



Setting Your Sights on Income

Take a look at ING's Income Investing Strategies.

MUTUAL FUNDS



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Your future. Made easier. SM

Income investment strategies beyond bonds

Regardless of your age or life-stage and goals, income investing should be part of nearly every investment portfolio.

Who needs to invest for income? Almost everyone. When you invest for income, you earmark a portion of your portfolio to generate a potentially dependable cash flow. Let's face it. Whether you're just starting out, a professional building a career and a family or a senior transitioning into retirement, we can all use additional income.

Consider these situations:



- Mary is 30-years old and just embarking on a new career as a graphic designer. She has maximized her contributions to her employer's retirement plan but is concerned that her current salary may not meet all of her needs. She's looking for an income-investment strategy that will offer both long-term growth as well as the potential for income if she needs it. She also wants an income strategy that offers low correlation to stocks as well as portfolio diversification.

- Steve is a 45-year old professional with a growing family, a mortgage, a demanding career and two elderly parents who may soon require in-home care providers. Steve earns a good living, but he also knows that an additional source of income may be necessary to continue providing his family with the standard of living they are accustomed to. Steve needs an income strategy that offers a balance between growth and income.



- Andrew is a 65-year old newly-retired engineer. Over the years, he has worked hard and invested wisely. He has built up a solid nest egg, but he is concerned about outliving his nest egg. Andrew needs to convert a portion of his savings into a vehicle that will deliver a steady stream of income while continuing to offer risk-controlled growth.

Mary, Steve and Andrew are all at very different places in their lives, but all three should think about an allocation to income investing.

Could **your portfolio** benefit from an income strategy as well?

So, where do you find income?

These days, investors seeking income have more choices than ever.

Traditionally, bonds and dividend-paying stocks were the two options that investors could choose from when seeking income. But today, those two asset classes are just the beginning. Now investors have an array of alternative solutions within those categories to consider.

■ Bonds

- U.S. Government Securities
- Corporate Bonds
- Municipal Bonds
- Mortgage- and Asset-Backed Securities
- Federal Agency Securities
- Foreign Government Bonds
- High-Yield, investment-Grade Bonds

■ Dividend-paying stocks

- Domestic Stocks
- International Stocks
- Specialized sectors such as commercial real estate and utilities

■ Other

- Annuities*
- Closed-End Funds*

If it's income you're after, you owe it to yourself to consider all of today's income options.

* Annuities and closed-end funds are specialized investment vehicles. Talk with your investment advisor to see if either is right for your portfolio.

Attention baby boomers!

The changing face of retirement means investing for income may be more important than ever.

Right now, we are in the midst of a phenomenon. Last year marked the first year that boomers – those born between the years 1946 and 1964 – began anticipating transitioning into retirement.¹ In the coming years, the largest demographic shift in the history of the U.S. will unfold as an unprecedented wave of seniors will re-shape the economy.

Consider the facts²:

- By 2030, 1-in-5 Americans will be 65 years or older.
- The average life expectancy for a 65 year old person in the U.S. in 2003 was 82.5 years. That's a long time to live if you haven't adequately planned for it.
- A recent report says that 41 percent of workers between the ages of 45 and 54 have put away less than \$25,000 towards retirement.³
- If you have been working all your life and contributing the maximum to Social Security you could earn between \$13,000 and \$19,000 annually from the program.

- Don't forget about inflation. If the rate of inflation is 3 percent, then a 7 percent return on your investments is actually only earning you 4 percent after inflation.

Nearly every investor should invest for income at some point in their lives, but baby-boomers – planning for a long and active retirement – may want to consider investing for both income and growth to ensure that they do not outlive their retirement savings.

¹ U.S. Census Bureau

² All information courtesy of ING-USA, February 2007, unless otherwise noted.

³ *U.S. News and World Report*, "The Big Squeeze," June 13, 2005.

Bond “basics”

For years, investors have turned to bonds as a reliable way to generate income.

Beyond a steady stream of income, bonds also offer:

- **Capital preservation** — bond issuers are obliged to pay back the capital they borrowed.
- **Diversification** — bonds generally perform inversely to stocks. Including both may help build a balanced portfolio.
- **Stability** — bonds generally help “anchor” larger, equity-based portfolios.

But bonds alone are no longer enough

No matter where you are in life, the question remains: Can fixed income alone help meet all of your income needs? Consider these facts:

- People are living longer lives; their income needs to keep pace.
- Medical expenses continue to escalate for all age groups.
- Young or old – most people nowadays are living more active lifestyles than their parents enjoyed.
- Long, active retirements appear to be the wave of the future.

If you’re counting on your bond portfolio to meet all of your income needs, consider the chart below, which shows how various bond/equities mixes fared over a 25-year period.

Probability of meeting income needs

The chance of outliving your portfolio becomes less likely as a higher allocation of equities is included in your investment strategy. Assume Andrew, our 65-year old retired engineer, has a portfolio made up of 50 percent bonds and 50 percent stocks. According to the chart, if he withdraws 6 percent annually he has a 57 percent chance of his portfolio lasting a minimum of 25 years.

Sample stock and bond allocations over a 25 year period ending 12/31/06 (latest data available)

		100% Bonds	75% Bonds 25% Stocks	50% Bonds 50% Stocks	25% Bonds 75% Stocks	100% Stocks
Sample Withdrawal Rates	4%	83%	97%	96%	94%	92%
	5%	30%	72%	82%	83%	82%
	6%	3%	29%	57%	66%	69%
	7%	0%	6%	30%	47%	54%
	8%	0%	0%	13%	31%	41%

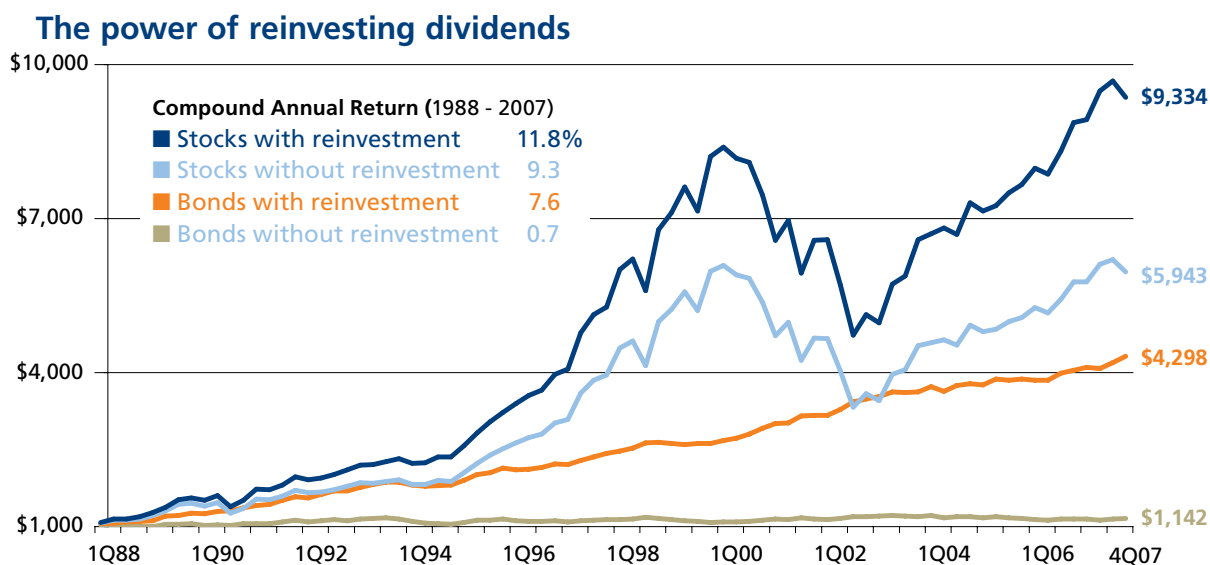
Source: Morningstar, Inc.,
Stocks in this example are represented by the Standard & Poor’s 500®, which is an unmanaged group of securities and considered to be representative of the stock market in general. Bonds are represented by the five-year U.S. government bond, inflation by the Consumer Price Index and mutual fund expenses from Morningstar.

Please note the projections generated by Morningstar regarding the likelihood of various investment outcomes are hypothetical in nature, do not reflect actual investment results, and are not guarantees of future results. Results may vary over time and with each simulation. This is for illustrative purposes only and not indicative of any ING Fund. Fund performance and does not account for, taxes, fees, and transactions costs associated with investing in funds. Investors cannot invest directly in an index.

Dividend paying stocks: the alternative income strategy

Dividend paying stocks offer more than income; they can also deliver significant growth and important tax advantages.

Nearly every investor owes it to themselves to consider the rewards of dividend-paying stocks. Not only do they deliver a steady stream of income, but, as the chart below illustrates — when allowed to compound over time — dividends can deliver significant growth. As you can see, an equity portfolio with reinvested dividends easily outperforms even a reinvested bond portfolio.



Source: Morningstar, Inc., as of 12/31/07.

Past performance is no guarantee of future results. Performance shown is historical and not indicative of any ING Funds' Fund performance and does not account for, taxes, fees, and transactions costs associated with investing in funds. Stocks are represented by the Standard & Poor's 500®, which is an unmanaged group of securities and considered to be representative of the stock market in general. Bonds are represented by the LB Aggregate Bond Index. An investment cannot be made directly in an index.



Dividends say a lot about the companies you invest in.

- Dividends show "cash on hand" and is one example of corporate profitability and cash flow.
- Increases in dividends signal a company's confidence in its future growth and profitability.
- Inversely, when dividends are reduced, it serves as an alarm, warning investors that the company may be struggling.



Beyond equity dividends

If dividends are what you are after, start with “blue chips” but don’t stop there.

Investors often select brand-name stocks or blue chips with consistent earnings and dividend yields, like those in the S&P 500 Index. Unfortunately, many investors end their search there.

Actually, there are a variety of specialized sectors available to investors seeking dividends and — as the chart on the right illustrates — a number of these sectors actually produced stronger dividend yields in 2007 than the tried-and-true companies that make up the S&P 500 Index.

Real estate investment trusts (REITs) are a good example. Last year’s REIT yields were nearly twice as high as the S&P 500 Index. There is no guarantee that this trend will continue, but this illustrates why investors seeking dividends should consider a variety of specialized investment sectors as they build a well-diversified portfolio.

Sector Yields	
Sector	2007 Dividend Yield
Real Estate Investment Trusts (REITs)	4.68%
Telecommunications	3.23%
Financials	3.39%
Utilities	2.91%
S&P 500 Index	1.96%

Source: FactSet, as of December 31, 2007.

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The potential tax-appeal of dividends

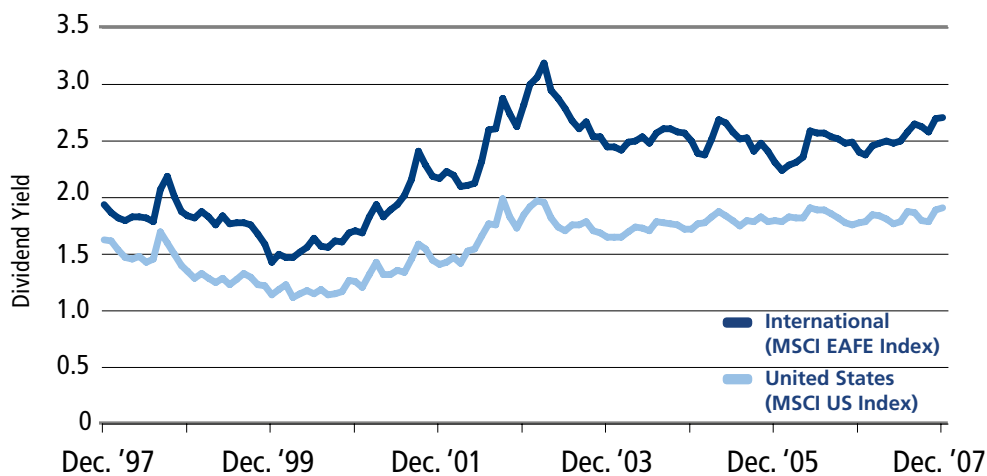
- In 2002, tax laws were changed, making dividend-investing more appealing than ever.
- Unlike CDs and bonds, with income payments that may be taxed as high as 35 percent, most domestic stock dividends are capped at a maximum tax-rate of 15 percent.
- If income is important to you, consider the potential tax advantages that dividends may deliver.

Dividend investing without boundaries

An International dividend strategy is another way to bring diversification and dividends to your portfolio.

Just as today's dividend investors should think beyond blue chip stocks they also should think beyond the borders of the U.S. Why? Because in today's marketplace, the majority of investing opportunities are outside of the U.S. According to the World Bank, currently 86 percent of investment opportunities are headquartered outside the U.S.¹

But even more importantly, international dividend yields have outpaced their domestic counterparts each and every year of the last decade.



Source: Bloomberg, as of December 31, 2007.

Past performance is no guarantee of future results. Performance shown is historical and not indicative of any ING Funds' Fund performance and does not account for fees and expenses associated with investing in funds. Investors cannot invest directly in an index.

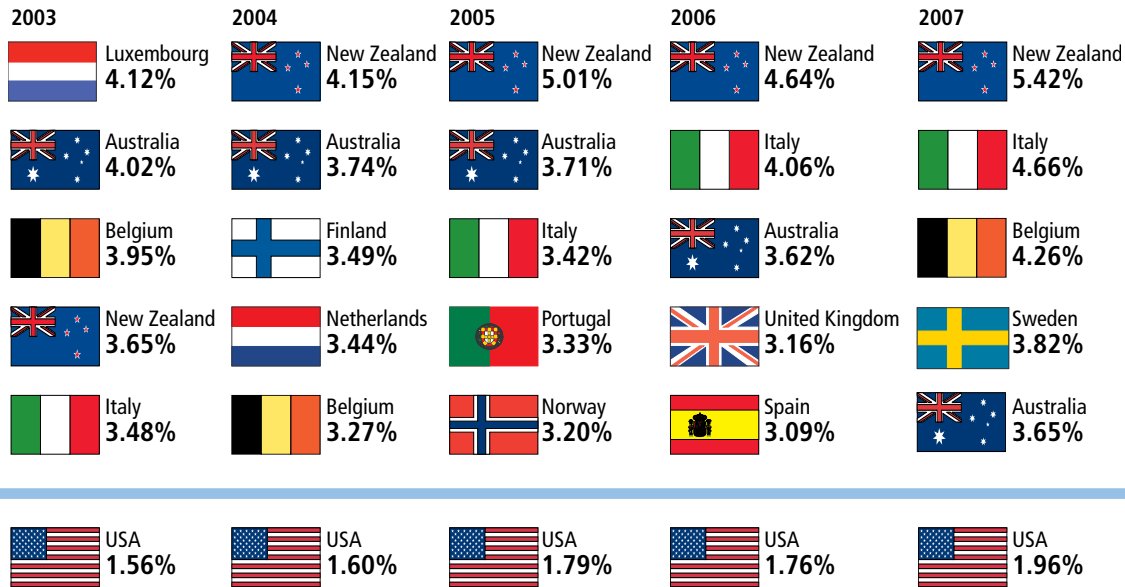
¹ World Bank, World Federation of Exchanges, 12/31/06 (latest data available).

See Page 10 for Index Descriptions.



So where in the world do you find dividends?

As illustrated below, a wide variety of countries have posted significant dividend yields during the last five years. Just as important: As you can see, the U.S. was not among the top-five dividend-yielding countries during any of those years.



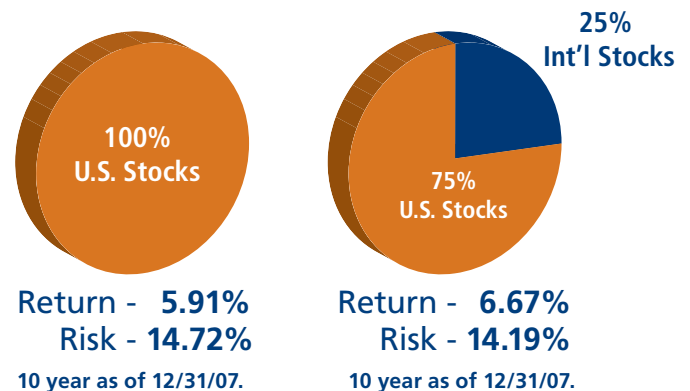
Source: ING Investment Management and Standard & Poor's, as of December 31, 2007.

Past performance does not guarantee future results. This chart is for illustrative purposes only and is not indicative of any ING Fund or any other actual investment. The performance quoted represents past performance. Material differences among individual countries represented include the varying number of stocks in each index, the differing average market capitalization of the indices and the differences among currencies.

International investing risky or risk-control?

International investing does include unique risks, however, a diversified portfolio may help reduce overall risk.¹

According to a 2006 study, investors who partnered with financial professionals allocated 33 percent of their overall equity portfolios to international investments.² As you can see from the charts to the right, during the last ten years a 25 percent international allocation would have resulted in similar returns as a purely domestic portfolio, but it also would have generated less risk. Although historic performance cannot ensure future returns, this example illustrates how an international allocation may actually help to mitigate risk.



U.S. Stocks: S&P 500 Index • International Stocks: MSCI EAFE Index

Source: Morningstar, Inc., as of December 31, 2007.

Past performance is no guarantee of future results. Performance shown is historical and not indicative of any ING Funds' Fund performance and does not account for fees and expenses associated with investing in funds. Investors cannot invest directly in an index.

See Page 10 for Index Descriptions.

¹ Diversification does not guarantee a profit or protect against a loss.

² Strategic Insight, 12/31/07

ING can help you meet your income needs!

ING Funds offers a comprehensive mix of bond funds, international and domestic dividend funds, sector funds and closed-end funds, all created to meet the needs of investors seeking income.

Included in our line-up of more than 60 mutual funds are a wide variety of income-oriented funds. The list below includes information on our income-oriented funds as well as the seasoned and specialized portfolio teams who manage the funds.

Bond Funds

ING Emerging Market Fixed Income Fund
ING Global Bond Fund
ING GNMA Income Fund
ING High Yield Bond Fund
ING Intermediate Bond Fund
ING National Tax-Exempt Fund
ING Senior Income Fund

ING's Fixed Income Team is made up of 49 experienced portfolio managers and 38 research analysts. Together they offer expertise in high-yield bonds, senior loans, GNMA strategies as well as other fixed-income.

Domestic Dividend Funds

ING Growth and Income Fund
ING Equity Dividend Fund

ING's Investment Management/U.S. employs more than 300 investment professionals.

International Dividend Funds

ING Global Equity Dividend Fund
ING International Equity Dividend Fund

ING's Investment Management/International offers expertise and nearly a decade of managing in the high-dividend style.

Sector Funds

ING Financial Services Fund
ING Global Real Estate Fund
ING International Real Estate Fund
ING Real Estate Fund

ING Clarion has been managing real estate portfolios since 1984. They manage three distinct real estate funds on behalf of ING Funds.

See the following page for an easy-to-follow grid detailing specific features of the funds.

See page 10 for a complete list of general investment risks associated with the funds mentioned above.

Which ING income-oriented funds are right for you?

Just as Mary, Steve and Andrew — the investors you met earlier — have specific income needs based on their goals and life-stages, you too have unique income needs. Consult with your financial professional and look over the following grid to determine which funds best fit your objectives.

ING Funds	Trading Symbol	Primary Objective: Capital Appreciation	Primary Objective: Income	Monthly Income Distribution	Quarterly Income Distribution	U.S. Exposure	International Exposure
Bond Funds							
ING Emerging Market Fixed Income Fund	IMIAX		•	•			•
ING Global Bond Fund	INGBX		•	•		•	•
ING GNMA Income Fund	LEXNX		•	•		•	
ING High Yield Bond Fund	IHYAX		•	•		•	
ING Intermediate Bond Fund	IIBAX		•	•		•	
ING National Tax-Exempt Fund	NTEAX		•	•		•	
ING Senior Income Fund	XSIAX		•	•		•	
Domestic Dividend Funds							
ING Equity Dividend Fund	IEDAX	•			•	•	
ING Growth and Income Fund	AAGIX	•			•	•	
International Dividend Funds							
ING Global Equity Dividend Fund	IAGEX	•			•	•	•
ING International Equity Dividend Fund	IDFAX	•			•		•
Sector Funds							
ING Financial Services Fund	PBTAX	•			•	•	
ING Asia Pacific Real Estate Fund	IAPAX	•			•	•	•
ING European Real Estate Fund	IAERX	•			•	•	•
ING Global Real Estate Fund	IGLAX	•			•	•	•
ING International Real Estate Fund	IIRAX	•			•		•
ING Real Estate Fund	CLARX	•			•	•	

Next steps: Talk to your investment professional today to learn which of these ING income-oriented funds are right for your portfolio. You can also visit us at ingfunds.com or call (800) 992-0180 to request a prospectus.

General Risk(s)

ING Emerging Markets Fixed Income Fund and ING Global Bond Fund: Price volatility, liquidity and other risks that accompany an investment in debt securities of issuers located or primarily conducting their business in emerging market countries. Price volatility due to non-diversification of investments. May be sensitive to currency exchange rates, international, political and economic conditions and other risks that also affect foreign securities.

ING GNMA Income Fund: Credit, interest rate, prepayment and other risks that accompany an investment in government bonds and mortgage-related investments. Generally has less credit risk than other income funds.

ING Intermediate Bond Fund and ING High Yield Bond Fund: Credit, interest rate, prepayment and other risks that accompany an investment high yield and general in fixed-income securities. May be sensitive to credit risk during economic downturns.

ING National Tax-Exempt Bond Fund: Credit, interest rate, prepayment and other risks that accompany an investment in investment grade debt securities of municipal issuers.

ING Senior Income Fund: Credit, interest rate, prepayment and other risks that accompany an investment in a closed-end interval fund. The use of leverage for investment purposes increases both investment opportunity and investment risk.

ING Equity Dividend Fund Principal Risks Price volatility, liquidity and other risks that accompany an investment in equity securities of dividend paying companies. The Fund may invest in small- and mid-sized companies, which may be more susceptible to price swings and less liquid than larger companies. Companies that issue dividend yielding equity securities are not required to continue to pay dividends on such stocks. In such an event, the yield on the Fund's dividend-paying equity securities would be adversely affected.

ING Growth and Income Fund: Price volatility and other risks that accompany an investment in equity securities.

ING Global Equity Dividend Fund and ING International Equity Dividend Fund: Price volatility, liquidity and other risks that accompany an investment in foreign equity securities of dividend paying companies. May be sensitive to currency exchange rates, international, political and economic conditions and other risks that also affect foreign securities.

ING Financial Services Fund: Price volatility and other risks that accompany an investment in equity securities. Susceptible to risks of decline in the price of securities concentrated in the financial services industry.

ING Global Real Estate Fund and ING International Real Estate Fund: Price volatility, liquidity, and other risks that accompany an investment in international real estate equities. Price volatility due to non-diversification of investments. May be sensitive to currency exchange rates, international, political and economic conditions and other risks that also affect foreign securities.

ING Real Estate Fund: Price volatility and other risks that accompany an investment in real estate equities and volatility due to non-diversification of investments. Subject to risks similar to those associated with the direct ownership of real estate.

Indices

The MSCI Europe, Australasia and Far East Index (EAFE) is an unmanaged index that measures the performance of securities listed on exchanges in markets in Europe, Australasia and the Far East.

MSCI US Index is an unmanaged index that measures the performance of 85% of the free-float adjusted market capitalization securities in each industry group in the U.S.

The Standard & Poor's 500 Index is an unmanaged index that measures the performance of securities of approximately 500 large-capitalization companies whose securities are traded on major US stock markets.

Investors cannot invest directly in an index.

General Risk for Asset Classes

Domestic Equity: Exposure to financial and market risks that accompany investments in equities. Investing in funds that are concentrated in a smaller number of holdings poses greater risk than investing in funds with a larger number of holdings because each investment has a greater effect on the fund's performance.

Fixed Income: Exposure to financial, market, prepayment and interest rate risks. The value of an investment in the fund is not guaranteed and will fluctuate. Higher-yielding bonds are subject to greater volatility and credit risks. Bonds have fixed principal and return if held to maturity but may fluctuate in the interim. The principal risks of investing are those generally attributable to bond investing, including increases in interest rates. Generally, when interest rates rise, bond prices fall. Bonds with longer maturities tend to be more sensitive to changes in interest rates.

International: The principal risks of investing are those generally attributable to stock investing. International investing does pose special risks, including currency fluctuation, economic risks and political risks not found in investments that are solely domestic. Risks of foreign investing are generally intensified for investments in emerging markets.

REITs: These companies are sensitive to factors such as changes in real estate values and property taxes, interest rates, cash flow of underlying real estate assets, supply and demand, and the management skill and credit worthiness of the issuer. REITs may also be affected by tax and regulatory requirements.

General Risk

You should carefully read the complete description of each Fund's investment objective, principal investment strategies and risks, charges and expenses in the Prospectus before investing. There is no guarantee that the Fund or Trust will achieve its investment objective. Risk is the potential that the investment will lose money or not earn as much as one expects. All mutual funds have varying degrees of risk, depending on the securities in which they invest. Consult the Statement of Additional Information ("SAI") for a complete list of the principal investment strategies and risks.

For more information

For more complete information, or to obtain a prospectus on any ING fund, please call your Investment Professional or ING Funds Distributor, LLC at (800) 992-0180 or log on to www.ingfunds.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 fund. Check with your Investment Professional to determine which funds are available for sale within their firm. Not all funds are available for sale at all firms.

ING Funds

Bringing You a World of Opportunity

ING Funds offers a comprehensive mix of global, international and domestic funds created to meet the needs of nearly every investor.

- As of December 31, 2007, ING Funds has more than \$100 billion in assets under management and administration.
- ING Funds complements its own global capabilities by partnering with some of the most respected asset managers in the world.
- ING Funds is a subsidiary of ING Groep N.V. (ING Group), one of the largest and most-recognized financial service providers in the world. ING Group ranked 10th on Forbes' annual Global 2000 list in 2007.¹ ING Group was also recognized as the top financial services company in Fortune magazine's Global 500 list in 2007.²

We Deliver

Global Expertise – ING Funds brings you insight into most of the world's financial markets based on its access to more than 800 ING investment professionals worldwide.

Innovation – ING Funds strives to identify tomorrow's opportunities today to provide investment products designed to meet the ever-changing needs of investors.

World Class Service – ING Funds seeks to set a new standard in providing comprehensive, accessible and reliable service to investors and investment professionals.

To think global, you've got to think ING Funds.

¹ Forbes magazine, April 13, 2007, based on company sales, profits, assets and market value.

² Fortune Global 500, July 12, 2007. ING Group ranked 13th on the overall list, but was the number one financial services company based on company assets, revenue and profits as of March 31, 2007.

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