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ING PRIME RATE TRUST  
Form N-CSR  
May 06, 2003

OMB APPROVAL

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UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

FORM N-CSR

CERTIFIED SHAREHOLDER REPORT OF REGISTERED MANAGEMENT INVESTMENT COMPANIES

Investment Company Act file number: 811-5410

ING Prime Rate Trust  
(Exact name of registrant as specified in charter)

7337 E. Doubletree Ranch Rd., Scottsdale, AZ 85258  
(Address of principal executive offices) (Zip code)

C T Corporation System, 101 Federal Street, Boston, MA 02110  
(Name and address of agent for service)

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

Date of fiscal year end: February 28

Date of reporting period: February 28, 2003

ITEM 1. REPORTS TO STOCKHOLDERS.

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

ANNUAL REPORT

February 28, 2003

ING PRIME RATE TRUST

[GRAPHIC]

[LION LOGO]  
ING FUNDS

ING Prime Rate Trust

ANNUAL REPORT

February 28, 2003

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### ING Prime Rate Trust

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#### PORTFOLIO MANAGERS' REPORT

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#### PERFORMANCE OF THE TRUST

The Trust declared \$0.45 of dividends during the fiscal year ended February 28, 2003. Based on the average month-end net asset value ("NAV") per share of \$6.90, this resulted in an annualized distribution rate of 6.4%(1) for the year. The Trust's total return (based on NAV) for the fiscal year was 0.4%, reflective of the difficult market conditions experienced during most of calendar 2002.

For the fiscal quarter ended February 28, 2003, the Trust's annualized distribution rate was 6.5%(1). The quarterly annualized distribution rate was down slightly from the previous fiscal quarter 6.9% due primarily to improvement in the average month-end NAV. During the fiscal quarter ended February 28, 2003, the Trust posted a 2.5% total market return, representing the second quarter of significant sequential improvement.

A steady rise in underlying values, coupled with a generally healthier investor sentiment towards floating rate senior loan funds since the beginning of the year, has also had a decidedly positive impact on the Trust's common shares. Total return based on market value (assuming full dividend reinvestment) was 11.3% for the three-month period ended February 28, 2003, versus -9.7% for the S&P 500 Index. For the full fiscal year, the Trust's common shares returned 2.5% (dividends reinvested), versus -22.7% for the S&P 500 Index.

The Trust's recent performance has been driven by a stronger overall tone to the loan market, made manifest by generally rising indicative loan prices. Several of the Trust's larger holdings benefited from credit-specific improvements. As an example, Nextel Communications ("Nextel"), the Trust's largest single position at period-end, accounting for approximately 4.1% of total assets, continues to exceed analysts' operational and financial expectations, thereby driving prices for the company's term loans to near-par levels. By way of its bellwether standing, Nextel's string of success has also had a tangible positive effect on prices across the cellular communications sector, historically one of the Trust's largest.

Moreover, indicative pricing for term loans issued by Charter Communications Operating LLC ("Charter"), the Trust's second largest individual holding (roughly 2.6% of total assets at period-end), also improved during the fiscal quarter. The average bid now lies several percentage points off a low reached during the fourth quarter of 2002, and continues to slowly edge upward. Consistently underpinned by stable valuation levels of cable television systems, recent interest in Charter's term loans appears to have been driven by a renewed investor confidence in the ability of cable television operators to both defend and grow their higher margin subscriber base.

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Also contributing to fiscal fourth quarter results was, again, consistent performance across several of the Trust's other material sector concentrations (e.g., Healthcare, Containers & Packaging and Beverage & Food), offset to a degree by disappointing recoveries on a small number of existing non-performing loans, particularly the Trust's older, illiquid positions. We continue to dedicate significant time and resources in an effort to maximize recovery values in this area, typically under very difficult circumstances.

The Trust utilizes financial leverage to seek to increase the yield to the holders of common shares. As of February 28, 2003, the Trust had \$617 million of borrowings outstanding, consisting of \$450 million of "aaa/AAA" rated cumulative auction rate preferred shares, and \$167 million outstanding under \$540 million in available credit facilities. Total leverage, as a percentage of total assets (including preferred shares), was 39.9% at quarter end. The weighted average leverage cost including all borrowings and preferred shares as of quarter ended February 28, 2003 was 1.38%. While the use of leverage for investment purposes increases both investment opportunity and investment risk, we continue to deploy leverage only when it is in the best interest of the Trust's common shareholders.

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### OUTLOOK

In our view, the Trust, and the non-investment grade loan market at large, appears to be reasonably well positioned to meet the expected challenges of the coming months. Overall credit conditions continue to slowly improve, as evidenced by another quarter-over-quarter decline in the trailing loan default rate (by principal amount) for the industry to approximately 5.5%, after peaking at 7.4% in June of last year.<sup>(2)</sup> Further, the supply of new transactions, an important barometer of market health, has been fairly generous. Institutional M&A-related loan volume closed out at \$6.2 billion during the first quarter of 2003, the highest level since the first quarter of 2000.<sup>(2)</sup> Understandably, the forward calendar looks less robust at this point, effectively capped by uncertainty surrounding the outcome of military action in the Middle East.

Nonetheless, we maintain a cautious view of the economic outlook, both as it appears today and once hostilities in Iraq come to an end. Several indicators, not the least being a chronically anemic labor market, point to significantly slower growth than originally anticipated. Whether such weakness is a continuation of the unwinding of the excesses of the 1990s, or a by-product of caution on the part of companies and consumers alike, remains to be seen. If macro economic conditions were to deteriorate, it could further pressure a good portion of the non-investment grade issuer universe and increase the prospects for a further rate cut on the part of the Federal Reserve. An additional reduction in already historically low short-term interest rates could continue to depress returns, even if underlying loan values continue to rise. As stated in our prior report, we will remain in a relatively defensive posture while seeking to take advantage of selective buying opportunities.

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

/s/ Jeffrey A. Bakalar

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

/s/ Daniel A. Norman

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

ING Prime Rate Trust  
April 7, 2003

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PORTFOLIO MANAGERS' FOOTNOTES  
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1. The distribution rate is calculated by annualizing dividends declared during the quarter and dividing the resulting annualized dividend by the Trust's average month-end net asset value (in the case of NAV) or the average month-end NYSE Composite closing price (in the case of Market). The distribution rate is based solely on the actual dividends and distributions, which are made at the discretion of management. The distribution rate may or may not include all investment income and ordinarily will not include capital gains or losses, if any.
2. Source: As tracked by S&P Leveraged Commentary & Data Group, a leading data provider to the Loan Market.

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.

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

The LSTA LEVERAGED LOAN INDEX (LLI) is a weekly return index that uses market to market pricing to calculate market value change. The LLI tracks the current outstanding balance and spread over LIBOR for fully funded term loans.

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

ING Prime Rate Trust

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STATISTICS AND PERFORMANCE as of February 28, 2003  
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## PORTFOLIO CHARACTERISTICS

Net Assets	\$ 922,383,342
<hr style="border-top: 1px dashed black;"/>	
Assets Invested in Senior Loans*	\$1,476,322,899
<hr style="border-top: 1px dashed black;"/>	
Total Number of Senior Loans	268
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Average Amount Outstanding per Loan	\$ 5,508,668
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Total Number of Industries	35
<hr style="border-top: 1px dashed black;"/>	
Average Loan Amount per Industry	\$ 42,180,654
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Portfolio Turnover Rate	48%
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Weighted Average Days to Interest Rate Reset	46 days
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Average Loan Final Maturity	50 months
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Total Leverage as a Percentage of Total Assets (including Preferred Shares)	39.9%

\* INCLUDES LOANS AND OTHER DEBT RECEIVED THROUGH RESTRUCTURINGS

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

	NET ASSETS	TOTAL ASSETS
Cable Television	12.6%	7.5%
Cellular	12.2%	7.3%
Healthcare, Education and Childcare	11.5%	6.9%
Leisure, Amusement and Entertainment	9.8%	5.9%
Containers, Packaging and Glass	9.7%	5.8%
Automobile	8.4%	5.0%
Beverage, Food and Tobacco	7.6%	4.6%
Lodging	7.1%	4.2%
Printing and Publishing	7.0%	4.2%
Chemicals, Plastics and Rubber	6.6%	3.9%

### TOP TEN SENIOR LOAN ISSUERS AS A PERCENTAGE OF:

	NET ASSETS	TOTAL ASSETS
Nextel Communications (1)	6.9%	4.1%
Charter Communications Operating, LLC	4.4%	2.6%
SC International Services	2.7%	1.6%
Wyndham International, Inc.	2.0%	1.2%
Safelite Glass Corporation.	1.9%	1.2%
Broadwing, Inc.	1.9%	1.1%
Mandalay Resort Group	1.8%	1.1%
Olympus Cable Holdings, LLC	1.8%	1.1%
Extended Stay America, Inc.	1.7%	1.0%
Western Wireless Corporation	1.7%	1.0%

(1) COMBINATION OF NEXTEL FINANCE COMPANY AND NEXTEL OPERATIONS, INC.

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YIELDS AND DISTRIBUTION RATES

QUARTER ENDED	PRIME RATE	NET ASSET VALUE ("NAV") 30-DAY SEC YIELD A	MARKET 30-DAY SEC YIELD A	AVERAGE ANNUALIZED DISTRIBUTION RATE AT NAV B	AVERAGE ANNUALIZED DISTRIBUTION RATE AT MARKET C
February 28, 2003	4.25%	6.93%	7.23%	6.52%	6.93%
November 30, 2002	4.25%	8.02%	9.10%	6.86%	7.87%
August 31, 2002	4.75%	7.39%	8.53%	6.34%	7.33%
May 31, 2002	4.75%	7.32%	7.94%	6.09%	6.52%

AVERAGE ANNUAL TOTAL RETURNS

	NAV	MARKET
1 Year	0.44%	2.53%
3 Years	-0.81%	0.98%
5 Years	2.15%	-0.67%
10 Years	5.99%	5.22%
Since Trust Inception F,H	6.29%	N/A
Since Initial Trading on NYSE G	N/A	5.28%

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 statistics and performance footnotes on page 8.

STATISTICS AND PERFORMANCE FOOTNOTES

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

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for open-end investment companies.

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

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ING Prime Rate Trust

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### ADDITIONAL NOTES AND INFORMATION

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#### SHAREHOLDER INVESTMENT PROGRAM

The Trust offers a Shareholder Investment Program (the "Program," formerly known as the Dividend Reinvestment and Cash Purchase Plan) which allows holders of the Trust's common shares a simple way to reinvest dividends and capital gains distributions, if any, in additional common shares of the Trust. The Program also offers holders of the Trust's common shares 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, DST Systems, Inc. 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%.

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For optional cash investments, shares will be purchased on the open market by the DST Systems, Inc. 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 2003 DIVIDENDS:

DECLARATION DATE	EX-DIVIDEND DATE	PAYABLE DATE
-----	-----	-----
January 31	February 6	February 25
February 28	March 6	March 24
March 31	April 8	April 23
April 30	May 8	May 22
May 30	June 6	June 23
June 30	July 8	July 22
July 31	August 7	August 22
August 29	September 8	September 22
September 30	October 8	October 22
October 31	November 6	November 24
November 28	December 8	December 22
December 19	December 29	January 13, 2004

RECORD DATE WILL BE TWO BUSINESS DAYS AFTER EACH EX-DIVIDEND 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. 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.

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ING Prime Rate Trust

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### REPORT OF INDEPENDENT AUDITORS

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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") as of February 28, 2003, and the related statements of operations and cash flows for the year then ended, the statements of changes in net assets for each of the years in the two-year period then ended, and the financial highlights for each



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of the years in the five-year period then ended. 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.

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 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, 2003 by confirmation with the custodian and other appropriate auditing procedures. 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, 2003 and the results of its operations and its cash flows for the year then ended, the changes in its net assets for each of the years in the two-year period then ended, and financial highlights for each of the years in the five-year period then ended, in conformity with accounting principles generally accepted in the United States of America.

/s/ KPMG LLP

Los Angeles, California  
April 11, 2003

See Accompanying Notes to Financial Statements

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### ING Prime Rate Trust

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STATEMENT OF ASSETS AND LIABILITIES as of February 28, 2003  
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ASSETS:

Investments in securities at value (Cost \$1,667,758,669)	\$ 1,535,926,872
Cash	1,341,722
Receivables:	
Interest	7,378,577
Other	80,982
Prepaid expenses	203,777
	-----
Total assets	1,544,931,930
	-----

LIABILITIES:

Notes payable	167,000,000
Deferred arrangement fees on senior loans	3,092,567
Accrued auction preferred shares dividends payable	46,414
Payable to affiliates	1,232,567
Accrued trustees' fees	29,375
Other accrued expenses	1,147,665
	-----
Total liabilities	172,548,588
	-----

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Preferred shares, \$25,000 stated value per share at liquidation value (18,000 shares outstanding)	450,000,000
NET ASSETS	\$ 922,383,342
Net asset value per common share outstanding (net assets less preferred shares at liquidation value, divided by 136,972,914 shares of beneficial interest authorized and outstanding, no par value)	
	\$ 6.73
NET ASSETS CONSIST OF:	
Paid-in capital	\$ 1,287,948,209
Undistributed net investment income	11,723,349
Accumulated net realized loss on investments	(245,456,419)
Net unrealized depreciation of investments	(131,831,797)
NET ASSETS	\$ 922,383,342

See Accompanying Notes to Financial Statements

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### ING Prime Rate Trust

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#### STATEMENT OF OPERATIONS for the Year Ended February 28, 2003

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INVESTMENT INCOME:	
Interest	\$ 88,756,974
Arrangement fees earned	2,531,760
Dividends	12,011
Other	3,467,200
Total investment income	94,767,945
EXPENSES:	
Investment management fees	12,698,403
Administration fees	3,968,231
Transfer agent and registrar fees	643,931
Interest	4,330,327
Shareholder reporting expense	170,485
Custodian fees	485,375
Revolving credit facility fees	260,923
Professional fees	878,332
Preferred shares -- Dividend disbursing agent fees	1,182,556
Insurance expense	27,337
Pricing expense	72,933
ICI fees	104,853
Postage expense	305,500
Trustees' fees	73,000
Miscellaneous expense	56,921
NYSE Registration fees	79,755
Total expenses	25,338,862
Net investment income	69,429,083
REALIZED AND UNREALIZED GAIN (LOSS) FROM INVESTMENTS:	
Net realized loss on investments	(115,778,026)
Net change in unrealized depreciation of investments	51,893,096

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Net loss on investments	(63,884,930)
	-----
DISTRIBUTIONS TO PREFERRED SHAREHOLDERS:	
From net investment income	(7,499,067)
	-----
Net decrease in net assets resulting from operations	\$ (1,954,914)
	=====

See Accompanying Notes to Financial Statements

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ING Prime Rate Trust

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STATEMENTS OF CHANGES IN NET ASSETS  
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	YEAR ENDED FEBRUARY 28, 2003	YEAR ENDED FEBRUARY 28, 2002
	-----	-----
CHANGE IN NET ASSETS FROM OPERATIONS:		
Net investment income	\$ 69,429,083	\$ 101,753,746
Net realized loss on investments	(115,778,026)	(53,063,828)
Net change in unrealized appreciation (depreciation) on investments	51,893,096	(69,951,020)
Distributions to preferred shareholders from net investment income	(7,499,067)	(15,273,093)
	-----	-----
Net decrease in net assets resulting from operations	(1,954,914)	(36,534,195)
	-----	-----
DISTRIBUTIONS TO COMMON SHAREHOLDERS:		
Distributions from net investment income:	(61,643,423)	(85,728,945)
	-----	-----
Decrease in net assets from distributions to common shareholders	(61,643,423)	(85,728,945)
	-----	-----
CAPITAL SHARE TRANSACTIONS:		
Common shares issued from dividend reinvestment	--	919,219
Common shares sold in connection with shelf offerings	--	87,513
Offering costs of preferred shares	--	(194,010)
	-----	-----
Net increase from capital share transactions	--	812,722
	-----	-----
Net decrease in net assets	(63,598,337)	(121,450,418)
NET ASSETS:		
Beginning of period	985,981,679	1,107,432,097
	-----	-----
End of period (including undistributed net investment income of \$11,723,349 and \$8,856,756, respectively)	\$ 922,383,342	\$ 985,981,679
	=====	=====
SUMMARY OF COMMON SHARE TRANSACTIONS:		
Shares issued in payment of distributions from net investment income	--	114,904
Shares sold in connection with shelf offering	--	10,939
	-----	-----
Net increase in shares outstanding	--	125,843
	=====	=====

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See Accompanying Notes to Financial Statements

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## ING Prime Rate Trust

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STATEMENT OF CASH FLOWS for the Year Ended February 28, 2003

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INCREASE (DECREASE) IN CASH	
CASH FLOWS FROM OPERATING ACTIVITIES:	
Interest received	\$ 85,837,758
Dividends received	12,011
Facility fees paid	9,887
Dividends paid to preferred shareholders	(7,530,264)
Arrangement fees received	5,006,105
Other income received	3,528,097
Interest paid	(4,847,393)
Other operating expenses paid	(20,105,511)
Purchases of securities	(765,856,229)
Proceeds from sale of securities	881,063,596
Net cash provided by operating activities	177,118,057
<hr/>	
CASH FLOWS FROM FINANCING ACTIVITIES:	
Dividends paid to common shareholders	(61,643,423)
Net repayment of notes payable	(115,000,000)
Net cash flows used in financing activities	(176,643,423)
<hr/>	
Net change in cash	474,634
Cash at beginning of period	867,088
<hr/>	
Cash at end of period	\$ 1,341,722
<hr/>	
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	\$ (1,954,914)
<hr/>	
Adjustments to reconcile net increase in net assets resulting from operations to net cash used for operating activities:	
Change in net unrealized depreciation of securities	(51,893,096)
Net accretion of discounts on securities	(4,532,794)
Net realized loss on sale of securities	115,778,026
Purchase of securities	(765,856,229)
Proceeds on sale of securities	881,063,596
Decrease in interest receivable	1,613,578
Decrease in other receivables	60,897
Decrease in prepaid arrangement fees on notes payable	270,810
Decrease in prepaid expenses	123,617
Increase in deferred arrangement fees on senior loans	2,474,345
Decrease in accrued interest payable	(517,066)
Decrease in preferred shareholders dividend payable	(31,197)
Decrease in payable to affiliates	(145,795)
Increase in accrued trustees' fees	27,227
Increase in accrued expenses	637,052
Total adjustments	179,072,971

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Net cash provided by operating activities \$ 177,118,057  
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See Accompanying Notes to Financial Statements

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FINANCIAL HIGHLIGHTS  
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For a common share outstanding throughout the period

	YEARS ENDED FEBRUARY 28		
	2003	2002	2001
	-----	-----	-----
<b>PER SHARE OPERATING PERFORMANCE</b>			
Net asset value, beginning of year	\$ 7.20	\$ 8.09	\$ 8.9
Net investment income	0.50	0.74	0.8
Net realized and unrealized gain (loss) on investments	(0.47)	(0.89)	(0.7
Distribution to Preferred Shareholders	(0.05)	(0.11)	(0.0
	-----	-----	-----
Increase (decrease) in net asset value from investment operations	(0.02)	(0.26)	0.0
Distributions to Common Shareholders from net investment income	(0.45)	(0.63)	(0.8
Increase in net asset value from share offerings	--	--	-
Reduction in net asset value from Preferred Shares offerings	--	--	(0.0
	-----	-----	-----
Net asset value, end of year	\$ 6.73	\$ 7.20	\$ 8.0
	=====	=====	=====
Closing market price at end of year	\$ 6.46	\$ 6.77	\$ 8.1
<b>TOTAL RETURN(1)</b>			
Total investment return at closing market price(2)	2.53%	(9.20)%	9.1
Total investment return at net asset value(3)	0.44%	(3.02)%	0.1
<b>RATIOS/SUPPLEMENTAL DATA</b>			
Net assets end of period (000's)	\$ 922,383	\$ 985,982	\$1,107,43
<b>Preferred Rate Shares</b>			
Aggregate amount outstanding (000's)	\$ 450,000	\$ 450,000	\$ 450,00
Liquidation and market value Per Share	\$ 25,000	\$ 25,000	\$ 25,00
Asset coverage Per Share**	250%	235%	21
Average borrowings (000's)	\$ 190,671	\$ 365,126	\$ 450,19
<b>Ratios to average net assets including preferred*</b>			
Expenses (before interest and other fees related to revolving credit facility)	1.49%	1.57%	1.6
Expenses	1.81%	2.54%	3.9
Net investment income	4.97% (A)	6.83%	9.2
<b>Ratios to average net assets plus borrowing</b>			
Expenses (before interest and other fees related to revolving credit facility)	1.82%	1.66%	1.3
Expenses	2.23%	2.70%	3.2
Net investment income	6.10% (B)	7.24%	7.5
<b>Ratios to average net assets</b>			

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Expenses (before interest and other fees related to revolving credit facility)	2.19%	2.25%	1.8
Expenses	2.68%	3.64%	4.4
Net investment income	7.33% (C)	9.79%	10.3
Portfolio turnover rate	48%	53%	4
Common shares outstanding at end of period (000's)	136,973	136,973	136,84

- 
- (1) Total return calculations are attributable to common shareholders.
  - (2) Total investment return measures the change in the market value of your investment assuming reinvestment of dividends and capital gain distributions, if any, in accordance with the provisions of the dividend reinvestment plan.
  - (3) Total investment return at net asset value has been calculated assuming a purchase at net asset value at the beginning of each period and a sale at net asset value at the end of each period and assumes reinvestment of dividends and capital gain distributions in accordance with the provisions of the dividend reinvestment plan. This calculation differs from total investment return because it excludes the effects of changes in the market values of the Trust's shares.
  - (4) Calculated on total expenses before impact on earnings credits.
  - (5) 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.
- \* 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 4.88% for the year ended February 28, 2003.
  - (B) Had the Trust not amortized premiums and accreted discounts, the ratio of net investment income to average net assets plus borrowings applicable to common shares would have been 5.99% for the year ended February 28, 2003.
  - (C) Had the Trust not amortized premiums and accreted discounts, the ratio of net investment income to average net assets applicable to common shares would have been 7.20% for the year ended February 28, 2003.

See Accompanying Notes to Financial Statements

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ING Prime Rate Trust

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NOTES TO FINANCIAL STATEMENTS as of February 28, 2003

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### NOTE 1 -- SIGNIFICANT ACCOUNTING POLICIES

ING Prime Rate Trust (the "Trust"), is registered under the Investment Company Act of 1940, as amended (the "1940 Act"), as a diversified, closed-end, investment management company. The Trust invests in senior loans which are exempt from registration under the Securities Act of 1933 as amended (the "33 Act"), but contain certain restrictions on resale and cannot be sold publicly. These loans bear interest (unless otherwise noted) at rates that float periodically at a margin above the Prime Rate of a U.S. bank specified in the

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credit agreement, the London Inter-Bank Offered Rate ("LIBOR"), the certificate of deposit rate, or in some cases another base lending rate. The following is a summary of the significant accounting policies consistently followed by the Trust in the preparation of its financial statements. The policies are in conformity with accounting principles generally accepted in the United States of America.

- A. SENIOR LOAN AND OTHER SECURITY VALUATION. Loans are normally valued at the mean of the means of one or more bid and asked quotations obtained from a pricing service or other sources determined by the Board of Trustees to be independent and believed to be reliable. Loans for which reliable quotations are not available may be valued with reference to another loan or a group of loans for which quotations are more readily available and whose characteristics are comparable to the loan being valued. Under this approach, the comparable loan or loans serve as a proxy for changes in value. The Trust has engaged an independent pricing service to provide quotations from dealers in loans and to calculate values under the proxy procedure described above. As of February 28, 2003, 91.8% of total investments were valued based on these procedures. 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.

Prices from a pricing source may not be available for all loans and ING Investments, LLC (the "Investment Manager") may believe that the price for a loan derived from market quotations or the proxy procedure described above is not reliable or accurate. Among other reasons, this may be the result of information about a particular loan or borrower known to the Investment Manager that the Investment Manager believes may not be known to the pricing service or reflected in a price quote. In this event, the loan 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

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ING Prime Rate Trust

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NOTES TO FINANCIAL STATEMENTS as of February 28, 2003 (Continued)  
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values as determined in good faith by, or under procedures established by, the Board of Trustees of the Trust. Investments in securities maturing in less than 60 days from the date of acquisition are valued at amortized cost, which, when combined with accrued interest, approximates market value.

- B. FEDERAL INCOME TAXES. It is the Trust's policy to comply with the requirements of the Internal Revenue Code applicable to "regulated investment companies" and to distribute all of its taxable income to its shareholders. Therefore, no provision for Federal income taxes is required. In addition, by distributing during each calendar year substantially all of its net investment income and net realized capital gains (if any), the Trust intends not to be subject to any federal excise tax.
- 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 COMMON SHAREHOLDERS. The Trust records distributions to its shareholders on the ex-dividend 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.
- E. DIVIDEND REINVESTMENTS. Pursuant to the Shareholder Investment Program (formerly known as the Automatic Dividend Reinvestment Plan), DST Systems, Inc., the Plan Agent, purchases, from time to time, shares of beneficial interest of the Trust on the open market to satisfy dividend reinvestments. Such shares are purchased only when the closing sale or bid price plus commission is less than the net asset value per share of the stock on the valuation date. If the market price plus commissions is equal to or exceeds the net asset value, new shares are issued at the greater of (i) net asset value or (ii) the market price of the shares during the pricing period, minus a discount of 5%.
- F. USE OF ESTIMATES. Management of the Trust has made certain estimates and assumptions relating to the reporting of assets, liabilities, revenues,



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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.

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ING Prime Rate Trust

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NOTES TO FINANCIAL STATEMENTS as of February 28, 2003 (Continued)  
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- H. CHANGE IN ACCOUNTING PRINCIPLE. In November 2000 the American Institute of Certified Public Accountants (the "AICPA") issued a revised version of the AICPA Audit and Accounting Guide for Investment Companies (the "Guide"). Effective March 1, 2001, the Fund adopted the provisions of the Guide and began amortizing premiums and accreting discounts on debt securities. Prior to March 1, 2001, the Trust had not amortized premiums nor accreted discounts. The cumulative effect of this accounting change had no impact on net assets of the Trust, but resulted in a \$3,653,000 increase in the cost of securities and a corresponding \$3,653,000 increase in net unrealized depreciation of investments, based on securities held by the Trust on March 1, 2001.
- I. RECLASSIFICATION. Under EITF Topic D-98, CLASSIFICATION AND MEASUREMENT OF REDEEMABLE SECURITIES, which was issued on July 19, 2001, preferred securities that are redeemable for cash or other assets are to be classified outside of permanent equity to the extent that the redemption is at a fixed or determinable price and at the option of the holder or upon the occurrence of an event that is not solely within the control of the issuer. Subject to the guidance of the EITF, the Trust's preferred stock, which was previously classified as a component of net assets, has been reclassified outside of permanent equity (net assets) in the accompanying financial statements. Prior year amounts have also been reclassified to conform with this presentation. The impact of this reclassification creates no change to the net assets available to common shareholders.

### NOTE 2 -- INVESTMENTS

For the year ended February 28, 2003, the cost of purchases and the proceeds from principal repayment and sales of investments, excluding short-term notes, totaled \$764,209,674 and \$880,505,551, respectively. At February 28, 2003, the Trust held senior loans valued at \$1,476,322,899 representing 96.1% of its total investments. The market value of these assets is established as set forth in Note 1.

The senior loans acquired by the Trust may take the form of a direct lending relationship with the borrower, an assignment of a lender's interest in a loan, or a participation interest in a 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 lender's interest in a loan and the Trust does not have privity with or direct recourse against the borrower. Accordingly, the Trust may

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incur additional credit risk as a participant because it must assume the risk of insolvency or bankruptcy of the lender from which the participation was acquired.

Common and preferred shares, 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 shares or warrant.

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ING Prime Rate Trust

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NOTES TO FINANCIAL STATEMENTS as of February 28, 2003 (Continued)  
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The Fund values portfolio securities by using the market value of the securities when market quotations for the securities are readily available. When market quotations are not readily available, the Fund determines, in good faith, the fair value of the securities in accordance with the Trust's fair valuation procedures as established by the Board of Trustees. Dates of acquisition and cost or assigned basis of restricted securities are as follows:

	DATE OF ACQUISITION	ASS
	-----	---
360Networks, Inc. -- Common Shares	11/26/02	\$
Allied Digital Technologies Corporation -- Residual Interest in Bankruptcy Estate	06/05/02	
AM Cosmetics Corporation -- Common Shares	06/08/99	
AM Cosmetics Corporation -- Preferred Shares	06/02/99	
Autotote Systems, Inc. -- Option	02/26/97	
Block Vision Holdings Corporation -- Common Shares	09/30/02	
Boston Chicken Inc. -- Residual Interest in Boston Chicken Plan Trust	12/26/00	
Breed Technologies, Inc. -- Common Shares	12/27/00	
Capital Tool & Design, Ltd. -- Warrants	07/26/96	
Cedar Chemical -- Residual Interest in Bankruptcy Estate	12/31/02	
Covenant Care, Inc. -- Warrants	12/22/95	
Covenant Care, Inc. -- Warrants	01/18/02	
Decision One Corporation -- Common Shares	06/16/00	
Electro Mechanical Solutions -- Residual Interest in Bankruptcy Estate	10/01/02	
Enterprise Profit Solutions -- Liquidation Interest	10/21/02	
Euro United Corporation -- Residual Interest in Bankruptcy Estate	06/21/02	
Exide Technologies -- Warrants	11/30/01	
Gevity HR -- Common Shares	07/21/97	
Grand Union Company -- Residual Interest in Bankruptcy Estate	07/01/02	
Holmes Group -- Warrants	10/24/01	
Humphreys, Inc. -- Residual Interest in Bankruptcy Estate	5/15/02	
IHDG Realty -- Common Shares	05/02/01	
Imperial Home D-corporation, Inc. -- Common Shares	05/02/01	
Interra Group, Inc. -- Common Shares	11/29/02	
Kevco, Inc. -- Residual Interest in Bankruptcy Estate	06/05/02	
Morris Material Handling, Inc. -- Common Shares	01/10/01	
MP Holdings, Inc. -- Common Shares	03/14/01	
Murray's Discount Auto Stores, Inc. -- Common Shares	3/25/02	
Murray's Discount Auto Stores, Inc. -- Warrants	02/16/99	

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New World Restaurant Group, Inc. -- Warrants	9/27/01
Safelite Glass Corporation -- Common Shares	09/12/00
Safelite Realty -- Common Shares	09/12/00
Sarcom Corporation -- Common Shares	12/11/02
Sarcom Corporation -- Preferred Shares	12/11/02
Scientific Games Corporation -- Warrants	5/11/01
Soho Publishing -- Common Shares	03/14/01
Stellex Aerostructures, Inc. -- Common Shares	10/17/01
Tartan Textile Services, Inc. -- Series D Preferred Shares	07/17/01
Tartan Textile Services, Inc. -- Series E Preferred Shares	07/17/01
Telinget, Inc. -- Residual Interest in Bankruptcy Estate	09/18/02
Tembec, Inc. -- Common Shares	01/10/01
Transtar Metals -- Residual Interest in Bankruptcy Estate	01/09/03
TSR Wireless, LLC -- Residual Interest in Bankruptcy Estate	10/14/02
U.S. Office Products Company -- Residual Interest in Bankruptcy Estate	11/28/00

Total restricted securities excluding senior loans (market value of \$37,043,248 was 4.0% of net assets at February 28, 2003)

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### ING Prime Rate Trust

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NOTES TO FINANCIAL STATEMENTS as of February 28, 2003 (Continued)  
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#### NOTE 3 -- MANAGEMENT AND ADMINISTRATION AGREEMENTS

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

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

At February 28, 2003, 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
-----	-----	-----
\$ 939,138	\$ 293,429	\$1,232,567

The Trust has adopted a Retirement Policy covering all independent trustees of the Trust who will have served as an independent trustee for at least five years at the time of retirement. Benefits under this plan are based on an annual rate as defined in the plan agreement, as amended May 24, 2002.

#### NOTE 4 -- COMMITMENTS

The Trust has entered into both a \$90 million 364-day revolving credit agreement which matures on August 27, 2003 and a \$450 million five-year revolving credit

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agreement which matures on July 15, 2003, collateralized by assets of the Trust. Borrowing rates under these agreements are based on a fixed spread over LIBOR, the federal funds rate, or a commercial paper-based rate. Prepaid arrangement fees for any unborrowed amounts are amortized over the term of the agreements. The amount of borrowings outstanding at February 28, 2003, was \$167 million, at a weighted average interest rate of 1.8%. The amount of borrowings represented 10.8% of total assets at February 28, 2003. Average borrowings for the year ended February 28, 2003 were \$190,671,233 and the average annualized interest rate was 2.4%.

As of February 28, 2003, the Trust had unfunded loan commitments pursuant to the terms of the following loan agreements:

Airgate PCS, Inc.	\$ 644,951
Aurora Foods, Inc.	244,571
Block Vision Holdings Corp.	118,771
Citadel Broadcasting Company	2,180,500
Doshi Diagnostics	1,287,031
Express Scripts, Inc.	3,092,006
Fleming Companies, Inc.	692,691
Hercules Incorporated	1,500,000
Hilton Hawaiian Village, LLC	1,838,235
Insight Health Services Corporation	4,950,000
Lamar Media Corporation	6,843,750
Levi Strauss & Co.	2,500,000
Lyondell Chemical Company	9,000,000
Murray's Discount Auto Stores, Inc.	1,788,332
Owens -- Illinois, Inc.	2,779,385
Packaging Corporation of America	2,753,595
Park Place Entertainment Corporation	1,579,724
Peabody Energy Corporation	10,000,000
Relizon Company (The)	7,265,918
Riverwood International Corporation	5,000,000
Six Flags Theme Parks, Inc.	1,700,000
Waste Connections, Inc.	5,160,920
Western Wireless Corporation	6,000,000
	-----
	\$78,920,380
	=====

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### ING Prime Rate Trust

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 NOTES TO FINANCIAL STATEMENTS as of February 28 2003 (Continued)  
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#### NOTE 5 -- RIGHTS AND OTHER OFFERINGS

As of February 28, 2003, share offerings pursuant to shelf registrations were as follows:

REGISTRATION DATE	SHARES REGISTERED	SHARES REMAINING
-----	-----	-----
6/11/98	15,000,000	--
6/19/98	10,000,000	9,730,800
9/15/98	25,000,000	19,170,354
3/04/99	5,000,000	3,241,645

On November 2, 2000, the Trust issued 3,600 shares each of Series M, Series W

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

### NOTE 6 -- CUSTODIAL AGREEMENT

State Street Bank and Trust Company ("SSB") serves as the Trust's custodian and recordkeeper. Custody fees paid to SSB are reduced by earnings credits based on the cash balances held by SSB for the Trust. There were no earnings credits for the year ended February 28, 2003.

### NOTE 7 -- SUBORDINATED LOANS AND UNSECURED LOANS

The primary risk arising from investing in subordinated loans or in unsecured loans is the potential loss in the event of default by the issuer of the loans. The Trust may acquire a subordinated loan only if, at the time of acquisition, it acquires or holds a Senior Loan from the same borrower. The Trust will acquire unsecured loans only where the Investment Manager believes, at the time of acquisition, that the Trust would have the right to payment upon default that is not subordinate to any other creditor. The Trust may invest up to 5% of its total assets, measured at the time of investment, in subordinated loans and unsecured loans. As of February 28, 2003, the Trust held 3.6% of its total assets in subordinated loans and unsecured loans.

### NOTE 8 -- FEDERAL INCOME TAXES

Dividends paid by the Trust from net investment income and distributions of net realized short-term capital gains (if any) are, for federal income tax purposes, taxable as ordinary income to shareholders. The tax composition of dividends and distributions to common shareholders for years ended February 28, 2003 and 2002 were as follows:

	ORDINARY INCOME	LONG-TERM CAPITAL GAINS	TAX RETURN OF CAPITAL
	-----	-----	-----
2003	\$61,643,423	\$ --	\$ --
2002	\$85,728,945	\$ --	\$ --

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ING Prime Rate Trust

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 NOTES TO FINANCIAL STATEMENTS as of February 28, 2003 (Continued)  
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The amount of distributions from net investments income and net realized capital gains are determined in accordance with federal income tax regulations, which may differ from generally accepted accounting principles. These "book/tax" differences are either considered temporary or permanent in nature. Key differences are the treatment of short-term capital gains, amortization of discounts and other temporary differences. To the extent that these differences are permanent in nature, such amounts are reclassified within the capital

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accounts based on their federal tax-basis treatment; temporary differences do not require reclassifications. To the extent distributions exceed net investment income and/or net realized capital gains for tax purposes, they are reported as distributions of paid-in capital.

Accordingly, the following amounts represent current year permanent tax differences that have been reclassified as of February 28, 2003:

UNDISTRIBUTED NET INVESTMENT INCOME	ACCUMULATED NET REALIZED GAINS ON INVESTMENTS
\$ 2,580,000	\$ (2,580,000)

Capital loss carryforwards, which may be used to offset future realized capital gains for federal income tax purposes were as follows at February 28, 2003.

AMOUNT	EXPIRATION DATES
\$209,579,956	2004-2011

The following represents the tax-basis components of distributable earnings as of February 28, 2003:

UNDISTRIBUTED ORDINARY INCOME	UNREALIZED DEPRECIATION	CAPITAL LOSS CARRYFORWARDS	POST OCTOBER LOSSES DEFERRED
\$ 9,433,349	\$ (131,116,264)	\$ (215,654,956)	\$ (28,226,996)

### NOTE 9 -- SUBSEQUENT EVENTS

Subsequent to February 28, 2003, the Trust paid to Common Shareholders the following dividends from net investment income:

PER SHARE AMOUNT	DECLARATION DATE	RECORD DATE	PAYABLE DATE
\$ 0.0330	2/28/03	3/10/03	3/24/03
\$ 0.0355	3/31/03	4/10/03	4/23/03

Subsequent to February 28, 2003, 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	\$ 35.49	03/03/03 to 04/07/03	03/10/03 to 04/14/03	03/11/03 to 04/15/03
Series T	\$ 33.97	03/04/03 to 04/08/03	03/11/03 to 04/15/03	03/12/03 to 04/16/03
Series W	\$ 35.34	03/05/03 to 04/09/03	03/12/03 to 04/15/03	03/13/03 to 04/17/03
Series Th	\$ 37.69	03/06/03 to 04/10/03	03/13/03 to 04/17/03	03/14/03 to 04/21/03
Series F	\$ 34.85	03/07/03 to 04/11/03	03/14/03 to 04/17/03	03/17/03 to 04/21/03

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PORTFOLIO OF INVESTMENTS as of February 28, 2003

SENIOR LOANS\*: 160.1%

PRINCIPAL AMOUNT	BORROWER/TRANCHE DESCRIPTION	BANK LOAN RATINGS+ (UNAUDITED)	MOODY'S	S&P
-----	-----	-----	-----	-----
<b>AEROSPACE AND DEFENSE: 3.3%</b>				
\$ 2,638,955	ALLIANT TECHSYSTEMS, INC. Term Loan, maturing April 20, 2009		Ba2	BB-
1,975,018	DRS TECHNOLOGIES, INC. Term Loan, maturing September 30, 2008		Ba3	BB-
8,329,141	NEW PIPER AIRCRAFT, INC. Term Loan, maturing April 15, 2005		NR	NR
5,458,754	PIEDMONT AVIATION SERVICES Term Loan, maturing July 23, 2006		NR	NR
5,458,755	Term Loan, maturing July 23, 2007			
2,985,000	TITAN CORPORATION Term Loan, maturing June 30, 2009		Ba3	BB-
437,986	TRANSDIGM HOLDING CORPORATION Term Loan, maturing May 15, 2006		B1	B+
1,146,201	Term Loan, maturing May 15, 2007			
3,309,888	UNITED DEFENSE INDUSTRIES, INC. Term Loan, maturing August 13, 2009		Ba3	BB-
<b>AUTOMOBILE: 8.4%</b>				
1,726,710	AFTERMARKET TECHNOLOGY CORPORATION Term Loan, maturing February 8, 2008		Ba2	BB-
1,255,777	Term Loan, maturing February 8, 2008			
5,453,298	AMERICAN AXLE & MANUFACTURING, INC. Term Loan, maturing April 30, 2006		Ba1	BB+
1,140,679	BREED TECHNOLOGIES, INC. Term Loan, maturing December 20, 2004		NR	NR
6,683,524	CAPITAL TOOL & DESIGN, LTD. Term Loan, maturing May 31, 2003		NR	NR
4,436,108	COLLINS & AIKMAN PRODUCTS Term Loan, maturing December 31, 2005		Ba3	BB-
3,184,000	DURA OPERATING CORPORATION Term Loan, maturing December 31, 2008		Ba3	BB
1,612,012	EXIDE TECHNOLOGIES Revolver, maturing December 18, 2003		NR	D
371,195	Term Loan, maturing December 18, 2003			
3,227,260	Term Loan, maturing March 18, 2005			
15,000,000	FORD MOTOR CREDIT COMPANY Floating Rate Note, maturing October 25, 2004		A3	BBB
3,478,750	HAYES LEMMERZ INTERNATIONAL, INC. Term Loan, maturing December 31, 2005		Caa2	NR
3,995,000	METALDYNE COMPANY, LLC Term Loan, maturing December 31, 2009		B1	BB-
5,458,750	POLYPORE, INC. Term Loan, maturing December 31, 2007		Ba3	B+
10,889,049	SAFELITE GLASS CORPORATION. Term Loan, maturing September 30, 2007		B3	B+

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7,289,144	Term Loan, maturing September 30, 2007 STONERIDGE, INC.	Ba3	BB
985,000	Term Loan, maturing April 30, 2008		

See Accompanying Notes to Financial Statements

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ING Prime Rate Trust

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 PORTFOLIO OF INVESTMENTS as of February 28, 2003 (Continued)  
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PRINCIPAL AMOUNT	BORROWER/TRANCHE DESCRIPTION	BANK LOAN RATINGS+ (UNAUDITED)	
		MOODY'S	S&P
-----			
AUTOMOBILE (CONTINUED)			
	TENNECO AUTOMOTIVE, INC.	B2	B
\$ 2,430,281	Term Loan, maturing November 4, 2007		
2,430,281	Term Loan, maturing May 4, 2008		
BANKING: 0.5%			
12,055,854	(3) OUTSOURCING SOLUTIONS, INC. Term Loan, maturing June 10, 2006	Caa1	D
BEVERAGE, FOOD AND TOBACCO: 7.6%			
1,755,429	AURORA FOODS, INC. Revolver, maturing June 30, 2005	B3	CCC
3,765,462	Term Loan, maturing June 30, 2005		
4,488,750	BIRDS EYE FOODS, INC. Term Loan, maturing June 30, 2008	Ba3	B+
12,025,000	COMMONWEALTH BRANDS, INC. Term Loan, maturing August 28, 2007	Ba3	BB-
1,176,363	COTT BEVERAGES, INC. Term Loan, maturing December 31, 2006	Ba3	BB-
4,004,613	CP KELCO APS Term Loan, maturing March 31, 2008	B3	B+
1,349,872	Term Loan, maturing September 30, 2008		
15,416,882	DEAN FOODS COMPANY Term Loan, maturing July 15, 2008	Ba1	BB+
5,000,000	DEL MONTE CORPORATION Term Loan, maturing December 20, 2010	Ba3	BB-
13,545,000	(3) EMPIRE KOSHER POULTRY, INC. Term Loan, maturing July 31, 2004	NR	NR
854,545	FLEMING COMPANIES, INC. Revolver, maturing June 18, 2007	Ba3	B
1,741,087	Term Loan, maturing June 18, 2008		
2,462,500	FLOWERS FOODS, INC. Term Loan, maturing March 26, 2007	Ba2	BBB-
	INTERSTATE BRANDS CORPORATION	Ba1	BBB-



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2,955,000		Term Loan, maturing July 19, 2007		
995,000		Term Loan, maturing July 19, 2007		
		MAFCO WORLDWIDE CORPORATION	B1	B
2,655,031		Term Loan, maturing March 31, 2006		
		NATIONAL DAIRY HOLDINGS, L.P.	Ba2	BB+
2,481,250		Term Loan, maturing April 30, 2009		
		NUTRASWEET ACQUISITION CORPORATION	Ba3	NR
598,232		Term Loan, maturing May 25, 2007		
		SOUTHERN WINE & SPIRITS OF AMERICA, INC.	Ba3	BBB-
1,990,000		Term Loan, maturing July 2, 2008		
BUILDINGS AND REAL ESTATE: 2.2%				
		ASSOCIATED MATERIALS, INC.	Ba3	BB-
612,000		Term Loan, maturing April 19, 2009		
	(2)	HQ GLOBAL WORKPLACES, INC.	NR	NR
3,865,243	(3)	Term Loan, maturing November 6, 2005		

See Accompanying Notes to Financial Statements

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ING Prime Rate Trust

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 PORTFOLIO OF INVESTMENTS as of February 28, 2003 (Continued)  
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PRINCIPAL AMOUNT		BORROWER/TRANCHE DESCRIPTION	BANK LOAN RATINGS+ (UNAUDITED)	
			MOODY'S	S&P
BUILDINGS AND REAL ESTATE (CONTINUED)				
		JDN REALTY CORPORATION	Ba3	BB-
\$ 10,000,000		Term Loan, maturing December 31, 2004		
		MACERICH PARTNERSHIP, L.P.	Ba2	NR
4,915,200		Term Loan, maturing July 26, 2005		
	(2)	U.S. AGGREGATES, INC.	NR	NR
1,555,139	(3)	Term Loan, maturing March 31, 2006		
		VENTAS REALTY, L.P.	Ba3	BB-
1,990,000		Term Loan, maturing April 17, 2007		
CABLE TELEVISION: 12.6%				
	(2)	ADELPHIA COMMUNICATIONS CORPORATION	NR	BBB
3,000,000		Debtor in Possession Term Loan, maturing June 25, 2004		
		CC VI OPERATING, LLC	B2	CCC+
8,000,000		Term Loan, maturing November 12, 2008		
		CC VIII OPERATING, LLC	B2	B-
4,455,000		Term Loan, maturing February 2, 2008		
	(2)	CENTURY CABLE HOLDINGS, LLC	Caa1	D
1,230,000		Revolver, maturing March 31, 2009		
11,000,000		Term Loan, maturing June 30, 2009		

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5,000,000		Term Loan, maturing December 31, 2009 CHARTER COMMUNICATIONS OPERATING, LLC	B2	B
28,838,328		Term Loan, maturing March 18, 2008		
19,850,000	(2)	Term Loan, maturing September 18, 2008 FRONTIERVISION OPERATING PARTNERS, L.P.	B2	D
2,593,939		Revolver, maturing October 31, 2005		
2,000,000		Term Loan, maturing September 30, 2005		
2,400,000		Term Loan, maturing March 31, 2006 INSIGHT MIDWEST HOLDINGS, LLC	Ba3	BB+
14,500,000		Term Loan, maturing December 31, 2009 MCC IOWA MEDIACOM BROADBAND	Ba3	BB+
13,500,000	(2)	Term Loan, maturing September 30, 2010 OLYMPUS CABLE HOLDINGS, LLC	B2	D
2,000,000		Term Loan, maturing June 30, 2010		
18,250,000		Term Loan, maturing September 30, 2010		
CARGO TRANSPORT: 2.3%				
	(2)	AMERICAN COMMERCIAL LINES, LLC	Caa1	D
1,258,356		Term Loan, maturing June 30, 2006		
1,804,934		Term Loan, maturing June 30, 2007 EVERGREEN INTERNATIONAL AVIATION, INC.	Ba2	B+
1,993,058		Term Loan, maturing May 7, 2003		
337,411		Term Loan, maturing May 7, 2003 GEMINI LEASING, INC.	B1	NR
4,117,116	(3)	Term Loan, maturing August 12, 2005 NEOPLAN USA CORPORATION	NR	NR
9,562,848	(3)	Term Loan, maturing May 29, 2005 OMNITRAX RAILROADS, LLC	NR	NR
3,811,673		Term Loan, maturing May 13, 2005		

See Accompanying Notes to Financial Statements

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ING Prime Rate Trust

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PORTFOLIO OF INVESTMENTS as of February 28, 2003 (Continued)  
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PRINCIPAL AMOUNT	BORROWER/TRANCHE DESCRIPTION	BANK LOAN RATINGS+ (UNAUDITED)	
		MOODY'S	S&P
CARGO TRANSPORT (CONTINUED)			
\$ 3,488,750	TEREX CORPORATION Term Loan, maturing December 31, 2009	B1	BB-
CELLULAR: 12.2%			
931,148	AIRGATE PCS, INC. Term Loan, maturing June 6, 2007	B3	CCC-
9,387,622	Term Loan, maturing September 30, 2008		

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		AMERICAN CELLULAR CORPORATION	B3	CC
2,499,241		Term Loan, maturing March 31, 2008		
4,382,505		Term Loan, maturing March 31, 2009		
		INDEPENDENT WIRELESS ONE CORPORATION	Caa1	CCC
10,000,000		Term Loan, maturing June 20, 2008		
		MICROCELL CONNEXIONS, INC.	Ca	D
2,250,000	(3)	Term Loan, maturing March 1, 2006		
5,000,000	(3)	Term Loan, maturing February 22, 2007		
		NEXTEL FINANCE COMPANY	Ba3	BB-
5,000,000		Term Loan, maturing December 31, 2007		
3,740,625		Term Loan, maturing June 30, 2008		
3,740,625		Term Loan, maturing December 31, 2008		
45,500,000		Term Loan, maturing March 31, 2009		
		NEXTEL OPERATIONS, INC.	Ba3	BB-
6,784,146		Term Loan, maturing March 15, 2005		
2,353,577		Term Loan, maturing February 10, 2007		
		RURAL CELLULAR CORPORATION	B2	B+
4,911,130		Term Loan, maturing October 3, 2008		
4,911,130		Term Loan, maturing April 3, 2009		
		WESTERN WIRELESS CORPORATION	B3	B
4,000,000		Revolver, maturing March 31, 2008		
8,000,000		Term Loan, maturing March 31, 2008		
8,000,000		Term Loan, maturing September 30, 2008		
CHEMICALS, PLASTICS AND RUBBER: 6.6%				
		ACADIA ELASTOMERS CORPORATION	NR	NR
9,306,569		Term Loan, maturing March 31, 2004		
		EQUISTAR CHEMICALS, L.P.	Ba2	BB+
7,929,924		Term Loan, maturing August 24, 2007		
		FMC CORPORATION	Ba1	BBB-
4,000,000		Term Loan, maturing October 21, 2007		
		FOAMEX, L.P.	B2	B+
1,682,653		Term Loan, maturing June 30, 2005		
1,529,690		Term Loan, maturing June 30, 2006		
		GEO SPECIALTY CHEMICALS, INC.	B1	B+
2,757,857		Term Loan, maturing December 31, 2007		
		HERCULES, INC.	Ba1	BB
5,000,000		Term Loan, maturing May 15, 2007		
		HUNTSMAN COMPANY, LLC	B3	B+
7,700,916		Term Loan, maturing March 31, 2007		
3,694,203		Term Loan, maturing March 31, 2007		

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ING Prime Rate Trust

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 PORTFOLIO OF INVESTMENTS as of February 28, 2003 (Continued)  
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PRINCIPAL AMOUNT	BORROWER/TRANCHE DESCRIPTION	MOODY'S	S&P
			BANK LOAN RATINGS+ (UNAUDITED)

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CHEMICALS, PLASTICS AND RUBBER (CONTINUED)

	HUNTSMAN INTERNATIONAL, LLC	B2	B+
\$ 904,712	Term Loan, maturing June 30, 2005		
3,940,128	Term Loan, maturing June 30, 2007		
3,940,128	Term Loan, maturing June 30, 2008		
	JOHNSON DIVERSEY, INC.	Ba3	BB-
3,980,000	Term Loan, maturing November 3, 2009		
	LYONDELL CHEMICAL COMPANY	Ba3	BB
819,698	Term Loan, maturing May 17, 2006		
	MILLENNIUM AMERICA, INC.	Baa3	BBB-
780,000	Term Loan, maturing June 18, 2006		
	NOVEON, INC.	B1	BB-
4,663,901	Term Loan, maturing September 30, 2008		
	OM GROUP, INC.	B2	B+
992,506	Term Loan, maturing April 1, 2006		

CONTAINERS, PACKAGING AND GLASS: 9.7%

	BERRY PLASTICS CORPORATION	B1	B+
2,985,000	Term Loan, maturing July 22, 2010		
	BLUE RIDGE PAPER PRODUCTS, INC.	B3	B+
8,681,294	Term Loan, maturing May 14, 2006		
	CONSTAR INTERNATIONAL, INC.	B1	BB-
2,992,500	Term Loan, maturing November 20, 2009		
	GRAPHIC PACKAGING CORPORATION	Ba3	BB
1,980,000	Term Loan, maturing February 28, 2009		
	GREIF BROS. CORPORATION	Ba3	BB
2,985,000	Term Loan, maturing August 23, 2009		
	IMPAXX, INC.	NR	NR
4,234,970	Term Loan, maturing April 30, 2005		
	JEFFERSON SMURFIT CORPORATION	Ba3	B+
2,989,091	Term Loan, maturing March 31, 2007		
	(2) LINCOLN PULP & EASTERN FINE	NR	NR
92,280	Term Loan, maturing December 31, 2001		
14,881,108	Term Loan, maturing August 31, 2004		
	NEXPAK CORPORATION	B1	B+
2,271,860	Term Loan, maturing March 31, 2004		
2,271,860	Term Loan, maturing March 31, 2004		
	OWENS-BROCKWAY GLASS CONTAINER, INC.	B1	BB
9,628,331	Revolver, maturing March 31, 2004		
	PACKAGING CORPORATION OF AMERICA	Baa3	BBB
1,002,633	Term Loan, maturing June 29, 2006		
	PLIANT CORPORATION	B2	B+
2,708,730	Term Loan, maturing May 31, 2008		
	RIVERWOOD INTERNATIONAL CORPORATION	B1	B
550,000	Revolver, maturing December 31, 2006		
15,000,000	Term Loan, maturing December 31, 2006		
	SILGAN HOLDINGS, INC.	Ba2	BB-
1,990,000	Term Loan, maturing November 30, 2008		
	SMURFIT-STONE CONTAINER CANADA, INC.	Ba3	B+
4,307,692	Term Loan, maturing June 30, 2009		

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PORTFOLIO OF INVESTMENTS as of February 28, 2003 (Continued)

PRINCIPAL AMOUNT	BORROWER/TRANCHE DESCRIPTION	BANK LOAN RATINGS+ (UNAUDITED)	
		MOODY'S	S&P
CONTAINERS, PACKAGING AND GLASS (CONTINUED)			
\$ 11,692,308	STONE CONTAINER CORPORATION Term Loan, maturing June 30, 2009	Ba3	B+
2,925,000	TEKNI-PLEX, INC. Term Loan, maturing June 21, 2008	B1	B+
DATA & INTERNET SERVICES: 0.6%			
1,353,721	360NETWORKS, INC. Term Loan, maturing November 12, 2007	NR	NR
773,116	ARCH WIRELESS HOLDINGS, INC. Senior Note, maturing May 15, 2007	Caa3	NR
4,880,493	ICG COMMUNICATIONS, INC. Term Loan, maturing May 31, 2005	NR	NR
1,329,412	MCLEODUSA, INC. Term Loan, maturing May 30, 2008	Caa2	NR
DIVERSIFIED/CONGLOMERATE MANUFACTURING: 6.4%			
4,826,250	BARJAN PRODUCTS, LLC Term Loan, maturing May 31, 2006	NR	NR
4,000,000	BRAND SERVICES, INC. Term Loan, maturing October 16, 2009	B1	B+
5,219,136	DRESSER, INC. Term Loan, maturing April 10, 2009	Ba3	BB-
1,553,145	FLOWSERVE CORPORATION Term Loan, maturing June 30, 2006	Ba3	BB-
4,788,900	GENERAL CABLE CORPORATION Term Loan, maturing June 30, 2009	B1	BB-
2,567,281	MANITOWOC COMPANY, INC. Term Loan, maturing May 25, 2007	Ba2	BB
1,970,000	MUELLER GROUP, INC. Term Loan, maturing May 9, 2007	B1	B+
3,980,000	NEPTUNE TECHNOLOGY GROUP, INC. Term Loan, maturing May 31, 2008	Ba3	BB-
3,881,919	REXNORD CORPORATION Term Loan, maturing November 1, 2008	B1	B+
6,805,556	SPX CORPORATION Term Loan, maturing November 25, 2009	Ba2	BB+
6,495,625	UNITED PET GROUP Term Loan, maturing September 30, 2009	NR	NR
7,627,211	UNITED PET GROUP Term Loan, maturing March 31, 2010	NR	NR
6,055,561	UNITED PET GROUP Term Loan, maturing March 31, 2006	NR	NR
DIVERSIFIED/CONGLOMERATE SERVICE: 1.4%			

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1,996,000	IRON MOUNTAIN, INC. Term Loan, maturing February 15, 2008	Ba3	BB
3,549,793	PRIVATE BUSINESS, INC. Term Loan, maturing August 19, 2006	NR	NR

See Accompanying Notes to Financial Statements

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PORTFOLIO OF INVESTMENTS as of February 28, 2003 (Continued)  
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PRINCIPAL AMOUNT	BORROWER/TRANCHE DESCRIPTION	BANK LOAN RATINGS+ (UNAUDITED)	
		MOODY'S	S&P
-----			
DIVERSIFIED/CONGLOMERATE SERVICE (CONTINUED)			
	URS CORPORATION	Ba3	BB-
\$ 2,992,500	Term Loan, maturing August 22, 2008		
	US INVESTIGATIONS SERVICES, LLC	B1	BB-
5,000,000	Term Loan, maturing January 10, 2009		
ECOLOGICAL: 1.6%			
2,220,129	ALLIED WASTE NORTH AMERICA, INC. Term Loan, maturing July 21, 2005	Ba3	BB
435,739	Term Loan, maturing July 21, 2006		
522,885	Term Loan, maturing July 21, 2007		
3,558,140	AMERICAN REF-FUEL COMPANY, LLC Term Loan, maturing April 30, 2005	Baa2	BBB
3,000,000	CASELLA WASTE SYSTEMS, INC. Term Loan, maturing May 11, 2007	B1	BB-
4,154,605	(2) IT GROUP, INC. (3) Term Loan, maturing June 11, 2007	Caa1	NR
4,839,080	WASTE CONNECTIONS, INC. Revolver, maturing May 16, 2005	Ba3	BB
ELECTRONICS: 2.2%			
6,098,973	ACTERNA, LLC Term Loan, maturing September 30, 2007	Caa1	CCC+
1,882,236	DECISION ONE CORPORATION Term Loan, maturing April 18, 2005	B3	CCC
9,492,004	Term Loan, maturing April 18, 2005		
4,925,016	(2) INSILCO TECHNOLOGIES, INC. (3) Term Loan, maturing March 25, 2007	Caa2	D
3,357,724	KNOWLES ELECTRONICS, INC. Term Loan, maturing June 29, 2007	B3	CCC+
1,003,670	SARCOM, INC. Term Loan, maturing June 30, 2007	NR	NR
	TRANSACTION NETWORK SERVICES, INC.	Ba3	BB-

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3,777,368	Term Loan, maturing April 3, 2007		
FINANCE: 2.8%			
8,710,638	ALLIANCE DATA SYSTEMS CORPORATION Term Loan, maturing July 25, 2005	B1	B+
14,475,000	ANTHONY CRANE RENTAL, L.P. Term Loan, maturing July 20, 2006	Caa2	CCC+
1,441,705	RENT-A-CENTER, INC. Term Loan, maturing January 31, 2006	Ba2	BB
3,174,077	Term Loan, maturing January 31, 2007		
1,250,713	Term Loan, maturing December 31, 2007		
1,725,660	UNITED RENTALS (NORTH AMERICA), INC. Term Loan, maturing August 31, 2007	Ba3	BB
750,000	VALUE ASSET MANAGEMENT, INC. Term Loan, maturing April 28, 2003	B1	B+

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 PORTFOLIO OF INVESTMENTS as of February 28, 2003 (Continued)  
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PRINCIPAL AMOUNT	BORROWER/TRANCHE DESCRIPTION	BANK LOAN RATINGS+ (UNAUDITED)	
		MOODY'S	S&P
GAMING: 4.4%			
	(2) ALADDIN GAMING, LLC	Caa1	NR
\$ 2,968,421	(3) Term Loan, maturing August 26, 2006		
4,455,000	(3) Term Loan, maturing February 26, 2008		
4,962,500	ALLIANCE GAMING CORPORATION Term Loan, maturing December 31, 2006	B1	BB-
2,929,258	AMERISTAR CASINOS, INC. Term Loan, maturing December 20, 2006	Ba3	BB-
4,432,500	ARGOSY GAMING COMPANY Term Loan, maturing July 31, 2008	Ba2	BB
995,000	BOYD GAMING CORPORATION Term Loan, maturing June 24, 2008	Ba1	BB+
992,500	ISLE OF CAPRI CASINOS, INC. Term Loan, maturing April 26, 2008	Ba2	BB-
17,000,000	MANDALAY RESORT GROUP Term Loan, maturing August 22, 2006	Ba2	BB+
3,420,276	PARK PLACE ENTERTAINMENT CORPORATION Revolver, maturing December 31, 2003	Ba1	BBB-

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GROCERY: 0.2%

	GIANT EAGLE, INC.	Ba2	BB+
1,990,000	Term Loan, maturing August 2, 2009		

HEALTHCARE, EDUCATION AND CHILDCARE: 11.5%

	ALLIANCE IMAGING, INC.	B1	B+
1,038,168	Term Loan, maturing November 2, 2006		
6,217,331	Term Loan, maturing June 10, 2008		
	APRIA HEALTHCARE GROUP INC.	Ba1	BBB-
4,925,000	Term Loan, maturing July 20, 2008		
	BROWN SCHOOLS	B3	B
7,908,931	Term Loan, maturing June 30, 2003		
	CAREMARK RX, INC.	Ba2	BB+
2,476,275	Term Loan, maturing March 31, 2006		
	COMMUNITY HEALTH SYSTEMS, INC.	Ba3	BB-
12,967,500	Term Loan, maturing July 16, 2010		
	CONCENTRA OPERATING CORPORATION	B1	B+
2,995,019	Term Loan, maturing June 30, 2006		
1,497,509	Term Loan, maturing June 30, 2007		
	COVENANT CARE, INC.	NR	NR
5,393,557	Term Loan, maturing June 30, 2003		
	DAVITA, INC.	Ba3	BB-
8,913,441	Term Loan, maturing March 31, 2009		
	EXPRESS SCRIPTS, INC.	Ba1	BBB-
3,692,308	Term Loan, maturing March 31, 2008		
	FOUNTAIN VIEW, INC.	NR	NR
9,939,548	Term Loan, maturing March 31, 2004		
	FRESENIUS MEDICAL CARE HOLDING, INC.	Ba1	BB+
4,000,000	Term Loan, maturing June 30, 2006		

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 PORTFOLIO OF INVESTMENTS as of February 28, 2003 (Continued)  
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PRINCIPAL AMOUNT	BORROWER/TRANCHE DESCRIPTION	MOODY'S	S&P
HEALTHCARE, EDUCATION AND CHILDCARE (CONTINUED)			
	GENESIS HEALTH VENTURES, INC.	Ba3	B+
\$ 162,366	Term Loan, maturing March 31, 2007		
396,335	Term Loan, maturing March 31, 2007		
1,539,950	Floating Rate Note, maturing April 2, 2007		
	HCA, INC.	Ba1	BBB-
9,514,286	Term Loan, maturing April 30, 2006		
	IASIS HEALTHCARE CORPORATION	B1	B
4,000,000	Term Loan, maturing February 7, 2009		
	KINETIC CONCEPTS, INC.	Ba3	B+



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2,639,967		Term Loan, maturing March 31, 2006 MAGELLAN HEALTH SERVICES, INC.	Caa1	CCC
1,231,415		Term Loan, maturing February 12, 2005		
1,231,415		Term Loan, maturing February 12, 2006 MARINER HEALTH CARE, INC.	B1	NR
988,381		Floating Rate Note, maturing May 13, 2009 SYBRON DENTAL MANAGEMENT, INC.	Ba3	BB-
1,442,001		Term Loan, maturing June 6, 2009 TRIAD HOSPITALS, INC.	Ba3	B+
1,972,727		Term Loan, maturing September 30, 2008 VANGUARD HEALTH SYSTEMS, INC.	Ba3	B+
5,500,000		Term Loan, maturing January 3, 2010 VICAR OPERATING, INC.	B1	B+
4,979,987		Term Loan, maturing September 30, 2008		
HOME AND OFFICE FURNISHING, HOUSEWARES: 1.7%				
	(2)	DESA INTERNATIONAL, INC.	Caa2	NR
7,136,217	(3)	Term Loan, maturing November 26, 2004 HOLMES PRODUCTS CORPORATION	B2	B
3,577,773		Term Loan, maturing February 5, 2007 IDENTITY GROUP, INC.	NR	NR
4,525,000		Term Loan, maturing May 11, 2007 IMPERIAL HOME D-COR GROUP, INC.	NR	NR
833,725	(3)	Term Loan, maturing April 4, 2006 SEALY MATTRESS COMPANY	B1	B+
756,640		Term Loan, maturing December 15, 2004		
545,722		Term Loan, maturing December 15, 2005		
697,638		Term Loan, maturing December 15, 2006		
INSURANCE: 0.7%				
		FUND AMERICAN COMPANIES, INC.	Baa2	BBB+
4,421,250		Term Loan, maturing March 31, 2007 USI HOLDINGS CORPORATION	B1	B+
2,361,668		Term Loan, maturing September 17, 2004		
LEISURE, AMUSEMENT AND ENTERTAINMENT: 9.8%				
		AMF BOWLING WORLDWIDE, INC.	B1	B
1,864,763		Term Loan, maturing February 28, 2008		

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 PORTFOLIO OF INVESTMENTS as of February 28, 2003 (Continued)  
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BANK LOAN  
 RATINGS+  
 (UNAUDITED)  
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PRINCIPAL AMOUNT	BORROWER/TRANCHE DESCRIPTION	MOODY'S	S&P
-----			
LEISURE, AMUSEMENT AND ENTERTAINMENT (CONTINUED)			
\$ 5,901,906	BALLY TOTAL FITNESS HOLDING CORPORATION Term Loan, maturing November 10, 2004	Ba3	B+
8,578,059	FITNESS HOLDINGS WORLDWIDE, INC. Term Loan, maturing November 2, 2006	B1	B
7,669,125	Term Loan, maturing November 2, 2007		
2,000,000	KERASOTES THEATRES, INC. Term Loan, maturing December 31, 2008	B1	B+
4,982,450	LODGENET ENTERTAINMENT CORPORATION Term Loan, maturing June 30, 2006	Ba3	B+
9,883,703	LOEWS CINEPLEX ENTERTAINMENT CORPORATION Term Loan, maturing February 29, 2008	NR	NR
14,500,000	METRO-GOLDWYN-MAYER STUDIOS, INC. Term Loan, maturing June 30, 2008	Ba3	BB-
13,992,568	PANAVISION, INC. Term Loan, maturing March 31, 2005	Caa1	CCC
2,375,000	REGAL CINEMAS, INC. Term Loan, maturing December 31, 2007	Ba2	BB-
1,300,000	SIX FLAGS THEME PARKS, INC. Revolver, maturing June 30, 2008	Ba2	BB-
11,000,000	Term Loan, maturing June 30, 2009		
3,000,000	WASHINGTON FOOTBALL, INC. Term Loan, maturing October 16, 2007	Baa3	NR
3,418,661	XANTERRA PARKS & RESORTS, LLC Term Loan, maturing September 30, 2004	NR	NR
3,418,661	Term Loan, maturing September 30, 2005		
LODGING: 7.1%			
16,227,853	EXTENDED STAY AMERICA, INC. Term Loan, maturing January 15, 2008	Ba3	BB-
13,786,765	HILTON HAWAIIAN VILLAGE, LLC Revolver, maturing June 1, 2003	Ba1	BBB-
1,513,611	KSL RECREATIONAL GROUP, INC. Term Loan, maturing April 30, 2005	Ba3	B+
1,513,611	Term Loan, maturing April 30, 2006		
5,518,687	Term Loan, maturing December 22, 2006		
6,022,138	MERISTAR INVESTMENT PARTNERS Term Loan, maturing March 31, 2003	Ba3	B-
2,500,000	Term Loan, maturing March 31, 2003		
7,176,801	WYNDHAM INTERNATIONAL, INC. Term Loan, maturing June 30, 2004	NR	CCC+
18,084,136	Term Loan, maturing June 30, 2006		
MACHINERY: 1.0%			
3,861,048	ALLIANCE LAUNDRY HOLDINGS, LLC Term Loan, maturing August 2, 2007	B1	B
258,831	MORRIS MATERIAL HANDLING, INC. Term Loan, maturing September 28, 2004	NR	NR
2,000,000	NATIONAL WATERWORKS, INC. Term Loan, maturing November 22, 2009	B1	BB-

See Accompanying Notes to Financial Statements

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ING Prime Rate Trust

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 PORTFOLIO OF INVESTMENTS as of February 28, 2003 (Continued)  
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PRINCIPAL AMOUNT	BORROWER/TRANCHE DESCRIPTION	BANK LOAN RATINGS+ (UNAUDITED)	
		MOODY'S	S&P
MACHINERY (CONTINUED)			
	VUTEK, INC.	B1	NR
\$ 985,842	Term Loan, maturing July 31, 2005		
1,704,172	Term Loan, maturing July 31, 2007		
634,785	Term Loan, maturing December 30, 2007		
MINING, STEEL, IRON AND NON-PRECIOUS METALS: 0.1%			
	(2) NATIONAL REFRACTORIES & MINERALS CORPORATION	NR	NR
493,969	Term Loan, maturing March 30, 2002		
OIL AND GAS 2.1%			
	PACIFIC ENERGY GROUP, LLC	Ba2	BBB-
4,000,000	Term Loan, maturing July 26, 2009		
	PLAINS MARKETING, L.P.	Ba1	BBB-
3,465,000	Term Loan, maturing September 21, 2007		
	PMC COMPANY	Ba1	BBB-
2,970,000	Term Loan, maturing May 5, 2006		
	TESORO PETROLEUM CORPORATION	Ba3	BB
6,216,279	Term Loan, maturing December 31, 2007		
	W-H ENERGY SERVICES, INC.	B2	B+
3,438,750	Term Loan, maturing April 16, 2007		
OTHER TELECOMMUNICATIONS: 2.4%			
	BROADWING, INC.	B1	B-
11,279,000	Term Loan, maturing November 9, 2004		
6,310,798	Term Loan, maturing December 30, 2006		
757,845	Term Loan, maturing June 28, 2007		
	GCI HOLDINGS, INC.	Ba3	BB+
1,500,000	Term Loan, maturing October 15, 2004		
	INTERA GROUP, INC.	NR	NR
2,905,339	Term Loan, maturing December 31, 2005		
1,591,423	(3) Term Loan, maturing December 31, 2005		
909,384	(3) Term Loan, maturing December 31, 2005		
PERSONAL AND NON DURABLE CONSUMER PRODUCTS: 5.8%			
	AM COSMETICS CORPORATION	NR	NR
2,292,689	(3) Revolver, maturing May 30, 2004		
1,305,151	(3) Term Loan, maturing May 30, 2004		

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2,610,303	(3)	Term Loan, maturing December 31, 2004 AMSCAN HOLDINGS, INC.	B1	BB-
2,000,000		Term Loan, maturing June 15, 2007 ARMKEL, LLC	Ba3	B+
1,975,000		Term Loan, maturing March 28, 2009 BUHRMANN U.S., INC.	B1	B+
2,535,153		Term Loan, maturing October 26, 2005		
4,088,253		Term Loan, maturing October 26, 2007		
	(2)	CENTIS, INC.	B2	B
3,900,000	(3)	Term Loan, maturing September 30, 2005		
3,421,250	(3)	Term Loan, maturing September 30, 2006		

See Accompanying Notes to Financial Statements

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ING Prime Rate Trust

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 PORTFOLIO OF INVESTMENTS as of February 28, 2003 (Continued)  
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PRINCIPAL AMOUNT	BORROWER/TRANCHE DESCRIPTION	BANK LOAN RATINGS+ (UNAUDITED)	
		MOODY'S	S&P
PERSONAL AND NON DURABLE CONSUMER PRODUCTS (CONTINUED)			
	CHURCH & DWIGHT CO., INC.	Ba2	BB
\$ 2,987,494	Term Loan, maturing September 30, 2007		
	JOSTENS, INC.	B1	BB-
1,758,052	Term Loan, maturing May 31, 2006		
4,486,364	Term Loan, maturing December 31, 2009		
	NORWOOD PROMOTIONAL PRODUCTS, INC.	NR	NR
10,197,523	Term Loan, maturing February 1, 2005		
7,132,826	(3) Term Loan, maturing February 1, 2005		
1,998,167	(3) Term Loan, maturing February 1, 2005		
	PAINT SUNDRY BRANDS CORPORATION	B2	B+
894,245	Term Loan, maturing August 11, 2005		
875,811	Term Loan, maturing August 11, 2006		
	PLAYTEX PRODUCTS, INC.	Ba3	BB-
11,275,083	Term Loan, maturing May 31, 2009		
	RAYOVAC CORPORATION	Ba3	BB-
4,558,333	Term Loan, maturing September 30, 2009		
PERSONAL, FOOD AND MISCELLANEOUS SERVICES: 5.9%			
	AFC ENTERPRISES, INC.	Ba2	BB
1,592,000	Term Loan, maturing May 23, 2009		
	COINMACH CORPORATION	B1	BB-
4,900,000	Term Loan, maturing July 25, 2009		
	DOMINO'S, INC.	Ba3	BB-
2,985,000	Term Loan, maturing June 30, 2008		
	GATE GOURMET BORROWER, LLC	B1	BB
1,000,000	Term Loan, maturing December 31, 2008		
1,000,000	Term Loan, maturing December 31, 2009		

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4,000,000	NEW WORLD RESTAURANT GROUP, INC. Secured Floating Rate Note, maturing June 15, 2003	Caa2	CCC+
6,920,455	OTIS SPUNKMEYER, INC. Term Loan, maturing January 21, 2009	B1	B+
1,943,182	PAPA GINO'S, INC. Term Loan, maturing August 31, 2006	NR	NR
4,839,844	RELIZON COMPANY Term Loan, maturing August 31, 2007	Ba3	BB-
1,112,147	SC INTERNATIONAL SERVICES Revolver, maturing August 4, 2006	Ba1	BB
25,057,291	Term Loan, maturing March 1, 2007		
PRINTING AND PUBLISHING: 7.0%			
1,780,000	ADAMS OUTDOOR ADVERTISING, L.P. Term Loan, maturing February 8, 2008	B1	B+
10,136,771	ADVANSTAR COMMUNICATIONS, INC. Term Loan, maturing April 11, 2007	B2	B
4,000,000	AMERICAN MEDIA OPERATIONS, INC. Term Loan, maturing April 1, 2007	Ba3	B+
2,000,000	BELL ACTIMEDIA, INC. Term Loan, maturing November 29, 2010	Ba3	BB-

See Accompanying Notes to Financial Statements

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ING Prime Rate Trust

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 PORTFOLIO OF INVESTMENTS as of February 28, 2003 (Continued)  
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PRINCIPAL AMOUNT	BORROWER/TRANCHE DESCRIPTION	BANK LOAN RATINGS+ (UNAUDITED)	
		MOODY'S	S&P
PRINTING AND PUBLISHING (CONTINUED)			
\$ 4,222,181	CANWEST MEDIA, INC. Term Loan, maturing May 15, 2008	Ba3	B+
4,521,976	Term Loan, maturing May 15, 2009		
5,500,000	DEX MEDIA EAST, LLC Term Loan, maturing May 8, 2009	Ba3	BB-
2,500,000	HOLLINGER INTERNATIONAL PUBLISHING, INC. Term Loan, maturing September 30, 2009	Ba2	BB-
5,150,000	LAMAR MEDIA CORPORATION Term Loan, maturing March 1, 2006	Ba2	BB-
3,743,351	PRIMEDIA, INC. Term Loan, maturing June 30, 2009	B3	B
8,000,000	R.H. DONNELLEY, INC. Term Loan, maturing June 30, 2010	Ba3	BB
6,965,000	READER'S DIGEST ASSOCIATIONS, INC. Term Loan, maturing May 20, 2008	Baa3	BB+
	TRANSWESTERN PUBLISHING COMPANY	Ba3	BB-

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2,955,000	Term Loan, maturing June 27, 2008 VERTIS, INC.	B1	B+
2,457,389	Term Loan, maturing December 7, 2008 ZIFF DAVIS MEDIA, INC.	B3	CCC-
1,694,296	Term Loan, maturing March 31, 2007		
RADIO AND TV BROADCASTING: 5.8%			
	BLOCK COMMUNICATIONS, INC.	Ba2	BB-
2,985,000	Term Loan, maturing November 15, 2009 CITADEL BROADCASTING COMPANY	Ba2	B+
1,260,000	Revolver, maturing April 2, 2008		
750,000	Term Loan, maturing April 2, 2008		
3,600,000	Term Loan, maturing June 26, 2009 CUMULUS MEDIA, INC.	Ba3	B+
3,000,000	Term Loan, maturing March 28, 2010 EMMIS OPERATING COMPANY	Ba2	B+
10,982,904	Term Loan, maturing August 31, 2009 FISHER BROADCASTING, INC.	Ba3	B+
2,000,000	Term Loan, maturing February 28, 2010 GRAY TELEVISION, INC.	Ba3	B+
4,000,000	Term Loan, maturing December 31, 2010 LIN TELEVISION CORPORATION	Ba2	BB
1,897,143	Term Loan, maturing December 31, 2007		
2,102,857	Term Loan, maturing December 31, 2007 PAXSON COMMUNICATIONS CORPORATION	Ba3	BB
4,925,000	Term Loan, maturing June 30, 2006 PEGASUS MEDIA & COMMUNICATIONS, INC.	B3	B-
5,884,937	Term Loan, maturing April 30, 2005 SINCLAIR BROADCAST GROUP, INC.	Ba2	BB
5,000,000	Term Loan, maturing December 31, 2009		
3,000,000	Term Loan, maturing December 31, 2009 SUSQUEHANNA MEDIA COMPANY	Ba1	BB-
2,481,250	Term Loan, maturing June 30, 2008		

See Accompanying Notes to Financial Statements

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ING Prime Rate Trust

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PORTFOLIO OF INVESTMENTS as of February 28, 2003 (Continued)  
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PRINCIPAL AMOUNT	BORROWER/TRANCHE DESCRIPTION	BANK LOAN RATINGS+ (UNAUDITED)	
		MOODY'S	S&P
RETAIL STORES: 5.3%			
\$ 5,000,000	ADVANCE STORES COMPANY, INC. Term Loan, maturing November 30, 2007	Ba3	BB-

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2,431,034		CH OPERATING, LLC Term Loan, maturing June 30, 2007	B2	B+
1,500,000		HERBALIFE INTERNATIONAL, INC. Term Loan, maturing July 31, 2008	B1	BB-
3,500,000	(2)	K MART CORPORATION Debtor in Possession Term Loan, maturing April 22, 2004	Ba1	BBB
1,911,667		MURRAY'S DISCOUNT AUTO STORES, INC. Revolver, maturing June 30, 2003	NR	B
13,314,994		Term Loan, maturing June 30, 2003		
3,481,912		PETCO ANIMAL SUPPLIES, INC. Term Loan, maturing October 2, 2008	Ba3	BB-
14,694,891		RITE AID CORPORATION Term Loan, maturing June 27, 2005	B2	BB-
882,353		SHOPPERS DRUG MART CORPORATION Term Loan, maturing February 4, 2009	Ba1	BBB+
2,475,000		TRAVELCENTERS OF AMERICA, INC. Term Loan, maturing November 14, 2008	Ba3	BB
TELECOMMUNICATIONS EQUIPMENT: 5.0%				
9,973,468		AMERICAN TOWER, L.P. Term Loan, maturing June 30, 2007	B2	B
1,667,986		Term Loan, maturing December 31, 2007		
13,000,000		CROWN CASTLE OPERATING COMPANY Term Loan, maturing March 15, 2008	Ba3	B-
8,586,031		PINNACLE TOWERS, INC. Term Loan, maturing October 31, 2005	B3	D
7,654,927		SPECTRASITE COMMUNICATIONS, INC. Term Loan, maturing December 31, 2007	B3	CC
3,181,948		TRIPOINT GLOBAL COMMUNICATIONS, INC. Term Loan, maturing May 31, 2006	NR	NR
5,693,182		TSI TELECOMMUNICATION SERVICES, INC. Term Loan, maturing December 31, 2006	Ba3	B+
TEXTILES AND LEATHER: 3.2%				
8,194,791		ACCESSORY NETWORK GROUP, INC. Term Loan, maturing June 30, 2003	NR	NR
2,692,043	(2)	GALEY & LORD, INC. Term Loan, maturing April 2, 2005	Caa2	NR
1,927,515		Term Loan, maturing April 1, 2006		
5,000,000		LEVI STRAUSS & COMPANY Term Loan, maturing July 31, 2006	B1	BB
8,958,296	(2)	MALDEN MILLS INDUSTRIES, INC. Term Loan, maturing October 28, 2006	NR	NR
	(3)			

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PRINCIPAL AMOUNT	BORROWER/TRANCHE DESCRIPTION	BANK LOAN RATINGS+ (UNAUDITED)	
		MOODY'S	S&P
TEXTILES AND LEATHER (CONTINUED)			
	(2) POLYMER GROUP, INC.	B3	NR
\$ 4,779,769	Term Loan, maturing December 20, 2005		
5,462,500	Term Loan, maturing December 20, 2006		
	TARGUS GROUP, INC.	NR	NR
3,315,240	Term Loan, maturing August 31, 2006		
	WILLIAM CARTER COMPANY	Ba3	BB
987,500	Term Loan, maturing September 30, 2008		
UTILITIES: 0.7%			
	CALPINE CORPORATION	Ba3	BBB-
1,899,130	Term Loan, maturing March 8, 2004		
	MICHIGAN ELECTRIC TRANSMISSION COMPANY	Baa2	BB+
2,985,000	Term Loan, maturing May 1, 2007		
	PIKE ELECTRIC, INC.	Ba3	BB-
1,717,647	Term Loan, maturing April 18, 2010		
TOTAL SENIOR LOANS (COST \$1,606,963,991)			
OTHER CORPORATE DEBT: 2.0%			
AUTOMOBILE: 0.5%			
	CAPITAL TOOL & DESIGN, LTD.	NR	NR
\$ 6,000,000	Subordinated Note, maturing July 10, 2004		
DATA AND INTERNET SERVICES: 0.1%			
	ARCH WIRELESS HOLDINGS, INC.	Ca	NR
739,789	(3) Subordinated Note, maturing May 15, 2009		
FINANCE: 1.1%			
	VALUE ASSET MANAGEMENT, INC.	B3	B
10,000,000	Senior Subordinated Bridge Note, maturing August 31, 2005		
HEALTHCARE, EDUCATION AND CHILDCARE: 0.0%			
	BLOCK VISION HOLDINGS CORPORATION	NR	NR
13,365	Junior Term Loan, maturing January 31, 2006		
HOME AND OFFICE FURNISHINGS, HOUSEWARES, AND DURABLE CONSUMER PRODUCTS: 0.0%			
	MP HOLDINGS, INC.	NR	NR
38,060	Subordinated Note, maturing March 14, 2007		

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PORTFOLIO OF INVESTMENTS as of February 28, 2003 (Continued)

PRINCIPAL AMOUNT	BORROWER/TRANCHE DESCRIPTION	BANK LOAN RATINGS+ (UNAUDITED)	MOODY'S	S&P
PERSONAL AND NONDURABLE CONSUMER PRODUCTS: 0.2%				
	AM COSMETICS CORPORATION		NR	NR
\$ 3,626,611	(3) Subordinated Note, maturing March 31, 2006			
2,875,000	PAINT SUNDRY BRANDS Subordinated Note, maturing August 11, 2008		B2	B+
TEXTILES AND LEATHER: 0.1%				
	TARTAN TEXTILE SERVICES, INC.		NR	NR
1,332,583	Subordinated Note, maturing April 1, 2011			
	TOTAL OTHER CORPORATE DEBT (COST \$23,414,543)			
EQUITIES AND OTHER ASSETS: 4.4%				
	(@), (R) 360Networks, Inc. (76,029 Common Shares)			
	(1), (@), (R) Allied Digital Technologies Corporation (Residual Interest in Bankruptcy Estate)			
	(@), (R) AM Cosmetics Corporation (37,197 Common Shares)			
	(@), (R) AM Cosmetics Corporation (415 Perferred Shares)			
	(@) Arch Wireless Holdings, Inc. (102,124 Common Shares)			
	(@), (R) Autotote Systems, Inc. (Option to Purchase 0.248% of Common Shares Issued and Outstanding, Expires October 31, 2002)			
	(@), (R) Block Vision Holdings Corporation (571 Common Shares)			
	(2), (@), (R) Boston Chicken Inc. (Residual Interest in Boston Chicken Plan Trust)			
	(@), (R) Breed Technologies, Inc. (212,171 Common Shares)			
	(@), (R) Capital Tool & Design, Ltd. (Warrants for 121,159 Common Shares, Expires July 10, 2006)			
	(@), (R) Cedar Chemical (Residual Interest in Bankruptcy Estate)			
	(@), (R) Covenant Care, Inc. (Warrants for 26,901 Common Shares, Expires March 31, 2003)			
	(@), (R) Covenant Care, Inc. (Warrants for 19,000 Common Shares, Expires January 13, 2005)			
	(@) Dan River, Inc. (127,306 Common Shares)			
	(@), (R) Decision One Corporation (350,059 Common Shares)			
	(2), (@), (R) Electro Mechanical Solutions (Residual Interest in Bankruptcy Estate)			
	(@), (R) Enterprise Profit Solutions (Liquidation Interest)			
	(4), (@), (R) Euro United Corporation (Residual Interest in Bankruptcy Estate)			
	(2), (@), (R) Exide Technologies (Warrants for 16,501 Common Shares, Expires March 16, 2006)			

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(@) Genesis Health Ventures, Inc. (190,605  
Common Shares)  
(@) Genesis Health Ventures, Inc. (2,223 Preferred  
Shares)  
(@), (R) Gevity HR (60,056 Common Shares)  
(2), (@), (R) Grand Union Company (Residual Interest in  
Bankruptcy Estate)  
(@), (R) Holmes Products Corporation  
(Warrants for 19,397 Common Shares, Expires  
May 7, 2006)

See Accompanying Notes to Financial Statements

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ING Prime Rate Trust

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PORTFOLIO OF INVESTMENTS as of February 28, 2003 (Continued)

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### BORROWER/TRANCHE DESCRIPTION

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(2), (@), (R) Humphreys, Inc.  
(Residual Interest in Bankruptcy Estate)  
(@), (R) Imperial Home Decor Group, Inc. (300,141 Common  
Shares)  
(@), (R) IHDG Realty (300,141 Common Shares)  
(@), (R) Intera Group, Inc. (864 Common Shares)  
(2), (@), (R) Kevco, Inc. (Residual Interest in Bankruptcy  
Estate)  
(@) Mariner Health Care, Inc. (126,525 Common Shares)  
(@), (R) Morris Material Handling, Inc. (481,373 Common  
Shares)  
(@), (R) MP Holdings, Inc. (590 Common Shares)  
(@), (R) Murray's Discount Auto Stores, Inc. (17 Common  
Shares)  
(@), (R) Murray's Discount Auto Stores, Inc.  
(Warrants for 955 Common Shares, Expires  
January 22, 2007)  
(@), (R) New World Restaurant Group, Inc.  
(Warrants for 4,489 Common Shares, Expires  
June 15, 2006)  
(@), (R) Safelite Glass Corporation (660,808 Common Shares)  
(@), (R) Safelite Realty (44,605 Common Shares)  
(@), (R) Sarcom Corporation (462,983 Common Shares)  
(@), (R) Sarcom Corporation (4,015 Preferred Shares)  
(@), (R) Scientific Games Corporation  
(48,930 Warrants for Class B Non-Voting  
Common Shares, Expires October 2003)  
(@), (R) Soho Publishing (17,582 Common Shares)  
(@), (R) Stellex Aerostructures, Inc.  
(11,130 Common Shares)  
(@), (R) Tartan Textile Services, Inc.  
(23,449 Shares of Series D Preferred Stock)  
(@), (R) Tartan Textile Services, Inc.  
(36,775 Shares of Series E Preferred Stock)  
(2), (@), (R) Telinget, Inc. (Residual Interest in Bankruptcy

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Estate)  
 (@), (R) Tembec, Inc. (167,239 Common Shares)  
 (1), (@), (R) Transtar Metals (Residual Interest in  
 Bankruptcy Estate)  
 (1), (@), (R) TSR Wireless, LLC (Residual Interest in  
 Bankruptcy Estate)  
 (2), (@), (R) U.S. Office Products Company  
 (Residual Interest in Bankruptcy Estate)

TOTAL FOR EQUITIES AND OTHER ASSETS  
 (COST \$37,380,135)

TOTAL INVESTMENTS (COST \$1,667,758,669) (5) 166.5  
 PREFERRED SHARES AND LIABILITIES IN EXCESS OF  
 CASH AND OTHER ASSETS, NET (66.5

NET ASSETS 100.0  
 =====

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ING Prime Rate Trust

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 PORTFOLIO OF INVESTMENTS as of February 28, 2003 (Continued)  
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- (@) Non-income producing security. (R) Restricted security.  
 \* Senior loans, while exempt from registration under the Security Act of 1933, as amended contain certain restrictions on resale and cannot be sold publicly. These senior loans bear interest (unless otherwise noted) at rates that float periodically at a margin above the London Inter-Bank Offered Rate ("LIBOR") and other short-term rates.  
 NR Not Rated  
 + Bank Loans rated below Baa by Moody's Investor 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 investment is \$1,667,043,136 and net unrealized depreciation consists of the following:

Gross Unrealized Appreciation	\$ 11,009,275
Gross Unrealized Depreciation	(142,125,539)
	-----
Net Unrealized Depreciation	\$ (131,116,264)
	=====

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ING Prime Rate Trust

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SHAREHOLDER MEETING AND ADDITIONAL INFORMATION (Unaudited)

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A special meeting of shareholders of the ING Prime Rate Trust held August 1, 2002, at the offices of ING, 7337 East Doubletree Ranch Road, Scottsdale, AZ 85258.

A brief description of each matter voted upon as well as the results are outlined below:

	SHARES VOTED FOR	SHARES VOTED AGAINST OR WITHHELD	SHARES ABSTAINED	BROKER NON-VOTE
	-----	-----	-----	-----
1. To elect ten (10) members of the Board of Trustees to represent the interests of the holders of Common Shares of the Trust until the election and qualification of their successors.				
Paul S. Doherty	110,359,707	3,388,734	--	--
J. Michael Earley	110,479,938	3,268,503	--	--
R. Barbara Gitenstein	110,365,051	3,383,390	--	--
R. Glenn Hilliard	110,399,149	3,349,292	--	--
Thomas J. McInerney	110,341,886	3,406,555	--	--
David W.C. Putnam	110,446,047	3,302,394	--	--
Blaine E. Rieke	110,433,012	3,315,429	--	--
John G. Turner	110,476,871	3,271,570	--	--
Roger B. Vincent	110,458,645	3,289,796	--	--
Richard A. Wedemeyer	110,448,814	3,299,627	--	--
2. To Confirm KPMG LLP as the current independent auditor of the Trust.				
	110,364,705	2,068,675	1,315,061	--
3. To transact such other business as may properly come before the Annual Meeting or any adjournment(s) or postponement(s) thereof.				
	108,508,381	2,871,397	2,368,663	--

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ING Prime Rate Trust

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SHAREHOLDER MEETING AND ADDITIONAL INFORMATION (Unaudited) (Continued)

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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

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Senior Loans; (iii) investing in all types of hybrid loans that meet credit standards established by the Investment Manager constituting part of the 20% of the Trust's assets that may be invested in Other Investments; and (iv) the ability to invest up to 5% of its total assets in both subordinated loans and unsecured loans which would constitute part of the 20% of the Trust's assets that may be invested in Other Investments.

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

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

### REPURCHASE OF SECURITIES BY CLOSED-END COMPANIES

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

### SHAREHOLDER INVESTMENT PROGRAM

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

### NUMBER OF SHAREHOLDERS

The approximate number of record holders of Common Stock as of March 31, 2003 was 8,100, which does not include approximately 48,100 beneficial owners of shares held in the name of brokers of other nominees.

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### ING Prime Rate Trust

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#### TRUSTEE AND OFFICER INFORMATION (Unaudited)

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The business and affairs of the Trust are managed under the direction of the Trust's Board of Trustees. A Trustee who is not an interested person of the Trust, as defined in the 1940 Act, is an independent trustee ("Independent Trustee"). The Trustees of the Trust are listed below. The Statement of Additional Information includes additional information about trustees of the Registrant and is available, without charge, upon request at 1-800-992-0180.

NAME, ADDRESS AND AGE	POSITION(S) HELD WITH FUND	TERM OF OFFICE AND LENGTH OF TIME SERVED (1)	PRINCIPAL OCCUPATION(S) DURING THE PAST FIVE YEARS	NUMBER OF PORTFOLIOS I FUND COMPLE OVERSEEN BY TRUSTEE
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INDEPENDENT TRUSTEES

<p>Paul S. Doherty(2) 7337 E. Doubletree Ranch Rd. Scottsdale, Arizona 85258 Born: 1934</p>	Trustee	October 1999 - Present	<p>Mr. Doherty is President and Partner, Doherty, Wallace, Pillsbury and Murphy, P.C., Attorneys (1996 - Present); Director, Tambrands, Inc. (1993 - 1998); and Trustee of each of the funds managed by Northstar Investment Manage- ment Corporation (1993 - 1999).</p>	103
<p>J. Michael Earley(3) 7337 E. Doubletree Ranch Rd. Scottsdale, Arizona 85258 Born: 1945</p>	Trustee	February 2002 - Present	<p>President and Chief Executive Officer, Bankers Trust Company, N.A. (1992 - Present).</p>	103
<p>R. Barbara Gitenstein(2) 7337 E. Doubletree Ranch Rd. Scottsdale, Arizona 85258 Born: 1948</p>	Trustee	February 2002 - Present	<p>President, College of New Jersey (1999 - Present). Formerly, Executive Vice President and Provost, Drake University (1992 - 1998).</p>	103
<p>Walter H. May(2) 7337 E. Doubletree Ranch Rd. Scottsdale, Arizona 85258 Born: 1936</p>	Trustee	October 1999 - Present	<p>Retired. Formerly, Managing Director and Director of Marketing, Piper Jaffray, Inc.; Trustee of each of the funds managed by Northstar Investment Management Corporation (1996 - 1999).</p>	103
<p>Jock Patton(2) 7337 E. Doubletree Ranch Rd. Scottsdale, Arizona 85258 Born: 1945</p>	Trustee	August 1995 - Present	<p>Private Investor (June 1997 - Present). Formerly, Director and Chief Executive Officer, Rainbow Multimedia Group, Inc. (January 1999 - December 2001); Director of Stuart Entertainment, Inc.; Director of Artisoft, Inc. (1994 - 1998).</p>	103

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NAME, ADDRESS AND AGE -----	POSITION(S) HELD WITH FUND -----	TERM OF OFFICE AND LENGTH OF TIME SERVED (1) -----	PRINCIPAL OCCUPATION(S) DURING THE PAST FIVE YEARS -----	NUMBER OF PORTFOLIOS FUND COMP OVERSEE BY TRUST -----
David W.C. Putnam(3) 7337 E. Doubletree Ranch Rd. Scottsdale, Arizona 85258 Born: 1939	Trustee	October 1999 - Present	President and Director, F.L. Putnam Securities Company, Inc. and its affiliates; President, Secretary and Trustee, The Principled Equity Marke Fund. Formerly, Trustee, Trust Realty Trust (December Corp.; Anchor Investment Trust; Bow 2000 - Present); Ridge Mining Company and each of the F.L. Putnam funds managed by Northstar Investment Foundation Management Corporation (1994 - 1999).	103
Blaine E. Rieke(3) 7337 E. Doubletree Ranch Rd. Scottsdale, Arizona 85258 Born: 1933	Trustee	February 2001 - Present	General Partner, Huntington Partners (January 1997 - Present). Chairman of the Board and Trustee of each of the funds managed by ING Investment Management Co. LLC (November 1998 - February 2001).	103
Roger B. Vincent(3) 7337 E. Doubletree Ranch Rd. Scottsdale, Arizona 85258 Born: 1945	Trustee	February 2002 - Present	President, Springwell Corporation (1989 - Present). Formerly, Director, Tatham Offshore, Inc. (1996 - 2000).	103

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Richard A. Wedemeyer(2) 7337 E. Doubletree Ranch Rd. Scottsdale, Arizona 85258 Born: 1936	Trustee	February 2001 - Present	Retired. Mr. Wedemeyer was formerly Vice President - Finance and Administration, Channel Corporation (June 1996 - April 2002). Formerly, Vice President, Operations and Administration, Jim Henson Productions. (1979 - 1997); Trustee, First Choice Funds (1997 - 2001); and of each of the funds managed by ING Investment Management Co. LLC (1998 - 2001).	103
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ING Prime Rate Trust

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 TRUSTEE AND OFFICER INFORMATION (Unaudited) (Continued)  
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NAME, ADDRESS AND AGE -----	POSITION(S) HELD WITH FUND ----	TERM OF OFFICE AND LENGTH OF TIME SERVED(1) -----	PRINCIPAL OCCUPATION(S) DURING THE PAST FIVE YEARS -----	NUMBER OF PORTFOLIOS FUND COMP OVERSEEN BY TRUST -----
TRUSTEES WHO ARE "INTERESTED PERSONS"				
R. Glenn Hilliard(4) ING Americas 5780 Powers Ferry Road, NW Atlanta, GA 30327 Born: 1943	Trustee	February 2002 - Present	Chairman and CEO, ING Americas and Member, Americas Executive Committee (1999 - Present). Formerly, Chairman and CEO, ING North America (1994 - 1999).	103
Thomas J. McInerney(5) 7337 E. Doubletree Ranch Rd. Scottsdale, Arizona 85258 Born: 1956	Trustee	February 2001 - Present	Chief Executive Officer, ING U.S. Financial Services (September 2001 - Present); General Manager and Chief Executive Officer, ING U.S. Worksite Financial Services (December 2000 - Present); Member, ING Americas Executive	157



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Committee (2001 - Present); President, Chief Executive Officer and Director of Northern Life Insurance Company (March 2001 - October 2002), ING Aeltus Holding Company, Inc. (2000 - Present), ING Retail Holding Company (1998 - Present), ING Life Insurance and Annuity Company (September 1997 - November 2002) and ING Retirement Holdings, Inc. (1997 - Present). Formerly, General Manager and Chief Executive Officer, ING Worksite Division (December 2000 - October 2001), President, ING-SCI, Inc. (August 1997 - December 2000); President, Aetna Financial Services (August 1997 - December 2000).

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 TRUSTEE AND OFFICER INFORMATION (Unaudited) (Continued)  
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NAME, ADDRESS AND AGE -----	POSITION(S) HELD WITH FUND ----	TERM OF OFFICE AND LENGTH OF TIME SERVED (1) -----	PRINCIPAL OCCUPATION(S) DURING THE PAST FIVE YEARS -----	NUMBER OF PORTFOLIOS FUND COMP OVERSEE BY TRUST -----
John G. Turner (6) 7337 E. Doubletree Ranch Rd. Scottsdale, Arizona 85258 Born: 1939	Trustee	October 1999 - Present	Chairman, Hillcrest Capital Partners (May 2002-Present); President, Turner Investment Company (January 2002 - Present). Mr. Turner was formerly Vice	157

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Chairman of ING Americas (2000 - 2002); Chairman and Chief Executive Officer of ReliaStar Financial Corp. and ReliaStar Life Insurance Company (1993 - 2000); Chairman of ReliaStar United Services Life Insurance Company (1995 - 1998); Chairman of ReliaStar Life Insurance Company of New York (1995 - 2001); Chairman of Northern Life Insurance Company (1992 - 2001); Chairman and Trustee of the Northstar affiliated investment companies (1993 - 2001) and Director, Northstar Investment Management Corporation and its affiliates (1993 - 1999).

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- (1) Trustees serve until their successors are duly elected and qualified.
  - (2) Valuation Committee member.
  - (3) Audit Committee member.
  - (4) Mr. Hilliard is an "interested person," as defined by the Investment Company Act of 1940, as amended (the "1940 Act"), because of his relationship with ING Americas, an affiliate of ING Investments, LLC.
  - (5) Mr. McInerney is an "interested person," as defined by the 1940 Act, because of his affiliation with ING U.S. Worksite Financial Services, an affiliate of ING Investments, LLC.
  - (6) Mr. Turner is an "interested person," as defined by the 1940 Act, because of his affiliation with ING Americas, an affiliate of ING Investments, LLC.

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 TRUSTEE AND OFFICER INFORMATION (Unaudited) (Continued)  
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NAME, ADDRESS AND AGE -----	POSITION(S) HELD WITH THE TRUST -----	TERM OF OFFICE AND LENGTH OF TIME SERVED(1) -----	P OCC DU PAST -----
OFFICERS:			
James M. Hennessy 7337 E. Doubletree Ranch Rd., Scottsdale, Arizona 85258 Born: 1949	President and Chief Executive Officer  Chief Operating	February 2001 - Present  June 2000 - Present	President a Officer of LLC, ING Fu Advisors, I

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	Officer		LLC, Lexing Inc., Expre EAMC Liquid December 20 President a Officer of LLC (since Executive V Operating O Quantitativ (October 20 Senior Exec (June 2000 Secretary ( 2000) of IN LLC, ING Fu Investments Express Ame Liquidation President, LLC and its June 2000) ING Capital affiliates
	Senior Executive Vice President	June 2000 - February 2001	
	Secretary	April 1995 - February 2001	
Michael J. Roland 7337 E. Doubletree Ranch Rd., Scottsdale, Arizona 85258 Born: 1958	Executive Vice President and Assistant Secretary	February 2002 - Present	Executive V Financial O ING Funds S Distributor ING Investm 2001 to pre Distributor T.C. Inc. a Corp. (sinc Executive V Financial O Quantitativ 2001 to Oct President, ING Investm Distributor 2001) and C Endeavor Gr
	Chief Financial Officer	June 1998 - Present	
	Senior Vice President	June 1998 - February 2002	
Daniel Norman 7337 E. Doubletree Ranch Rd., Scottsdale, Arizona 85258 Born: 1957	Senior Vice President	April 1995 - Present	Senior Vice Investments 1994); ING (since Dece as an offic ING since F
	Co-Senior Portfolio Manager	November 1999 - Present	
	Treasurer	June 1997 - Present	
Jeffrey A. Bakalar 7337 E. Doubletree Ranch Rd., Scottsdale, Arizona 85258 Born: 1959	Senior Vice President	January 1998 - Present	Senior Vice Investments 1999). Form Assistant P Investments November 19 First Natio (July 1994
	Co-Senior Portfolio Manager	November 1999 - Present	

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## ING Prime Rate Trust

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

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NAME, ADDRESS AND AGE -----	POSITION(S) HELD WITH THE TRUST -----	TERM OF OFFICE AND LENGTH OF TIME SERVED (1) -----	P OCC DU PAST -----
<b>OFFICERS:</b>			
Elliot Rosen 7337 E. Doubletree Ranch Rd., Scottsdale, Arizona 85258 Born: 1953	Senior Vice President	May 2002 - Present	Senior Vice Investments 1999). Form President I February 19 Sendero, wh (August 199
Robert S. Naka 7337 E. Doubletree Ranch Rd., Scottsdale, Arizona 85258 Born: 1963	Senior Vice President  Assistant Secretary	November 1999 - Present  July 1996 - Present	Senior Vice Secretary o LLC, ING Fu ING Advisor Investments present) an Distributor 2001). Form President a for ING Qua Management, to October ING Investm to October Services, L August 1999 President, (August 199
William H. Rivoir III 7337 E. Doubletree Ranch Rd., Scottsdale, Arizona 85258 Born: 1951	Senior Vice President and Assistant Secretary	February 2001 - Present	Senior Vice Secretary o Corporation Services, L ING Funds D Advisors, I LLC, and IN Management, 2001), Lexi Inc., ING P Pilgrim Ame Express Ame EAMC Liquid December 20 Vice Presid Secretary o LLC (since Investments

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Curtis F. Lee 7337 E. Doubletree Ranch Rd., Scottsdale, Arizona 85258 Born: 1955	Senior Vice President and Chief Credit Officer	January 2001 - Present
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 President o  
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Senior Vice  
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ING Prime Rate Trust

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 TRUSTEE AND OFFICER INFORMATION (Unaudited) (Continued)  
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NAME, ADDRESS AND AGE -----	POSITION(S) HELD WITH THE TRUST -----	TERM OF OFFICE AND LENGTH OF TIME SERVED(1) -----	P OCC DU PAST -----
OFFICERS:			
Kimberly A. Anderson 7337 E. Doubletree Ranch Rd., Scottsdale, Arizona 85258 Born: 1964	Vice President and Secretary  Assistant Vice President and Assistant Secretary	February 2001 - Present  November 1999 - February 2001	Vice Presid Secretary o LLC, ING Fu ING Advisor Investments 2001) and L Distributor 2001). Form ING Quantit Inc. (Octob 2002); Assi ING Funds S 1999 to Jan held variou ING Funds S than the la
Robyn L. Ichilov 7337 E. Doubletree Ranch Rd., Scottsdale, Arizona 85258 Born: 1967	Vice President	November 1997 - Present	Vice Presid Services, L and ING Inv August 1997 Manager, IN (since Nove
Maria M. Anderson	Assistant Vice	August 2001 - Present	Assistant V

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7337 E. Doubletree Ranch Rd.,      President  
Scottsdale, Arizona 85258  
Born: 1958

Funds Servi  
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Accounting  
ING Investm  
1999 to Nov  
Manager of  
Roe Mutual  
August 1999  
Reporting A  
Funds (Augu

Todd Modic      Assistant Vice  
7337 E. Doubletree Ranch Rd.,      President  
Scottsdale, Arizona 85258  
Born: 1967

August 2001 - Present

Director of  
ING Investm  
2001). Form  
Financial R  
Communicati  
to January  
Finance, Ru  
(March 1995

Susan P. Kinens      Assistant Vice  
7337 E. Doubletree Ranch Rd.      President and  
Scottsdale, Arizona 85258      Assistant Secretary  
Born: 1976

February 2003 -  
Present (For the ING  
Funds)

Assistant V  
Assistant S  
Services, L  
Present); a  
other posit  
Services, L  
years.

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- (1) The officers hold office until the next meeting of the Trustees and until their successors shall have been elected and qualified.

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### INVESTMENT MANAGER

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

### ADMINISTRATOR

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

### INSTITUTIONAL INVESTORS AND ANALYSTS

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

### DISTRIBUTOR

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

### TRANSFER AGENT

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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 S. Grand Avenue, Suite 2000  
Los Angeles, CA 90071

### WRITTEN REQUESTS

Please mail all account inquiries and other comments to:

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

### TOLL-FREE SHAREHOLDER INFORMATION

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

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

[LION LOGO]  
ING FUNDS

PRTAR022803-042803

### ITEM 2. CODE OF ETHICS.

Not applicable.

### ITEM 3. AUDIT COMMITTEE FINANCIAL EXPERT.

Not applicable.

### ITEMS 4-8. [RESERVED]

### ITEM 9. CONTROLS AND PROCEDURES.

(a) Not applicable.

(b) There were no significant changes in the registrant's internal controls or in other factors that could significantly affect these controls subsequent to the date of their evaluation, including any corrective actions with regard to significant deficiencies and material weaknesses.

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ITEM 10. EXHIBITS.

(a) Not applicable.

(b) A separate certification for each principal executive officer and principal financial officer of the registrant as required by Rule 30a-2 under the Act (17 CFR 270.30a-2) is attached hereto as EX-99.CERT. The officer certifications required by Section 906 of the Sarbanes-Oxley Act of 2002 are attached hereto as EX-99.906CERT.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934 and the Investment Company Act of 1940, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

(Registrant): ING Prime Rate Trust

By /s/ James M. Hennessy

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James M. Hennessy  
President and Chief Executive Officer

Date May 6, 2003

Pursuant to the requirements of the Securities Exchange Act of 1934 and the Investment Company Act of 1940, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

By /s/ James M. Hennessy

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James M. Hennessy  
President and Chief Executive Officer

Date May 6, 2003

By /s/ Michael J. Roland

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Michael J. Roland  
Executive Vice President and  
Chief Financial Officer

Date May 6, 2003