



ING Mid-Cap Growth

STRATEGY BRIEF

GLOBAL

ING Investment Management at a Glance

ING Investment Management is a leading global asset manager with \$462 billion in assets under management. With over 3,500 employees and an investment presence in 33 countries, ING IM provides clients with access to domestic, regional and global investment solutions.

Mission

ING Investment Management's mission is to find unrecognized value ahead of consensus by seeking original insights on markets and companies. Toward that end, we apply our proprietary research and analytics, benchmark awareness and risk management to serve client needs within the guidelines and objectives of each assignment.

Portfolio Managers



Jeff Bianchi, CFA
Senior Portfolio Manager
Years of experience: 16



James Hasso
Co-Portfolio Manager
Years of experience: 14

Investment Team

Supported by 14 Analysts

Average years of experience: 14

For more information please contact your relationship manager or go to www.inginvestment.com.

Quarter ending June 30, 2010.

STRATEGY

Summary

This is an actively managed strategy that relies on fundamental research and analysis to identify companies with strong and accelerating business momentum, increasing market acceptance, and attractive valuations.

Objective

The objective is to outperform the Russell Midcap Growth index by 3-4% annually before management fees over full market cycles, with annualized tracking error of approximately 6-8%.

Investment Process

Our disciplined, bottom-up strategy focuses on security selection, using rigorous fundamental research and analysis of the characteristics of individual companies. We begin with a quantitative evaluation of approximately 1,000 mid-cap companies, comparing each to the universe as a whole and to the peers in the company's sector. Once the universe is ranked, the portfolio management team concentrates its efforts on the top quintile of securities to add insight through in-depth fundamental analysis. Buy and sell decisions are mainly the product of qualitative judgments about business momentum, market recognition, and valuation.

Contribution to Process and Returns

High Security Selection

In-depth fundamental research identifies attractive stocks using a proprietary quantitative scoring system based on three performance drivers: business momentum, valuation, and market recognition.

High Sector Allocation

Sector weighting decisions are directly related to the results of our bottom-up process, rather than due to macroeconomic or thematic judgments.

Low

High Sell Discipline

We continuously review the fundamentals and relative positions of our universe of securities. Sell decisions are made in the same disciplined manner as buy decisions.

High Market Timing

Portfolios are typically fully invested. We retain residual cash only for needed liquidity and a buying reserve.

Low

Competitive Advantages

- Consistent philosophy has been successfully applied across various market cycles
- Disciplined, repeatable process driven by fundamental research
- Stable, experienced investment team leverages a centralized ING research platform
- Excellent performance relative to the benchmark and peer group competitors
- Close adherence to style assures suitability in a formal asset allocation process

PERFORMANCE (%)

Composite		Quarter	YTD	1 Year	Annualized	
					3 Years	Since inception (8/1/05)
	Gross:	(6.93)	(0.35)	27.57	(0.64)	5.53
	Net:	(7.14)	(0.79)	26.44	(1.53)	4.58
Russell Midcap Growth Index		(10.20)	(3.31)	21.30	(7.53)	0.23
	Excess Return	3.27	2.96	6.27	6.89	5.30

COMMENTARY

Market Review

The equity markets hit a low for the year in the quarter ended June 30, 2010. The period was marked with high volatility caused partly by the worry about the European market putting a sharp end to the risk rally that began in the second quarter of 2009. Other things worrying investors included a range of fiscal, economic and regulatory issues that further hurt the markets. Volatility sent investors fleeing from stocks worldwide, driving them into defensive investments, especially U.S. Treasuries and gold.

As the quarter began, pressures were building that were expected to push longer-term interest rates outside recent ranges. Reminders of the fragile U.S. economic recovery and lack of inflationary forces, however, pointed toward the Federal Reserve maintaining an accommodative interest rate policy. Treasury auctions began to decline in size and demand remained robust. Analysts expected economic growth to remain below levels that would make much headway against the high unemployment rate. Lack of progress in reducing initial claims for unemployment insurance affirmed this view.

Account Performance

Strong stock selection was the primary driver of outperformance. Strong selection was evident in a number of sectors including industrials, health care, materials, consumer staples and consumer discretionary. Weak selection in financials mitigated some of the gains.

Sybase Inc. and Hershey Co. were stocks that added value during the quarter. Sybase shares outperformed as SAP announced an agreement to acquire the company. Hershey outperformed after significantly beating expectations for Q1 and raising 2010 earnings per share (EPS) guidance well above consensus. These positive events occurred thanks to better volumes as recent investments in advertising paid off and the company realized savings from its ongoing supply chain efficiency initiative. We sold the stock as a result of limited upside remaining after the strong performance.

Manager commentary is for informational purposes only and does not constitute investment advice and is not a recommendation to purchase or sell any of the securities referenced. You can remove the Information should not be construed as investment advice because this covers it. So, the disclosure should appear as such.

Past performance does not guarantee future results. There is no guarantee that any forecasts or opinions in this material will be realized. Manager commentary is for informational purposes only and does not constitute investment advice and is not a recommendation to purchase or sell any of the securities referenced.

Please refer to the Schedule of Composite Performance, attached, for additional performance information.

The Composite performance information represents the investment results of a group of fully discretionary accounts managed with the investment objective of outperforming the benchmark. Information is subject to change at any time. Gross returns are presented after all transaction costs, but before management fees. Returns include the reinvestment of income. Net performance is shown after the deduction of a model management fee equal to the highest fee charged. Benchmark source: Frank Russell Company.

Russell Midcap Growth Index measures the performance of the mid-cap growth segment of the U.S. equity market including Russell Midcap Index companies with higher price-to-book ratios and forecasted growth.

The detractors this quarter included Flextronics International Ltd., Wyndham Worldwide Corp. and Lazard Ltd. Flextronics stock underperformed the broader market amid investor concerns on the pace of global economic growth and the resulting impact on demand for technology products. This negatively affected higher beta, low profit margin technology stocks such as Flextronics. Wyndham Worldwide underperformed despite solid results as investors feared that a European travel slowdown would impact Wyndham's vacation exchange/rental business, and that a worsening currency drag would hamper earnings given the U.S. dollar's strength. We continue to like the stock for its significant free cash flow generation and continued transition to a fee-based, asset light model. Lazard's underperformance was driven by concerns that the economic recovery was possibly taking a step back, coupled with increased expectations of a muted mergers and acquisitions cycle. Investors also feared that Lazard's asset management business, which is exposed to equities, would feel some pressure due to the pull-back in the markets.

Current Strategy and Outlook

Despite the mixed bag of economic indicators and forecast for slower growth in the second half of the year, we maintain our belief that equity markets have room to appreciate. In our view, for at least the next quarter the likelihood of low inflation, low interest rates and positive earnings surprises should provide the necessary backdrop for a rally in equities.

However, risks to the downside certainly remain. Calls for austerity measures and the withdrawal of stimulus in the United States may be a bit early, in our opinion. Additionally, the upcoming Congressional elections may be unsettling to markets as either party draws attention to the issues with the economy. Yet, we believe that a double dip recession is not a likely scenario, though we will continue to monitor market-changing events.

PORTFOLIO HIGHLIGHTS

Sector Weights and Attribution

	Sector Weights			Trailing 1-Year Attribution Analysis		
	% of Portfolio	Russell Midcap Growth Index	Overweight/Underweight	Allocation Effect	Selection Effect	Total Effect
Consumer Discretionary	21.53	19.30	2.24	0.14	0.65	0.78
Consumer Staples	5.24	5.63	-0.39	0.05	1.00	1.06
Energy	5.60	5.09	0.50	0.13	-0.08	0.05
Financials	8.58	6.92	1.66	0.20	-0.33	-0.13
Health Care	14.35	14.21	0.14	0.13	1.38	1.51
Industrials	13.96	15.38	-1.43	0.09	0.31	0.40
Information Technology	22.69	24.09	-1.40	0.17	0.69	0.86
Materials	5.43	6.86	-1.42	0.09	1.44	1.53
Telecom Services	1.67	1.86	-0.18	-0.24	0.72	0.48
Utilities	0.95	0.66	0.28	0.53	-0.19	0.34
Cash	NA	NA	NA	0.04	0.00	0.04
Index Futures and ETFs	NA	NA	NA	0.04	0.00	0.04
Total	100	100	NA	1.38	5.59	6.97

Returns-Based Characteristics

Three years ending 6/30/10

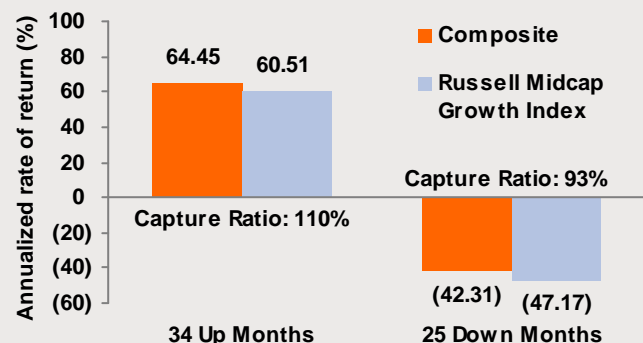
	Composite	Russell Midcap Growth Index
Standard Deviation (%)	21.81	24.87
Tracking Error (%)	5.75	NA
Information Ratio	1.20	NA
Alpha (annualized %)	5.61	NA
Beta	0.86	1.00
R-Squared	0.96	1.00
Sharpe Ratio	(0.09)	(0.36)

Security Characteristics

	Portfolio	Russell Midcap Growth Index
Weighted Avg. Cap (\$ Millions)	6,014	6,093
P/E (next 12 mos.)	14.48	16.00
EPS Growth % (next 12 mos.)	25.96	27.24
P/E ÷ EPS Growth (next 12 mos.)	0.56	0.59
Price to Cash Flow	11.17	12.90
ROA (%)	8.57	8.15
Number of Issues	86	497

Up/Down Capture Ratio

8/1/05 to 6/30/10



Percentage of Time the Composite Outperformed the Benchmark

8/1/05 to 6/30/10

3-Year Rolling Periods 100% 8/8

Top Ten Holdings

	% of Portfolio
Hospira Inc.	2.17
Intuit Inc.	2.03
Bed Bath & Beyond Inc.	2.03
Ecolab Inc.	2.03
Ross Stores Inc.	2.02
AmerisourceBergen Corp.	1.98
BMC Software Inc.	1.77
SBA Communications Corp.	1.67
Sigma-Aldrich Corp.	1.63
Stericycle Inc.	1.62

Alpha: A measure of risk-adjusted performance; expressed as an annualized rate, it is the return that would have been realized by the manager over a measurement period if the return for the market were zero.

Beta: The sensitivity of a portfolio's returns to changes in the return of the market as measured by the index or benchmark that represents the market. A beta of 1.0 behaves exactly like the index. Beta less than 1.0 suggests lower risk than the index; greater than 1.0 indicates a risk level higher than the index.

Tracking Error: A measure of how closely the returns of a fund tend to follow the returns of the index to which it is benchmarked, specifically, the variability of excess returns around the average.

Information Ratio: The ratio of excess returns above a market index to the variability of those excess returns, in effect, describing the value-added from active management in relation to the risk taken in achieving those returns.

R-square: The proportion of the variation in a portfolio's returns that can be explained by the variability of the returns of an index. High R-square (close to 1.0) is usually consistent with broad diversification.

Upside/Downside Capture: is a graphical depiction of the historical risk and return potential of a portfolio versus its benchmark. Upside capture measures how the manager performed when the market was positive, while the downside capture measures the degree to which the manager went down while markets were negative.

Attribution results over long periods are not guaranteed to be accurate relative to the sum of a series of shorter periods.

The sector, security, and holdings information is based on a sample account in the Composite that we believe best represents this investment management style. It should not be assumed that the adviser continues to hold the securities listed. Other accounts in the Composite might have slightly different portfolio characteristics. Returns-Based Characteristics are based on the Composite returns.

The performance above is offered as Supplemental Information only. Please see next page for other important disclosures.

SCHEDULE OF COMPOSITE PERFORMANCE

Year	Composite Returns (%)		Russell Midcap Growth Returns (%)	Number of Portfolios	Composite Dispersion (%)		Assets in this Composite (\$mm)	Percentage of Firm Assets (%)	Total Firm Assets (\$mm)
	Gross	Net			High	Low			
2009	42.51	41.27	46.29	<5	42.95	42.34	920	1.49	61,599
2008	(37.12)	(37.71)	(44.32)	<5	(37.11)	(37.22)	622	1.11	56,044
2007	26.91	25.79	11.43	<5	26.94	26.83	414	0.56	74,322
2006	8.86	7.89	10.66	<5	8.88	8.79	394	0.59	66,276
2005*	5.57	4.14	5.18	<5	NA	NA	469	0.79	58,983

The Firm has prepared and presented this report in compliance with the Global Investment Performance Standards ("GIPS").

NOTES:

- For GIPS purposes, the Firm is defined as all discretionary accounts managed by ING Investment Management Co. and its subsidiary ING Investment Trust Co., but not including collateralized debt obligation structures, long/short hedge funds, structured mortgage derivative portfolios, or specialized accounts supporting the reinsurance arrangements of affiliated insurance companies.
- Effective July 1, 2008, the Firm for GIPS purposes was redefined to exclude its affiliate ING Ghent Asset Management LLC ("ING Ghent"), as a result of the sale of assets managed by the ING Ghent portfolio management team. Previously, on December 31, 2003 the Firm was redefined for GIPS purposes to reflect the consolidation of ING business units and to provide the public with a more meaningful representation of the various investment strategies the Firm has to offer.
- "Composite Dispersion (%)" for each annual period is based on the gross returns shown (after transaction costs) and is equal to the highest and lowest annual return among the portfolios that are included in the composite for the full year.
- Composite returns are calculated from discretionary Mid-Cap Growth portfolios managed with a view towards outperforming the index over full market cycles while maintaining a market level of risk.
- Returns are benchmarked to the Russell Midcap Growth Index which does not incur management fees, transaction costs or other expenses associated with a managed account. It is not possible to invest directly in an index. Past performance is no guarantee of future results.
- All portfolios have been valued on a monthly basis. The composite has been constructed as a beginning-of-period asset-weighted average of each account's time-weighted return and includes reinvestment of income and capital gains.
- A \$5 million minimum has been set for inclusion in the composite.
- Valuation and returns are computed and stated in U.S. dollars.
- Where permitted, equity index futures may be used to gain market exposure on cash balances. No leverage or options are used.
- Gross performance results are calculated and presented after all trading commissions but before management fees, custody charges, taxes, and other indirect expenses. Net of fee performance results are calculated by subtracting a hypothetical management fee % from the gross return on a monthly basis and geometrically linking the results to produce annual returns shown. As such, the net performance results are net of both trading commissions and management fees, but before custody charges, taxes, and other indirect expenses. The hypothetical management fee is equal to the highest fee % level from any fee schedule currently offered for the strategy shown. While fee schedules can change over time, any amended fee %s resulting from a change will not be retroactively applied to performance history, but will rather be applied on a prospective basis from the point of the change.
- The annual management fee will vary according to the size of the account, and will depend on the type of investment vehicle selected. The fee schedule for an individually managed account for this strategy is: 0.75% on the first \$25 million; 0.65% on the next \$75 million; 0.55% on the next \$150 million; 0.35% on the next \$250 million; and 0.25% over \$500 million. However, fee schedules may differ for pooled trusts or other types of investment vehicles. Further information regarding applicable fee schedules is available upon request.
- This composite was created August 1, 2005. A complete list and description of the Firm composites and additional information regarding policies for calculating and reporting returns is available upon request.

* Cumulative return for the period from August 1, 2005 (inception of strategy) to December 31, 2005.

NA = not applicable