

ING Enhanced Core Select Equity

Strategy Brief

Quarter ending March 31, 2010

ING Investment Management at a Glance

ING Investment Management is a leading global asset manager with \$494 billion in assets under management. With over 3,300 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.

Summary

This is an enhanced index strategy that applies a proprietary stock ranking process to every stock in the S&P 500 Index, overweighting the most attractively ranked stocks and underweighting or not owning the stocks with the poorest fundamentals. The approach is based on a focused portfolio of approximately 180-240 stocks. Our objective is to outperform the S&P 500 Index by 1-2% annualized before management fees over full market cycles with annualized tracking error of about 1.5-2.5%.

Investment Process

Our stock selection process is based on fundamentally driven quantitative research that evaluates and scores every stock in the S&P 500 Index in terms of its business fundamentals and earnings quality, valuation and market recognition. We score each stock on these attributes relative to the index and its sector and combine the scores into a final ranking of the entire universe. Portfolios are rebalanced monthly.

Contribution to Process and Returns

Security Selection

High  Low

We add value by overweighting S&P 500 companies that our research identifies as having strong and accelerating business fundamentals and attractive valuations and underweighting or eliminating those that rank poorly.

Sector Allocation

High  Low

Sector allocation does not have a significant impact on performance as we maintain sector exposures within $\pm 10\%$ of the S&P 500 Index sector weight.

Sell Discipline

High  Low

Sell decisions are inherent to our investment discipline and are implemented as part of a regular monthly rebalancing process. The approach removes emotion from the process, as all buy and sell decisions are strictly based on our quantitative research.

Market Timing

High  Low

Market timing is not a part of the investment process and cash is held at minimal levels (0-2%). The specific factors used in our quantitative research are fundamentally driven and do not depend on macroeconomic forecasts.

Senior Portfolio Manager

Role

Years of Experience

Vincent Costa, CFA

Head of Quantitative Equity

25

Performance (%)

Composite		Annualized				
		Quarter	1 Year	3 Years	5 Years	Since inception (1/1/02)
	<i>gross:</i>	5.45	48.49	(4.59)	1.59	2.83
	<i>net:</i>	5.35	47.92	(4.97)	1.18	2.41
S&P 500 Index		5.39	49.77	(4.17)	1.92	2.19

Market Review

Domestic markets enjoyed mostly positive returns in the first quarter of 2010, with most styles and market capitalizations realizing gains. In the first quarter, the S&P 500 Index rose by 5.38%, the Dow Jones Industrial Average gained 4.82% and the NASDAQ composite was up 5.68%. Mid cap and small cap both outperformed large cap equity this quarter. Value was the stronger performer between the styles, with growth lagging. Domestic equity outperformed, in general, the international markets. Emerging markets outperformed international developed markets, due mainly to sovereign concerns in Europe, which dragged down the performance of the MSCI EAFE index. Good corporate earnings were an important driver of the positive returns seen this quarter.

Account Performance

Factor performance was mixed during the period, with valuation factors like sales to price and cash to price adding to returns, while factors like training earnings to price detracted. Quality factors such as capital expenditure to depreciation and accruals benefited returns. Market sentiment and growth factors such as price momentum and earnings were beneficial, while factors like dividend growth and short interest were unfavorable.

Security selection detracted from performance, particularly in the financials sector, notably in banks. Selection in the materials sector, particularly in paper product companies like MeadWestvaco Corp, was also detrimental for returns. The portfolio did benefit however, from selection in the information technology sector, with hardware names like QUALCOMM adding returns. Additionally, our overweight position in the industrials sector was beneficial for the portfolio.

Securities that detracted the most for the period included an underweight position in Boeing Co. and overweight positions in MeadWestvaco Corp and Nabors Industries Ltd. Among the top contributors were overweight positions in Emerson Electric Co., Rowan Cos. Inc. and Limited Brands Inc.

Current Strategy and Outlook

This quantitatively driven, large-cap strategy applies a proprietary ranking process to detect unrecognized value in stocks of companies that we believe can outperform the market averages because of their strong business fundamentals. Our analysis positions the portfolio to capitalize on high quality companies with superior business momentum, strong earnings and attractive valuations.

As of March 31, 2010, the portfolio was overweight in the consumer discretionary and industrials sectors, and underweight in the financials, consumer staples and utilities sectors.

Past performance does not guarantee future results. There is no guarantee that any forecasts or opinions in this material will be realized. Information should not be construed as investment advice.

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

S&P 500 Index is a widely regarded as the best single gauge of the U.S. equities market, including 500 leading companies in major industries of the U.S. economy.

Sector Weights and Attribution

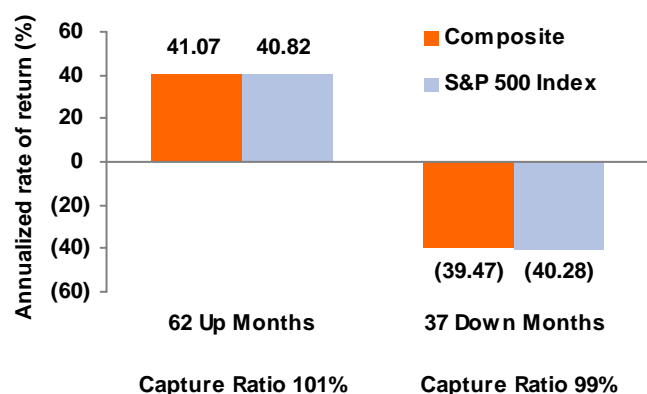
	Sector Weights		
	% of Portfolio	S&P 500 Index	Overweight/Underweight
Consumer Discretionary	9.77	10.11	-0.34
Consumer Staples	9.74	11.26	-1.52
Energy	10.18	10.88	-0.70
Financials	16.74	16.50	0.24
Health Care	11.47	12.15	-0.69
Industrials	11.94	10.50	1.44
Information Technology	21.12	18.87	2.25
Materials	3.25	3.48	-0.23
Telecom Services	2.92	2.81	0.11
Utilities	2.87	3.44	-0.57
Cash	NA	NA	NA
Index Futures and ETFs	NA	NA	NA
Total	100	100	NA

Trailing 1-Year Attribution Analysis

	Allocation Effect	Selection Effect	Total Effect
Consumer Discretionary	0.07	-1.18	-1.11
Consumer Staples	0.37	0.37	0.74
Energy	0.15	0.09	0.24
Financials	-0.01	-1.32	-1.33
Health Care	0.22	-0.08	0.15
Industrials	0.27	-0.49	-0.22
Information Technology	0.06	-0.11	-0.05
Materials	-0.05	0.48	0.43
Telecom Services	0.13	-0.11	0.02
Utilities	0.19	0.04	0.23
Cash	-0.34	0.00	-0.34
Index Futures and ETFs	-0.03	0.00	-0.03
Total	1.02	-2.30	-1.28

Up/Down Capture Ratio

January 1, 2002 to March 31, 2010



Characteristics

Returns-based (3 Years)

Excess Returns (% annualized)	(0.42)
Tracking Error (%)	2.27
Information Ratio	(0.19)
Alpha (annualized %)	(0.40)
Beta	1.00
R-Squared	0.99

Composite vs. the S&P 500 Index

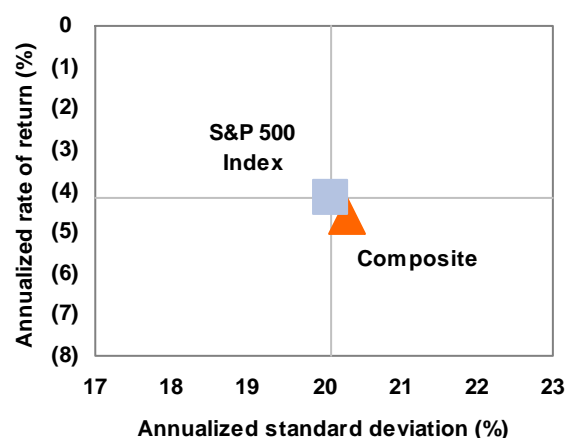
	Portfolio	S&P 500 Index
Weighted Avg. Cap (\$ Millions)	85,008	83,887
P/E (next 12 mos.)	13.96	14.83
EPS Growth % (next 12 mos.)	16.23	17.05
P/E ÷ EPS Growth (next 12 mos.)	0.86	0.87
Price to Cash Flow	9.34	10.75
ROA (%)	7.28	7.04
Number of Issues	210	500

Ten Largest Holdings

Composite	% of Portfolio
Microsoft Corp.	2.60
Exxon Mobil Corp.	2.59
International Business Machines Corp.	2.33
General Electric Co.	2.22
AT&T Inc.	2.21
Apple Inc.	2.05
Chevron Corp.	2.00
Pfizer Inc.	1.97
JPMorgan Chase & Co.	1.93
Hewlett-Packard Co.	1.88

Risk/Return Analysis

Three years ending March 31, 2010



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

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

Schedule of Composite Performance

ING Enhanced Core Select Equity Composite Performance

Year	Gross Returns (%)	Net Returns (%)	S&P 500 Returns (%)	Number of Portfolios	Composite Dispersion (%)		Assets in this Composite (\$mm)	Percentage of Firm Assets (%)	Total Firm Assets (\$mm)
					High	Low			
2009	23.84	23.36	26.46	5	23.95	23.37	1,613	2.66	60,667
2008	(36.78)	(37.04)	(37.00)	5	(36.53)	(36.97)	1,658	2.96	56,044
2007	5.74	5.32	5.49	10	5.90	5.35	1,360	1.83	74,322
2006	15.94	15.49	15.80	11	16.08	15.71	1,917	2.89	66,276
2005	5.78	5.35	4.91	11	5.97	5.35	1,710	2.90	58,983
2004	12.76	12.31	10.88	11	13.32	11.96	1,604	2.56	62,640
2003	26.70	26.21	28.69	9	26.72	26.54	1,531	2.44	62,704
2002	(17.75)	(18.08)	(22.10)	9	(16.15)	(17.18)	1,070	2.77	38,649

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.
- Some of the assets contained in the composite are carved-out of portfolios included in the Balanced and the Strategic Allocation – Growth, Balanced and Income composites. The carved-out portions have been managed according to the Enhanced Core Select strategy since 1/1/02, with a view of toward outperforming the index over full market cycles while maintaining a market level of risk. Prior to June 1, 2004, an assumed cash position of 2% has been reflected for the carve-outs based upon the cash allocation of other Enhanced Core Select portfolios. As of June 1, 2004, the carve-outs have a dedicated cash allocation.
- Returns are benchmarked to the S&P 500 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.
- On July 17, 2006 the portfolio management team changed for this strategy. In January 2009, the lead portfolio manager(s) for this strategy also changed. No substantial changes were made to the strategy's investment objectives or investment process as a result.
- 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.
- Prior to May 1, 2005, no portfolios were excluded based on size. Effective May 1, 2005, a \$1 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: 0.40% on the first \$25 million; 0.35% over \$25 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 November 1, 2002. A complete list and description of the Firm composites and additional information regarding policies for calculating and reporting returns is available upon request.

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.

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 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: Standard & Poor's*