

## For Institutional Use Only

Investment Objective<sup>(1)</sup>

Seek to provide total return while preserving capital largely through the use of treasuries, agencies, and corporate credit securities of generally 1-3 year maturities although, we do go out to 5 year maturities occasionally. The strongest drivers of our investment grade fixed income performance are our positioning for rate trends, which determines duration, and sector relative value assessments across governments, mortgages and corporates which vary in different economic environments.

## Investment Strategy and Process

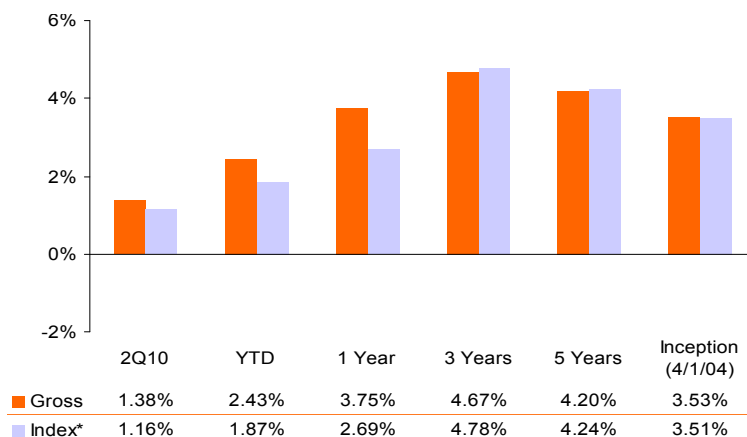
- **Interest Rate Trend:** Make measured portfolio duration shifts based on long-term economic outlook.
- **Yield Curve:** Base strategy on expectations for Federal Reserve policy and inflation. Adjust portfolio holdings based on anticipated yield curve shape
- **Sector Allocation:** Assess relative value in light of decision on interest rate trends. Provides opportunity to lower risk through diversification
- **Industry or Sub sector Allocation:** Focus on industries based on outlook for economy, yield spreads and financial health
- **Issue Selection:** Limit holdings generally to higher quality and more liquid bonds

## Risk Control

- Measured portfolio duration shifts based on long-term economic outlook
- Preference for liquid bonds from well-established corporations and government agencies
- Little exposure to extremely rate-sensitive bonds with high durations or structured products

Supplemental Performance: Annualized Total Returns<sup>(2)</sup>

ING Short Term Fixed Income SMA Composite (as of 06/30/10)



\* ML U.S. Treasury 1-3 Year index

Strategy Statistics<sup>(3)</sup>

Ten Largest Holdings	Coupon	Maturity	Weight
US TREASURY N/B	3.125	4/30/2013	23.9%
US TREASURY N/B	4.500	9/30/2011	11.5%
FANNIE MAE	1.375	4/28/2011	8.9%
ALLY FINANCIAL INC	1.750	10/30/2012	5.1%
WAL-MART STORES INC	2.875	4/1/2015	5.0%
REGIONS BANK	3.250	12/9/2011	4.9%
CITIBANK NA	1.750	12/28/2012	4.7%
JPMORGAN CHASE & CO	4.750	5/1/2013	4.5%
US TREASURY N/B	2.500	4/30/2015	4.3%
GENERAL ELEC CAP CORP	3.500	8/13/2012	4.0%

## Portfolio Characteristics

Average Maturity	2.27 yrs
Average Duration	2.17 yrs
Yield to Maturity	1.02%
Average Coupon	2.96%
Number of Securities	17.00

## Sector Allocation

CORPORATE	27%
TREASURY	43%
AGENCY	27%
CASH	3%

## Annual Returns (as of 12/31/09)

Year	ING STFI (Gross)	Index
2009	0.51%	0.78%
2008	6.30%	6.61%
2007	6.95%	7.34%
2006	4.06%	3.96%
2005	1.91%	1.67%
2004**	1.48%	0.91%

\*Inception Date: April 1, 2004

<sup>(1)</sup>There is no guarantee that the investment objective will be met.

<sup>(2)</sup>Preliminary returns. Index return source: Factset. We deem this to be a reliable source, but accuracy and completeness cannot be guaranteed. Gross of Fee returns are "Pure Gross" and do not reflect the deduction of transaction costs associated with investment. Pure Gross returns should be used as Supplemental Information only. Net of Fee returns after January 1, 2007 reflect the deduction of a hypothetical maximum total wrap fee currently estimated at 2.00% per annum which includes transaction costs, portfolio management, investment advisory, custodial and other administrative costs. Net of fee returns prior to this period reflect the deduction of actual dollar-weighted fee rate paid by all accounts in the composite. More information about fees can be found in the Form ADV Part II of ING Investment Management. The performance information contained herein reflects the reinvestment of interest and other earnings. Returns are Preliminary. **Past performance is not indicative of future results.**

<sup>(3)</sup> It should not be assumed that securities held in the future will be profitable or will equal the performance of the securities mentioned herein. One account was selected by our portfolio managers as a representative account that generally best represents this investment management style. Actual holdings of other Short Term Fixed Income portfolios managed by ING may differ. ING did not use performance-based criteria in determining which account to include. The performance of other Short Term Fixed Income portfolios may be better or worse than that of this sample portfolio. The information contained herein is as of the above date, unless otherwise noted.

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## Schedule of Composite Performance

Year	Net of Fee Composite Returns	Pure Gross Composite Returns*	Merrill US 1-3 Yr Tsy. Index	Composite Accounts at End of Period	Composite Dispersion	Composite Assets (USD Millions)	Composite Assets as a Percentage of Total Firm Assets	Total Firm Assets (USD Millions)	Percentage of Assets that are Wrap Fee
** 2009	-1.52%	0.51%	0.78%	<5	0.43%	3	0.01%	60,667	100%
2008	4.17%	6.30%	6.61%	<5	0.23%	25	0.05%	56,044	100%
2007	4.77%	6.95%	7.34%	<5	0.08%	16	0.02%	74,322	100%
2006	3.27%	4.06%	3.96%	<5	0.01%	17	0.03%	66,276	100%
2005	1.10%	1.91%	1.67%	7	0.05%	11	0.02%	58,983	100%
*** 2004	0.84%	1.48%	0.91%	5	N/A	6	0.01%	62,640	100%

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

- 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 returns are calculated from discretionary Short Term Fixed Income wrap fee paying portfolios managed towards maximum total return, consistent with preservation of capital and prudent investment management, utilizing high quality, fixed income securities of short duration.
- Returns are benchmarked to the Merrill Lynch 1-3 Year Treasury 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 not indicative 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 \$250,000 account minimum has been set for inclusion in the composite.
- Valuation and returns are computed and stated in U.S. dollars.
- Net of fee performance results after January 1, 2007 are calculated by subtracting a hypothetical maximum total wrap fee currently estimated at 2.00% per annum from the monthly supplemental pure gross returns. The total wrap fee includes transaction costs, portfolio management, investment advisory, custodial and other administrative costs. Wrap fees vary amongst brokerage firms and may be negotiated based on account size and other factors. The hypothetical maximum total wrap fee used is deemed to be the maximum fee charged to any composite account but we cannot guarantee accuracy. Prior to January 1, 2007 net returns reflect the deduction of actual dollar-weighted fees paid by each account in the composite. Pure Gross returns are presented before the deduction of transaction costs and should be used as Supplemental Information only. More information about fees can be found in the Form ADV Part II of ING Investment Management.
- Composite dispersion is calculated using the asset weighted standard deviation of the annual returns of all portfolios that were included in the composite for the entire year.
- This composite was created July 2004. A complete list and description of the Firm composites and additional information regarding policies and procedures for reporting returns are available upon request.

\*Supplemental Information \*\*Preliminary \*\*\*Cumulative return for the period from April 1, 2004 (strategy inception) to December 31, 2004

## Portfolio Management Team

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This strategy brief has been prepared by ING Investment Management for informational purposes. Nothing contained herein should be construed as (i) an offer to sell or solicitation of an offer to buy any security or (ii) a recommendation as to the advisability of investing in, purchasing or selling any security. Any opinions expressed herein reflect our judgment and are subject to change. Certain of the statements contained herein are statements of future expectations and other forward-looking statements that are based on management's current views and assumptions and involve known and unknown risks and uncertainties that could cause actual results, performance or events to differ materially from those expressed or implied in such statements. Actual results, performance or events may differ materially from those in such statements due to, without limitation, (1) general economic conditions, (2) performance of financial markets, (3) interest rate levels, (4) increasing levels of loan defaults, (5) changes in laws and regulations and (6) changes in the policies of governments and/or regulatory authorities.

The opinions, views and information expressed in this strategy brief regarding holdings are subject to change without notice. The information provided regarding holdings is not a recommendation to buy or sell any security. Portfolio holdings are fluid and are subject to daily change based on market conditions and other factors.

General Risk(s): All investments in bonds are subject to market risks. Bonds have fixed principal and return if held to maturity, but may fluctuate in the interim. Generally, when interest rates rise, bond prices fall. Bonds with longer maturities tend to be more sensitive to changes in interest rates.