

Voya PRIME RATE TRUST  
Form N-CSR  
May 07, 2014

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**UNITED STATES**  
**SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

**FORM N-CSR**

**CERTIFIED SHAREHOLDER REPORT OF  
REGISTERED MANAGEMENT INVESTMENT COMPANIES**

Investment Company Act file number: **811-5410**

**Voya Prime Rate Trust (formerly known as, ING Prime Rate Trust)**

(Exact name of registrant as specified in charter)

**7337 E. Doubletree Ranch Rd. Suite 100, Scottsdale, AZ**  
(Address of principal executive offices)

**85258**  
(Zip code)

**CT Corporation System, 101 Federal Street, Boston, MA 02110**

(Name and address of agent for service)

Registrant's telephone number, including area code: **1-800-992-0180**

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Date of fiscal year end: February 28

Date of reporting period: February 28, 2014

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**Item 1. Reports to Stockholders.**

The following is a copy of the report transmitted to stockholders pursuant to Rule 30e-1 under the Act (17 CFR 270.30e-1):

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**Funds**

Annual Report

February 28, 2014

ING Prime Rate Trust

(Effective May 1, 2014, to be renamed Voya Prime Rate Trust)

E-Delivery Sign-up details inside

This report is submitted for general information to shareholders of the ING Funds. It is not authorized for distribution to prospective shareholders unless accompanied or preceded by a prospectus which includes details regarding the fund's investment objectives, risks, charges, expenses and other information. This information should be read carefully.

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ING Prime Rate Trust

**ANNUAL REPORT**

February 28, 2014

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## ING Prime Rate Trust

## PORTFOLIO MANAGERS' REPORT

Dear Shareholders:

ING Prime Rate Trust<sup>(1)</sup> (the "Trust") is a diversified, closed-end management investment company that seeks to provide investors with as high a level of current income as is consistent with the preservation of capital. The Trust seeks to achieve this objective by investing, under normal circumstances, at least 80% of its net assets, plus the amount of any borrowings for investment purposes, in U.S. dollar denominated floating rate secured senior loans.

**PORTFOLIO CHARACTERISTICS  
AS OF FEBRUARY 28, 2014**

Net Assets	\$ 898,254,003
Total Assets	\$ 1,338,865,589
Assets Invested in Senior Loans	\$ 1,301,290,423
Senior Loans Represented	369
Average Amount Outstanding per Loan	\$ 3,526,532
Industries Represented	35
Average Loan Amount per Industry	\$ 37,179,726
Portfolio Turnover Rate (YTD)	96%
Weighted Average Days to Interest Rate Reset	42
Average Loan Final Maturity	62 months
Total Leverage as a Percentage of Total Assets	30.40%

**PERFORMANCE SUMMARY**

The Trust declared \$0.09 of dividends during the fourth fiscal quarter and distributed \$0.41 during the year ended February 28, 2014, including a return of capital of \$0.01 per share and net investment income of \$0.40 per share. Based on the average month-end net asset value ("NAV") per share of \$6.06 for the fourth quarter and \$6.05 for the year, the annualized distribution rate<sup>(2)</sup> was 6.19% for the fourth fiscal quarter and 6.87% for the year. The Trust's total return for the fourth fiscal quarter, based on NAV, was 1.96% versus a total gross return on the S&P/LSTA Leveraged Loan Index (the "Index")<sup>(3)</sup> of 1.30% for the same quarter. For the year ended February 28, 2014, the Trust's total return, based on NAV<sup>(4)</sup>, was 8.15%, versus a total return on the Index of 4.83%. The total market value return<sup>(4)</sup> for the Trust's common shares during the fourth fiscal quarter was 1.62% and for the year ended February 28, 2014 was -4.04%.

**MARKET REVIEW**

On the whole, the loan market performed relatively well during the Trust's fiscal year. Changing investor sentiment prompted by "taper-talk" dominated the first half of the period, as investors attempted to find

(1) Effective May 1, 2014, the Trust will be renamed "Voya Prime Rate Trust."

(2) The distribution rate is calculated by annualizing dividends and distributions declared during the period using the 30/360 convention and dividing the resulting annualized dividend by the Trust's average net asset value (in the case of NAV) or the average month-end NYSE Composite closing price (in the case of market). The distribution rate is based solely on the actual dividends and distributions, which are made at

the discretion of management. The distribution rate includes distributions from net investment income and return of capital, but does not include capital gains or losses.

(3) The **Index** is an unmanaged total return index that captures accrued interest, repayments, and market value changes. It represents a broad cross section of leveraged loans syndicated in the United States, including dollar-denominated loans to overseas issuers. Standard & Poor's ("S&P") and the Loan Syndications and Trading Association ("LSTA") conceived the Index to establish a performance benchmark for the syndicated leveraged loan industry. The Index is not subject to any fees or expenses. An investor cannot invest directly in an index.

(4) The total return is based on full reinvestment of dividends.



## ING Prime Rate Trust

## PORTFOLIO MANAGERS' REPORT (continued)

a balance between the continued state of loose monetary policy and benign credit conditions on the one hand, and obsession with the prospect and implications of the U.S. Federal Reserve Board (the "Fed") beginning to reduce its long-running bond buying program on the other. After a healthy start to the year, loans in June experienced one of the only negative total return months of 2013 (-0.59%). This occurred during a broad fixed income market correction, which was due largely to selling pressure from high-yield bond funds that were meeting large redemptions by reducing their more liquid loan exposure; a surge in new issue loan volume also was a factor. As Fed comments were absorbed over the ensuing months, investors again embraced risk more readily and markets recovered some, if not all, of their late spring losses.

During the latter half of the Trust's fiscal year, fears over an abrupt end to the Fed's stimulus activities and a protracted government shutdown eventually subsided, and investor sentiment became more open to credit risk. Against that backdrop, demand for loans remained robust, with visible inflows into the asset class consistently strong and dispersed across retail funds and institutional portfolios. As with any spread-driven market, stout demand worked to compress new-issue yields. Though re-pricing activity began to abate by the end of the Trust's fiscal year, increased demand against less than sufficient supply had an adverse impact on average credit spreads. Nonetheless, it is important to note that the current average spread for new issue loans remains in excess of the ten-year running average for the asset class. Hopefully, this will continue at least until LIBOR<sup>(1)</sup> rises to fill the gap.

As to fundamentals, unforeseen negative credit events were few and far between during the Trust's fiscal year. To-date, trailing default rates at the Index level remain well inside the historical average for the asset class, and the traditional indicators of future default activity appear to be constructive. Although GDP growth has been variable and, for some time now, below what many feel should be the case at this point in the recovery, it has been sufficient for typical, below-investment-grade corporate issuers to comfortably cover their borrowing expenses and capital expenditures, with reasonable cushions.

**PORTFOLIO SPECIFICS**

The Trust (total return, based on NAV) outperformed the Index for the year ended

**TOP TEN SENIOR LOAN ISSUERS  
AS OF FEBRUARY 28, 2014  
AS A PERCENTAGE OF:**

	<b>TOTAL ASSETS</b>	<b>NET ASSETS</b>
BJs Wholesale Club	2.0%	3.1%
Dell International, LLC	1.7%	2.6%
Reynolds Group Holdings, Inc.	1.6%	2.3%
Univision Communications, Inc.	1.4%	2.1%
ADS Waste Holdings, Inc.	1.3%	1.9%
Neiman Marcus Group, Inc.	1.2%	1.8%
Ineos US Finance, LLC	1.2%	1.8%
Asurion, LLC	1.2%	1.7%
	1.1%	1.7%

Caesars Entertainment  
Resort Properties, LLC  
Valeant Pharmaceuticals  
International, Inc.

1.1% 1.7%

**TOP TEN INDUSTRIES  
AS OF FEBRUARY 28, 2014  
AS A PERCENTAGE OF:**

	<b>TOTAL ASSETS</b>	<b>NET ASSETS</b>
Electronics/Electrical	10.4%	15.5%
Business Equipment & Services	9.9%	14.8%
Retailers (Except Food & Drug)	9.3%	13.9%
Health Care	9.2%	13.8%
Lodging & Casinos	5.9%	8.8%
Chemicals & Plastics	4.9%	7.4%
Industrial Equipment	4.5%	6.7%
Publishing	4.4%	6.6%
Telecommunications	4.2%	6.3%
Radio & Television	3.2%	4.7%

(1) The **London Interbank Offered Rate** is the average interest rate estimated by leading banks in London that they would be charged if borrowing from other banks.

## ING Prime Rate Trust

## PORTFOLIO MANAGERS' REPORT (continued)

February 28, 2014, attributable largely to favorable credit selection and the persistent emphasis on relative value positioning within the secured loan asset class. The Trust's use of leverage, which remained within our target range, also had a positive impact on NAV returns during the period. To capture what we believed to be the strongest relative value available during the period, the Trust continued to invest in loans issued at a slight discount to face value in the new issue market. In virtually all cases, these investments featured LIBOR floors, i.e., a minimum LIBOR paid by the issuer pursuant to the underlying loan agreements. Also, we selectively sold those loans that had appreciated beyond our view of fair value.

While the aforementioned decline in credit spreads impacted the Trust along with the rest of the senior loan market, the portfolio continued to reflect a healthy balance between investing for greater yield and maintaining acceptable credit quality. As of period-end, the Trust's weighted average coupon, inclusive of LIBOR floors, was 5.0%, ahead of the Index's 4.6%, even though the Trust's percentage of assets rated CCC/Caa1 or below was 5.5%, lower than the 6.5% exposure of the Index. After suffering from a relative disadvantage by not holding any fixed-rate bonds as longer-term interest rates fell, the Trust benefited from its positioning in loans when the fixed income markets sold off dramatically during May and June 2013.

The Trust's top industry exposures at the end of the reporting period were electronics, business equipment and services, retail, healthcare, and lodging and casinos. These sector exposures were generally beneficial to relative returns during the reporting period. During the period, the Trust held positions in three of the five largest contributors to Index performance: Clear Channel Communications, Inc., Cengage Learning Acquisition Inc. and Harrah's Entertainment Inc. The contribution from these positions was partially offset by much smaller positions in two of the largest detractors from Index performance during the fiscal year: Toys R Us, Inc. and Longview Power, LLC.

The Trust continues to be well diversified with 282 individual issuers and 35 different industry sectors represented. The average issuer exposure at period-end stood at 0.35% of assets under management ("AUM"), while the average industry exposure closed the fiscal year at 2.86% of AUM. Both measures were relatively unchanged from the prior reporting period.

**OUTLOOK AND CURRENT STRATEGY**

We expect demand to remain buoyant throughout 2014, given the natural desire of both retail and institutional investors for floating-rate assets to balance the interest rate risk in their portfolios. Unless economic conditions take an unexpected and material turn for the worse, we believe concerns over a rogue spike in default activity should remain on the back burner. In light of the fact that the average Index bid is close to par (with most good loan assets at or slightly above), potential price upside is, by definition, limited in our opinion. Of course, the same can be said of virtually all income asset classes. We believe, however, that of the available mainstream income-producing asset classes, loans are the most likely to earn their coupon in 2014 (as opposed to coupon less capital loss). Therefore, our total return expectation for the loan market in 2014 is a positive one. In our view, we find this attractive on both absolute and relative bases, especially since we seemingly continue to creep toward an eventual lift in short-term rates. In such an environment floating-rate loans have consistently outperformed traditional fixed income.

**Ratings Distribution  
as of February 28, 2014**

Ba	30.09%
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B	61.90%
Caa and below	5.83%
Not rated*	2.18%

Ratings distribution shows the percentage of the Trust's loan commitments (excluding cash and foreign cash) that are rated in each ratings category, based upon the categories provided by Moody's Investors Service, Inc. Ratings distribution is based on Moody's senior secured facility ratings. Moody's ratings classification methodology: Aaa rating denotes the least credit risk; C rating denotes the greatest credit risk. Loans rated below Baa by Moody's are considered to be below investment grade. Ratings can change from time to time, and current ratings may not fully reflect the actual credit condition or risks posed by a loan.

\* Not rated includes loans to non-U.S. borrowers (which are typically unrated) and loans for which the rating has been withdrawn.

ING Prime Rate Trust

PORTFOLIO MANAGERS' REPORT (continued)

Jeffrey A. Bakalar  
*Senior Vice President*  
*Managing Director*  
*ING Investment Management Co. LLC*

Daniel A. Norman  
*Senior Vice President*  
*Managing Director*  
*ING Investment Management Co. LLC*

ING Prime Rate Trust  
April 1, 2014

## ING Prime Rate Trust

## PORTFOLIO MANAGERS' REPORT (continued)

	Average Annual Total Returns for the Years Ended February 28, 2014			
	1 Year	3 Years	5 Years	10 Years
Based on Net Asset Value (NAV)	8.15%	6.80%	17.07%	5.18%
Based on Market Value	-4.04%	5.90%	18.24%	4.12%
S&P/LSTA Leveraged Loan Index	4.83%	4.88%	12.76%	5.23%
Credit-Suisse Leveraged Loan Index	5.55%	5.21%	12.37%	5.02%

The table above illustrates the total return of the Trust against the indices indicated. An index has no cash in its portfolio, imposes no sales charges and incurs no operating expenses. An investor cannot invest directly in an index.

Total returns shown include, if applicable, the effect of fee waivers and/or expense reimbursements by the Investment Adviser. Had all fees and expenses been considered, the total returns would have been lower.

***Performance data represents past performance and is no guarantee of future results. Investment return and principal value of an investment in the Trust will fluctuate. Shares, when sold, may be worth more or less than their original cost. The Trust's future performance may be lower or higher than the performance data shown. Please log on to [www.inginvestment.com](http://www.inginvestment.com) or call (800) 992-0180 to get performance through the most recent month end.***

Calculation of total return assumes a hypothetical initial investment at the net asset value (in the case of NAV) or the New York Stock Exchange ("NYSE") Composite closing price (in the case of Market Value) on the last business day before the first day of the stated period, with all dividends and distributions reinvested at the actual reinvestment price.

*Senior loans are subject to credit risks and the potential for non-payment of scheduled principal or interest payments, which may result in a reduction of the Trust's NAV.*

*This report contains statements that may be "forward-looking" statements. Actual results could differ materially from those projected in the "forward-looking" statements.*

***The views expressed in this report reflect those of the portfolio managers only through the end of the period of the report as stated on the cover. The portfolio managers' views are subject to change at any time based on market and other conditions.***

## INDEX DESCRIPTIONS

The **S&P/LSTA Leveraged Loan Index** is an unmanaged total return index that captures accrued interest, repayments, and market value changes. It represents a broad cross section of leveraged loans syndicated in the United States, including dollar-denominated loans to overseas issuers. Standard & Poor's and the Loan Syndications & Trading Association ("LSTA") conceived the Index to establish a performance benchmark for the syndicated leveraged loan industry. An investor cannot invest directly in an index.

The **Credit-Suisse Leveraged Loan Index** is an unmanaged index of below investment grade loans designed to mirror the investable universe of the U.S. dollar-denominated leveraged loan market. An investor cannot invest directly in an index.

## ING Prime Rate Trust

## PORTFOLIO MANAGERS' REPORT (continued)

	YIELDS AND DISTRIBUTION RATES				
	Prime Rate	NAV 30-day SEC Yield <sup>(A)</sup>	Mkt. 30-Day SEC Yield <sup>(A)</sup>	Annualized Dist. Rate @ NAV <sup>(B)</sup>	Annualized Dist. Rate @ Mkt. <sup>(B)</sup>
February 28, 2014	3.25%	5.97%	6.18%	6.22%	6.44%
November 30, 2013	3.25%	6.59%	6.81%	6.24%	6.44%
August 31, 2013	3.25%	6.36%	6.23%	6.98%	6.84%
May 31, 2013	3.25%	7.02%	6.78%	7.36%	7.11%

<sup>(A)</sup> Yield is calculated by dividing the Trust's net investment income per share for the most recent thirty days by the net asset value (in the case of NAV) or the NYSE Composite closing price (in the case of Market) at quarter-end. Yield calculations do not include any commissions or sales charges, and are compounded for six months and annualized for a twelve-month period to derive the Trust's yield consistent with the U.S. Securities and Exchange Commission ("SEC") standardized yield formula.

<sup>(B)</sup> The distribution rate is calculated by annualizing dividends and distributions declared during the period and dividing the resulting annualized dividend by the Trust's average net asset value (in the case of NAV) or the average month-end NYSE Composite closing price (in the case of market). The distribution rate is based solely on the actual dividends and distributions, which are made at the discretion of management. The distribution rate includes distributions from net investment income and return of capital, but does not include capital gains or losses.

***Risk is inherent in all investing. The following are the principal risks associated with investing in the Trust. This is not, and is not intended to be, a description of all risks of investing in the Trust. A more detailed description of the risks of investing in the Trust is contained in the Trust's current prospectus.***

**Credit Risk:** The Trust invests a substantial portion of its assets in below investment grade senior loans and other below investment-grade assets. Below investment-grade loans commonly known as high-yielding, high risk investments or as "junk" investments involve a greater risk that borrowers may not make timely payment of the interest and principal due on their loans. They also involve a greater risk that the value of such loans could decline significantly. If borrowers do not make timely payments of the interest due on their loans, the yield on the Trust's Common Shares will decrease. If borrowers do not make timely payment of the principal due on their loans, or if the value of such loans decreases, the value of the Trust's NAV will decrease.

**Interest Rate Risk:** Changes in short-term market interest rates will directly affect the yield on the Trust's common shares. If short-term market interest rates fall, the yield on the Trust's Common Shares will also fall. To the extent that the interest rate spreads on loans in the Trust's portfolio experience a general decline, the yield on the Trust common shares will fall and the value of the Trust's assets may decrease, which will cause the Trust's NAV to decrease. Conversely, when short-term market interest rates rise,



because of the lag between changes in such short-term rates and the resetting of the floating rates on assets in the Trust's portfolio, the impact of rising rates will be delayed to the extent of such lag. In the case of inverse securities, the interest rate will generally decrease when the market rate of interest to which the inverse security is indexed increases. As of the date of this report, interest rates in the United States are at, or near, historic lows, which may increase the Trust's exposure to risks associated with rising interest rates.

**Leverage Risk:** The Trust borrows money for investment purposes. Borrowing increases both investment opportunity and investment risk. In the event of a general market decline in the value of assets such as those in which the Trust invests, the effect of that decline will be magnified in the Trust because of the additional assets purchased with the proceeds of the borrowings. The Trust also faces the risk that it might have to sell assets at relatively less advantageous times if it were forced to de-leverage if a source of leverage becomes unavailable.

ING Prime Rate Trust

PORTFOLIO MANAGERS' REPORT (continued)

The Trust's use of leverage through borrowings or the issuance of preferred shares can adversely affect the yield on the Trust's common shares. To the extent that the Trust is unable to invest the proceeds from the use of leverage in assets which pay interest at a rate which exceeds the rate paid on the leverage, the yield on the Trust's common shares will decrease. In addition, in the event of a general market decline in the value of assets such as those in which the Trust invests, the effect of that decline will be magnified in the Trust because of the additional assets purchased with the proceeds of the leverage. The Trust also faces the risk that it might have to sell assets at relatively less advantageous times if it were forced to de-leverage if a source of leverage becomes unavailable.

ING Prime Rate Trust

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

The Shareholders and Board of Trustees  
ING Prime Rate Trust

We have audited the accompanying statement of assets and liabilities, including the portfolio of investments, of ING Prime Rate Trust, as of February 28, 2014, and the related statements of operations and cash flows for the year then ended, the statements of changes in net assets for each of the years in the two-year period then ended, and the financial highlights for each of the years in the ten-year period then ended. These financial statements and financial highlights are the responsibility of management. Our responsibility is to express an opinion on these financial statements and financial highlights based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements and financial highlights are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. Our procedures included confirmation of securities owned as of February 28, 2014, by correspondence with the custodian and brokers, or by other appropriate auditing procedures where replies from brokers were not received. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements and financial highlights referred to above present fairly, in all material respects, the financial position of ING Prime Rate Trust as of February 28, 2014, the results of its operations and its cash flows for the year then ended, the changes in its net assets for each of the years in the two-year period then ended, and the financial highlights for each of the years in the ten-year period then ended, in conformity with U.S. generally accepted accounting principles.

Boston, Massachusetts  
April 24, 2014



## ING Prime Rate Trust

## STATEMENT OF ASSETS AND LIABILITIES as of February 28, 2014

<b>ASSETS:</b>	
Investments in securities at value (Cost \$1,296,063,177)	\$ 1,303,403,182
Cash	5,436,650
Foreign currencies at value (Cost \$4,356,267)	4,385,476
Receivables:	
Investment securities sold	18,148,342
Interest	7,250,926
Other fees	1,298
Unrealized appreciation on unfunded commitments	218,116
Prepaid arrangement fees on notes payable	15,671
Prepaid expenses	5,928
Total assets	1,338,865,589
<b>LIABILITIES:</b>	
Notes payable	407,000,000
Payable for investment securities purchased	30,692,051
Accrued interest payable	131,126
Payable for investment management fees	795,205
Payable for administrative fees	248,501
Accrued trustees fees	8,367
Unrealized depreciation on forward foreign currency contracts	1,298,933
Other accrued expenses	437,403
Total liabilities	440,611,586
<b>NET ASSETS</b>	<b>\$ 898,254,003</b>
Net assets value per common share outstanding (net assets divided by 147,787,691 shares of beneficial interest authorized and outstanding, no par value)	
	\$ 6.08
<b>NET ASSETS WERE COMPRISED OF:</b>	
Paid-in capital	\$ 1,097,464,804
Undistributed net investment income	1,286,881
Accumulated net realized loss	(206,774,124)
Net unrealized appreciation	6,276,442
<b>NET ASSETS</b>	<b>\$ 898,254,003</b>

See Accompanying Notes to Financial Statements

## ING Prime Rate Trust

## STATEMENT OF OPERATIONS for the Year Ended February 28, 2014

<b>INVESTMENT INCOME:</b>	
Interest	\$ 73,520,840
Dividends	156
Amendment fees earned	1,833,466
Other fees	1,576,449
Total investment income	76,930,911
<b>EXPENSES:</b>	
Investment management fees	10,245,189
Administration fees	3,201,622
Transfer agent fees	77,160
Interest expense	4,519,563
Custody and accounting expense	567,195
Professional fees	108,413
Shareholder reporting expense	236,320
Trustees fees	27,971
Miscellaneous expense	220,848
Total expenses	19,204,281
Net investment income	57,726,630
<b>REALIZED AND UNREALIZED GAIN (LOSS):</b>	
Net realized gain (loss) on:	
Investments	17,539,129
Forward foreign currency contracts	(2,351,411)
Foreign currency related transactions	1,222
Net realized gain	15,188,940
Net change in unrealized appreciation or (depreciation) on:	
Investments	(921,567)
Forward foreign currency contracts	(1,930,104)
Foreign currency related transactions	(287,187)
Unfunded commitments	217,154
Net change in unrealized appreciation or (depreciation)	(2,921,704)
Net realized and unrealized gain	12,267,236
Increase in net assets resulting from operations	\$ 69,993,866

See Accompanying Notes to Financial Statements

## ING Prime Rate Trust

## STATEMENTS OF CHANGES IN NET ASSETS

	Year Ended February 28, 2014	Year Ended February 28, 2013
<b>FROM OPERATIONS:</b>		
Net investment income	\$ 57,726,630	\$ 67,186,081
Net realized gain (loss)	15,188,940	(2,597,367)
Net change in unrealized appreciation or (depreciation)	(2,921,704)	31,518,362
Increase in net assets resulting from operations	69,993,866	96,107,076
<b>FROM DISTRIBUTIONS TO COMMON SHAREHOLDERS:</b>		
From net investment income	(59,356,037)	(62,192,534)
From return of capital	(1,626,919)	
Decrease in net assets from distributions to common shareholders	(60,982,956)	(62,192,534)
<b>CAPITAL SHARE TRANSACTIONS:</b>		
Reinvestment of distributions from common shares	2,115,329	1,728,800
Proceeds from shares sold	80,548	125,377
Net increase from capital share transactions	2,195,877	1,854,177
Net increase in net assets	11,206,787	35,768,719
<b>NET ASSETS:</b>		
Beginning of year or period	887,047,216	851,278,497
End of year or period (including undistributed net investment income of \$1,286,881 and \$5,238,942 respectively)	\$898,254,003	\$887,047,216

See Accompanying Notes to Financial Statements

## ING Prime Rate Trust

## STATEMENT OF CASH FLOWS for the Year Ended February 28, 2014

**INCREASE (DECREASE) IN CASH****Cash Flows From Operating Activities:**

Interest received	\$ 65,261,747
Dividends received	28
Facility fees paid	(259)
Arrangement fees received	110
Other income received	3,092,030
Interest paid	(4,567,596)
Other operating expenses paid	(14,340,667)
Purchases of securities	(2,458,647,439)
Proceeds on sale of securities	2,426,403,400
Net cash provided by operating activities	17,201,354

**Cash Flows From Financing Activities:**

Distributions paid to common shareholders from net investment income (net of reinvestments)	(57,240,708)
Distributions paid to common shareholders from return of capital	(1,626,919)
Proceeds from shares sold	80,548
Net increase of notes payable	36,400,000
Net cash flows used in financing activities	(22,387,079)
Net decrease	(5,185,725)

**Cash Impact from Foreign Exchange Fluctuations:**

Cash impact from foreign exchange fluctuations	30,015
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**Cash and foreign currency balance**

Net decrease in cash and foreign currency	(5,155,710)
Cash and foreign currency at beginning of period	14,977,836
Cash and foreign currency at end of period	\$ 9,822,126

**Reconciliation of Net Increase in Net Assets Resulting from Operations To Net Cash Provided by Operating Activities:**

Net increase in net assets resulting from operations	\$ 69,993,866
Adjustments to reconcile net increase in net assets resulting from operations to net cash provided by operating activities:	
Change in unrealized appreciation or depreciation on investments	921,567
Change in unrealized appreciation or depreciation on forward foreign currency contracts	1,930,104
Change in unrealized appreciation or depreciation on unfunded commitments	(217,154)
Change in unrealized appreciation or depreciation on foreign currency related transactions	287,187
Accretion of discounts on investments	(7,740,888)
Amortization of premiums on investments	809,037
	(15,188,940)



Net realized gain on sale of investments, forward foreign currency contracts and foreign currency related transactions	
Purchases of investment securities	(2,458,647,439)
Proceeds from disposition of investment securities	2,426,403,400
Increase in other assets	(683)
Increase in interest and other receivable	(1,327,370)
Decrease in prepaid arrangement fees on notes payable	110
Increase in prepaid expenses	(259)
Decrease in accrued interest payable	(48,033)
Increase in payable for investment management fees	38,090
Increase in payable for administrative fees	11,903
Increase in accrued trustees fees	1,845
Decrease in other accrued expenses	(24,989)
Total adjustments	(52,792,512)
Net cash provided by operating activities	\$ 17,201,354
<b>Non Cash Financing Activities</b>	
Reinvestment of dividends	\$ 2,115,329

See Accompanying Notes to Financial Statements



FINANCIAL HIGHLIGHTS

Selected data for a share of beneficial interest outstanding throughout each year or period.

**Per Share Operating Performance**

Year or period ended	Net investment income (loss)	Net realized and unrealized gain (loss)	Change in net asset value		Total from operations	Distribution to Common Shareholders from net investment income	Distributions from capital	Total distributions	Net asset value, end of year or period	Closing market price, end of year or period
			to Preferred Shareholders	from Share offerings						
(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)
<b>ING Prime Rate Trust</b>										
02-28-02	0.40	0.07			0.47	(0.40)	(0.01)	(0.41)	6.08	5.87
02-28-03	0.46	0.19			0.65	(0.42)		(0.42)	6.02	6.55
02-28-04	0.35	(0.32)	(0.00)*		0.03	(0.32)		(0.32)	5.79	5.51
02-28-05	0.30	0.38	(0.00)*		0.68	(0.30)	(0.02)	(0.32)	6.08	6.02
02-28-06	0.28	1.95	(0.00)*		2.23	(0.32)		(0.32)	5.72	5.94
02-28-07	0.46	(2.29)	(0.06)		(1.89)	(0.41)		(0.47)	3.81	3.50
02-28-08	0.75	(1.57)	(0.16)		(0.98)	(0.56)		(0.72)	6.11	5.64
02-28-09	0.71	0.06	(0.16)		0.61	(0.55)		(0.71)	7.65	7.40
02-28-10	0.57	0.12	(0.11)		0.58	(0.46)		(0.57)	7.59	7.02
02-28-11	0.45	0.16	(0.05)		0.56	(0.43)		(0.48)	7.47	7.56
02-28-12	0.46	0.61	(0.04)		1.03	(0.42)		(0.46)	7.34	7.84

Year or period ended	Total Investment Return <sup>(1)</sup>		Ratios to average net assets			Supplemental data		
	Total Investment Return at net asset value <sup>(2)</sup>	Total Investment Return at closing market price <sup>(3)</sup>	Expenses, net of fee waivers and/or recoupments, if any <sup>(4)(7)</sup>	Expenses interest and other fees related to revolving credit facility <sup>(4)(7)</sup>	Expenses, prior to fee waivers and/or recoupments, if any <sup>(4)(7)</sup>	Net investment income (loss) <sup>(4)(7)</sup>	Net assets, end of year or period	Portfolio Turnover
(%)	(%)	(%)	(%)	(%)	(%)	(%)	(\$000's)	(%)
<b>ING Prime Rate Trust</b>								

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02-28- <del>18</del> 15	(4.04)	2.15	1.65	2.15	6.47	898,254	96
02-28- <del>11</del> 1372	27.73	2.14	1.63	2.14	7.76	887,047	93
02-29- <del>10</del> 281	(3.11)	2.20	1.67	2.20	6.07	851,278	81
02-28- <del>11</del> 132	7.09	1.93	1.59	1.93	4.87	893,661	60
02-28- <del>60</del> 70	81.66	1.93	1.77 <sup>(6)</sup>	1.99 <sup>(6)</sup>	5.56	830,785	38
02-28- <del>30</del> 993 <sup>(5)</sup>	(32.03) <sup>(5)</sup>	3.01	1.95	3.01	7.86	552,840	10
02-29- <del>10</del> 28	(17.25)	4.36	2.20	4.36	10.35	886,976	60
02-28- <del>07</del> 85	13.84	4.62	2.21	4.62	9.42	1,109,539	60
02-28- <del>06</del> 53	(0.82)	4.27	2.33	4.27	7.71	1,100,671	81
02-28- <del>05</del> 70	2.04	3.17	2.29	3.18	6.04	1,082,748	93
02-29- <del>10</del> 72	28.77	2.40	2.11	2.40	6.68	1,010,325	87

(1) Total investment return calculations are attributable to common shares.

(2) Total investment return at net asset value has been calculated assuming a purchase at net asset value at the beginning of each period and a sale at net asset value at the end of each period and assumes reinvestment of dividends, capital gain distributions and return of capital distributions/allocations, if any, in accordance with the provisions of the dividend reinvestment plan.

(3) Total investment return at market value has been calculated assuming a purchase at market value at the beginning of each period and a sale at market value at the end of each period and assumes reinvestment of dividends, capital gain distributions, and return of capital/allocations, if any, in accordance with the provisions of the dividend reinvestment plan.

(4) The Investment Adviser has agreed to limit expenses excluding interest, taxes, brokerage commissions, leverage expenses, other investment related costs and extraordinary expenses, subject to possible recoupment by the Investment Adviser within three years to 1.05% of Managed Assets plus 0.15% of average daily net assets.

(5) There was no impact on total return due to payments by affiliates.

(6) Includes excise tax fully reimbursed by the Investment Adviser.

(7) Annualized for periods less than one year.

\* Amount is less than \$0.005 or more than \$(0.005).

See Accompanying Notes to Financial Statements

## FINANCIAL HIGHLIGHTS (CONTINUED)

Selected data for a share of beneficial interest outstanding throughout each year or period.

Ratios to average net assets plus borrowings				Supplemental data						
Expenses (before interest and other fees related to revolving credit facility)(2)	Expenses, prior to fee waivers and/or coupons, if any(2)	Expenses, net of fee waivers and/or coupons, if any(2)	Net investment income (loss)(2)	Preferred Shares Aggregate amount outstanding	Liquidation and market value per share of Preferred Shares	Asset coverage inclusive of Preferred Shares and debt per share(a)	Borrowings at end of period	Asset coverage per \$1,000 of debt(a)	Average borrowings	Common shares outstanding at end of year or period
(%)	(%)	(%)	(%)	(\$000's)	(\$)	(\$)	(\$000's)	(\$)	(\$000's)	(000's)
<b>ING Prime Rate Trust</b>										
02128514	1.50	1.50	4.51			3	407,000	3,207	387,979	147,788
02128713	1.53	1.53	5.55			3	370,600	3,394	345,145	147,427
02129412	1.64	1.64	4.51			3	364,000	3,339	293,444	147,116
02128911	1.68	1.68	4.26	100,000	25,000	102,850	187,000	6,314	122,641	146,954
02128710	1.87 <sup>(1)</sup>	1.81	5.23	200,000	25,000	98,400	83,000	13,419	46,416	145,210
02128409	2.37	2.37	6.21	225,000	25,000	70,175	81,000	10,603	227,891	145,178
02128908	3.17	3.17	7.53	450,000	25,000	53,125	338,000	4,956	391,475	145,094
02128607	3.25	3.25	6.63	450,000	25,000	62,925	281,000	6,550	459,982	145,033
02128806	2.90	2.90	5.24	450,000	25,000	55,050	465,000	4,335	509,178	145,033
02128305	2.27	2.26	4.32	450,000	25,000	53,600	496,000	4,090	414,889	145,033
02128404	2.09	2.09	5.82	450,000	25,000	62,425	225,000	7,490	143,194	137,638

(a) Asset coverage ratios, for fiscal periods beginning after 2011, is presented to represent the coverage available to each \$1,000 of borrowings. Asset coverage ratios, for periods prior to fiscal 2009, represented the coverage available for both the borrowings and preferred shares expressed in relation to each \$1,000 of borrowings and preferred shares liquidation value outstanding. The Asset coverage ratio per \$1,000 of debt for periods subsequent to fiscal 2008, is presented to represent the coverage available

to each \$1,000 of borrowings before consideration of any preferred shares liquidation price, while the Asset coverage inclusive of Preferred Shares, presents the coverage available to both borrowings and preferred shares, expressed in relation to the per share liquidation price of the preferred shares.

(1) Includes excise tax fully reimbursed by the Investment Adviser.

(2) Annualized for periods less than one year.





ING Prime Rate Trust

NOTES TO FINANCIAL STATEMENTS as of February 28, 2014

**NOTE 1 ORGANIZATION**

ING Prime Rate Trust (the "Trust"), a Massachusetts business trust, is registered under the Investment Company Act of 1940, as amended (the "1940 Act"), as a diversified, closed-end, management investment company. The Trust invests primarily in senior loans, which generally are not registered under the Securities Act of 1933, as amended (the "1933 Act"), and which contain certain restrictions on resale and cannot be sold publicly. These loans bear interest (unless otherwise noted) at rates that float periodically at a margin above the London Inter-Bank Offered Rate ("LIBOR") and other short-term rates. The investment objective of the Trust is described in the Trust's prospectus.

**NOTE 2 SIGNIFICANT ACCOUNTING POLICIES**

The following is a summary of the significant accounting policies consistently followed by the Trust in the preparation of its financial statements. The policies are in conformity with U.S. generally accepted accounting principles ("GAAP") for investment companies.

**A. Senior Loan and Other Security Valuation.** All Senior loans and other securities are recorded at their estimated fair value, as described below. U.S. GAAP defines fair value as the price the Trust would receive to sell an asset or pay to transfer a liability in an orderly transaction between market participants at the measurement date. Senior loans held by the Trust are normally valued at the mean of the means of one or more bid and ask quotations obtained from dealers in loans by an independent pricing service or other sources determined by the Trust's Board of Trustees (the "Board") to be independent and believed to be reliable. Loans for which reliable market value quotations are not readily available may be valued with reference to another loan or a group of loans for which reliable quotations are readily available and whose characteristics are comparable to the loan being valued. Under this approach, the comparable loan or loans serve as a proxy for changes in value of the loan being valued.

The Trust has engaged independent pricing services to provide market value quotations from dealers in loans and, when such quotations are not readily available, to calculate values under the proxy procedure described above. As of February 28, 2014, 100.0% of total loans were valued based on these procedures. It is expected that most of the loans held by the Trust will continue to be valued with reference to quotations from the independent pricing service or with reference to the proxy procedure described above.

Prices from a pricing service may not be available for all loans and the Investment Adviser or ING Investment Management Co. LLC ("ING IM" or the "Sub-Adviser"), may believe that the price for a loan derived from market quotations or the proxy procedure described above is not reliable or accurate. Among other reasons, this may be the result of information about a particular loan or borrower known to the Investment Adviser that the Investment Adviser believes may not be known to the pricing service or reflected in a price quote. In this event, the loan is valued at fair value, as defined by the 1940 Act, as determined in good faith under procedures established by the Trust's Board of Trustees and in accordance with the provisions of the 1940 Act. Under these procedures, fair value is determined by the Investment Adviser and monitored by the Trust's Board.

In fair valuing a loan, consideration is given to several factors, which may include, among others, the following: (i) the characteristics of and fundamental analytical data relating to the loan, including the cost,



size, current interest rate, period until the next interest rate reset, maturity and base lending rate of the loan, the terms and conditions of the loan and any related agreements, and the position of the loan in the borrower's debt structure; (ii) the nature, adequacy and value of the collateral, including the Trust's rights, remedies and interests with respect to the collateral; (iii) the creditworthiness of the borrower and the cash flow coverage of outstanding principal and interest, based on an evaluation of its financial condition, financial statements and information about the borrower's business, cash flows, capital structure and future prospects; (iv) information relating to the market for the loan, including price quotations for, and trading in, the loan and interests in similar loans; (v) the reputation and financial condition of the agent for the loan

## ING Prime Rate Trust

NOTES TO FINANCIAL STATEMENTS as of February 28, 2014 (continued)

**NOTE 2 SIGNIFICANT ACCOUNTING POLICIES (continued)**

and any intermediate participants in the loan; (vi) the borrower's management; and (vii) the general economic and market conditions affecting the fair value of the loan. Securities for which the primary market is a national securities exchange are valued at the official closing price when available or, for certain markets, the last reported sale price on each valuation day. Securities traded in the over-the-counter market and listed securities for which no sale was reported on a valuation date are valued at the mean between the last reported bid and ask price on such exchange. Securities, other than senior loans, for which reliable market value quotations are not readily available, and all other assets, will be valued at their respective fair values as determined in good faith by, and under procedures established by, the Board. Investments in securities of sufficient credit quality maturing in 60 days or less from the date of acquisition are valued at amortized cost which approximates fair value. To the extent the Trust invests in other registered investment companies, the Trust's NAV is calculated based on the current NAV of the registered investment company in which the Trust invests. The prospectuses for those investment companies explain the circumstances under which they will use fair value pricing and the effects of using fair value pricing.

Each investment asset or liability of the Trust is assigned a level at measurement date based on the significance and source of the inputs to its valuation. Quoted prices in active markets for identical securities are classified as "Level 1," inputs other than quoted prices for an asset or liability that are observable are classified as "Level 2" and unobservable inputs, including the Sub-Adviser's judgment about the assumptions that a market participant would use in pricing an asset or liability are classified as "Level 3." The inputs used for valuing securities are not necessarily an indication of the risks associated with investing in those securities. Short-term securities of sufficient credit quality which are valued at amortized cost, which approximates fair value, are generally considered to be Level 2 securities under applicable accounting rules. A table summarizing the Trust's investments under these levels of classification is included following the Portfolio of Investments.

The Board has adopted methods for valuing securities and other assets in circumstances where market quotes are not readily available, and has delegated the responsibility for applying the valuation methods to the "Pricing Committee" as established by the Trust's Administrator. The Pricing Committee considers all facts they deem relevant that are reasonably available, through either public information or information available to the Investment Adviser or Sub-Adviser, when determining the fair value of the security. In the event that a security or asset cannot be valued pursuant to one of the valuation methods established by the Board, the fair value of the security or asset will be determined in good faith by the Pricing Committee. When the Trust uses these fair valuation methods that use significant unobservable inputs to determine its NAV, securities will be priced by a method that the Pricing Committee believes accurately reflects fair value and are categorized as Level 3 of the fair value hierarchy. The methodologies used for valuing securities are not necessarily an indication of the risks of investing in those securities valued in good faith at fair value nor can it be assured the Trust can obtain the fair value assigned to a security if they were to sell the security.

To assess the continuing appropriateness of security valuations, the Pricing Committee may compare prior day prices, prices on comparable securities, and traded prices to the prior or current day prices and the Pricing Committee challenges those prices exceeding certain tolerance levels with the independent pricing service or broker source. For those securities valued in good faith at fair value, the Pricing Committee reviews and affirms the reasonableness of the valuation on a regular basis after considering all relevant

information that is reasonably available.

For fair valuations using significant unobservable inputs, U.S. GAAP requires a reconciliation of the beginning to ending balances for reported fair values that presents changes attributable to total realized and unrealized gains or losses, purchases and sales, and transfers in or out of the Level 3 category during the period. The end of period timing recognition is used for the transfers between Levels of the

ING Prime Rate Trust

NOTES TO FINANCIAL STATEMENTS as of February 28, 2014 (continued)

**NOTE 2 SIGNIFICANT ACCOUNTING POLICIES (continued)**

Trust's assets and liabilities. A reconciliation of Level 3 investments is presented only when the Trust has a significant amount of Level 3 investments.

For the year ended February 28, 2014, there have been no significant changes to the fair valuation methodologies.

**B. Security Transactions and Revenue Recognition.** Revolver and delayed draw loans are booked on a settlement date basis. Security transactions and senior loans are accounted for on trade date (date the order to buy or sell is executed). Realized gains or losses are reported on the basis of identified cost of securities sold. Interest income is recorded on an accrual basis at the then-current loan rate. The accrual of interest on loans is partially or fully discontinued when, in the opinion of management, there is an indication that the borrower may be unable to meet payments as they become due. If determined to be uncollectible, unpaid accrued interest is also written off. Cash collections on non-accrual senior loans are generally applied as a reduction to the recorded investment of the loan. Senior loans are generally returned to accrual status only after all past due amounts have been received and the borrower has demonstrated sustained performance. Premium amortization and discount accretion are deferred and recognized over the shorter of four years or the actual term of the loan. Arrangement fees received on revolving credit facilities, which represent non-refundable fees or purchase discounts associated with the acquisition of loans, are deferred and recognized using the effective yield method over the shorter of four years or the actual term of the loan. No such fees are recognized on loans which have been placed on non-accrual status. Arrangement fees associated with all other loans, except revolving credit facilities, are treated as discounts and are accreted as described above. Dividend income is recorded on the exdividend date. Amendment fees are earned as compensation for evaluating and accepting changes to an original senior loan agreement and are recognized when received. Amendment fees and other fees earned are reported on the Statement of Operations.

**C. Foreign Currency Translation.** The books and records of the Trust are maintained in U.S. dollars. Any foreign currency amounts are translated into U.S. dollars on the following basis:

- (1) Market value of investment securities, other assets and liabilities at the exchange rates prevailing at the end of the day.
- (2) Purchases and sales of investment securities, income and expenses at the rates of exchange prevailing on the respective dates of such transactions.

Although the net assets and the market values are presented at the foreign exchange rates at the end of the day, the Trust does not isolate the portion of the results of operations resulting from changes in foreign exchange rates on investments from the fluctuations arising from changes in market prices of securities held. Such fluctuations are included with the net realized and unrealized gains or losses from investments. For securities, which are subject to foreign withholding tax upon disposition, liabilities are recorded on the Statement of Assets and Liabilities for the estimated tax withholding based on the securities current market value. Upon disposition, realized gains or losses on such securities are recorded net of foreign withholding tax.

Reported net realized foreign exchange gains or losses arise from sales of foreign currencies, currency gains or losses realized between the trade and settlement dates on securities transactions, the difference between the amounts of dividends, interest, and foreign withholding taxes recorded on the Trust's books, and the U.S. dollar equivalent of the amounts actually received or paid. Net unrealized foreign exchange gains and losses arise from changes in the value of assets and liabilities other than investments in securities at fiscal year end, resulting from changes in the exchange rate. Foreign security and currency transactions may involve certain considerations and risks not typically associated with investing in U.S. companies and the U.S. government. These risks include, but are not limited to, revaluation of currencies and future adverse

## ING Prime Rate Trust

NOTES TO FINANCIAL STATEMENTS as of February 28, 2014 (continued)

**NOTE 2 SIGNIFICANT ACCOUNTING POLICIES (continued)**

political and economic developments which could cause securities and their markets to be less liquid and prices more volatile than those of comparable U.S. companies and U.S. government securities. The foregoing risks are even greater with respect to securities of issuers in emerging markets.

**D. Forward Foreign Currency Contracts.** The Trust has entered into forward foreign currency contracts primarily to hedge against foreign currency exchange rate risks on its non-U.S. dollar denominated investment securities. A forward foreign currency contract is an agreement between two parties to buy and sell a currency at a set price on a future date. The market value of a foreign currency contract fluctuates with changes in foreign currency exchange rates. Forward foreign currency contracts are marked to market daily and the change in value is recorded by the Trust as an unrealized gain or loss and is reported in the Statement of Assets and Liabilities. Realized gains or losses equal to the difference between the value of the contract at the time it was opened and the value at the time it was closed are recorded upon delivery or receipt of the currency and are included in the Statement of Operations along with the change in unrealized appreciation or depreciation. These instruments may involve market risk in excess of the amount recognized in the Statement of Assets and Liabilities. In addition, the Trust could be exposed to risk if the counterparties are unable to meet the terms of the contracts or if the value of the currency changes unfavorably to the U.S. dollar. Open forward foreign currency contracts are presented following the Portfolio of Investments.

For the year ended February 28, 2014, the Trust had an average quarterly contract amounts on forward foreign currency contracts to buy and sell of \$289,136 and \$62,942,241, respectively.

**E. When-Issued Delayed-Delivery.** Securities purchased or sold on a when-issued, delayed-delivery or forward purchase commitment basis may have extended settlement periods. The value of the security so purchased is subject to market fluctuations during this period. Due to the nature of the Senior Loan market, the actual settlement date may not be certain at the time of the purchase or sale for some of the Senior Loans. Interest income on such Senior Loans is not accrued until settlement date.

**F. Federal Income Taxes.** It is the policy of the Trust to comply with the requirements of subchapter M of the Internal Revenue Code that are applicable to regulated investment companies and to distribute substantially all of its net investment income and any net realized capital gains to its shareholders. Therefore, a federal income tax or excise tax provision is not required. Management has considered the sustainability of the Trust's tax positions taken on federal income tax returns for all open tax years in making this determination. No capital gain distributions shall be made until the capital loss carryforwards have been fully utilized or expire.

**G. Distributions to Common Shareholders.** The Trust declares and pays dividends monthly from net investment income. Distributions from capital gains, if any, are declared and paid annually. The Trust may make additional distributions to comply with the distribution requirements of the Internal Revenue Code. The character and amounts of income and gains to be distributed are determined in accordance with federal income tax regulations, which may differ from U.S. GAAP for investment companies. Distributions in excess of net investment income and/or net realized capital gains for tax purposes are reported as return of capital. The Trust records distributions to its shareholders on the ex-dividend date.

**H. Dividend Reinvestments.** Pursuant to the Trust's Shareholder Reinvestment Program (the "Program"), BNY Mellon Investment Servicing (U.S.) Inc. ("BNY"), the Program administrator, purchases, from time to time, shares of beneficial interest of the Trust on the open market to satisfy dividend reinvestments. Such shares are purchased on the open market only when the closing sale or bid price plus commission is less than the NAV per share of the Trust's common shares on the valuation date. If the market price plus commissions is equal to or exceeds NAV, new shares are issued by the Trust at the greater of (i) NAV or (ii) the market price of the shares during the pricing period, minus a discount of 5%.

## ING Prime Rate Trust

NOTES TO FINANCIAL STATEMENTS as of February 28, 2014 (continued)

**NOTE 2 SIGNIFICANT ACCOUNTING POLICIES (continued)**

**I. Use of Estimates.** The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of increases and decreases in net assets from operations during the reporting period. Actual results could differ from those estimates.

**J. Share Offerings.** The Trust issues shares under various shelf registration statements, whereby the net proceeds received by the Trust from share sales may not be less than the greater of (i) the NAV per share or (ii) 94% of the average daily market price over the relevant pricing period.

**NOTE 3 INVESTMENTS**

For the year ended February 28, 2014, the cost of purchases and the proceeds from principal repayment and sales of investments, excluding short-term notes, totaled \$1,252,604,906 and \$1,331,657,441, respectively. At February 28, 2014, the Trust held senior loans valued at \$1,301,290,423 representing 99.8% of its total investments. The fair value of these assets is established as set forth in Note 2.

The senior loans acquired by the Trust typically take the form of a direct lending relationship with the borrower, and are typically acquired through an assignment of another lender's interest in a loan. The lead lender in a typical corporate loan syndicate administers the loan and monitors the collateral securing the loan.

Common and preferred shares, and stock purchase warrants held in the portfolio were acquired in conjunction with loans held by the Trust. Certain stocks and warrants are restricted and may not be publicly sold without registration under the 1933 Act, or without an exemption under the 1933 Act. In some cases, these restrictions expire after a designated period of time after issuance of the shares or warrants.

Dates of acquisition and cost or assigned basis of restricted securities are as follows:

	<b>Date of Acquisition</b>	<b>Cost or Assigned Basis</b>
Ascend Media (Residual Interest)	01/05/10	\$
Lincoln Paper & Tissue LLC (Warrants for 291 Common Shares, Expires August 14, 2015)	08/25/05	
Lincoln Pulp and Eastern Fine (Residual Interest in Bankruptcy Estate)	06/08/04	
Total Restricted Securities (fair value \$0 at February 28, 2014)		\$

**NOTE 4 MANAGEMENT AND ADMINISTRATION AGREEMENTS**

The Trust has entered into an investment management agreement ("Management Agreement") with the Investment Adviser, an Arizona limited liability company, to provide advisory and management services.



The Management Agreement compensates the Investment Adviser with a fee, computed daily and payable monthly, at an annual rate of 0.80% of the Trust's Managed Assets. For purposes of the Management Agreement, "Managed Assets" shall mean the Trust's average daily gross asset value, minus the sum of the Trust's accrued and unpaid dividends on any outstanding preferred shares and accrued liabilities (other than liabilities for the principal amount of any borrowings incurred, commercial paper or notes issued by the Trust and the liquidation preference of any outstanding preferred shares).

The Investment Adviser entered into a sub-advisory agreement with ING IM, a Delaware limited liability company. Subject to such policies as the Board or the Investment Adviser may determine, ING IM manages the Trust's assets in accordance with the Trust's investment objectives, policies, and limitations.

ING Prime Rate Trust

NOTES TO FINANCIAL STATEMENTS as of February 28, 2014 (continued)

**NOTE 5 EXPENSE LIMITATION AGREEMENT**

The Trust has also entered into an administration agreement with ING Funds Services, LLC (the "Administrator") to provide administrative services and also to furnish facilities. For its services, the Administrator is compensated with a fee, computed daily and payable monthly, at an annual rate of 0.25% of the Trust's Managed Assets.

The Investment Adviser has agreed to limit expenses, excluding interest, taxes, brokerage commissions, leverage expenses, other investment-related costs, extraordinary expenses, and acquired fund fees and expenses to 1.05% of Managed Assets plus 0.15% of average daily net assets through July 1, 2014.

The Investment Adviser may at a later date recoup from the Trust management fees waived and other expenses assumed by the Investment Adviser during the previous 36 months, but only if, after such recoupment, the Trust's expense ratio does not exceed the percentage described above. Waived and reimbursed fees and any recoupment by the Investment Adviser of such waived and reimbursed fees are reflected on the accompanying Statement of Operations.

The expense limitation agreement is contractual through July 1, 2014 and shall renew automatically for one-year terms unless: (i) the Investment Adviser provides 90 days written notice of its termination and such termination is approved by the Board; or (ii) the Management Agreement has been terminated.

As of February 28, 2014, there were no reimbursed fees that are subject to recoupment by the Investment Adviser.

**NOTE 6 TRANSACTIONS WITH AFFILIATES AND RELATED PARTIES**

The Trust has adopted a Deferred Compensation Plan (the "Plan"), which allows eligible non-affiliated trustees as described in the Plan to defer the receipt of all or a portion of the trustees fees payable. Amounts deferred are treated as though invested in various "notional" funds advised by ING Investments until distribution in accordance with the Plan.

**NOTE 7 COMMITMENTS**

The Trust has entered into a \$425 million 364-day revolving credit agreement which matures July 21, 2014, collateralized by assets of the Trust. Borrowing rates under this agreement are based on a fixed spread over LIBOR, and a commitment fee is charged on the unused portion. Prepaid arrangement fees are amortized over the term of the agreement. The amount of borrowings outstanding at February 28, 2014, was \$407 million. Weighted average interest rate on outstanding borrowings during the year was 1.10%, excluding fees related to the unused portion of the facilities, and other fees. The amount of borrowings represented 30.40% of total assets at February 28, 2014. Average borrowings for the year ended February 28, 2014 were \$387,979,452 and the average annualized interest rate was 1.16% excluding other fees related to the unused portion of the facility, and other fees.

As of February 28, 2014, the Trust had unfunded loan commitments pursuant to the terms of the following loan agreements:

Longview Power, LLC, DIP Facility	\$427,678
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The net unrealized appreciation on these commitments of \$218,116 as of February 28, 2014 is reported as such on the Statement of Assets and Liabilities.

## ING Prime Rate Trust

NOTES TO FINANCIAL STATEMENTS as of February 28, 2014 (continued)

**NOTE 8 RIGHTS AND OTHER OFFERINGS**

As of February 28, 2014, outstanding share offerings pursuant to shelf registrations were as follows:

Registration Date	Shares Registered	Shares Remaining
6/27/12	25,000,000	22,368,353
6/27/12	5,000,000	5,000,000

As of February 28, 2014 the Trust had no Preferred Shares outstanding. The Trust may consider issuing Preferred Shares during the current fiscal year or in the future.

**NOTE 9 SUBORDINATED LOANS AND UNSECURED LOANS**

The Trust may invest in subordinated loans and in unsecured loans. The primary risk arising from investing in subordinated loans or in unsecured loans is the potential loss in the event of default by the issuer of the loans. The Trust may acquire a subordinated loan only if, at the time of acquisition, it acquires or holds a senior loan from the same borrower. The Trust will acquire unsecured loans only where the Investment Adviser believes, at the time of acquisition, that the Trust would have the right to payment upon default that is not subordinate to any other creditor. Subject to the aggregate 20% limit on other investments, the Trust may invest up to 20% of its total assets in unsecured floating rate loans, notes and other debt instruments and 5% of its total assets in floating rate subordinated loans. As of February 28, 2014, the Trust held no unsecured loans.

**NOTE 10 CAPITAL SHARES**

Transactions in capital shares and dollars were as follows:

	Year Ended February 28, 2014	Year Ended February 28, 2013
<b>Number of Shares</b>		
Reinvestment of distributions from common shares	347,830	289,931
Proceeds from shares sold	12,944	20,605
Net increase in shares outstanding	360,774	310,536
<b>Dollar Amount (\$)</b>		
Reinvestment of distributions from common shares	\$ 2,115,329	\$ 1,728,800
Proceeds from shares sold	80,548	125,377
Net increase	\$ 2,195,877	\$ 1,854,177

**NOTE 11 FEDERAL INCOME TAXES**

The amount of distributions from net investment income and net realized capital gains are determined in accordance with federal income tax regulations, which may differ from U.S. GAAP for investment companies. These book/tax differences may be either temporary or permanent. Permanent differences are reclassified within the capital accounts based on their federal tax-basis treatment; temporary differences

are not reclassified. Key differences include the treatment of short-term capital gains, foreign currency transactions, and wash sale deferrals. Distributions in excess of net investment income and/or net realized capital gains for tax purposes are reported as return of capital.

The following permanent tax differences have been reclassified as of February 28, 2014:

<b>Paid-in Capital</b>	<b>Undistributed Net Investment Income</b>	<b>Accumulated Net Realized Gains/(Losses)</b>
\$ (560,828)	\$ (2,322,654)	\$ 2,883,482

Dividends paid by the Trust from net investment income and distributions of net realized short-term capital gains are, for federal income tax purposes, taxable as ordinary income to shareholders.

## ING Prime Rate Trust

NOTES TO FINANCIAL STATEMENTS as of February 28, 2014 (continued)

**NOTE 11 FEDERAL INCOME TAXES (continued)**

The tax composition of dividends and distributions to shareholders was as follows:

Year Ended February 28, 2014		Year Ended February 28, 2013
Ordinary Income	Return of Capital	Ordinary Income
\$ 59,356,037	\$ 1,626,919	\$ 62,192,534

The tax-basis components of distributable earnings and the capital loss carryforwards which may be used to offset future realized capital gains for federal income tax purposes as of February 28, 2014 are detailed below. The Regulated Investment Company Modernization Act of 2010 (the "Act") provides an unlimited carryforward period for newly generated capital losses. Under the Act, there may be a greater likelihood that all or a portion of the Trust's pre-enactment capital loss carryforwards may expire without being utilized due to the fact that post-enactment capital losses are required to be utilized before pre-enactment capital loss carryforwards.

Unrealized Appreciation/ (Depreciation)	Capital Loss Carryforwards		
	Amount	Character	Expiration
\$ 7,469,760	\$ (41,585,301)	Short-term	2017
	(125,812,939)	Short-term	2018
	(24,760,715)	Short-term	2019
	(14,509,554)	Long-term	None
	\$ (206,668,509)		

The Trust's major tax jurisdictions are U.S. federal and Arizona. The earliest tax year that remains subject to examination by these jurisdictions is 2009.

As of February 28, 2014, no provision for income tax is required in the Trust's financial statements as a result of tax positions taken on federal and state income tax returns for open tax years. The Trust's federal and state income and federal excise tax returns for tax years for which the applicable statutes of limitations have not expired are subject to examination by the Internal Revenue Service and state department of revenue.

**NOTE 12 RESTRUCTURING PLAN**

In October 2009, ING Groep N.V. ("ING Groep") submitted a restructuring plan (the "Restructuring Plan") to the European Commission in order to receive approval for state aid granted to ING Groep by the Kingdom of the Netherlands in November 2008 and March 2009. To receive approval for this state aid, ING Groep was required to divest its insurance and investment management businesses, including ING U.S., before the end of 2013. In November 2012, the Restructuring Plan was amended to permit ING Groep additional time to complete the divestment. Pursuant to the amended Restructuring Plan, ING Groep must divest at least 25% of ING U.S. by the end of 2013, more than 50% by the end of 2014, and the remaining interest by the end of 2016 (such divestment, the "Separation Plan").

In May 2013, ING U.S. conducted an initial public offering of ING U.S. common stock (the "IPO"). In October 2013, ING Groep divested additional shares in a secondary offering of common stock of ING U.S. In March 2014, ING Groep divested additional shares, reducing its ownership interest in ING U.S. below

50%. ING U.S. did not receive any proceeds from these offerings.

ING Groep has stated that it intends to sell its remaining interest in ING U.S. over time. While the base case for the remainder of the Separation Plan is the divestment of ING Groep's remaining interest in one or more broadly distributed offerings, all options remain open and it is possible that ING Groep's divestment of its remaining interest in ING U.S. may take place by means of a sale to a single buyer or group of buyers.

It is anticipated that one or more of the transactions contemplated by the Separation Plan would result in the automatic termination of the existing investment advisory and sub-advisory agreements under which the

## ING Prime Rate Trust

NOTES TO FINANCIAL STATEMENTS as of February 28, 2014 (continued)

**NOTE 12 RESTRUCTURING PLAN (continued)**

Investment Adviser and sub-adviser provide services to the Trust. In order to ensure that the existing investment advisory and sub-advisory services can continue uninterrupted, the Board approved new advisory and sub-advisory agreements for the Trust in connection with the IPO. Shareholders of the Trust approved the new investment advisory and sub-advisory agreements prompted by the IPO, as well as any future advisory and sub-advisory agreements prompted by the Separation Plan that are approved by the Board and whose terms are not materially different from the current agreements. This means that shareholders may not have another opportunity to vote on a new agreement with the Investment Adviser or an affiliated sub-adviser even if they undergo a change of control, as long as no single person or group of persons acting together gains "control" (as defined in the 1940 Act) of ING U.S.

The Separation Plan, whether implemented through public offerings or other means, may be disruptive to the businesses of ING U.S. and its subsidiaries, including the Investment Adviser and affiliated entities that provide services to the Trust, and may cause, among other things, interruption of business operations or services, diversion of management's attention from day-to-day operations, reduced access to capital, and loss of key employees or customers. The completion of the Separation Plan is expected to result in the Investment Adviser's loss of access to the resources of ING Groep, which could adversely affect its business. Since a portion of the shares of ING U.S., as a standalone entity, are publicly held, it is subject to the reporting requirements of the Securities Exchange Act of 1934 as well as other U.S. government and state regulations, and subject to the risk of changing regulation.

The Separation Plan may be implemented in phases. During the time that ING Groep retains a significant interest in ING U.S., circumstances affecting ING Groep, including restrictions or requirements imposed on ING Groep by European and other authorities, may also affect ING U.S. A failure to complete the Separation Plan could create uncertainty about the nature of the relationship between ING U.S. and ING Groep, and could adversely affect ING U.S. and the Investment Adviser and its affiliates. Currently, the Investment Adviser and its affiliates do not anticipate that the Separation Plan will have a material adverse impact on their operations or the Trust and its operation.

**NOTE 13 SUBSEQUENT EVENTS**

Subsequent to February 28, 2014, the Trust paid the following dividends from net investment income:

<b>Per Share Amount</b>	<b>Declaration Date</b>	<b>Record Date</b>	<b>Payable Date</b>
\$ 0.029	2/28/14	3/10/14	3/24/14
\$ 0.032	3/31/14	4/10/14	4/22/14

Effective May 1, 2014, the Trust is to be renamed Voya Prime Rate Trust.

The Trust has evaluated events occurring after the Statement of Assets and Liabilities date (subsequent events) to determine whether any subsequent events necessitated adjustment to or disclosure in the financial statements. Other than the above, no such subsequent events were identified.





PORTFOLIO OF INVESTMENTS  
ING PRIME RATE TRUST AS OF FEBRUARY 28, 2014

Principal Amount†	Borrower/ Tranche Description	Fair Value	Percentage of Net Assets
<b>SENIOR LOANS*: 144.9%</b>			
<b>Aerospace &amp; Defense: 1.3%</b>			
9,440,031	American Airlines, Inc., Term Loan, 3.750%, 06/27/19	\$ 9,481,331	1.1
1,866,556	Data Device Corp. (DDC), First Lien Term Loan, 8.000%, 07/11/18	1,872,389	0.2
		<b>11,353,720</b>	<b>1.3</b>
<b>Automotive: 3.7%</b>			
11,704,887	Chrysler Group LLC, Upsized Term Loan B, 3.500%, 05/24/17	11,742,472	1.3
3,998,642	Fram Group Holdings Inc., First Lien Term Loan, 6.500%, 07/31/17	4,015,304	0.5
3,742,140	Fram Group Holdings Inc., Second Lien	3,587,776	0.4

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Principal Amount†		Borrower/ Tranche Description	Fair Value	Percentage of Net Assets
		Term Loan, 10.500%, 01/29/18		
EUR	1,980,000	Metaldyne, LLC, Term Loan E, 6.500%, 12/15/18	2,751,784	0.3
	3,593,426	Metaldyne, LLC, Upsized Term Loan B, 5.000%, 12/31/18	3,620,376	0.4
	1,263,705	Schrader International, Lux Term Loan, 5.000%, 04/27/18	1,273,973	0.1
	972,106	Schrader International, US Term Loan, 5.000%, 04/27/18	980,005	0.1
	818,813	TI Group Automotive Systems, LLC, Term Loan B, 5.500%, 03/31/19	824,698	0.1
	4,625,492	UCI International, Inc., Term Loan B, 5.500%, 07/26/17	\$ 4,646,690	0.5
			<b>33,443,078</b>	<b>3.7</b>
		<b>Building &amp; Development: 2.7%</b>		
	2,150,000	Capital Automotive L.P.,	2,225,250	0.2

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	Second Lien Term Loan, 6.000%, 04/30/20		
8,120,111	Capital Automotive L.P., Term Loan, 4.000%, 04/10/19	8,177,593	0.9
1,791,000	Minimax Viking GmbH, Facility B1 Loan, 4.500%, 08/30/20	1,812,268	0.2
4,269,150	NCI Building Systems, Inc., Term Loan, 4.250%, 06/24/19	4,284,626	0.5
545,000	Quikrete Holdings, Second Lien Term Loan, 7.000%, 03/23/21	560,839	0.1
4,339,125	Quikrete Holdings, Term Loan B, 4.000%, 09/23/20	4,367,390	0.5
2,559,077	Wilsonart LLC, Term Loan B, 4.000%, 10/31/19	2,562,276	0.3
		<b>23,990,242</b>	<b>2.7</b>
	<b>Business Equipment &amp; Services: 14.8%</b>		
8,226,455	Acosta, Inc., Upsized Term Loan B,	8,285,587	0.9

4.250%,  
03/02/18

See Accompanying Notes to Financial Statements

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PORTFOLIO OF INVESTMENTS  
 ING PRIME RATE TRUST AS OF FEBRUARY 28, 2014 (CONTINUED)

Principal Amount†	Borrower/ Tranche Description	Fair Value	Percentage of Net Assets
	<b>Business Equipment &amp; Services (continued)</b>		
5,095,315	Advantage Sales & Marketing, Inc., December 2013 Upsized First Lien Term Loan, 4.250%, 12/17/17	\$5,129,071	0.6
2,027,143	Advantage Sales & Marketing, Inc., Upsized Second Lien Term Loan, 8.250%, 06/17/18	2,082,889	0.2
2,000,000	AlixPartners LLP, Second Lien Term Loan, 9.000%, 07/09/21	2,047,500	0.2
4,888,248	AlixPartners LLP, Term Loan B-2, 4.000%, 07/09/20	4,922,466	0.6
1,995,000	Allflex Holdings III, Inc., First Lien Term	2,006,846	0.2

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Principal Amount†	Borrower/ Tranche Description	Fair Value	Percentage of Net Assets
1,300,000	Loan, 4.250%, 07/17/20 Allflex Holdings III, Inc., Second Lien Term Loan, 8.000%, 07/19/21	1,323,157	0.2
5,830,968	Avaya Inc., Term B-3 Loan, 4.734%, 10/26/17	5,687,474	0.6
4,152,660	Avaya Inc., Term B-6 Loan, 6.500%, 03/31/18	4,148,333	0.5
1,521,188	Coinmach Service Corp., Upsized Term Loan, 4.250%, 11/15/19	1,528,159	0.2
1,860,000	CorpSource Finance Holdings, LLC, Second Lien, 8.750%, 04/30/19	1,895,651	0.2
6,368,000	CorpSource Finance Holdings, LLC, First Lien Term Loan, 5.250%,	\$ 6,430,355	0.7

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		04/30/18		
		CPA		
		Global		
		Financing,		
		First Lien		
		Term		
		Loan		
		Euro,		
		4.750%,		
EUR	645,000	11/30/20	902,164	0.1
		CPA		
		Global		
		Financing,		
		First Lien		
		Term		
		Loan		
		USD,		
		4.500%,		
	450,000	11/30/20	453,375	0.1
		First		
		American		
		Payment		
		Systems,		
		First		
		Lien Term		
		Loan,		
		5.750%,		
	4,198,150	09/30/18	4,203,398	0.5
		First		
		American		
		Payment		
		Systems,		
		Second		
		Lien,		
		10.750%,		
	1,750,000	03/30/19	1,732,500	0.2
		GCA		
		Services,		
		Replacement		
		Term		
		Loan,		
		4.287%,		
	4,511,131	11/01/19	4,549,196	0.5
		Go Daddy		
		Operating		
		Company,		
		LLC,		
		Term		
		Loan B-3,		
		4.000%,		
	10,216,263	12/17/18	10,276,927	1.1



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	997,500	Information Resources, Inc., Term Loan B, 4.750%, 09/30/20	1,004,565	0.1
		Intertrust Group, Term Loan B1 EUR, 4.768%, 04/02/20	1,793,087	0.2
EUR	1,285,000			
	784,800	Intertrust Group, Term Loan B2 USD, 4.699%, 04/02/20	787,743	0.1
		ION Trading Technologies Limited, First Lien Term Loan, 4.500%, 05/22/20	1,232,502	0.1
	1,222,000			

See Accompanying Notes to Financial Statements

PORTFOLIO OF INVESTMENTS  
ING PRIME RATE TRUST AS OF FEBRUARY 28, 2014 (CONTINUED)

Principal Amount†	Borrower/ Tranche Description	Fair Value	Percentage of Net Assets
<b>Business Equipment &amp; Services (continued)</b>			
	ION Trading Technologies Limited, Second Lien Term Loan, 8.250%, 05/21/21	\$1,318,688	0.1
1,300,000			
	Learning Care Group, Term Loan, 5.750%, 05/08/19	2,139,946	0.2
2,129,300			
	Legal Shield, First Lien Term Loan, 6.250%, 07/01/19	4,306,250	0.5
4,274,194			
	Legal Shield, Second Lien Term Loan, 9.750%, 07/01/20	2,045,000	0.2
2,000,000			
	Mercury Payment Systems, LLC, Term Loan B, 5.500%, 07/01/17	4,936,697	0.6
4,899,947			
3,000,000	Miller Heiman, Inc., Term	2,962,500	0.3

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Principal Amount†	Borrower/ Tranche Description	Fair Value	Percentage of Net Assets
372,168	Loan B, 6.758%, 09/30/19 Misys (Magic Newco 2 S.a.r.l.), Term Loan B Add-On, 5.000%, 12/01/18	377,053	0.0
2,269,605	Property Data I, Inc., Term Loan B, 7.000%, 01/04/17	2,272,442	0.3
2,786,000	RentPath, Inc., Term Loan B, 6.250%, 05/29/20	2,711,057	0.3
2,285,938	SGS International, Term Loan, 4.260%, 10/17/19	2,300,225	0.3
1,130,000	Ship US Bidco, Inc. (Worldpay), Term Loan B2A-II, 5.250%, 11/30/19	1,142,430	0.1
1,900,000	Ship US Bidco, Inc. (Worldpay), Term Loan B2A-II, 5.250%, 11/30/19	\$1,920,900	0.2
GBP 1,710,000		2,901,463	0.3

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		Ship US Bidco, Inc. (Worldpay), Term Loan C1, 5.750%, 11/30/19		
	780,000	Ship US Bidco, Inc. (Worldpay), Term Loan C2, 4.750%, 11/29/19	790,482	0.1
EUR	500,000	Sophos, Term Loan B EUR, 5.250%, 01/30/21	696,189	0.1
	600,000	Sophos, Term Loan B USD, 5.000%, 01/30/21	605,000	0.1
	2,649,360	Spotless Group Ltd., First Lien Term Facility, 5.000%, 09/20/18	2,693,517	0.3
	1,032,000	Spotless Group Ltd., Second Lien Term Facility, 8.750%, 04/02/19	1,059,735	0.1
	1,156,005	StoneRiver Group, LP, First Lien, 4.500%, 11/30/19	1,157,450	0.1
	232,661	StoneRiver Group, LP,	235,860	0.0

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	Second Lien, 8.500%, 05/31/20		
	Sungard Data Systems Inc., Term Loan B, Tranche D, 4.500%, 01/31/20	2,885,355	0.3
2,871,000			
	SurveyMonkey.com, LLC, Term Loan B, 5.500%, 02/07/19	4,557,250	0.5
4,500,988			

See Accompanying Notes to Financial Statements

PORTFOLIO OF INVESTMENTS  
 ING PRIME RATE TRUST AS OF FEBRUARY 28, 2014 (CONTINUED)

Principal Amount†	Borrower/ Tranche Description	Fair Value	Percentage of Net Assets
	<b>Business Equipment &amp; Services (continued)</b>		
898,333	Sutherland Global Services, Term Loan Cayman, 7.250%, 03/06/19	\$ 901,702	0.1
1,989,167	Sutherland Global Services, Term Loan US, 7.250%, 03/06/19	1,996,626	0.2
5,218,809	Trans Union LLC, Term Loan B, 4.250%, 02/10/19	5,245,556	0.6
1,584,030	Transfirst Holdings, Inc., First Lien Term Loan, 4.750%, 12/27/17	1,589,476	0.2
992,500	Wash Multi-Family Services, USD Term Loan, 4.503%, 02/21/19	999,944	0.1
2,318,142	Web.com Group, Inc., Term Loan,	2,350,016	0.3

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		4.500%, 10/27/17		
		WIS International, First Lien, 5.751%, 12/20/18	1,107,989	0.1
	1,103,850			
		WIS International, Second Lien, 10.250%, 06/01/19	505,000	0.1
	500,000			
			<b>133,134,743</b>	<b>14.8</b>
		<b>Cable &amp; Satellite Television: 3.9%</b>		
		Liberity Cablevision of Puerto Rico, LLC, First Lien, 6.000%, 06/09/17	4,189,006	0.5
	4,157,822			
		Numericable (YPSO France SAS), Total Facility B Acq 1-II, 4.972%, 06/16/16	1,188,544	0.1
	EUR 857,058			
Principal Amount†		Borrower/ Tranche Description	Fair Value	Percentage of Net Assets
		Numericable (YPSO France SAS), Total Facility B Acq 2-II, 4.972%, 06/16/16	\$ 2,202,488	0.2
	EUR 1,588,213			
	EUR 3,054,728	Numericable (YPSO France SAS), Total Facility B	4,236,209	0.5

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		Recap 1-II, 4.972%, 06/16/16		
	2,577,938	RCN Cable, Term Loan B, 4.500%, 02/25/20	2,606,617	0.3
		Virgin Media Investment Holdings Limited, Term Loan B GBP, 4.500%, 06/05/20	8,023,716	0.9
GBP	4,750,000			
	12,263,950	Wideopenwest Finance, LLC, Term Loan B, 4.750%, 04/01/19	12,352,104	1.4
			<b>34,798,684</b>	<b>3.9</b>
		<b>Chemicals &amp; Plastics: 7.4%</b>		
	2,560,000	Armacell, First Lien Term Loan, 5.500%, 06/30/20	2,569,600	0.3
		Arysta LifeScience Corporation, First Lien Term Loan, 4.500%, 05/29/20	5,642,350	0.6
EUR	1,240,625	Axalta Coating Systems (fka DuPont Performance Coatings), 2014	1,726,527	0.2



Specified  
Refinancing  
Euro  
Term  
Loan,  
4.250%,  
02/02/20

See Accompanying Notes to Financial Statements

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PORTFOLIO OF INVESTMENTS  
 ING PRIME RATE TRUST AS OF FEBRUARY 28, 2014 (CONTINUED)

Principal Amount†	Borrower/ Tranche Description	Fair Value	Percentage of Net Assets
	<b>Chemicals &amp; Plastics (continued)</b>		
5,955,000	Axalta Coating Systems (fka DuPont Performance Coatings), 2014 Specified Refinancing Term B Loan, 4.000%, 02/02/20	\$ 6,004,004	0.7
2,226,733	AZ Chem US Inc., Term Loan B, 5.250%, 12/22/17	2,245,522	0.3
1,104,732	Cristal Inorganic Chemicals, Inc. (aka Millenium Inorganic Chemicals), Second Lien Term Loan, 6.060%, 11/15/14	1,110,716	0.1
650,000	Houghton International, Inc., Second Lien Term Loan, 9.500%, 12/20/20	667,875	0.1

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Principal Amount†		Borrower/ Tranche Description	Fair Value	Percentage of Net Assets
	1,989,900	Houghton International, Inc., USD Second Lien Term Loan, 4.000%, 12/20/19	2,000,679	0.2
	14,784,983	Ineos US Finance LLC, Cash Dollar Term Loan, 3.750%, 05/04/18	14,773,895	1.6
EUR	993,628	Ineos US Finance LLC, Cash Euro Term Loan, 4.000%, 05/04/18	1,379,341	0.2
	900,000	Kronos Worldwide, Inc., Term Loan B Facility, 4.750%, 02/21/20	909,844	0.1
	1,990,000	MacDermid, Inc., First Lien Term Loan, 4.000%, 06/07/20	2,004,925	0.2
	655,100	Monarch (Allnex S.a.r.l.), First Lien Term Loan B-1,	\$ 660,013	0.1

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		4.500%, 10/03/19		
	339,900	Monarch (Allnex S.a.r.l.), First Lien Term Loan B-2, 4.500%, 10/03/19	342,449	0.0
EUR	995,000	Monarch (Allnex S.a.r.l.), First Lien Term Loan Euro, 4.750%, 10/01/19	1,378,549	0.2
	250,000	Monarch (Allnex S.a.r.l.), Second Lien Term Loan, 8.250%, 04/01/20	259,063	0.0
EUR	1,197,000	Oxea S.a.r.l., First Lien Term Loan Euro, 4.500%, 01/15/20	1,667,537	0.2
	2,339,138	Oxea S.a.r.l., First Lien Term Loan USD, 4.250%, 01/15/20	2,362,529	0.3
	1,100,000	Oxea S.a.r.l., Second Lien Term Loan USD, 8.250%, 07/15/20	1,124,750	0.1
	793,467	Royal Adhesives	805,493	0.1

&  
Sealants,  
First Lien  
Term  
Facility,  
5.500%,  
08/01/18

Tronox  
Pigments  
(Netherlands)  
BV, Term  
Loan,  
4.500%,  
03/19/20

Univar  
Inc.,  
Term Loan  
B,  
5.000%,  
06/30/17

6,467,500

6,499,838

0.7

7,034,821

7,001,110

0.8

See Accompanying Notes to Financial Statements

PORTFOLIO OF INVESTMENTS  
 ING PRIME RATE TRUST AS OF FEBRUARY 28, 2014 (CONTINUED)

Principal Amount†	Borrower/ Tranche Description	Fair Value	Percentage of Net Assets
<b>Chemicals &amp; Plastics (continued)</b>			
2,908,227	Vantage Specialties Inc., Incremental Term Loan Facility, 5.000%, 02/10/19	\$ 2,917,315	0.3
		<b>66,053,924</b>	<b>7.4</b>
<b>Clothing/Textiles: 0.7%</b>			
3,278,525	Herff Jones, Inc., First Lien Term Loan, 5.500%, 06/25/19	3,309,943	0.4
145,717	Totes Isotoner Corporation, Delayed Draw First Lien Term Loan, 7.250%, 07/07/17	146,446	0.0
1,429,453	Totes Isotoner Corporation, First Lien Add-On, 7.250%, 07/07/17	1,436,600	0.1
1,505,226	Vince, LLC, Term Loan, 6.000%, 11/30/19	1,531,567	0.2
		<b>6,424,556</b>	<b>0.7</b>

**Conglomerates: 1.1%**

EUR	665,000		Spectrum Brands, Inc., EURO Term Loan, 3.750%, 09/30/19	925,645	0.1
	1,079,972		Spectrum Brands, Inc., Term Loan C, 3.500%, 08/31/19	1,084,311	0.1
	2,583,525		Waterpik, First Lien, 5.750%, 07/01/20	2,591,599	0.3
	5,131,094		WireCo WorldGroup, Inc., Term Loan B, 6.000%, 02/15/17	5,179,198	0.6
				<b>9,780,753</b>	<b>1.1</b>

Principal Amount†			Borrower/ Tranche Description	Fair Value	Percentage of Net Assets
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**Containers & Glass Products: 4.6%**

	750,000		Ardagh Group, Dollar Term Facility, 4.250%, 12/31/19	\$ 755,391	0.1
	800,000	(1)	Ardagh Group, Incremental facility, 3.000%, 12/31/19	802,500	0.1
	527,350		Berlin Packaging, LLC, First Lien Term Loan, 4.750%, 04/02/19	531,964	0.1

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	3,000,000	Berry Plastics Corporation, Term E Loan, 3.750%, 12/20/20	2,996,517	0.3
	2,985,000	EveryWare, Inc., Term Loan, 7.500%, 05/21/20	3,026,044	0.3
	3,235,823	Husky Injection Molding Systems, Ltd., Incremental Term Loan, 4.250%, 06/30/18	3,256,946	0.4
	1,579,500	Otter Products, Term Loan B, 5.250%, 04/29/19	1,585,423	0.2
	2,738,300	Pro Mach, Inc., Term Loan, 4.500%, 07/06/17	2,753,703	0.3
EUR	967,053	Reynolds Group Holdings Inc, Eur Term Loan, 4.250%, 12/15/18	1,347,895	0.1
	19,295,100	Reynolds Group Holdings Inc, USD Term Loan,	19,449,866	2.2



		4.000%, 12/15/18		
		TricorBraun, Term Loan, 4.000%, 05/03/18		
3,899,271			3,917,551	0.4
	See Accompanying Notes to	Financial Statements		
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PORTFOLIO OF INVESTMENTS  
 ING PRIME RATE TRUST AS OF FEBRUARY 28, 2014 (CONTINUED)

Principal Amount†	Borrower/ Tranche Description	Fair Value	Percentage of Net Assets
<b>Containers &amp; Glass Products (continued)</b>			
709,282	WNA Holdings Inc (a.k.a Waddington Group), USD Term Loan (Canadian Borrower), 4.500%, 06/07/20	\$ 712,829	0.1
385,289	WNA Holdings Inc (a.k.a Waddington Group), USD Upsized Term Loan (US Borrower), 4.503%, 05/23/20	387,216	0.0
		<b>41,523,845</b>	<b>4.6</b>
<b>Cosmetics/Toiletries: 0.8%</b>			
3,428,425	KIK Custom Products, Inc., First Lien with Incremental, 5.500%, 04/29/19	3,425,213	0.4
4,203,125	Sun Products Corporation, Term Loan B, 5.500%, 03/23/20	4,032,373	0.4
		<b>7,457,586</b>	<b>0.8</b>

**Diversified Insurance: 4.0%**

Principal Amount†	Description	Fair Value	Percentage of Net Assets
5,869,569	AmWINS Group, Inc., Term Loan B, 5.000%, 09/06/19	5,921,843	0.7
2,900,000	Applied Systems Inc., First Lien Term Loan, 4.250%, 01/15/21	2,923,200	0.3
1,700,000	Applied Systems Inc., Second Lien Term Loan, 7.500%, 01/15/22	1,742,500	0.2
3,233,750	Cooper Gay Swett & Crawford, Ltd., First Lien Term Loan, 5.000%, 04/16/20	3,194,677	0.4
1,400,000	Cooper Gay Swett & Crawford, Ltd., Second Lien Term Loan, 8.250%, 10/15/20	\$ 1,354,500	0.1
10,972,500	Hub International Limited, Term	11,095,941	1.2

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		Loan B, 4.750%, 10/02/20		
		National Financial Partners Corp., Add-On Term Loan B, 5.250%, 07/01/20	4,828,946	0.5
4,772,275				
		USI, Inc., Term Loan, 4.250%, 12/27/19	5,124,089	0.6
5,098,597				
			<b>36,185,696</b>	<b>4.0</b>
		<b>Drugs: 0.4%</b>		
		Akorn, Inc., Term Loan, 3.500%, 11/01/20	1,717,000	0.2
1,700,000	(1)			
		Salix Pharmaceuticals Ltd., Term Loan, 4.250%, 01/02/20	2,022,916	0.2
2,000,000				
			<b>3,739,916</b>	<b>0.4</b>
		<b>Ecological Services &amp; Equipment: 2.5%</b>		
		4L Holdings Inc., Term Loan B, 6.765%, 05/07/18	5,073,025	0.6
5,065,109				
		ADS Waste Holdings, Inc., B-2, 3.750%, 10/09/19	16,899,283	1.9
16,879,500				
			<b>21,972,308</b>	<b>2.5</b>
		<b>Electronics/Electrical: 15.5%</b>		
2,950,000			2,972,125	0.3

Active  
Network,  
Inc., First  
Lien Term  
Loan,  
5.500%,  
11/18/20

See Accompanying Notes to Financial Statements

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PORTFOLIO OF INVESTMENTS  
ING PRIME RATE TRUST AS OF FEBRUARY 28, 2014 (CONTINUED)

Principal Amount†		Borrower/ Tranche Description	Fair Value	Percentage of Net Assets
<b>Electronics/Electrical (continued)</b>				
2,700,000	(1)	Aptean Holdings, Inc., First Lien Term Loan, 4.250%, 02/26/20	\$ 2,679,750	0.3
700,000	(1)	Aptean Holdings, Inc., Second Lien Term Loan, 7.500%, 02/26/21	700,000	0.1
1,915,789		Aspect Software, Inc., Term Loan, 7.000%, 05/09/16	1,926,150	0.2
6,987,093		Attachmate Corporation, First Lien Term Loan, 7.250%, 11/22/17	7,053,470	0.8
7,921,638		Blackboard Inc., Term Loan B-3, 4.750%, 10/04/18	8,010,757	0.9
3,820,800		Blue Coat Systems, Inc., First Lien Term Loan,	3,838,311	0.4

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Principal Amount†	Borrower/Tranche Description	Fair Value	Percentage of Net Assets
	4.000%, 05/31/19 Blue Coat Systems, Inc., Second Lien Term Loan,		
3,100,000	9.500%, 06/28/20	3,212,375	0.4
	BMC Software, Inc., Term Loan Euro,		
EUR 4,700,000	5.500%, 08/19/20	6,555,666	0.7
	BMC Software, Inc., Term Loan U.S.,		
2,500,000	5.000%, 08/19/20	2,511,250	0.3
	Dell International LLC, Euro Term Loans,		
EUR 3,740,625	4.750%, 04/30/20	5,173,404	0.6
	Dell International LLC, Term B Loans,		
17,955,000	4.500%, 04/30/20	17,952,199	2.0
	Epicor Software Corporation, Term Loan,		
3,992,068	4.000%,	\$ 4,013,026	0.5

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		05/16/18		
		Epiq Systems, Inc., Term Loan, 4.750%, 08/26/20	3,668,649	0.4
3,645,863				
		Eze Castle Software, Inc., First Lien Term Loan, 4.500%, 04/06/20	1,003,913	0.1
995,000				
		Eze Castle Software, Inc., Second Lien Term Loan, 8.500%, 03/18/21	228,750	0.0
225,000				
		FCI International S.A.S., Term Loan B, 6.250%, 12/31/20	2,015,000	0.2
2,000,000				
		Freescle Semiconductor, Inc., Tranche B-4 Term Loan, 5.000%, 03/01/20	5,701,257	0.6
5,672,187				
		Freescle Semiconductor, Inc., Tranche B-5 Term Loan, 5.000%, 01/15/21	2,274,535	0.3
2,244,375				
EUR	2,481,250	Greeneden U.S.	3,423,442	0.4



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Holdings  
II,  
LLC, Euro  
Term  
Loan,  
4.750%,  
02/08/20

Hyland  
Software,  
Inc., First  
Lien  
Term  
Loan,  
4.750%,  
10/25/19

1,856,250

1,868,722

0.2

Infor (US),  
Inc.,  
Term  
Loan B5,  
3.750%,  
06/03/20

13,099,348

13,107,536

1.5

Kronos  
Incorporated,  
Upsized  
Term  
Loan,  
4.500%,  
10/30/19

10,133,317

10,209,317

1.1

See Accompanying Notes to Financial Statements

PORTFOLIO OF INVESTMENTS  
ING PRIME RATE TRUST AS OF FEBRUARY 28, 2014 (CONTINUED)

Principal Amount†	Borrower/ Tranche Description	Fair Value	Percentage of Net Assets
<b>Electronics/Electrical (continued)</b>			
EUR 600,000	Oberthur Technologies, Tranche B-1 Term Loans, 6.000%, 10/15/19	\$ 841,638	0.1
1,800,000	Oberthur Technologies, Tranche B-2 Term Loans, 5.750%, 10/15/19	1,811,250	0.2
2,030,000	Omnitracs Inc., Upsized First Lien Term Loan, 4.750%, 10/31/20	2,054,528	0.2
575,000	Omnitracs Inc., Upsized Second Lien Term Loan, 8.750%, 04/30/21	583,266	0.1
4,824,540	Open Link Financial, Inc., Term Loan, 6.250%, 10/30/17	4,854,693	0.5
8,344,139		8,376,731	0.9

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	RedPrairie Corporation, First Lien Term Loan, 6.000%, 12/21/18		
2,374,194	RedPrairie Corporation, Second Lien Term Loan, 11.250%, 12/20/19	2,420,937	0.3
4,775,435	Spancion LLC, Term Loan B, 3.750%, 12/18/19	4,793,343	0.5
1,105,263	Websense, Inc., Second Lien Term Loan, 8.250%, 12/27/20	1,110,789	0.1
2,288,500	Websense, Inc., Term Loan B, 4.500%, 06/27/20	2,307,094	0.3
		<b>139,253,873</b>	<b>15.5</b>
Principal Amount†	Borrower/Tranche Description	Fair Value	Percentage of Net Assets
	<b>Equipment Leasing: 0.4%</b>		
250,000	Brock Holdings, Inc., New Second Lien Term Loan, 10.000%, 03/16/18	\$ 254,114	0.0
3,295,391	Brock Holdings,	3,316,673	0.4

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		Inc., New Term Loan B, 6.002%, 03/16/17		
			<b>3,570,787</b>	<b>0.4</b>
			<b>Equity REITs and REOCs: 0.2%</b>	
		Guggenheim Partners Investment Management Holdings, LLC, Term Loan B, 4.250%, 07/31/20		
	1,945,125		<b>1,967,616</b>	<b>0.2</b>
			<b>Financial Intermediaries: 1.0%</b>	
		Duff & Phelps, Add-On Term Loan, 4.500%, 04/23/20		
	1,745,617		1,748,890	0.2
		MoneyGram International, Inc., Term Loan B, 4.250%, 03/27/20		
	1,265,438		1,271,917	0.1
		Santander Asset Management, Term Loan B-1 USD, 4.250%, 11/30/20		
	3,400,000		3,415,939	0.4
		Santander Asset Management, Term Loan B-2 EURO, 4.500%, 11/30/20		
EUR	1,000,000		1,386,339	0.1
	1,480,000	Walker & Dunlop, Term Loan,	1,502,200	0.2

5.500%,  
12/15/20

**9,325,285**

**1.0**

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PORTFOLIO OF INVESTMENTS  
ING PRIME RATE TRUST AS OF FEBRUARY 28, 2014 (CONTINUED)

Principal Amount†	Borrower/ Tranche Description	Fair Value	Percentage of Net Assets
	<b>Food Products: 4.4%</b>		
6,445,000	Advance Pierre Foods, First Lien Term Loan B, 5.750%, 07/10/17	\$ 6,482,220	0.7
4,500,000	Advance Pierre Foods, Second Lien Term Loan, 9.500%, 10/10/17	4,387,500	0.5
3,549,846	Atkins Nutritionals Holdings II, Inc., First Lien Term Loan, 6.250%, 01/02/19	3,594,219	0.4
3,059,625	CSM Bakery Supplies, First Lien Term Loan, 4.750%, 07/03/20	3,085,442	0.4
1,000,000	CSM Bakery Supplies, Second Lien Term Loan, 8.500%, 06/30/21	1,022,500	0.1
EUR 8,500,000		11,910,008	1.3

D.E. Master Blenders, Term Loan B2, 4.500%, 10/01/18	
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