



ING International Value Equity

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 Manager



Philip A. Schwartz, CFA
Senior Portfolio Manager
Years of experience: 24

Investment Team

Supported by 4 Analysts

Average years of experience: 13

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

Quarter ending June 30, 2010.

STRATEGY

Summary

We believe under-valued stocks in worldwide equity markets offer some of the best opportunities. Stocks of companies that trade at a discount to their estimated fair value and have potential to improve their return on capital offer high potential for repeatable alpha.

Objective

ING International Value Equity is an actively managed international large-cap strategy designed to outperform the MSCI EAFE Index. Based on in-depth proprietary research, the strategy seeks to exploit value opportunities within the international equity universe.

Investment Process

Value Component

Customized sector, quantitative and valuation screens narrow the investable universe to 250 stocks, on which extensive fundamental research is performed. Initially, the focus is on key valuation factors such as: EV/Sales, EV/EBITDA, P/Book and P/Sales. Evaluation of meaningful corporate performance metrics, such as improvement in asset turnover, relative asset and cash flow growth, identifies catalysts for improvement. Weekly risk budgeting review ensures style consistency.

Portfolio Construction

Risk management controls sector, region and industry exposures, leaving stock selection as the primary driver of alpha. Portfolios typically consist of about 50-55 securities. Country and sector weights will not exceed +/- 1000 basis points of benchmark weight. Non-benchmark investments are permitted, including emerging markets and North America at a 0-20% and 0-10% (respectively) range in the portfolio.

Contribution to Process and Returns

High Security Selection

We seek companies displaying early signs of recovery after disappointing investors as potentially outstanding opportunities and not value traps.

Low

High Sector Allocation

Sector screening is a function of the stock selection process which emphasizes valuation factors and company fundamentals.

Low

High Sell Discipline

Stocks are sold when we lose conviction in fundamentals, if the target price is achieved, when a more compelling alternative is discovered, or a if substantial technical breakdown occurs.

Low

High Market Timing

Market timing is not part of the strategy; portfolios generally remain fully invested across market cycles.

Low

Competitive Advantages

- Robust and proven investment process
- Experienced team of analysts
- A classic value approach that identifies companies exhibiting early signs of recovery
- Strict risk controls and sell discipline mitigate volatility

PERFORMANCE (%)

Composite		Quarter	YTD	1 Year	Annualized	
					3 Years	Since inception (8/1/05)
	Gross:	(13.23)	(13.25)	1.19	(12.92)	1.21
	Net:	(13.41)	(13.60)	0.38	(13.63)	0.40
	MSCI EAFE Index	(13.75)	(12.93)	6.38	(12.94)	0.75
	Excess Return	0.52	(0.32)	(5.19)	0.02	0.46

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

The International Value strategy underperformed its benchmark due to negative sector allocation. Our underweight to telecommunication services accounted for most of the detraction. Weak security selection in the industrials sector further detracted from performance; however, this was offset by strong selection in energy and financials. Security selection was positive overall and offset much of the detraction from sector allocation. From a regional perspective, weak selection in both emerging markets and Japan hurt performance, while an overweight to non-benchmark North America (Canada) added value.

During the second quarter our top performers included Barrick Gold Corp., Hong Kong Electric Holdings Ltd. and Nippon Express Co. Ltd. Barrick Gold outperformed as the price of gold hit new records due to investors' aversion to risk. Hong Kong Electric outperformed as investors sought defensive companies and amid expectations that the firm would seek increased investment opportunities. Nippon Express shares outperformed on better than expected freight orders.

On the contrary, CGG Veritas and Total S.A. were two lagging performers. CGG, an oilfield-services company, underperformed amid the BP fallout, on fears that exploration and other oil related activities will be curtailed. Total's share price fell as crude oil prices slid.

Current Strategy and Outlook

Markets may struggle to find a clear direction for the remainder of the year. Volatility should stay at fairly elevated levels as markets remain sensitive to headline risk. Yet, despite our cautious near-term outlook we are optimistic that equities can provide favorable returns. The economy has proven fairly resilient, despite the headwinds from the tightening in China and the economic malaise in the euro zone. In addition, equities are cheap compared to their historical values and compared to fixed income.

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. We believe that a double-dip recession is not a likely scenario, though we will continue to monitor market changing events.

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: MSCI EAFE.

MSCI EAFE Index is a free float-adjusted market capitalization weighted index designed to measure the developed markets' equity performance, excluding the U.S. & Canada, for 21 countries.

PORTFOLIO HIGHLIGHTS

Sector Weights and Attribution

	Sector Weights			Trailing 1-Year Attribution Analysis		
	% of Portfolio	MSCI EAFE Index	Overweight/Underweight	Allocation Effect	Selection Effect	Total Effect
Consumer Discretionary	8.52	10.25	-1.74	-0.26	-0.18	-0.43
Consumer Staples	8.98	10.59	-1.62	-0.28	-0.50	-0.78
Energy	9.03	7.10	1.93	-0.61	-0.20	-0.82
Financials	25.86	24.39	1.47	-0.01	-0.70	-0.71
Health Care	9.42	9.01	0.42	-0.01	-0.70	-0.71
Industrials	11.23	12.26	-1.03	-0.29	-0.22	-0.51
Information Technology	9.59	5.16	4.43	-0.08	-0.17	-0.26
Materials	9.20	10.11	-0.91	-0.32	-0.32	-0.64
Telecom Services	2.17	5.62	-3.46	-0.02	-0.04	-0.06
Utilities	6.00	5.50	0.50	0.00	-0.19	-0.19
Cash	NA	NA	NA	-0.65	0.00	-0.65
Total	100	100	NA	-2.53	-3.23	-5.76

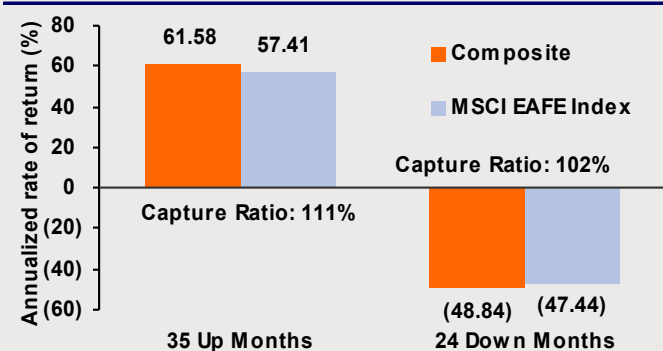
Returns-Based Characteristics Three years ending 6/30/10

	Composite	MSCI EAFE Index
Standard Deviation (%)	24.82	24.58
Tracking Error (%)	5.55	NA
Information Ratio	0.00	NA
Alpha (annualized %)	(0.21)	NA
Beta	0.98	1.00
R-Squared	0.95	1.00
Sharpe Ratio	(0.58)	(0.58)

Security Characteristics

	Portfolio	MSCI EAFE Index
Weighted Avg. Cap. (\$ Millions)	40,115	41,175
P/E (next 12 mos.)	11.36	12.42
EPS Growth % (next 12 mos.)	26.53	21.72
P/E ÷ EPS Growth (next 12 mos.)	0.43	0.57
Price to Cash Flow	7.70	9.71
ROA (%)	3.49	4.21
Number of Issues	54	964

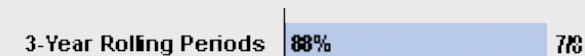
Returns-Based Characteristics Three years ending 6/30/10



Top Ten Holdings

	% of Portfolio
Volkswagen AG (Pfd Non-Vtg)	3.75
Royal Dutch Shell PLC (CL A)	3.47
Barrick Gold Corp.	3.33
HSBC Holdings PLC	3.27
Allianz SE	2.86
Sanofi-Aventis S.A.	2.77
Siemens AG	2.77
Loblaw Cos. Ltd.	2.68
Total S.A.	2.56
Deutsche Bank AG	2.54

Percentage of Time the Composite Outperformed the Benchmark Three years ending 6/30/10



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 (%)		MSCI EAFE Returns (%)	Number of Portfolios	Composite Dispersion (%)		Assets in this Composite (\$mm)	Percentage of Firm Assets (%)	Total Firm Assets (\$mm)
	Gross	Net			High	Low			
2009	28.10	27.10	32.46	<5	28.37	27.90	1290	2.09	61,599
2008	(42.63)	(43.11)	(43.06)	<5	(42.14)	(42.14)	769	1.37	56,044
2007	14.59	13.68	11.63	<5	14.59	14.59	533	0.72	74,322
2006	30.73	29.71	26.86	<5	30.73	30.73	468	0.71	66,276
2005*	11.07	10.71	11.56	4	NA	NA	350	0.59	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 International Value 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 MSCI EAFE 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: 0.80% on the first \$25 million; 0.75% on the next \$25 million; 0.65% on the next \$50 million; and 0.60% over \$100 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