

ING MULTI-ASSET STRATEGIES AND SOLUTIONS GROUP

Strategies and Solutions

for today's investment challenges



INVESTMENT MANAGEMENT



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ING MULTI-ASSET STRATEGIES AND SOLUTIONS GROUP

PURPOSE

Develop and manage customized solutions that meet the unique challenges faced by today's investors

PHILOSOPHY

Products alone are not solutions. Effective solutions come in multi-asset packages that break down portfolio silos and focus on desired outcomes

CAPABILITIES

Asset allocation, asset/liability modeling, risk management, portable alpha and financial engineering



New Markets, New Risks, New Challenges

The world has changed in the last twenty years. Economies and financial markets are more closely connected. Capital flows more freely across borders, and risks that were once confined to nations or regions can spread rapidly throughout the world.

In this new environment, the lessons and methods of the past are unlikely to be sufficient to predict, manage or avoid the financial risks of the future. Many investors find themselves exposed to risks for which they receive little compensation in taking, yet are difficult to hedge.

Pension regulations and accounting changes require plan sponsors to consider not only the return on plan assets, but also the correlation of those returns to plan liabilities in order to ensure they do not adversely impact the company's financial strength.

Asset/liability management, alternative investments, liability driven investments and portable alpha are among the "frontier" investment techniques that have been developed to help address

these new risks. But techniques alone do not constitute solutions. Investors need globally integrated asset allocation programs and comprehensive risk management solutions to meet the challenges of this changing capital market landscape.

Creative Solutions for Clients

To meet clients' evolving needs with precision and effectiveness, ING founded the ING Multi-Asset Strategies and Solutions (MASS) Group. We manage multi-asset portfolios from target date retirement funds and total plan discretionary asset management programs, to complex portfolios that improve the correlation of assets to liabilities in a variety of strategies to match plan sponsors' circumstances and constraints.

To deliver actionable and effective custom solutions to complex problems, the MASS Group draws upon a wide array of ING capabilities.

- Over 150 well-diversified sources of alpha from around the globe
- Robust asset allocation framework and modeling techniques
- Pension liability management expertise
- Sophisticated risk management and hedging techniques
- Ability to structure and implement guarantees
- Skill and scale in derivatives management

THE ING ADVANTAGE

The MASS Group develops and manages innovative solutions to meet the challenges faced by today's investors. Recognizing that products are not solutions, the MASS Group harnesses the global resources of ING to solve problems by applying their expertise in financial engineering, asset allocation and pension risk management.

Capturing Greater Excess Returns through Portable Alpha

Under traditional portfolio management, an investor's strategic asset allocation determines the alpha opportunity set for the entire portfolio. Given most portfolios' concentration in highly efficient markets like large cap U.S. equity and core fixed income, the opportunity to earn significant and/or sustainable excess returns is severely impaired. Furthermore, rising correlations among all risky assets is making the benefits of portfolio diversification highly elusive. As a result, overall portfolio returns can fall short of expectations and volatility may be higher than what is expected.

With the investment technology available today, asset allocation no longer needs to determine a portfolio's alpha opportunity.

The MASS Group utilizes state-of-the-art mathematical modeling and computer simulations to make trading, hedging and risk management decisions. In addition to computational power, our work requires experience and facility with financial derivatives, such as futures, forwards and swaps, used to gain or eliminate exposure (or "beta") to an asset class or market cheaply and efficiently.

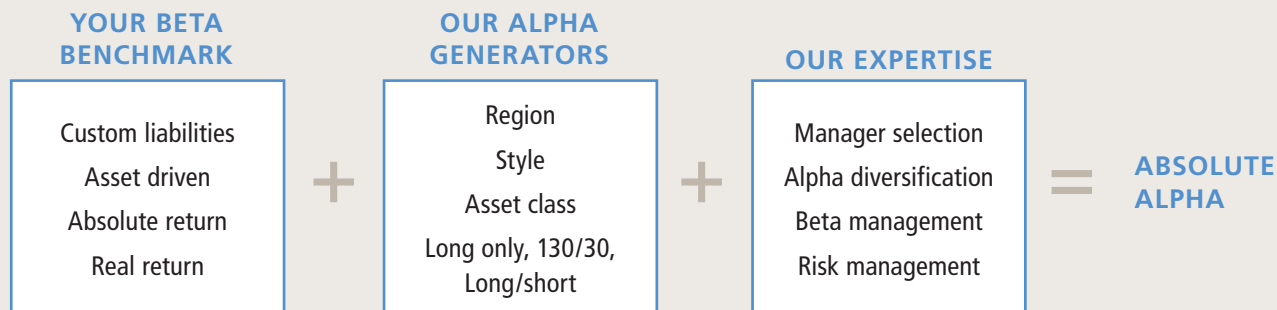
The MASS Group takes the concepts of global diversification and financial engineering to the limits of current technology: it separates the alpha from the beta return components of ING investment products managed around the globe and then re-assembles them into well-diversified multi-strategy portfolios that deliver the precise mix of manager alpha and market

beta that institutional clients seek. ING's suite of portable alpha solutions, called ING Absolute Alpha, is fully customizable and is available with various native benchmarks.

Portable Alpha Advantages

- Higher potential alpha can be earned and ported from inefficient markets and sources
- Better diversification than single manager solutions
- More efficient portfolio construction and risk budgeting
- Simplified strategic investment policy changes
- Effective return generating component of a liability driven investment program

BUILDING BLOCKS OF ING ABSOLUTE ALPHA



THE ING ADVANTAGE

The MASS Group draws upon ING's global product range and financial engineering capabilities to structure portable alpha solutions that provide flexible beta choices, an uncommon level of transparency and a fee structure uniquely aligned with clients' interests.

Managing Risks with Strategic Pension Solutions

Accounting rule changes have altered the financial consequences for sponsors of defined benefit plans. “Mark to market” accounting can expose a plan to short term swings in funded status and require additional contributions or weaken a firm’s financial condition.

Today’s plan sponsors continue to seek to minimize long-term pension costs; however, they are becoming increasingly sensitive to short-term outcomes. Consequently, they need to balance the benefits gained by better aligning their assets and liabilities with the potential for reduced expected returns and a subsequent increase in long-term costs.

Liability Driven Investing

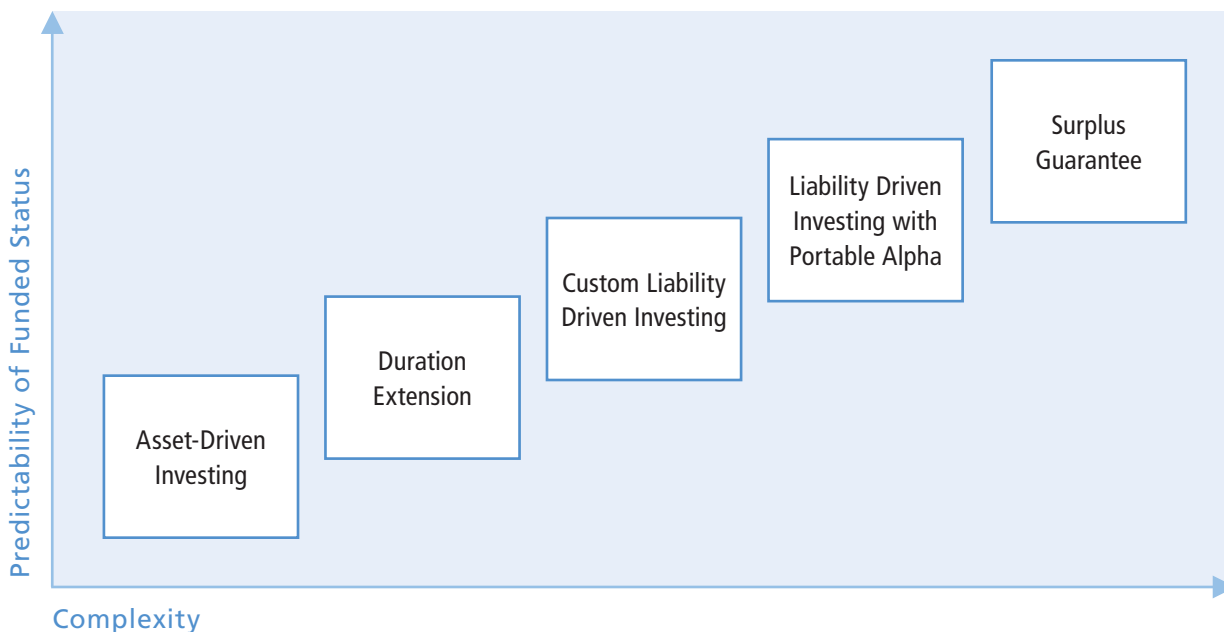
An asset allocation process that ignores a pension plan’s liabilities may lead to high volatility in funded status and contribution

requirements. Sophisticated asset/liability modeling and innovative financial techniques, however, can help generate excess returns over liability growth rates while reducing the mismatch between assets and liabilities that cause unwanted volatility. Significant improvements are possible through the extension of portfolio duration to hedge the interest rate sensitivity of the liability. Further improvement is also possible through the reduction of market risk and the increase of active management risk.

The MASS Group offers extensive pension diagnostic capabilities

and solutions that address the challenges and obligations facing plan sponsors today. Through the creation of a liability benchmark portfolio comprised of interest rate swaps or futures, we can closely match the interest rate sensitivity and other characteristics of the pension liability. By combining such a liability matching fixed income solution with a portable alpha strategy, we can produce the higher expected returns needed to reduce long-term costs while providing a higher correlation of assets to liabilities to reduce short-term volatility.

PENSION RISK MANAGEMENT: CONTINUUM OF SOLUTIONS



Discretionary Asset Management (DAM)

ING has managed pension and other fiduciary portfolios on a discretionary basis for over 30 years.

Our comprehensive bundled Discretionary Asset Management platform (DAM) provides today's pension plan sponsors with what they need most: fiduciary investment oversight with a focus on integrated asset/liability management.

Our robust pension analytics and asset liability modeling techniques help us design and implement asset allocations that can reduce surplus volatility and funding costs. DAM invests across multiple asset classes including domestic and international equities, intermediate and long duration fixed income, as well as other specialty asset classes for suitable investors.

Since plan success is not dictated by investment returns alone, our performance measurement tools include not only the traditional manager risk and return metrics, but also the ability to incorporate pension liability and surplus reporting to give a clear picture of the factors that most influence a plan's financial condition.

THE ING ADVANTAGE

The MASS Group offers discretionary fiduciary oversight. We manage your plan so you can manage your business.

Helping Sponsors Meet Participant's Retirement Needs

Asset allocation is the cornerstone of long-term investment strategy for retail and institutional investors alike. The MASS Group provides asset allocation and management services in a variety of vehicles to meet clients' needs.

- Pre-packaged target-date funds and risk based portfolios designed expressly for participants in both the accumulation and retirement phases
- Customized asset allocation glide paths that recognize the unique characteristics of your employee population

Forward-Looking Asset Allocation Process

To position portfolios to outperform over a future market cycle, we make long-term capital market forecasts of risk, return and correlations. We overweight the recent past, because globalization and synchronization of markets have increased correlations among asset classes in recent years. To protect investors from reliance upon diversification benefits that may not be there when needed, we conduct extensive studies to refine our target allocations and construct optimal portfolios in line with capital market realities.

Target Date and Risk-Based Portfolios

A suite of target-date and risk-based institutional funds-of-funds are designed to meet the needs of retirement plan participants who prefer a single diversified mutual fund investment option. This series is distinguished by their broad diversification and open architecture, drawing from a universe of more than 70 mutual funds.

The MASS Group provides strategic and tactical asset allocation and glide path design, which forms the framework within which the solution portfolios are managed. These portfolios satisfy the criteria for qualified default investment alternatives (QDIAs) described in the final regulations of the Pension Protection Act of 2006.

Custom Glide Path Construction

Not all companies and participant populations are alike. By understanding our client's plan objectives, specific factors such as: demographics, salary projections manager preferences and income replacement targets, the MASS Group works with clients and their consultants to develop a custom glide path approach that will control short term volatility and provide long term advantages and flexibility to succeed in changing market conditions.

Financial Engineering and Strategic Advice

The ability to draw on the full breadth of capital market instruments is critical to constructing effective portfolio solutions. Derivatives and financial engineering provide the bridge between an investment strategy's native risk profile and an investor's desired portfolio. ING Investment Management brings experience and scale in derivatives markets to portfolios managed on behalf of institutional and retail clients. ING hedges nearly \$50 billion for its own account, and draws on this expertise to structure innovative hedging strategies for its clients.

The MASS Group has dedicated traders and risk management professionals that focus on quantifying and managing complex risks to insulate client portfolios from extreme events. We offer sophisticated risk budgeting analysis to help clients understand their risks on multiple levels, and approach their asset allocation and portfolio construction in a more integrated fashion. The team combines multiple investment and derivative strategies into aggregate portfolios that both hedge unwanted risks and generate required returns.

ING — Focused on the Future

ING Investment Management is trusted in more than 30 countries around the world by investors who know that a commitment to understanding their needs is fundamental to all of our activities. The MASS Group can harness the resources of ING to deliver results to meet your investment needs as new markets and new challenges call for more sophisticated and integrated solutions. We would like to discuss how we might build solutions for your situation. Please contact us today at [212-309-6552](tel:212-309-6552) or via email: Erica.Evans@inginvestment.com.

To obtain a prospectus, please call ING Investment Management at 1-800-386-3799 or log on to www.inginvestment.com. The prospectus should be read carefully 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 Portfolios.

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