



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



Steve Salopek
Head of Small-Cap Equity
Years of experience: 20



Joseph Bassett, CFA
Portfolio Manager
Years of experience: 13

Investment Team

Supported by 5 Analysts

Average years of experience: 12

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

Quarter ending June 30, 2010.

STRATEGY

Summary

We believe that bottom-up stock selection, driven by experienced and specialized fundamental research, will identify companies that are beneficiaries of sustainable secular growth trends to form portfolios that will produce exceptional performance compared to benchmarks and peer group competitors.

Objective

Our objective is to outperform the Russell 2000 Index by 250 basis points annualized before management fees over full market cycles with annualized tracking error of 3-7%.

Investment Process

We begin with companies in the Russell 2000 Index with market caps from \$300 million to \$3.0 billion, plus opportunities outside the index. A quantitative screening model scores and ranks the universe for growth characteristics, financial position, valuation and other fundamentals. Then we identify secular and cyclical themes that are likely to drive growth opportunities over a foreseeable time horizon. Sector analysts then examine sector and industry fundamentals, competitive positioning, management strength, and financial statements to assess the ability of the company to generate and fund expected growth. Holdings are typically beneficiaries of a theme, have accelerating revenue, EPS and cash flow growth and attractive valuation based on price/sales, forward PE, cash flow yield and net cash/market capitalization. Portfolio construction is based on the attractiveness of each stock, given benchmark weight, expected return, perceived risk and liquidity. Factor based risk analysis ensures consistency with a macro overlay using market, valuation and quality measures.

Contribution to Process and Returns

High Security Selection

Purchase candidates are beneficiaries of a secular or cyclical theme, have accelerating sales, EPS and cash flow growth as well as attractive valuations.

Low

High Sell Discipline

Stocks are sold if valuation exceeds expectations, our secular thesis changes or industry fundamentals, company earnings, cash flow growth or financial condition deteriorate.

Low

High Sector Allocation

Portfolios are diversified across sectors and are adjusted regularly to maintain economic sector weights within +/- 5% of each sector's index weight.

Low

High Market Timing

Market timing is not part of this investment strategy. Cash is kept to a minimum.

Low

Competitive Advantages

- Consistent record of high excess returns vs. the benchmark
- Consistently high peer group rankings
- High quality holdings in terms of earnings, cash flows and balance sheet strength
- Low tracking error

PERFORMANCE (%)

| Composite | | Quarter | YTD | 1 Year | Annualized | |
|-----------|--------------------|---------|--------|--------|------------|-----------------------------|
| | | | | | 3 Years | Since inception (8/1/05) |
| | Gross: | (9.39) | (1.19) | 23.01 | (5.30) | 2.73 |
| | Net: | (9.59) | (1.61) | 21.98 | (6.11) | 1.86 |
| | Russell 2000 Index | (9.92) | (1.95) | 21.48 | (8.60) | (0.87) |
| | Excess Return | 0.53 | 0.76 | 1.52 | 3.30 | 3.60 |

COMMENTARY

Market Review

The Russell 2000 declined 9.92% for the second quarter, declining more than 7% in each of the last two months due to fears of a double-dip recession. The Russell 2000 is now negative for the year, down nearly 2%. However, small-caps held up better than large-caps for the quarter, as the Russell 1000 declined 11.4%, and now have a sizeable lead for the year versus the Russell 1000. Within small-caps, the smallest market capitalization and the lower quality names were hit the hardest. At the sector level for the Russell 2000, energy and consumer discretionary declined the most while utilities and consumer staples held up best; we believe this is also reflective of an increase in fears of a double-dip recession. Financials, despite declining more than 9% in the second quarter, are still positive year-to-date.

Account Performance

Stock selection within consumer staples and health care contributed most to performance over the quarter. Notable outperformance within consumer staples was due to strong stock selection within food products, while health care benefited from strong stock selection within health care providers and services. Stock selection within information technology (IT) and financials detracted most from performance. In IT, returns were held back by stock selection within semiconductors and semiconductor equipment. Within financials, stock selection in capital markets and commercial banks detracted from performance.

American Italian Pasta Co. and Core Laboratories N.V. contributed significantly to performance over the period. American Italian Pasta, which produces dry pasta, has agreed to be acquired by Ralcorp for \$1.2 billion, a 27% premium. The acquisition will expand Ralcorp's private label business by entering into the pasta category. Core Laboratories, which is in the energy equipment and services business, earns significant

economic returns and generates substantial cash flows. The company reported earnings above expectations for the last several quarters and the stock held up well as the market traded down at the end of the second quarter.

FormFactor Inc. and Collective Brands Inc. were the two largest detractors from performance over the period. FormFactor, which designs and sells semiconductor wafer probe cards, had a change in management that created uncertainty regarding their business strategy going forward. Also, the company's earnings announcement and guidance for the first quarter were below expectations. We continue to hold the position in the portfolio as we believe the company's technology is still good and that despite many recent missteps the intermediate-term value of the company far exceeds the current stock price. We think the company remains attractive from a risk/return perspective. Collective Brands primarily engages in the worldwide wholesale and retail of footwear and related accessories. Underperformance was due to same store sales in its domestic Payless division being weaker than expected. We continue to hold the stock as we believe the company will be able to take advantage of footwear trends, has an improving balance sheet, margin expansion opportunities and is reasonably valued.

Current Strategy and Outlook

After the recent decline we believe that the market has become more attractive on a valuation basis. We continue to believe that the economy will improve slowly and that this environment will favor quality companies, as investors focus on companies' fundamentals. As our portfolio has a higher quality bias and we remain focused on companies with strong management, strong balance sheets and good cash flow generation capabilities, we believe that we are well positioned for this market environment. We remain less focused on purely cyclical stocks and intend to take advantage of market volatility to invest in quality companies that are attractively valued.

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 2000 Index measures the performance of the small-cap segment of the U.S. equity market including approximately 2000 of the smallest securities based on market capitalization.

PORTFOLIO HIGHLIGHTS

Sector Weights and Attribution

| | Sector Weights | | | Trailing 1-Year Attribution Analysis | | |
|------------------------|----------------|--------------------|------------------------|--------------------------------------|------------------|--------------|
| | % of Portfolio | Russell 2000 Index | Overweight/Underweight | Allocation Effect | Selection Effect | Total Effect |
| Consumer Discretionary | 13.51 | 13.79 | -0.28 | -0.15 | -0.72 | -0.87 |
| Consumer Staples | 2.63 | 3.27 | -0.65 | 0.03 | 0.51 | 0.54 |
| Energy | 5.11 | 5.38 | -0.26 | 0.06 | 0.47 | 0.53 |
| Financials | 22.12 | 21.42 | 0.70 | -0.05 | -0.96 | -1.00 |
| Health Care | 11.20 | 13.82 | -2.62 | 0.29 | 1.12 | 1.40 |
| Industrials | 16.60 | 15.34 | 1.26 | 0.02 | 1.28 | 1.30 |
| Information Technology | 17.47 | 17.93 | -0.45 | 0.00 | 0.09 | 0.09 |
| Materials | 5.03 | 4.82 | 0.21 | 0.14 | -0.66 | -0.53 |
| Telecom Services | 1.65 | 0.99 | 0.66 | -0.06 | 0.33 | 0.27 |
| Utilities | 4.67 | 3.22 | 1.45 | -0.05 | 0.31 | 0.25 |
| Cash | NA | NA | NA | -0.39 | 0.00 | -0.39 |
| Total | 100 | 100 | NA | -0.18 | 1.78 | 1.60 |

Returns-Based Characteristics

Three years ending 6/30/10

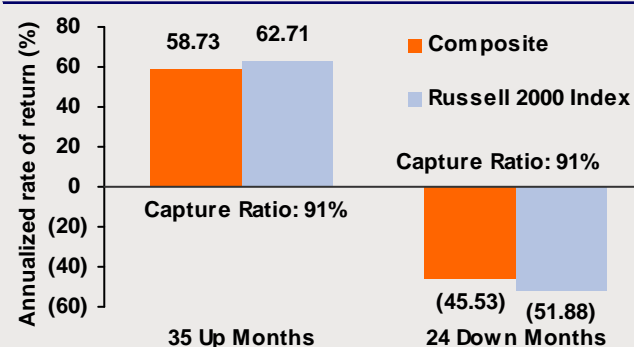
| | Russell 2000 | |
|------------------------|--------------|--------|
| | Composite | Index |
| Standard Deviation (%) | 23.66 | 26.26 |
| Tracking Error (%) | 3.71 | NA |
| Information Ratio | 0.89 | NA |
| Alpha (annualized %) | 2.26 | NA |
| Beta | 0.90 | 1.00 |
| R-Squared | 0.99 | 1.00 |
| Sharpe Ratio | (0.28) | (0.38) |

Security Characteristics

| | Russell 2000 | |
|----------------------------------|--------------|-------|
| | Portfolio | Index |
| Weighted Avg. Cap. (\$ Millions) | 1,502 | 911 |
| P/E (next 12 mos.) | 14.53 | 14.51 |
| EPS Growth % (next 12 mos.) | 18.46 | 17.58 |
| P/E ÷ EPS Growth (next 12 mos.) | 0.79 | 0.83 |
| Price to Cash Flow | 11.30 | 11.04 |
| ROA (%) | 4.34 | 3.30 |
| Number of Issues | 150 | 2,004 |

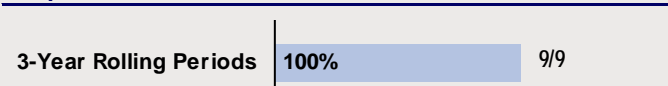
Up/Down Capture Ratio

Three years ending 6/30/10



Percentage of Time the Composite Outperformed the Benchmark

8/1/05 to 6/30/10



Top Ten Holdings

| | % of Portfolio |
|--------------------------------|----------------|
| Watsco Inc. | 1.21 |
| Cleco Corp. | 1.18 |
| Silgan Holdings Inc. | 1.16 |
| HealthSouth Corp. | 1.14 |
| Portland General Electric Co. | 1.03 |
| MFA Financial Inc. | 1.02 |
| Wolverine World Wide Inc. | 1.02 |
| Papa John's International Inc. | 1.01 |
| Stifel Financial Corp. | 1.00 |
| Collective Brands Inc. | 0.99 |

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

ING Small-Cap Core Composite Performance

| Year | Composite Returns (%) | | Russell 2000 Returns (%) | Number of Portfolios | Composite Dispersion (%) | | Assets in this Composite (\$mm) | Percentage of Firm Assets (%) | Total Firm Assets (\$mm) |
|-------|-----------------------|---------|--------------------------|----------------------|--------------------------|---------|---------------------------------|-------------------------------|--------------------------|
| | Gross | Net | | | High | Low | | | |
| 2009 | 28.62 | 27.55 | 27.17 | 5 | 29.02 | 28.38 | 1,011 | 1.64 | 61,599 |
| 2008 | (30.50) | (31.11) | (33.79) | 6 | (30.32) | (30.96) | 888 | 1.58 | 56,044 |
| 2007 | 6.76 | 5.86 | (1.57) | 5 | 7.14 | 6.32 | 893 | 1.20 | 74,322 |
| 2006 | 17.80 | 16.82 | 18.37 | <5 | 17.94 | 17.77 | 632 | 0.95 | 66,276 |
| 2005* | 2.76 | 2.40 | (0.43) | <5 | NA | NA | 579 | 0.98 | 58,983 |

1. Composite returns are calculated from discretionary Small-Cap Core portfolios managed under the small-cap fundamental research-driven investment process initiated on or about August 1, 2005, with a view towards outperforming the index over full market cycles with moderately active tracking error.
2. As of August 1, 2005, the Small-Cap Core Composite was created to represent the record of a new small-cap investment process which was initiated on or about that date. For complete historical composite results of the strategy including all small-cap managers and investment processes over time, please refer to the ING Small-Cap Core (All History) Calendar Year Performance, attached hereto.¹

* Cumulative return for the period from August 1, 2005 (inception of current small-cap investment team and process) to December 31, 2005.

NA = not applicable

¹ For complete historical composite results of the strategy including all small-cap managers and investment processes over time, please refer to the ING Small-Cap Core (All History) Calendar Year Performance, attached hereto.

ING Small-Cap Core (All History) Composite Performance

| Year | Composite Returns (%) | | Russell 2000 Returns (%) | Number of Portfolios | Composite Dispersion (%) | | Assets in this Composite (\$mm) | Percentage of Firm Assets (%) | Total Firm Assets (\$mm) |
|------|-----------------------|---------|--------------------------|----------------------|--------------------------|---------|---------------------------------|-------------------------------|--------------------------|
| | Gross | Net | | | High | Low | | | |
| 2009 | 28.62 | 27.55 | 27.17 | 5 | 29.02 | 28.38 | 1,011 | 1.64 | 61,599 |
| 2008 | (30.50) | (31.11) | (33.79) | 6 | (30.32) | (30.96) | 888 | 1.58 | 56,044 |
| 2007 | 6.76 | 5.86 | (1.57) | 5 | 7.14 | 6.32 | 893 | 1.20 | 74,322 |
| 2006 | 17.20 | 16.22 | 18.37 | 6 | 17.94 | 14.93 | 825 | 1.25 | 66,276 |
| 2005 | 11.00 | 10.06 | 4.55 | 6 | 11.25 | 10.41 | 755 | 1.28 | 58,983 |
| 2004 | 13.64 | 12.69 | 18.33 | 9 | 15.33 | 10.88 | 1,191 | 1.90 | 62,640 |
| 2003 | 42.78 | 41.61 | 47.25 | 11 | 47.60 | 38.52 | 1,387 | 2.21 | 62,704 |
| 2002 | (20.86) | (21.55) | (20.48) | 16 | (20.17) | (22.92) | 1,079 | 2.79 | 38,649 |
| 2001 | (0.93) | (1.77) | 2.49 | 15 | 4.91 | (5.56) | 1,563 | 3.73 | 41,897 |
| 2000 | 4.61 | 3.72 | (3.02) | 14 | 8.82 | 2.91 | 1,493 | 2.66 | 56,169 |

1. This composite contains performance results achieved by ING IM since the inception of its small-cap core strategy, defined broadly. It therefore contains data relating to portfolio management teams and investment processes employed over time. Only the results shown from August 1, 2005 to present represent those of the current small-cap core investment team and process. For the performance results of that time period only please see the ING Small-Cap Core Calendar Year Performance, attached hereto.¹
2. Composite returns are calculated from discretionary Small-Cap Core portfolios managed with a view towards outperforming the index over full market cycles while maintaining a market level of risk.

¹ For performance results for the current small-cap investment team and process from August 1, 2005 to present please see the ING Small-Cap Core Calendar Year Performance, attached hereto.

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

NOTES:

1. 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
2. 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.
3. "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.
4. Returns are benchmarked to the Russell 2000 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.
5. 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.
6. A \$20 million minimum has been set for inclusion in the composite.
7. Valuations and returns are computed and stated in U.S. dollars.
8. Where permitted, equity index futures may be used to gain market exposure on cash balances. No leverage or options are used.
9. 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.
10. 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: 0.85% on the first \$25 million; 0.75% on the next \$75 million; 0.65% on the next \$150 million; 0.55% on the next \$250 million; and 0.45% 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.
11. This composite was created December 1, 2007. A complete list and description of the Firm composites and additional information regarding policies for calculating and reporting returns is available upon request.