the year then ended, and the changes in its net assets for each of the years in the two-year period ended February 28, 2002, and financial highlights for each of the years in the seven-year period ended February 28, 2002, in conformity with accounting principles generally accepted in the United States of America.

/s/ KPMG LLP

Los Angeles, California
April 19, 2002

9

ING Prime Rate Trust

PORTFOLIO OF INVESTMENTS as of February 28, 2002

Senior Loans*

Principal Amount	Borrower/Tranche Description	Bank Loan Ratings+ (unaudited)		Value
		Moody's	S&P	

Aerospace and Defense: 7.3%				
\$ 2,329,252	Aerostructures Corp. Term Loan, maturing May 09, 2003	NR	BB-	\$ 2,253,551
2,906,644	Alliant Techsystems, Inc. Term Loan, maturing April 20, 2009	B1	BB-	2,941,840
14,546,889	Avborne Term Loan, maturing June 30, 2005	NR	NR	9,091,806
1,995,000	DRS Technologies Term Loan, maturing September 30, 2008	Ba3	BB-	2,014,950
8,529,838	Erickson Air-Crane Company Term Loan, maturing December 31, 2004	NR	NR	8,347,998
8,550,661	New Piper Aircraft Term Loan, maturing April 15, 2005	NR	NR	8,443,777
6,239,878	Piedmont Aviation Services Term Loan, maturing July 23, 2006	NR	NR	6,177,479
6,239,878	Term Loan, maturing July 23, 2007			6,177,479

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

3,447,368	Titan Corporation	Ba3	BB-	3,451,678
2,992,386	Term Loan, maturing February 23, 2007			2,996,126
	Transdigm Holding Corporation	B1	B+	
556,354	Term Loan, maturing May 15, 2006			548,589
1,426,719	Term Loan, maturing May 15, 2007			1,406,805
	Transtar Metals, Inc.	NR	NR	
14,866,071	Term Loan, maturing December 31, 2005(3)			8,919,643
	United Defense Industries	B1	BB-	
6,053,734	Term Loan, maturing August 13, 2009			6,083,058
	Vought Aircraft Industries, Inc.	Ba3	B	
3,083,333	Term Loan, maturing December 31, 2006			2,944,583

				71,799,362

Automobile: 6.2%				
	Breed Technolgies, Inc.	NR	NR	
1,612,242	Term Loan, maturing December 20, 2004			1,371,414
	Capital Tool & Design, Ltd.	NR	NR	
9,131,964	Term Loan, maturing May 31, 2003			8,858,005
	Collins & Aikman Products	Ba3	BB-	
3,000,000	Term Loan, maturing June 30, 2005			3,007,188
	Dura Operating Corp	Ba3	BB-	
3,855,380	Term Loan, maturing March 31, 2006			3,854,177
	Exide Technologies	Caa2	CCC	
5,210,467	Term Loan, maturing March 18, 2005			3,966,468
	Ford Motor Credit Company	Baa1	BBB+	
20,000,000	Floating Rate Note maturing October 25, 2004			19,664,940

See Accompanying Notes to Financial Statements

10

ING Prime Rate Trust

 PORTFOLIO OF INVESTMENTS as of February 28, 2002

Principal Amount	Borrower/Tranche Description	Bank Loan Ratings+		Value
		Moody's	S&P	

Automobile (continued)				
\$ 5,478,750	Hayes Lemmerz International, Inc.(2) Term Loan, maturing December 31, 2005(3)	Caa2	NR	\$ 4,427,275

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

3,354,532	Metaldyne Company, LLC Term Loan, maturing June 21, 2009	Ba3	BB-	3,193,095
5,723,514	Safelite Glass Corp. Term Loan, maturing September 30, 2007	B3	NR	5,823,676
7,105,846	Term Loan, maturing September 30, 2007			7,230,199
				61,396,437
Banking: 1.2%				
12,231,030	Outsourcing Solutions, Inc. Term Loan, maturing June 10, 2006	B2	B+	11,405,436
				11,405,436
Beverage, Food and Tobacco: 6.2%				
1,920,000	Aurora Foods Revolving Loan, maturing June 30, 2005	B2	B	1,797,600
4,963,563	Term Loan, maturing June 30, 2005			4,897,384
2,265,170	Commonwealth Brands, Inc. Term Loan, maturing December 31, 2004	Ba3	BB-	2,270,833
1,930,000	Cott Corporation Term Loan, maturing December 31, 2006	Ba3	BB	1,939,650
5,232,963	CP Kelco ApS Term Loan, maturing March 31, 2008	B1	B+	4,945,150
1,748,704	Term Loan, maturing September 30, 2008			1,652,525
17,000,000	Dean Foods Corporation Term Loan, maturing July 15, 2008	Ba2	BB+	17,145,707
13,545,000	Empire Kosher Poultry Term Loan, maturing July 31, 2004	NR	NR	8,262,450
2,487,500	Flower Foods Term Loan, maturing March 26, 2007	Ba2	BBB-	2,505,845
949,055	Imperial Sugar Company Term Loan, maturing December 31, 2005	NR	NR	768,735
1,025,865	Term Loan, maturing December 31, 2003			830,950
2,985,000	Interstate Bakeries Corporation Term Loan, maturing July 19, 2007	BA1	BBB-	3,003,656
3,666,667	Mafco Worldwide Corp. Term Loan, maturing March 31, 2006	B1	B	3,639,627
4,000,000	New World Coffee Manhattan Bagel, Inc. Secured Floating Rate Note maturing June 15, 2003	B3	B-	4,000,000
962,868	Nutrasweet Acquisition Corp. Term Loan, maturing May 25, 2007	Ba3	NR	962,868

See Accompanying Notes to Financial Statements

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

ING Prime Rate Trust

 PORTFOLIO OF INVESTMENTS as of February 28, 2002

Principal Amount	Borrower/Tranche Description	Bank Loan Ratings+ (unaudited)		Value
		Moody's	S&P	
Beverage, Food and Tobacco: (continued)				
\$ 2,377,056	Pabst Brewing Company Term Loan, maturing April 27, 2003	NR	CCC	\$ 2,186,892
				----- 60,809,872 -----
Building and Real Estate: 5.6%				
4,987,500	Corrections Corporation Of America Term Loan, maturing December 31, 2002	B2	B	4,987,500
9,391,605	Term Loan, maturing December 31, 2002			9,370,871
3,865,243	HQ Global WorkPlaces, Inc.(2) Term Loan, maturing November 06, 2005(3)	NR	NR	2,898,933
1,075,454	Kevco, Inc.(2) Term Loan, maturing February 02, 2005(3)	NR	D	737,923
8,835,292	National Golf Operating Partnership, L.P Term Loan, maturing July 22, 2004	NR	NR	8,172,645
7,140,645	Rodamco North America Term Loan, maturing November 08, 2002	Baa3	BBB-	7,033,536
1,331,974	Term Loan, maturing September 25, 2002			1,331,974
5,137,631	U.S. Aggregates Term Loan, maturing March 31, 2006(3)	NR	NR	3,978,191
1,379,705	Ventas Realty Limited Partnership Term Loan, maturing December 31, 2005	NR	NR	1,380,137
15,073,116	Term Loan, maturing December 31, 2007			15,079,401
				----- 54,971,111 -----
Cable Television: 11.5%				
8,000,000	CC VI Operating Co., LLC Term Loan, maturing November 12, 2008	Ba3	BB	7,788,000
4,500,000	CC VIII Operating Co., LLC Term Loan, maturing February 02, 2008	Ba3	BB+	4,383,563
8,000,000	Century Cable Holdings, LLC Term Loan, maturing June 30, 2009	Ba2	BB	7,915,000
5,000,000	Term Loan, maturing December 31, 2009			4,948,010

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

20,000,000	Charter Communications Operating, LLC Term Loan, maturing September 18, 2008	Ba3	BBB-	19,390,000
26,056,250	Term Loan, maturing March 18, 2008			25,273,468
14,500,000	Insight Midwest Holdings, LLC Term Loan, maturing December 31, 2009	Ba3	BB+	14,558,261
997,500	Lodgenet Entertainment Corp. Term Loan, maturing June 30, 2006	Ba3	B+	985,031
13,500,000	MCC Iowa Mediacom Broadband Term Loan, maturing September 30, 2010	Ba3	BB+	13,569,376
15,000,000	Olympus Cable Holdings, LLC Term Loan, maturing September 30, 2010	Ba2	BB	14,907,420
				113,718,129

See Accompanying Notes to Financial Statements

12

ING Prime Rate Trust

 PORTFOLIO OF INVESTMENTS as of February 28, 2002

Principal Amount	Borrower/Tranche Description	Bank Loan Ratings+ (unaudited)		Value
		Moody's	S&P	

Cargo Transport: 4.8%				
\$ 2,092,959	American Commercial Lines Term Loan, maturing June 30, 2007	B3	B+	\$ 1,924,999
1,459,161	Term Loan, maturing June 30, 2006			1,342,063
2,249,114	Evergreen International Aviation, Inc. Term Loan, maturing May 07, 2003	Ba2	B+	2,035,448
94,793	Term Loan, maturing May 31, 2002			85,788
346,546	Term Loan, maturing May 07, 2003			313,624
4,117,116	Gemini Leasing, Inc. Term Loan, maturing August 12, 2005 (3)	B1	NR	2,058,558
15,739,480	Interpool, Inc. Term Loan, maturing October 26, 2002	Ba2	BBB	15,788,666
5,000,000	Motor Coach Industries International, Inc. Term Loan, maturing June 16, 2006	B2	B	4,200,000
9,639,990	Neoplan USA Corporation Term Loan, maturing May 29, 2005	NR	NR	9,639,990
	Omnitrax Railroads, LLC	NR	NR	

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

4,843,219	Term Loan, maturing May 13, 2005			4,831,111
	Oshkosh Truck Company	Ba2	BB+	
2,962,500	Term Loan, maturing January 31, 2007			2,988,422
	Railamerica, Inc.	Ba3	BB-	
1,199,061	Term Loan, maturing December 31, 2005			1,185,572
188,523	Revolving Loan, maturing December 31, 2005			184,988
452,280	Term Loan, maturing December 31, 2006			454,259

				47,033,488

Cellular Communications: 11.3%				
	Airgate PCS, Inc.	B2	B2	
7,295,114	Term Loan, maturing September 30, 2008			7,240,401
967,427	Term Loan, maturing August 29, 2007			960,171
	American Cellular Corporation	Ba3	BB-	
4,521,813	Term Loan, maturing March 31, 2009			4,425,467
2,592,246	Term Loan, maturing March 31, 2008			2,537,013
	Microcell Connexions, Inc.	B3	CC	
5,000,000	Term Loan, maturing February 22, 2007			4,250,000
	Independent Wireless One	B2	B-	
10,000,000	Term Loan, maturing June 20, 2008			9,825,000
	Nextel Finance Company	Ba2	BB-	
4,750,000	Term Loan, maturing June 30, 2008			3,933,394
50,500,000	Term Loan, maturing March 31, 2009			41,089,527
4,750,000	Term Loan, maturing December 31, 2008			3,933,394
	Nextel Operations, Inc.	Ba2	BB-	
6,611,043	Term Loan, maturing March 15, 2006			6,552,177
	Rural Cellular Corp.	Ba3	B+	
4,990,078	Term Loan, maturing October 03, 2008			4,601,565
4,990,078	Term Loan, maturing April 03, 2009			4,601,565

See Accompanying Notes to Financial Statements

ING Prime Rate Trust

 PORTFOLIO OF INVESTMENTS as of February 28, 2002

Principal Amount	Borrower/Tranche Description	Bank Loan Ratings+		Value
		Moody's	S&P	

Cellular Communications (continued)				
\$ 3,600,000	Western Wireless Revolving Loan, maturing March 31, 2008	Ba2	Ba2	\$ 3,078,000

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

8,000,000	Term Loan, maturing March 31, 2008			6,870,000
8,000,000	Term Loan, maturing September 30, 2008			7,146,664
				111,044,338
Chemicals, Plastics and Rubber: 8.4%				
	Acadia Elastomers Corp.	NR	NR	
9,452,555	Term Loan, maturing March 31, 2004			9,045,206
	Cedar Chemicals Corporation	NR	NR	
10,943,864	Term Loan, maturing October 31, 2003(3)			2,735,966
	Equistar Chemicals, L.P.	Ba2	BBB	
4,987,500	Term Loan, maturing August 24, 2007			5,005,166
	Euro United Corp(4)	NR	NR	
14,887,500	Term Loan, maturing May 31, 2001(3)			4,466,250
	Foam Fabricators, Inc.	NR	NR	
3,889,180	Term Loan, maturing March 05, 2005			3,879,457
	Foamex, L.P.	B3	BB-	
3,263,101	Term Loan, maturing June 30, 2005			3,177,444
2,966,466	Term Loan, maturing June 30, 2006			2,888,596
	Geo Speciality Chemicals, Inc.	B1	B+	
3,000,000	Term Loan, maturing December 31, 2007			2,895,000
	Hercules Incorporated	Ba1	BB	
11,137,327	Term Loan, maturing October 15, 2003			11,119,931
1,980,000	Term Loan, maturing November 15, 2005			1,984,744
	Huntsman Corporation	Caa2	D	
5,099,561	Revolving Loan, maturing February 07, 2003			3,374,186
5,800,000	Term Loan, maturing December 31, 2002			5,792,750
260,155	Term Loan, maturing September 30, 2003			172,028
7,000,000	Term Loan, maturing December 31, 2005			4,628,750
	Huntsman International, LLC	B2	B+	
3,158,023	Term Loan, maturing June 30, 2008			3,081,226
1,612,264	Term Loan, maturing June 30, 2005			1,549,386
3,158,023	Term Loan, maturing June 30, 2007			3,081,226
	Lyondell Chemical Company	Ba3	BB	
4,963,386	Term Loan, maturing May 17, 2006			5,008,886
	Millennium America, Inc.	Baa3	BBB-	
1,840,000	Term Loan, maturing June 18, 2006			1,849,200
	Noveon, Inc.	B1	BB-	
4,711,250	Term Loan, maturing September 30, 2008			4,718,614
	OM Group, Inc.	Ba3	BB	
1,994,991	Term Loan, maturing April 01, 2007			2,003,511
				82,457,523

See Accompanying Notes to Financial Statements

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

14

ING Prime Rate Trust

 PORTFOLIO OF INVESTMENTS as of February 28, 2002

Principal Amount	Borrower/Tranche Description	Bank Loan Ratings+ (unaudited)		Value
		Moody's	S&P	
Containers, Packaging & Glass: 7.6%				
\$ 8,772,601	Blue Ridge Paper Products Term Loan, maturing May 14, 2006	B2	B+	\$ 8,772,601
2,382,990	Greif Bros. Corp. Term Loan, maturing April 03, 2002	Ba3	BB	2,373,559
2,311,664	Term Loan, maturing February 28, 2008			2,323,463
4,800,000	Impaxx, Inc. Term Loan, maturing December 31, 2005	NR	NR	4,750,609
3,000,000	Jefferson Smurfit Corp. Term Loan, maturing March 31, 2007	Ba3	B+	3,002,292
14,881,108	Lincoln Pulp & Eastern Fine Paper Corp. (2) Term Loan, maturing August 31, 2004	NR	NR	13,032,232
92,280	Term Loan, maturing December 31, 2001			92,637
2,295,403	Nexpak Corporation Term Loan, maturing December 31, 2006	B1	B+	1,916,661
2,295,403	Term Loan, maturing December 31, 2005			1,916,661
1,510,295	Packaging Corporation Of America Term Loan, maturing June 29, 2006	Baa3	BBB	1,507,778
2,946,429	Pliant Corp. Term Loan, maturing May 31, 2008	B2	B+	2,924,330
2,985,000	Potlatch Corporation Term Loan, maturing June 29, 2005	Baa2	BBB-	2,996,815
1,008,333	Riverwood International Corporation Revolving Loan, maturing December 31, 2006	B1	B+	974,932
15,000,000	Term Loan, maturing December 31, 2006			15,079,020
5,630,489	Stone Container Corp. Term Loan, maturing December 31, 2005	Ba3	B+	5,637,527
5,068,574	Term Loan, maturing December 31, 2006			5,067,520
2,955,000	Tekni-Plex, Inc. Term Loan, maturing June 21, 2008	B1	B+	2,925,450
				----- 75,294,087 -----

Data and Internet Services: 1.6%

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

7,500,000	360Networks, Inc.(2)	NR	D	1,375,000
5,000,000	Term Loan, maturing December 31, 2007(3)			850,000
	Term Loan, maturing September 30, 2007(3)			
8,515,897	Arch Wireless Holdings, Inc.(2)	Caa1	D	1,450,368
	Term Loan, maturing June 30, 2006(3)			
6,995,226	ICG Equipment, Inc.(2)	Caa3	D	6,610,489
	Term Loan, maturing March 31, 2006			
2,000,000	McLeod USA Corp.(2)	Caa2	D	1,260,000
	Term Loan, maturing May 30, 2008			
9,896,064	Teletouch Communications(2)	NR	NR	3,661,544
	Term Loan, maturing November 30, 2004(3)			
4,750,000	Teligent, Inc.(2)	NR	NR	148,438
	Term Loan, maturing June 30, 2006(3)			

See Accompanying Notes to Financial Statements

15

ING Prime Rate Trust

 PORTFOLIO OF INVESTMENTS as of February 28, 2002

Principal Amount	Borrower/Tranche Description	Bank Loan Ratings+ (unaudited)		Value
		Moody's	S&P	

Data and Internet Services: (continued)				
\$ 11,440,280	TSR Wireless(1)	NR	NR	\$ 188,480
	Term Loan, maturing June 30, 2005(3)			----- 15,544,319 -----
Diversified/Conglomerate Manufacturing: 4.1%				
8,498,223	Allied Digital Technologies Corp.(2)	NR	NR	709,733
	Term Loan, maturing December 31, 2005(3)			
4,863,375	Barjan Products LLC	NR	NR	4,644,523
	Term Loan, maturing May 31, 2006			
5,957,531	Dresser, Inc.	Ba3	BB-	6,002,213
	Term Loan, maturing April 10, 2009			
3,725,589	General Cable Corporation	Ba3	BB+	3,592,865
	Term Loan, maturing May 27, 2007			
1,990,000	Manitowoc Company, Inc.	Ba2	BB	2,003,930
	Term Loan, maturing May 09, 2007			

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

2,992,386	Mueller Group, Inc. Term Loan, maturing April 17, 2008	B1	B+	3,006,100
3,000,000	Neptune Technology Group Term Loan, maturing November 01, 2008	Ba3	BB-	3,030,000
4,950,040	SPX Corporation Term Loan, maturing December 31, 2007	Ba2	BB+	4,960,351
6,900,000	Term Loan, maturing September 30, 2004			6,865,500
6,214,397	United Pet Group Term Loan, maturing March 31, 2006	NR	NR	6,232,862

				41,048,077

Diversified/Conglomerate Service: 2.4%				
1,548,033	Enterprise Profit Solutions Corp. Term Loan, maturing June 14, 2001(3)	NR	NR	30,961
7,086,460	Mafco Finance Corp. Term Loan, maturing August 14, 2002	NR	NR	7,020,024
3,955,072	Private Business Term Loan, maturing August 19, 2006	NR	NR	3,915,521
10,283,277	URS Corporation Term Loan, maturing June 09, 2005	Ba3	BB	9,897,654
742,857	Revolving Loan, maturing June 09, 2005			715,000
1,218,750	Term Loan, maturing June 09, 2007			1,180,664
1,218,750	Term Loan, maturing June 09, 2006			1,180,664

				23,940,488

Ecological: 3.5%				
10,245,003	Allied Waste North America, Inc. Term Loan, maturing July 21, 2006	Ba3	BB	10,132,170
1,631,678	Term Loan, maturing July 21, 2005			1,585,922
12,294,003	Term Loan, maturing July 21, 2007			12,137,931

See Accompanying Notes to Financial Statements

16

ING Prime Rate Trust

PORTFOLIO OF INVESTMENTS as of February 28, 2002

Principal Amount	Borrower/Tranche Description	Bank Loan Ratings+ (unaudited)		Value
		Moody's	S&P	

Ecological: (continued)

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

\$ 3,874,419	American Ref-Fuel Company LLC Term Loan, maturing April 30, 2005	Baa2	BBB	\$ 3,903,477
7,143,312	Rumpke Consolidated Company Term Loan, maturing September 26, 2002	NR	NR	7,109,381
				----- 34,868,881 -----
Electronics: 3.4%				
11,184,314	Acterna LLC Term Loan, maturing September 30, 2007	Caa1	B	7,681,956
2,188,647	Decision One Corporation Term Loan, maturing April 18, 2005	NR	NR	1,696,201
11,037,214	Term Loan, maturing April 18, 2005			8,553,841
2,405,453	Electro Mechanical Solutions(2) Term Loan, maturing June 30, 2004(3)	NR	NR	--
4,937,510	Insilco Technologies, Inc. Term Loan, maturing March 25, 2007	Caa2	D	2,962,507
3,421,448	Knowles Electronics, Inc. Term Loan, maturing June 29, 2007	B1	B+	3,276,037
8,993,645	Sarcom, Inc. Term Loan, maturing June 30, 2001(3)	NR	NR	7,374,789
2,000,000	Transaction Network Services, Inc. Term Loan, maturing April 03, 2007	Ba3	BB-	1,995,000
				----- 33,540,331 -----
Finance: 4.0%				
725,446	Alliance Data Systems Corporation Term Loan, maturing August 30, 2002	B1	B+	700,056
14,100,000	Term Loan, maturing August 30, 2002			13,941,375
14,625,000	Anthony Crane Rental, L.P. Term Loan, maturing July 20, 2006	B2	B+	11,224,688
1,311,211	Bridge Information Systems(2) Term Loan, maturing April 01, 2001(3)	NR	NR	745,634
664,839	Term Loan, maturing April 01, 2001(3)			378,067
3,736,604	Term Loan, maturing May 29, 2005(3)			1,494,642
2,963,898	Rent-A-Center, Inc. Term Loan, maturing January 31, 2006	Ba2	BB-	2,944,138
1,882,666	Term Loan, maturing December 31, 2007			1,877,958
4,751,886	Term Loan, maturing January 31, 2007			4,720,205
1,500,000	Value Asset Management, Inc. Term Loan, maturing April 28, 2003	B1	NR	1,488,750
				----- 39,515,513 -----
Gaming: 5.4%				
	Aladdin Gaming LLC(2)	NR	D	

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

2,968,421	Term Loan, maturing August 26, 2006(3)	2,101,642
4,455,000	Term Loan, maturing February 26, 2008(3)	3,154,140

See Accompanying Notes to Financial Statements

17

ING Prime Rate Trust

 PORTFOLIO OF INVESTMENTS as of February 28, 2002

Principal Amount	Borrower/Tranche Description	Bank Loan Ratings+ (unaudited)		Value
		Moody's	S&P	

Gaming: (continued)				
\$ 5,000,000	Alliance Gaming Corporation Term Loan, maturing December 31, 2006	B1	B+	\$ 5,043,750
1,364,361	Ameristar Casinos, Inc. Term Loan, maturing December 20, 2007	Ba3	B+	1,376,726
1,591,754	Term Loan, maturing December 20, 2006			1,606,180
4,477,500	Argosy Gaming Company Term Loan, maturing July 31, 2008	Ba2	BB	4,537,199
6,343,742	Boyd Gaming Corporation Revolving Loan, maturing June 15, 2003	Ba1	B+	6,304,039
17,000,000	Mandalay Resort Group Term Loan, maturing July 26, 2006	Ba2	BB+	16,962,821
2,495,076	Palace Station Hotel & Casino Revolving Loan, maturing September 30, 2003	Ba2	BB+	2,420,224
4,925,000	Penn National Gaming Term Loan, maturing August 08, 2006	Ba3	B+	4,951,472
4,937,500	Scientific Games Corporation Term Loan, maturing September 30, 2007	B1	B+	4,956,016
				----- 53,414,209 -----
Grocery: 0.2%				
883,075	Grand Union Company(2) Term Loan, maturing August 17, 2003(3)	NR	NR	13,246
2,470,000	Winn Dixie Stores, Inc. Term Loan, maturing March 29, 2007	Baa3	BBB	2,480,036
				----- 2,493,282 -----
Healthcare, Education and Childcare: 10.3%				

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

1,322,713	Advance PCS Term Loan, maturing October 02, 2007	Ba1	BB+	1,326,846
1,302,985	Alliance Imaging, Inc. Term Loan, maturing November 02, 2007	B1	B+	1,310,858
1,419,847	Term Loan, maturing November 02, 2006			1,395,000
4,623,838	Term Loan, maturing November 02, 2008			4,651,775
2,566,667	Alpharma Operating Corp. Term Loan, maturing October 05, 2008	B1	BB-	2,558,646
4,987,500	Apria Healthcare Group, Inc. Term Loan, maturing July 20, 2007	Ba1	BBB-	5,005,166
11,453,904	Brown Schools' (The) Term Loan, maturing June 30, 2003	NR	NR	11,152,821
2,977,500	Caremark Rx, Inc. Term Loan, maturing March 15, 2006	Ba3	BB	3,008,207
2,116,858	Community Health Systems Term Loan, maturing December 31, 2003	Ba3	B+	2,127,630
2,116,858	Term Loan, maturing December 31, 2004			2,128,765
1,299,504	Term Loan, maturing December 31, 2005			1,308,438

See Accompanying Notes to Financial Statements

18

ING Prime Rate Trust

PORTFOLIO OF INVESTMENTS as of February 28, 2002

Principal Amount	Borrower/Tranche Description	Bank Loan Ratings+ (unaudited)		Value
		Moody's	S&P	
Healthcare, Education and Childcare (continued)				
\$ 3,250,000	Concentra Managed Care, Inc. Term Loan, maturing June 30, 2006	B1	B+	\$ 3,260,156
1,625,000	Term Loan, maturing June 30, 2007			1,630,078
5,734,683	Covenant Care, Inc. Term Loan, maturing June 30, 2003	NR	NR	5,634,326
2,164,404	Express Scripts, Inc. Term Loan, maturing March 31, 2005	Ba1	BB+	2,150,877
12,352,941	Fountain View(2) Term Loan, maturing March 31, 2004	NR	NR	11,815,475
1,739,725	Genesis Health Ventures, Inc. Term Loan, maturing March 31, 2007	Ba3	BB-	1,744,695

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

2,254,623	Term Loan, maturing March 31, 2007			2,262,854
1,555,582	Floating Rate Note maturing April 02, 2007			1,555,582
10,285,714	HCA -- The Healthcare Company Term Loan, maturing April 30, 2006	Ba1	BBB-	10,181,253
3,956,500	Healthcare Direct, Inc. Term Loan, maturing August 01, 2006	NR	NR	3,919,981
1,519,158	Term Loan, maturing August 01, 2004			1,481,578
3,980,000	Kinetic Concepts, Inc. Term Loan, maturing March 31, 2006	Ba3	B	3,989,950
1,985,518	Magellan Health Services, Inc. Term Loan, maturing February 12, 2006	B1	B+	1,989,551
1,985,518	Term Loan, maturing February 12, 2005			1,989,551
3,630,168	Mariner Post Acute Network, Inc.(2) Term Loan, maturing March 31, 2006(3)	NR	NR	2,049,230
4,433,302	Term Loan, maturing March 31, 2005(3)			2,502,599
2,992,500	Medpointe, Inc. Term Loan, maturing September 30, 2008	B1	B+	2,982,215
1,166,239	Sybron Dental -- Specialities, Inc. Term Loan, maturing November 28, 2007	Ba3	BB-	1,177,172
1,166,667	Term Loan, maturing November 28, 2007			1,177,604
1,994,545	Triad Hospitals, Inc. Term Loan, maturing September 30, 2008	Ba3	B+	2,019,615
2,898,018	Vision Twenty-One Term Loan, maturing October 31, 2002	NR	NR	289,802

				101,778,296

Home and Office Furnishings, Housewares, and Durable Consumer Products: 1.3%				
722,983	American Blind & Wallpaper Factory, Inc. Term Loan, maturing December 29, 2005	NR	NR	722,983
7,136,218	Desa International, Inc. Term Loan, maturing November 26, 2004	Caa2	D	5,334,323
3,628,288	Holmes Products Corporation Term Loan, maturing February 05, 2007	B2	B	2,920,772

See Accompanying Notes to Financial Statements

19

ING Prime Rate Trust

PORTFOLIO OF INVESTMENTS as of February 28, 2002

Bank Loan
Ratings+

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

Principal Amount	Borrower/Tranche Description	(unaudited)		Value
		Moody's	S&P	

Home and Office Furnishings, Housewares, and Durable Consumer Products: (continued)				
\$ 4,525,000	Identity Group, Inc. Term Loan, maturing May 11, 2007			\$ 2,896,000
833,725	Imperial Home Decor Group, Inc. Term Loan, maturing April 04, 2006	NR	NR	771,195

				12,645,273

Insurance: 1.4%				
9,000,000	USI Holdings Corp. Term Loan, maturing September 17, 2004	B1	B+	8,955,000
4,500,000	White Mountains Insurance Group Ltd. Term Loan, maturing March 31, 2007	Baa2	BBB-	4,519,688

				13,474,688

Leisure, Amusement, Motion Pictures and Entertainment: 10.0%				
3,551,476	Amfac Parks and Resorts, Inc. Term Loan, maturing September 30, 2005	NR	NR	3,542,598
3,551,476	Term Loan, maturing September 30, 2004			3,542,598
2,495,370	Bally Total Fitness Holding Corporation Term Loan, maturing November 10, 2004	Ba3	B+	2,493,811
9,729,443	Edwards Theatres, Inc. Term Loan, maturing June 30, 2005	NR	NR	9,710,119
8,302,500	Fitness Holdings Worldwide, Inc. Term Loan, maturing November 02, 2007	B1	B	7,126,310
9,286,500	Term Loan, maturing November 02, 2006			7,970,909
2,750,000	Icon Health & Fitness, Inc. Term Loan, maturing August 31, 2004	NR	NR	2,725,938
4,845,313	Term Loan, maturing November 29, 2004			4,821,086
5,494,603	Term Loan, maturing March 01, 2005			5,412,184
7,862,500	Metro-Goldwyn-Mayer Studios, Inc. Term Loan, maturing March 31, 2005	Ba3	BB-	7,819,909
7,462,500	Term Loan, maturing March 31, 2006			7,446,180
14,088,243	Panavision, Inc. Term Loan, maturing March 31, 2005	B2	B+	12,444,610
3,000,000	Regal Cinemas, Inc. Term Loan, maturing December 31, 2007	B1	B+	3,031,875
2,992,500	Six Flags Theme Parks, Inc. Term Loan, maturing September 30, 2005	Ba2	BB-	3,016,398
2,833,333	Revolving Loan, maturing November 03, 2004			2,790,833
11,656,991	United Artists Theatre Co. Term Loan, maturing January 24, 2005	B3	BB-	11,644,505

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

3,000,000	WFI Group, Inc. Term Loan, maturing July 14, 2004	Ba2	NR	3,000,000

				98,539,863

See Accompanying Notes to Financial Statements

20

ING Prime Rate Trust

PORTFOLIO OF INVESTMENTS as of February 28, 2002

Principal Amount	Borrower/Tranche Description	Bank Loan Ratings+ (unaudited)		Value
		Moody's	S&P	
Lodging: 10.0%				
\$ 17,000,000	Extended Stay America, Inc. Term Loan, maturing January 15, 2008	Ba3	BB-	\$17,076,143
1,529,544	KSL Recreational Group, Inc. Term Loan, maturing April 30, 2006	Ba3	B+	1,508,991
1,529,544	Term Loan, maturing April 30, 2005			1,501,821
9,075,000	Term Loan, maturing December 22, 2006			8,958,731
17,071,616	Lodgian Financing Corp.(2) Term Loan, maturing July 15, 2006	Ca	D	14,340,157
2,500,000	Meristar Investment Partners Term Loan, maturing March 31, 2002	Ba3	B-	2,362,500
6,512,760	Term Loan, maturing March 31, 2002			6,154,558
20,000,000	Starwood Hotels & Resorts Worldwide, Inc. Term Loan, maturing February 23, 2003	Ba1	BBB-	19,825,000
2,750,000	Term Loan, maturing February 23, 2003			2,758,308
7,728,891	Wyndham International, Inc. Term Loan, maturing June 30, 2004	B1	BB	6,988,208
19,756,144	Term Loan, maturing June 30, 2006			17,758,580

				99,232,997

Machinery: 1.4%				
10,257,685	Alliance Laundry Holdings Term Loan, maturing June 30, 2005	B1	B	9,693,513
264,491	Morris Material Handling, Inc. Term Loan, maturing September 28, 2004	NR	NR	251,266
1,294,825	Vutek, Inc. Term Loan, maturing December 30, 2007	B2	NR	1,281,876

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

609,754	Term Loan, maturing December 30, 2007			607,468
1,721,639	Term Loan, maturing December 30, 2007			1,704,423

				13,538,546

Mining, Steel, Iron and Non-Precious Metals: 0.1%

1,250,000	National Refractories Co. (2) Term Loan, maturing September 30, 2001	NR	NR	1,236,010

				1,236,010

Oil and Gas: 2.1%

4,494,000	Key Energy Services, Inc. Revolving Loan, maturing October 26, 2003	Ba2	BB-	4,454,677
3,500,000	Plains Marketing L.P. Term Loan, maturing September 21, 2007	Ba1	BB	3,503,283
3,000,000	PMC Company Term Loan, maturing May 05, 2006	Ba1	BB	3,015,000
6,000,000	Tesoro Petroleum Corporation Term Loan, maturing December 31, 2007	Ba2	BBB-	6,018,126

See Accompanying Notes to Financial Statements

21

ING Prime Rate Trust

PORTFOLIO OF INVESTMENTS as of February 28, 2002

Principal Amount	Borrower/Tranche Description	Bank Loan Ratings+ (unaudited)		Value
		Moody's	S&P	
Oil and Gas: (continued)				
\$ 3,473,750	W-H Energy Services Term Loan, maturing April 16, 2007	B1	B	\$ 3,465,065

				20,456,151

Other Telecommunications: 3.4%				
17,500,000	Broadwing, Inc. Term Loan, maturing November 09, 2004	Ba3	BB+	16,625,000
1,000,000	Term Loan, maturing June 28, 2007			967,000
10,000,000	Term Loan, maturing December 30, 2006			9,610,940
4,887,500	Infonet Services Corp. Term Loan, maturing June 30, 2006	Ba3	BB-	4,789,750

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

	Pacific Coin	NR	NR	
3,068,524	Term Loan, maturing December 29, 2007			1,841,114

				33,833,804

Personal and Nondurable Consumer Products: 4.5%				
	AM Cosmetics Corp.	NR	NR	
2,292,689	Revolving Loan, maturing May 30, 2004(3)			1,948,786
1,305,151	Term Loan, maturing May 30, 2004(3)			1,109,378
2,610,303	Term Loan, maturing December 31, 2004(3)			2,218,758
	Amscan Holdings, Inc.	B1	B+	
9,569,096	Term Loan, maturing December 31, 2004			8,899,259
	Armkel, LLC	Ba3	B+	
1,995,000	Term Loan, maturing March 28, 2009			2,010,587
	Buhrmann U.S., Inc.	Ba3	BB-	
5,072,551	Term Loan, maturing October 26, 2007			4,918,112
3,216,857	Term Loan, maturing October 26, 2005			3,053,000
	Centis, Inc.	NR	NR	
3,421,250	Term Loan, maturing September 30, 2006(3)			1,197,438
3,900,000	Term Loan, maturing September 30, 2005(3)			1,365,000
	Church & Dwight Co.	Ba2	BB	
2,000,000	Term Loan, maturing September 30, 2007			2,018,750
	Jostens, Inc.	B1	BB-	
1,406,408	Term Loan, maturing May 31, 2008			1,411,858
3,245,601	Term Loan, maturing May 31, 2006			3,172,575
	Norwood Promotional Products, Inc.	NR	NR	
5,029,896	Term Loan, maturing February 01, 2005			5,029,896
1,057,265	Term Loan, maturing February 01, 2005			--
3,353,264	Term Loan, maturing February 01, 2005			1,742,021
	Paint Sundry Brands LLC	B1	B+	
957,213	Term Loan, maturing August 11, 2006			918,924
977,360	Term Loan, maturing August 11, 2005			938,265
	Playtex Products, Inc.	Ba3	BB-	
2,473,750	Term Loan, maturing May 31, 2009			2,497,327

See Accompanying Notes to Financial Statements

22

ING Prime Rate Trust

 PORTFOLIO OF INVESTMENTS as of February 28, 2002

Principal Amount	Borrower/Tranche Description	Bank Loan Ratings+ (unaudited) Moody's	S&P	Value
---------------------	------------------------------	---	-----	-------

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

Personal and Nondurable Consumer Products: (continued)

	U.S. Office Products(2)	NR	NR	
\$ 3,489,974	Term Loan, maturing June 09, 2006(3)			\$ 116,880

				44,566,814

Personal, Food & Miscellaneous: 4.1%

	Coinmach Corporation	B1	BB-	
5,000,000	Term Loan, maturing July 25, 2009			5,044,790
	Otis Spunkmeyer, Inc.	NR	NR	
4,394,397	Term Loan, maturing December 31, 2005			4,130,734
	Papa Gino's, Inc.	NR	NR	
2,147,727	Term Loan, maturing August 31, 2007			2,113,478
5,085,938	Term Loan, maturing August 31, 2007			5,043,889
	SC International Services	Ba1	BBB-	
24,740,097	Term Loan, maturing March 01, 2007			23,286,617
581,052	Term Loan, maturing March 01, 2007			546,915

				40,166,423

Printing and Publishing: 6.0%

	Adams Outdoor Advertising, L.P.	B1	B+	
2,000,000	Term Loan, maturing February 08, 2008			2,018,126
	Advanstar Communications, Inc.	B1	B+	
3,782,857	Term Loan, maturing October 11, 2007			3,546,429
12,056,000	Term Loan, maturing April 11, 2007			11,453,200
	Canwest Media, Inc.	Ba3	BB-	
4,265,264	Term Loan, maturing May 15, 2008			4,306,015
4,568,118	Term Loan, maturing May 15, 2009			4,611,762
	Lamar Media Corporation	Ba2	BB-	
5,793,750	Term Loan, maturing March 01, 2006			5,688,738
	Mail-Well I Corporation	Ba3	BB	
2,704,497	Term Loan, maturing February 22, 2007			2,649,563
	Primedia, Inc.	B1	BB-	
3,980,000	Term Loan, maturing June 30, 2009			3,552,150
	Transwestern Publishing Company	Ba3	B+	
2,985,000	Term Loan, maturing June 27, 2008			3,017,650
	Vertis, Inc.	B1	B+	
3,934,360	Term Loan, maturing November 30, 2008			3,398,303
	Von Hoffman Press, Inc.	B1	B+	
10,360,046	Term Loan, maturing July 01, 2005			10,075,144
3,185,798	Term Loan, maturing July 01, 2004			3,098,189
	Ziff Davis Media, Inc.	B3	CCC-	
1,712,023	Term Loan, maturing March 31, 2007			1,332,524

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

58,747,793

See Accompanying Notes to Financial Statements

23

ING Prime Rate Trust

PORTFOLIO OF INVESTMENTS as of February 28, 2002

Principal Amount	Borrower/Tranche Description	Bank Loan Ratings+ (unaudited)		Value
		Moody's	S&P	
Radio and Television Broadcasting: 4.6%				
\$ 7,000,000	Benedek Broadcasting Corp. Term Loan, maturing November 20, 2007	B2	CC	\$ 6,567,750
4,500,000	Citadel Broadcasting Company Term Loan, maturing June 26, 2009	Ba2	B+	4,528,125
10,484,144	Emmis Communications Term Loan, maturing August 31, 2009	Ba3	B+	10,553,904
3,000,000	Gray Communications Systems Term Loan, maturing September 30, 2009	Ba3	B+	3,020,625
5,944,987	Pegasus Media & Communications, Inc. Term Loan, maturing April 30, 2005	B1	B+	5,757,970
4,975,000	Paxson Communications Corporation Term Loan, maturing June 30, 2006	Ba3	BB	4,975,000
5,000,000	Sinclair Broadcast Group, Inc. Term Loan, maturing September 30, 2009	Ba2	BB-	5,042,500
2,500,000	Susquehanna Media Co. Term Loan, maturing June 30, 2008	Ba1	BB-	2,509,375
2,000,000	Telemundo Group, Inc. Term Loan, maturing May 15, 2008	B1	B+	2,002,188
				----- 44,957,437 -----
Retail Stores: 4.6%				
5,000,000	Advance Stores Company Term Loan, maturing November 30, 2007	Ba3	B+	5,014,585
701,249	Murray's Discount Auto Stores, Inc. Revolving Loan, maturing June 30, 2003	NR	NR	674,187
10,976,822	Term Loan, maturing June 30, 2003			10,791,467

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

9,531,918	Peebles, Inc. Term Loan, maturing April 30, 2002	NR	NR	9,245,960
713,848	Term Loan, maturing April 30, 2001			692,433
17,000,000	Rite Aid Corporation Term Loan, maturing June 27, 2005	B2	BB-	16,490,000
2,500,000	Travel Centers Of America, Inc. Term Loan, maturing November 14, 2008	Ba3	BB	2,522,918

				45,431,550

Telecommunication Equipment: 4.9%				
11,916,667	American Tower L.P. Term Loan, maturing June 30, 2007	B2	BB-	10,273,382
13,000,000	Crown Castle Operating Company Term Loan, maturing March 15, 2008	Ba3	BB-	12,647,921
12,077,801	Pinnacle Towers, Inc. Term Loan, maturing June 30, 2007	B3	CC	10,918,332

See Accompanying Notes to Financial Statements

24

ING Prime Rate Trust

PORTFOLIO OF INVESTMENTS as of February 28, 2002

Principal Amount	Borrower/Tranche Description	Bank Loan Ratings+ (unaudited)		Value
		Moody's	S&P	

Telecommunication Equipment: (continued)				
\$ 8,500,000	Spectrasite Communications, Inc. Term Loan, maturing December 31, 2007	B3	B+	\$ 7,333,375
5,075,040	Tripoint Global Communications, Inc. Term Loan, maturing May 31, 2006	NR	NR	4,694,179
2,500,000	TSI Telecommunication Services, Inc. Term Loan, maturing December 31, 2006	Ba3	B+	2,356,250

				48,223,439

Textiles and Leather: 3.4%				
8,231,155	Accessory Network Group, Inc. Term Loan, maturing June 30, 2003	NR	NR	6,582,070
3,288,730	Galey & Lord, Inc.(2) Term Loan, maturing April 01, 2006	Caa2	D	2,258,262

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

4,636,019	Term Loan, maturing April 02, 2005			3,183,401
	Humphrey's, Inc.(2)	NR	NR	
5,957,119	Term Loan, maturing January 15, 2003(3)			24,424
	Levi Strauss & Co	Ba3	BB+	
506,859	Term Loan, maturing August 29, 2003			508,443
714,286	Revolving Loan, maturing August 29, 2003			694,196
	Malden Mills Industries, Inc.(2)	NR	NR	
9,340,635	Term Loan, maturing October 28, 2006(3)			5,137,349
	Polymer Group, Inc.	B3	CC	
4,779,769	Term Loan, maturing December 20, 2005			4,337,640
3,000,000	Term Loan, maturing December 20, 2006			2,721,249
	Scovill Fasteners, Inc.	NR	NR	
3,973,214	Term Loan, maturing November 26, 2003			3,741,984
	Targus Group, Inc.	NR	NR	
3,449,938	Term Loan, maturing December 20, 2006			3,355,064
	William Carter Company	Ba3	BB-	
997,500	Term Loan, maturing September 30, 2008			1,001,864

				33,545,946

	Total Senior Loans -- 166.8%			
	(cost \$1,830,295,383)			1,644,669,913

See Accompanying Notes to Financial Statements

25

ING Prime Rate Trust

 PORTFOLIO OF INVESTMENTS as of February 28, 2002

Other Corporate Debt

Principal Amount	Borrower/Tranche Description	Bank Loan Ratings+ (unaudited)		Value
		Moody's	S&P	

Automobile 0.5%				
\$ 6,000,000	Capital Tool & Design Ltd. Subordinated Note, maturing July 26, 2003	NR	NR	\$ 4,800,000

				4,800,000

Finance 1.0%				
10,000,000	Value Asset Management, Inc. Sr. Sub Bridge, maturing August 31, 2005	B2	NR	9,925,000

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

				----- 9,925,000 -----
Healthcare, Education and Childcare 0.0%				
368,022	Vision Twenty-One Subordinated Convertible Note, maturing October 31, 2003(3)	NR	NR	37 37 -----
Home and Office Furnishings, Housewares, and Durable Consumer Products 0.0%				
64,527	MP Holdings Subordinated Note, maturing March 14, 2007	NR	NR	61,301 ----- 61,301 -----
Oil and Gas 0.8%				
9,000,000	Premcor Refining, Inc. Floating Rate Note, maturing November 15, 2004	Ba3	BB	7,380,000 ----- 7,380,000 -----
Other Telecommunications: 0.4%				
3,898,822	Pacific Coin Subordinated Loan, maturing December 29, 2007(3)			3,820,846 ----- 3,820,846 -----
Personal & Nondurable Consumer Products 0.2%				
3,127,215	AM Cosmetics Corp. Subordinated Note, maturing May 30, 2007	NR	NR	-- -----
2,875,000	Paint Sundry Brands, LLC Subordinated Note, maturing August 11, 2008	B2	B+	2,371,875 ----- 2,371,875 -----
Textiles and Leather 0.1%				
1,332,583	Tartan Textile Services Subordinated Note, maturing April 1, 2011	NR	NR	1,265,954 ----- 1,265,954 -----
	Total Other Corporate Debt -- 3.0% (cost \$36,028,268)			29,625,013 -----

See Accompanying Notes to Financial Statements

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

 PORTFOLIO OF INVESTMENTS as of February 28, 2002

Common Stock

Shares		Value
-----		-----
11,130	Aerospace and Defense 0.0% Stellex Technologies, Inc.@(R)	\$ 275,767

212,171	Automobile 1.0% Breed Technologies, Inc.@(R)	2,989,489
660,808	Safelite Glass Corporation@(R)	6,528,783
44,605	Safelite Realty@(R)	1

		9,518,273

60,056	Diversified/Conglomerate Services 0.0% Staff Leasing, Inc.	180,168

350,059	Electronics 0.1% Decision One Corporation@(R)	1,501,753

190,605	Healthcare, Education and Childcare 0.3% Genesis Health Ventures, Inc.@	2,969,626

80,400	Home and Office Furnishings 0.2% American Blind and Wallpaper, Inc.@(R)	804
300,141	Imperial Home Decor Group, Inc.@(R)	1,654,378
300,141	IHDG Realty@(R)	1
590	MP Holdings, Inc.@(R)	6
17,582	Soho Publishing@(R)	176

		1,655,365

481,373	Machinery 0.2% Morris Material Handling, Inc@(R)	1,771,453

1,091	Other Telecommunications 0.0% Pacific Coin, Inc.@(R)	1

37,197	Personal and Nondurable Consumer Products 0.0% AM Cosmetics Corp.@(R)	--

127,306	Textiles and Leather 0.0% Dan River, Inc.@	52,195

	Total Common Stock -- 1.8% (Cost \$13,865,777)	17,924,601

See Accompanying Notes to Financial Statements

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

Stock Purchase Warrants and Other Securities

Shares -----		Val -----
415	AM Cosmetics Corp., Series E-1 Preferred Stock, exchangeable for common shares on a 1-for-1 basis@(R)	\$ -----
1	Autotote Systems, Inc., Option representing 0.248% common shares issued and outstanding @(R)	-----
80,208	Boston Chicken Inc., residual interest in Boston Chicken Plan Trust@(R) (2)	8,01 -----
80,634	Capital Tool & Design, Warrants representing 19,000 common shares@(R)	-----
10,000	Casden Properties Operation, 10,000 shares of junior Cumulative Preferred partnership Units(R)	25 -----
19,000	Covenant Care, Inc., Warrants representing 19,000 common shares expiring June 30, 2003@(R)	-----
2,696	Electro Mechanical Solutions, Warrants representing 2,564 common shares, expires September 29, 2002@(R)	-----
16,501	Exide, Warrants representing 16,501 common shares, expiring March 16, 2006@(R)	-----
2,223	Genesis Health Ventures, Preferred Stock@	23 -----
19,397	Holmes Group, Warrants representing 19,397 common shares, expiring May 7, 2006@(R)	-----
430	Murray's Discount Auto Stores, Inc., Warrants representing common stock(R), expires January 22, 2007	3,48 -----
4,000	New World Coffee, Manhattan Bagel, Inc., Warrants representing 4,000 common shares, expiring June 15, 2006@(R)	16 -----
48,930	Scientific Games Corp, Warrants representing Class B common stock, non-voting@(R)	26 -----
23,449	Tartan Textiles Services, Series D Preferred Stock@(R)	2,22 -----
36,775	Tartan Textiles Services, Series E Preferred Stock@(R)	2,33 -----
167,239	Crown Paper, Inc. -- Conversion rights representing Tembec common shares@(R) (2)	1,29 -----
243,778	Vision Twenty-One, Warrants representing 243,778 common shares@(R)	-----
	Total Other Securities -- 1.9% (Cost \$14,021,840)	18,26 -----
	Total Investments (Cost \$1,894,211,268) (5)	173.5% 1,710,48
	Preferred Shares and Liabilities in Excess of Cash and Other Assets, net	(73.5%) (724,50 -----
	Net Assets	100.0% \$985,98 =====

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

See Accompanying Notes to Financial Statements

28

ING Prime Rate Trust

 PORTFOLIO OF INVESTMENTS as of February 28, 2002

-
- @ Non-income producing security.
 - (R) Restricted security.
 - * Senior loans, while exempt from registration under the Securities Act of 1933, contain certain restrictions on resale and cannot be sold publicly. These senior loans bear interest (unless otherwise noted) at rates that float periodically at a margin above the Prime Rate of a U.S. bank specified in the credit agreement, LIBOR, the certificate of deposit rate, or in some cases another base lending rate.
 - NR Not Rated
 - + Bank Loans rated below Baa by Moody's Investors Services, Inc. or BBB by Standard & Poor's Group are considered to be below investment grade.
 - (1) The borrower filed for protection under Chapter 7 of the U.S. Federal bankruptcy code.
 - (2) The borrower filed for protection under Chapter 11 of the U.S. Federal bankruptcy code.
 - (3) Loan is on non-accrual basis.
 - (4) The borrower filed for protection under the Canadian Bankruptcy and Insolvency Act.
 - (5) For federal income tax purposes, the cost of investments is \$1,890,986,340 and net unrealized depreciation consists of the following:

Gross Unrealized Appreciation	\$ 20,940,900
Gross Unrealized Depreciation	(201,440,865)

Net Unrealized Depreciation	\$ (180,499,965)
	=====

See Accompanying Notes to Financial Statements

29

ING Prime Rate Trust

 STATEMENT OF ASSETS AND LIABILITIES as of February 28, 2002

ASSETS:	
Investments in securities at value (Cost \$1,894,211,268)	\$ 1,710,486,375
Cash	867,088
Receivables:	
Interest	8,992,155
Other	141,879
Prepaid expenses	327,394
Prepaid arrangement fees on notes payable	270,810

Total assets	1,721,085,701

LIABILITIES:	

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

Notes payable	282,000,000
Deferred arrangement fees on senior loans	618,222
Accrued interest payable	517,066
Accrued preferred shares dividend payable	77,611
Payable to affiliates	1,378,362
Accrued expenses	512,761

Total liabilities	285,104,022

Preferred shares, \$25,000 stated value per share at liquidation value (18,000 shares outstanding)	450,000,000
NET ASSETS	\$ 985,981,679
	=====
Net asset value per common share outstanding (net assets divided by 136,972,914 common shares authorized and outstanding, par value \$0.01)	\$ 7.20
	=====
Net Assets Consist of:	
Paid in capital	\$ 1,287,948,209
Undistributed net investment income	8,856,756
Accumulated net realized loss on investments	(127,098,393)
Net unrealized depreciation of investments	(183,724,893)

Net assets	\$ 985,981,679
	=====

See Accompanying Notes to Financial Statements

30

ING Prime Rate Trust

STATEMENT OF OPERATIONS for the Year Ended February 28, 2002

INVESTMENT INCOME:	
Interest	\$ 134,792,818
Arrangement fees earned	1,659,184
Dividends	19,511
Other	3,172,692

Total investment income	139,644,205

EXPENSES:	
Interest	14,249,438
Investment management fees	14,838,307
Administration fees	4,637,682
Transfer agent and registrar fees	389,577
Reports to shareholders	160,000
Custodian fees	616,463
Revolving credit facility fees	272,990
Professional fees	745,114
Preferred shares -- dividend disbursing agent fees	1,182,556
Insurance expense	54,131
Pricing fees	102,585
ICI fees	10,472
Postage fees	253,500
Trustees' fees	68,000
Miscellaneous fees	167,728
NYSE Registration fees	141,916

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

Total expenses	37,890,459

Net investment income	101,753,746

REALIZED AND UNREALIZED LOSS FROM INVESTMENTS:	
Net realized loss on investments	(53,063,828)
Net change in unrealized depreciation of investments	(69,951,020)

Net loss on investments	(123,014,848)

Net decrease in net assets resulting from operations	\$ (21,261,102)
	=====

See Accompanying Notes to Financial Statements

31

ING Prime Rate Trust

STATEMENTS OF CHANGES IN NET ASSETS

	Year Ended February 28, 2002	Year Ended February 28, 2001
	-----	-----
INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS:		
Net investment income	\$ 101,753,746	\$ 121,538,218
Net realized loss on investments	(53,063,828)	(4,909,435)
Change in unrealized depreciation of investments	(69,951,020)	(101,823,007)
	-----	-----
Net increase (decrease) in net assets resulting from operations	(21,261,102)	14,805,776
	-----	-----
DISTRIBUTIONS TO SHAREHOLDERS:		
Distributions from net investment income:		
Common shares	(85,728,945)	(117,654,573)
Preferred shares	(15,273,093)	(8,783,182)
	-----	-----
Decrease in net assets from distributions to shareholders	(101,002,038)	(126,437,755)
	-----	-----
CAPITAL SHARE TRANSACTIONS:		
Common shares issued from dividend reinvestment	919,219	5,733,515
Common shares sold in connection with shelf offerings	87,513	1,236,107
Offering costs of preferred shares	(194,010)	(5,244,654)
	-----	-----
Net increase from capital share transactions	812,722	1,724,968
	-----	-----
Net decrease in net assets	(121,450,418)	(109,907,011)
NET ASSETS:		
Beginning of year	1,107,432,097	1,217,339,108
	-----	-----
End of year (including undistributed net investment income of \$8,856,756 and \$7,032,048, respectively)	\$ 985,981,679	\$ 1,107,432,097
	=====	=====

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

SUMMARY OF COMMON SHARE TRANSACTIONS:

Shares issued in payment of distributions from net investment income	114,904	666,982
Shares sold in connection with shelf offerings	10,939	143,928
	-----	-----
Net increase in shares common shares outstanding	125,843	810,910
	=====	=====
Gross proceeds from offering of preferred stock	\$ --	\$ 450,000,000

SUMMARY OF PREFERRED SHARES SOLD:

Series M	--	3,600
Series T	--	3,600
Series W	--	3,600
Series Th	--	3,600
Series F	--	3,600
	-----	-----
Total preferred shares sold	--	18,000
	=====	=====

See Accompanying Notes to Financial Statements

32

ING Prime Rate Trust

STATEMENT OF CASH FLOWS for the Year Ended February 28, 2002

INCREASE (DECREASE) in Cash

Cash Flows From Operating Activities:

Interest received	\$ 138,007,208	
Dividends received	19,511	
Facility fees paid	(112,660)	
Arrangement fee received	1,229,435	
Other income received	3,090,462	
Interest paid	(16,063,801)	
Other operating expenses paid	(24,226,698)	
Purchases of portfolio securities	(993,089,455)	
Proceeds from disposition of portfolio securities	1,217,901,206	

Net cash provided by operating activities	326,755,208	

Cash Flows From Financing Activities:

Dividends paid to common shareholders	(84,809,726)	
Cost incurred in offering of preferred shares	(194,010)	
Dividends paid to preferred shareholders	(15,457,176)	
Proceeds from common shares shelf offerings	87,513	
Loan advance	(228,000,000)	

Net cash flows used in financing activities	(328,373,399)	

Net change in cash	(1,618,191)	
Cash at beginning of year	2,485,279	

Cash at end of year	\$ 867,088	
	=====	

Reconciliation Of Net Decrease In Net Assets Resulting From Operations To Net Cash Used for Operating Activities:

Net decrease in net assets resulting from operations	\$ (21,261,102)	

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

Adjustments to reconcile net increase in net assets resulting from operations to net cash used for operating activities:	
Change in unrealized depreciation of investments	69,951,020
Net accretion of discounts on investments	(5,907,458)
Realized loss on sale of investments	53,063,828
Purchase of investments	(993,089,455)
Proceeds on sale of investments	1,217,901,204
Decrease in interest receivable	9,121,850
Increase in other assets	(82,230)
Decrease in prepaid arrangement fees on notes payable	160,330
Decrease in prepaid expenses	63,165
Decrease in deferred arrangement fees on senior loans	(429,749)
Decrease in accrued interest payable	(1,814,363)
Decrease in payable to affiliates	(241,311)
Decrease in accrued expenses	(680,521)

Total adjustments	348,016,310

Net cash provided by operating activities	\$ 326,755,208
	=====
Non-Cash Financing Activities:	
Reinvestment of common share dividends	\$ 919,219

See Accompanying Notes to Financial Statements

33

ING Prime Rate Trust

FINANCIAL HIGHLIGHTS

For a common share outstanding throughout the period

	Years Ended February 28 or Febru	
	2002	2001
	-----	-----
Per Share Operating Performance		
Net asset value, beginning of period	\$ 8.09	\$ 8.95
Net investment income	0.74	0.88
Net realized and unrealized gain (loss) on investments	(0.89)	(0.78)
	-----	-----
Increase (decrease) in net asset value from investment operations	(0.15)	0.10
Distributions to Common Shareholders from net investment income	(0.63)	(0.86)
Distribution to Preferred Shareholders	(0.11)	(0.06)
Increase in net asset value from share offerings	--	--
Reduction in net asset value from rights offering	--	--
Increase in net asset value from repurchase of capital stock	--	--
Reduction in net asset value from Preferred Shares offerings	--	(0.04)
	-----	-----

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

Net asset value, end of period	\$	7.20	\$	8.09
		=====		=====
Closing market price at end of period	\$	6.77	\$	8.12
Total Return(3)				
Total investment return at closing market price(4)		(9.20)%		9.10%
Total investment return at net asset value(5)		(3.02)%		0.19%
Ratios/Supplemental Data				
Net assets end of period (000's)	\$	985,982	\$	1,107,432
Preferred Rate Shares				
Aggregate amount outstanding (000's)	\$	450,000	\$	450,000
Liquidation and market value				
Per Share	\$	25,000	\$	25,000
Asset coverage Per Share**		235%		215%
Average borrowings (000's)	\$	365,126	\$	450,197
Ratios to average net assets including preferred*				
Expenses (before interest and other fees related to revolving credit facility)		1.57%		1.62%
Expenses		2.54%		3.97%
Net investment income		6.83% (A)		9.28%
Ratios to average net assets plus borrowing				
Expenses (before interest and other fees related to revolving credit facility)		1.66%		1.31%
Expenses		2.70%		3.21%
Net investment income		7.24% (B)		7.50%
Ratios to average net assets				
Expenses (before interest and other fees related to revolving credit facility)		2.25%		1.81%
Expenses		3.64%		4.45%
Net investment income		9.79% (C)		10.39%
Portfolio turnover rate		53%		46%
Common shares outstanding at end of period (000's)		136,973		136,847

Years Ended February 28 or February 29,

	1999 (8)	1998 (8)	1997 (8)
Per Share Operating Performance			
Net asset value, beginning of period	\$ 9.34	\$ 9.45	\$ 9.61
Net investment income	0.79	0.87	0.82
Net realized and unrealized gain (loss) on investments	(0.10)	(0.13)	(0.02)
Increase (decrease) in net asset value from investment operations	0.69	0.74	0.80
Distributions to Common Shareholders from net investment income	(0.82)	(0.85)	(0.82)
Distribution to Preferred Shareholders	--	--	--
Increase in net asset value from share offerings	0.03	--	--
Reduction in net asset value from rights offering	--	--	(0.14)
Increase in net asset value from repurchase of capital stock	--	--	--

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

Reduction in net asset value from Preferred Shares offerings		--	--	--
Net asset value, end of period	\$	9.24	\$ 9.34	\$ 9.45
Closing market price at end of period	\$	9.56	\$ 10.31	\$ 10.00
Total Return(3)				
Total investment return at closing market price(4)		1.11%	12.70%	15.04%(6)
Total investment return at net asset value(5)		7.86%	8.01%	8.06%(6)
Ratios/Supplemental Data				
Net assets end of period (000's)	\$	1,202,565	\$ 1,034,403	\$ 1,031,089
Preferred Rate Shares				
Aggregate amount outstanding (000's)		--	--	--
Liquidation and market value				
Per Share		--	--	--
Asset coverage Per Share**				
Average borrowings (000's)	\$	490,978	\$ 346,110	\$ 131,773
Ratios to average net assets including preferred*				
Expenses (before interest and other fees related to revolving credit facility)		--	--	--
Expenses		--	--	--
Net investment income		--	--	--
Ratios to average net assets plus borrowing				
Expenses (before interest and other fees related to revolving credit facility)		1.05%(9)	1.04%	1.13%
Expenses		2.86%(9)	2.65%	1.92%
Net investment income		6.00%	6.91%	7.59%
Ratios to average net assets				
Expenses (before interest and other fees related to revolving credit facility)		1.50%(9)	1.39%	1.29%
Expenses		4.10%(9)	3.54%	2.20%
Net investment income		8.60%	9.23%	8.67%
Portfolio turnover rate		68%	90%	82%
Common shares outstanding at end of period (000's)		130,206	110,764	109,140

(1) Annualized.

(2) Prior to the waiver of expenses, the ratios of expenses to average net assets were 1.95% (annualized), 1.48% and 1.44% for the period from May 12, 1988 to February 28, 1989, and for the fiscal years ended February 28, 1990 and February 29, 1992, respectively, and the ratios of net investment income to average net assets were 8.91% (annualized), 10.30% and 7.60% for the period from May 12, 1988 to February 28, 1989, and for the fiscal years ended February 28, 1990 and February 29, 1992, respectively.

(3) Total return calculations are attributable to common shareholders.

(4) Total investment return measures the change in the market value of your investment assuming reinvestment of dividends and capital gain distributions, if any, in accordance with the provisions of the dividend reinvestment plan. On March 9, 1992, the shares of the Trust were initially listed for trading on the New York Stock Exchange. Accordingly, the total investment return for the year ended February 28, 1993, covers only the period from March 9, 1992, to February 28, 1993. Total investment return

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

for periods prior to the year ended February 28, 1993, are not presented since market values for the Trust's shares were not available. Total returns for less than one year are not annualized.

- (5) Total investment return at net asset value has been calculated assuming a purchase at net asset value at the beginning of each period and a sale at net asset value at the end of each period and assumes reinvestment of dividends and capital gain distributions in accordance with the provisions of the dividend reinvestment plan. This calculation differs from total investment return because it excludes the effects of changes in the market values of the Trust's shares. Total returns for less than one year are not annualized.
- (6) Calculation of total return excludes the effects of the per share dilution resulting from the rights offering as the total account value of a fully subscribed shareholder was minimally impacted.

See Accompanying Notes to Financial Statements

34

ING Prime Rate Trust

FINANCIAL HIGHLIGHTS (Continued)

Years Ended February 28 or February 29,

1995	1994	1993	1992	1991	1990
\$ 10.02	\$ 10.05	\$ 9.96	\$ 9.97	\$ 10.00	\$ 10.00
0.74	0.60	0.60	0.76	0.98	0.98
0.07	(0.05)	0.01	(0.02)	(0.05)	(0.05)
0.81	0.55	0.61	0.74	0.93	0.93
(0.73)	(0.60)	(0.57)	(0.75)	(0.96)	(0.96)
--	--	--	--	--	--
--	--	--	--	--	--
(0.44)	--	--	--	--	--
--	0.02	0.05	--	--	--
--	--	--	--	--	--
\$ 9.66	\$ 10.02	\$ 10.05	\$ 9.96	\$ 9.97	\$ 10.00
\$ 8.75	\$ 9.25	\$ 9.13	--	--	--
3.27% (6)	8.06%	10.89%	--	--	--
5.24% (6)	6.28%	7.29%	7.71%	9.74%	10.00%
\$ 867,083	\$ 719,979	\$ 738,810	\$ 874,104	\$ 1,158,224	\$ 1,036,000
--	--	--	--	--	--
--	--	--	--	--	--
--	--	--	--	--	--
\$ --	\$ --	\$ --	\$ --	\$ --	\$ --
--	--	--	--	--	--
--	--	--	--	--	--
--	--	--	--	--	--
--	--	--	--	--	--

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

--	--	--	--	--
1.30%	1.31%	1.42%	1.42%(2)	1.38%
7.59%	6.04%	5.88%	7.62%(2)	9.71%
108%	87%	81%	53%	55%
89,794	71,835	73,544	87,782	116,022

-
- (7) ING Investments, LLC, the Trust's investment manager, acquired certain assets of Pilgrim Management Corporation, the Trust's former investment manager, in a transaction that closed on April 7, 1995.
 - (8) The Manager agreed to reduce its fee for a period of three years from the Expiration Date of the November 12, 1996 Rights Offering to 0.60% of the average daily net assets, plus the proceeds of any outstanding borrowings, over \$1.15 billion.
 - (9) Calculated on total expenses before impact of earnings credits.
 - * Ratios do not reflect the effect of dividend payments to Preferred Shareholders; income ratios reflect income earned on assets attributable to preferred shares.
 - ** Asset coverage represents the total assets available for settlement of Preferred Stockholder's interest and notes payables in relation to the Preferred Shareholder interest and notes payable balance outstanding. The Preferred Shares were first offered November 2, 2000.
 - (A) Had the Trust not amortized premiums and accreted discounts, the ratio of net investment income to average net assets including preferred shares would have been 6.43% for the year ended February 28, 2002.
 - (B) Had the Trust not amortized premiums and accreted discounts, the ratio of net investment income to average net assets plus borrowings applicable to common shares would have been 6.82% for the year ended February 28, 2002.
 - (C) Had the Trust not amortized premiums and accreted discounts, the ratio of net investment income to average net assets applicable to common shares would have been 9.22% for the year ended February 28, 2002.

See Accompanying Notes to Financial Statements

ING Prime Rate Trust

NOTES TO FINANCIAL STATEMENTS as of February 28, 2002

NOTE 1 -- SIGNIFICANT ACCOUNTING POLICIES

ING Prime Rate Trust (formerly known as Pilgrim Prime Rate Trust, the "Trust"), is registered under the Investment Company Act of 1940, as amended, as a diversified, closed-end, investment management company. The Trust invests in senior loans which are exempt from registration under the Securities Act of 1933 (the "33 Act") but contain certain restrictions on resale and cannot be sold publicly. These loans bear interest (unless otherwise noted) at rates that float periodically at a margin above the Prime Rate of a U.S. bank specified in the credit agreement, the London Inter-Bank Offered Rate ("LIBOR"), the certificate of deposit rate, or in some cases another base lending rate. The following is a summary of the significant accounting policies consistently followed by the Trust in the preparation of its financial statements. The policies are in conformity with accounting principles generally accepted in the United States of America.

A. Senior Loan and Other Security Valuation. Loans are normally valued at the

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

mean of the means of one or more bid and asked quotations obtained from a pricing service or other sources determined by the board to be independent and believed to be reliable. Loans for which reliable quotations are not available may be valued with reference to another loan or a group of loans for which quotations are more readily available and whose characteristics are comparable to the loan being valued. Under this approach, the comparable loan or loans serve as a proxy for changes in value. The Trust has engaged an independent pricing service to provide quotations from dealers in loans and to calculate values under the proxy procedure described above. It is expected that most of the loans held by the Trust will be valued with reference to quotations from the independent pricing service or with reference to the proxy procedure described above.

ING Investments, LLC (formerly ING Pilgrim Investments, LLC, the "Investment Manager") may believe that the price for a loan derived from market quotations or the proxy procedure described above is not reliable or accurate. Among other reasons, this may be the result of information about a particular loan or borrower known to the Investment Manager that the Investment Manager believes may not be known to the pricing service or reflected in a price quote. In this event, the loan is valued at fair value as determined in good faith under procedures established by the Trust's Board of Trustees and in accordance with the provisions of the 1940 Act. Under these procedures, fair value is determined by the Investment Manager and monitored by the Trust's Board of Trustees through its Valuation Committee. In fair valuing a loan, consideration is given to several factors, which may include, among others, the following: (i) the characteristics of and fundamental analytical data relating to the loan, including the cost, size, current interest rate, period until the next interest rate reset, maturity and base lending rate of the loan, the terms and conditions of the loan and any related agreements, and the position of the loan in the borrower's debt structure; (ii) the nature, adequacy and value of the collateral, including the Trust's rights, remedies and interests with respect to the collateral; (iii) the creditworthiness of the borrower and the cash flow coverage of outstanding principal and interest, based on an evaluation of its financial condition, financial statements and information about the borrower's business, cash flows, capital structure and future prospects; (iv) information relating to the market for the loan, including price quotations for, and trading in, the loan and interests in similar loans; (v) the reputation and financial condition of the agent for the loan and any intermediate participants in the loan; (vi) the borrower's management; and (vii) the general economic and market conditions affecting the fair value of the loan. Securities for which the primary market is a national securities exchange or the NASDAQ National Market System are stated at the last reported sale price on the day of valuation. Debt and equity securities traded in the over-the-counter market and listed securities for which no sale was reported on that date are valued at the mean between the last reported bid and asked price. Securities other than senior loans for which reliable quotations are not readily available and all other assets will be valued at their respective fair values as determined in good faith by, or under procedures established by, the Board of Trustees of the Trust. Investments in securities

36

ING Prime Rate Trust

NOTES TO FINANCIAL STATEMENTS as of February 28, 2002

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

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

market value.

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

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

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

- C. Security Transactions and Revenue Recognition. Loans are booked on a settlement date basis and security transactions are accounted for on trade date (date the order to buy or sell is executed). Realized gains or losses are reported on the basis of identified cost of securities delivered. Dividend income is recognized on the ex-dividend date. Interest income is recorded on an accrual basis at the then current interest rate of the loan. The accrual of interest on loans is discontinued when, in the opinion of management, there is an indication that the borrower may be unable to meet payments as they become due. Upon such discontinuance, all unpaid accrued interest is reversed. Cash collections on nonaccrual senior loans are generally applied as a reduction to the recorded investment of the loan. Senior loans are returned to accrual status only after all past due amounts have been received and the borrower has demonstrated sustained performance. For all loans acquired prior to March 1, 2001, arrangement fees, which represent non-refundable fees associated with the acquisition of loans, are deferred and recognized over the shorter of 2.5 years or the actual terms of the loan. For all loans, except revolving credit facilities, acquired subsequent to February 28, 2001, arrangement fees are treated as discounts and accreted as described in Note 1.H. Arrangement fees associated with revolving credit facilities acquired subsequent to February 28, 2001 are deferred and recognized over the shorter of 4 years or the actual term of the loan.
- D. Distributions to Shareholders. The Trust records distributions to its shareholders on the ex-date. Distributions from income are declared by the Trust on a monthly basis. Distributions from capital gains, if any, are declared on an annual basis. The amount of distributions from net investment income and net realized capital gains are determined in accordance with federal income tax regulations, which may differ from accounting principles generally accepted in the United States of America for items such as the treatment of short term capital gains and the amortization of premiums and accretion of discounts. These "book/tax" differences are either considered temporary or permanent in nature. To the extent that these differences are permanent in nature, such amounts are reclassified within the capital accounts based on their federal tax-basis treatment; temporary differences do not require reclassifications. Distributions which exceed net investment income and net realized capital gains for financial reporting purposes but not for tax purposes are reported as distributions in excess of net investment income and/or realized capital gains. To the extent they exceed net investment income and net realized capital gains for tax purposes, they are reported as a tax return of capital. During the year ended February 28, 2002 the Trust reclassified \$2,580,000 from undistributed net investment income to accumulated net realized loss on investments, to reflect the treatment of permanent book/tax differences.

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

- E. Dividend Reinvestments. Pursuant to the Shareholder Investment Program (formerly known as the Automatic Dividend Reinvestment Plan), DST Systems, Inc., the Plan Agent, purchases, from time to time, shares of beneficial interest of the Trust on the open market to satisfy dividend reinvestments. Such shares are purchased only when the closing sale or bid price plus commission is less than the net asset value per share of the stock on the valuation date. If the market

37

ING Prime Rate Trust

NOTES TO FINANCIAL STATEMENTS as of February 28, 2002

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

- F. Use of Estimates. Management of the Trust has made certain estimates and assumptions relating to the reporting of assets, liabilities, revenues, expenses and contingencies to prepare these financial statements in conformity with generally accepted accounting principles in the United States of America. Actual results could differ from these estimates.
- G. Share Offerings. During the year ended February 28, 1999, the Trust began issuing shares under various shelf registration statements, whereby the net proceeds received by the Trust from share sales may not be less than the greater of (i) the NAV per share or (ii) 94% of the average daily market price over the relevant pricing period.
- H. Change in Accounting Principle. In November 2000 the American Institute of Certified Public Accountants (the "AICPA") issued a revised version of the AICPA Audit and Accounting Guide for Investment Companies (the "Guide"). Effective March 1, 2001, the Fund adopted the provisions of the Guide and began amortizing premiums and accreting discounts on debt securities. Prior to March 1, 2001, the Trust had not amortized premiums nor accreted discounts. The cumulative effect of this accounting change had no impact on net assets of the Trust, but resulted in a \$3,653,000 increase in the cost of securities and a corresponding \$3,653,000 increase in net unrealized depreciation of investments, based on securities held by the Trust on March 1, 2001. The effect of this change during the year ended February 28, 2002, was to increase net investment income by approximately \$5,907,000, increase unrealized depreciation of investments by approximately \$3,327,000 and increase net realized loss on investments by approximately \$2,580,000.
- I. Reclassification. Under EITF Topic D-98, Classification and Measurement of Redeemable Securities, which was issued on July 19, 2001, preferred securities that are redeemable for cash or other assets are to be classified outside of permanent equity to the extent that the redemption is at a fixed or determinable price and at the option of the holder or upon the occurrence of an event that is not solely within the control of the issuer. Subject to the guidance of the EITF, the Trust's preferred stock, which was previously classified as a component of net assets, has been reclassified outside of permanent equity (net assets) in the accompanying financial statements. Prior year amounts have also been reclassified to conform with this presentation. The impact of this reclassification creates no change to the net assets available to common shareholders.

NOTE 2 -- INVESTMENTS

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

For the year ended February 28, 2002, the cost of purchases and the proceeds from principal repayment and sales of investments, excluding short-term notes, totaled \$993,089,455 and \$1,217,901,206, respectively. At February 28, 2002, the Trust held senior loans valued at \$1,644,669,913 representing 96.2% of its total investments. The market value of these assets is established as set forth in Note 1.

38

ING Prime Rate Trust

NOTES TO FINANCIAL STATEMENTS as of February 28, 2002

The senior loans acquired by the Trust may take the form of a direct co-lending relationship with the corporate issuer, an assignment of a co-lender's interest in a loan, or a participation interest in a co-lender's interest in a loan. The lead lender in a typical corporate loan syndicate administers the loan and monitors collateral. In the event that the lead lender becomes insolvent, enters FDIC receivership or, if not FDIC insured, enters into bankruptcy, the Trust may incur certain costs and delays in realizing payment, or may suffer a loss of principal and/or interest. Additionally, certain situations may arise where the Trust acquires a participation in a co-lender's interest in a loan and the Trust does not have privity with or direct recourse against the corporate issuer. Accordingly, the Trust may incur additional credit risk as a participant because it must assume the risk of insolvency or bankruptcy of the co-lender from which the participation was acquired. Common and preferred stocks, and stock purchase warrants held in the portfolio were acquired in conjunction with senior loans held by the Trust. Certain of these stocks and warrants are restricted and may 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 stock or warrant. These restricted securities are valued at fair value as determined by the Board of Trustees by considering quality, dividend rate, and marketability of the securities compared to similar issues. In order to assist in the determination of fair value, the Trust will obtain quotes from dealers who periodically trade in such securities where such quotes are available. Dates of acquisition and cost or assigned basis of restricted securities are as follows:

	Date of Acquisition	Cost or Assigned Basis
	-----	-----
American Blind and Wallpaper, Inc. -- Common	01/12/99	--
AM Cosmetics Corp. -- Common	06/08/99	\$ 385,610
AM Cosmetics Corp. -- Preferred Stock	06/02/99	--
Autotote Systems, Inc. -- Option	02/26/97	--
Boston Chicken--Residual interest in Boston Chicken Trust	12/26/00	8,014,961
Breed Technologies -- Common	12/27/00	3,343,665
Capital Tool & Design -- Warrants	07/26/96	--
Casden Properties Corporation -- Preferred Partnership Units	12/31/98	--
Covenant Care, Inc. -- Warrants	12/22/95	--
Decision One Corporation -- Common	06/16/00	--
Electro Mechanical Solutions -- Warrants	06/20/00	--
Holmes Product Corporation -- Warrants	10/24/01	--
Imperial Home Decor Group -- Common	05/02/01	1,654,378
IHDG Realty -- Common	05/02/01	1
Morris Material Handling -- Common	01/10/01	3,009,059
MP Holdings, Inc. -- Common	03/14/01	6

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

New World Coffee Manhattan Bagel, Inc. -- Warrants	09/27/01	--
Murray's Discount Auto Stores, Inc. -- Warrants	02/16/99	--
Pacific Coin -- Common	07/09/01	1
Safelite Glass Corporation	09/12/00	--
Safelite Realty	09/12/00	--
Stellex Technologies, Inc. -- Common	10/17/01	275,767
Scientific Games Corp. -- Common	05/11/01	--
Soho Publishing, Inc. -- Common	03/14/01	176
Tartan Textiles Services, Series D Preferred Stock	07/17/01	2,227,655
Tartan Textiles Services, Series E Preferred Stock	07/17/01	2,333,852
Crown Paper, Inc. -- Conversion rights representing Tembec Common Shares	01/10/01	1,292,072
Vision Twenty-One -- Warrants	11/28/00	--

Total restricted securities excluding senior loans (market value of \$32,989,460 was 3.3% of net assets at February 28, 2002)		\$22,537,203 =====

39

ING Prime Rate Trust

NOTES TO FINANCIAL STATEMENTS as of February 28, 2002

NOTE 3 -- MANAGEMENT AND ADMINISTRATIVE SERVICES AGREEMENT

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

The Trust has also entered into an Administration Agreement with the Administrator to provide administrative services and also to furnish facilities. The Administrator is compensated with a fee, computed daily and payable monthly, at an annual rate of 0.25% of the Trust's average daily Managed Assets.

At February 28, 2002, the Trust had the following amounts recorded in payable to affiliates on the accompanying Statement of Assets and Liabilities:

Accrued Investment Management Fees	Accrued Administrative Fees	Total
-----	-----	-----
\$1,050,181	\$328,181	\$1,378,362

NOTE 4 -- COMMITMENTS

The Trust has entered into both a 364 day and a five year revolving credit agreement, collateralized by assets of the Trust, to borrow up to \$550 million from a syndicate of major financial institutions maturing July 15, 2003. Borrowing rates under these agreements are based on a fixed spread over LIBOR, the federal funds rate, or a commercial paper based rate. Prepaid arrangement fees for any unborrowed amounts are amortized over the term of the agreements. The amount of borrowings outstanding at February 28, 2002, was \$282 million, at a weighted average interest rate of 2.2%. The amount of borrowings represented 16.4% of net assets plus borrowings at February 28, 2002. Average borrowings for the the year ended February 28, 2002 were \$365,126,028 and the average

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

annualized interest rate was 4.0%.

As of February 28, 2002, the Trust had unfunded loan commitments pursuant to the terms of the following loan agreements:

Airgate PCS, Inc.	\$ 2,737,459
Aladdin Gaming LLC	5,000,000
Alliance Data Systems Corp.	1,785,714
Aurora Foods	80,000
Boyd Gaming Corporation	2,155,819
Doshi Diagnostic	1,287,031
Express Scripts, Inc.	3,092,006
Huntsman Corporation	2,306,035
Insight Health Services Corp.	5,000,000
Key Energy Group, Inc.	2,107,757
Lamar Media Corporation	6,562,500
Levi Strauss & Co.	4,279,927
Murray's Discount Auto Stores, Inc.	998,749
Packaging Corporation of America	2,753,594
Palace Station Hotel and Casino	5,088,147
Rail America, Inc.	246,529
Riverwood International Corp.	4,491,667
Six Flags Theme Parks, Inc.	7,166,667
URS Corporation	4,971,429
Western Wireless	6,400,000

	\$68,511,030
	=====

NOTE 5 -- RIGHTS AND OTHER OFFERINGS

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

40

ING Prime Rate Trust

 NOTES TO FINANCIAL STATEMENTS as of February 28, 2002

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

As of February 28, 2002, share offerings pursuant to shelf registrations were as follows:

Registration Date	Shares Registered	Shares Remaining
-----	-----	-----
6/11/98	15,000,000	--

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

6/19/98	10,000,000	9,730,800
9/15/98	25,000,000	19,170,354
3/04/99	5,000,000	3,241,645

On November 2, 2000, the Trust issued 3,600 shares each of Series M, Series W and Series F Auction Rate Cumulative Preferred Shares, \$.01 Par Value, \$25,000 liquidation preference, for a total issuance of \$270 million. Also, on November 16, 2000, the Trust issued 3,600 shares of Series T and Series Th Auction Rate Cumulative Preferred Shares, \$.01 Par Value, \$25,000, liquidation preference, for a total issuance of \$180 million. All such Preferred Shares were outstanding as of February 28, 2001. Costs associated with the offering of approximately \$5,438,664 were charged against the proceeds received. The Trust used the net proceeds of the offering to partially pay down the then existing indebtedness. The Trust may reborrow amounts in the future to increase its use of leverage which will be consistent with the limitations imposed by the Investment Company Act of 1940. Preferred Shares pay dividends based on a rate set at auctions, normally held every 7 days. In the most instances dividends are also payable every 7 days, on the first business day following the end of the rate period.

NOTE 6 -- CUSTODIAL AGREEMENT

State Street Bank, Kansas City ("SSBKC") serves as the Trust's custodian and recordkeeper. Custody fees paid to SSBKC are reduced by earnings credits based on the cash balances held by SSBKC for the Trust. There were no earnings credits for the year ended February 28, 2002.

NOTE 7 -- AFFILIATED TRANSACTIONS

During the year ended February 28, 2002, the Trust purchased and sold holdings in senior loans from/to affiliated funds managed by the Investment Manager at prices determined by the Investment Manager to represent market prices. The cost of purchased loans was \$18,278,387 and the proceeds and cost of sold loans were \$66,132,025 and \$66,870,375, respectively, excluding any benefit to the Trust from the recognition of deferred arrangement fees.

NOTE 8 -- SUBORDINATED LOANS AND UNSECURED LOANS

The primary risk arising from investing in subordinated loans or in unsecured loans is the potential loss in the event of default by the issuer of the loans. The Trust may acquire a subordinated loan only if, at the time of acquisition, it acquires or holds a Senior Loan from the same borrower. The Trust will acquire unsecured loans only where the Investment Manager believes, at the time of acquisition, that the Trust would have the right to payment upon default that is not subordinate to any other creditor. The Trust may invest up to 5% of its total assets, measured at the time of investment, in subordinated loans and unsecured loans. As of February 28, 2002, the Trust held 2.7% of its total assets in subordinated loans and unsecured loans.

41

ING Prime Rate Trust

 NOTES TO FINANCIAL STATEMENTS as of February 28, 2002

NOTE 9 -- SUBSEQUENT EVENTS

Subsequent to February 28, 2002, the Trust paid to Common Shareholders the following dividends from net investment income:

Per Share Amount	Declaration Date	Record Date	Payable Date
------------------	------------------	-------------	--------------

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

\$ 0.0385	02/28/2002	03/11/2002	03/20/2002
\$ 0.0385	03/28/2002	04/10/2002	04/18/2002

Subsequent to February 28, 2002, the Trust paid to Preferred Shareholders the following dividends from net investment income:

Preferred Shares	Total Per Share Amount	Auction Dates	Record Dates	Payable Dates
Series M	\$ 53.08	03/04/02 to 04/08/02	03/11/02 to 04/15/02	03/12/02 to 04/16/02
Series T	\$ 54.54	03/05/02 to 04/10/02	03/12/02 to 04/16/02	03/13/02 to 04/17/02
Series W	\$ 55.28	03/06/02 to 04/10/02	03/13/02 to 04/17/02	03/14/02 to 04/18/02
Series Th	\$ 54.15	03/07/02 to 04/11/02	03/14/02 to 04/18/02	03/15/02 to 04/19/02
Series F	\$ 53.12	03/01/02 to 04/05/02	03/08/02 to 04/12/02	03/11/02 to 04/15/02

Management's Additional Operating Information (Unaudited)

APPROVAL OF CHANGES IN INVESTMENT POLICIES

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

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

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

REPURCHASE OF SECURITIES BY CLOSED-END COMPANIES

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

SHAREHOLDER INVESTMENT PROGRAM

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

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

42

ING Prime Rate Trust

TAX INFORMATION (Unaudited)

The Trust is required by Subchapter M of the Internal Revenue Code of 1986, as amended, to advise within 60 days of the Trust's fiscal year end (February 28, 2002) as to the federal tax status of distributions received by the Trust's shareholders. Accordingly, the Trust is hereby advising you that the following dividends were paid to Common Shareholders during the fiscal year ended February 28, 2002:

Type of Dividend	Per Share Amount	Ex-Dividend Date	Payable Date
-----	-----	-----	-----
Ordinary Income	\$ 0.0620	03/08/01	03/22/01
	\$ 0.0650	04/06/01	04/22/01
	\$ 0.0600	05/08/01	05/22/01
	\$ 0.0580	06/07/01	06/22/01
	\$ 0.0540	07/06/01	07/23/01
	\$ 0.0540	08/08/01	08/22/01
	\$ 0.0520	09/06/01	09/24/01
	\$ 0.0470	10/05/01	10/22/01
	\$ 0.0470	11/07/01	11/23/01
	\$ 0.0430	12/06/01	12/24/01
	\$ 0.0420	12/27/01	01/11/02
	\$ 0.0410	02/11/02	02/25/02

Total	\$ 0.625		
	=====		

The Trust is hereby advising you that the following dividends were paid to Preferred Shareholders during the fiscal year ended February 28, 2001:

Preferred Shares	Type of Dividend	Total Per Share Amount	Auction Dates	Record Dates	
-----	-----	-----	-----	-----	-----
Series M	Ordinary Income	\$834.08	3/5/01 to 2/25/02	3/12/01 to 3/4/02	3/13
Series T	Ordinary Income	\$836.77	3/6/01 to 2/26/02	3/13/01 to 3/5/02	3/14
Series W	Ordinary Income	\$854.68	2/28/01 to 2/27/02	3/7/01 to 3/6/02	3/8
Series Th	Ordinary Income	\$854.51	3/1/01 to 2/28/02	3/8/01 to 3/7/02	3/9
Series F	Ordinary Income	\$834.82	3/2/01 to 2/22/02	3/9/01 to 3/1/02	3/12

Corporate shareholders are generally entitled to take the dividend received deduction on the portion of the Trust's dividend distributions that qualify under tax law. The percentage of the Trust's fiscal year 2001 net investment income dividends that qualify for the corporate dividends received deductions is 0.02%.

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

Shareholders are strongly advised to consult their own tax advisers with respect to the tax consequences of their investment in the Trust. In January 2002, you should have received an IRS Form 1099 DIV regarding the federal tax status of the dividends and distributions received by you in calendar year 2001.

43

INVESTMENT MANAGER

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

ADMINISTRATOR

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

INSTITUTIONAL INVESTORS AND ANALYSTS

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

DISTRIBUTOR

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

TRANSFER AGENT

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

CUSTODIAN

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

LEGAL COUNSEL

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

INDEPENDENT AUDITORS

KPMG LLP
355 South Grand Avenue
Los Angeles, California 90071

WRITTEN REQUESTS

Please mail all account inquiries and other comments to:
ING Prime Rate Trust Account
c/o ING Fund Services, LLC
7337 E. Doubletree Ranch Road
Scottsdale, Arizona 85258-2034

TOLL-FREE SHAREHOLDER INFORMATION

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

A prospectus containing more complete information regarding the Trust, including charges and expenses, may be obtained by calling ING Funds Distributor, Inc.,

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

Distributor, at 1-800-992-0180. Please read the prospectus carefully before you invest or send money.

[LION LOGO]
INF FUNDS

PRTANN022802-042402