

ING PRIME RATE TRUST

Form N-30B-2

August 10, 2004

FIRST QUARTER REPORT

FIRST QUARTER REPORT

MAY 31, 2004

ING PRIME
RATE TRUST

[GRAPHIC]

[ING FUNDS LOGO]

ING Prime Rate Trust

FIRST QUARTER REPORT
May 31, 2004

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ING Prime Rate Trust

PORTFOLIO MANAGERS' REPORT

Dear Shareholders:

ING Prime Rate Trust (the "Trust") is a diversified, closed-end management investment company that seeks to provide investors with as high a level of current income as is consistent with the preservation of capital. The Trust seeks to achieve this objective by investing in a professionally managed portfolio comprised primarily of senior loans.

PORTFOLIO CHARACTERISTICS
AS OF MAY 31, 2004

| | | |
|--------------|----|---------------|
| Net Assets | \$ | 1,014,597,112 |
| Total Assets | \$ | 1,917,751,793 |

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| | |
|--------------------------------|------------------|
| Assets Invested in | |
| Senior Loans | \$ 1,828,496,834 |
| Senior Loans Represented | 384 |
| Average Amount Outstanding | |
| per Loan | \$ 4,761,711 |
| Industries Represented | 39 |
| Average Loan Amount | |
| per Industry | \$ 46,884,534 |
| Portfolio Turnover Rate (YTD) | 24% |
| Weighted Average Days to | |
| Interest Rate Reset | 45 |
| Average Loan Final Maturity | 57 months |
| Total Leverage as a Percentage | |
| of Total Assets | |
| (including Preferred Shares) | 45.31% |

PERFORMANCE SUMMARY*

The Trust declared \$0.10 of dividends during the first fiscal quarter ended May 31, 2004. Based on the average month-end net asset value ("NAV") per share of \$7.38, this resulted in an annualized distribution rate of 5.62%(1) for the quarter. The Trust's total return for the first fiscal quarter, based on NAV, was 1.63%, versus a total return on the S&P/LSTA Leveraged Loan Index of 0.95% for the same period. The total market value return (based on full reinvestment of dividends) for the Trust's common shares during the first fiscal quarter was 2.01%.

MARKET OVERVIEW

The tone of the non-investment grade loan market remained quite strong during this fiscal quarter. Factors underlying such strength included a demonstrably healthier U.S. economic environment, improved corporate earnings and a continued reduction in trailing default rates. To these factors, add a now near consensus view that the Federal Reserve is about to embark on a program to systematically raise short-term interest rates, and the result is an almost universally bullish outlook--and intense investor demand--for floating rate loans.

When taken in isolation, strong demand for loans has a positive influence on loan returns in that it provides significant and deep price support. To be fully constructive, however, high levels of demand must be met with an equally strong supply of new loans. Although improved measurably, supply only kept pace with demand during the quarter. As a result, significant levels of idle cash resident in many loan portfolios since the end of 2003 remained largely in place, thereby driving secondary loan prices to new highs and borrowing spreads on new loans to historical lows. On the plus side, while pricing trends remain unfavorable, credit trends continue to look relatively positive. At this point, nearly all qualitative and quantitative factors point to the continuation of low near-term default risk in non-investment grade credit markets.

* Please see the more detailed information on the charts immediately following this report.

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PORTFOLIO MANAGERS' REPORT (continued)

PORTFOLIO OVERVIEW

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In addition to general market strength, the Trust's favorable results for the first fiscal quarter were attributable primarily to gains experienced by a select number of individual positions in which the Trust had a significant investment and, to a lesser degree, the higher utilization of leverage for investment purposes (discussed below). Valuations (and thus loan prices) in the cable television sector were buoyed during the quarter by the successful refinance of the Charter Communications Holdings, LLC ("Charter") loan facilities. The refinance enabled us to reduce (at full value) the Trust's aggregate Charter exposure to 2.7% of total assets (from 4.0% at the end of last fiscal quarter) and realize gains on prior investments. Similarly, Nextel Finance Company ("Nextel"), historically one of the Trust's largest holdings and long the bellwether issuer in the cellular communications sector, refinanced its sizeable loan facility during the quarter. Accordingly, our exposure to Nextel declined to 3.3% of total assets (the Trust's largest holding as of the current fiscal quarter-end), from 3.7% at last quarter-end. A follow-on refinance is expected to close shortly which will materially reduce our Nextel position from this lower level. These activities had, in part, the net effect of reducing the Trust's exposure to the cable television and wireless communications sectors to approximately 9.0% and 6.8% of total assets, respectively, from 11.9% and 9.1%, respectively, at the end of the prior fiscal quarter. We continue to find these sectors attractive on the basis of offering attractive returns for the underlying risk.

TOP TEN INDUSTRY SECTORS AS OF MAY 31, 2004 AS A PERCENTAGE OF:

| | TOTAL ASSETS | NET ASSETS |
|---|-----------------|---------------|
| | ----- | ----- |
| Cable Television | 9.0% | 17.0% |
| Cellular Communications | 6.8% | 12.8% |
| Printing and Publishing | 6.6% | 12.4% |
| Leisure, Amusement and Entertainment | 5.9% | 11.1% |
| Healthcare, Education and Childcare | 5.5% | 10.3% |
| Chemicals, Plastics and Rubber | 5.4% | 10.2% |
| Automobile | 4.8% | 9.0% |
| Containers, Packaging and Glass | 4.0% | 7.6% |
| Beverage, Food and Tobacco | 3.4% | 6.5% |
| Radio and TV Broadcasting | 3.3% | 6.2% |

While we proactively manage the Trust's top exposures, we continue to maintain a high level of diversification of the portfolio across both issuer and industry lines. As of May 31, 2004, the average individual position accounted for approximately 0.25% of the Trust's total assets, while the average amount invested per industry amounted to approximately 2.44% of total assets.

TOP TEN SENIOR LOAN ISSUERS AS OF MAY 31, 2004 AS A PERCENTAGE OF:

| | TOTAL | NET |
|--|-------|-----|
|--|-------|-----|

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| | ASSETS ----- | ASSETS ----- |
|---|-----------------|-----------------|
| Nextel Finance Company | 3.3% | 6.3% |
| Charter Communications Holdings, LLC | 2.7% | 5.2% |
| CNL Hospitality Partners, L.P. | 1.8% | 3.4% |
| Dex Media West, LLC | 1.7% | 3.1% |
| Metro-Goldwyn-Mayer Studios, Inc. | 1.5% | 2.9% |
| Century Cable Holdings, LLC | 1.2% | 2.4% |
| Olympus Cable Holdings, LLC | 1.2% | 2.3% |
| General Growth Properties | 1.2% | 2.3% |
| Crown Castle Operating Company | 1.1% | 2.1% |
| Allegheny Energy Supply Company | 1.1% | 2.1% |

USE OF LEVERAGE

The Trust utilizes financial leverage to seek to increase the yield to the holders of common shares. As of May 31, 2004, the Trust had \$450 million of "Aaa/AAA(2)" rated cumulative auction rate preferred shares outstanding, and \$419 million of borrowings outstanding under \$525 million in available credit facilities. Total leverage, as a percentage of total assets (including preferred shares), was 45.3% at

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PORTFOLIO MANAGERS' REPORT (continued)

year end. The use of leverage for investment purposes increases both investment opportunity and investment risk.

OUTLOOK

The combination of rising short-term rates and the expectation of a relatively stable credit environment has created unprecedented demand for the floating rate loan asset class. As a result, barring any unforeseen economic or geopolitical event, we expect the second half of the year to be at least as robust as the first. The downside to such technical strength, while limited in terms of immediate NAV volatility, continues to be the compression of borrowing spreads to historical lows, and in many cases, relaxed structural protections afforded to senior secured lenders (e.g., second lien and covenant-light loan facilities). Our strategy remains credit-focused; as in the past, we will continue to forfeit yield in order to maintain credit discipline. As with other market participants, we'll also stay keenly focused on the Federal Reserve as it determines the timing of future changes in interest rates. Given the ultra-short duration of floating rate loans, an upward move in short-term rates would prove positive for the Fund's distributable yield.

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

/s/ Jeffrey A. Bakalar

Jeffrey A. Bakalar
SENIOR VICE PRESIDENT

/s/ Daniel A. Norman

Daniel A. Norman
SENIOR VICE PRESIDENT

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CO-SENIOR PORTFOLIO MANAGER
ING INVESTMENT MANAGEMENT CO.

CO-SENIOR PORTFOLIO MANAGER
ING INVESTMENT MANAGEMENT CO.

ING Prime Rate Trust
July 26, 2004

- (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) Obligations rated Aaa by Moody's Investors Service are judged to be of the highest quality, with minimal credit risk. An obligator rated 'AAA' has extremely strong capacity to meet its financial commitments. 'AAA' is the highest Issuer Credit Rating assigned by Standard & Poor's.

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PORTFOLIO MANAGERS' REPORT (continued)

| | AVERAGE ANNUAL TOTAL RETURNS FOR THE PERIODS ENDED MAY 31 | | | | |
|-----------------------------------|---|---------|---------|----------|----------------------------------|
| | 1 YEAR | 3 YEARS | 5 YEARS | 10 YEARS | SINCE TRUST INCEPTION (1) (2) |
| Based on Net Asset Value (NAV) | 13.13% | 4.90% | 3.82% | 5.90% | 6.86% |
| Based on Market Value | 18.19% | 7.91% | 4.37% | 6.55% | -- |
| Credit Suisse | | | | | |
| First Boston | | | | | |
| Leveraged Loan Index | 8.29% | 4.87% | 4.83% | 6.18% | -- |
| S&P/LSTA Leveraged Loan Index (4) | 7.58% | 4.93% | 5.07% | -- | -- |

ASSUMES RIGHTS WERE EXERCISED AND EXCLUDES SALES CHARGES AND COMMISSIONS (5), (6), (7)

- (1) Inception Date -- May 12, 1988. Return since inception is not applicable since the Trust did not trade on the NYSE prior to March 9, 1992.
- (2) Reflects partial waiver of fees.
- (3) Initial Trading on NYSE -- March 9, 1992. Performance since inception for the index is shown from 03/01/92.
- (4) Performance since inception for the index is 5.32% from 1/1/97.
- (5) 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.
- (6) On December 27, 1994, the Trust issued to its shareholders transferable

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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.

- (7) 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.

PERFORMANCE DATA REPRESENTS PAST PERFORMANCE AND IS NO GUARANTEE OF FUTURE RESULTS. INVESTMENT RETURN AND PRINCIPAL VALUE OF AN INVESTMENT IN THE TRUST WILL FLUCTUATE. SHARES, WHEN SOLD, MAY BE WORTH MORE OR LESS THAN THEIR ORIGINAL COST. THE TRUST'S PERFORMANCE MAY BE LOWER OR HIGHER THAN THE PERFORMANCE DATA SHOWN. PLEASE LOG ON TO www.ingfunds.com OR CALL (800) 992-0180 TO GET PERFORMANCE TO THE MOST RECENT MONTH END.

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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PORTFOLIO MANAGERS' REPORT (continued)

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) |
|-------------------|---------------|---|-----------------------------------|--|
| May 31, 2004 | 4.00% | 5.83% | 5.44% | 5.62% |
| February 29, 2004 | 4.00% | 5.56% | 5.20% | 5.82% |
| November 30, 2003 | 4.00% | 6.51% | 6.30% | 5.83% |
| August 31, 2003 | 4.00% | 5.82% | 5.45% | 5.98% |

- (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

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the Trust's yield consistent with the SEC standardized yield formula for investment companies.

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

INDEX DESCRIPTIONS

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

THE CREDIT SUISSE FIRST BOSTON LEVERAGED LOAN INDEX is an unmanaged index of below investment grade loans designed to mirror the investable universe of the U.S. dollar-denominated leveraged loan market. An investor cannot invest directly in an index.

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STATEMENT OF ASSETS AND LIABILITIES as of May 31, 2004 (Unaudited)

| | |
|--|-------------------------|
| ASSETS: | |
| Investments in securities at value (Cost \$1,878,179,401) | \$ 1,873,157,301 |
| Cash | 21,276,345 |
| Receivables: | |
| Investment securities sold | 14,226,916 |
| Interest | 8,780,568 |
| Other | 95,810 |
| Prepaid expenses | 214,853 |
| | ----- |
| Total assets | 1,917,751,793 |
| | ----- |
| LIABILITIES: | |
| Notes payable | 419,000,000 |
| Payable for investments purchased | 27,360,378 |
| Deferred arrangement fees on senior loans | 3,199,903 |
| Dividends payable - preferred shares | 43,875 |
| Payable to affiliates | 1,658,807 |
| Accrued trustees' fees | 49,308 |
| Other accrued expenses | 1,842,410 |
| | ----- |
| Total liabilities | 453,154,681 |
| | ----- |
| Preferred shares, \$25,000 stated value per share at liquidation value (18,000 shares outstanding) | 450,000,000 |
| | ----- |
| NET ASSETS | \$ 1,014,597,112 |
| | ===== |
| Net assets value per common share outstanding (net assets less preferred shares at liquidation value, divided by 137,821,394 shares of beneficial interest authorized and outstanding, no par value) | \$ 7.36 |

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NET ASSETS CONSIST OF:

| | |
|--|------------------|
| Paid-in capital | \$ 1,290,371,862 |
| Undistributed net investment income | 9,372,635 |
| Accumulated net realized loss on investments | (280,125,285) |
| Net unrealized depreciation of investments | (5,022,100) |
| | ----- |
| NET ASSETS | \$ 1,014,597,112 |
| | ===== |

See Accompanying Notes to Financial Statement

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STATEMENT OF OPERATIONS for the Three Months Ended May 31, 2004 (Unaudited)

INVESTMENT INCOME:

| | |
|-------------------------|---------------|
| Interest | \$ 20,967,401 |
| Arrangement fees earned | 676,232 |
| Dividends | 15,337 |
| Other | 545,646 |
| | ----- |
| Total investment income | 22,204,616 |
| | ----- |

EXPENSES:

| | |
|---|-----------|
| Investment management fees | 3,597,102 |
| Administration fees | 1,124,094 |
| Transfer agent and registrar fees | 186,608 |
| Interest | 1,280,690 |
| Shareholder reporting expense | 37,340 |
| Custodian fees | 179,400 |
| Professional fees | 264,183 |
| Preferred Shares - Dividend disbursing agent fees | 295,945 |
| Pricing expense | 8,074 |
| ICI fees | 10,790 |
| Postage expense | 58,780 |
| Trustees' fees | 18,400 |
| Miscellaneous expense | 40,860 |
| | ----- |
| Total expenses | 7,102,266 |
| | ----- |

| | |
|-----------------------|------------|
| Net investment income | 15,102,350 |
| | ----- |

REALIZED AND UNREALIZED GAIN (LOSS) FROM INVESTMENTS:

| | |
|---|-----------|
| Net realized gain on investments | 2,168,656 |
| Net change in value of investments | 148,464 |
| | ----- |
| Net realized and unrealized gain on investments | 2,317,120 |
| | ----- |

DISTRIBUTIONS TO PREFERRED SHAREHOLDERS:

| | |
|--|---------------|
| From net investment income | (1,206,860) |
| | ----- |
| Net increase in net assets resulting from operations | \$ 16,212,610 |
| | ===== |

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See Accompanying Notes to Financial Statement

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STATEMENTS OF CHANGES IN NET ASSETS (Unaudited)

| | THREE MONTHS ENDED MAY 31, 2004 | YEAR ENDED FEBRUARY 29, 2004 |
|--|--|------------------------------------|
| | ----- | ----- |
| FROM OPERATIONS: | | |
| Net investment income | \$ 15,102,350 | \$ 64,881,220 |
| Net realized gain (loss) on investments | 2,168,656 | (45,502,509) |
| Change in value of investments | 148,464 | 126,661,233 |
| Distributions to preferred shareholders from net investment income | (1,206,860) | (5,199,537) |
| | ----- | ----- |
| Net increase in net assets resulting from operations | 16,212,610 | 140,840,407 |
| | ----- | ----- |
| FROM DISTRIBUTIONS TO COMMON SHAREHOLDERS: | | |
| Distributions from net investment income | (14,184,327) | (57,649,691) |
| | ----- | ----- |
| Decrease in net assets from distributions to common shareholders | (14,184,327) | (57,649,691) |
| | ----- | ----- |
| FROM CAPITAL SHARE TRANSACTIONS: | | |
| Dividends reinvested for common shares | 2,063,350 | 4,364,604 |
| Sales of shares in connection with shelf offering | 180,038 | 386,779 |
| | ----- | ----- |
| Net increase from capital share transactions | 2,243,388 | 4,751,383 |
| | ----- | ----- |
| Net increase in net assets | 4,271,671 | 87,942,099 |
| | ----- | ----- |
| NET ASSETS: | | |
| Beginning of period | 1,010,325,441 | 922,383,342 |
| | ----- | ----- |
| End of period (including undistributed net investment income of \$9,372,635 and \$9,661,472, respectively) | \$ 1,014,597,112 | \$ 1,010,325,441 |
| | ===== | ===== |
| SUMMARY OF CAPITAL SHARE TRANSACTIONS: | | |
| Shares issued in payment of distributions from net investments income | 158,628 | 612,173 |
| Shares sold in connection with shelf offering | 24,495 | 53,184 |
| | ----- | ----- |
| Net increase in shares outstanding | 183,123 | 665,357 |
| | ===== | ===== |

See Accompanying Notes to Financial Statement

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STATEMENT OF CASH FLOWS for the Three Months Ended May 31, 2004 (Unaudited)

INCREASE (DECREASE) IN CASH

CASH FLOWS FROM OPERATING ACTIVITIES:

| | |
|--|---------------|
| Interest received | \$ 18,148,626 |
| Dividends received | 15,337 |
| Dividends paid to preferred shareholders | (1,230,264) |
| Arrangement fee paid | (354,883) |
| Other income received | 543,153 |
| Interest paid | (1,280,690) |
| Other operating expenses paid | (5,335,203) |
| Purchases of securities | (595,134,226) |
| Proceeds from sales of securities | 421,377,350 |

 Net cash used in operating activities \$ (163,250,800)

CASH FLOWS FROM FINANCING ACTIVITIES:

| | |
|---|--------------|
| Dividends paid in cash to common shareholders | (12,120,977) |
| Proceeds from shelf offerings | 180,038 |
| Net issuance of notes payable | 194,000,000 |

 Net cash flows provided by financing activities 182,059,061

| | |
|-----------------------------|------------|
| Net change in cash | 18,808,261 |
| Cash at beginning of period | 2,468,084 |

 Cash at end of period \$ 21,276,345
 =====

RECONCILIATION OF NET INCREASE IN NET ASSETS RESULTING FROM OPERATIONS TO NET

CASH USED IN OPERATING ACTIVITIES:

Net increase in net assets resulting from operations \$ 16,212,610

Adjustments to reconcile net increase in net assets resulting from operations to net cash provided by operating activities:

| | |
|---|---------------|
| Change in unrealized depreciation of securities | (148,464) |
| Net accretion of discounts on securities | (1,777,495) |
| Realized gain on sale of securities | (2,168,656) |
| Purchase of securities | (595,134,226) |
| Proceeds on sale of securities | 421,377,350 |
| Increase in other assets | (2,493) |
| Increase in interest receivable | (1,041,280) |
| Increase in prepaid expenses | (177,563) |
| Decrease in deferred arrangement fees on senior loans | (1,031,115) |
| Decrease in preferred shareholder dividend payable | (23,404) |
| Increase in affiliate payable | 274,389 |
| Increase in accrued trustees' fees | 7,106 |
| Increase in accrued expenses | 382,441 |

 Total adjustments (179,463,410)

 Net cash used in operating activities \$ (163,250,800)
 =====

NON CASH FINANCING ACTIVITIES

| | |
|---------------------------|--------------|
| Reinvestment of dividends | \$ 2,063,350 |
|---------------------------|--------------|

See Accompanying Notes to Financial Statement

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FINANCIAL HIGHLIGHTS

For a common share outstanding throughout the period

| | THREE MONTHS ENDED MAY 31, 2004 (UNAUDITED) | ----- 2004 | YEARS ENDED FEBRUARY 28 ----- 2003 | ----- 2002 |
|---|---|---------------|--|---------------|
| PER SHARE OPERATING PERFORMANCE | | | | |
| Net asset value, beginning of year | \$ 7.34 | 6.73 | 7.20 | 8.09 |
| Income from investment operations: | | | | |
| Net investment income | \$ 0.11 | 0.46 | 0.50 | 0.74 |
| Net realized and unrealized gain (loss) on investments | \$ 0.02 | 0.61 | (0.47) | (0.89) |
| Total from investment operations | \$ 0.13 | 1.07 | 0.03 | (0.15) |
| Distributions to Common Shareholders from net investment income | \$ (0.10) | (0.42) | (0.45) | (0.63) |
| Distribution to Preferred Shareholders | \$ (0.01) | (0.04) | (0.05) | (0.11) |
| Reduction in net asset value from Preferred Shares offerings | \$ -- | -- | -- | -- |
| Net asset value, end of year | \$ 7.36 | 7.34 | 6.73 | 7.20 |
| Closing market price at end of year | \$ 7.89 | 7.84 | 6.46 | 6.77 |
| TOTAL INVESTMENT RETURN(1) | | | | |
| Total investment return at closing market price(2) | % | 2.01 | 28.77 | 2.53 |
| Total investment return at net asset value(3) | % | 1.63 | 15.72 | 0.44 |
| RATIOS/SUPPLEMENTAL DATA | | | | |
| Net assets end of year (000's) | \$ 1,014,597 | 1,010,325 | 922,383 | 985,982 |
| Preferred Shares-Aggregate amount outstanding (000's) | \$ 450,000 | 450,000 | 450,000 | 450,000 |
| Liquidation and market value per share of Preferred Shares | \$ 25,000 | 25,000 | 25,000 | 25,000 |
| Borrowings at end of year (000's) | \$ 419,000 | 225,000 | 167,000 | 282,000 |
| Asset coverage per \$1,000 of debt(4) | \$ 2,170 | 2,500 | 2,500 | 2,350 |
| Average borrowings (000's) | \$ 321,315 | 143,194 | 190,671 | 365,126 |
| Ratios to average net assets including Preferred Shares(5) | | | | |
| Expenses (before interest and other fees related to revolving credit facility)(6) | % | 1.59 | 1.45 | 1.49 |
| Expenses(6) | % | 1.94 | 1.65 | 1.81 |
| Net investment income(6) | % | 1.03 | 4.57 | 4.97 |
| Ratios to average net assets plus borrowings | | | | |
| Expenses (before interest and other fees related to revolving credit facility)(6) | % | 1.75 | 1.84 | 1.82 |
| Expenses(6) | % | 2.10 | 2.09 | 2.23 |
| Net investment income(6) | % | 4.48 | 5.82 | 6.10 |
| Ratios to average net assets | | | | |
| Expenses (before interest and other fees | | | | |

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| | | | | | |
|---|---|---------|---------|---------|---------|
| related to revolving credit facility) (6) | % | 2.26 | 2.11 | 2.19 | 2.25 |
| Expenses (6) | % | 2.78 | 2.40 | 2.68 | 3.64 |
| Net investment income (6) | % | 5.91 | 6.68 | 7.33 | 9.79 |
| Portfolio turnover rate | % | 24 | 87 | 48 | 53 |
| Common shares outstanding | | | | | |
| at end of period (000's) | | 137,821 | 137,638 | 136,973 | 136,973 |

- (1) Total investment return calculations are attributable to common shares.
- (2) Total investment return measures the change in the market value of your investment assuming reinvestment of dividends and capital gain distributions, if any, in accordance with the provisions of the Trust's dividend reinvestment plan.
- (3) Total investment return at net asset value has been calculated assuming a purchase at net asset value at the beginning of each period and a sale at net asset value at the end of each period and assumes reinvestment of dividends and capital gain distributions in accordance with the provisions of the dividend reinvestment plan. This calculation differs from total investment return because it excludes the effects of changes in the market values of the Trust's shares.
- (4) Asset coverage represents the total assets available for settlement of Preferred Stockholder's interest and notes payables in relation to the Preferred Shareholder interest and notes payable balance outstanding. The Preferred Shares were first offered November 2, 2000.
- (5) Ratios do not reflect the effect of dividend payments to Preferred Shareholders; income ratios reflect income earned on assets attributable to the Preferred Shares.
- (6) Annualized for periods less than one year.
- (7) Calculated on total expenses before impact on earnings credits.

See Accompanying Notes to Financial Statements

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ING Prime Rate Trust

NOTES TO FINANCIAL STATEMENTS as of May 31, 2004 (Unaudited)

NOTE 1 -- ORGANIZATION

ING Prime Rate Trust (the "Trust"), a Massachusetts business trust, is registered under the Investment Company Act of 1940, as amended (the "1940 Act"), as a diversified, closed-end, management investment company. The Trust invests primarily in senior loans which are exempt from registration under the Securities Act of 1933, as amended (the "33 Act"), but which contain certain restrictions on resale and cannot be sold publicly. These loans bear interest (unless otherwise noted) at rates that float periodically at a margin above the Prime Rate of a U.S. bank specified in the credit agreement, the London Inter-Bank Offered Rate ("LIBOR"), the certificate of deposit rate, or in some cases another base lending rate. 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.

NOTE 2 -- SIGNIFICANT ACCOUNTING POLICIES

The following is a summary of the significant accounting policies consistently followed by the Fund in the preparation of its financial statements. The policies are in conformity with generally accepted accounting principles in the United States of America.

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- A. SENIOR LOAN AND OTHER SECURITY VALUATION. Senior loans held by the Trust are normally valued at the mean of the means of one or more bid and asked quotations obtained from an independent pricing service or other sources determined by the Board of Trustees to be independent and believed to be reliable. Loans for which reliable market value quotations are not readily available may be valued with reference to another loan or a group of loans for which reliable quotations are readily available and whose characteristics are comparable to the loan being valued. Under this approach, the comparable loan or loans serve as a proxy for changes in value of the loan being valued.

The Trust has engaged an independent pricing service to provide readily available, reliable market value quotations from dealers in loans and, when such quotations are not readily available, to calculate values under the proxy procedure described above. As of May 31, 2004, 97.60% of total investments were valued based on these procedures. It is expected that most of the loans held by the Trust will continue to be valued with reference to quotations from the independent pricing service or with reference to the proxy procedure described above.

Prices from a pricing source may not be available for all loans and ING Investments, LLC (the "Investment Manager") or ING Investment Management Co. (formerly, "Aeltus Investment Management, Inc.") ("INGIM" the "Sub-Adviser"), may believe that the price for a loan derived from market quotations or the proxy procedure described above is not reliable or accurate. Among other reasons, this may be the result of information about a particular loan or borrower known to the Investment Manager or the Sub-Adviser that the Investment Manager or the Sub-Adviser believes may not be known to the pricing service or reflected in a price quote. In this event, the loan is valued at fair value as determined in good faith under procedures established by the Trust's Board of Trustees and in accordance with the provisions of the 1940 Act. Under these procedures, fair value is determined by the Investment Manager and monitored by the Trust's Board of Trustees through its Valuation and Proxy Voting Committee. In fair valuing a loan, consideration is given to several factors, which may include, among others, the following: (i) the characteristics of and fundamental analytical data relating to the loan, including the cost, size, current interest rate, period until the next interest rate reset, maturity and base lending rate of the loan, the terms and conditions of the loan and any related agreements, and the position of the loan in the borrower's debt structure; (ii) the nature, adequacy and value of the collateral, including the Trust's rights, remedies and interests with respect to the collateral; (iii) the creditworthiness of the borrower and the cash flow coverage of outstanding principal

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ING Prime Rate Trust

NOTES TO FINANCIAL STATEMENTS as of May 31, 2004 (Unaudited) (continued)

NOTE 2 -- SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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which the primary market is a national securities exchange are valued at the last reported sale price. Securities reported by NASDAQ will be valued at the NASDAQ official closing price. Debt and equity securities traded in the over-the-counter market and listed securities for which no sale was reported on a valuation date are valued at the mean between the last reported bid and asked price on such exchange. Securities other than senior loans for which reliable market value quotations are not readily available and all other assets will be valued at their respective fair values as determined in good faith by, and under procedures established by, the Board of Trustees of the Trust. Investments in securities maturing in less than 60 days from the date of acquisition are valued at amortized cost.

- B. FEDERAL INCOME TAXES. It is the Trust's policy to comply with subchapter M of the Internal Revenue Code and related excise tax provisions applicable to regulated investment companies and to distribute substantially all of its net investment income and net realized capital gains to its shareholders. Therefore, no federal income tax provision is required. No capital gain distributions will be made by the Trust until any capital loss carryforwards have been fully utilized or expire.
- C. SECURITY TRANSACTIONS AND REVENUE RECOGNITION. Revolver and delayed draw loans are booked on a settlement date basis. Security transactions and senior loans are accounted for on trade date (date the order to buy or sell is executed). Realized gains or losses are reported on the basis of identified cost of securities sold. Dividend income is recognized on the ex-dividend date. Interest income is recorded on an accrual basis at the then-current interest rate of the loan. The accrual of interest on loans is discontinued when, in the opinion of management, there is an indication that the borrower may be unable to meet payments as they become due. Upon such discontinuance, all unpaid accrued interest is reversed. Cash collections on 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. For all loans acquired prior to March 1, 2001, arrangement fees received, 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, fees received are treated as discounts and are accreted whereas premiums are amortized. Fees associated with revolving credit facilities acquired subsequent to February 28, 2001 are deferred and recognized over the shorter of four years or the actual term of the loan.
- D. DISTRIBUTIONS TO COMMON SHAREHOLDERS. The Trust declares dividends monthly for net investment income. Distributions from capital gains, if any, are declared and paid annually. The Trust may make additional distributions to comply with the distribution requirements of the Internal Revenue Code. The character and amounts of income and gains to be distributed are determined in accordance with federal income tax regulations, which may differ from accounting principles generally accepted in the United States of America for investment companies. Dividends paid by the Trust from net investment income and distributions of net realized short-term capital gains are, for federal income tax purposes, taxable as ordinary income to shareholders. The Trust records distributions to its shareholders on the ex-dividend date.

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NOTE 2 -- SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

- E. DIVIDEND REINVESTMENTS. Pursuant to the Trust's Shareholder Investment Program (formerly known as the Automatic Dividend Reinvestment Plan), DST Systems, Inc., the Plan Agent, purchases, from time to time, shares of beneficial interest of the Trust on the open market to satisfy dividend reinvestments. Such shares are purchased on the open market only when the closing sale or bid price plus commission is less than the net asset value per share of the Trust's common shares on the valuation date. If the market price plus commissions is equal to or exceeds the net asset value, new shares are issued by the Trust at the greater of (i) net asset value or (ii) the market price of the shares during the pricing period, minus a discount of 5%.
- F. USE OF ESTIMATES. Management of the Trust has made certain estimates and assumptions relating to the reporting of assets, liabilities, revenues, expenses and contingencies to prepare these financial statements in conformity with generally accepted accounting principles in the United States of America. Actual results could differ from these estimates.
- G. SHARE OFFERINGS. Beginning in the year ended February 28, 1999, the Trust began issuing shares under various shelf registration statements, whereby the net proceeds received by the Trust from share sales may not be less than the greater of (i) the NAV per share or (ii) 94% of the average daily market price over the relevant pricing period.

NOTE 3 -- INVESTMENTS

For the three months ended May 31, 2004, the cost of purchases and the proceeds from principal repayment and sales of investments, excluding short-term notes, totaled \$599,935,714 and \$420,421,285, respectively. At May 31, 2004, the Trust held senior loans valued at \$1,828,496,834 representing 97.6% of its total investments. The market value of these assets is established as set forth in Note 2.

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

Common and preferred shares, and stock purchase warrants held in the portfolio were acquired in conjunction with loans held by the Trust. Certain of these stocks and warrants are restricted and may not be publicly sold without registration under the '33 Act, or without an exemption under the '33 Act. In some cases, these restrictions expire after a designated period of time after issuance of the shares or warrants.

ING Prime Rate Trust

NOTES TO FINANCIAL STATEMENTS as of May 31, 2004 (Unaudited) (continued)

NOTE 3 -- INVESTMENTS (CONTINUED)

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

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| | DATE OF ACQUISITION | C ASSI |
|--|------------------------|-------------|
| Acterna, LLC -- Common Shares | 12/24/03 | \$ |
| Allied Digital Technologies Corporation -- Residual Interest in Bankruptcy Estate | 06/05/02 | |
| AM Cosmetics Corporation -- Liquidation Interest | 03/07/03 | |
| Block Vision Holdings Corporation -- Common Shares | 09/30/02 | |
| Boston Chicken, Inc. -- Residual Interest in Boston Chicken Plan Trust | 12/26/00 | |
| Cedar Chemical -- Liquidation Interest | 12/31/02 | |
| Covenant Care, Inc. -- Warrants | 12/22/95 | |
| Covenant Care, Inc. -- Warrants | 01/18/02 | |
| Decision One Corporation -- Common Shares | 06/16/00 | |
| Electro Mechanical Solutions -- Residual Interest in Bankruptcy Estate | 10/02/02 | |
| Enginen Realty -- Common Shares | 11/24/03 | |
| 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 | |
| Galey & Lord -- Common Shares | 03/31/04 | |
| Gate Gourment Borrower, LLC -- Common Shares | 12/04/03 | |
| Gemini Leasing, Inc. -- Common Shares | 01/08/04 | |
| Grand Union Company -- Residual Interest in Bankruptcy Estate | 07/01/02 | |
| Holmes Group -- Common Shares | 05/26/04 | |
| Humphreys, Inc. -- Residual Interest in Bankruptcy Estate | 05/15/02 | |
| IHDG Realty -- Common Shares | 05/02/01 | |
| Imperial Home Decor Group, Inc. -- Common Shares | 05/02/01 | |
| Insilco Technologies -- Residual Interest in Bankruptcy Estate | 05/02/03 | |
| Intera Group, Inc. -- Common Shares | 11/29/02 | |
| IT Group, Inc. -- Residual Interest in Bankruptcy Estate | 09/12/03 | |
| Kevco, Inc. -- Residual Interest in Bankruptcy Estate | 06/05/02 | |
| Malden Mills Industries, Inc. -- Common Shares | 11/04/03 | |
| Morris Material Handling, Inc. -- Common Shares | 10/09/01 | |
| MP Holdings, Inc. -- Common Shares | 04/16/01 | |
| Murray's Discount Auto Stores, Inc. -- Escrow | 08/11/03 | |
| Neoplan USA Corporation -- Common Shares | 08/29/03 | |
| Neoplan USA Corporation -- Series B Preferred Shares | 08/29/03 | |
| Neoplan USA Corporation -- Series C Preferred Shares | 08/29/03 | |
| Neoplan USA Corporation -- Series D Preferred Shares | 08/29/03 | |
| New Piper Aircraft -- Residual Interest in Litigation Proceeds | 07/02/03 | |
| New World Restaurant Group, Inc. -- Warrants | 09/27/01 | |
| Safelite Glass Corporation -- Common Shares | 09/12/00 | |
| Safelite Realty -- Common Shares | 09/12/00 | |
| Sarcom, Inc. -- Common Shares | 12/11/02 | |
| Sarcom, Inc. -- Preferred Shares | 12/11/02 | |
| Scientific Games Corporation -- Common Shares | 10/30/03 | |
| Soho Publishing -- Common Shares | 01/10/02 | |
| Stellex Aerostructures, Inc. -- Common Shares | 10/17/01 | |
| Targus Group, Inc. -- Common Shares | 03/11/03 | |
| Tartan Textile Services, Inc. -- Series D Preferred Shares | 07/16/01 | |
| Tartan Textile Services, Inc. -- Series E Preferred Shares | 07/16/01 | |
| Telinget, Inc. -- Common Shares | 09/18/02 | |
| Tembec, Inc. -- Common Shares | 01/08/02 | |
| Transtar Metals -- Residual Interest in Bankruptcy Estate | 01/09/03 | |
| TSR Wireless, LLC -- Residual Interest in Bankruptcy Estate | 10/15/02 | |
| U.S. Aggregates -- Residual Interest in Bankruptcy Estate | 04/07/03 | |
| U.S. Office Products Company -- Residual Interest in Bankruptcy Estate | 06/11/02 | |
| Total restricted securities excluding senior loans (market value of \$29,175,576 was 2.9% of net assets at May 31, 2004) | | \$ ===== |

ING Prime Rate Trust

NOTES TO FINANCIAL STATEMENTS as of May 31, 2004 (Unaudited) (continued)

NOTE 4 -- MANAGEMENT AND ADMINISTRATION AGREEMENTS

The Trust has entered into an Investment Management Agreement with the Investment Manager, a wholly-owned subsidiary of ING 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 Managed Assets. For purposes of this Agreement, "Managed Assets" shall mean the Trust's average daily gross asset value, minus the sum of the Trust's accrued and unpaid dividends on any outstanding preferred shares and accrued liabilities (other than liabilities for the principal amount of any borrowings incurred, commercial paper or notes issued by the Trust and the liquidation preference of any outstanding preferred shares).

The Investment Manager entered into a subadvisory agreement with INGIM, a wholly owned subsidiary of ING Groep N.V., effective August 19, 2003. Subject to such policies as the Board or the Investment Manager may determine, INGIM manages the Trust's assets in accordance with the Trust's investment objectives, policies, and limitations.

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

NOTE 5 -- TRANSACTIONS WITH AFFILIATES AND RELATED PARTIES

At May 31, 2004, the Trust had the following amounts recorded in payables to affiliates on the accompanying Statement of Assets and Liabilities:

| ACCRUED INVESTMENT MANAGEMENT FEES | ACCRUED ADMINISTRATIVE FEES | TOTAL |
|---------------------------------------|--------------------------------|--------------|
| ----- | ----- | ----- |
| \$ 1,263,853 | \$ 394,954 | \$ 1,658,807 |

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

NOTE 6 -- COMMITMENTS

The Trust has entered into both a \$90 million 364-day revolving credit agreement which matures on August 25, 2004 and a \$435 million 364-day revolving securitization facility which matures on June 13, 2005, collateralized by assets of the Trust. Borrowing rates under these agreements are based on a fixed spread over LIBOR, the federal funds rate, or a commercial paper-based rate. Prepaid arrangement fees for these facilities are amortized over the term of the agreements. The amount of borrowings outstanding at May 31, 2004, was \$419 million. Weighted average interest rate on outstanding borrowings was 1.50%,

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excluding fees related to the unused portion of the facilities, and other fees. The amount of borrowings represented 21.84% of total assets at May 31, 2004. Average borrowings for the three months ended May 31, 2004 were \$321,315,217 and the average annualized interest rate was 1.47% excluding other fees related to the unused portion of the facilities, and other fees.

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ING Prime Rate Trust

NOTES TO FINANCIAL STATEMENTS as of May 31, 2004 (Unaudited) (continued)

As of May 31, 2004, the Trust had unfunded loan commitments pursuant to the terms of the following loan agreements:

| | | |
|------------------------------------|----|------------|
| Allied Waste North America, Inc. | \$ | 1,402,800 |
| Apria Healthcare Group, Inc. | | 2,000,000 |
| Block Vision Holdings Corporation | | 118,771 |
| Cincinnati Bell, Inc. | | 2,970,838 |
| Davita, Inc. | | 3,000,000 |
| Envirosolutions, Inc. | | 1,363,636 |
| Federal -Mogul Corporation | | 438,518 |
| Fleming Companies, Inc. | | 593,411 |
| Geo Specialty Chemicals, Inc. | | 670,000 |
| Georgia-Pacific Corporation | | 16,703,111 |
| Green-Valley Ranch Gaming, LLC | | 1,000,000 |
| IESI Corporation | | 1,049,375 |
| Lyondell-Citgo Refining, L.P. | | 9,000,000 |
| Neoplan USA Corporation | | 315,000 |
| Nextel Finance Company | \$ | 5,952,591 |
| Nutrasweet Acquisition Corporation | | 425,025 |
| Outsourcing Solutions, Inc. | | 63,692 |
| Owens-Illinois Group, Inc. | | 7,000,000 |
| Peabody Energy Corporation | | 2,500,000 |
| Pinnacle Entertainment | | 1,050,525 |
| Ply Gem Industries | | 1,045,455 |
| Primedia Inc. | | 6,893,570 |
| Saguaro Utility Group | | 3,500,000 |
| SBA Senior Finance, Inc. | | 1,115,385 |
| Six Flags Theme Parks, Inc. | | 2,700,000 |
| United Defense Industries, Inc. | | 3,000,000 |
| United Industries Corporation | | 1,280,000 |
| | | ----- |
| | \$ | 77,151,703 |
| | | ===== |

NOTE 7 -- RIGHTS AND OTHER OFFERINGS

As of May 31, 2004, outstanding share offerings pursuant to shelf registrations were as follows:

| REGISTRATION DATE ----- | SHARES REGISTERED ----- | SHARES REMAINING ----- |
|-------------------------------|-------------------------------|------------------------------|
| 9/15/98 | 25,000,000 | 19,089,760 |

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3/04/99

5,000,000

3,241,645

On November 2, 2000, the Trust issued 3,600 shares each of Series M, Series W and Series F Auction Rate Cumulative Preferred Shares, \$.01 Par Value, \$25,000 liquidation preference, for a total issuance of \$270 million. Also, on November 16, 2000, the Trust issued 3,600 shares of Series T and Series Th Auction Rate Cumulative Preferred Shares, \$.01 Par Value, \$25,000, liquidation preference, for a total issuance of \$180 million. Costs associated with the offering of approximately \$5,438,664 were charged against the proceeds received. The Trust used the net proceeds of the offering to partially pay down the then existing indebtedness and to purchase additional senior loans. Preferred Shares pay dividends based on a rate set at auctions, normally held every 7 days. In most instances dividends are also payable every 7 days, on the first business day following the end of the rate period.

NOTE 8 -- CUSTODIAL AGREEMENT

State Street Bank and Trust Company ("SSB") serves as the Trust's custodian and recordkeeper. Custody fees paid to SSB are reduced by earnings credits based on the cash balances held by SSB for the Trust. There were no earnings credits for the three months ended May 31, 2004.

NOTE 9 -- SUBORDINATED LOANS AND UNSECURED LOANS

The Trust may invest in subordinated loans and in unsecured loans. The primary risk arising from investing in subordinated loans or in unsecured loans is the potential loss in the event of default by the issuer of the loans. The Trust may acquire a subordinated loan only if, at the time of acquisition, it acquires or holds a senior loan from the same borrower. The Trust will acquire unsecured loans only where the Investment Manager believes, at the time of acquisition, that the Trust would have the right to payment upon default that is not subordinate to any other creditor. The Trust may invest up to 5% of its total assets, measured at the time of investment, in subordinated loans and unsecured loans. As of May 31, 2004, the Trust held 0.79% of its total assets in subordinated loans and unsecured loans.

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ING Prime Rate Trust

NOTES TO FINANCIAL STATEMENTS as of May 31, 2004 (Unaudited) (continued)

NOTE 10 -- FEDERAL INCOME TAXES

The tax composition of dividends and distributions to shareholders for the three months ended May 31, 2004 and year ended February 29, 2004 were as follows:

| THREE MONTHS ENDED MAY 31, 2004 | YEAR ENDED FEBRUARY 29, 2004 |
|---------------------------------|------------------------------|
| ORDINARY INCOME | ORDINARY INCOME |
| \$ 15,391,187 | \$ 62,849,228 |

NOTE 11 -- SUBSEQUENT EVENTS

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Subsequent to May 31, 2004, the Trust paid to Common Shareholders the following dividends from net investment income:

| PER SHARE AMOUNT ----- | DECLARATION DATE ----- | RECORD DATE ----- | PAYABLE DATE ----- |
|---------------------------|---------------------------|----------------------|-----------------------|
| \$ 0.035 | 5/28/04 | 6/10/04 | 6/22/04 |
| 0.035 | 6/30/04 | 7/12/04 | 7/22/04 |

Subsequent to May 31, 2004, 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 | \$ 38.83 | 06/07/04 to 07/12/04 | 06/14/04 to 07/19/04 | 06/15/04 to 07/20/04 |
| Series T | \$ 40.06 | 06/01/04 to 07/06/04 | 06/08/04 to 07/13/04 | 06/09/04 to 07/14/04 |
| Series W | \$ 38.46 | 06/02/04 to 07/07/04 | 06/09/04 to 07/14/04 | 06/10/04 to 07/15/04 |
| Series Th | \$ 40.04 | 06/03/04 to 07/08/04 | 06/10/04 to 07/15/04 | 06/14/04 to 07/16/04 |
| Series F | \$ 39.74 | 06/04/04 to 07/09/04 | 06/11/04 to 07/16/04 | 06/14/04 to 07/19/04 |

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ING Prime Rate Trust

PORTFOLIO OF INVESTMENTS as of May 31, 2004 (Unaudited)

SENIOR LOANS*: 180.2%

| PRINCIPAL AMOUNT ----- | BORROWER/TRANCHE DESCRIPTION ----- | BANK LOAN RATINGS MOODY'S |
|-----------------------------|--|---------------------------------|
| AEROSPACE AND DEFENSE: 2.0% | | |
| \$ 2,000,000 | ALLIANT TECHSYSTEMS, INC. Term Loan, maturing March 31, 2011 | Ba2 |
| 1,000,000 | ARINC, INC. Term Loan, maturing March 10, 2011 | Ba3 |
| 4,504,706 | PIEDMONT AVIATION SERVICES Term Loan, maturing July 23, 2006 | NR |
| 4,504,706 | TRANSDIGM, INC. Term Loan, maturing July 23, 2007 | B1 |
| 1,995,000 | UNITED DEFENSE INDUSTRIES, INC. Term Loan, maturing July 22, 2010 | Ba2 |
| 6,139,810 | Term Loan, maturing August 13, 2009 | |
| AUTOMOBILE: 9.0% | | |
| | AFTERMARKET TECHNOLOGY CORPORATION | Ba3 |

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| | | |
|------------|--|-----|
| 958,622 | Term Loan, maturing February 08, 2008 | |
| 1,318,154 | Term Loan, maturing February 08, 2008 | |
| | COLLINS & AIKMAN PRODUCTS | B1 |
| 1,298,246 | Term Loan, maturing December 31, 2005 | |
| | DURA OPERATING CORPORATION | Ba3 |
| 3,144,000 | Term Loan, maturing December 31, 2008 | |
| (2) | FEDERAL-MOGUL CORPORATION | Ca |
| 8,502,361 | Revolver, maturing February 24, 2004 | |
| 5,059,121 | Term Loan, maturing February 24, 2004 | |
| 7,500,000 | Term Loan, maturing February 24, 2005 | |
| | GOODYEAR TIRE & RUBBER COMPANY | B1 |
| 5,500,000 | Term Loan, maturing March 31, 2006 | |
| | GOODYEAR TIRE & RUBBER COMPANY | B2 |
| 1,500,000 | Term Loan, maturing March 31, 2006 | |
| | GUILFORD MILLS, INC. | B2 |
| 3,000,000 | Term Loan, maturing May 31, 2010 | |
| | HLI OPERATING COMPANY, INC. | Ba3 |
| 4,784,722 | Term Loan, maturing June 03, 2009 | |
| | KEYSTONE AUTOMOTIVE INDUSTRIES, INC. | B1 |
| 1,454,348 | Term Loan, maturing October 30, 2009 | |
| | MERIDIAN AUTOMOTIVE SYSTEMS, INC. | B2 |
| 2,000,000 | Term Loan, maturing April 28, 2010 | |
| | METALDYNE COMPANY, LLC | B2 |
| 3,401,703 | Term Loan, maturing December 31, 2009 | |
| | PLASTECH, INC. | Ba3 |
| 2,000,000 | Term Loan, maturing February 12, 2010 | |
| | RJ TOWER CORPORATION | B1 |
| 6,000,000 | Term Loan, maturing May 21, 2009 | |
| | SAFELITE GLASS CORPORATION | B3 |
| 6,729,690 | Term Loan, maturing September 30, 2007 | |
| 10,823,607 | Term Loan, maturing September 30, 2007 | |

See Accompanying Notes to Financial Statements

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ING Prime Rate Trust

PORTFOLIO OF INVESTMENTS as of May 31, 2004 (Unaudited) (continued)

| PRINCIPAL AMOUNT | BORROWER/TRANCHE DESCRIPTION | BANK LOAN RATINGS MOODY'S |
|-------------------------|--|---------------------------|
| AUTOMOBILE: (CONTINUED) | | |
| \$ 2,064,825 | TENNECO AUTOMOTIVE, INC. Term Loan, maturing December 12, 2010 | B1 |
| 2,500,000 | TRANSPORTATION TECHNOLOGIES INDUSTRIES, INC. Term Loan, maturing March 14, 2009 | B2 |
| 1,600,000 | TRW AUTOMOTIVE ACQUISITIONS CORPORATION Term Loan, maturing February 28, 2009 | Ba2 |
| 9,913,043 | Term Loan, maturing February 28, 2011 | |
| | UNITED COMPONENTS, INC. | B1 |
| 2,998,333 | Term Loan, maturing June 30, 2010 | |

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BANKING: 0.1%

| | | |
|-----------|---------------------------------------|----|
| | OUTSOURCING SOLUTIONS, INC. | NR |
| 2,978 | Revolver, maturing December 09, 2008 | |
| 1,426,801 | Term Loan, maturing December 09, 2008 | |

BEVERAGE, FOOD AND TOBACCO: 6.5%

| | | |
|------------|---------------------------------------|-----|
| | B & G FOODS, INC. | B1 |
| 1,492,500 | Term Loan, maturing August 31, 2009 | |
| | BIRDS EYE FOODS, INC. | B1 |
| 6,567,369 | Term Loan, maturing June 30, 2008 | |
| | COMMONWEALTH BRANDS, INC. | Ba3 |
| 5,954,000 | Term Loan, maturing August 28, 2007 | |
| | CONSTELLATION BRANDS, INC. | Ba1 |
| 5,250,000 | Term Loan, maturing November 30, 2008 | |
| | DEAN FOODS COMPANY | Ba1 |
| 4,437,500 | Term Loan, maturing July 15, 2007 | |
| 13,453,532 | Term Loan, maturing July 15, 2008 | |
| | DEL MONTE CORPORATION | Ba3 |
| 3,195,840 | Term Loan, maturing December 20, 2010 | |
| | DR. PEPPER BOTTLING COMPANY OF TEXAS | B1 |
| 3,880,411 | Term Loan, maturing December 19, 2010 | |
| | DS WATERS ENTERPRISES, L.P. | B1 |
| 2,481,250 | Term Loan, maturing November 07, 2009 | |
| | (2) FLEMING COMPANIES, INC. | B3 |
| 455,428 | Revolver, maturing June 18, 2007 | |
| | GOLDEN STATE FOODS CORPORATION | B1 |
| 4,000,000 | Term Loan, maturing February 28, 2011 | |
| | INTERSTATE BRANDS CORPORATION | B1 |
| 934,069 | Term Loan, maturing July 19, 2007 | |
| 2,478,693 | Term Loan, maturing July 19, 2007 | |
| | MAFCO WORLDWIDE CORPORATION | B1 |
| 980,098 | Term Loan, maturing March 31, 2006 | |
| | MICHAEL FOODS, INC. | B1 |
| 3,980,000 | Term Loan, maturing November 21, 2010 | |

See Accompanying Notes to Financial Statements

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ING Prime Rate Trust

PORTFOLIO OF INVESTMENTS as of May 31, 2004 (Unaudited) (continued)

| PRINCIPAL AMOUNT | BORROWER/TRANCHE DESCRIPTION | BANK LOAN RATINGS MOODY'S |
|---|--|---------------------------|
| BEVERAGE, FOOD AND TOBACCO: (CONTINUED) | | |
| | PINNACLE FOODS CORPORATION | B1 |
| \$ 2,339,450 | Term Loan, maturing November 25, 2010 | |
| 660,550 | Term Loan, maturing November 25, 2010 | |
| | SOUTHERN WINE & SPIRITS OF AMERICA, INC. | Ba3 |
| 2,959,991 | Term Loan, maturing July 02, 2008 | |

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| | | |
|---------------------------------|---|-----|
| BUILDINGS AND REAL ESTATE: 5.8% | | |
| | ASSOCIATED MATERIALS, INC. | Ba3 |
| 1,473,684 | Term Loan, maturing August 02, 2010 | |
| | ATRIUM COMPANIES, INC. | B1 |
| 2,992,500 | Term Loan, maturing December 10, 2008 | |
| | BUILDERS FIRSTSOURCE, INC. | B1 |
| 4,000,000 | Term Loan, maturing February 25, 2010 | |
| | BUILDING MATERIALS HOLDING CORPORATION | Ba2 |
| 1,985,000 | Term Loan, maturing August 21, 2010 | |
| | CRESCENT REAL ESTATE EQUITIES, L.P. | B1 |
| 3,500,000 | Term Loan, maturing January 12, 2006 | |
| | DMB NEWCO, LLC | NR |
| 8,208,810 | Term Loan, maturing February 28, 2009 | |
| | GENERAL GROWTH PROPERTIES | Ba1 |
| 5,925,000 | Term Loan, maturing April 16, 2006 | |
| 16,762,500 | Term Loan, maturing April 16, 2006 | |
| | MACERICH PARTNERSHIP, L.P. | Ba2 |
| 4,723,200 | Term Loan, maturing July 26, 2005 | |
| | PLY GEM INDUSTRIES | B1 |
| 204,545 | Revolver, maturing February 12, 2009 | |
| 750,000 | Term Loan, maturing March 15, 2010 | |
| 4,250,000 | Term Loan, maturing October 01, 2011 | |
| | ST. MARYS CEMENT, INC. | B1 |
| 2,992,500 | Term Loan, maturing December 04, 2009 | |
| | WERNER HOLDINGS COMPANY, INC. | B1 |
| 958,333 | Term Loan, maturing June 11, 2009 | |
| CABLE TELEVISION: 17.0% | | |
| | (2) ADELPHIA COMMUNICATIONS CORPORATION | NR |
| 2,956,684 | Debtor in Possession Term Loan, maturing March 31, 2005 | |
| | ATLANTIC BROADBAND FINANCE, LLC | B2 |
| 2,000,000 | Term Loan, maturing September 01, 2011 | |
| | BRESNAN COMMUNICATIONS, LLC | B1 |
| 5,000,000 | Term Loan, maturing December 31, 2007 | |
| | CEBRIDGE CONNECTIONS, INC. | NR |
| 4,500,000 | Term Loan, maturing February 04, 2009 | |
| 1,500,000 | Term Loan, maturing February 23, 2009 | |

See Accompanying Notes to Financial Statements

ING Prime Rate Trust

PORTFOLIO OF INVESTMENTS as of May 31, 2004 (Unaudited) (continued)

| PRINCIPAL AMOUNT | BORROWER/TRANCHE DESCRIPTION | BANK LOAN RATINGS MOODY'S |
|-------------------------------|-----------------------------------|---------------------------|
| CABLE TELEVISION: (CONTINUED) | | |
| | (2) CENTURY CABLE HOLDINGS, LLC | Caa1 |
| \$ 1,230,000 | Revolver, maturing March 31, 2009 | |

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| | | | |
|-----------------------|-----|--|------|
| 18,357,940 | | Term Loan, maturing June 30, 2009 | |
| 5,000,000 | | Term Loan, maturing December 31, 2009 | |
| | | CHARTER COMMUNICATIONS HOLDINGS, LLC | B2 |
| 53,000,000 | | Term Loan, maturing April 27, 2011 | |
| | (2) | FRONTIERVISION OPERATING PARTNERS, L.P. | B2 |
| 4,546,959 | | Revolver, maturing October 31, 2005 | |
| | (2) | HILTON HEAD COMMUNICATIONS, L.P. | Caa1 |
| 7,000,000 | | Revolver, maturing September 30, 2007 | |
| 6,500,000 | | Term Loan, maturing March 31, 2008 | |
| | | INSIGHT MIDWEST HOLDINGS, LLC | Ba3 |
| 1,940,000 | | Term Loan, maturing June 30, 2009 | |
| 1,995,000 | | Term Loan, maturing December 31, 2009 | |
| 16,458,750 | | Term Loan, maturing December 31, 2009 | |
| | | MCC IOWA, LLC | Ba3 |
| 1,500,000 | | Term Loan, maturing March 31, 2010 | |
| 16,000,000 | | Term Loan, maturing September 30, 2010 | |
| | (2) | OLYMPUS CABLE HOLDINGS, LLC | B2 |
| 5,000,000 | | Term Loan, maturing June 30, 2010 | |
| 19,250,000 | | Term Loan, maturing September 30, 2010 | |
| | | PERSONA COMMUNICATIONS, INC. | B2 |
| 1,000,000 | | Term Loan, maturing May 31, 2011 | |
| CARGO TRANSPORT: 3.1% | | | |
| | (2) | AMERICAN COMMERCIAL LINES, LLC | Caa1 |
| 1,258,356 | | Term Loan, maturing June 30, 2006 | |
| 1,804,934 | | Term Loan, maturing June 30, 2007 | |
| | (2) | AMERICAN COMMERCIAL LINES, LLC | Ba3 |
| 689,870 | | Debtor in Possession Term Loan, maturing July 31, 2004 | |
| | | ATLANTIC EXPRESS TRANSPORT | B3 |
| 6,000,000 | | Floating Rate Note, maturing April 15, 2008 | |
| | | BAKER TANKS, INC. | B1 |
| 997,500 | | Term Loan, maturing January 30, 2011 | |
| | | CSX/HORIZON LINES, LLC | Ba3 |
| 1,569,048 | | Term Loan, maturing February 27, 2009 | |
| | | GEMINI LEASING, INC. | NR |
| 1,972,274 | | Term Loan, maturing December 31, 2011 | |
| | | NEOPLAN USA CORPORATION | NR |
| 1,935,000 | | Revolver, maturing June 30, 2006 | |
| 5,401,295 | | Term Loan, maturing June 30, 2006 | |
| | | PACER INTERNATIONAL, INC. | B1 |
| 2,282,353 | | Term Loan, maturing June 10, 2010 | |

See Accompanying Notes to Financial Statements

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ING Prime Rate Trust

PORTFOLIO OF INVESTMENTS as of May 31, 2004 (Unaudited) (continued)

| PRINCIPAL AMOUNT | BORROWER/TRANCHE DESCRIPTION | BANK LOAN RATINGS MOODY'S |
|------------------|------------------------------|------------------------------|
|------------------|------------------------------|------------------------------|

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CARGO TRANSPORT: (CONTINUED)

| | | | |
|----|-----------|---------------------------------------|------|
| | | TEREX CORPORATION | B1 |
| \$ | 1,960,075 | Term Loan, maturing December 31, 2009 | |
| | 1,411,524 | Term Loan, maturing July 03, 2009 | |
| | | UNITED STATES SHIPPING, LLC | Ba2 |
| | 3,500,000 | Term Loan, maturing April 14, 2010 | |
| | | YELLOW ROADWAY CORPORATION | Baa3 |
| | 1,168,831 | Term Loan, maturing June 11, 2008 | |

CELLULAR COMMUNICATIONS: 12.8%

| | | | |
|--|----------------|---|------|
| | | AIRGATE PCS, INC. | B2 |
| | 696,750 | Term Loan, maturing June 06, 2007 | |
| | 9,890,932 | Term Loan, maturing September 30, 2008 | |
| | | CELLULAR SOUTH, INC. | Ba3 |
| | 2,000,000 | Term Loan, maturing May 04, 2011 | |
| | | CENTENNIAL CELLULAR OPERATING COMPANY | B2 |
| | 9,980,000 | Term Loan, maturing February 09, 2011 | |
| | | DOBSON CELLULAR SYSTEMS, INC. | B1 |
| | 5,463,747 | Term Loan, maturing March 31, 2010 | |
| | | INDEPENDENT WIRELESS ONE CORPORATION | Caa1 |
| | 3,304,714 (3) | Term Loan, maturing December 20, 2007 | |
| | 10,912,873 (3) | Term Loan, maturing June 20, 2008 | |
| | | MICROCELL TELECOMMUNICATIONS, INC. | B3 |
| | 7,000,000 | Term Loan, maturing July 15, 2011 | |
| | | MICROCELL TELECOMMUNICATIONS, INC. | Caa2 |
| | 1,000,000 | Term Loan, maturing February 15, 2011 | |
| | | NEXTEL FINANCE COMPANY | Ba2 |
| | 595,773 | Revolver, maturing December 31, 2007 | |
| | 34,578,424 | Term Loan, maturing December 31, 2007 | |
| | 28,932,500 | Term Loan, maturing December 15, 2010 | |
| | | NEXTEL PARTNERS OPERATING CORPORATION | B1 |
| | 8,000,000 | Term Loan, maturing May 31, 2011 | |
| | | RURAL CELLULAR CORPORATION | B2 |
| | 2,500,000 | Floating Rate Note, maturing March 15, 2010 | |
| | | US UNWIRED, INC. | B2 |
| | 2,457,145 | Term Loan, maturing September 30, 2007 | |
| | 2,681,083 | Term Loan, maturing March 31, 2008 | |

CHEMICALS, PLASTICS AND RUBBER: 10.2%

| | | | |
|--|-----------|--|----|
| | | ACADIA ELASTOMERS CORPORATION | NR |
| | 8,430,657 | Term Loan, maturing March 31, 2004 | |
| | | BRENNTAG AG | B1 |
| | 4,000,000 | Term Loan, maturing December 09, 2011 | |
| | | CP KELCO APS | B3 |
| | 2,492,576 | Term Loan, maturing March 31, 2008 | |
| | 810,798 | Term Loan, maturing September 30, 2008 | |

See Accompanying Notes to Financial Statements

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| PRINCIPAL AMOUNT | BORROWER/TRANCHE DESCRIPTION | BANK LOAN RATINGS MOODY'S |
|---|--|---------------------------|
| CHEMICALS, PLASTICS AND RUBBER: (CONTINUED) | | |
| | FMC CORPORATION | Ba1 |
| \$ 3,887,824 | Term Loan, maturing October 21, 2007 | |
| | (2) GEO SPECIALTY CHEMICALS, INC. | Caa1 |
| 1,740,101 | Term Loan, maturing December 31, 2007 | |
| | HERCULES, INC. | Ba1 |
| 9,325,000 | Term Loan, maturing October 08, 2010 | |
| | HUNTSMAN INTERNATIONAL, LLC | B1 |
| 5,624,593 | Term Loan, maturing June 30, 2007 | |
| 5,624,593 | Term Loan, maturing June 30, 2008 | |
| | HUNTSMAN, LLC | B2 |
| 7,372,482 | Term Loan, maturing March 31, 2007 | |
| 5,565,110 | Term Loan, maturing March 31, 2007 | |
| | JOHNSON DIVERSEY, INC. | Ba3 |
| 3,203,601 | Term Loan, maturing November 03, 2009 | |
| | KRATON POLYMERS | B1 |
| 2,991,667 | Term Loan, maturing December 23, 2010 | |
| | NALCO COMPANY | B1 |
| 17,331,923 | Term Loan, maturing November 04, 2010 | |
| | NOVEON, INC. | B1 |
| 7,862,146 | Term Loan, maturing December 31, 2009 | |
| | NUTRASWEET ACQUISITION CORPORATION | Ba3 |
| 47,225 | Revolver, maturing May 24, 2005 | |
| 281,567 | Term Loan, maturing May 24, 2005 | |
| 207,979 | Term Loan, maturing June 30, 2006 | |
| 2,868,590 | Term Loan, maturing May 25, 2009 | |
| | POLYPORE, INC. | B1 |
| 10,000,000 | Term Loan, maturing November 12, 2011 | |
| | ROCKWOOD SPECIALTIES GROUP, INC. | B1 |
| 3,980,000 | Term Loan, maturing July 23, 2010 | |
| CONTAINERS, PACKAGING AND GLASS: 7.6% | | |
| | BERRY PLASTICS CORPORATION | B1 |
| 1,000,000 | Term Loan, maturing July 22, 2010 | |
| 2,842,357 | Term Loan, maturing July 22, 2010 | |
| | CONSTAR INTERNATIONAL, INC. | B2 |
| 2,457,525 | Term Loan, maturing November 20, 2009 | |
| | CROWN CORK & SEAL COMPANY, INC. | Ba3 |
| 3,325,000 | Term Loan, maturing September 15, 2008 | |
| | GRAPHIC PACKAGING INTERNATIONAL, INC. | B1 |
| 14,925,000 | Term Loan, maturing August 09, 2010 | |
| | GREIF BROS. CORPORATION | Ba3 |
| 2,198,625 | Term Loan, maturing August 23, 2009 | |
| | IMPAXX, INC. | NR |
| 2,754,865 | Term Loan, maturing April 30, 2005 | |
| | JEFFERSON SMURFIT CORPORATION | Ba3 |
| 1,647,273 | Term Loan, maturing March 31, 2007 | |

See Accompanying Notes to Financial Statements

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ING Prime Rate Trust

PORTFOLIO OF INVESTMENTS as of May 31, 2004 (Unaudited) (continued)

| PRINCIPAL AMOUNT | BORROWER/TRANCHE DESCRIPTION | BANK LOAN RATINGS MOODY'S |
|--|---|---------------------------|
| CONTAINERS, PACKAGING AND GLASS: (CONTINUED) | | |
| \$ 2,423,692 | KERR GROUP, INC. Term Loan, maturing August 13, 2010 | B1 |
| 1,812,680 | KOCH CELLULOSE Term Loan, maturing May 07, 2011 | B1 |
| 61,520 | (2) LINCOLN PULP & EASTERN FINE Term Loan, maturing December 31, 2001 | NR |
| 112,339 | (3) Term Loan, maturing August 25, 2004 | |
| 13,849,995 | (3) Term Loan, maturing August 31, 2004 | |
| 12,000,000 | OWENS-ILLINOIS GROUP, INC. Term Loan, maturing April 01, 2008 | B1 |
| 5,929,950 | SILGAN HOLDINGS, INC. Term Loan, maturing November 30, 2008 | Ba3 |
| 1,204,111 | SMURFIT-STONE CONTAINER CANADA, INC. Term Loan, maturing June 30, 2009 | Ba3 |
| 9,476,250 | SOLO CUP, INC. Term Loan, maturing February 27, 2011 | B1 |
| 9,290,454 | STONE CONTAINER CORPORATION Term Loan, maturing June 30, 2009 | Ba3 |
| 253,713 | TEKNI-PLEX, INC. Term Loan, maturing June 21, 2008 | B1 |
| DATA AND INTERNET SERVICES: 0.1% | | |
| 1,319,441 | McLEODUSA, INC. Term Loan, maturing May 30, 2008 | Caa2 |
| DIVERSIFIED/CONGLOMERATE MANUFACTURING: 4.6% | | |
| 3,181,544 | BRAND SERVICES, INC. Term Loan, maturing October 16, 2009 | B1 |
| 3,092,429 | DRESSER, INC. Term Loan, maturing April 10, 2009 | Ba3 |
| 1,208,163 | FLOWSERVE CORPORATION Term Loan, maturing June 30, 2006 | Ba3 |
| 3,840,150 | Term Loan, maturing June 30, 2009 | |
| 9,633,028 | MUELLER GROUP, INC. Term Loan, maturing April 23, 2011 | B2 |
| 949,038 | NORCROSS SAFETY PRODUCTS, LLC Term Loan, maturing March 20, 2009 | B1 |
| 1,995,000 | RLC INDUSTRIES COMPANY Term Loan, maturing February 26, 2010 | B1 |
| 3,308,125 | ROPER INDUSTRIES, INC. Term Loan, maturing December 29, 2008 | Ba2 |
| 1,734,783 | SENSUS METERING SYSTEMS, INC. Term Loan, maturing December 17, 2010 | B2 |
| 260,217 | Term Loan, maturing December 17, 2010 | |
| 11,473,481 | SPX CORPORATION Term Loan, maturing September 30, 2009 | Ba2 |

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See Accompanying Notes to Financial Statements

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ING Prime Rate Trust

PORTFOLIO OF INVESTMENTS as of May 31, 2004 (Unaudited) (continued)

| PRINCIPAL AMOUNT | BORROWER/TRANCHE DESCRIPTION | BANK LOAN RATINGS MOODY'S |
|--|--|---------------------------|
| ----- | | |
| DIVERSIFIED/CONGLOMERATE MANUFACTURING: (CONTINUED) | | |
| | UNITED PET GROUP | NR |
| \$ 5,648,685 | Term Loan, maturing March 31, 2006 | |
| DIVERSIFIED/CONGLOMERATE SERVICE: 2.0% | | |
| | AMERCO, INC. | NR |
| 9,983,334 | Term Loan, maturing February 27, 2009 | |
| | IRON MOUNTAIN, INC. | B1 |
| 1,500,000 | Term Loan, maturing April 02, 2009 | |
| | RELIZON COMPANY | B1 |
| 4,306,476 | Term Loan, maturing February 20, 2011 | |
| | US INVESTIGATIONS SERVICES, LLC | B1 |
| 4,109,445 | Term Loan, maturing December 31, 2008 | |
| DIVERSIFIED/NATURAL RESOURCES, METALS AND MINERALS: 0.2% | | |
| | GEORGIA-PACIFIC CORPORATION | Ba2 |
| 2,296,889 | Revolver, maturing November 03, 2005 | |
| ECOLOGICAL: 2.0% | | |
| | ALLIED WASTE NORTH AMERICA, INC. | Ba3 |
| 97,200 | Revolver, maturing June 30, 2010 | |
| 7,572,321 | Term Loan, maturing January 15, 2010 | |
| 2,000,000 | Term Loan, maturing January 15, 2010 | |
| 1,000,000 | Term Loan, maturing January 15, 2010 | |
| | ENVIROSOLUTIONS, INC. | NR |
| 3,559,091 | Term Loan, maturing March 01, 2009 | |
| 77,273 | Term Loan, maturing March 31, 2009 | |
| | GREAT LAKES DREDGE & DOCK CORPORATION | B1 |
| 1,917,081 | Term Loan, maturing December 22, 2010 | |
| | IESI COPRORATION | B1 |
| 200,625 | Revolver, maturing September 30, 2008 | |
| 995,000 | Term Loan, maturing September 30, 2010 | |
| | WASTE CONNECTIONS, INC. | Ba2 |
| 3,000,000 | Term Loan, maturing October 22, 2010 | |
| ELECTRONICS: 1.3% | | |

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| | | |
|-----------|---|-----|
| 670,332 | ACTERNA, LLC Term Loan, maturing October 14, 2008 | NR |
| 997,500 | ANTEON CORPORATION Term Loan, maturing December 31, 2010 | Ba3 |
| 1,744,352 | DECISION ONE CORPORATION Term Loan, maturing April 18, 2005 | B3 |
| 8,796,660 | Term Loan, maturing April 18, 2005 | |
| 2,000,000 | INVENSYS INTERNATIONAL HOLDINGS LIMITED Term Loan, maturing September 05, 2009 | Ba3 |
| 2,121,197 | KNOWLES ELECTRONICS, INC. Term Loan, maturing June 29, 2007 | B3 |

See Accompanying Notes to Financial Statements

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ING Prime Rate Trust

PORTFOLIO OF INVESTMENTS as of May 31, 2004 (Unaudited) (continued)

| PRINCIPAL AMOUNT | BORROWER/TRANCHE DESCRIPTION | BANK LOAN RATINGS MOODY'S |
|-------------------------------|---|---------------------------|
| ELECTRONICS: (CONTINUED) | | |
| \$ 978,578 | SARCOM, INC. Term Loan, maturing June 30, 2007 | NR |
| FARMING AND AGRICULTURE: 1.5% | | |
| 4,628,333 | AGCO CORPORATION Term Loan, maturing January 31, 2006 | Ba1 |
| 2,997,000 | SCOTTS COMPANY Term Loan, maturing September 30, 2010 | Ba1 |
| 720,000 | UNITED INDUSTRIES CORPORATION Revolver, maturing April 30, 2010 | B1 |
| 7,000,000 | Term Loan, maturing April 29, 2011 | |
| FINANCE: 0.5% | | |
| 4,962,500 | RENT-A-CENTER, INC. Term Loan, maturing May 28, 2009 | Ba2 |
| GAMING: 4.3% | | |
| 3,869,336 | (2) ALADDIN GAMING, LLC Term Loan, maturing August 26, 2006 | Caa1 |
| 10,377,506 | (3) Term Loan, maturing February 26, 2008 | |
| 8,000,000 | ALLIANCE GAMING CORPORATION Term Loan, maturing September 04, 2009 | B1 |
| 2,762,195 | AMERISTAR CASINOS, INC. Term Loan, maturing December 20, 2006 | Ba3 |
| 4,376,250 | ARGOSY GAMING COMPANY Term Loan, maturing July 31, 2008 | Ba2 |

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| | | |
|---------------|---|-----|
| 3,000,000 | GLOBAL CASH ACCESS, LLC Term Loan, maturing March 10, 2010 | B2 |
| 1,995,000 | GREEN VALLEY RANCH GAMING, LLC Term Loan, maturing December 22, 2010 | B1 |
| 2,165,418 | ISLE OF CAPRI CASINOS, INC. Term Loan, maturing April 26, 2008 | Ba2 |
| 2,211,922 | PENN NATIONAL GAMING Term Loan, maturing September 01, 2007 | Ba3 |
| 2,286,667 | PINNACLE ENTERTAINMENT Term Loan, maturing December 17, 2009 | B1 |
| 3,069,498 | UNITED AUBURN INDIAN COMMUNITY Term Loan, maturing January 24, 2009 | Ba3 |
| GROCERY: 0.3% | | |
| 1,909,667 | GIANT EAGLE, INC. Term Loan, maturing August 02, 2009 | Ba2 |
| 1,041,960 | Term Loan, maturing August 06, 2009 | |

See Accompanying Notes to Financial Statements

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ING Prime Rate Trust

PORTFOLIO OF INVESTMENTS as of May 31, 2004 (Unaudited) (continued)

| PRINCIPAL AMOUNT | BORROWER/TRANCHE DESCRIPTION | BANK LOAN RATINGS MOODY'S |
|--|---|---------------------------|
| HEALTHCARE, EDUCATION AND CHILDCARE: 10.3% | | |
| \$ 1,997,908 | ALARIS MEDICAL SYSTEMS, INC. Term Loan, maturing June 30, 2009 | Ba3 |
| 704,198 | ALLIANCE IMAGING, INC. Term Loan, maturing November 02, 2006 | B1 |
| 4,612,436 | Term Loan, maturing June 10, 2008 | |
| 2,753,425 | APRIA HEALTHCARE GROUP, INC. Term Loan, maturing July 20, 2006 | Ba1 |
| 4,875,000 | Term Loan, maturing July 20, 2008 | |
| 14,784,900 | COMMUNITY HEALTH SYSTEMS, INC. Term Loan, maturing July 16, 2010 | Ba3 |
| 1,990,000 | Term Loan, maturing January 16, 2011 | |
| 4,062,500 | DAVITA, INC. Term Loan, maturing March 31, 2007 | Ba2 |
| 10,921,856 | Term Loan, maturing March 31, 2009 | |
| 987,500 | DJ ORTHOPEDICS, LLC Term Loan, maturing May 15, 2009 | B1 |
| 1,450,795 | EMPI CORPORATION Term Loan, maturing November 24, 2009 | B1 |
| 3,000,000 | EXPRESS SCRIPTS, INC. Term Loan, maturing February 13, 2010 | Ba1 |
| | FISHER SCIENTIFIC INTERNATIONAL, INC. | Ba3 |

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| | | |
|-----------|--|------|
| 5,171,655 | Term Loan, maturing March 31, 2010 FRESENIUS MEDICAL CARE HOLDINGS, INC. | Ba1 |
| 4,000,000 | Term Loan, maturing February 21, 2010 IASIS HEALTHCARE CORPORATION | B1 |
| 1,835,000 | Term Loan, maturing February 09, 2009 INSIGHT HEALTH SERVICES CORPORATION | B1 |
| 866,667 | Term Loan, maturing October 07, 2008 | |
| 200,000 | Term Loan, maturing October 07, 2008 | |
| 100,000 | Term Loan, maturing October 07, 2008 | |
| 5,289,255 | Term Loan, maturing October 17, 2008 KINETIC CONCEPTS, INC. | B1 |
| 4,454,167 | Term Loan, maturing August 11, 2010 MAGELLAN HEALTH SERVICES, INC. | B1 |
| 1,604,167 | Term Loan, maturing August 15, 2008 OXFORD HEALTH PLANS, INC. | Baa3 |
| 4,950,000 | Term Loan, maturing April 25, 2009 PACIFICARE HEALTH SYSTEMS, INC. | Ba3 |
| 992,500 | Term Loan, maturing June 03, 2008 SOLA INTERNATIONAL, INC. | Ba3 |
| 2,000,000 | Term Loan, maturing December 11, 2009 SYBRON DENTAL MANAGEMENT, INC. | Ba2 |
| 628,305 | Term Loan, maturing June 06, 2009 TRIAD HOSPITALS, INC. | Ba3 |
| 1,491,121 | Term Loan, maturing September 30, 2008 | |

See Accompanying Notes to Financial Statements

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ING Prime Rate Trust

PORTFOLIO OF INVESTMENTS as of May 31, 2004 (Unaudited) (continued)

| PRINCIPAL AMOUNT | BORROWER/TRANCHE DESCRIPTION | BANK LOAN RATINGS MOODY'S |
|--|---|---------------------------|
| HEALTHCARE, EDUCATION AND CHILDCARE: (CONTINUED) | | |
| \$ 6,000,000 | VANGUARD HEALTH SYSTEMS, INC. Term Loan, maturing May 18, 2009 | Ba3 |
| 5,911,718 | VICAR OPERATING, INC. Term Loan, maturing June 30, 2009 | B1 |
| 5,500,000 | VWR INTERNATIONAL, INC. Term Loan, maturing April 07, 2011 | B1 |
| HOME AND OFFICE FURNISHINGS, HOUSEWARES: 3.1% | | |
| 1,500,000 | GLOBAL IMAGING SYSTEMS, INC. Term Loan, maturing May 10, 2010 | Ba3 |
| 3,000,000 | HILLMAN GROUP, INC. Term Loan, maturing March 30, 2011 | B2 |
| 5,000,000 | HOLMES GROUP, INC. Term Loan, maturing November 08, 2010 | B1 |
| 4,082,337 | IDENTITY GROUP, INC. Term Loan, maturing April 30, 2006 | NR |
| | SEALY MATTRESS COMPANY | B2 |

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| | | |
|---|--|-----|
| 9,000,000 | Term Loan, maturing April 06, 2012 SIMMONS COMPANY | B2 |
| 8,323,704 | Term Loan, maturing December 19, 2011 XEROX CORPORATION | Ba3 |
| 2,000,000 | Term Loan, maturing September 30, 2008 | |
| INSURANCE: 1.4% | | |
| | CONSECO, INC. | B3 |
| 8,778,184 | Term Loan, maturing September 10, 2009 | |
| 1,995,042 | Term Loan, maturing September 10, 2009 | |
| 2,633,455 | Term Loan, maturing September 10, 2010 | |
| 598,512 | Term Loan, maturing September 10, 2010 | |
| LEISURE, AMUSEMENT AND ENTERTAINMENT: 11.1% | | |
| | AMF BOWLING WORLDWIDE, INC. | B1 |
| 2,500,000 | Term Loan, maturing August 26, 2009 | |
| | FITNESS HOLDINGS WORLDWIDE, INC. | B1 |
| 4,987,500 | Term Loan, maturing July 01, 2009 | |
| | LODGENET ENTERTAINMENT CORPORATION | B1 |
| 4,919,380 | Term Loan, maturing June 30, 2006 | |
| | LOEWS CINEPLEX ENTERTAINMENT CORPORATION | NR |
| 6,210,990 | Term Loan, maturing February 29, 2008 | |
| | METRO-GOLDWYN-MAYER STUDIOS, INC. | Ba3 |
| 29,000,000 | Term Loan, maturing April 30, 2011 | |
| | NEW JERSEY BASKETBALL, LLC | NR |
| 9,000,000 | Term Loan, maturing July 16, 2004 | |
| | PURE FISHING | B1 |
| 3,000,000 | Term Loan, maturing September 30, 2010 | |

See Accompanying Notes to Financial Statements

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ING Prime Rate Trust

PORTFOLIO OF INVESTMENTS as of May 31, 2004 (Unaudited) (continued)

| PRINCIPAL AMOUNT | BORROWER/TRANCHE DESCRIPTION | BANK LOAN RATINGS MOODY'S |
|---|--|---------------------------|
| LEISURE, AMUSEMENT AND ENTERTAINMENT: (CONTINUED) | | |
| | REGAL CINEMAS, INC. | Ba3 |
| \$ 14,000,000 | Term Loan, maturing November 10, 2010 | |
| | SIX FLAGS THEME PARKS, INC. | Ba3 |
| 300,000 | Revolver, maturing June 30, 2008 | |
| 9,959,870 | Term Loan, maturing June 30, 2009 | |
| | VIVENDI UNIVERSAL ENTERTAINMENT, LLLP | Ba2 |
| 7,000,000 | Term Loan, maturing June 30, 2008 | |
| | WARNER MUSIC GROUP | B1 |
| 15,000,000 | Term Loan, maturing February 28, 2011 | |
| | XANTERRA PARKS & RESORTS, LLC | NR |
| 3,030,409 | Term Loan, maturing September 30, 2004 | |

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| | | |
|--|---|------|
| 3,030,409 | Term Loan, maturing September 30, 2005 | |
| LODGING: 5.3% | | |
| 35,000,000 | CNL HOSPITALITY PARTNERS, L.P. Term Loan, maturing January 02, 2005 | NR |
| 3,546,242 | WYNDHAM INTERNATIONAL, INC. Term Loan, maturing April 01, 2006 | NR |
| 15,713,651 | Term Loan, maturing June 30, 2006 | |
| MACHINERY: 4.0% | | |
| 3,206,990 | ALLIANCE LAUNDRY HOLDINGS, LLC Term Loan, maturing August 02, 2007 | B1 |
| 13,757,427 | ANTHONY CRANE RENTAL, L.P. Term Loan, maturing July 20, 2006 | Caa2 |
| 4,500,000 | ENERSYS, INC. Term Loan, maturing March 15, 2011 | B1 |
| 249,574 | MORRIS MATERIAL HANDLING, INC. Term Loan, maturing September 28, 2004 | NR |
| 2,892,857 | NATIONAL WATERWORKS, INC. Term Loan, maturing November 22, 2009 | B1 |
| 6,222,222 | REXNORD CORPORATION Term Loan, maturing November 25, 2009 | B1 |
| 10,333,333 | UNITED RENTALS (NORTH AMERICA), INC. Term Loan, maturing February 14, 2011 | Ba3 |
| 470,218 | VUTEK, INC. Term Loan, maturing July 31, 2005 | B1 |
| 1,650,956 | Term Loan, maturing July 31, 2007 | |
| 671,218 | Term Loan, maturing December 30, 2007 | |
| MINING, STEEL, IRON AND NONPRECIOUS METALS: 0.9% | | |
| 8,910,000 | PEABODY ENERGY CORPORATION Term Loan, maturing March 21, 2010 | Ba1 |

See Accompanying Notes to Financial Statements

ING Prime Rate Trust

PORTFOLIO OF INVESTMENTS as of May 31, 2004 (Unaudited) (continued)

| PRINCIPAL AMOUNT | BORROWER/TRANCHE DESCRIPTION | BANK LOAN RATINGS MOODY'S |
|-------------------|--|---------------------------|
| ----- | | |
| OIL AND GAS: 2.6% | | |
| \$ 2,500,000 | CITGO PETROLEUM CORPORATION Term Loan, maturing February 27, 2006 | Ba2 |

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| | | | |
|--|-----|--|------|
| | | GETTY PETROLEUM MARKETING, INC. | B1 |
| 6,000,000 | | Term Loan, maturing May 19, 2010 | |
| | | LYONDELL-CITGO REFINING, L.P. | Ba3 |
| 1,000,000 | | Term Loan, maturing May 03, 2007 | |
| | | PACIFIC ENERGY GROUP, LLC | Ba2 |
| 4,000,000 | | Term Loan, maturing July 26, 2009 | |
| | | TRANSWESTERN PIPELINE COMPANY | B1 |
| 2,000,000 | | Term Loan, maturing April 30, 2009 | |
| | | W-H ENERGY SERVICES, INC. | B2 |
| 3,395,078 | | Term Loan, maturing April 16, 2007 | |
| 3,473,750 | | Term Loan, maturing April 16, 2007 | |
| | | WILLIAMS PRODUCTION RMT COMPANY | B2 |
| 3,981,281 | | Term Loan, maturing May 30, 2007 | |
| OTHER BROADCASTING AND ENTERTAINMENT: 3.2% | | | |
| | | DIRECTV HOLDINGS, LLC | Ba2 |
| 7,020,306 | | Term Loan, maturing March 06, 2010 | |
| | | LIBERTY MEDIA CORPORATION | Baa3 |
| 15,000,000 | | Floating Rate Note, maturing September 17, 2006 | |
| | | PEGASUS MEDIA & COMMUNICATIONS, INC. | Caa1 |
| 1,651,507 | | Term Loan, maturing April 30, 2005 | |
| | | RAINBOW MEDIA GROUP | Ba2 |
| 7,959,972 | | Term Loan, maturing March 31, 2009 | |
| OTHER TELECOMMUNICATIONS: 6.1% | | | |
| | | CINCINNATI BELL, INC. | B1 |
| 14,389,414 | | Term Loan, maturing June 30, 2008 | |
| | | CONSOLIDATED COMMUNICATIONS, INC. | B1 |
| 3,500,000 | | Term Loan, maturing March 31, 2010 | |
| 2,500,000 | | Term Loan, maturing October 14, 2011 | |
| | | D&E COMMUNICATIONS, INC. | Ba3 |
| 2,992,500 | | Term Loan, maturing March 05, 2012 | |
| | | ECHOSTAR DBS CORPORATION | Ba3 |
| 12,000,000 | | Floating Rate Note, maturing October 01, 2008 | |
| | | GCI HOLDINGS, INC. | Ba3 |
| 2,087,144 | | Term Loan, maturing October 31, 2007 | |
| | | INTERA GROUP, INC. | NR |
| 2,640,478 | (3) | Term Loan, maturing December 31, 2005 | |
| 909,384 | (3) | Term Loan, maturing December 31, 2005 | |
| 1,922,621 | (3) | Term Loan, maturing December 31, 2005 | |
| | | PANAMSAT CORPORATION | Ba2 |
| 537,115 | | Term Loan, maturing September 30, 2010 | |

See Accompanying Notes to Financial Statements

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| PRINCIPAL AMOUNT | BORROWER/TRANCHE DESCRIPTION | RATINGS MOODY'S |
|---|---|--------------------|
| OTHER TELECOMMUNICATIONS: (CONTINUED) | | |
| \$ 15,000,000 | QWEST COMMUNICATIONS INTERNATIONAL, INC. Floating Rate Note, maturing February 15, 2009 | B3 |
| 2,000,000 | QWEST CORPORATION Term Loan, maturing June 30, 2007 | B2 |
| 6,000,000 | TIME WARNER TELECOM HOLDINGS Floating Rate Note, maturing February 15, 2011 | B1 |
| PERSONAL AND NONDURABLE CONSUMER PRODUCTS: 4.3% | | |
| 3,000,000 | AMSCAN HOLDINGS, INC. Term Loan, maturing April 30, 2012 | B1 |
| 2,992,500 | BUHRMANN U.S., INC. Term Loan, maturing December 31, 2010 | Ba3 |
| 1,163,424 | CHURCH & DWIGHT CO., INC. Term Loan, maturing September 30, 2007 | Ba2 |
| 1,990,000 | JARDEN CORPORATION Term Loan, maturing April 24, 2008 | Ba3 |
| 4,264,991 | JOSTENS, INC. Term Loan, maturing July 29, 2010 | Ba3 |
| 12,113,580 | NORWOOD PROMOTIONAL PRODUCTS, INC. Term Loan, maturing February 01, 2005 | NR |
| 8,358,425 (3) | Term Loan, maturing February 01, 2005 | |
| 1,998,167 (3) | Term Loan, maturing February 01, 2005 | |
| 4,000,000 | PAINT SUNDRY BRANDS CORPORATION Term Loan, maturing July 28, 2010 | B1 |
| 6,000,000 | PRESTIGE BRANDS HOLDINGS, INC. Term Loan, maturing April 06, 2011 | B1 |
| 3,607,729 | RAYOVAC CORPORATION Term Loan, maturing September 30, 2009 | B1 |
| PERSONAL, FOOD AND MISCELLANEOUS SERVICES: 2.9% | | |
| 1,478,620 | AFC ENTERPRISES, INC. Term Loan, maturing May 23, 2009 | B1 |
| 2,155,448 | ALDERWOODS GROUP, INC. Term Loan, maturing September 29, 2008 | B1 |
| 4,900,000 | COINMACH CORPORATION Term Loan, maturing July 25, 2009 | B1 |
| 7,971,655 | DOMINO'S, INC. Term Loan, maturing June 25, 2010 | B1 |
| 990,000 | GATE GOURMET BORROWER, LLC Term Loan, maturing December 31, 2008 | B1 |
| 1,034,811 | Term Loan, maturing December 31, 2009 | |
| 3,990,000 | JACK IN THE BOX, INC. Term Loan, maturing January 09, 2010 | Ba2 |
| 6,127,563 | OTIS SPUNKMEYER, INC. Term Loan, maturing February 20, 2009 | B1 |

See Accompanying Notes to Financial Statements

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ING Prime Rate Trust

PORTFOLIO OF INVESTMENTS as of May 31, 2004 (Unaudited) (continued)

| PRINCIPAL AMOUNT | BORROWER/TRANCHE DESCRIPTION | BANK LOAN RATINGS MOODY'S |
|---------------------------------|--|------------------------------|
| PRINTING AND PUBLISHING: 12.4% | | |
| \$ 4,000,000 | ADAMS OUTDOOR ADVERTISING, L.P. Term Loan, maturing October 15, 2011 | B1 |
| 1,000,000 | AMERICAN ACHIEVEMENT CORPORATION Term Loan, maturing March 17, 2011 | B1 |
| 3,777,279 | AMERICAN MEDIA OPERATIONS, INC. Term Loan, maturing April 01, 2007 | Ba3 |
| 2,493,750 | AMERICAN REPROGRAPHICS COMPANY Term Loan, maturing June 18, 2009 | B1 |
| 1,000,000 | AMERICAN REPROGRAPHICS COMPANY Term Loan, maturing December 18, 2009 | B3 |
| 9,897,436 | CANWEST MEDIA, INC. Term Loan, maturing May 15, 2009 | Ba3 |
| 7,561,803 | DEX MEDIA EAST, LLC Term Loan, maturing November 08, 2008 | B1 |
| 4,205,195 | DEX MEDIA WEST, LLC Term Loan, maturing May 08, 2009 | B1 |
| 6,345,372 | FREEDOM COMMUNICATIONS Term Loan, maturing September 09, 2009 | Ba3 |
| 25,381,476 | FREEDOM COMMUNICATIONS Term Loan, maturing March 09, 2010 | Ba3 |
| 12,000,000 | LAMAR MEDIA CORPORATION Term Loan, maturing April 12, 2012 | Ba2 |
| 2,000,000 | MEDIANEWS GROUP, INC. Term Loan, maturing June 30, 2009 | Ba3 |
| 12,370,370 | MEDIANEWS GROUP, INC. Term Loan, maturing June 30, 2010 | Ba3 |
| 2,493,750 | PRIMEDIA, INC. Term Loan, maturing December 30, 2010 | B3 |
| 6,439,135 | R.H. DONNELLEY, INC. Term Loan, maturing June 30, 2009 | Ba3 |
| 7,901,382 | TRANSWESTERN PUBLISHING COMPANY Term Loan, maturing June 30, 2010 | B1 |
| 6,418,750 | TRANSWESTERN PUBLISHING COMPANY Term Loan, maturing February 25, 2011 | B2 |
| 4,000,000 | TRANSWESTERN PUBLISHING COMPANY Term Loan, maturing February 25, 2012 | B3 |
| 6,315,549 | ZIFF DAVIS MEDIA, INC. Term Loan, maturing March 31, 2007 | B3 |
| RADIO AND TV BROADCASTING: 6.2% | | |
| 2,804,772 | BLOCK COMMUNICATIONS, INC. Term Loan, maturing November 15, 2009 | Ba2 |
| 2,970,000 | CUMULUS MEDIA, INC. Term Loan, maturing March 28, 2010 | Ba3 |
| 10,000,000 | EMMIS OPERATING COMPANY Term Loan, maturing November 10, 2011 | Ba2 |
| | FISHER BROADCASTING, INC. Term Loan, maturing November 10, 2011 | Ba3 |

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1,271,673 Term Loan, maturing February 28, 2010

See Accompanying Notes to Financial Statements

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ING Prime Rate Trust

PORTFOLIO OF INVESTMENTS as of May 31, 2004 (Unaudited) (continued)

| PRINCIPAL AMOUNT | BORROWER/TRANCHE DESCRIPTION | BANK LOAN RATINGS MOODY'S |
|--|---|---------------------------|
| RADIO AND TV BROADCASTING: (CONTINUED) | | |
| \$ 3,990,000 | GRAY TELEVISION, INC. Term Loan, maturing December 31, 2010 | Ba2 |
| 2,028,571 | LIN TELEVISION CORPORATION Term Loan, maturing December 31, 2007 | Ba1 |
| 2,327,500 | MISSION BROADCASTING, INC. Term Loan, maturing December 31, 2010 | Ba3 |
| 1,196,426 | NEXSTAR BROADCASTING Term Loan, maturing December 31, 2010 | Ba3 |
| 18,000,000 | PAXSON COMMUNICATIONS CORPORATION Floating Rate Note, maturing January 15, 2010 | B1 |
| 2,765,400 | SINCLAIR BROADCAST GROUP, INC. Term Loan, maturing December 31, 2009 | Ba2 |
| 4,609,000 | SPANISH BROADCASTING SYSTEMS Term Loan, maturing December 31, 2009 | B1 |
| 1,995,000 | SUSQUEHANNA MEDIA COMPANY Term Loan, maturing October 30, 2009 | Ba2 |
| 7,000,000 | TELEVICENTRO OF PUERTO RICO, LLC Term Loan, maturing March 31, 2012 | Ba1 |
| 1,851,429 | Term Loan, maturing December 31, 2007 | |
| RETAIL: 4.2% | | |
| 5,478,926 | ADVANCE STORES COMPANY, INC. Term Loan, maturing November 30, 2007 | Ba2 |
| 1,221,429 | ALIMENTATION COUCHE-TARD, INC. Term Loan, maturing December 17, 2010 | Ba2 |
| 1,000,000 | BAKER & TAYLOR, INC. Term Loan, maturing May 06, 2011 | B1 |
| 1,663,339 | CH OPERATING, LLC Term Loan, maturing June 21, 2007 | B2 |
| 1,500,000 | CSK AUTO, INC. Term Loan, maturing June 19, 2009 | Ba3 |
| 2,500,000 | NEBRASKA BOOK COMPANY, INC. Term Loan, maturing March 04, 2011 | B2 |
| 2,936,651 | ORIENTAL TRADING COMPANY, INC. Term Loan, maturing August 06, 2010 | B1 |
| 1,000,000 | ORIENTAL TRADING COMPANY, INC. Term Loan, maturing January 08, 2011 | B2 |
| 9,000,000 | PANTRY, INC. Term Loan, maturing March 12, 2011 | B1 |

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| | | |
|------------|---|-----|
| 2,540,168 | PETCO ANIMAL SUPPLIES, INC. Term Loan, maturing October 26, 2008 | Ba3 |
| 11,000,000 | RITE AID CORPORATION Term Loan, maturing April 30, 2008 | Ba3 |

See Accompanying Notes to Financial Statements

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ING Prime Rate Trust

PORTFOLIO OF INVESTMENTS as of May 31, 2004 (Unaudited) (continued)

| PRINCIPAL AMOUNT | BORROWER/TRANCHE DESCRIPTION | BANK LOAN RATINGS MOODY'S |
|------------------------------------|---|------------------------------|
| RETAIL: (CONTINUED) | | |
| \$ 2,192,775 | TRAVELCENTERS OF AMERICA, INC. Term Loan, maturing November 14, 2008 | Ba3 |
| TELECOMMUNICATIONS EQUIPMENT: 4.4% | | |
| 4,066,258 | CROWN CASTLE OPERATING COMPANY Term Loan, maturing September 15, 2007 | B1 |
| 17,347,825 | Term Loan, maturing September 30, 2010 | |
| 6,134,615 | SBA SENIOR FINANCE, INC. Term Loan, maturing October 31, 2008 | B2 |
| 10,263,258 | SPECTRASITE COMMUNICATIONS, INC. Term Loan, maturing December 31, 2007 | B1 |
| 4,896,488 | Term Loan, maturing December 31, 2007 | |
| 1,043,184 | TRIPOINT GLOBAL COMMUNICATIONS, INC. Term Loan, maturing May 31, 2006 | NR |
| TEXTILES AND LEATHER: 0.9% | | |
| 2,670,191 | GALEY & LORD, INC. Term Loan, maturing September 05, 2009 | NR |
| 2,573,615 | MALDEN MILLS INDUSTRIES, INC. Term Loan, maturing October 01, 2008 | NR |
| 735,319 (3) | Term Loan, maturing October 01, 2008 | |
| 3,000,000 | POLYMER GROUP, INC. Term Loan, maturing April 27, 2010 | B2 |
| 1,515,984 | WILLIAM CARTER COMPANY Term Loan, maturing September 08, 2008 | Ba3 |
| UTILITIES: 6.0% | | |
| 14,000,000 | ALLEGHENY ENERGY SUPPLY COMPANY Term Loan, maturing March 08, 2011 | B1 |
| 7,000,000 | Term Loan, maturing June 08, 2011 | |
| 14,500,000 | ASTORIA ENERGY, LLC Term Loan, maturing April 15, 2012 | Ba3 |
| | CALPINE CONSTRUCTION FINANCE COMPANY, L.P. | NR |

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| | | |
|-----------|--|-----|
| 1,990,000 | Term Loan, maturing February 26, 2009 CALPINE CORPORATION | B2 |
| 7,433,775 | Term Loan, maturing July 16, 2007 | |
| 3,962,550 | Term Loan, maturing July 16, 2007 CALPINE GENERATING COMPANY, LLC | B1 |
| 2,500,000 | Term Loan, maturing April 01, 2008 CENTERPOINT ENERGY, INC. | Ba1 |
| 3,481,081 | Term Loan, maturing October 07, 2006 PIKE ELECTRIC, INC. | Ba3 |
| 1,611,765 | Term Loan, maturing April 18, 2010 TETON POWER FUNDING | Ba3 |
| 4,250,000 | Term Loan, maturing March 12, 2011 | |

TOTAL SENIOR LOANS
(COST \$1,834,605,679)

See Accompanying Notes to Financial Statements

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ING Prime Rate Trust

PORTFOLIO OF INVESTMENTS as of May 31, 2004 (Unaudited) (continued)

| PRINCIPAL AMOUNT | BORROWER/TRANCHE DESCRIPTION | BANK LOAN RATINGS MOODY'S |
|---|--|------------------------------|
| OTHER CORPORATE DEBT: 1.1% | | |
| FINANCE: 0.8% | | |
| \$ 7,794,118 | VALUE ASSET MANAGEMENT, INC. Senior Subordinated Bridge Note, maturing August 31, 2005 | B3 |
| HEALTHCARE, EDUCATION AND CHILDCARE: 0.0% | | |
| 13,365 | BLOCK VISION HOLDINGS CORPORATION Junior Term Loan, maturing July 30, 2007 | NR |
| HOME AND OFFICE FURNISHINGS, HOUSEWARES: 0.2% | | |
| 45,229 | MP HOLDINGS, INC. Subordinated Note, maturing March 14, 2007 | NR |
| 2,000,000 | SEALY MATTRESS COMPANY Unsecured Term Loan, maturing April 05, 2013 | B3 |
| TEXTILES AND LEATHER: 0.1% | | |
| | TARTAN TEXTILE SERVICES, INC. | NR |

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1,332,583 Subordinated Note,
maturing April 01, 2011

TOTAL OTHER CORPORATE DEBT
(COST \$11,144,616)

EQUITIES AND OTHER ASSETS: 3.3%

SECURITY DESCRIPTION

| | | |
|------|----------|--|
| | (@), (R) | Acterna, LLC (85,722 Common Shares) |
| | (@), (R) | Acterna, Inc. - Contingent Right |
| (1), | (@), (R) | Allied Digital Technologies Corporation (Residual Interest in Bankruptcy Estate) |
| | (@), (R) | AM Cosmetics Corporation (Liquidation Interest) |
| | (@), (R) | Block Vision Holdings Corporation (571 Common Shares) |
| (2), | (@), (R) | Boston Chicken, Inc. (Residual Interest in Boston Chicken Plan Trust) |
| | (@), (R) | Cedar Chemical (Liquidation Interest) |
| | (@), (R) | Covenant Care, Inc. (Warrants for 19,000 Common Shares, Expires January 13, 2005) |
| | (@), (R) | Covenant Care, Inc. (Warrants for 26,901 Common Shares, Expires March 31, 2013) |
| | (@), (R) | Decision One Corporation (350,065 Common Shares) |
| (2), | (@), (R) | Electro Mechanical Solutions (Residual Interest in Bankruptcy Estate) |
| | (@), (R) | Enginen Realty (857 Common Shares) |
| | (@), (R) | Enterprise Profit Solutions (Liquidation Interest) |

See Accompanying Notes to Financial Statements

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ING Prime Rate Trust

PORTFOLIO OF INVESTMENTS as of May 31, 2004 (Unaudited) (continued)

SECURITY DESCRIPTION

| | | |
|------|----------|---|
| (4), | (@), (R) | Euro United Corporation (Residual Interest in Bankruptcy Estate) |
| (2), | (@), (R) | Exide Technologies (Warrants for 16,501 Common Shares, Expires March 16, 2006) |
| | (@), (R) | Galey & Lord (203,345 Common Shares) |
| | (@), (R) | Gate Gourmet Borrower, LLC (Warrants for 101 Common Shares) |
| | (@), (R) | Gemini Leasing, Inc. (143,079 common shares) |
| | (@) | Genesis Healthcare Corporation (13,302 Common Shares) |
| (2), | (@), (R) | Grand Union Company (Residual Interest in Bankruptcy Estate) |

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| | | | |
|------|----------|--|---|
| | (@) | | Hayes Lemmerz (73,835 Common Shares) |
| | (@) | | Hayes Lemmerz (246 Preferred Shares) |
| | (@), (R) | | Holmes Group (2,303, Common Shares) |
| | (@) | | HQ Global (1,523 Common Shares) |
| | | | HQ Global (2,461,860 Preferred Shares) |
| (2), | (@), (R) | | Humphreys, Inc. (Residual Interest in Bankruptcy Estate) |
| | (@), (R) | | IHDG Realty (300,141 Common Shares) |
| | (@), (R) | | Imperial Home Decor Group, Inc. (300,141 Common Shares) |
| | (@), (R) | | Imperial Home Decor Group, Inc. (Liquidation Interest) |
| (2), | (@), (R) | | Insilco Technologies (Residual Interest in Bankruptcy Estate) |
| | (@), (R) | | Intera Group, Inc. (864 Common Shares) |
| (2), | (@), (R) | | IT Group, Inc. (Residual Interest in Bankruptcy Estate) |
| (2), | (@), (R) | | Kevco, Inc. (Residual Interest in Bankruptcy Estate) |
| | (@), (R) | | Malden Mills Industries, Inc. (436,865 Common Shares) |
| | (@), (R) | | Malden Mills Industries, Inc. (1,427,661 Preferred Shares) |
| | (@), (R) | | Morris Material Handling, Inc. (481,373 Common Shares) |
| | (@), (R) | | MP Holdings, Inc. (590 Common Shares) |
| | (@), (R) | | Murray's Discount Auto Stores, Inc. (Escrow Interest) |
| | (@) | | NeighborCare (6,365 Common Shares) |
| | (@), (R) | | Neoplan USA Corporation (17,348 Common Shares) |
| | (@), (R) | | Neoplan USA Corporation (1,814,180 Series B Preferred Shares) |
| | (@), (R) | | Neoplan USA Corporation (1,084,000 Series C Preferred Shares) |
| | (@), (R) | | Neoplan USA Corporation (3,524,300 Series D Preferred Shares) |
| | (@), (R) | | New Piper Aircraft (Residual Interest in Litigation Proceeds) |
| | (@), (R) | | New World Restaurant Group, Inc. (Warrants for 4,489 Common Shares, Expires June 15, 2006) |
| | (@) | | Outsourcing Solutions, Inc. (31,129 Common Shares) |
| | (@), (R) | | Safelite Glass Corporation (660,808 Common Shares) |
| | (@), (R) | | Safelite Realty (44,605 Common Shares) |
| | (@), (R) | | Sarcom, Inc. (462,984 Common Shares) |
| | (@), (R) | | Sarcom, Inc. (4,015 Preferred Shares) |
| | (@), (R) | | Scientific Games Corporation (48,930 Non-Voting Common Shares) |
| | (@), (R) | | Soho Publishing (17,582 Common Shares) |
| | (@), (R) | | Stellax Aerostructures, Inc. (11,130 Common Shares) |
| | (@), (R) | | Targus Group, Inc. (Warrants for 66,824 Common Shares, Expires December 6, 2012) |

See Accompanying Notes to Financial Statements

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ING Prime Rate Trust

PORTFOLIO OF INVESTMENTS as of May 31, 2004 (Unaudited) (continued)

SECURITY DESCRIPTION

| | | | |
|------|----------|--|--|
| | (@), (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) |
| | (@), (R) | | Teligent, Inc. (50 Common Shares) |
| | (@), (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. Aggregates (Residual Interest in Bankruptcy Estate) |

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| | |
|---------------|---|
| (2), (0), (R) | U.S. Office Products Company (Residual Interest in Bankruptcy Estate) |
| | TOTAL FOR EQUITY AND OTHER ASSETS (COST \$33,429,106) |
| | TOTAL INVESTMENTS (COST \$1,879,179,401) |
| | PREFERRED SHARES AND LIABILITIES IN EXCESS OF CASH AND OTHER ASSETS, NET |
| | NET ASSETS |

-
- (0) 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 Baa3 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 \$1,880,664,502. Net unrealized depreciation consists of the following:

| | | |
|-------------------------------|----|--------------|
| Gross Unrealized Appreciation | \$ | 79,017,853 |
| Gross Unrealized Depreciation | | (85,525,054) |
| | | ----- |
| Net Unrealized Depreciation | \$ | (6,507,201) |
| | | ===== |

See Accompanying Notes to Financial Statements

ING Prime Rate Trust

ADDITIONAL INFORMATION (Unaudited)

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 \$100,000 on a monthly basis.

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

For optional cash investments, shares will be purchased on the open market by the DST Systems, Inc. when the market price plus estimated commissions is less than the net asset value on the valuation date. New shares will be issued by the Trust for optional cash investments when the market price plus estimated commissions is equal to or exceeds the net asset value on the valuation date. Such shares will be issued at a discount to market, determined by the Trust, between 0% and 5%.

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 PRORATA 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 the Trust's Shareholder Services Department at (800) 992-0180.

KEY FINANCIAL DATES -- CALENDAR 2004 DIVIDENDS:

| DECLARATION DATE ----- | EX-DIVIDEND DATE ----- | PAYABLE DATE ----- |
|---------------------------|---------------------------|-----------------------|
| January 30 | February 6 | February 24 |
| February 27 | March 8 | March 22 |
| March 31 | April 7 | April 22 |
| April 30 | May 6 | May 24 |
| May 28 | June 8 | June 22 |
| June 30 | July 8 | July 22 |
| July 30 | August 6 | August 23 |
| August 31 | September 8 | September 22 |
| September 30 | October 7 | October 22 |
| October 29 | November 8 | November 22 |
| November 30 | December 8 | December 22 |
| December 20 | December 29 | January 12 |

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

STOCK DATA

The Trust's common 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

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ADDITIONAL INFORMATION (Unaudited) (continued)

Funds" feature in Barron's, The New York Times, The Wall Street Journal and many other regional and national publications.

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.

NUMBER OF SHAREHOLDERS

The approximate number of record holders of Common Stock as of May 28, 2004 was 7,428 which does not include approximately 49,800 beneficial owners of shares held in the name of brokers of other nominees.

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ING Prime Rate Trust

TRUSTEE AND OFFICER INFORMATION (Unaudited)

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 ("Non-Interested Trustee"). The Trustees of the Trust are listed below. The Trust's Statement of Additional Information includes additional information about the trustees and is available, without charge, upon request at 1-800-992-0180.

| NAME, ADDRESS AND AGE | POSITION(S) HELD WITH THE REGISTRANT(S) | TERM OF OFFICE AND LENGTH OF TIME SERVED(1) | PRINCIPAL OCCUPATION(S) DURING THE PAST FIVE YEARS | NUMBER PORTFOLI FUND CO OVERSEE TRUST |
|---|---|---|---|---|
| NON-INTERESTED TRUSTEES: | | | | |
| Paul S. Doherty(2) 7337 E. Doubletree Ranch Rd. Scottsdale, Arizona 85258 Born: 1934 | Trustee | November 1999 - present | President and Partner, Doherty, Wallace, Pillsbury and Murphy, P.C., Attorneys (1996 - Present). | 118 |
| J. Michael Earley(3) 7337 E. Doubletree Ranch Rd. Scottsdale, Arizona 85258 Born: 1945 | Trustee | February 2002 - present | President and Chief Executive Officer, Bankers Trust Company, N.A. (1992 - Present). | 118 |
| R. Barbara Gitenstein(2) 7337 E. Doubletree Ranch Rd. Scottsdale, Arizona 85258 Born: 1948 | Trustee | February 2002 - present | President, College of New Jersey (1999 - Present). | 118 |
| Walter H. May(2) | Trustee | November | Retired. Formerly, | 118 |

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| | | | | |
|---|---------|-------------------------------|--|-----|
| 7337 E. Doubletree Ranch Rd. Scottsdale, Arizona 85258 Born: 1936 | | 1999 - present | Trustee of each of the funds managed by Northstar Investment Management Corporation (1996 - 1999). | |
| Jock Patton(2) 7337 E. Doubletree Ranch Rd. Scottsdale, Arizona 85258 Born: 1945 | Trustee | August 1995 - present | Private Investor (June 1997 - Present). Formerly, Director and Chief Executive Officer, Rainbow Multimedia Group, Inc. (January 1999 - December 2001). | 118 |
| David W.C. Putnam(3) 7337 E. Doubletree Ranch Rd. Scottsdale, Arizona 85258 Born: 1939 | Trustee | November 1999 - present | President and Director, F.L. Putnam Securities Company, Inc. and its affiliates (1978 - Present); President, Secretary and Trustee, The Principled Equity Market Fund (1996 - Present). | 118 |
| Blaine E. Rieke 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). | 118 |
| Roger B. Vincent 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). | 118 |

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| NAME, ADDRESS AND AGE | POSITION(S) HELD WITH THE REGISTRANT(S) | TERM OF OFFICE AND LENGTH OF TIME SERVED(1) | PRINCIPAL OCCUPATION(S) DURING THE PAST FIVE YEARS | NUMBER PORTFOLIO FUND CO OVERSEE TRUST |
|--|---|---|--|--|
| INTERESTED TRUSTEES: | | | | |
| Richard A. Wedemeyer(2) (3) 7337 E. Doubletree Ranch Rd. Scottsdale, Arizona 85258 Born: 1936 | Trustee | February 2001 - present | Retired. Formerly, Vice President - Finance and Administration, Channel Corporation (1996 - 2002); Trustee, First Choice Funds (1997 - 2001); and of each of the funds managed by ING Investment Management Co. LLC (1998 - 2001). | 118 |
| Thomas J. McInerney(4) 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); Member, ING Americas Executive Committee (2001 - present); President, Chief Executive Officer and Director of Northern Life Insurance Company (2001 - present), ING Aeltus Holding Company, Inc. (2000 - present), ING Retail Holding Company (1998 - 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). | 171 |
| John G. Turner(5) 7337 E. Doubletree Ranch Rd. Scottsdale, Arizona 85258 Born: 1939 | Trustee | September 2000 - present | Chairman, Hillcrest Capital Partners (May 2002 - Present); Formerly, Vice Chairman of ING Americas (2000 - 2002); Chairman and Chief Executive Officer of ReliaStar Financial Corp. (1993 - 2001); Chairman of ReliaStar Life Insurance Company of New York (1995 - | 118 |

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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).

-
- (1) Trustees serve until their successors are duly elected and qualified, subject to the Board's retirement policy.
 - (2) Valuation and Proxy Voting Committee (formerly the Valuation Committee) member.
 - (3) Audit Committee member.
 - (4) Mr. McInerney is an "interested person," as defined by the 1940 Act, because of an affiliation with ING Groep N.V., the parent corporation of the Investment Manager, ING Investments, LLC and the Distributor, ING Funds Distributor, LLC.
 - (5) Mr. Turner is an "interested person," as defined by the 1940 Act, because of his affiliation with ING Groep N.V., the parent corporation of the Investment Manager, ING Investments, LLC and the Distributor, ING Funds Distributor, LLC.

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ING Prime Rate Trust

TRUSTEE AND OFFICER INFORMATION (Unaudited) (continued)

| NAME, ADDRESS AND AGE | POSITION(S) HELD WITH THE TRUST | TERM OF OFFICE AND LENGTH OF TIME SERVED(1) | |
|--|--|--|---|
| ----- | | | |
| OFFICERS: | | | |
| James M. Hennessy 7337 E. Doubletree Ranch Rd. Scottsdale, Arizona 85258 Born: 1949 | President and Chief Executive Officer Chief Operating Officer | February 2001 - Present July 2000 - Present | Preside ING Inv 2001 - Executi Operati LLC (2) and Exe Investm 2000). |
| Michael J. Roland 7337 E. Doubletree Ranch Rd. Scottsdale, Arizona 85258 Born: 1958 | Executive Vice President and Assistant Secretary Chief Financial Officer | February 2002 - Present August 1998 - Present | Executi Financi Investm Present Preside (June 1 |

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| | | | |
|--|---|--|---|
| <p>Stanley D. Vyner 7337 E. Doubletree Ranch Rd. Scottsdale, Arizona 85258 Born: 1950</p> | <p>Executive Vice President</p> | <p>August 2003 - Present</p> | <p>Executi Investm affilia Chief I 2003 - Investm Intern Investm 2003); Executi LLC (2)</p> |
| <p>Robert S. Naka 7337 E. Doubletree Ranch Rd. Scottsdale, Arizona 85258 Born: 1963</p> | <p>Senior Vice President Assistant Secretary</p> | <p>November 1999 - Present July 1996 - Present</p> | <p>Senior Secreta (Octobe Senior Secreta (Februa</p> |
| <p>Daniel A. Norman 7337 E. Doubletree Ranch Rd. Scottsdale, Arizona 85258 Born: 1957</p> | <p>Senior Vice President Treasurer</p> | <p>April 1995 - Present June 1997 - Present</p> | <p>Senior Present Managem Loan Gr Present Co. For the Sen (April</p> |
| <p>Jeffrey A. Bakalar 7337 E. Doubletree Ranch Rd. Scottsdale, Arizona 85258 Born: 1959</p> | <p>Senior Vice President</p> | <p>November 1999 - Present</p> | <p>Senior Present Managem Loan Gr Present Co. For the Sen (Januar</p> |
| <p>Elliot Rosen 7337 E. Doubletree Ranch Rd. Scottsdale, Arizona 85258 Born: 1953</p> | <p>Senior Vice President</p> | <p>May 2002 - Present</p> | <p>Senior Floatin Investm (Februa</p> |
| <p>William H. Rivoir III 7337 E. Doubletree Ranch Rd. Scottsdale, Arizona 85258 Born: 1951</p> | <p>Senior Vice President and Assistant Secretary</p> | <p>February 2001 - Present</p> | <p>Vice Pr Managem Present Law Dep Decembe Preside certain Decembe</p> |
| <p>Curtis F. Lee 7337 E. Doubletree Ranch Rd. Scottsdale, Arizona 85258 Born: 1955</p> | <p>Senior Vice President and Chief Credit Officer</p> | <p>February 2001 - Present</p> | <p>Senior Officer Loan Gr Managem Present positio Bank in problem (1992 -</p> |

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TRUSTEE AND OFFICER INFORMATION (Unaudited) (continued)

| NAME, ADDRESS AND AGE | POSITION(S) HELD WITH THE TRUST | TERM OF OFFICE AND LENGTH OF TIME SERVED(1) | |
|---|------------------------------------|---|--|
| Kimberly A. Anderson 7337 E. Doubletree Ranch Rd. Scottsdale, Arizona 85258 Born: 1964 | Senior Vice President | November 2003 - Present | Senior Secreta (Octobe Vice Pr ING Inv October Investm August ING Fun 1999 - various Service five ye |
| Robyn L. Ichilov 7337 E. Doubletree Ranch Rd. Scottsdale, Arizona 85258 Born: 1967 | Vice President | November 1997 - Present | Vice Pr LLC (3) ING Inv 1997 - |
| J. David Greenwald 7337 E. Doubletree Ranch Rd. Scottsdale, Arizona 85258 Born: 1957 | Vice President | August 2003 - June 2004 | Vice Pr Complia (May 20 Assista Mutual Operati Prudent (Octobe |
| Lauren D. Bensinger 7337 E. Doubletree Ranch Rd. Scottsdale, Arizona 85258 Born: 1954 | Vice President | August 2003 - Present | Vice Pr Officer (July 1 (Februa Complia Present |
| Huey P. Falgout, Jr. 7337 E. Doubletree Ranch Rd. Scottsdale, Arizona 85258 Born: 1963 | Secretary | August 2003 - Present | Chief C Service Formerl Service 2003); of AIG 1999 - |
| Todd Modic 7337 E. Doubletree Ranch Rd. Scottsdale, Arizona 85258 | Vice President | August 2003 - Present | Vice Pr Fund Ac Service |

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Distributor, Inc., which was previously known as ING Pilgrim Securities, Inc., and before that was known as Pilgrim Securities, Inc., and before that was known as Pilgrim America Securities, Inc.

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INVESTMENT MANAGER

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

ADMINISTRATOR

ING Fund Services, LLC
7337 E. Doubletree Ranch Road
Scottsdale, Arizona 85258
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
1-800-334-3444

TRANSFER AGENT

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

CUSTODIAN

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

LEGAL COUNSEL

Dechert LLP
1775 I Street, N.W.
Washington, D.C. 20006

INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

KPMG LLP
355 S. Grand Avenue, Suite 2000
Los Angeles, CA 90071-1568

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

FOR MORE COMPLETE INFORMATION, OR TO OBTAIN A PROSPECTUS ON ANY ING FUND, PLEASE CALL YOUR INVESTMENT PROFESSIONAL OR ING FUNDS DISTRIBUTOR, LLC AT (800) 992-0180 OR LOG ON TO www.ingfunds.com. THE PROSPECTUS SHOULD BE READ CAREFULLY

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BEFORE INVESTING. CONSIDER THE FUND'S INVESTMENT OBJECTIVES, RISKS, AND CHARGES AND EXPENSES CAREFULLY BEFORE INVESTING. THE PROSPECTUS CONTAINS THIS INFORMATION AND OTHER INFORMATION ABOUT THE FUND. THE TRUST'S PROXY VOTING RECORD WILL BE AVAILABLE WITHOUT CHARGE ON OR ABOUT AUGUST 31, 2004 ON THE FUND'S WEBSITE AT www.ingfunds.com AND ON THE SEC'S WEBSITE www.sec.gov.

[ING FUNDS LOGO]

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(0507-073004)