

ING Infrastructure, Industrials & Materials Fund  
Form N-CSRS  
November 05, 2013

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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: 811-22144

**ING Infrastructure, Industrials and Materials Fund**

(Exact name of registrant as specified in charter)

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

85258  
(Zip code)

The Corporation Trust Company, 1209 Orange

Street, Wilmington, DE 19801

(Name and address of agent for service)

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

Date of fiscal year end: **February 28**

Date of reporting period: **August 31, 2013**

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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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## Semi-Annual Report

**August 31, 2013**

**ING Infrastructure, Industrials and Materials Fund**

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.

MUTUAL FUNDS



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Sign up now for on-line prospectuses, fund reports, and proxy statements. In less than five minutes, you can help reduce paper mail and lower fund costs.

Just go to [www.inginvestment.com](http://www.inginvestment.com), click on the E-Delivery icon from the home page, follow the directions and complete the quick 5 Steps to Enroll.

You will be notified by e-mail when these communications become available on the internet. Documents that are not available on the internet will continue to be sent by mail.

**PROXY VOTING INFORMATION**

A description of the policies and procedures that the Fund uses to determine how to vote proxies related to portfolio securities is available (1) without charge, upon request, by calling Shareholder Services toll-free at (800) 992-0180; (2) on the Fund's website at [www.inginvestment.com](http://www.inginvestment.com) and (3) on the SEC's website at [www.sec.gov](http://www.sec.gov). Information regarding how the Fund voted proxies related to portfolio securities during the most recent 12-month period ended June 30 is available without charge on the Fund's website at [www.inginvestment.com](http://www.inginvestment.com) and on the SEC's website at [www.sec.gov](http://www.sec.gov).

**QUARTERLY PORTFOLIO HOLDINGS**

The Fund files its complete schedule of portfolio holdings with the SEC for the first and third quarters of each fiscal year on Form N-Q. This report contains a summary portfolio of investments for the Fund. The Fund's Forms N-Q are available on the SEC's website at [www.sec.gov](http://www.sec.gov). The Fund's Form N-Q may be reviewed and copied at the SEC's Public Reference Room in Washington, DC, and information on the operation of the Public Reference Room may be obtained by calling (800) SEC-0330. The Fund's Forms N-Q, as well as a complete portfolio of investments, are available without charge upon request from the Fund by calling Shareholder Services toll-free at (800) 992-0180.

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PRESIDENT'S LETTER

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Dear Shareholder,

ING Infrastructure, Industrials and Materials Fund (the Fund) is a diversified, closed-end management investment company whose shares are traded on the New York Stock Exchange under the symbol IDE. The Fund's investment objective is total return through a combination of current income, capital gains and capital appreciation.

The Fund seeks to achieve its investment objective by investing in companies that own and/or operate infrastructure facilities in the infrastructure sector, and in a broad range of companies, principally in the industrials and materials sector that ING Investment Management Co. LLC (the Sub-Adviser) believes will benefit from the building, renovation, expansion and utilization of infrastructure. Under normal market conditions the Fund will also seek to secure gains and enhance the stability of returns over a market cycle by writing (selling) call options on selected indices and/or exchange traded funds (ETFs).

For the period ended August 31, 2013, the Fund made quarterly distributions totaling \$0.81 per share, which were characterized of \$0.55 return of capital, and \$0.26 per share net investment income.

Based on net asset value (NAV), the Fund provided a total return of 1.36% for the period ended August 31, 2013. This NAV return reflects a decrease in the Fund's NAV from \$18.30 on February 28, 2013 to \$17.69 on August 31, 2013. Based on its share price as of February 28, 2013, the Fund provided a total return of (4.73)% for the period ended August 31, 2013<sup>(2)</sup>. This share price return reflects a decrease in the Fund's share price from \$17.72 on February 28, 2013 to \$16.10 on August 31, 2013.

The global equity markets have witnessed a challenging and turbulent period. Please read the Market Perspective and Portfolio Managers' Report for more information on the market and the Fund's performance.

At ING Funds, our mission is to help you grow, protect and enjoy your wealth. We seek to assist you and your financial advisor by offering a range of global investment solutions. We invite you to visit our website at [www.inginvestment.com](http://www.inginvestment.com). Here you will find information on our products and services, including current market data and fund statistics on our open- and closed-end funds. You will see that we offer a broad variety of equity, fixed income and multi-asset funds that aim to fulfill a variety of investor needs.

We thank you for trusting ING Funds with your investment assets, and we look forward to serving you in the months and years ahead.

Sincerely,

Shaun P. Mathews  
President and Chief Executive Officer  
ING Funds  
October 5, 2013

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The views expressed in the President's Letter reflect those of the President as of the date of the letter. Any such views are subject to change at any time based upon market or other conditions and ING Funds disclaims any responsibility to update such views. These views may not be relied on as investment advice and because investment decisions for an ING Fund are based on numerous factors, may not be relied on as an indication of investment intent on behalf of any ING Fund. Reference to specific company securities should not be construed as recommendations or investment advice. International investing poses special risks including currency fluctuation, economic and political risks not found in investments that are solely domestic.

**For more complete information, or to obtain a prospectus for any ING Fund, please call your Investment Professional or the fund's Shareholder Service Department at (800) 992-0180 or log on to [www.inginvestment.com](http://www.inginvestment.com). The prospectus should be read carefully before investing. Consider the fund's investment objectives, risks, charges and expenses carefully before investing. The prospectus contains this information and other information about the fund. Check with your Investment Professional to determine which funds are available for sale within their firm. Not all funds are available for sale at all firms.**

- (1) 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. Total investment return at net asset value is not annualized for periods less than one year.
- (2) Total investment return at market value measures the change in the market value of your investment assuming reinvestment of dividends, capital gain distributions, and return of capital distributions/allocations, if any, in accordance with the provisions of the Fund's dividend reinvestment plan. Total investment return at market value is not annualized for periods less than one year.

## MARKET PERSPECTIVE: SIX MONTHS ENDED AUGUST 31, 2013

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By the end of the first month of our new fiscal year, global equities, in the form of the MSCI World Index<sup>SM</sup> measured in local currencies including net reinvested dividends (the Index) had already surged 9.79% in 2013. But there was plenty of skepticism. Stock markets were only rising, it was argued, because of central banks' ultra-loose monetary policy. This kept interest rates so low that many investors who would normally favor fixed income investments had turned to stocks. Others countered that interest rates might be low, but they would stay that way into the medium term. So capital values should be fairly safe and inflation isn't an issue. Such arguments would be tested in the months through August, by which point the Index had added another 7.15%. (The MSCI World Index<sup>SM</sup> returned 6.12% for the six-months ended August 31, 2013, measured in U.S. dollars.)

In the U.S., with sentiment cushioned by the Federal Reserve's \$85 billion of monthly Treasury and mortgage-backed securities purchases, investors continued to puzzle at an economic recovery that was undeniable but unimpressive.

And any illusions about the ultimate source of investor confidence in this environment were shattered on May 22 and again on June 19, when Federal Reserve Chairman Bernanke attempted to prepare markets for the beginning of the end of quantitative easing, perhaps sooner than expected. He tried to make the point that the tapering of bond purchases by the Federal Reserve would be a reason for markets to feel upbeat, as it would only happen when conditions had substantially improved. In the meantime don't be too worried.

Markets didn't buy it. Bond yields soared and by June 24, the Index had given back 8%, leading nervous central bankers the world over, in the last days of June, to assure all who would listen that easy money was here for a long time. Not only were markets being heavily influenced by central bankers; evidently central bankers were more than a little sensitive to their effect on markets.

Soothed by these and later words of comfort in July, investors drove the Index to a new high for the year on August 2, only to retreat by about 4% by month-end. Nervousness crept in again as reports of falling unemployment to 7.4% and rising gross domestic product (GDP) to 2.5% made the early end to quantitative easing all but certain in the minds of many. But was the economy really ready? The 30-year mortgage rate rose by over 1% after early May and in July new home sales plunged 13.4% from June. Retailers Walmart, Macy's and Kohl's all lowered expectations for the rest of 2013. Personal incomes and spending were barely rising by the end of August. Finally the imminent threat of military engagement in the Middle East raised oil prices and dampened sentiment.

The securities and currencies of a number of emerging markets were hit particularly hard by the prospective demise of quantitative easing, especially those with current account deficits and stumbling growth, like Turkey, Brazil, Indonesia and India. Quantitative easing had caused vast monetary flows to flood into these markets in search of better returns, in many cases using money borrowed cheaply in U.S. dollars. Talk of the end of the program started the inevitable reversal. In U.S. fixed income markets, the Barclays U.S. Aggregate Bond Index (Barclays Aggregate) of investment grade bonds fell 2.61% in the six months through August as an end to quantitative easing presaged weakness in longer dated issues. Sub-indices with the shortest durations held on to positive returns, but the Barclays Long Term U.S. Treasury sub-index dropped 8.12%. The Barclays U.S. Corporate Investment Grade Bond sub-index lost 3.17%. But the (separate) Barclays High Yield Bond 2% Issuer Constrained Composite Index (not a part of the Barclays Aggregate) gained 0.84%.

U.S. equities, represented by the S&P 500® Index including dividends, rose 8.95%, albeit down 4.5% from its August 2 record closing high. The consumer discretionary sector did best with a gain of 14.55%, followed by health care 14.39%. The worst performers were the telecommunications sector 0.30% and previously in-favor utilities 1.58%. Operating earnings per share for S&P 500® companies set a record in the second quarter of 2013. But could this last given that the share of profits in national income was historically high?

In currency markets the dollar fell 1.25% against the euro during the six months and 2.20% against the pound, on better economic news from Europe and, some commentators argued, as sales of longer dated U.S. dollar-denominated bonds was partly reinvested in other currencies. But the dollar advanced 6.06% on the yen on confidence that the new Japanese government's policy to weaken the yen would succeed.

In international markets, the MSCI Japan® Index jumped 14.63%. Encouragingly GDP grew at 2.6% annualized in the second quarter of 2013 after 3.8% in the first. Core consumer prices started rising again, necessary to get consumers and companies spending again. Diluting this better news however, capital spending was still falling while prices were only rising because of energy costs. The MSCI Europe ex UK® Index rose 5.06%, the euro zone at last reporting slim GDP growth after six straight quarterly declines. The numbers of unemployed edged down in June and July, but not enough to dent the record rate of 12.1%. Closely watched purchasing managers' indices indicated expansion in August for the first time since January 2012. The MSCI UK® Index added only 3.11%, weighed down by weak Materials and Banking sectors. GDP in the first quarter of 2013 reclaimed the fourth quarter's 0.3% loss before recording 0.7% in the second quarter. Purchasing managers' indices, retail sales, industrial production and consumer confidence were showing clear improvement as August ended.



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**Past performance does not guarantee future results. The performance quoted represents past performance. Investment return and principal value of an investment will fluctuate, and shares, when redeemed, may be worth more or less than their original cost. The Fund's performance is subject to change since the period's end and may be lower or higher than the performance data shown. Please call (800) 992-0180 or log on to [www.inginvestment.com](http://www.inginvestment.com) to obtain performance data current to the most recent month end.**

*Market Perspective reflects the views of ING's Chief Investment Risk Officer only through the end of the period, and is subject to change based on market and other conditions.*

## BENCHMARK DESCRIPTIONS

Index	Description
Barclays U.S. Aggregate Bond Index	An unmanaged index of publicly issued investment grade U.S. Government, mortgage-backed, asset-backed and corporate debt securities.
Barclays U.S. Corporate Investment Grade Bond Index	An unmanaged index consisting of publicly issued, fixed rate, nonconvertible, investment grade debt securities.
Barclays High Yield Bond 2% Issuer Constrained Composite Index	An unmanaged index that includes all fixed-income securities having a maximum quality rating of Ba1, a minimum amount outstanding of \$150 million, and at least one year to maturity.
Barclays Long Term U.S. Treasury Index	The Index includes all publicly issued, U.S. Treasury securities that have a remaining maturity of 10 or more years, are rated investment grade, and have \$250 million or more of outstanding face value.
MSCI All Country World® Index	A free float-adjusted market capitalization index that is designed to measure equity market performance in the global developed and emerging markets.
MSCI Europe ex UK® Index	A free float-adjusted market capitalization index that is designed to measure developed market equity performance in Europe, excluding the UK.
MSCI Japan® Index	A free float-adjusted market capitalization index that is designed to measure developed market equity performance in Japan.
MSCI UK® Index	A free float-adjusted market capitalization index that is designed to measure developed market equity performance in the UK.
MSCI World Index <sup>SM</sup>	An unmanaged index that measures the performance of over 1,400 securities listed on exchanges in the U.S., Europe, Canada, Australia, New Zealand and the Far East.
S&P 500® Index	An unmanaged index that measures the performance of securities of approximately 500 large-capitalization companies whose securities are traded on major U.S. stock markets.

ING INFRASTRUCTURE, INDUSTRIALS  
AND MATERIALS FUND

PORTFOLIO MANAGERS REPORT

**Geographic Diversification  
as of August 31, 2013**  
(as a percentage of net assets)

United States	44.8%
Germany	9.0%
France	8.8%
United Kingdom	7.4%
Japan	4.9%
Switzerland	3.7%
China	3.3%
Italy	2.6%
Netherlands	2.6%
Luxembourg	2.4%
Countries between 0.4% 1.6%^	9.3%
Assets in Excess of Other Liabilities*	1.2%
Net Assets	100.0%

\* Includes short-term investments.

^ Includes 9 countries, which each represents 0.4% 1.6% of net assets.

***Portfolio holdings are subject to change daily.***

ING Infrastructure, Industrials and Materials Fund (the Fund) seeks total return through a combination of current income, capital gains and capital appreciation.

The Fund seeks to achieve its investment objective by investing in companies that own and/or operate infrastructure facilities in the infrastructure sector, and in a broad range of companies, principally in the industrials and materials sectors, that the Sub-Adviser believes will benefit from the building, renovation, expansion and utilization of infrastructure.

**Portfolio Management:** The Fund is managed by Martin Jansen, Brian Madonick, Joseph Vultaggio, Paul Zemsky and Frank van Etten, Portfolio Managers, ING Investment Management Co. LLC the Sub-Adviser.

**Equity Portfolio Construction:** Under normal market conditions, the Fund will seek to achieve its investment objective by investing at least 80% of its managed assets in the equity securities of, or derivatives having economic characteristics similar to the equity securities of, issuers in three broad market sectors infrastructure, industrials and materials.

The Sub-Adviser seeks to construct a diversified equity portfolio of 60 to 100 equity securities, with a focus on companies that will potentially benefit from increased government and private spending in six areas: power, construction, materials, communications, transportation and water.

The Sub-Adviser has constructed a broad universe of approximately 1,500 global companies that operate in industries which are related to its six investment areas. The Sub-Adviser will seek to identify, through bottom-up fundamental research, companies that it believes to be undervalued relative to their business fundamentals and outlook, and whose revenues or growth in revenues are driven by infrastructure spending.

The Sub-Adviser seeks to invest in companies with the following characteristics:

1. Good growth prospects;

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2. Resilient earnings potential across market cycles;
3. Disciplined capital allocation management; and
4. Strong competitive position.

**Top Ten Holdings**  
**as of August 31, 2013**  
*(as a percentage of net assets)*

Honeywell International, Inc.	2.6%
Union Pacific Corp.	2.5%
Vodafone Group PLC	2.4%
Lockheed Martin Corp.	2.1%
Siemens AG	2.1%
General Dynamics Corp.	2.1%
Cummins, Inc.	2.0%
BASF AG	2.0%
BHP Billiton PLC	2.0%
Schlumberger Ltd.	2.0%

**Portfolio holdings are subject to change daily.**

**Options Strategy:** Under normal market conditions the Fund will also seek to secure gains and enhance the stability of returns over a market cycle by writing (selling) call options on selected indices and/or exchange traded funds ( ETFs ).

The underlying value against which such calls will be written may vary depending on the cash flow requirements of the portfolio and on the Sub-Adviser's assessment of market conditions, generally within a range of 15% to 50%.

The Fund expects to write (sell) call options primarily with shorter maturities (typically ten days to three months until expiration) generally, at-the-money, out-of-the-money or near-the-money, in exchange-listed option markets or over-the-counter markets with major international banks, broker-dealers and financial institutions. The Fund may also write (sell) call options on either the value of subsets of stocks in its portfolio or selected equity securities held in its portfolio.

**Performance:** Based on net asset value ( NAV ), the Fund provided a total return of 1.36% for the period ended August 31, 2013. This NAV return reflects a decrease in the Fund's NAV from \$18.30 on February 28, 2013 to \$17.69 on August 31, 2013. Based on its share price as of August 31, 2013, the Fund provided a total return of (4.73)% for the period ended August 31, 2013. This share price return reflects a decrease in the Fund's share price from \$17.72 on February 28, 2013 to \$16.10 on August 31, 2013. The Fund is not benchmarked to an index but uses the MSCI All Country World Index<sup>SM</sup> as a reference index, which returned 4.04% for the reporting period. During the year, the Fund made quarterly distributions totaling \$0.81 per share, which were characterized as \$0.55 return of capital and \$0.26 per share net investment income. As of August 31, 2013, the Fund had 19,805,000 shares outstanding.

**Portfolio Specifics:** After a strong rise through mid-May, global markets lost ground through late June, mainly due to rising bond yields in the wake of the U.S. Federal Reserve Bank's indication that its aggressive quantitative easing policy may start to taper off later this year. Japanese equities, which had performed strongly since last November thanks to fiscal and monetary stimuli, fell especially sharply. Emerging equity markets were badly impacted by to slowing growth and large capital outflows. Markets recovered broadly in July as bond yields stabilized, and retreated modestly in August. Globally, markets continued to experience a defensive undertone, with consumer discretionary, healthcare and telecommunications strong while materials and energy stocks were notable laggards.

## PORTFOLIO MANAGERS REPORT

**Equity Portfolio<sup>(1)</sup>:** The equity component of the Fund modestly underperformed, with the headwind arising from the weakness of materials, which represents about 20% of the Fund, largely neutralized by the strong performance of telecommunications. Industrials, roughly half the Fund, were market performers. Security selection within the sectors added value, due principally to positive contributions from industrials, telecommunication services and materials. Selection in energy detracted modestly. Stock selection detracted in Europe, North America and most other regions but contributed in developed Asia ex-Japan. Based upon the six themes according to which the Fund stratifies its investment universe (communications, construction, food and water, materials, power and transportation), stock selection in transportation, communications and materials added value.

**Options Portfolio:** The Fund sought to generate premiums and gains by writing (selling) call options on a basket of stocks representing a portion of the value of the equity portfolio. The strike prices of the options written were typically at or near the money, and the average expiration dates were between four and five weeks. The coverage ratio was maintained at approximately 35% throughout the period. For the period, the Fund's option strategy had a negative impact on relative returns, as the level of premiums received fell short of the outflows on the expiry of the options. Market volatility fluctuated in a wide band during the period, with a notable spike in May/June in tandem with the market weakness. Market volatility has since settled at levels prevalent before the financial crisis of 2008 and early 2009.

**Current Strategy and Outlook:** The global growth outlook has improved somewhat in recent months. Chinese economic growth bottomed in the third quarter of 2012, but was slow to accelerate until recently. The United States has witnessed a growth slowdown due to fiscal tightening, but growth appears to be poised to accelerate mildly in the coming quarters. The European economy is passing through a trough after a prolonged recession, with a modest growth acceleration expected as we head in to 2014. Growth has picked up in Japan in the wake of unprecedented monetary easing. Growth has slowed markedly in most emerging economies, but is likely to stabilize by year-end as the developed world strengthens. Longer term, emerging economies continue to have an acute need (and the resources) to accelerate infrastructure development, which suggests the Fund's themes remain secularly well-positioned. We believe companies linked to infrastructure spending remain well positioned for above-average, long-term profitability in a global economy where secular growth is expected to remain scarce among developed nations. While volatility is lower than in recent years, we believe the Fund potentially may continue to benefit from its call writing activities.

<sup>(1)</sup> For the practical management of the equity portfolio, we have identified the universe of companies whose businesses, we believe, fall within the six themes underlying the investment philosophy of the Fund: communications, construction, food and water, materials, power and transportation. This universe is updated periodically. As of August 31, 2013, it consists of nearly 777 companies based in over 46 countries. By market capitalization of the shares of those companies, approximately 43% of the universe is based in North America, 27% in Europe, 7% in the developed economies of the Asia Pacific region and 13% in emerging markets. The principal sector weights of this universe are Industrials at 34%, Materials 22%, Utilities 14%, Telecommunications 17% and Energy 7%. Aside from indicating the opportunity set from which we select securities, the performance of this universe provides an internal reference benchmark against which the actual performance of the Fund's equity portfolio can be compared.

*Portfolio holdings and characteristics are subject to change and may not be representative of current holdings and characteristics. The outlook for this Fund is based only on the outlook of its portfolio managers through the end of this period, and may differ from that presented for other ING Funds. Performance data represents past performance and is no guarantee of future results. Past performance is not indicative of future results. The indices do not reflect fees, brokerage commissions, taxes or other expenses of investing. Investors cannot invest directly in an index.*

## STATEMENT OF ASSETS AND LIABILITIES AS OF AUGUST 31, 2013 (UNAUDITED)

<b>ASSETS:</b>	
Investments in securities at fair value*	\$ 345,795,470
Short-term investments at fair value**	4,028,000
Total investments at fair value	\$ 349,823,470
Cash	297
Foreign currencies at value***	532,550
Receivables:	
Dividends	665,668
Foreign tax reclaims	396,388
Prepaid expenses	8,501
Total assets	351,426,874
<b>LIABILITIES:</b>	
Payable for investment management fees	308,259
Payable for administrative fees	30,351
Payable for trustee fees	3,086
Other accrued expenses and liabilities	136,888
Written options, at fair value^	624,435
Total liabilities	1,103,019
<b>NET ASSETS</b>	<b>\$ 350,323,855</b>
<b>NET ASSETS WERE COMPRISED OF:</b>	
Paid-in capital	\$ 306,391,569
Distributions in excess of net investment income	(188,561)
Accumulated net realized loss	(1,926,970)
Net unrealized appreciation	46,047,817
<b>NET ASSETS</b>	<b>\$ 350,323,855</b>
<hr/>	
* Cost of investments in securities	\$ 301,271,302
** Cost of short-term investments	\$ 4,028,000
*** Cost of foreign currencies	\$ 538,392
^ Premiums received on written options	\$ 2,161,419
Net assets	\$ 350,323,855
Shares authorized	unlimited
Par value	\$ 0.010
Shares outstanding	19,805,000
Net asset value	\$ 17.69

See Accompanying Notes to Financial Statements

## STATEMENT OF OPERATIONS FOR THE SIX MONTHS ENDED AUGUST 31, 2013 (UNAUDITED)

**INVESTMENT INCOME:**

Dividends, net of foreign taxes withheld*	\$ 6,974,324
Total investment income	6,974,324

**EXPENSES:**

Investment management fees	1,811,387
Transfer agent fees	10,162
Administrative service fees	179,644
Shareholder reporting expense	29,150
Professional fees	28,050
Custody and accounting expense	62,514
Trustee fees	6,600
Miscellaneous expense	17,517
Interest expense	1,508
Total expenses	2,146,532
Net investment income	4,827,792

**REALIZED AND UNREALIZED GAIN (LOSS):**

Net realized gain (loss) on:	
Investments	4,888,584
Foreign currency related transactions	183,621
Written options	(10,126,314)
Net realized loss	(5,054,109)
Net change in unrealized appreciation (depreciation) on:	
Investments	2,717,901
Foreign currency related transactions	(6,820)
Written options	1,387,566
Net change in unrealized appreciation (depreciation)	4,098,647
Net realized and unrealized loss	(955,462)
<b>Increase in net assets resulting from operations</b>	<b>\$ 3,872,330</b>

* Foreign taxes withheld	\$ 422,482
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See Accompanying Notes to Financial Statements

## STATEMENTS OF CHANGES IN NET ASSETS (UNAUDITED)

	Six Months Ended August 31, 2013	Year Ended February 28, 2013
<b>FROM OPERATIONS:</b>		
Net investment income	\$ 4,827,792	\$ 5,623,226
Net realized gain (loss)	(5,054,109)	9,251,251
Net change in unrealized appreciation (depreciation)	4,098,647	(12,779,539)
Increase in net assets resulting from operations	3,872,330	2,094,938
<b>FROM DISTRIBUTIONS TO SHAREHOLDERS:</b>		
Net investment income	(5,247,480)	(5,871,930)
Net realized gains		(3,903,387)
Return of capital	(10,794,570)	(24,091,234)
Total distributions	(16,042,050)	(33,866,551)
<b>FROM CAPITAL SHARE TRANSACTIONS:</b>		
Net increase in net assets resulting from capital share transactions		
Net decrease in net assets	(12,169,720)	(31,771,613)
<b>NET ASSETS:</b>		
Beginning of year or period	362,493,575	394,265,188
End of year or period	\$ 350,323,855	\$ 362,493,575
Undistributed (distributions in excess of) net investment income at end of year or period	\$ (188,561)	\$ 231,127

See Accompanying Notes to Financial Statements



FINANCIAL HIGHLIGHTS (UNAUDITED)

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

Per Share Operating Performance

Year or period ended	Income (loss) from investment operations			Less distributions					Net asset value, end of year or period	Market value, end of year or period	Total investment return at net asset value (1)
	Net asset value, beginning of year or period	Net investment income gain (loss)	Net realized and unrealized gain (loss)	Total from investment operations	From net investment income	From net realized gains	From return of capital	Total distributions			
	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(%)
08-31-13	18.30	0.24	(0.04)	0.20	0.26		0.55	0.81	17.69	16.10	1.36
02-28-13	19.91	0.28	(0.18)	0.10	0.30	0.20	1.21	1.71	18.30	17.72	1.27
02-29-12	22.64	0.25	(1.18)	(0.93)	0.39	1.38	0.03	1.80	19.91	18.77	(3.31)
02-28-11	19.20	0.19	5.05	5.24	0.11		1.69	1.80	22.64	20.18	29.54
01-26-10 <sup>(5)</sup> 02-28-10	19.06 <sup>(6)</sup>	(0.00)*	0.14	0.14					19.20	20.00	0.73

(1) 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. Total investment return at net asset value is not annualized for periods less than one year.

(2) Total investment return at market value measures the change in the market value of your investment assuming reinvestment of dividends, capital gain distributions and return of capital distributions/allocations, if any, in accordance with the provisions of the Fund's dividend reinvestment plan. Total investment return at market value is not annualized for periods less than one year.

(3) Annualized for periods less than one year.

(4) The Investment Adviser has entered into a written expense limitation agreement with the Fund under which it will limit the expenses of the Fund (excluding interest, taxes, leverage expenses and extraordinary expenses) subject to possible recoupment by the Investment Adviser within three years of being incurred.

(5) Commencement of operations.

(6) Net asset value at beginning of period reflects the deduction of the sales load of \$0.90 per share and the offering costs of \$0.04 per share paid by the shareholder from the \$20.00 offering price.

Calculated using average number of shares outstanding throughout the period.

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

Impact of waiving the advisory fee for the ING Institutional Prime Money Market Fund holding has less than 0.005% impact on the expense ratio and net investment income or loss ratio.

See Accompanying Notes to Financial Statements

NOTES TO FINANCIAL STATEMENTS AS OF AUGUST 31, 2013 (UNAUDITED)

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**NOTE 1 ORGANIZATION**

ING Infrastructure, Industrials and Materials Fund (the Fund) is a diversified, closed-end management investment company registered under the Investment Company Act of 1940, as amended (the 1940 Act). The Fund is organized as a Delaware statutory trust.

**NOTE 2 SIGNIFICANT ACCOUNTING POLICIES**

The following significant accounting policies are consistently followed by the Fund in the preparation of its financial statements, and such policies are in conformity with U.S. generally accepted accounting principles (GAAP) for investment companies.

A. **Security Valuation.** All investments in securities are recorded at their estimated fair value, as described below. Investments in equity securities traded on a national securities exchange are valued at the official closing price when available or, for certain markets, the last reported sale price. Securities reported by NASDAQ are valued at the NASDAQ official closing prices. Securities traded on an exchange or NASDAQ for which there has been no sale and equity securities traded in the over-the-counter-market are valued at the mean between the last reported bid and ask prices. All investments quoted in foreign currencies are valued daily in U.S. dollars on the basis of the foreign currency exchange rates prevailing at that time. Debt securities with more than 60 days to maturity are valued using matrix pricing methods determined by an independent pricing service which takes into consideration such factors as yields, maturities, liquidity, ratings and traded prices in similar or identical securities. Securities for which valuations are not readily available from an independent pricing service may be valued by brokers which use prices provided by market makers or estimates of fair market value obtained from yield data relating to investments or securities with similar characteristics. Investments in open-end mutual funds are valued at the net asset value. Investments in securities of sufficient credit quality, maturing 60 days or less from date of acquisition are valued at amortized cost which approximates fair value.

Securities and assets for which market quotations are not readily available (which may include certain restricted securities that are subject to limitations as to their sale) are valued at their fair values, as defined by the 1940 Act, and as determined in good faith by or under the supervision of the Fund's Board of Trustees (Board), in accordance with methods that are specifically authorized by the Board. Securities traded on exchanges, including foreign exchanges, which close earlier than the time that the Fund calculates its net asset value (NAV) may also be valued at their fair values, as defined by the 1940 Act, and as determined in good faith by or under the supervision of the Board, in accordance with methods that are specifically authorized by the Board. The value of a foreign security traded on an exchange outside the United States is generally based on its price on the principal foreign exchange where it trades as of the time the Fund determines its NAV or if the foreign exchange closes prior to the time the Fund determines its NAV, the most recent closing price of the foreign security on its principal exchange. Trading in certain non-U.S. securities may not take place on all days on which the NYSE Euronext (NYSE) is open. Further, trading takes place in various foreign markets on days on which the NYSE is not open. Consequently, the calculation of the Fund's NAV may not take place contemporaneously with the determination of the prices of securities held by the Fund in foreign securities markets. Further, the value of the Fund's assets may be significantly affected by foreign trading on days when a shareholder cannot purchase or redeem shares of the Fund. In calculating the Fund's NAV, foreign securities denominated in foreign currency are converted to U.S. dollar equivalents. If an event occurs after the time at which the market for foreign securities held by the Fund closes but before the time that the Fund's NAV is calculated, such event may cause the closing price on the foreign exchange to not represent a readily available reliable market value quotation for such securities at the time the Fund determines its NAV. In such a case, the Fund will use the fair value of such securities as determined under the Fund's valuation procedures. Events after the close of trading on a foreign market that could require the Fund to fair value some or all of its foreign securities include, among others, securities trading in the U.S. and other markets, corporate announcements, natural and other disasters, and political and other events. Among other elements of analysis in the determination of a security's fair value, the Board has authorized the use of one or more independent research services to assist with such determinations. An independent research service may use statistical analyses and quantitative models to help determine fair value as of the time the Fund calculates its NAV. There can be no assurance that such models accurately reflect the behavior of the applicable markets or the effect of the behavior of such markets on the fair value of securities, or that such markets will continue to behave in a fashion that is consistent with such models. Unlike the closing price of a security on an exchange, fair value determinations employ elements of judgment. Consequently, the fair value assigned to a security may not represent the actual value that the

NOTES TO FINANCIAL STATEMENTS AS OF AUGUST 31, 2013 (UNAUDITED) (CONTINUED)

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

Fund could obtain if it were to sell the security at the time of the close of the NYSE. Pursuant to procedures adopted by the Board, the Fund is not obligated to use the fair valuations suggested by any research service, and valuation recommendations provided by such research services may be overridden if other events have occurred or if other fair valuations are determined in good faith to be more accurate. Unless an event is such that it causes the Fund to determine that the closing prices for one or more securities do not represent readily available reliable market value quotations at the time the Fund determines its NAV, events that occur between the time of the close of the foreign market on which they are traded and the close of regular trading on the NYSE will not be reflected in the Fund's NAV.

Options that are traded over-the-counter will be valued using one of three methods: (1) dealer quotes; (2) industry models with objective inputs; or (3) by using a benchmark arrived at by comparing prior-day dealer quotes with the corresponding change in the underlying security or index. Exchange traded options will be valued using the last reported sale. If no last sale is reported, exchange traded options will be valued using an industry accepted model such as Black Scholes. Options on currencies purchased by the Fund are valued at their last bid price in the case of listed options or at the average of the last bid prices obtained from dealers in the case of over-the-counter options.

Fair value is defined as the price that the Fund would receive to sell an asset or pay to transfer a liability in an orderly transaction between market participants at the measurement date. Each investment asset or liability of the Fund 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 Fund's investments under these levels of classification is included following the Summary 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 Fund's Administrator. The Pricing Committee considers all facts it deems 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 Fund 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 Fund can obtain the fair value assigned to a security if it 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 third party 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 Fund's assets and liabilities. A reconciliation of Level 3 investments is presented when the Fund has a significant amount of Level 3 investments.

For the period ended August 31, 2013, there have been no significant changes to the fair valuation methodologies.

NOTES TO FINANCIAL STATEMENTS AS OF AUGUST 31, 2013 (UNAUDITED) (CONTINUED)

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

**B. Security Transactions and Revenue Recognition.** Security transactions are recorded on the trade date. Realized gains or losses on sales of investments are calculated on the identified cost basis. Interest income is recorded on the accrual basis. Premium amortization and discount accretion are determined using the effective yield method. Dividend income is recorded on the ex-dividend date, or in the case of some foreign dividends, when the information becomes available to the Fund.

**C. Foreign Currency Translation.** The books and records of the Fund 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 Fund 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 Fund'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 period 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 U.S. government securities. These risks include, but are not limited to, revaluation of currencies and future adverse 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.

**D. Distributions to Shareholders.** The Fund intends to make quarterly distributions from its cash available for distribution, which consists of the Fund's dividends and interest income after payment of Fund expenses, net option premiums and net realized and unrealized gains on investments. Such quarterly distributions may also consist of a return of capital. At least annually, the Fund intends to distribute all or substantially all of its net realized capital gains. Distributions are recorded on the ex-dividend date. Distributions are determined annually in accordance with federal tax principles, which may differ from U.S. generally accepted accounting principles for investment companies. The tax treatment and characterization of the Fund's distributions may vary significantly from time to time depending on whether the Fund has gains or losses on the call options written on its portfolio versus gains or losses on the equity securities in the portfolio. Each quarter, the Fund will provide disclosures with distribution payments made that estimate the percentages of that distribution that represent net investment income, other income or capital gains, and return of capital, if any. The final composition of the tax characteristics of the distributions cannot be determined with certainty until after the end of the Fund's tax year, and will be reported to shareholders at that time. A significant portion of the Fund's distributions may constitute a return of capital. The amount of quarterly distributions will vary, depending on a number of factors. As portfolio and market conditions change, the rate of dividends on the common shares will change. There can be no assurance that the Fund will be able to declare a dividend in each period.

**E. Federal Income Taxes.** It is the policy of the Fund 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 Fund's tax positions taken on federal income tax returns for all open tax years in making this determination.

NOTES TO FINANCIAL STATEMENTS AS OF AUGUST 31, 2013 (UNAUDITED) (CONTINUED)

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

**F. Use of Estimates.** The preparation of financial statements in conformity with U.S. generally accepted accounting principles 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.

**G. Risk Exposures and the use of Derivative Instruments.** The Fund's investment objectives permit the Fund to enter into various types of derivatives contracts, including, but not limited to, forward foreign currency exchange contracts and purchased and written options. In doing so, the Fund will employ strategies in differing combinations to permit it to increase or decrease the level of risk, or change the level or types of exposure to market risk factors. This may allow the Fund to pursue its objectives more quickly, and efficiently than if it were to make direct purchases or sales of securities capable of affecting a similar response to market factors.

**Market Risk Factors.** In pursuit of its investment objectives, the Fund may seek to use derivatives to increase or decrease its exposure to the following market risk factors:

**Credit Risk.** Credit risk relates to the ability of the issuer to meet interest and principal payments, or both, as they come due. In general, lower-grade, higher-yield bonds are subject to credit risk to a greater extent than lower-yield, higher-quality bonds.

**Equity Risk.** Equity risk relates to the change in value of equity securities as they relate to increases or decreases in the general market.

**Foreign Exchange Rate Risk.** Foreign exchange rate risk relates to the change in U.S. dollar value of a security held that is denominated in a foreign currency. The U.S. dollar value of a foreign currency denominated security will decrease as the dollar appreciates against the currency, while the U.S. dollar value will increase as the dollar depreciates against the currency.

**Interest Rate Risk.** Interest rate risk refers to the fluctuations in value of fixed-income securities resulting from the inverse relationship between price and yield. For example, an increase in general interest rates will tend to reduce the market value of already issued fixed-income investments, and a decline in general interest rates will tend to increase their value. In addition, debt securities with longer durations, which tend to have higher yields, are subject to potentially greater fluctuations in value from changes in interest rates than obligations with shorter durations. The Fund may lose money if short-term or long-term interest rates rise sharply or otherwise change in a manner not anticipated by the sub-adviser. As of the date of this report, interest rates in the United States are at, or near, historic lows, which may increase the Fund's exposure to risks associated with rising interest rates.

**Risks of Investing in Derivatives.** The Fund's use of derivatives can result in losses due to unanticipated changes in the market risk factors and the overall market. In instances where the Fund is using derivatives to decrease, or hedge, exposures to market risk factors for securities held by the Fund, there are also risks that those derivatives may not perform as expected resulting in losses for the combined or hedged positions. The use of these strategies involves certain special risks, including a possible imperfect correlation, or even no correlation, between price movements of derivative instruments and price movements of related investments. While some strategies involving derivative instruments can reduce the risk of loss, they can also reduce the opportunity for gain or even result in losses by offsetting favorable price movements in related investments or otherwise, due to the possible inability of the Fund to purchase or sell a portfolio security at a time that otherwise would be favorable or the possible need to sell a portfolio security at a disadvantageous time because the Fund is required to maintain asset coverage or offsetting positions in connection with transactions in derivative instruments. Additional associated risks from investing in derivatives also exist and potentially could have significant effects on the valuation of the derivative and the Fund. Associated risks are not the risks that the Fund is attempting to increase or decrease exposure to, per its investment objectives, but are the additional risks from investing in derivatives. Examples of these associated risks are liquidity risk, which is the risk that the Fund will not be able to sell the derivative in the open market in a timely manner, and counterparty credit risk, which is the risk that the counterparty will not fulfill its obligation to the Fund. Associated risks can be different for each type of derivative and are discussed by each derivative type in the following notes.

**Counterparty Credit Risk and Credit Related Contingent Features.** Certain derivative positions are subject to counterparty credit risk, which is the risk that the counterparty will not fulfill its obligation to the Fund. The Fund's derivative counterparties are financial

## NOTES TO FINANCIAL STATEMENTS AS OF AUGUST 31, 2013 (UNAUDITED) (CONTINUED)

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

institutions who are subject to market conditions that may weaken their financial position. The Fund intends to enter into financial transactions with counterparties that it believes to be creditworthy at the time of the transaction. To reduce this risk, the Fund generally enters into master netting arrangements, established within the Fund's International Swap and Derivatives Association, Inc. (ISDA) Master Agreements (Master Agreements). These agreements are with select counterparties and they govern transactions, including certain over-the-counter (OTC) derivative and forward foreign currency contracts, entered into by the Fund and the counterparty. The Master Agreements maintain provisions for general obligations, representations, agreements, collateral, and events of default or termination. The occurrence of a specified event of termination may give a counterparty the right to terminate all of its contracts and affect settlement of all outstanding transactions under the applicable Master Agreement.

The Fund may also enter into collateral agreements with certain counterparties to further mitigate credit risk associated with OTC derivative and forward foreign currency contracts. Subject to established minimum levels, collateral is generally determined based on the net aggregate unrealized gain or loss on contracts with a certain counterparty. Collateral pledged to the Fund is held in a segregated account by a third-party agent and can be in the form of cash or debt securities issued by the U.S. government or related agencies.

The Fund's maximum risk of loss from counterparty credit risk on OTC derivatives is generally the aggregate unrealized gain in excess of any collateral pledged by the counterparty to the Fund. For purchased OTC options, the Fund bears the risk of loss in the amount of the premiums paid and the change in market value of the options should the counterparty not perform under the contracts. The Fund did not enter into any purchased OTC options during the period ended August 31, 2013.

The Fund's contracts with derivative counterparties have credit related contingent features that if triggered would allow its derivatives counterparties to close out and demand payment or additional collateral to cover their exposure from the Fund. Credit related contingent features are established between the Fund and its derivatives counterparties to reduce the risk that the Fund will not fulfill its payment obligations to its counterparties. These triggering features include, but are not limited to, a percentage decrease in the Fund's net assets and or a percentage decrease in the Fund's NAV, which could cause the Fund to accelerate payment of any net liability owed to the counterparty. The contingent features are established within the Fund's Master Agreements.

Written options by the Fund do not give rise to counterparty credit risk, as written options obligate the Fund to perform and not the counterparty. As of August 31, 2013, the total value of written OTC call options subject to Master Agreements in a liability position was \$624,435. If a contingent feature had been triggered, the Fund could have been required to pay this amount in cash to its counterparties. The Fund did not hold or post collateral for its open written OTC call options at period end. There were no credit events for period ended August 31, 2013 that triggered any credit related contingent features.

**H. Forward Foreign Currency Contracts.** The Fund may enter into forward foreign currency contracts primarily to hedge against foreign currency exchange rate risks on its non-U.S. dollar denominated investment securities. When entering into a currency forward contract, the Fund agrees to receive or deliver a fixed quantity of foreign currency for an agreed-upon price on an agreed future date. These contracts are valued daily and the Fund's net equity therein, representing unrealized gain or loss on the contracts as measured by the difference between the forward foreign exchange rates at the dates of entry into the contracts and the forward rates at the reporting date, is included in the statement of assets and liabilities. Realized and unrealized gains and losses on forward foreign currency contracts are included on the Statement of Operations. These instruments involve market and/or credit risk in excess of the amount recognized in the statement of assets and liabilities. Risks arise from the possible inability of counterparties to meet the terms of their contracts and from movement in currency and securities values and interest rates. The Fund did not enter into any forward foreign currency contracts during the period ended August 31, 2013.

**I. Options Contracts.** The Fund may purchase put and call options and may write (sell) put options and covered call options. The premium received by the Fund upon the writing of a put or call option is included in the Statement of Assets and Liabilities as a liability which is subsequently marked-to-market until it is exercised or closed, or it expires. The Fund will realize a gain or loss upon the expiration or closing of the option contract. When an option is exercised, the proceeds on sales of the underlying security for a written call option or purchased put option or the

NOTES TO FINANCIAL STATEMENTS AS OF AUGUST 31, 2013 (UNAUDITED) (CONTINUED)

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

purchase cost of the security for a written put option or a purchased call option is adjusted by the amount of premium received or paid. The risk in writing a call option is that the Fund gives up the opportunity for profit if the market price of the security increases and the option is exercised. The risk in buying an option is that the Fund pays a premium whether or not the option is exercised. Risks may also arise from an illiquid secondary market or from the inability of counterparties to meet the terms of the contract.

The Fund generates premiums and seeks gains by writing options on ETFs or indexes on a portion of the value of the equity portfolio. Please refer to Note 7 for the volume of written call option activity during the period ended August 31, 2013.

*J. Indemnifications.* In the normal course of business, the Fund may enter into contracts that provide certain indemnifications. The Fund's maximum exposure under these arrangements is dependent on future claims that may be made against the Fund and, therefore, cannot be estimated; however, based on experience, management considers risk of loss from such claims remote.

**NOTE 3 INVESTMENT MANAGEMENT AND ADMINISTRATIVE FEES**

ING Investments, LLC (ING Investments or the Investment Adviser), an Arizona limited liability company, is the Investment Adviser of the Fund. The Fund pays the Investment Adviser for its services under the investment management agreement (Management Agreement), a fee, payable monthly, based on an annual rate of 1.00% of the Fund's average daily managed assets. For the purposes of the Management Agreement, managed assets are defined as the Fund's average daily gross asset value, minus the sum of the Fund'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 Fund and the liquidation preference of any outstanding preferred shares). As of August 31, 2013, there were no preferred shares outstanding.

The Investment Adviser entered into a sub-advisory agreement (a Sub-Advisory Agreement) with ING Investment Management Co. LLC (ING IM), a Delaware limited liability company. Subject to policies as the Board or the Investment Adviser might determine, ING IM manages the Fund's assets in accordance with the Fund's investment objectives, policies and limitations.

ING Funds Services, LLC (the Administrator), a Delaware limited liability company, serves as Administrator to the Fund. The Fund pays the Administrator for its services a fee based on an annual rate of 0.10% of the Fund's average daily managed assets.

**NOTE 4 OTHER TRANSACTIONS WITH AFFILIATES AND RELATED PARTIES**

The Fund 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 5 PURCHASES AND SALES OF INVESTMENT SECURITIES**

The cost of purchases and the proceeds from sales of investments for the period ended August 31, 2013, excluding short-term securities, were \$67,326,555 and \$89,060,053, respectively.

**NOTE 6 EXPENSE LIMITATION**

The Investment Adviser has entered into a written expense limitation agreement (Expense Limitation Agreement) with the Fund under which it will limit the expenses of the Fund, excluding interest, taxes, leverage expenses, and extraordinary expenses to 1.25% of average daily managed assets. The Investment Adviser may at a later date recoup from the Fund fees waived and other expenses assumed by the Investment Adviser during the previous 36 months, but only if, after such reimbursement, the Fund's expense ratio does not exceed the percentage described above. The Expense Limitation Agreement is contractual through March 1, 2014 and shall renew automatically for one-year terms unless; (i) ING Investments provides 90 days written notice of its termination; and (ii) such termination is approved by the Board; or (iii) the Investment Management Agreement has been terminated. As of August 31, 2013, the Fund did not have any amounts waived or reimbursed that are subject to recoupment by the Investment Adviser.





## NOTES TO FINANCIAL STATEMENTS AS OF AUGUST 31, 2013 (UNAUDITED) (CONTINUED)

**NOTE 7 TRANSACTIONS IN WRITTEN OPTIONS**

Transactions in written OTC call options on custom baskets on equity securities were as follows:

	Number of Contracts	Premiums Received
Balance at 02/28/13	1,152,978	\$ 1,893,639
Options Written	52,058,120	12,852,984
Options Expired	(2,295,504)	(4,417,684)
Options Exercised		
Options Terminated in Closing Purchase Transactions	(49,799,014)	(8,167,520)
Balance at 08/31/13	1,116,580	\$ 2,161,419

**NOTE 8 CONCENTRATION OF RISKS**

All mutual funds involve risk some more than others and there is always the chance that you could lose money or not earn as much as you hope. The Fund's risk profile is largely a factor of the principal securities in which it invests and investment techniques that it uses. For more information regarding the types of securities and investment techniques that may be used by the Fund and its corresponding risks, see the Fund's Prospectus and/or the Statement of Additional Information.

**Foreign Securities and Emerging Markets.** The Fund makes significant investments in foreign securities and securities issued by companies located in countries with emerging markets. Investments in foreign securities may entail risks not present in domestic investments. Since investments in securities are denominated in foreign currencies, changes in the relationship of these foreign currencies to the U.S. dollar can significantly affect the value of the investments and earnings of the Fund. Foreign investments may also subject the Fund to foreign government exchange restrictions, expropriation, taxation or other political, social or economic developments, as well as from movements in currency, security value and interest rate, all of which could affect the market and/or credit risk of the investments. The risks of investing in foreign securities can be intensified in the case of investments in issuers located in countries with emerging markets.

**Leverage.** Although the Fund has no current intention to do so, the Fund is authorized to utilize leverage through the issuance of preferred shares and/or borrowings, including the issuance of debt securities. In the event that the Fund determines in the future to utilize investment leverage, there can be no assurance that such a leveraging strategy will be successful during any period in which it is employed.

**Infrastructure-Related Investment.** Because the Fund invests in infrastructure companies, it has greater exposure to potentially adverse economic, regulatory, political and other changes affecting such companies. Infrastructure companies are subject to a variety of factors that may adversely affect their business or operations including interest rates and costs in connection with capital construction projects, costs associated with environmental and other regulations, the effects of economic slowdowns, surplus capacity, increased competition from other suppliers of services, uncertainties concerning the availability of necessary fuels, energy costs, the effects of energy conservation policies and other factors.

**Industrials Sector.** The industrials sector can be significantly affected by general economic trends, including employment, economic growth, and interest rates, changes in consumer sentiment and spending, the supply of and demand for specific industrial and energy products or services, commodity prices, legislation, government regulation and spending, import controls, and worldwide competition. Furthermore, a company in the industrials sector can be subject to liability for environmental damage, depletion of resources, and mandated expenditures for safety and pollution control.

**Materials Sector.** The materials sector can be significantly affected by the level and volatility of commodity prices, the exchange value of the dollar, import controls, and worldwide competition. At times, worldwide production of materials has exceeded demand as a result of over-building or economic downturns, which has led to commodity price declines and unit price reductions. Companies in the materials industries can also be adversely affected by liability for environmental damage, depletion of resources, mandated expenditures for safety and pollution control, labor relations, and government regulations.

**NOTE 9 CAPITAL SHARES**

There was no capital share activity during the six months ended August 31, 2013, and during the year ended February 28, 2013.

**NOTE 10 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. generally accepted accounting principles 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

NOTES TO FINANCIAL STATEMENTS AS OF AUGUST 31, 2013 (UNAUDITED) (CONTINUED)

**NOTE 10 FEDERAL INCOME TAXES (continued)**

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.

Dividends paid by the Fund 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.

The tax composition of dividends and distributions in the current period will not be determined until after the Fund's tax year-end of December 31, 2013. The tax composition of dividends and distributions as of the Fund's most recent tax year-end was as follows:

<b>Tax Year Ended December 31, 2012</b>		
<b>Ordinary Income</b>	<b>Long-term Capital Gain</b>	<b>Return of Capital</b>
\$5,871,930	\$3,903,387	\$24,091,234

The tax-basis components of distributable earnings as of the tax year ended December 31, 2012 were:

<b>Unrealized Appreciation/ (Depreciation)</b>
\$38,063,058

The Fund's major tax jurisdictions are U.S. federal and Arizona. The earliest tax year that remains subject to examination by these jurisdictions is the Fund's initial tax year of 2010.

As of August 31, 2013, no provision for income tax is required in the Fund's financial statements as a result of tax positions taken on federal and state income tax returns for open tax years. The Fund'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 11 RESTRUCTURING PLAN**

The Investment Adviser, ING IM, and the Administrator, are indirect, wholly-owned subsidiaries of ING U.S., Inc. (ING U.S.). ING U.S. is a U.S.-based financial institution whose subsidiaries operate in the retirement, investment, and insurance industries. ING U.S. is a majority-owned subsidiary of ING Groep N.V. (ING Groep), which is a global financial institution of Dutch origin, with operations in more than 40 countries.

In October 2009, 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).

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On September 13, 2013, ING U.S. filed a new Registration Statement on Form S-1 with the U.S. Securities and Exchange Commission (the SEC) in connection with another potential public offering of ING U.S. common stock held by ING Groep. ING U.S. will not issue or sell common stock in the offering. On October 23, 2013, ING U.S. announced the pricing of 33 million shares of its common stock being offered by ING Groep in this offering. Closing of the offering is expected to occur on October 29, 2013. ING Groep also granted the underwriters in the offering an option exercisable within 30 days, to acquire up to approximately an additional 5 million shares from ING Groep. This option was exercised in full. ING U.S. will not receive any proceeds from the offering.

ING Groep continues to own a majority of the common stock of ING U.S. ING Groep has stated that it intends to sell its remaining controlling ownership 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 advisory and sub-advisory agreements under which the Adviser and sub-adviser provide services to the Fund. 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 Fund in connection with the IPO. In addition, shareholders of the Fund were asked to

## NOTES TO FINANCIAL STATEMENTS AS OF AUGUST 31, 2013 (UNAUDITED) (CONTINUED)

**NOTE 11 RESTRUCTURING PLAN (continued)**

approve 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 be materially different from the current agreements. Shareholders of the Fund approved a new advisory and sub-advisory agreement on May 6, 2013. This means that shareholders may not have another opportunity to vote on a new agreement with the 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 Adviser and affiliated entities that provide services to the Fund, 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 Adviser's and affiliated entities' loss of access to the resources of ING Groep, which could adversely affect its business. It is anticipated that ING U.S., as a stand-alone entity, may be a publicly held U.S. company 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 majority 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 Adviser and its affiliates. Currently, the Adviser and its affiliates do not anticipate that the Separation Plan will have a material adverse impact on their operations or the Fund and its operation.

**Shareholder Proxy Proposals**

At a meeting of the Board on January 10, 2013, the Board nominated to Class I of the Board five individuals (collectively, the Nominees) for election as Trustees of the Trust. The Nominees include John V. Boyer, Patricia W. Chadwick, and Sheryl K. Pressler, each of whom was a current member of the Board. In addition, the Board nominated to Class I of the Board Albert E. DePrince Jr. and Martin J. Gavin and appointed to Class III of the Board Joseph E. Obermeyer and Russell H. Jones, each of whom was not a member of the Board at the time, but who served as a director or trustee to other investment companies in the ING Funds complex. The Nominees were approved by shareholders on May 6, 2013. The election of the Nominees was effective on May 21, 2013. The appointment of Messrs. Obermeyer and Jones was effective May 21, 2013. These nominations and appointments were, in part, the result of an effort on the part of the Board, another board in the ING Funds complex, and the Investment Adviser to the Fund to consolidate the membership of the boards so that the same members serve on each board in the ING Funds complex. The result is that all ING Funds are now governed by Boards that are comprised of the same individuals.

**NOTE 12 SUBSEQUENT EVENTS**

*Dividends:* Subsequent to August 31, 2013, the Fund made a distribution of:

Per Share Amount	Declaration Date	Payable Date	Record Date
\$0.405	9/16/2013	10/15/2013	10/3/2013

Each quarter, the Fund will provide disclosures with distribution payments made that estimate the percentages of that distribution that represent net investment income, capital gains, and return of capital, if any. A significant portion of the monthly distribution payments made by the Fund may constitute a return of capital.

The Fund was granted exemptive relief by the SEC (the Order), which under the 1940 Act, would permit the Fund, subject to Board approval, to include realized long-term capital gains as a part of its regular distributions to Common Shareholders more frequently than would otherwise be permitted by the 1940 Act (generally once per taxable year) (Managed Distribution Policy). The Fund may in the future adopt a Managed Distribution Policy.

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Effective close of business September 12, 2013, Mr. Gavin resigned as Trustee.

The Fund 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.

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Shares		Value	Percentage of Net Assets
<b>COMMON STOCK: 98.8%</b>			
282,500	Weg S.A.	\$ 3,291,561	1.0
136,300	Other Securities	2,225,779	0.6
		<b>5,517,340</b>	<b>1.6</b>
531,600	Other Securities	<b>2,417,511</b>	<b>0.7</b>
129,800	Other Securities	<b>2,050,840</b>	<b>0.6</b>
80,000	China Mobile Ltd. ADR	4,317,600	1.3
310,000	China Unicom Hong Kong Ltd. ADR	4,665,500	1.3
1,718,639	Other Securities	2,393,099	0.7
		<b>11,376,199</b>	<b>3.3</b>
185,231	Other Securities	<b>2,398,880</b>	<b>0.7</b>
36,568	Air Liquide	4,807,950	1.4
158,628	@ CGG	3,762,922	1.1
79,298	Schneider Electric S.A.	6,064,822	1.7
391,989	Suez Environnement S.A.	5,841,770	1.7
47,023	Technip S.A.	5,466,811	1.5
93,276	Vinci S.A.	4,812,755	1.4
		<b>30,757,030</b>	<b>8.8</b>
78,865	BASF AG	6,898,113	2.0
224,486	Deutsche Post AG	6,488,914	1.8
406,989	Deutsche Telekom AG	5,210,449	1.5
98,840	GEA Group AG	3,997,292	1.1
69,434	Siemens AG	7,354,174	2.1
42,136	Other Securities	1,686,821	0.5
		<b>31,635,763</b>	<b>9.0</b>
139,123	Other Securities	<b>1,522,549</b>	<b>0.4</b>

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Shares		Value	Percentage of Net Assets
233,167	CRH PLC	4,928,914	1.4
1,384,960	Enel S.p.A.	4,566,524	1.3
388,232	@ Fiat Industrial SpA	4,651,313	1.3
		<b>9,217,837</b>	<b>2.6</b>
828,000	Hitachi Ltd.	4,953,166	1.4
163,300	Komatsu Ltd.	3,546,699	1.0
419,000	Mitsubishi Electric Corp.	4,142,345	1.2
140,400	Other Securities	4,557,287	1.3
		<b>17,199,497</b>	<b>4.9</b>
<b>COMMON STOCK: (continued)</b>			
344,300	ArcelorMittal	\$ 4,393,268	1.3
49,400	@ Millicom International Cellular SA	3,987,568	1.1
		<b>8,380,836</b>	<b>2.4</b>
89,736	European Aeronautic Defence and Space Co. NV	5,167,191	1.5
53,000	Koninklijke DSM NV	3,910,728	1.1
		<b>9,077,919</b>	<b>2.6</b>
223,700	Mobile Telesystems OJSC ADR	4,733,492	1.4
60,273	POSCO ADR	4,340,861	1.2
323,157	Volvo AB B Shares	4,651,927	1.3
227,500	@ ABB Ltd. ADR	4,870,775	1.4
1,021,513	Glencore Xstrata PLC	4,834,476	1.4
60,768	Other Securities	3,072,961	0.9
		<b>12,778,212</b>	<b>3.7</b>
235,666	BHP Billiton PLC	6,854,400	2.0
108,888	Rio Tinto PLC	4,916,240	1.4
2,658,085	Vodafone Group PLC	8,563,014	2.4
102,301	Weir Group PLC	3,452,313	1.0
293,050	Other Securities	2,097,492	0.6
		<b>25,883,459</b>	<b>7.4</b>
51,900	Acuity Brands, Inc.	4,437,450	1.3



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Shares		Value	Percentage of Net Assets
218,500	CenterPoint Energy, Inc.	5,010,205	1.4
255,600	CSX Corp.	6,290,316	1.8
57,600	Cummins, Inc.	7,096,320	2.0
70,900	DTE Energy Co.	4,741,083	1.4
102,000	@ Eaton Corp. PLC	6,458,640	1.9
85,500	EI Du Pont de Nemours & Co.	4,841,010	1.4
99,000	Fluor Corp.	6,279,570	1.8
161,100	Freeport-McMoRan Copper & Gold, Inc.	4,868,442	1.4
88,100	General Dynamics Corp.	7,334,325	2.1
187,600	General Electric Co.	4,341,064	1.2
112,300	Honeywell International, Inc.	8,935,711	2.6
117,700	KBR, Inc.	3,514,522	1.0
53,800	Lincoln Electric Holdings, Inc.	3,364,114	1.0
61,200	Lockheed Martin Corp.	7,492,104	2.1

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Shares		Value	Percentage of Net Assets
<b>COMMON STOCK: (continued)</b>			
47,900	Monsanto Co.	\$ 4,688,931	1.3
79,700	National Oilwell Varco, Inc.	5,921,710	1.7
48,900	Pall Corp.	3,380,946	1.0
120,800	Republic Services, Inc.	3,927,208	1.1
45,200	Roper Industries, Inc.	5,591,240	1.6
84,300	Schlumberger Ltd.	6,823,242	2.0
91,400	UGI Corp.	3,582,880	1.0
58,000	Union Pacific Corp.	8,905,320	2.5
50,500	@ WABCO Holdings, Inc.	3,938,495	1.1
854,100	Other Securities	25,161,248	7.1
		<b>156,926,096</b>	<b>44.8</b>
	Total Common Stock (Cost \$301,271,302)	<b>345,795,162</b>	<b>98.8</b>
<b>RIGHTS: 0.0%</b>			
388,232	@ Fiat Industrial SpA	<b>308</b>	<b>0.0</b>
	Total Rights (Cost \$ )	<b>308</b>	<b>0.0</b>
	Total Long-Term Investments (Cost \$301,271,302)	<b>345,795,470</b>	<b>98.8</b>
<b>SHORT-TERM INVESTMENTS: 1.1%</b>			
	Mutual Funds: 1.1%		
4,028,000	BlackRock Liquidity Funds, TempFund, Institutional Class, 0.040% (Cost \$4,028,000)	<b>4,028,000</b>	<b>1.1</b>
	Total Short-Term Investments (Cost \$4,028,000)	<b>4,028,000</b>	<b>1.1</b>
	<b>Total Investments in Securities</b> (Cost \$305,299,302)	<b>\$ 349,823,470</b>	<b>99.9</b>
	<b>Assets in Excess of Other Liabilities</b>	<b>500,385</b>	<b>0.1</b>
	<b>Net Assets</b>	<b>\$ 350,323,855</b>	<b>100.0</b>

Other Securities represents issues not identified as the top 50 holdings in terms of market value and issues or issuers not exceeding 1% of net assets individually or in aggregate respectively as of August 31, 2013.

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The following footnotes apply to either the individual securities noted or one or more of the securities aggregated and listed as a single line item.

Rate shown is the 7-day yield as of August 31, 2013.

@ Non-income producing security

ADR American Depositary Receipt

Cost for federal income tax purposes is \$305,753,005.

Net unrealized appreciation consists of:

Gross Unrealized Appreciation	\$ 64,290,893
Gross Unrealized Depreciation	(20,220,428)
Net Unrealized Appreciation	\$ 44,070,465

Industry Diversification	Percentage of Net Assets
Industrials	49.6%
Materials	14.0
Utilities	8.9
Telecommunications	5.5
Oil & Gas Equipment & Services	5.2
Telecommunication Services	3.5
Information Technology	2.1
Energy	1.6
Building Materials	1.4
Diversified Metals & Mining	1.4
Mining	1.4
Health Care	1.0
Distribution/Wholesale	0.9
Oil & Gas	0.8
Miscellaneous Manufacturing	0.6
Electrical Components & Equipment	0.5
Chemicals	0.4
Short-Term Investments	1.1
Assets in Excess of Other Liabilities	0.1
<b>Net Assets</b>	<b>100.0%</b>

### Fair Value Measurements<sup>^</sup>

The following is a summary of the fair valuations according to the inputs used as of August 31, 2013 in valuing the assets and liabilities:

Quoted Prices in Active Markets for Identical Investments (Level 1)	Significant Other Observable Inputs# (Level 2)	Significant Unobservable Inputs (Level 3)	Fair Value at August 31, 2013
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**Asset Table**

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	Quoted Prices in Active Markets for Identical Investments (Level 1)	Significant Other Observable Inputs# (Level 2)	Significant Unobservable Inputs (Level 3)	Fair Value at August 31, 2013
<b>Investments, at fair value</b>				
<b>Common Stock</b>				
Brazil	\$5,517,340	\$	\$	\$ 5,517,340
Canada	2,417,511			2,417,511
Chile	2,050,840			2,050,840
China	8,983,100	2,393,099		11,376,199
Finland		2,398,880		2,398,880
France		30,757,030		30,757,030

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	Quoted Prices in Active Markets for Identical Investments (Level 1)	Significant Other Observable Inputs# (Level 2)	Significant Unobservable Inputs (Level 3)	Fair Value at August 31, 2013
Germany	\$ 1,686,821	\$ 29,948,942	\$	\$ 31,635,763
India		1,522,549		1,522,549
Ireland		4,928,914		4,928,914
Italy		9,217,837		9,217,837
Japan		17,199,497		17,199,497
Luxembourg	8,380,836			8,380,836
Netherlands		9,077,919		9,077,919
Russia	4,733,492			4,733,492
South Korea	4,340,861			4,340,861
Sweden		4,651,927		4,651,927
Switzerland	4,870,775	7,907,437		12,778,212
United Kingdom		25,883,459		25,883,459
United States	156,926,096			156,926,096
Total Common Stock	199,907,672	145,887,490		345,795,162
Rights		308		308
Short-Term Investments				4,028,000
Total Investments, at fair value	\$ 199,907,672	\$ 145,887,798	\$	\$ 349,823,470
<b>Liabilities Table</b>				
<b>Other Financial Instruments*</b>				
Written Options	\$	\$ (624,435)	\$	\$ (624,435)
Total Liabilities	\$	\$ (624,435)	\$	\$ (624,435)

^ See Note 2, "Significant Accounting Policies" in the Notes to Financial Statements for additional information.

+ Other Financial Instruments are derivatives not reflected in the Portfolio of Investments and may include open forward foreign currency contracts, equity forwards, futures, swaps, and written options. Forward foreign currency contracts, equity forwards and futures are valued at the unrealized gain (loss) on the instrument. Swaps and written options are valued at the fair value of the instrument.

# The earlier close of the foreign markets gives rise to the possibility that significant events, including broad market moves, may have occurred in the interim and may materially affect the value of those securities. To account for this, the Fund may frequently value many of its foreign equity securities using fair value prices based on third party vendor modeling tools to the extent available. Accordingly, a portion of the Fund's investments are categorized as Level 2 investments.

**ING Infrastructure, Industrials and Materials Fund Written OTC Options on August 31, 2013:**

Number of Contracts	Counterparty	Description	Exercise Price	Expiration Date	Premiums Received	Fair Value
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<u>Number of Contracts</u>	<u>Counterparty</u>	<u>Description</u>	<u>Exercise Price</u>	<u>Expiration Date</u>	<u>Premiums Received</u>	<u>Fair Value</u>
<b>Options on Securities</b>						
290,328	UBS Warburg LLC	Call on Custom Basket of Equity Securities	100.000 EUR	09/20/13	\$ 723,952	\$(176,891)
82,432	Credit Suisse Group AG	Call on Custom Basket of Equity Securities	100.000 GBP	09/20/13	322,060	(213,703)
355,740	Credit Suisse Group AG	Call on Custom Basket of Equity Securities	100.000 USD	09/18/13	537,168	(120,133)
388,080	Goldman Sachs & Co.	Call on Custom Basket of Equity Securities	100.000 USD	09/18/13	578,239	(113,708)
Total Written OTC Options					\$2,161,419	\$(624,435)

A summary of derivative instruments by primary risk exposure is outlined in the following tables.

The fair value of derivative instruments as of August 31, 2013 was as follows:

<u>Derivatives not accounted for as hedging instruments</u>	<u>Location on Statement of Assets and Liabilities</u>	<u>Fair Value</u>
<b>Liability Derivatives</b>		
Equity contracts	Written options, at fair value	\$ 624,435
<b>Total Liability Derivatives</b>		<b>\$ 624,435</b>

See Accompanying Notes to Financial Statements

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The effect of derivative instruments on the Fund's Statement of Operations for the period ended August 31, 2013 was as follows:

	<b>Amount of Realized Gain or (Loss) on Derivatives Recognized in Income Written options</b>	
<b>Derivatives not accounted for as hedging instruments</b>		
Equity contracts	\$	(10,126,314)
<b>Total</b>	\$	(10,126,314)

	<b>Change in Unrealized Appreciation or Depreciation on Derivatives Recognized in Income Written options</b>	
<b>Derivatives not accounted for as hedging instruments</b>		
Equity contracts	\$	1,387,566
<b>Total</b>	\$	1,387,566

**Supplemental Option Information**

Supplemental Call Option Statistics as of August 31, 2013:

% of Total Net Assets against which calls written	34.96%
Average Days to Expiration at time written	35 days
Average Call Moneyness* at time written	ATM
Premiums received for calls	\$2,161,419
Value of calls	\$ (624,435)

\* Moneyness is the term used to describe the relationship between the price of the underlying asset and the option's exercise or strike price. For example, a call (buy) option is considered in-the-money when the value of the underlying asset exceeds the strike price. Conversely, a put (sell) option is considered in-the-money when its strike price exceeds the value of the underlying asset. Options are characterized for the purpose of Moneyness as, in-the-money (ITM), out-of-the-money (OTM) or at-the-money (ATM), where the underlying asset value is equal to the strike price.

The following is a summary by counterparty of the fair value of OTC derivative instruments subject to Master Netting Agreements and collateral pledged (received), if any, at August 31, 2013:

	<b>Credit Suisse Group AG</b>	<b>Goldman Sachs &amp; Co.</b>	<b>UBS Warburg LLC</b>	<b>Totals</b>
<b>Liabilities:</b>				
Written options	\$ 333,836	\$ 113,708	\$ 176,891	\$ 624,435

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	<u>Credit Suisse Group AG</u>	<u>Goldman Sachs &amp; Co.</u>	<u>UBS Warburg LLC</u>	<u>Totals</u>
<b>Total Liabilities</b>	\$ 333,836	\$ 113,708	\$ 176,891	\$ 624,435
<b>Net OTC derivative instruments by counterparty, at fair value</b>	\$(333,836)	\$(113,708)	\$(176,891)	\$(624,435)
<b>Total collateral pledged by Fund/(Received from counterparty)</b>	\$	\$	\$	\$
<b>Net Exposure<sup>(1)</sup></b>	\$(333,836)	\$(113,708)	\$(176,891)	\$(624,435)

<sup>(1)</sup> Positive net exposure represents amounts due from each respective counterparty. Negative exposure represents amounts due from the Fund. Please refer to Note 2 for additional details regarding counterparty credit risk and credit related contingent features.

See Accompanying Notes to Financial Statements



SHAREHOLDER MEETING INFORMATION (UNAUDITED)

An annual shareholder meeting of the ING Infrastructure, Industrials and Materials Fund Registrant was held May 6, 2013, at the offices of ING Funds, 7337 East Doubletree Ranch Road, Suite 100, Scottsdale, AZ 85258.

**Proposals:**

- 1 To approve a new investment advisory agreement for the Funds with ING Investments prompted by the IPO, and to approve, under certain circumstances, any future advisory agreements prompted by Change of Control Events that occur as part of the Separation Plan.
- 2 To approve a new investment sub-advisory agreement between ING Investments and ING IM with respect to certain Funds prompted by the IPO, and to approve, under certain circumstances, any future sub-advisory agreements prompted by Change of Control Events that occur as part of the Separation Plan.
- 5 To elect five nominees to the Boards of Trustees of certain Funds.

	Proposal	Shares voted for	Shares voted against or withheld	Shares abstained	Broker non-vote	Total S Vot
ING Infrastructure, Industrials and Materials Fund	1*	9,020,474.157	295,367.870	290,564.866	3,283,755.888	12,890,
	2*	9,002,879.283	310,696.482	292,831.128	3,283,755.888	12,890,
	<b>Proposal</b>			<b>For All</b>		