September 2012
for the period ended 8 /31/12

ING Global Perspectives

Markets. Insights. Opportunities.

INVESTMENT MANAGEMENT

***ING Global Perspectives* delivers timely, consolidated, actionable insights on markets to drive investment decisions.**

- **Markets** — Market and macroeconomic trends and data, all in one place.
- **Insights** — Expert analysis that makes sense of complex markets.
- **Opportunities** — Transforming the quantitative and the qualitative into practical investment ideas.

To access the wealth of tools and resources designed to help you build your business, visit *ING Global Perspectives* on the web. There you can find the very latest data, commentary and investment ideas in a variety of formats. **www.ingglobalperspectives.com/book**

Follow us @ ING_GP

View the latest video on the ING Global Perspectives Channel

Take a picture of this QR code with your phone's QR code reader.

Table of Contents

All data are the most recently available as of 8/31/12 unless indicated otherwise. Please refer to the Index Definitions.

Strategic Overview

Fundamentals	Slide	Comment
Global Perspectives Model Allocation	5	Returns for a globally diversified strategy over the last 10 years refute the notion of a “lost decade”.
Advancing Corporate Profits	14	Consistent earnings growth is the cornerstone of an improving investment climate.
Broadening Manufacturing	51-52	U.S. manufacturing has slipped into contraction territory based on economic uncertainties in the euro zone plus fears about the impact of the U.S. “fiscal cliff”.
Consumer Strength	48	Personal consumption and income are at all-time highs; retail sales have retreated.
Developing Economies	43	World GDP growth through the great recession was supported by emerging markets, which now out-produce the largest developed economies — by far.
Global Risks		
U.S. Debt and Deficit	61	Total federal debt exceeds 90% of GDP, and the deficit is about 9% (without Social Security or Medicare). Political posturing is likely as the “fiscal cliff “ approaches.
Euro zone Debt	45	The alarming debt levels of PIIGS countries may be containable by the “firewalls” being put in place, but obstacles and pitfalls remain.
China Hard Landing	47	China’s soaring state investments, property bubble and declining exports raise questions about the possibility of a hard landing.
Commodities Bubble	64	Gold prices exemplify the risk of a potential collapse in commodities prices.

August News Headlines

August 1: Electronic-trading glitch at broker Knight Capital roils stock market

August 1: July manufacturing activity contracts for second consecutive month

August 2: ECB monthly meeting ends without additional action

August 3: Nonfarm payrolls rise more than expected for July, though unemployment rate ticks up to 8.3%

August 7: Home prices post largest percentage gain in seven years during second quarter

August 7: S&P 500 tops 1400 for the first time since May

August 9: U.S. trade deficit narrows in June as imports fall and exports grow

August 12: Presumptive Republican presidential nominee Romney picks Ryan as running mate

August 14: Euro zone reports a second quarter GDP contraction of 0.7% annualized

August 14: Retail sales rise 0.8% in July

August 16: Consumer sentiment hits its highest level since May

August 20: Apple becomes largest U.S. company in history based on market cap

August 22: Fed minutes suggest the central bank is moving closer to action

August 23: Cyclist Armstrong stripped of Tour de France titles amid doping allegations

August 28: Second quarter GDP restated higher, at 1.7%

August 31: Equity markets finish August higher, the third consecutive positive month

Global Perspectives Model Allocation

Returns for a globally diversified strategy over the last 10 years refute the notion of a “lost decade”.

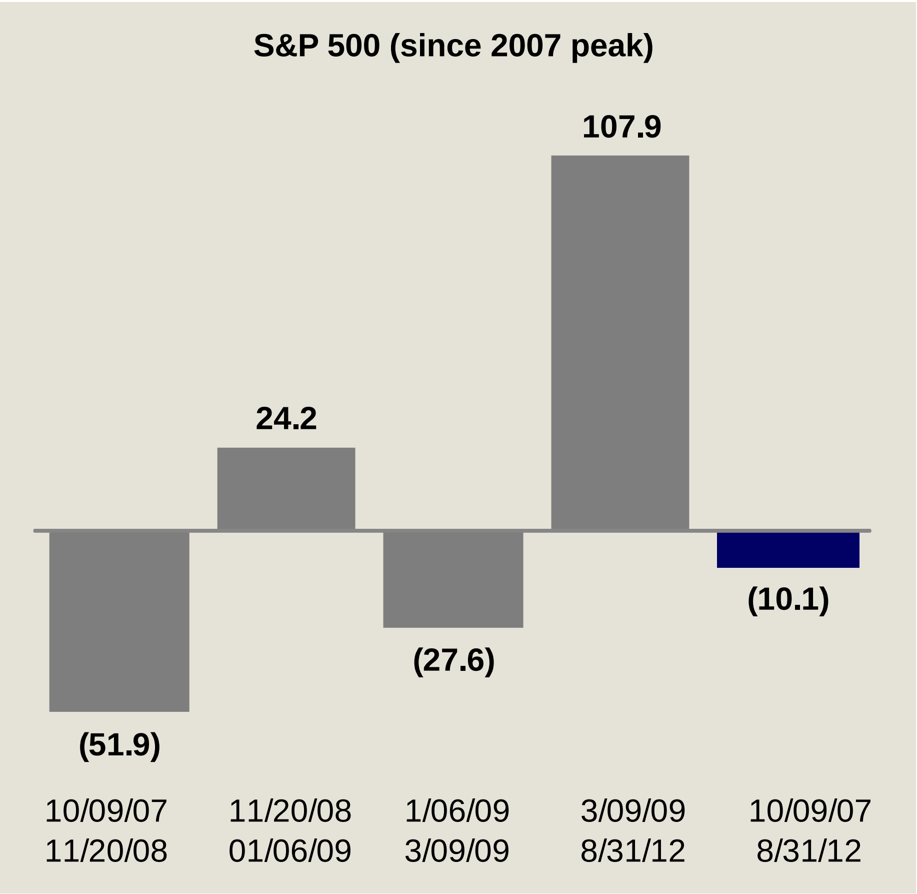
Index	Wgt	Aug-12	YTD	2011	2010	2009	2008	2007	1 year	3 years	5 years	10 years
Equity												
S&P 500	10%	2.3	13.5	2.1	15.1	26.5	(37.0)	5.5	18.0	13.6	1.3	6.5
S&P Midcap	10%	3.5	11.6	(1.7)	26.6	37.4	(36.2)	8.0	12.7	15.7	4.0	9.6
S&P Smallcap	10%	3.8	11.2	1.0	26.3	25.6	(31.1)	(0.3)	16.9	16.2	3.1	9.8
Global REITs	10%	0.3	19.5	(8.1)	20.0	41.3	(48.9)	(4.7)	11.0	13.1	(1.7)	8.0
EAFE	10%	2.7	7.4	(11.7)	8.2	32.5	(43.1)	11.6	0.5	2.9	(4.3)	7.1
Emerging Mkts	10%	(0.9)	1.1	(22.7)	9.8	93.5	(59.3)	59.1	(11.9)	1.6	(2.9)	18.6
Average		1.9	10.7	(6.9)	17.7	42.8	(42.6)	13.2	7.9	10.5	(0.1)	9.9
Fixed Income												
Corporate	10%	0.2	7.9	8.1	9.0	18.7	(4.9)	4.6	10.3	9.5	8.1	6.7
U.S. Treasury 20+	10%	(1.3)	6.8	33.8	9.4	(21.4)	33.7	10.2	22.2	14.0	11.9	8.6
Global Aggregate	10%	0.9	3.6	5.6	5.5	6.9	4.8	9.5	1.4	5.4	6.4	6.4
High Yield	10%	1.2	10.6	5.0	15.1	58.2	(26.2)	1.9	13.9	14.5	9.6	10.7
Average		0.2	7.2	13.2	9.8	15.6	1.9	6.5	11.9	10.8	9.0	8.1
60/40 Portfolio		**1.3**	**9.3**	**1.1**	**14.5**	**31.9**	**(24.8)**	**10.5**	**9.5**	**10.6**	**3.5**	**9.2**

No Lost Decade

The Global Perspectives Model includes 10 asset classes, equally weighted: S&P500, S&P400 Midcap, S&P600 Smallcap, MSCI U.S. REIT Index, FTSE NA REIT Index, MSCI EAFE Index, MSCI BRIC Index, Barclays Capital (BC) U.S. Corporate Bonds, BC U.S. Treasury Bonds, BC Global Aggregate Bonds, BC U.S. High Yield Bonds. Returns are annualized for periods longer than 1 year. Source: FactSet, FTSE NAREIT, ING U.S. Investment Management.

S&P 500

After two bull and two bear market cycles, the S&P 500 is about 10% below its 2007 peak.



Source: Standard & Poor's, FactSet

Index Total Returns

Fundamentals have prevailed over global risks as returns for equities are now strongly positive year-to-date.

Index	Aug-12	YTD	2011	2010	2009	2008	2007	2006	2005	1 year	3 years	5 years	10 years
Broad Market													
Dow Industrial	0.9	9.1	8.3	14.0	22.6	(31.8)	8.8	19.0	1.7	15.8	14.3	2.4	6.9
S&P 500	2.3	13.5	2.1	15.1	26.5	(37.0)	5.5	15.8	4.9	18.0	13.6	1.3	6.5
S&P 100 (OEX)	2.0	15.1	3.2	12.5	22.3	(35.3)	6.1	18.5	1.2	20.8	13.4	1.2	5.8
Nasdaq Composite	4.5	18.7	(0.8)	18.0	45.3	(40.0)	10.5	10.4	2.1	20.4	16.4	4.4	9.7
Large-Cap													
Russell 1000	2.4	13.4	1.5	16.1	28.4	(37.6)	5.8	15.5	6.3	17.3	13.8	1.5	6.9
Russell 1000 Value	2.2	12.2	0.4	15.5	19.7	(36.8)	(0.2)	22.2	7.1	17.3	12.1	(0.9)	6.6
Russell 1000 Growth	2.7	14.6	2.6	16.7	37.2	(38.4)	11.8	9.1	5.3	17.4	15.6	3.7	7.0
Mid-Cap													
Russell Mid-Cap	3.2	11.6	(1.5)	25.5	40.5	(41.5)	5.6	15.3	12.7	13.3	15.6	2.5	9.9
Russell Mid-Cap Value	2.9	11.5	(1.4)	24.8	34.2	(38.4)	(1.4)	20.2	12.6	14.8	15.1	1.8	9.5
Russell Mid-Cap Growtl	3.4	11.6	(1.7)	26.4	46.3	(44.3)	11.4	10.7	12.1	11.7	16.1	2.9	10.0
Small-Cap													
Russell 2000	3.3	10.6	(4.2)	26.9	27.2	(33.8)	(1.6)	18.4	4.6	13.4	13.9	1.9	9.0
Russell 2000 Value	3.1	10.4	(5.5)	24.5	20.6	(28.9)	(9.8)	23.5	4.7	14.1	12.2	0.7	8.5
Russell 2000 Growth	3.6	10.8	(2.9)	29.1	34.5	(38.5)	7.0	13.3	4.2	12.7	15.5	2.9	9.4

Note: All returns are total returns including dividends expressed as percentages. Returns for 3-, 5-, and 10-year periods are annualized.
Source: Dow Jones, Standard & Poor's, NASDAQ, Russell Investments, FactSet

Sector Total Returns

Wide variations in sector returns have characterized markets simultaneously buoyed by strong fundamentals and buffeted by global risks.

	Aug-12	YTD	2011	2010	2009	2008	2007	2006	2005	1 year	3 years	5 years	10 years
Consumer Discretionary	4.4	17.6	6.1	27.7	41.3	(33.5)	(13.2)	18.6	(6.4)	23.3	22.3	6.0	7.7
Consumer Staples	(0.5)	11.0	14.0	14.1	14.9	(15.4)	14.2	14.4	3.6	18.4	16.3	8.8	8.0
Energy	2.3	4.1	4.7	20.5	13.8	(34.9)	34.4	24.2	31.4	7.6	13.2	1.9	13.2
Financials	3.2	17.6	(17.1)	12.1	17.2	(55.3)	(18.6)	19.2	6.4	15.4	2.6	(12.9)	(2.0)
Health Care	1.0	13.3	12.7	2.9	19.7	(22.8)	7.1	7.5	6.5	19.1	13.2	4.6	5.5
Industrials	1.4	9.3	(0.6)	26.7	20.9	(39.9)	12.0	13.3	2.3	15.7	15.7	0.0	6.5
Materials	2.5	7.8	(9.8)	22.2	48.6	(45.7)	22.5	18.6	4.4	4.1	10.3	0.7	8.4
Information Technology	5.1	20.3	2.4	10.2	61.7	(43.1)	16.3	8.4	1.0	26.4	16.2	5.3	9.2
Telecommunication	(2.5)	21.0	6.3	19.0	8.9	(30.5)	11.9	36.8	(5.6)	29.1	19.2	2.8	9.8
Utilities	(4.1)	3.0	20.0	5.5	11.9	(29.0)	19.4	21.0	16.8	11.8	12.3	2.9	9.6
S&P 500	2.3	13.5	2.1	15.1	26.5	(37.0)	5.5	15.8	4.9	18.0	13.6	1.3	6.5

Note: All returns are total returns including dividends expressed as percentages. Returns for 3- and 5-year periods are annualized. All other returns are cumulative. Total returns are based on S&P GICS sectors.
Source: Standard & Poor's, FactSet

Style Total Returns

Small- and mid-cap styles have led the market every calendar year except 2007 and 2011-2012.

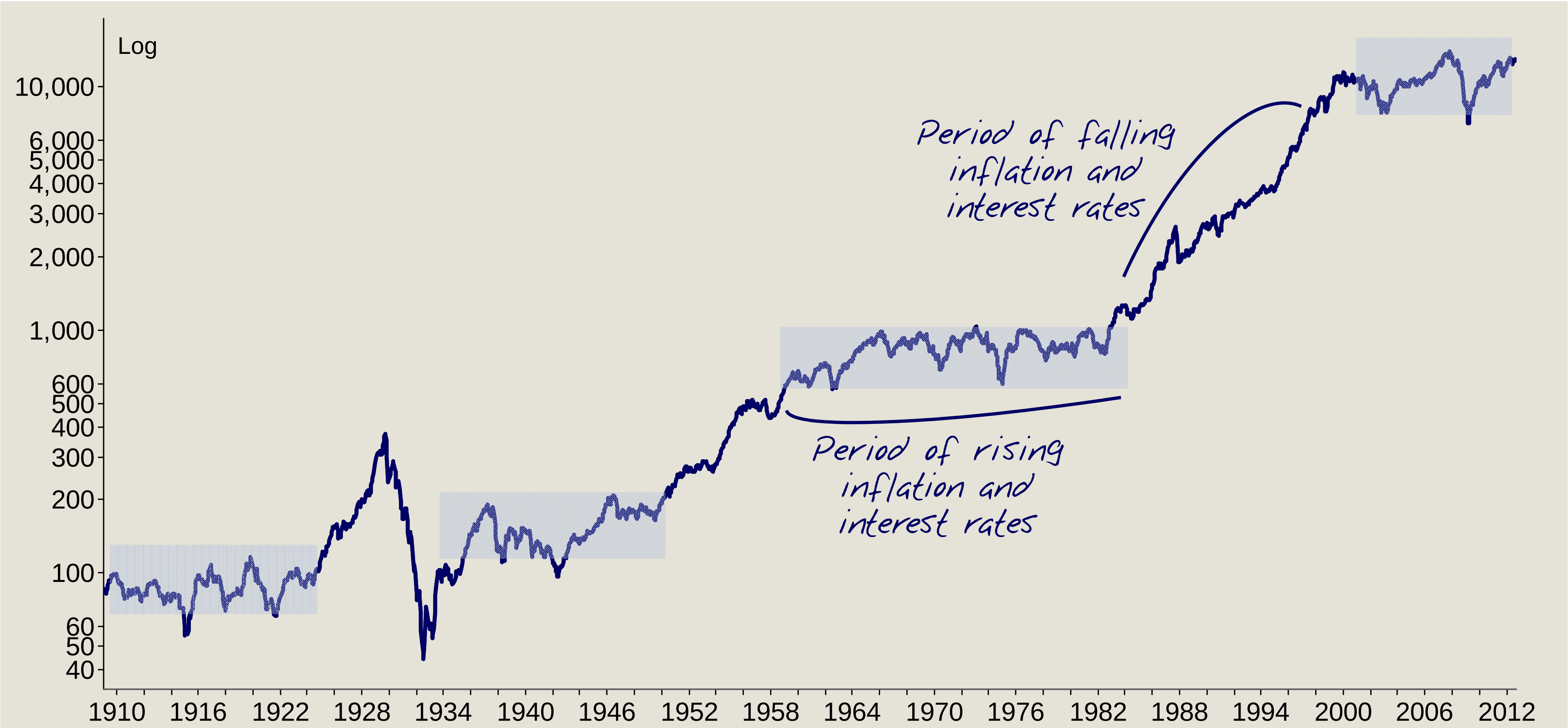
2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Sm Val 14.0%	Mid Val -9.6%	Sm Gr 48.5%	Mid Val 23.7%	Mid Val 12.7%	Sm Val 23.5%	Lg Gr 11.8%	Sm Val -28.9%	Mid Gr 46.3%	Sm Gr 29.1%	Lg Gr 2.6%	Lg Gr 14.6%
Mid Value 2.3%	Sm Val -11.4%	Sm Val 46.0%	Sm Val 22.3%	Mid Gr 12.1%	Lg Val 22.2%	Mid Gr 11.4%	Lg Val -36.8%	Lg Gr 37.2%	Mid Gr 26.4%	Lg Val 0.4%	Lg Val 12.2%
Lg Val -5.6%	Lg Val -15.5%	Mid Gr 42.7%	Lg Val 16.5%	Lg Val 7.1%	Mid Val 20.2%	Sm Gr 7.0%	Lg Gr -38.4%	Sm Gr 34.5%	Mid Val 24.8%	Mid Val -1.4%	Mid Gr 11.6%
Sm Gr -9.2%	Mid Gr -27.4%	Mid Val 38.1%	Mid Gr 15.5%	Lg Gr 5.3%	Sm Gr 13.3%	Lg Val -0.2%	Mid Val -38.4%	Mid Val 34.2%	Sm Val 24.5%	Mid Gr -1.7%	Mid Val 11.5%
Mid Gr -20.2%	Lg Gr -27.9%	Lg Val 30.0%	Sm Gr 14.3%	Sm Val 4.7%	Mid Gr 10.7%	Mid Val -1.4%	Sm Gr -38.5%	Sm val 20.6%	Lg Gr 16.7%	Sm Gr -2.9%	Sm Gr 10.8%
Lg Gr -20.4%	Sm Gr -30.3%	Lg Gr 29.8%	Lg Gr 6.3%	Sm Gr 4.2%	Lg Gr 9.1%	Sm Val -9.8%	Mid Gr -44.3%	Lg Val 19.7%	Lg Val 15.5%	Sm Val -5.5%	Sm Val 10.4%

Indexes:
Lg Val = Russell 1000 Value
Mid Gr = Russell Mid Cap Growth
Lg Gr = Russell 1000 Growth
Sm Val = Russell 2000 Value
Mid Val = Russell Mid Cap Value
Sm Gr = Russell 2000 Growth

Note: Data based on Russell U.S. equity indices as indicated above and are total returns including dividends for each calendar year or partial year.
Source: Russell Investments, FactSet

Dow Jones Industrials (price only — 100 years)

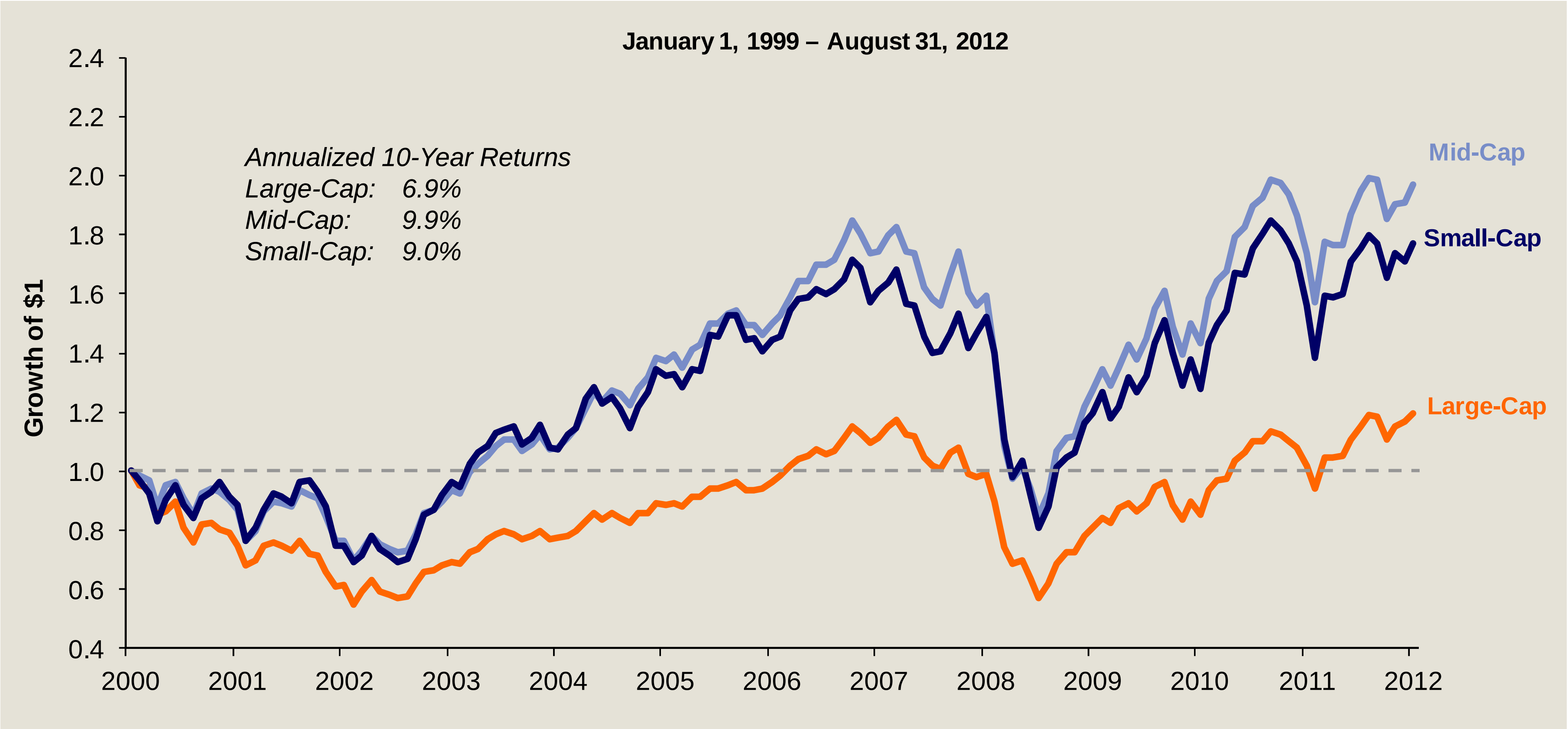
It is not unusual for stocks to have prolonged periods of flat returns — sometimes punctuated by extreme volatility.



Source: Dow Jones, FactSet

Performance by Market Capitalization

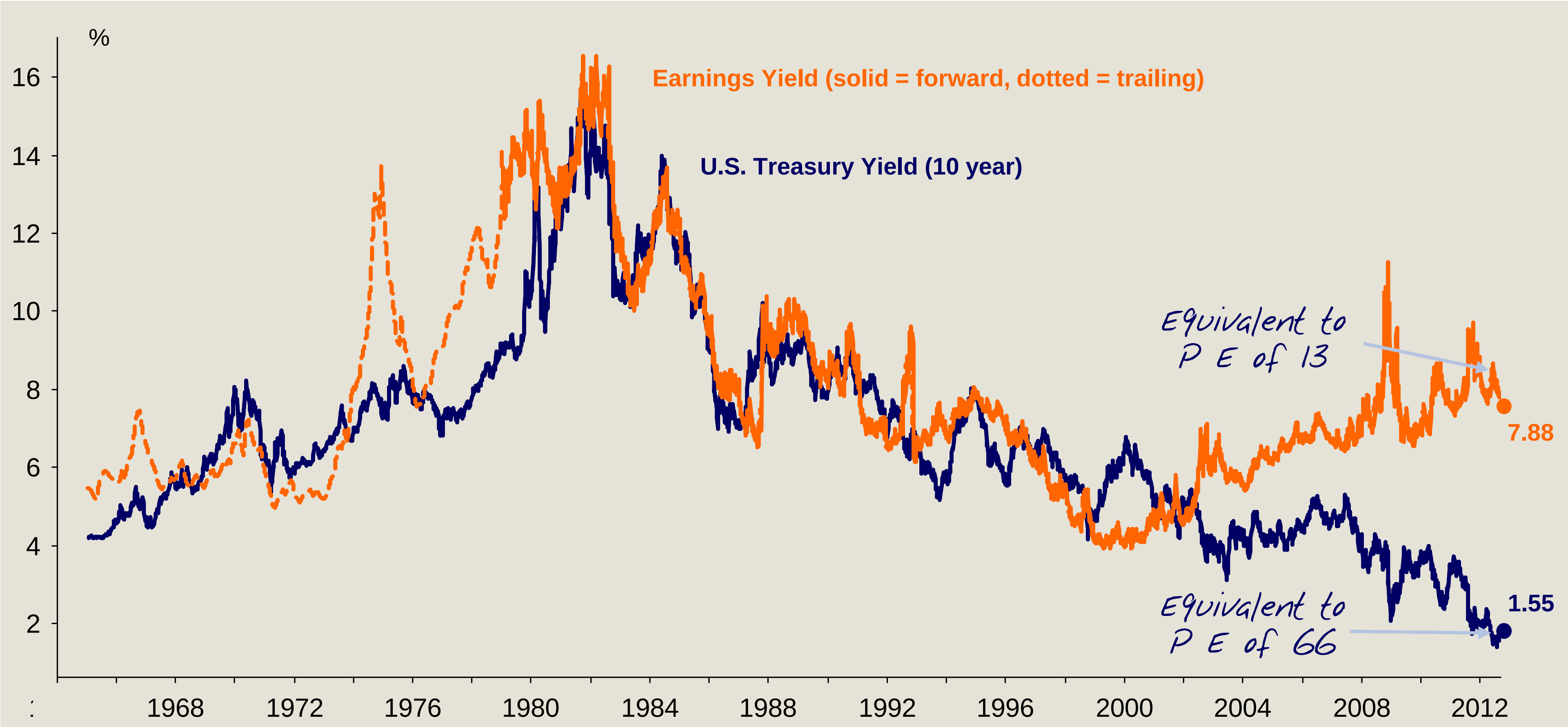
Mid-cap stocks have had the best U.S. equity 10-year return record.



Source: FactSet, Russell Investments

Stock vs. Bond Valuation

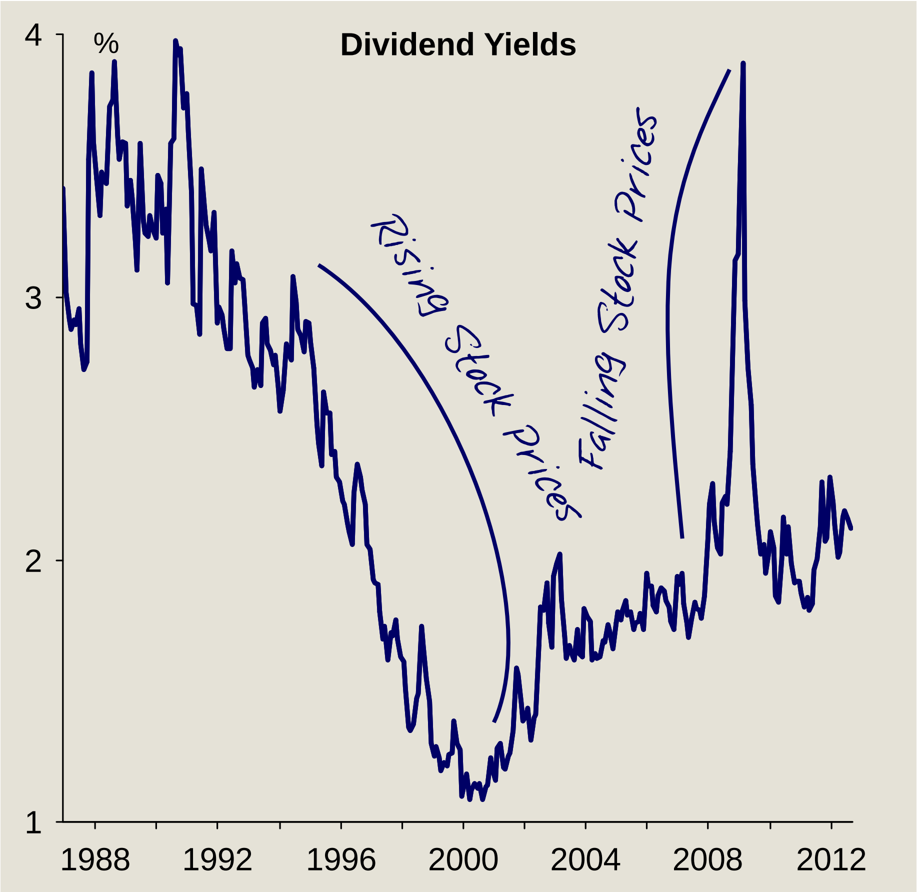
Stocks look historically attractive based on their earnings yield (E/P) vs. the yield-to-maturity of 10-year Treasuries.

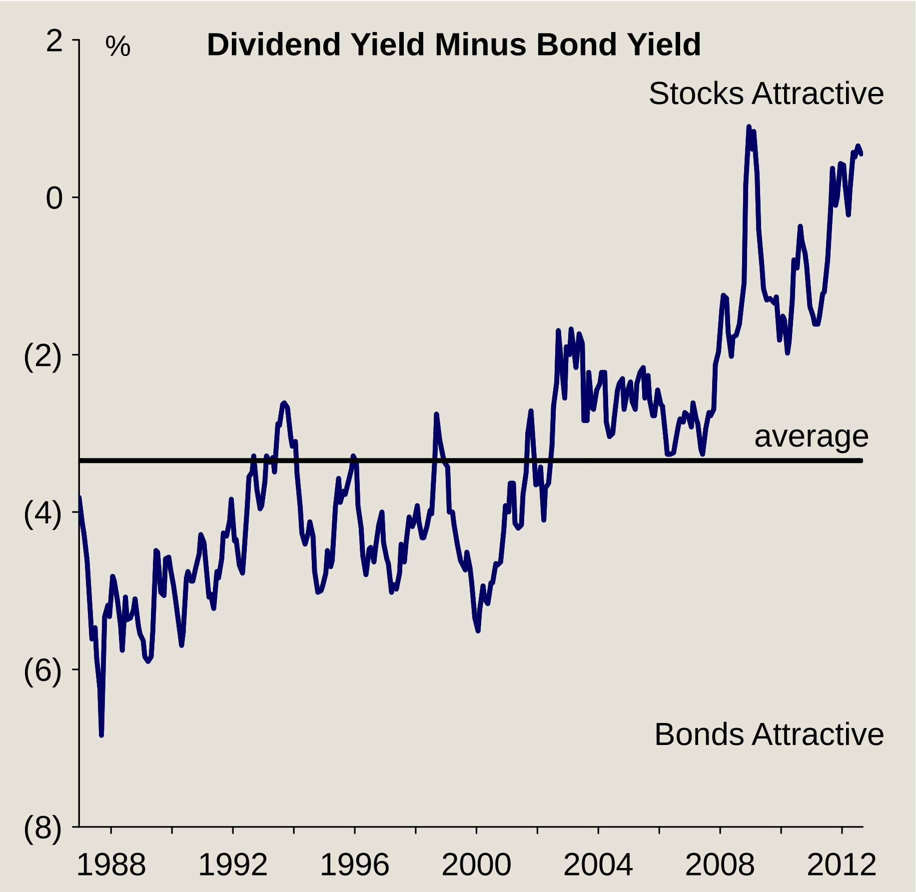


Note: Earnings Yield is the inverse of the P/E ratio and is calculated as the sum of the reported next twelve months' earnings estimates divided by market capitalization. The 10-year U.S. Treasury yield is used for bonds.
Source: Standard & Poor's, First Call, Reuters, Bloomberg, FactSet

Dividend Yields

Disregarding the 2008 spike, stock dividend yields remain generally above levels seen since 1996 and historically attractive relative to bond yields.

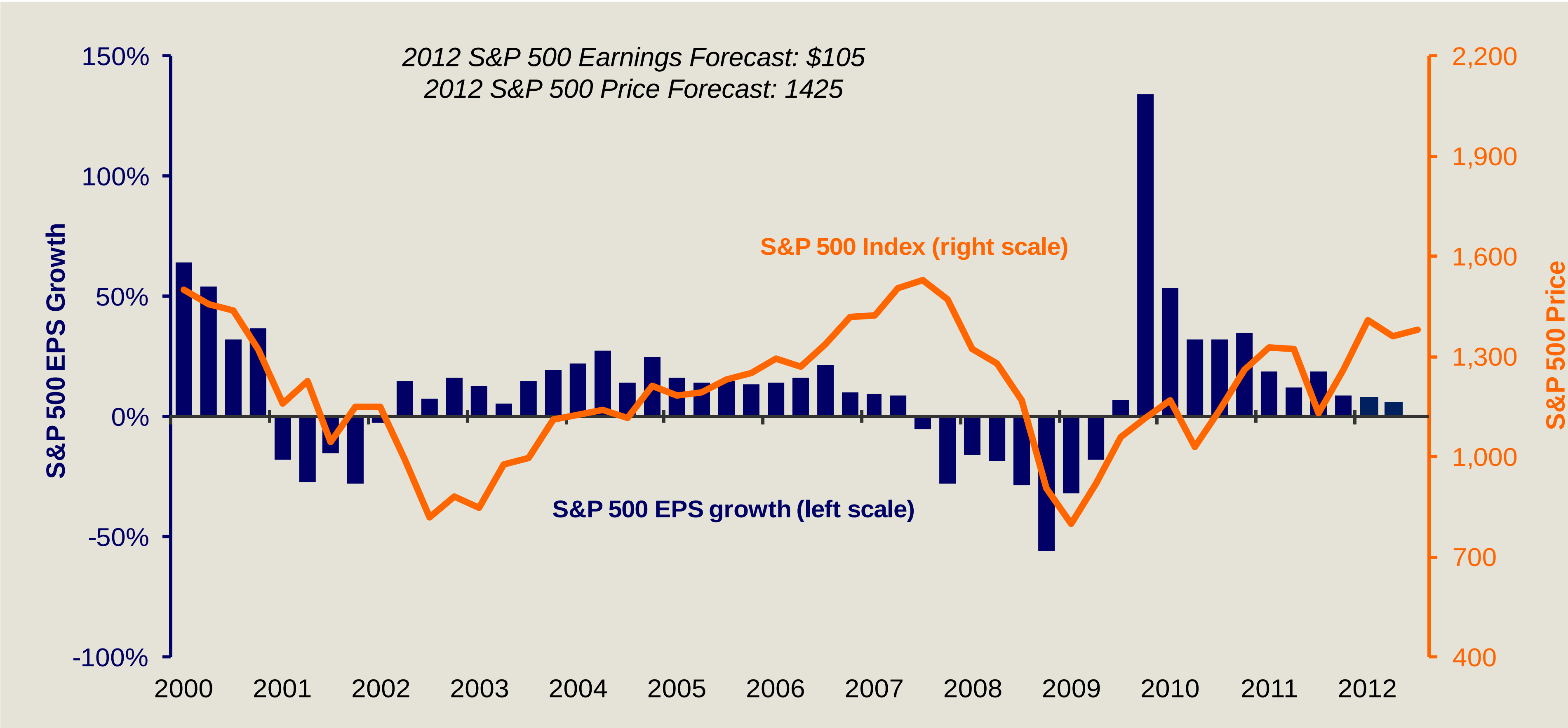




Note: Bond yield is represented by the 10-year U.S. Treasury note.
Source: Standard & Poor's, Reuters, FactSet

Fundamentals Drive the Stock Market

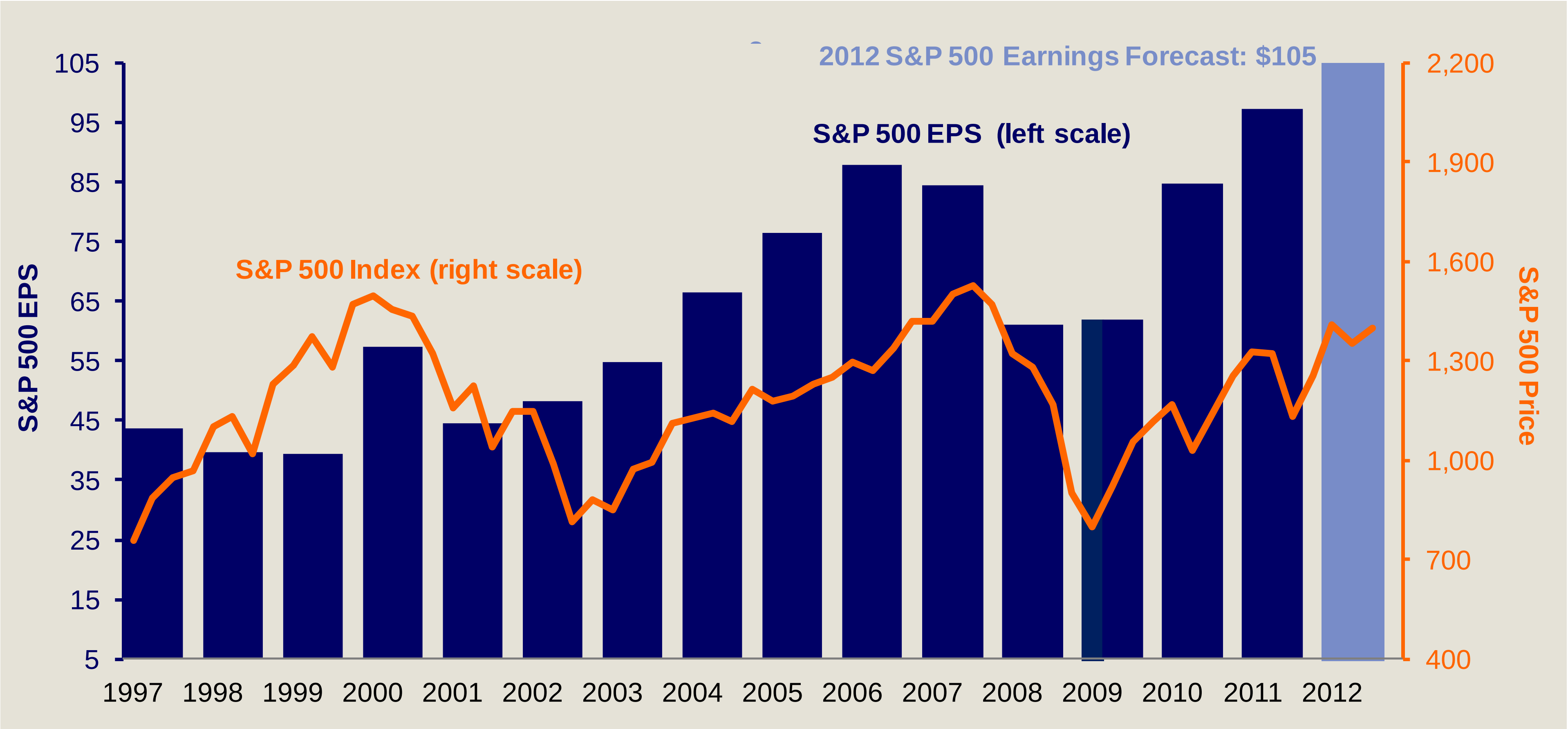
Advancing earnings drive markets up, and negative earnings drive markets down, albeit with a reporting lag.



Source: Standard & Poor's, First Call, FactSet, ING U.S. Investment Management

Corporate Earnings Per Share vs. S&P 500 Prices

Since 1999 the market's price return is negative, but earnings have grown 250% — from $39 to $97 in 2011 — and are on track to reach $105 by the end of 2012.



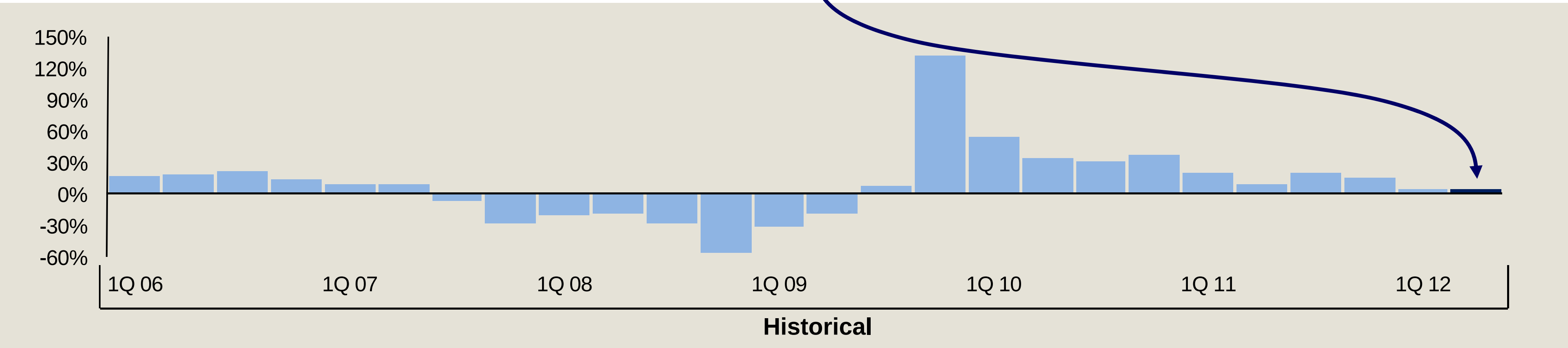
Source: FactSet

Equity

S&P 500 Historical and Projected Earnings

Second quarter 2012 earnings reports are 98% complete with positive earnings surprises for 60% of those reporting.

Sector	Reported			Earnings Growth			Earnings Surprise		
	Actual	/	Total	Percent	Positive	Negative	Percent	Positive	Negative
Consumer Discretionary	80	/	81	2%	45	32	8%	53	18
Consumer Staples	39	/	41	2%	26	13	2%	30	6
Energy	44	/	44	-19%	14	29	-3%	23	19
Financials	80	/	81	62%	38	35	10%	47	29
Health Care	52	/	52	3%	36	16	5%	41	9
Industrials	59	/	61	12%	46	13	5%	45	11
Information Technology	70	/	70	6%	41	28	3%	48	12
Materials	30	/	30	-15%	14	16	-2%	15	11
Telecommunication Services	8	/	8	6%	6	1	3%	4	3
Utilities	31	/	2	5%	20	11	8%	19	10
S&P 500	**493**	**/**	**500**	**7%**	**286**	**194**	**4%**	**325**	**128**



Note: Earnings Growth is the percentage change in the cumulative share weighted EPS earnings from that of a year ago. Surprise Percent is the share weighted average of the ratio of actual company earnings vs. the consensus estimate.
Source: Bloomberg, Standard & Poor's, FactSet

Fundamental Characteristics by Market Capitalization

Size matters in terms of growth and valuation. Smaller stocks have higher growth rates, and in terms of the price/earnings ratio, higher valuation.

Characteristics	S&P 500	Russell Midcap	Russell 2000
Market Capitalization	12,713,356	4,167,105	1,165,489
# of Securities	500	795	1983
Dividend Yield	2.08	1.75	1.45

Growth	S&P 500	Russell Midcap	Russell 2000
Historical 3 Year Sales Growth %	15.90%	26.47%	8.28%
Long-term Estimated Growth %	10.57%	11.94%	14.25%
Estimated 2011 EPS Growth %	12.45%	16.38%	25.93%

High growth

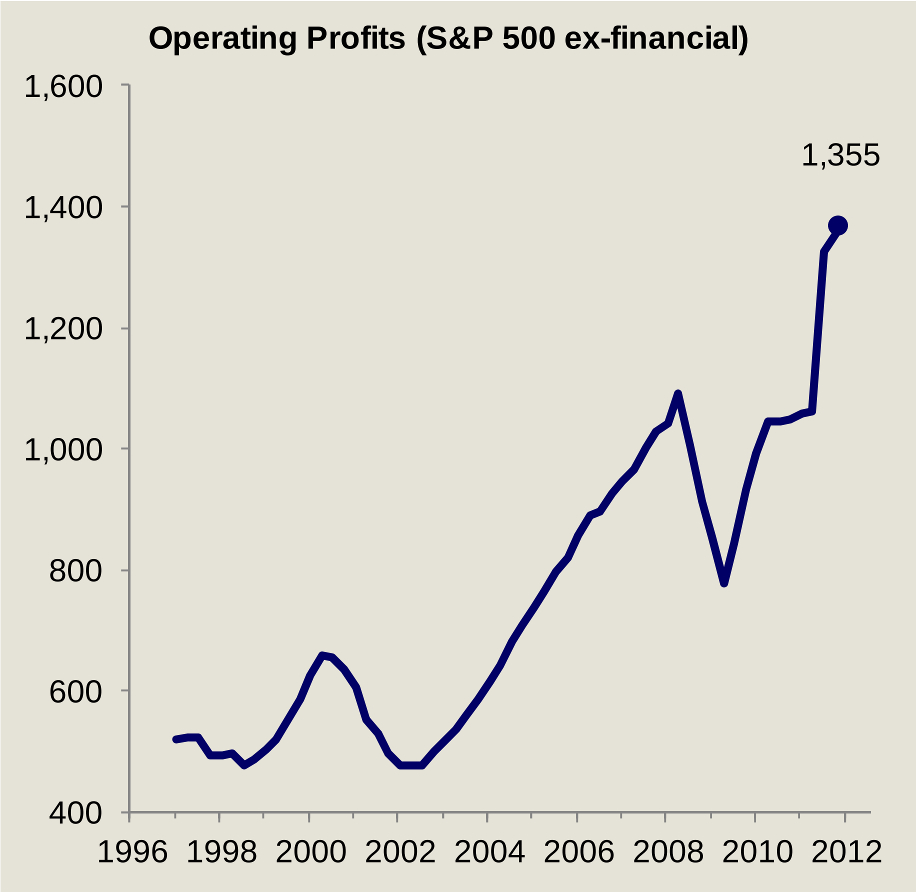
Valuation	S&P 500	Russell Midcap	Russell 2000
Price/Earnings	13.45	18.32	22.36
Price/Cash Flow	8.09	8.76	8.16
Price/Book	2.21	2.08	1.75

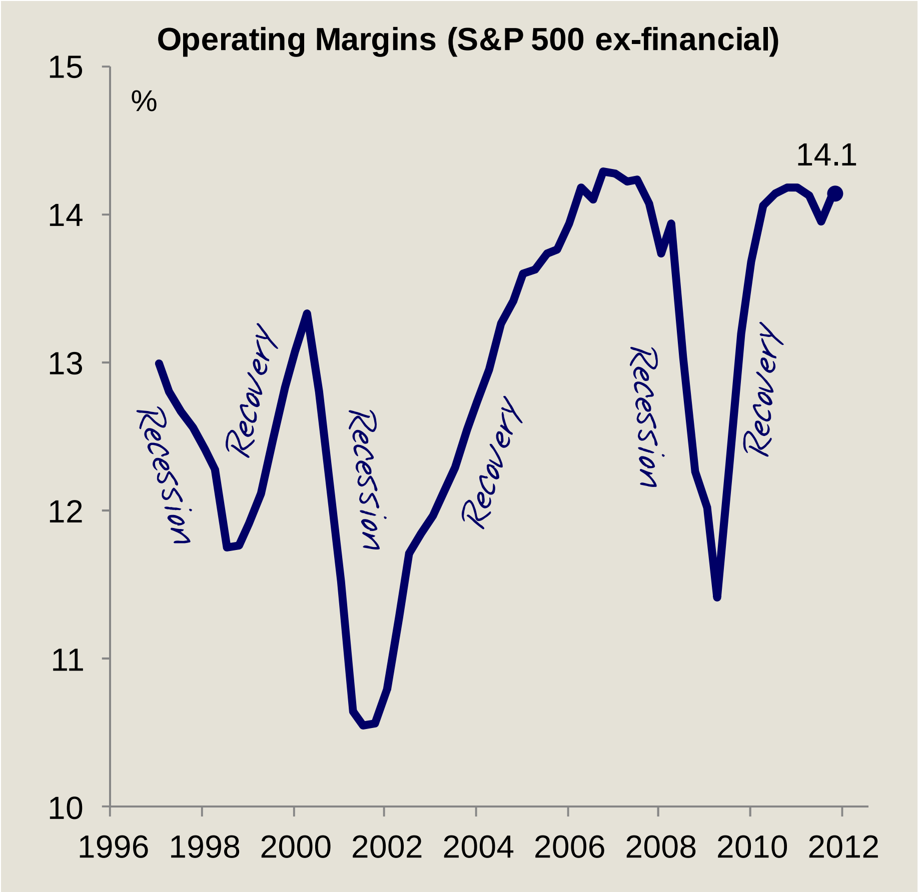
Rich valuation

Source: Russell Investments, Standard & Poor's

Operating Profits and Operating Margins

Corporate profits (excluding financials) have improved steadily along with operating margins, which collapse in recessions and surge in recoveries.

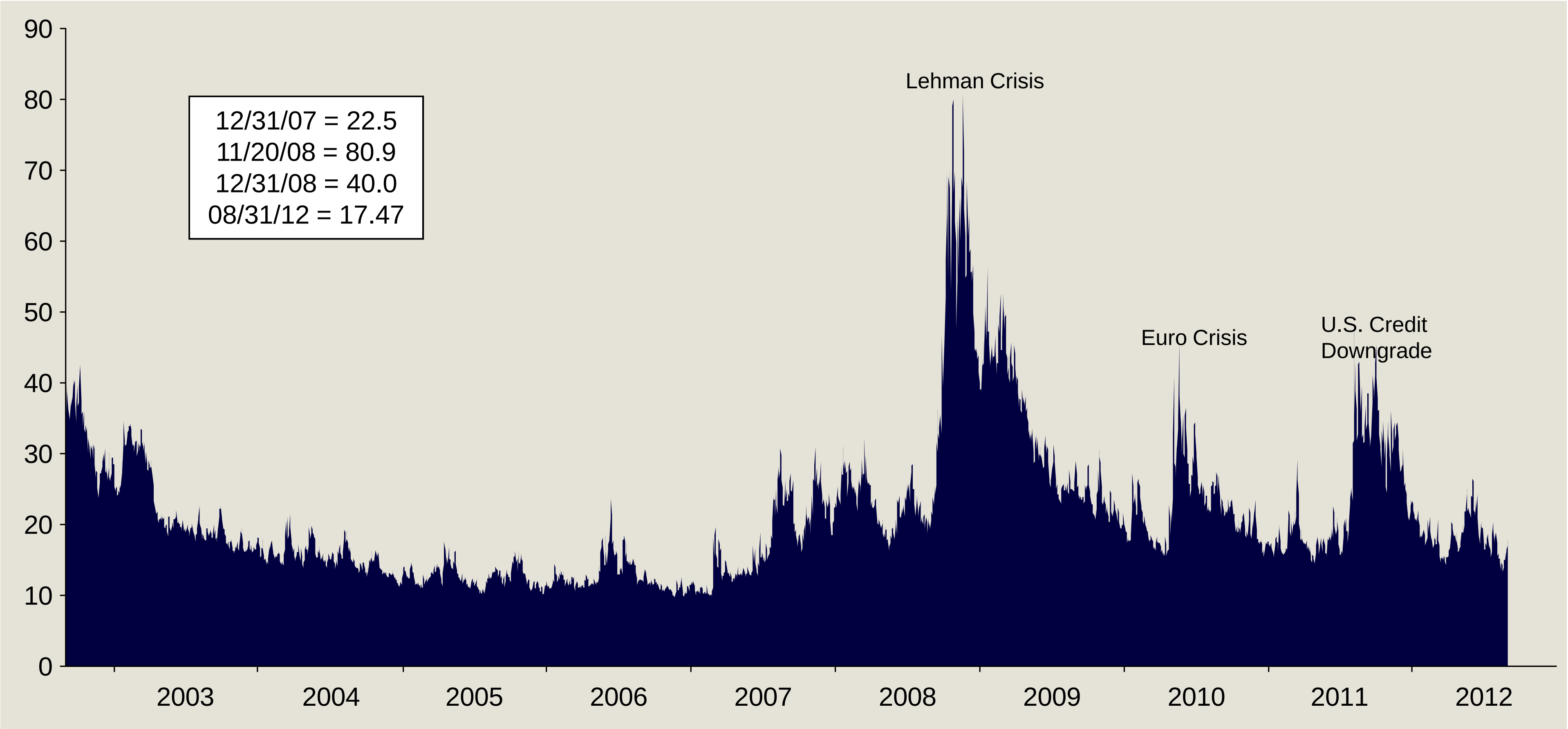




Note: Values are calculated based on a market value-weighted sum of the quarterly historical results of the S&P 500 constituents excluding Financials. Values reflect results for trailing four quarters at each quarter end. Data as of 3/31/12.
Source: Standard & Poor's, Compustat, FactSet

Equity Volatility (VIX)

Projected market volatility spikes in times of crisis then drops into the normal range as fear, uncertainty and doubt subside — apparently the prevailing sentiment today.



Source: Standard & Poor's, Chicago Board Option Exchange, FactSet

Bond and Loan Returns

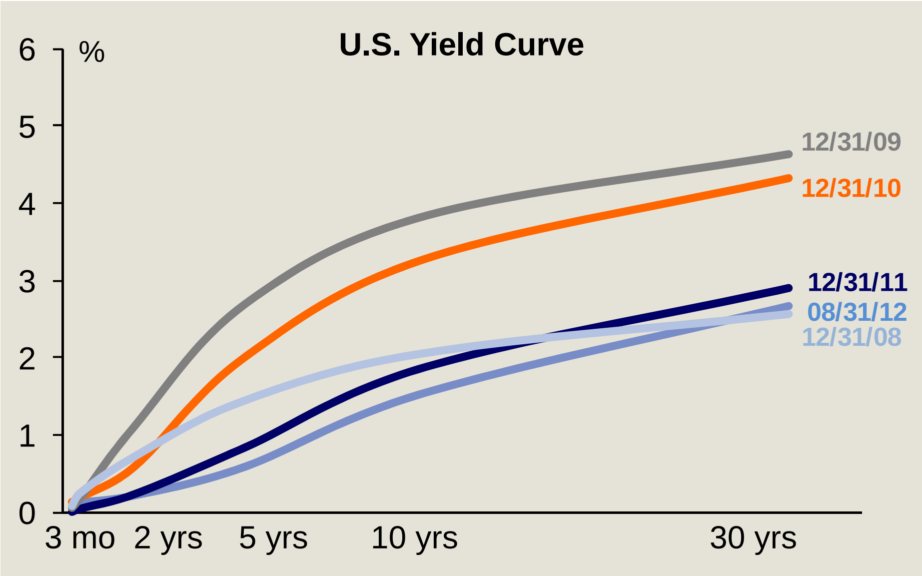
Although long-term U.S. Treasuries were winners in crisis periods, over time, risk relates to return in a rational way, and riskier bonds have been the leaders.

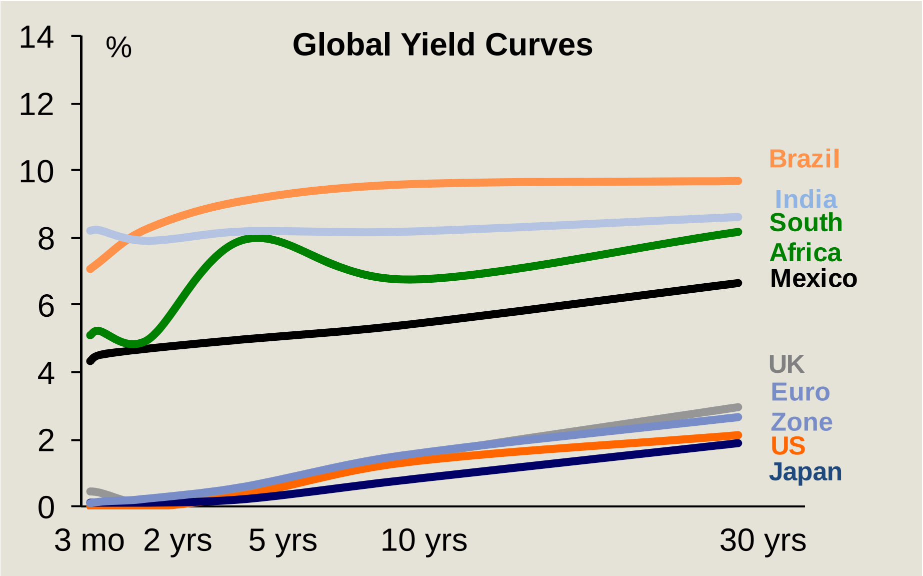
Index	Spread	Aug-12	YTD	2011	2010	2009	2008	2007	2006	1 year	3 years	5 years	10 years
U.S. Investment Grade													
Treasury	0	(0.1)	2.4	9.8	5.9	(3.6)	13.7	9.0	3.1	5.1	5.8	6.4	5.1
Treasury (1-3YR)	0	0.0	0.4	1.6	2.4	0.8	6.7	7.3	3.9	0.4	1.5	3.0	2.9
Treasury (20+YR)	0	(1.3)	6.8	33.8	9.4	(21.4)	33.7	10.2	0.9	22.2	14.0	11.9	8.6
Government Related	64	0.1	4.2	6.7	5.0	2.5	8.5	8.0	4.3	5.2	5.6	6.2	5.5
Corporate	172	0.2	7.9	8.1	9.0	18.7	(4.9)	4.6	4.3	10.3	9.5	8.1	6.7
Fixed rate MBS	61	0.1	2.6	6.3	5.5	5.8	8.5	7.0	5.2	3.7	5.3	6.6	5.3
ABS	48	0.3	3.3	5.1	5.9	24.7	(12.7)	2.2	4.7	3.8	5.9	4.7	4.1
CMBS	162	0.7	6.3	6.2	18.5	28.3	(20.5)	5.6	4.7	9.4	12.2	7.2	N/A
Hybrid ARM	-44	0.2	1.8	3.6	2.5	7.8	6.1	6.3	4.8	2.4	3.2	4.9	N/A
Barclays Aggregate	64	0.1	3.9	7.8	6.5	5.9	5.2	7.0	4.3	5.8	6.5	6.7	5.5
High Yield and Global													
High Yield	575	1.2	10.6	5.0	15.1	58.2	(26.2)	1.9	11.8	13.9	14.5	9.6	10.7
Global Aggregate	77	0.9	3.6	5.6	5.5	6.9	4.8	9.5	6.6	1.4	5.4	6.4	6.4
Emerging Markets	352	1.2	12.4	7.0	12.8	34.2	(14.7)	5.2	10.0	12.7	13.2	10.1	12.1
Senior Loans	514	1.2	6.6	1.3	10.8	51.6	(29.1)	2.0	6.8	10.2	8.8	5.7	6.3

Note: All spreads are option-adjusted spreads except for Emerging Markets and Senior Loans. Emerging Markets spread is the spread over the U.S. Treasury curve. Senior Loans spread is the average three-year call secondary spread. All returns are total returns including dividends expressed as percentages. Returns for 3- and 5-year periods are annualized. All other returns are cumulative.
Source: Barclays Capital, JPMorgan, Standard & Poor's

Yield Curves

The steep U.S. yield curve is indicative of economic growth. Higher yield opportunities can be found outside the U.S.





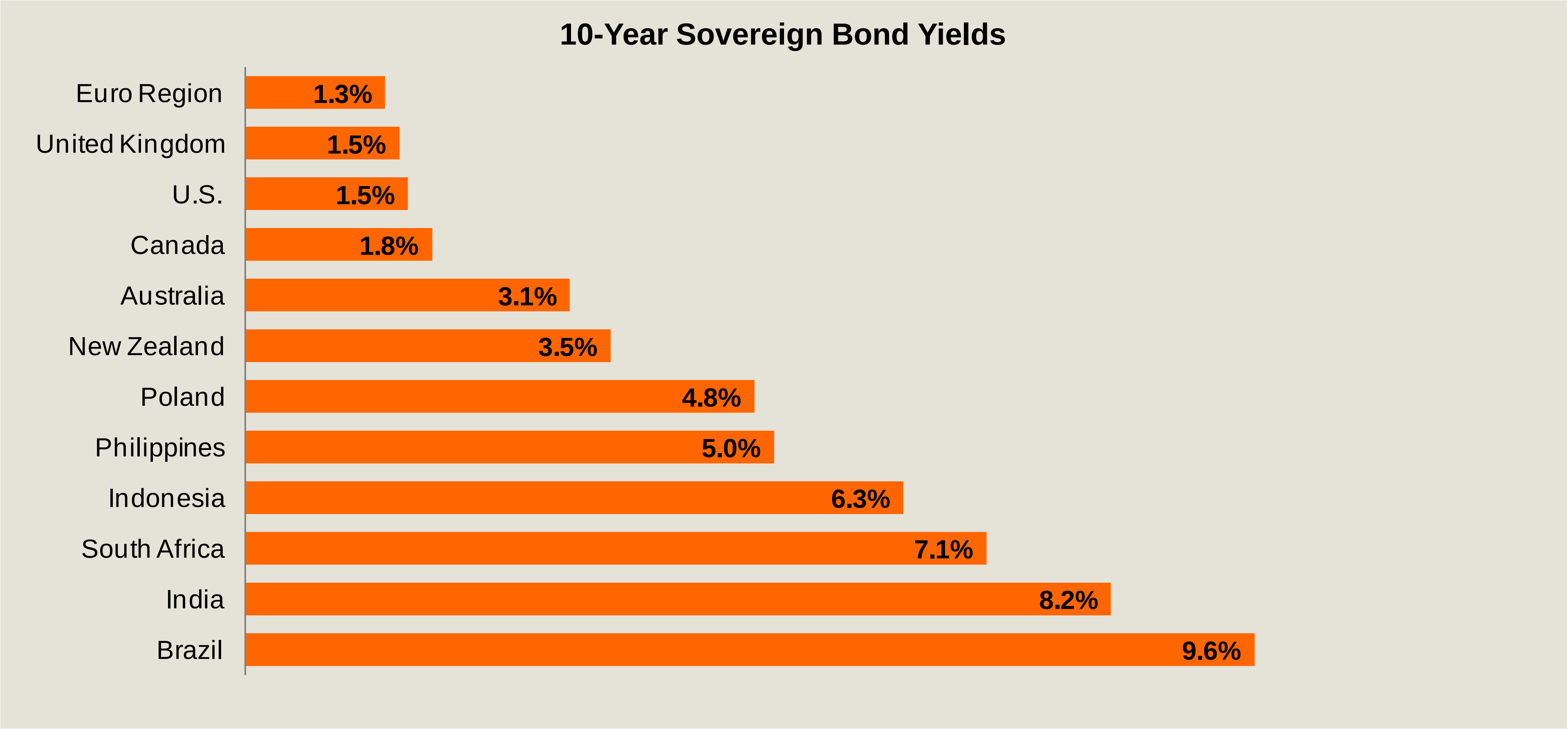
Date	3 mo	2 yrs	5 yrs	10 yrs	30 yrs
08/31/12	0.09	0.23	0.59	1.55	2.67
12/31/11	0.01	0.24	0.84	1.88	2.90
12/31/10	0.12	0.59	2.00	3.29	4.34
12/31/09	0.06	1.13	2.69	3.83	4.63
12/31/08	0.09	0.73	1.44	2.06	2.56

08/31/12	3 mo	2 yrs	5 yrs	10 yrs	30 yrs
US	0.09	0.23	0.59	1.55	2.67
UK	0.43	0.08	0.46	1.46	2.94
Euro Zone	(0.01)	(0.04)	0.33	1.33	2.14
Japan	0.11	0.11	0.21	0.80	1.89
Mexico	4.31	4.70	4.97	5.41	6.56
South Africa	5.08	4.94	7.75	6.73	8.15
India	8.23	7.93	8.21	8.20	8.62
Brazil	7.05	8.26	9.11	9.59	9.69

Source: Reuters, Bloomberg, FactSet

Global Yields

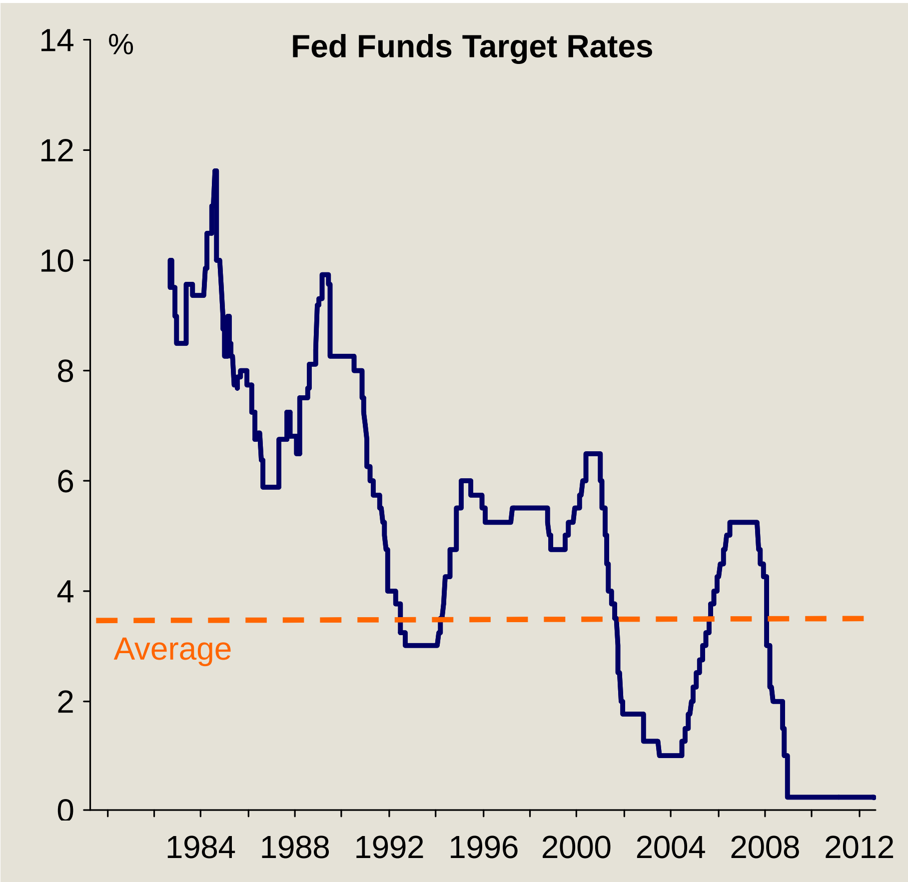
Investors seeking income may benefit from the rich opportunities for higher yield available from global bonds.

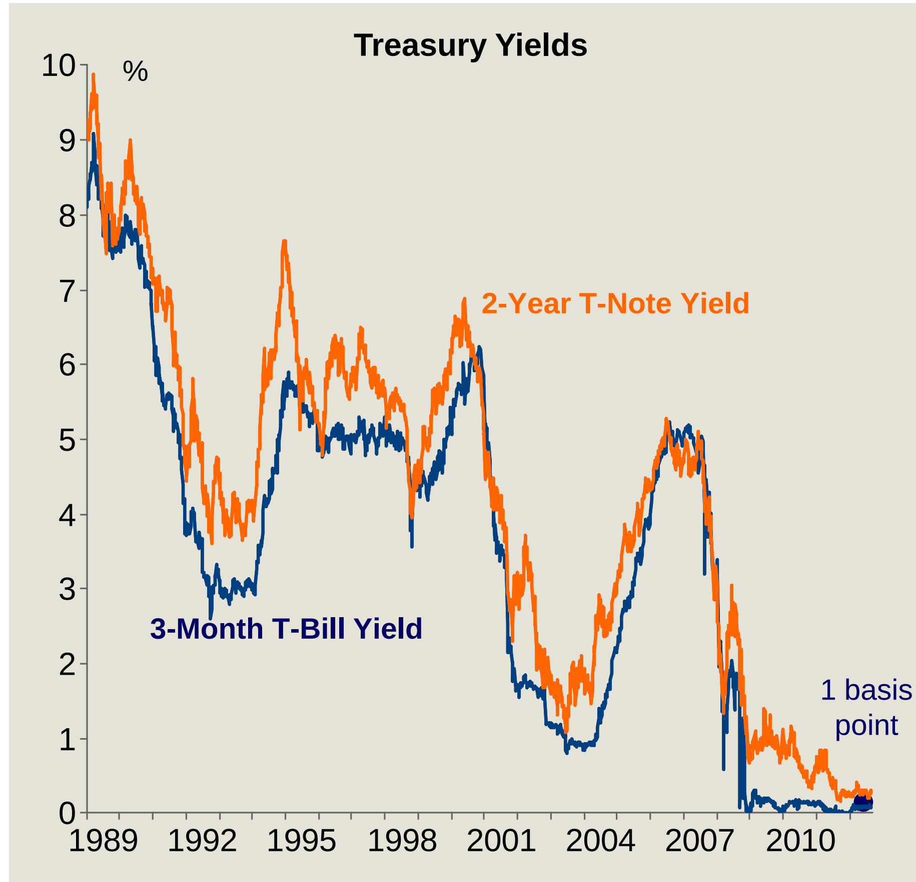


Source: Bloomberg, FactSet

Fed Funds Target Rates and U.S. Treasury Yields

Both the Fed funds rate and U.S. Treasury yields are at their lowest levels ever, and the Fed has indicated it intends to keep rates low well into 2014.

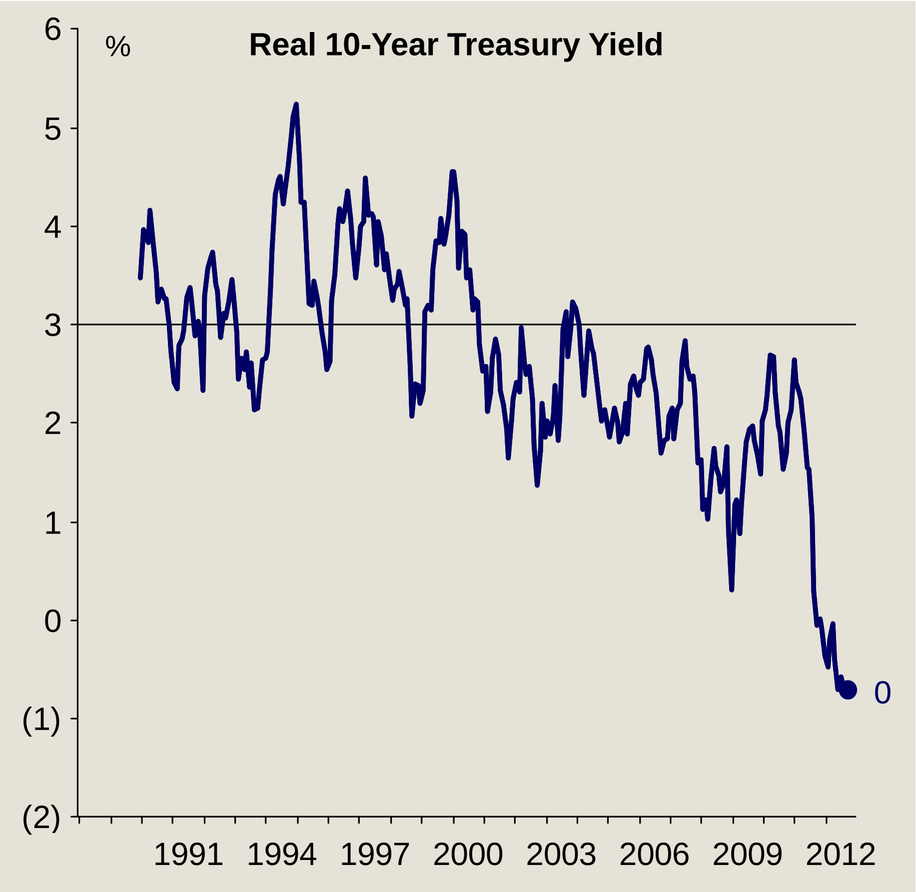




Note: 3-Month T-Bill Yield is annualized based on purchase at a discount and holding to maturity. The 2-Year Treasury Note Rate is annualized.
Source: Reuters, Bloomberg, FactSet

U.S. Treasury Yield

Nominal and real yields on 10-year U.S. Treasuries are far below long-term averages, and the Fed's open market operations have been designed to keep them low.



Note: Real 10-Year Treasury Yield is equal to the 10-Year Treasury yield minus core CPI (ex food and energy)
Source: Federal Reserve, Bloomberg, FactSet

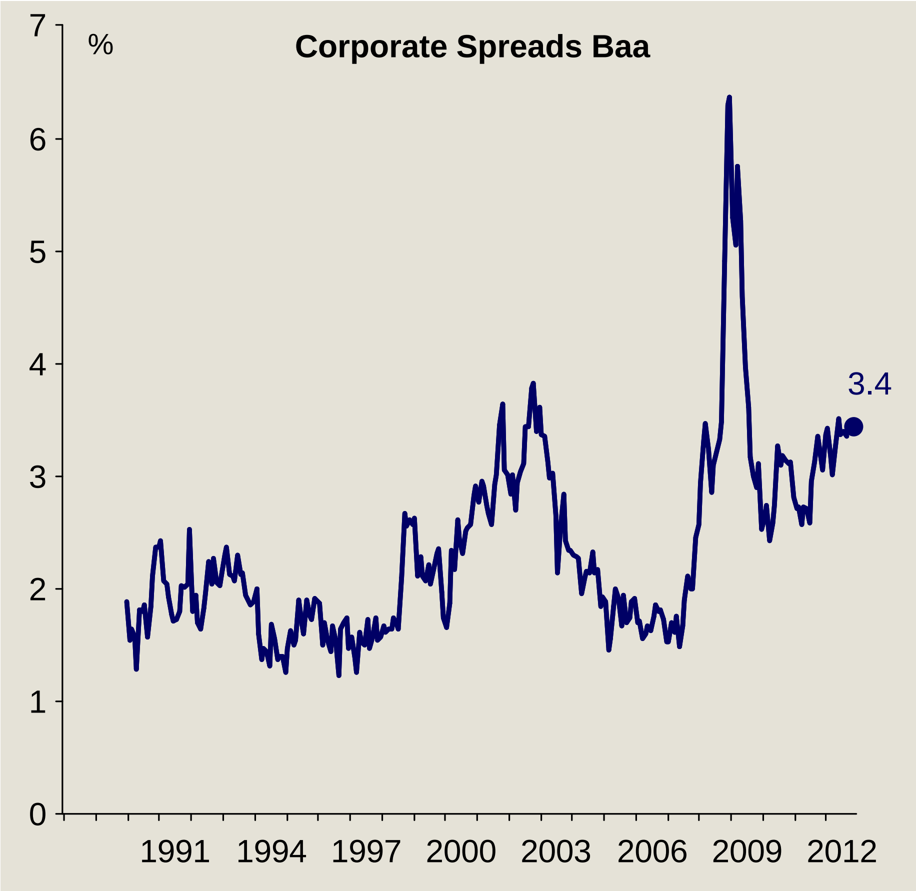
Municipal Bond Yields ÷ Treasury Yields

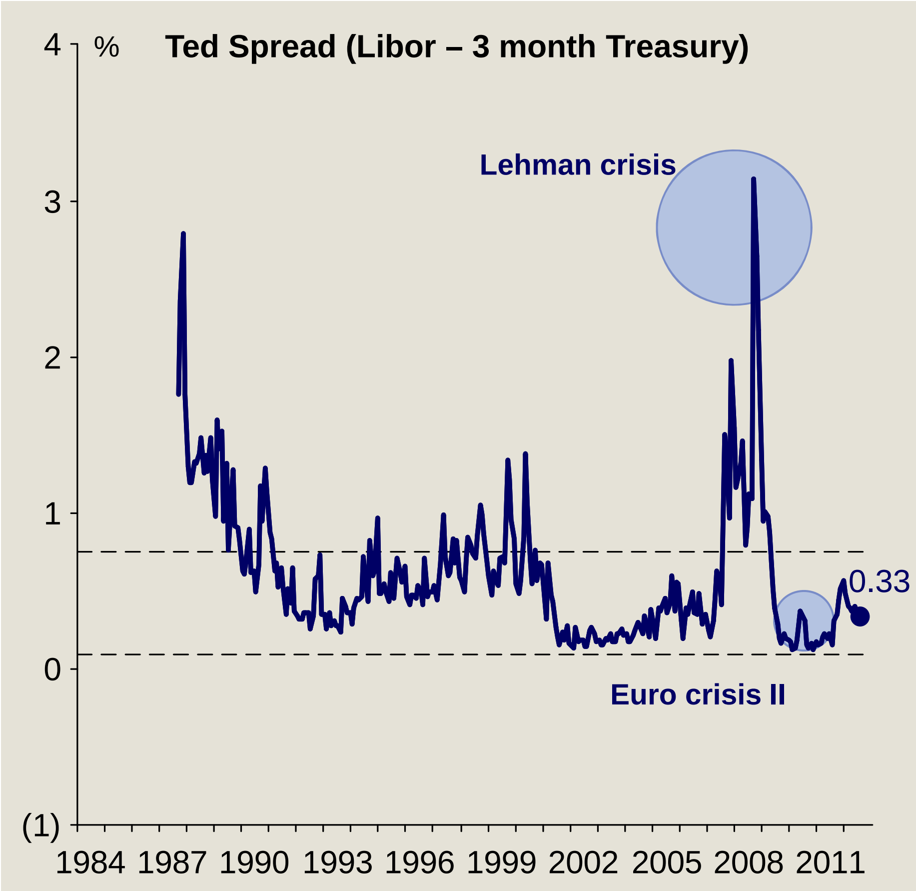
Municipal yields are well above Treasury yields; defaults have been minimal, but pressures to cut spending and balance budgets have been intense.

Note: Municipal yields represent the yield-to-worst for the Merrill Lynch AA municipal index. 10-year U.S. Treasury yields are used.
Source: Merrill Lynch, Reuters, Bloomberg, FactSet

Corporate Spreads and Ted Spread

Credit spreads have declined since the 2008 crisis and still offer good opportunity; TED spreads are in the normal range despite debt and deficit concerns.

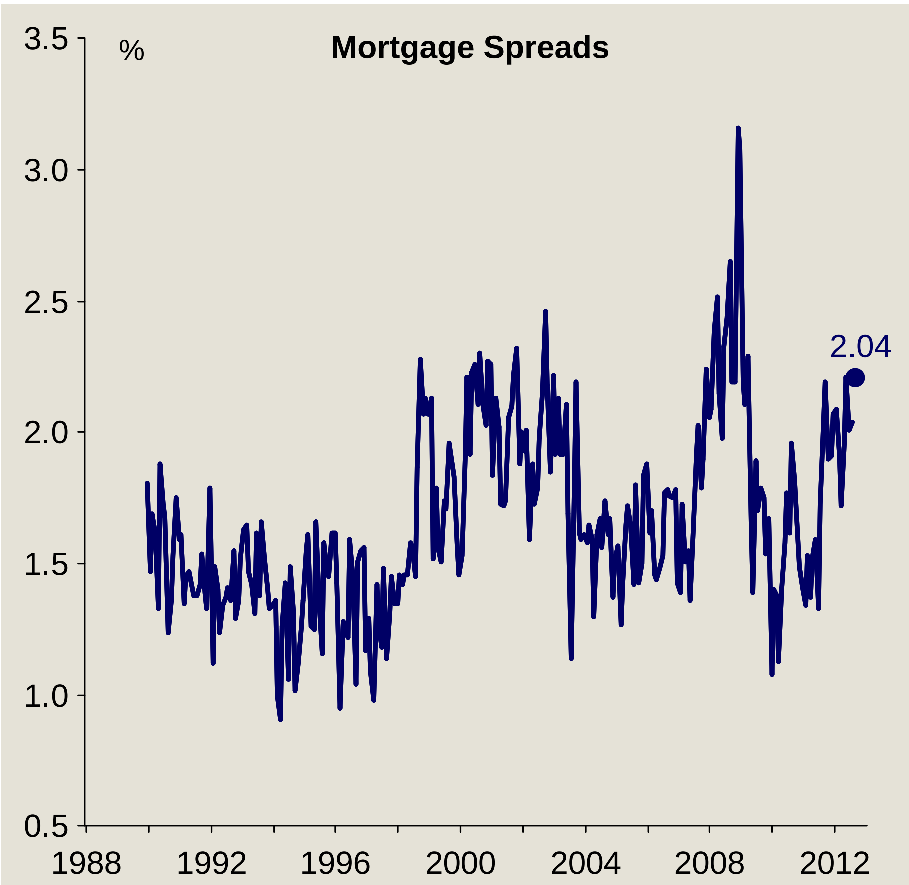


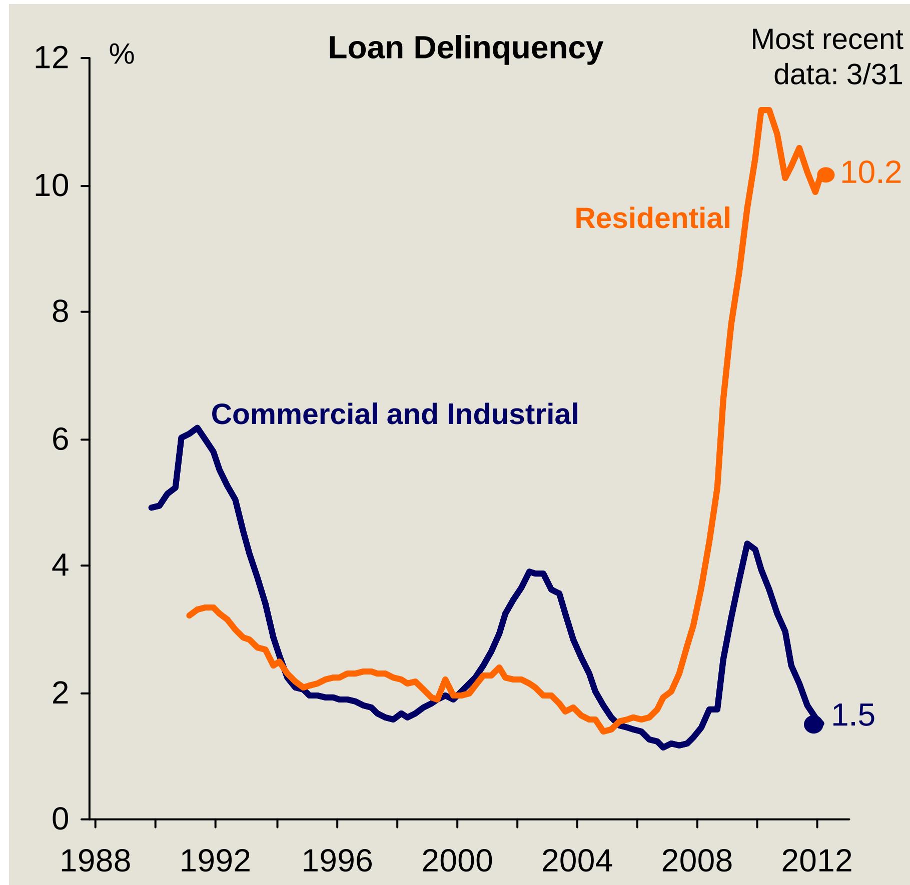


Note: Corporate Baa Spreads are benchmark average rates in excess of 10-year U.S. Treasury yields. "Libor" is the London Inter-bank Offer Rate, the interest rate banks charge each other for loans.
Source: Moody's, Reuters, Federal Reserve, Bloomberg, FactSet

Mortgage Spreads and Loan Delinquency

Mortgage-backed bond spreads are healthy. Home loan delinquencies far exceed commercial and industrial loans; both have declined since their peaks.

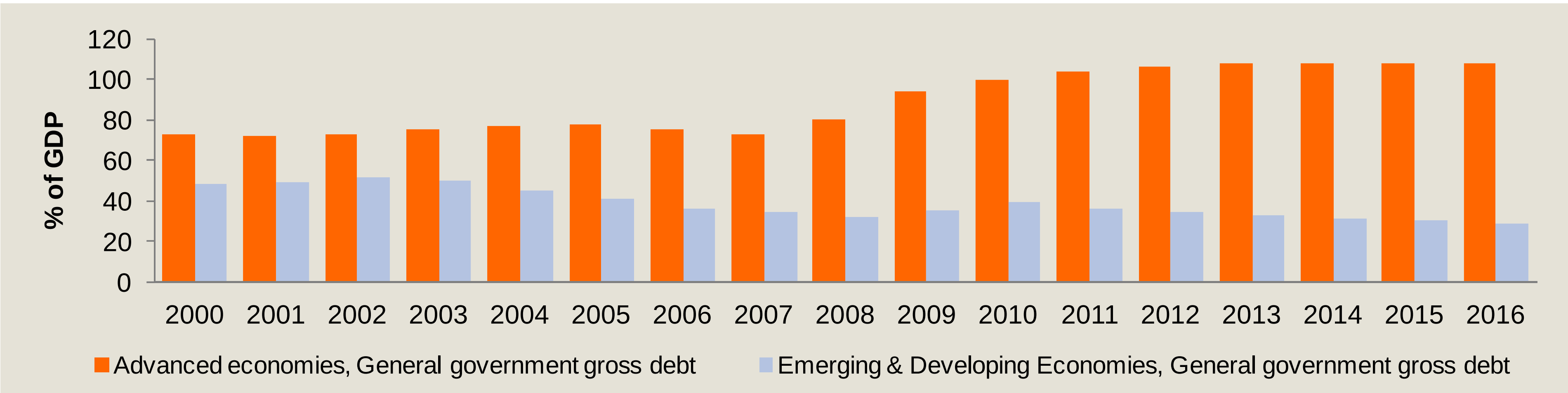


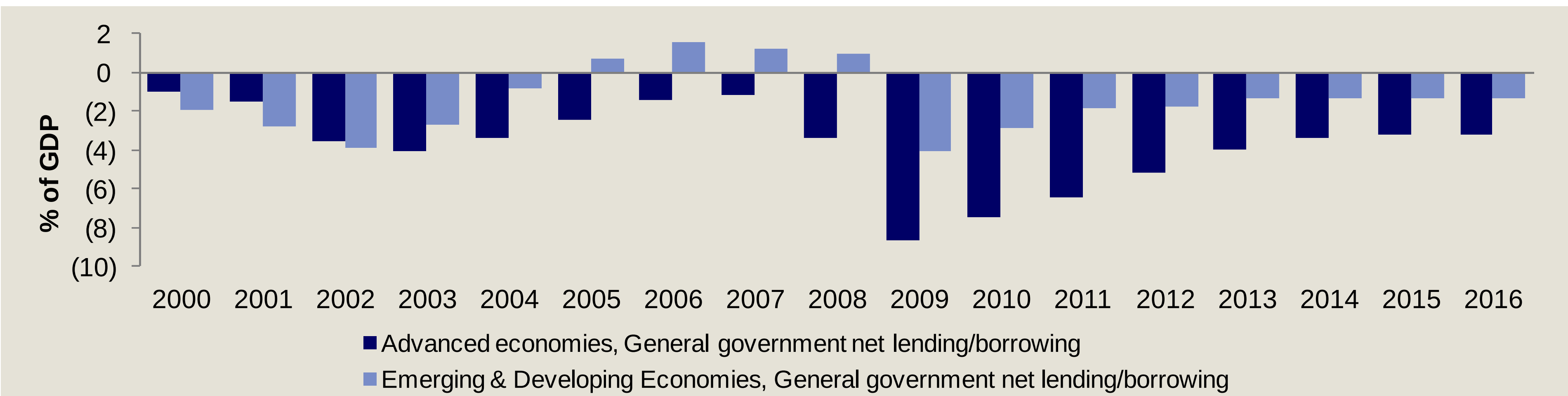


Note: Mortgage spread equals the Freddie Mac 30-year fixed rate mortgage yield minus the 10-year U.S. Treasury yield.
Source: Federal Reserve (Federal Financial Institutions Examination Council Report), Freddie Mac, FactSet

The Debt Super Cycle Unwind

The current economic environment is a continuation of the unwinding of the debt super cycle that peaked in 2008.



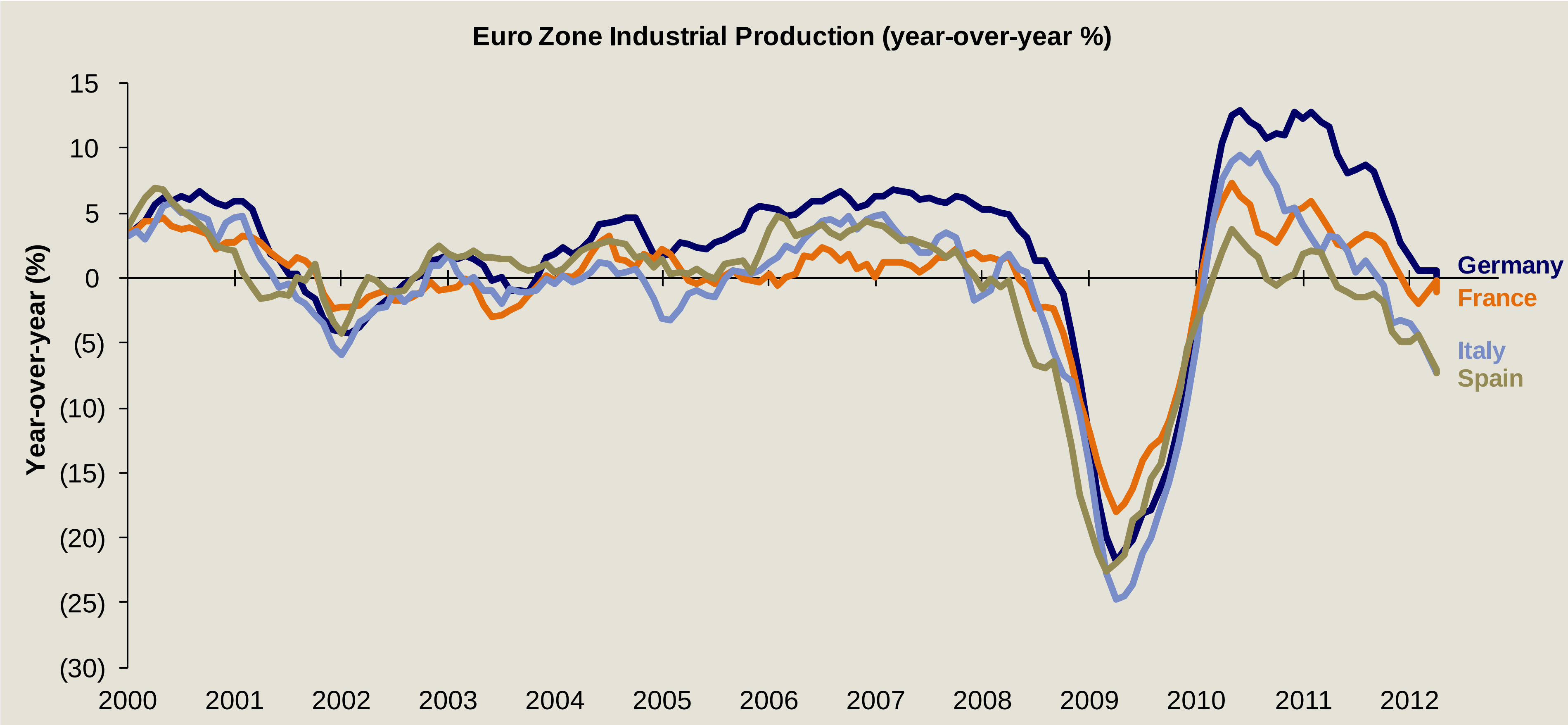


Source: IMF; Reuters EcoWin
IMF Projections as of 11/15/11

Fixed Income

European Economic Issues

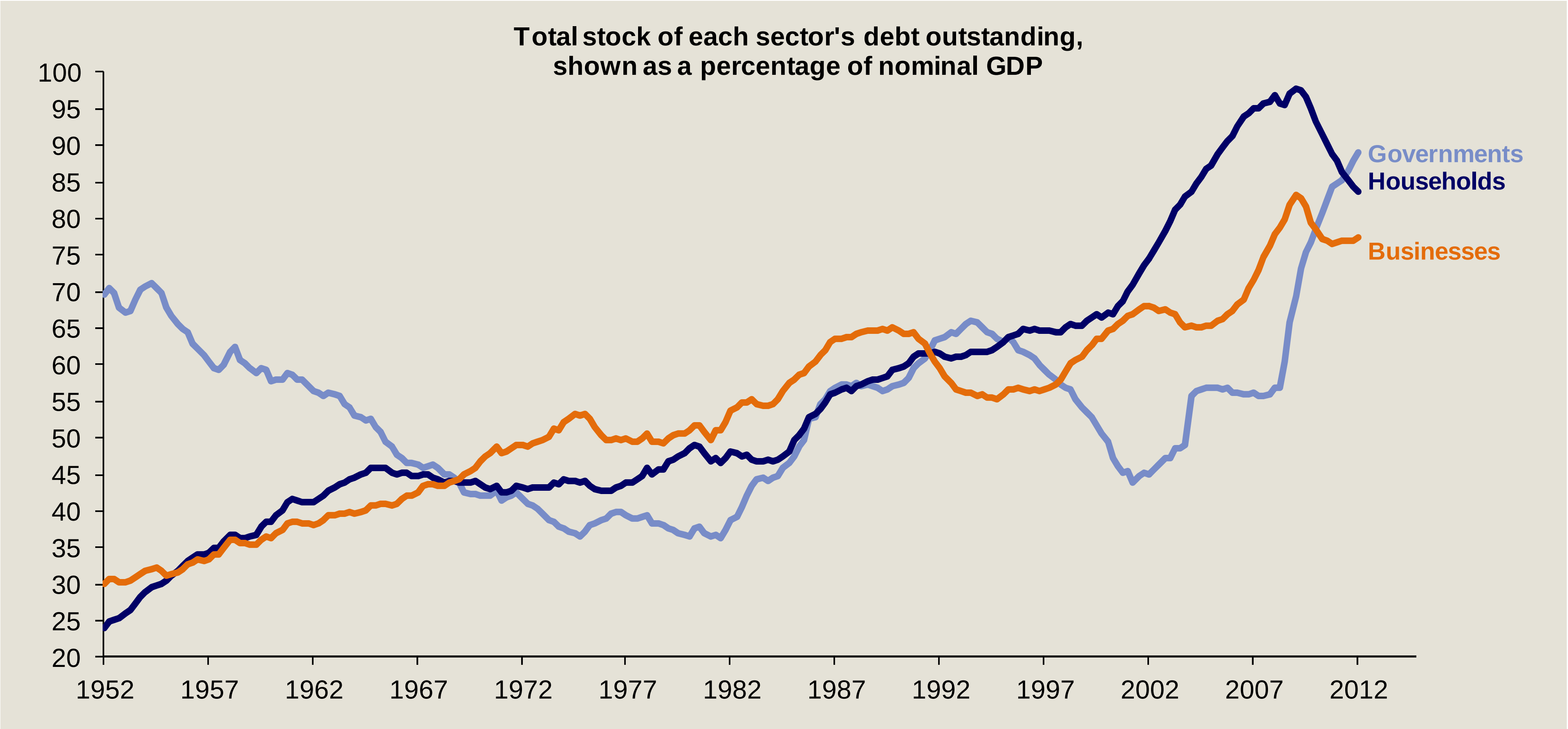
The ongoing political and fiscal turmoil in Europe has led to outright recession. European policymakers must now take more decisive and immediate action to avoid more serious consequences.



Source: Bloomberg
Data as of May 2012.

U.S. Economic Headwinds

The U.S. economy will continue to face the effects of consumer deleveraging, but growth will prove resilient, albeit subdued.

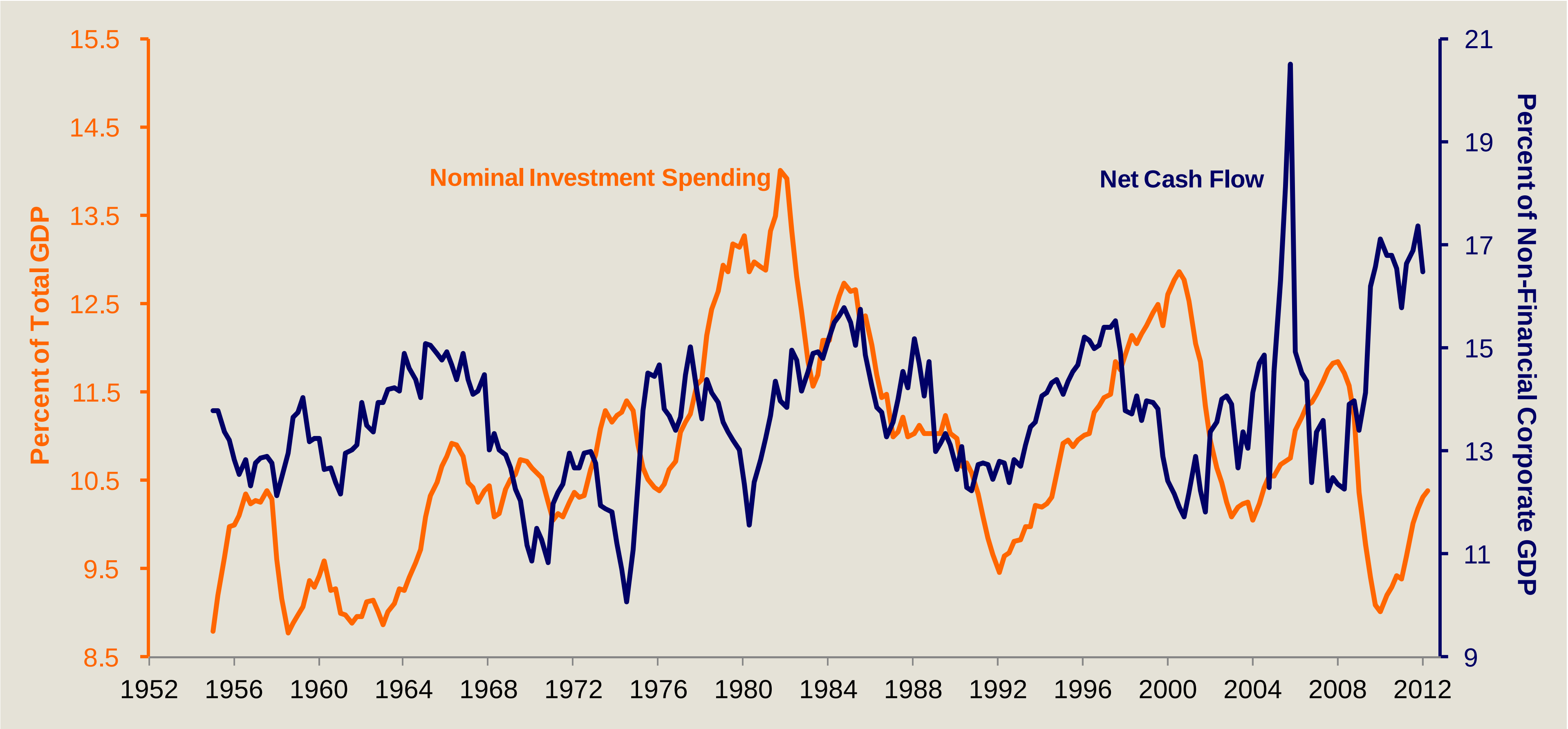


Source: Bloomberg and ING U.S. Investment Management
Data as of March 2012.

Fixed Income

A Capital-Spending-Led Recovery

Corporations have ample capacity to retool with cash — not debt — while contributions to growth from fiscal policy, housing, and consumption may be muted.

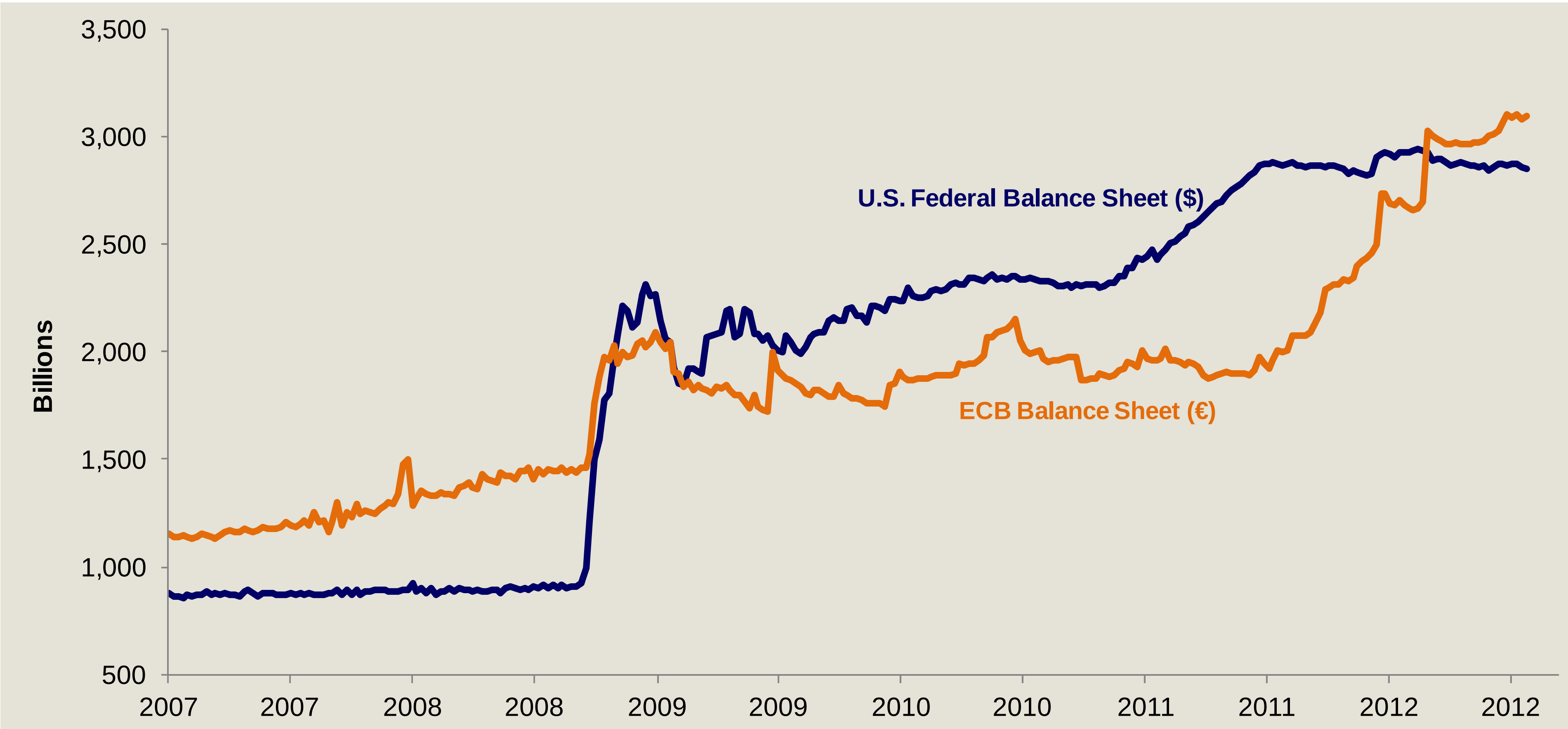


Source: Bloomberg, ING U.S. Investment Management
Data as of June 2012.

Fixed Income

Monetary Policy Outlook

Both developed and emerging market central banks continue to pursue accommodative monetary policies.

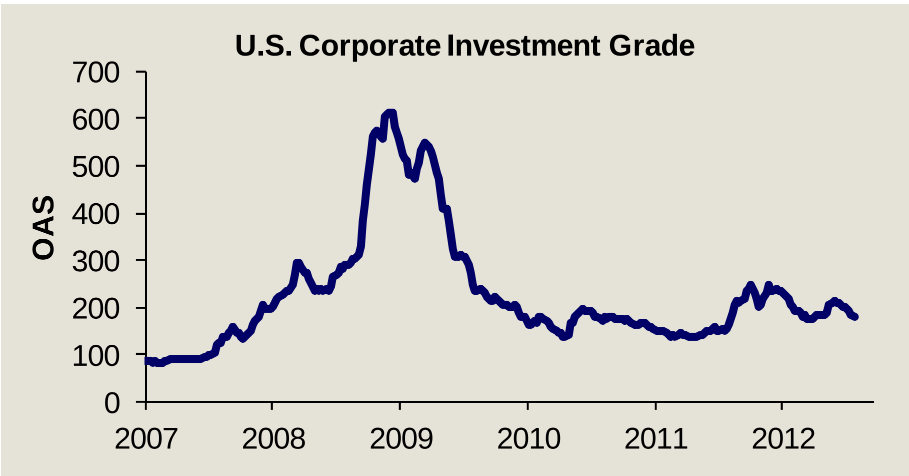


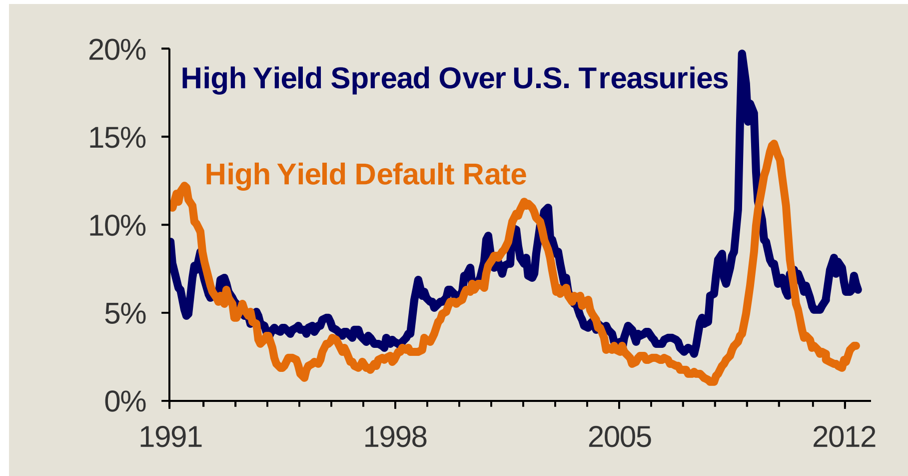
Source: Bloomberg, ING U.S. Investment Management
Data as of July 2012.

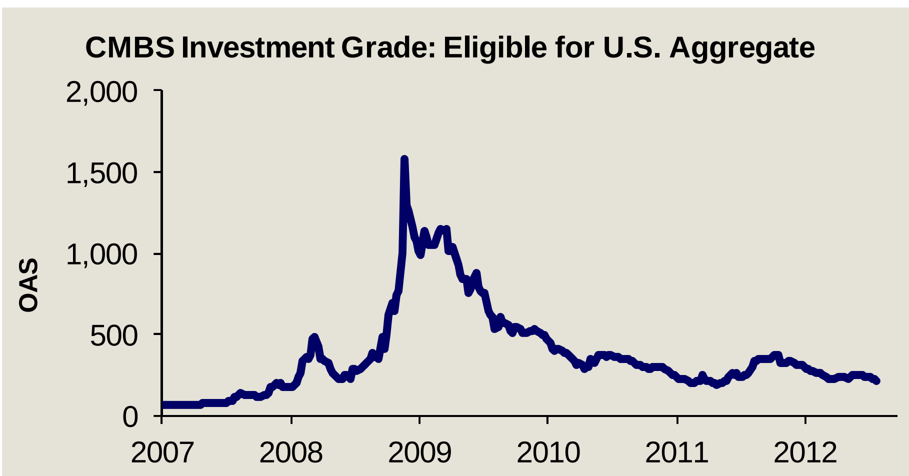
Fixed Income

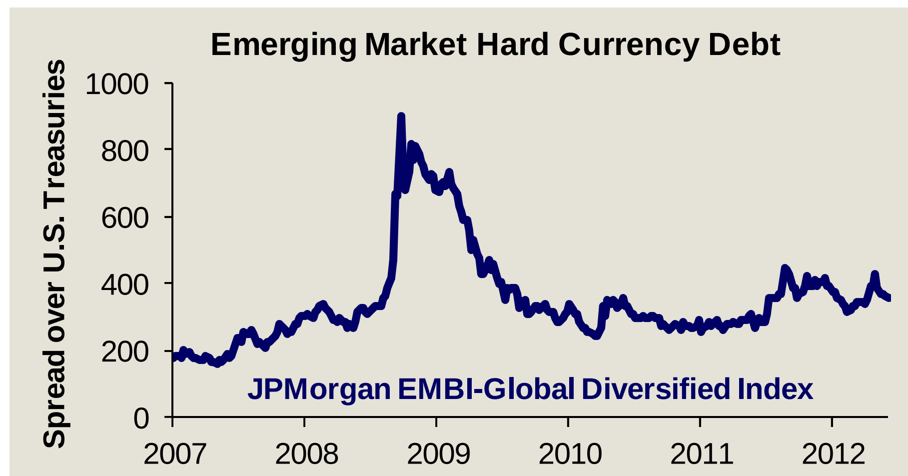
Spread Sectors Outlook

In an increasingly scarce yield environment, higher quality spread sectors will be very well supported and yield spreads will be contained in the ranges of the past 12 months.





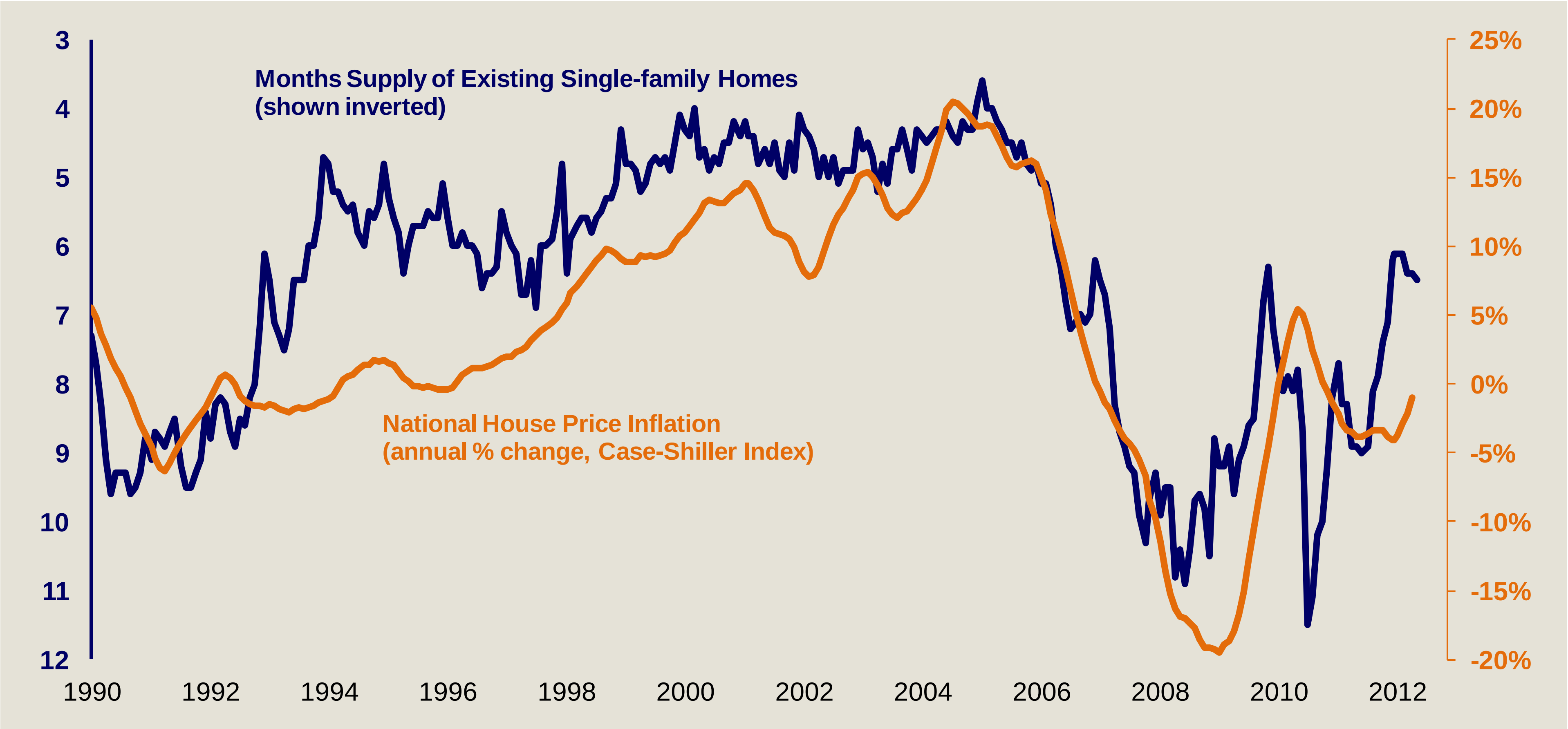




Source: Barclays Capital Aggregate Benchmark Index data, Moody's.
Data as of July 2012.

Residential Housing

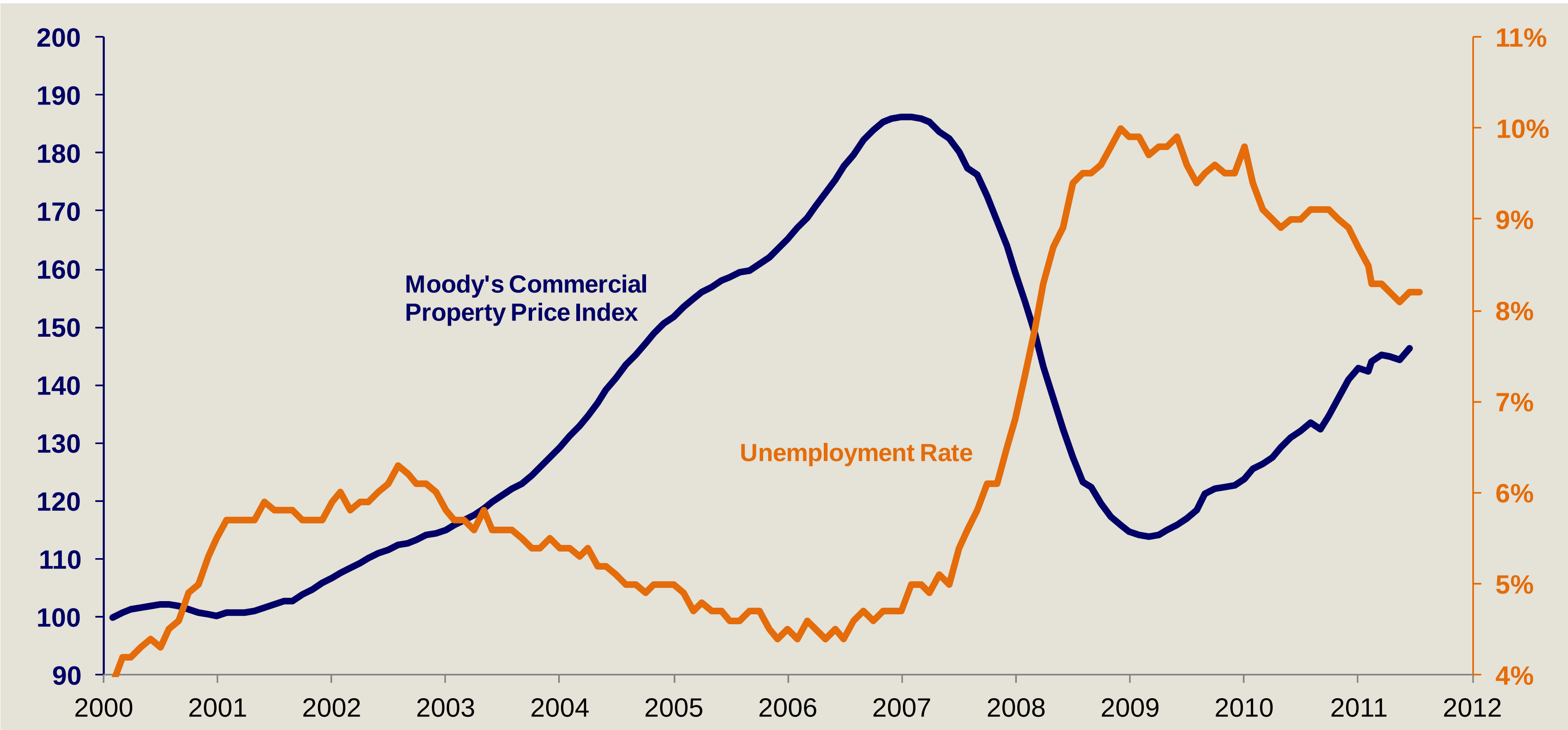
The excess supply of existing homes is at the lowest level since the housing crisis began in 2007. We are past the worst point of house price deflation and should see slow improvement going forward.



Source: Bloomberg and ING U.S. Investment Management
Data as of June 2012.

Commercial Real Estate

Commercial real estate prices, which are highly correlated to the business cycle, have recovered nearly half of the decline from the 2007 peak, led by rising demand for prime office and apartment space in major urban centers.



Source: Moody's/RCA, Bloomberg
Commercial data as of May 2012, Unemployment data as of June 2012.

World Market Returns by Region — USD

Emerging market equity (EME) has often been a top performer but has lagged in 2011-2012 as U.S. large-cap's worldwide quality leadership has made it the top performing regional market.

2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
EME -2.4%	Pac Ex-Japan -5.8%	EME 56.3%	Pac Ex-Japan 29.6%	EME 34.5%	Europe Ex-UK 36.4%	EME 39.8%	Japan -29.1%	EME 79.0%	EME 19.2%	S&P 500 2.1%	S&P 500 13.5%
Pac Ex-Japan -9.4%	EME -6.0%	Pac Ex-Japan 47.0%	EME 26.0%	Japan 25.6%	Pac Ex-Japan 33.2%	Pac Ex-Japan 31.7%	S&P 500 -37.0%	Pac Ex-Japan 73.0%	Pac Ex-Japan 17.1%	UK -2.5%	Pac Ex-Japan 13.2%
S&P 500 -11.9%	Japan -10.1%	Europe Ex-UK 43.6%	Europe Ex-UK 22.4%	Pac Ex-Japan 14.8%	EME 32.6%	Europe Ex-UK 17.5%	Europe Ex-UK -45.0%	UK 43.4%	Japan 15.6%	Pac Ex-Japan -12.7%	Europe Ex-UK 9.2%
UK -14.1%	UK -15.2%	Japan 36.2%	UK 19.6%	Europe Ex-UK 11.3%	UK 30.7%	UK 8.4%	UK -48.3%	Europe Ex-UK 33.9%	S&P 500 15.1%	Japan -14.2%	UK 8.1%
Europe Ex-UK -22.0%	Europe Ex-UK -19.9%	UK 32.1%	Japan 16.0%	UK 7.4%	S&P 500 15.8%	S&P 500 5.5%	EME -47.1%	S&P 500 26.5%	UK 8.8%	Europe Ex-UK -14.5%	EME 5.9%
Japan -29.3%	S&P 500 -22.1%	S&P 500 28.7%	S&P 500 10.9%	S&P 500 4.9%	Japan 6.3%	Japan -4.1%	Pac Ex-Japan -50.0%	Japan 6.4%	Europe Ex-UK 2.4%	EME -18.2%	Japan 0.0%

Note: All data are based on equity indices for each regional or country index and are total returns including dividends for each calendar year or partial year.
Source: MSCI, Standard & Poor's, FactSet

ING

Global Returns — Local and USD

Except for the U.K. and Pacific ex-Japan, 2012 foreign market returns for U.S. investors (USD) have fallen behind those for local investors as the U.S. dollar has strengthened this year.

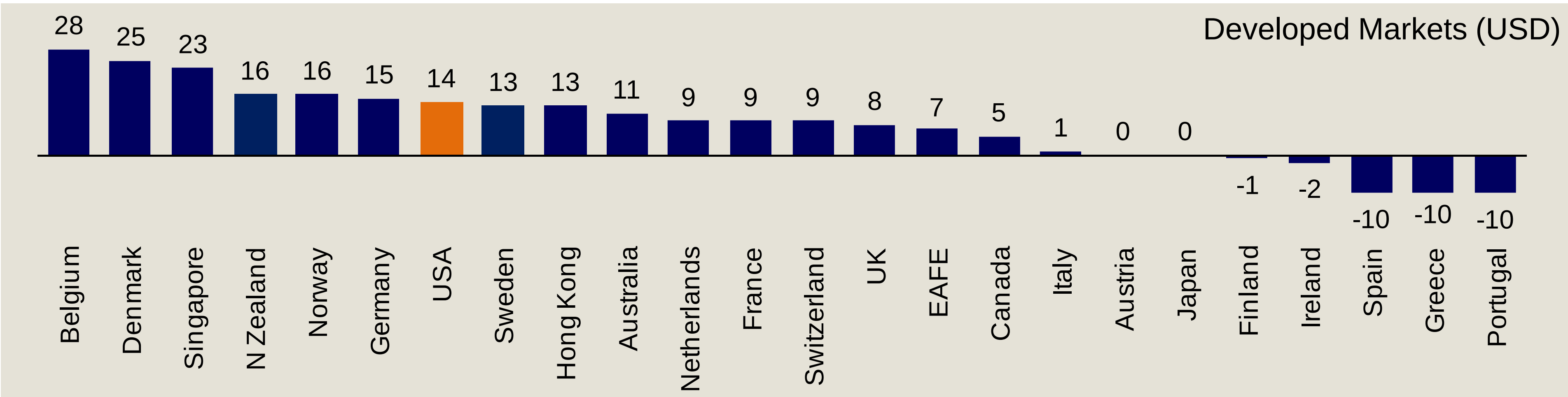
Index	Currency	Aug-12	YTD	2011	2010	2009	2008	2007	2006	2005	1 year	3 years	5 years	10 years
Global Markets														
International	*USD*	2.7	7.4	(11.7)	8.2	32.5	(43.1)	11.6	26.9	14.0	0.5	2.9	(4.3)	7.1
	local	1.6	7.9	(11.7)	5.3	25.4	(39.9)	4.0	16.9	29.5	7.5	1.9	(5.6)	4.0
Emerging Mkt	*USD*	(0.3)	5.9	(18.2)	19.2	79.0	(53.2)	39.8	32.6	34.5	(5.5)	7.0	(0.1)	15.4
	local	(0.1)	6.8	(12.5)	14.4	62.8	(45.7)	33.5	28.9	35.8	3.7	6.8	1.0	13.8
Regions														
Euro x-UK	*USD*	5.0	9.2	(14.5)	2.4	33.9	(45.0)	17.5	36.4	11.3	(0.7)	0.8	(5.6)	7.8
	local	2.5	11.5	(12.1)	5.1	29.0	(42.7)	6.6	22.5	28.6	13.4	3.2	(5.5)	4.6
UK	*USD*	3.4	8.1	(2.5)	8.8	43.4	(48.3)	8.4	30.7	7.4	7.6	8.0	(3.0)	7.1
	local	2.0	5.8	(1.8)	12.2	27.7	(28.5)	6.6	14.6	20.1	10.3	9.0	1.8	6.8
Pac x-Japan	*USD*	0.2	13.2	(12.7)	17.1	73.0	(50.0)	31.7	33.2	14.8	2.3	10.3	2.5	14.2
	local	1.5	12.0	(12.8)	6.1	45.8	(41.6)	21.6	25.9	20.3	5.0	4.7	(1.2)	9.0
Japan	*USD*	(0.7)	0.0	(14.2)	15.6	6.4	(29.1)	(4.1)	6.3	25.6	(5.3)	(1.7)	(6.4)	3.2
	local	(0.5)	1.8	(18.6)	0.7	9.3	(42.5)	(10.1)	7.3	44.7	(3.1)	(7.1)	(13.4)	(1.0)
S&P 500		2.3	13.5	2.1	15.1	26.5	(37.0)	5.5	15.8	4.9	18.0	13.6	1.3	6.5

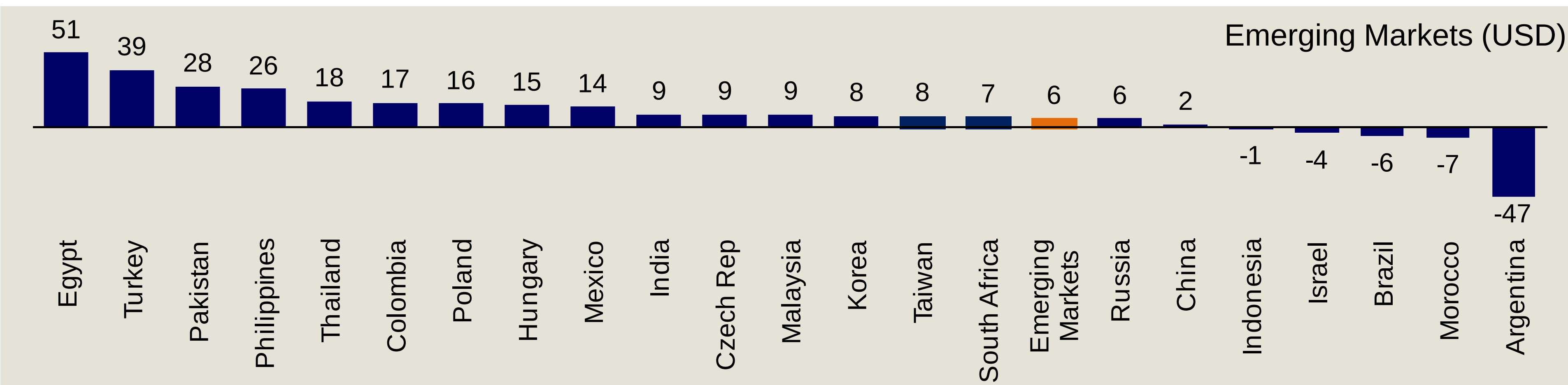
Emerging market returns have surpassed by far the developed world equity markets over the past 10 years

Note: Returns for periods greater than one year are annualized. All returns reflect total return including dividends expressed as a percentage.
Source: MSCI, Standard & Poor's, FactSet

Country Returns — USD (YTD)

Sovereign debt and deficit fears remained the dominant global headline risks, but stock markets around the world are mostly positive year-to-date as global fears have subsided to some degree.

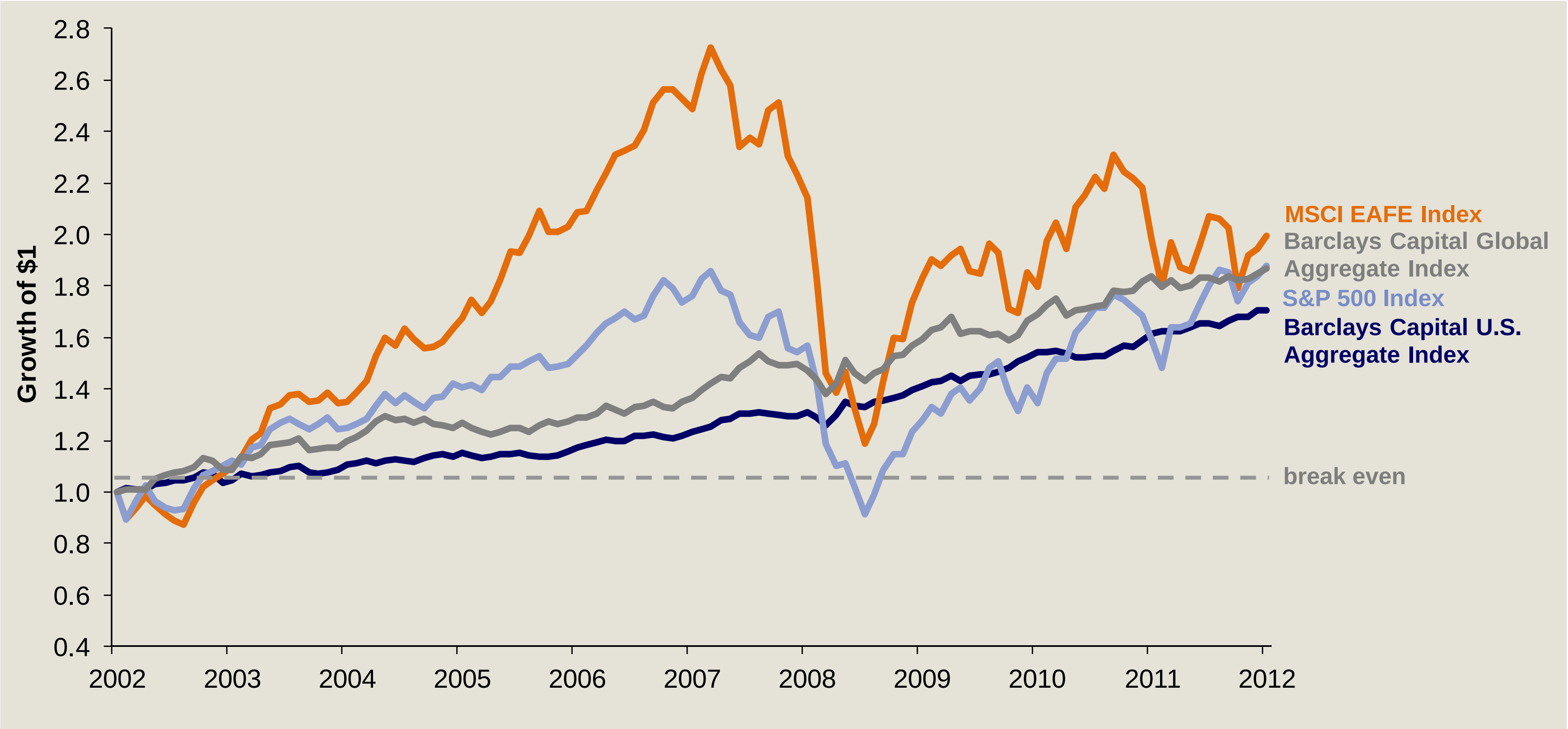




Note: All returns reflect total return including dividends expressed as a percentage.
Source: MSCI, Standard & Poor's, FactSet

U.S. and International Stocks vs. Bonds

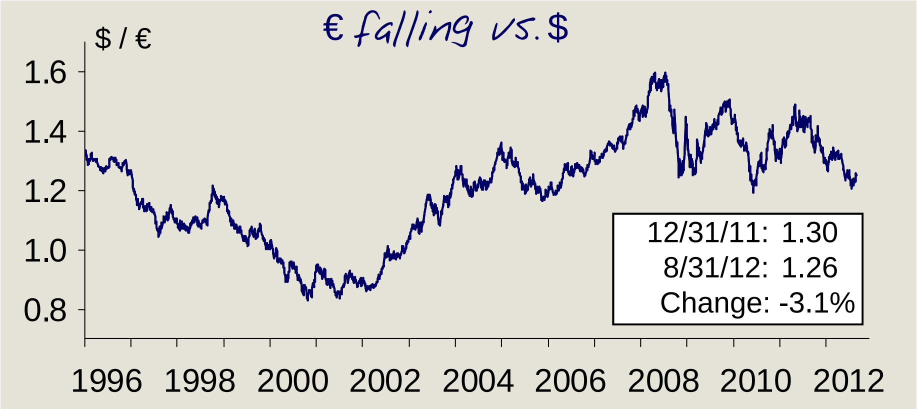
Both global bonds and international stocks have outperformed their U.S. counterparts over the last ten years but with higher volatility.

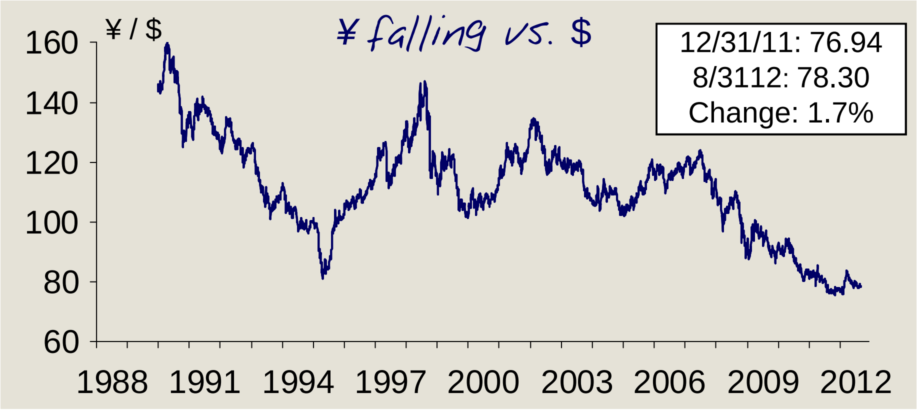


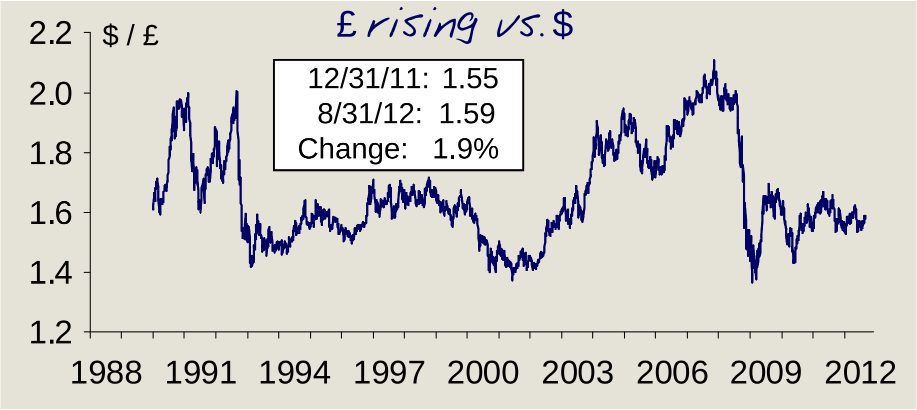
Source: FactSet, Russell Investments

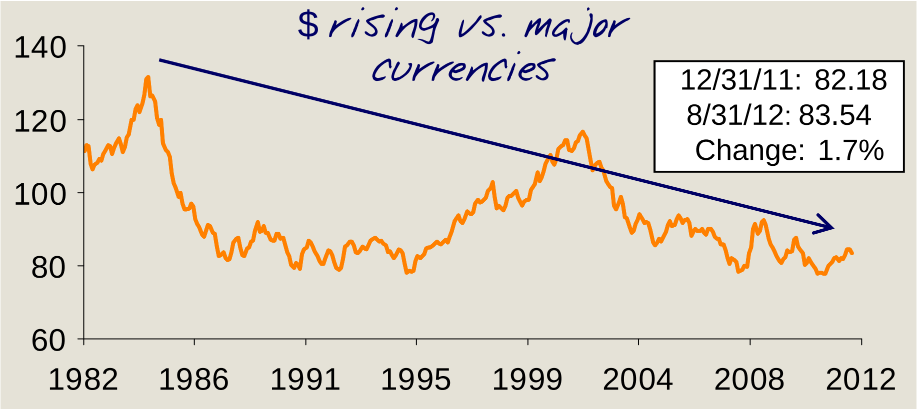
Major Currencies

Although the U.S. dollar gained 1.7% in 2012, the dollar is 36% below its 1985 peak compared to a trade-weighted basket of world currencies.









Source: FactSet

International Economics

China, India and Brazil are growing rapidly, and China is now second only to the U.S. in total output, while Germany's export-driven economy is the runaway euro zone leader.

Countries	GDP				Trade (% of GDP)	Demographics		
Developed Markets	USD (Billions)	Per Capita	1-Yr Change	5-Yr Change	Exports	Population (Millions)	Unemployment %	Median Age
US	15,478	49.3	1.8%	2.7%	9.9 %	314	8.3	37
Germany	3,444	42.8	4.0%	3.9%	42.0 %	82	6.8	45
Canada	1,760	51.3	2.4%	2.8%	27.3 %	34	7.3	41
UK	2,400	38.2	0.8%	2.6%	20.2 %	63	8.1	40
Eurozone	12,384	37.4	1.6%	3.3%	20.0 %	331	10.7	
Japan	5,996	47.1	(0.7%)	1.7%	13.6 %	127	4.3	45
Ireland	215	45.8	1.4%	5.4%	57.5 %	5	14.8	35
Emerging Markets								
Brazil	2,339	11.7	6.7%	4.0%	9.4 %	199	5.8	29
Russia	1,598	13.9	4.5%	8.9%	33.0 %	143	5.4	39
India	1,698	1.4	7.9%	9.4%	18.5 %	1,205	7.2	26
China	7,294	5.1	8.9%	10.4%	23.6 %	1,343	4.1	36
Mexico	1,150	10.0	5.4%	5.2%	31.2 %	115	4.75	27

Source: FactSet. Data is most recent available.

Global Stock Fundamentals

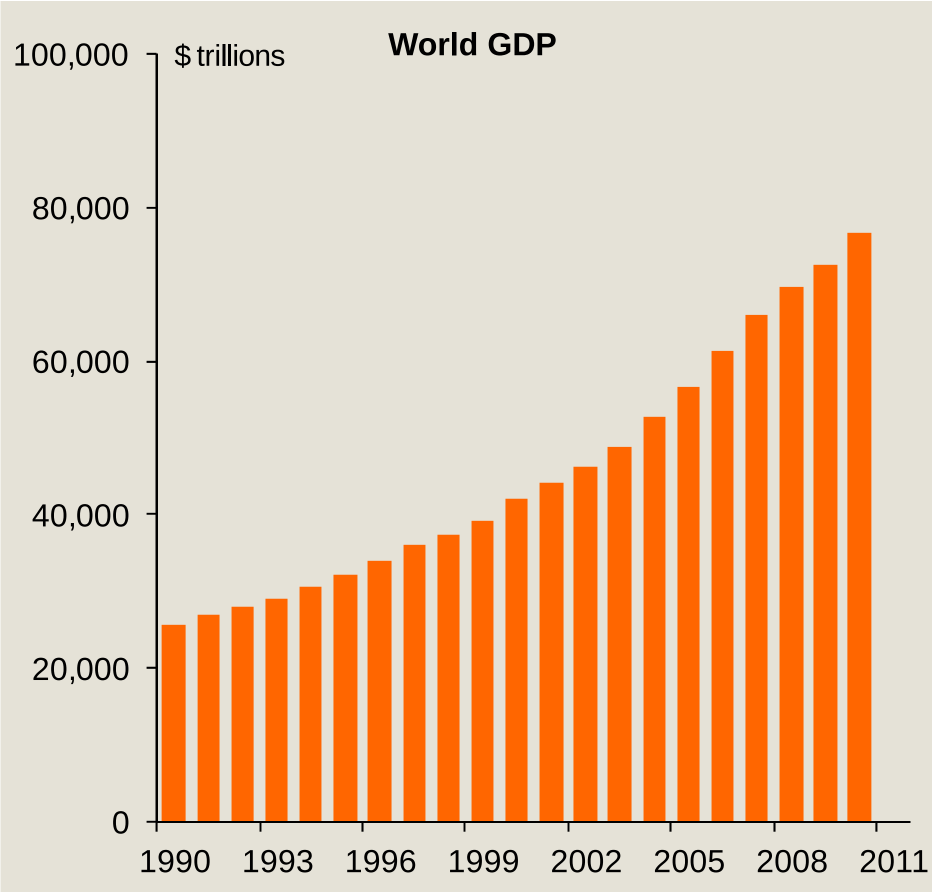
Emerging market equities appear to offer comparable profitability and better balance sheet strength with valuations at or below those of S&P 500 and EAFE stocks.

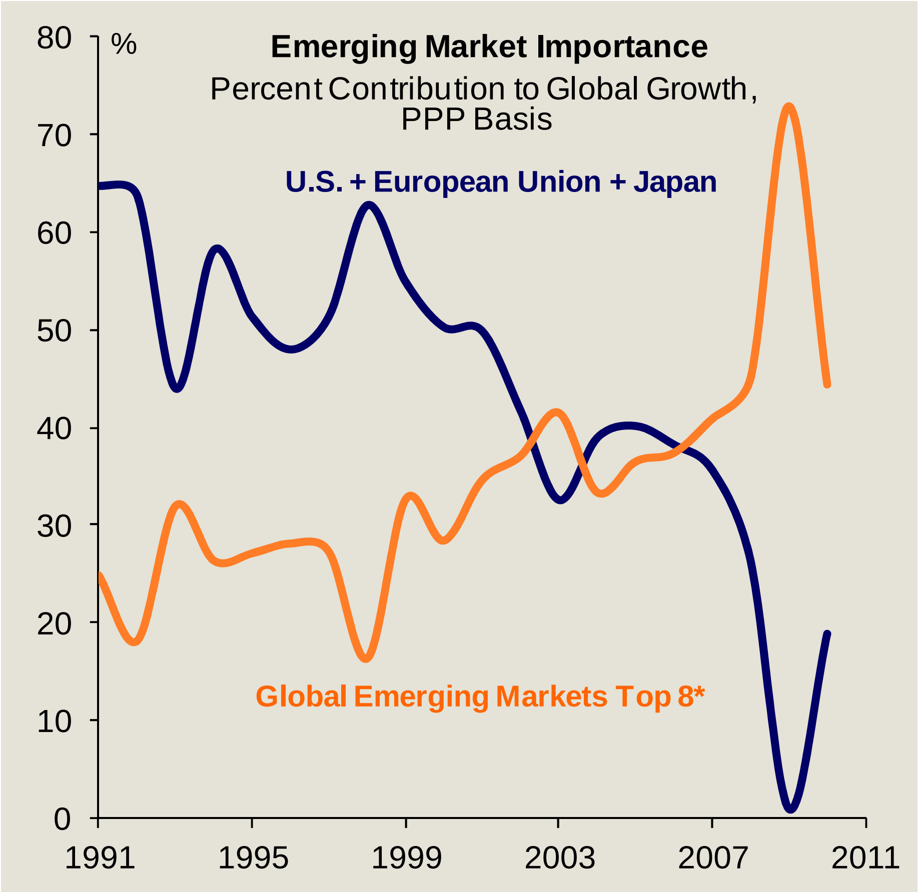
Valuation	S&P 500	MSCI EAFE	MSCI Emerging Markets
P/E (next fiscal year estimated earnings)	13.7	12.1	11.1
Price to Book Ratio	2.1	1.3	1.6
Price to Cash Flow Ratio	9.3	7.0	7.2
Price to Sales Ratio	1.3	0.8	1.1
Profitability			
Return on Equity (ROE)	15.4	10.6	14.5
Balance Sheet Strength			
Long-term Debt to Capital Ratio	36.3	41.2	23.4

Note: Valuation and Profitability figures are weighted harmonic averages, a statistical technique that reduces the effects of extreme outlying data on the average. Long-term Debt to Capital figures are weighted averages.
Source: FactSet

World GDP and Emerging Market Importance

World GDP grew steadily through the great recession, supported by the largest emerging markets, which now out-produce the largest developed economies.

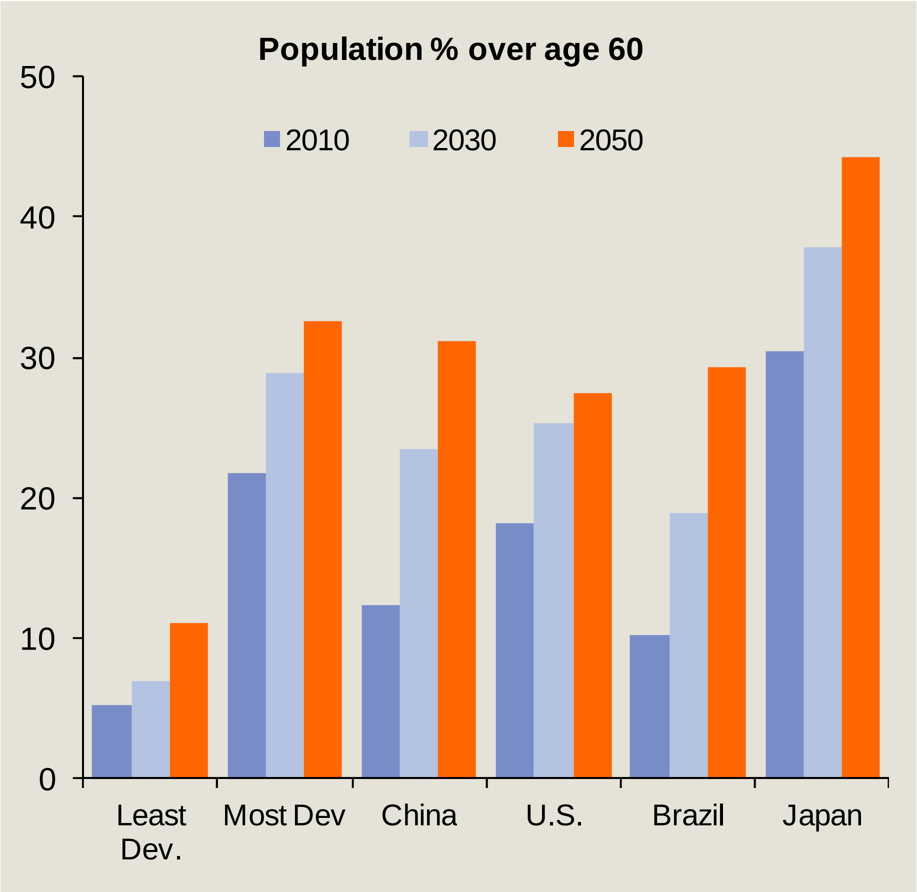


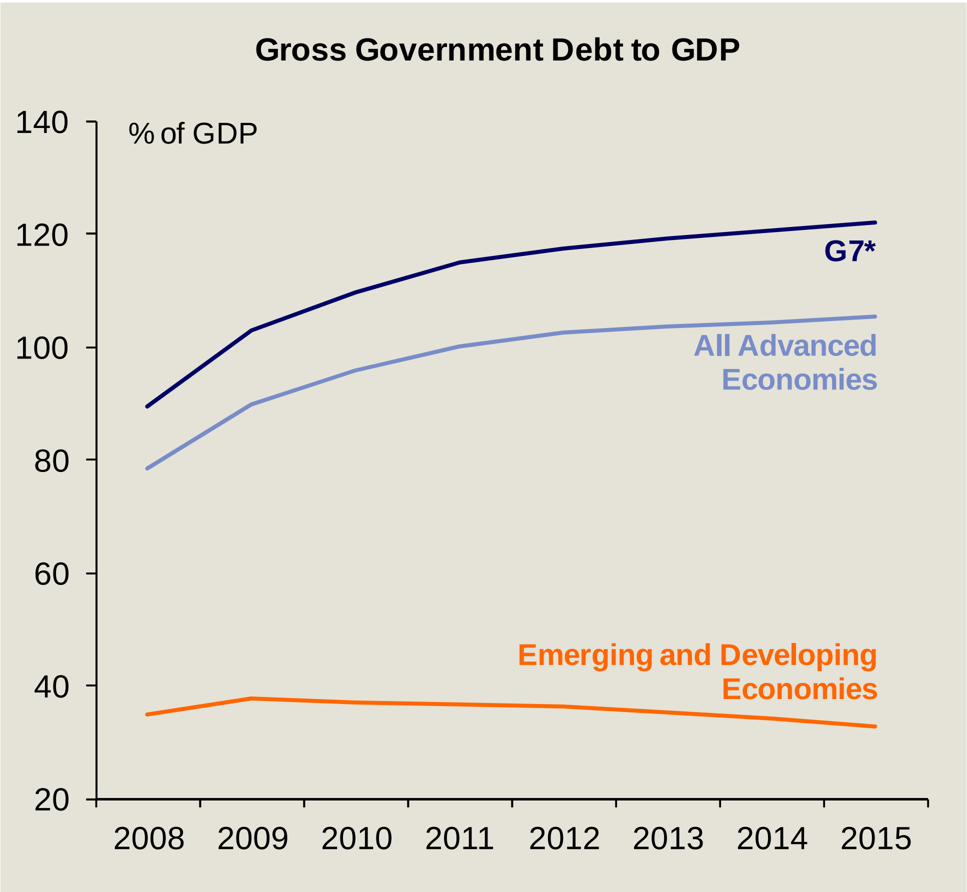


Source: The World Bank Group
*China, India, Russia, Brazil, Mexico, Korea, Indonesia and Taiwan
Data as of 12/31/10.

Developed and Emerging Market Contrasts

Aging populations in mature economies strain public resources and produce heavier government debt burdens that hinder economic growth.

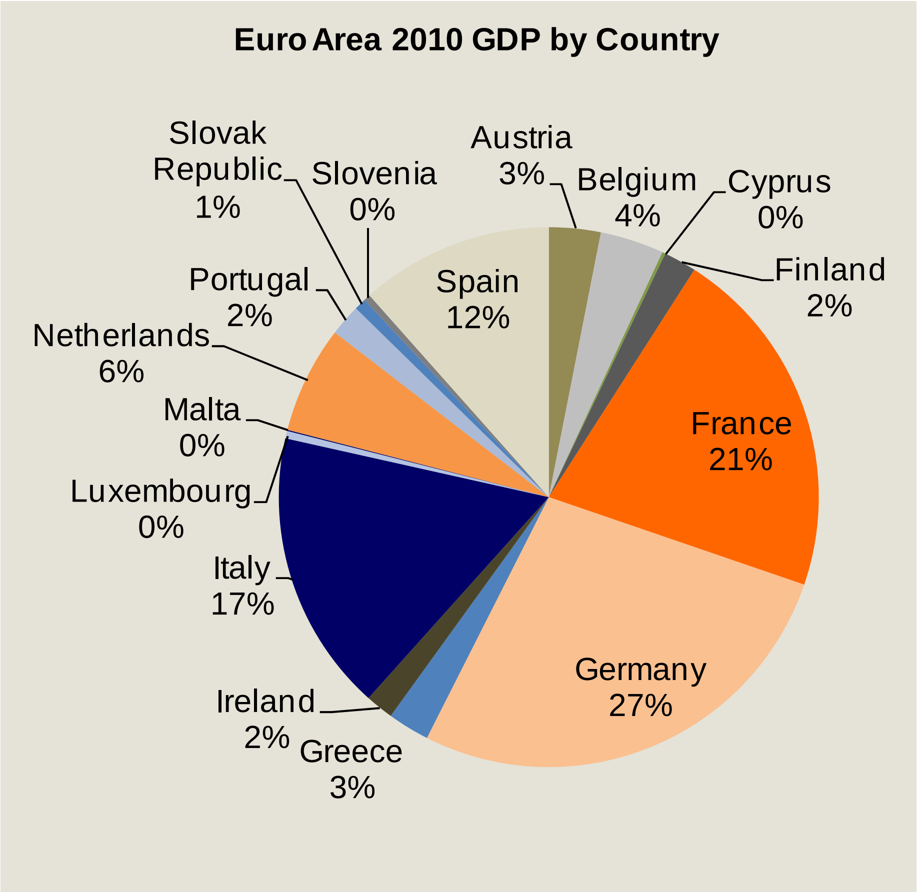


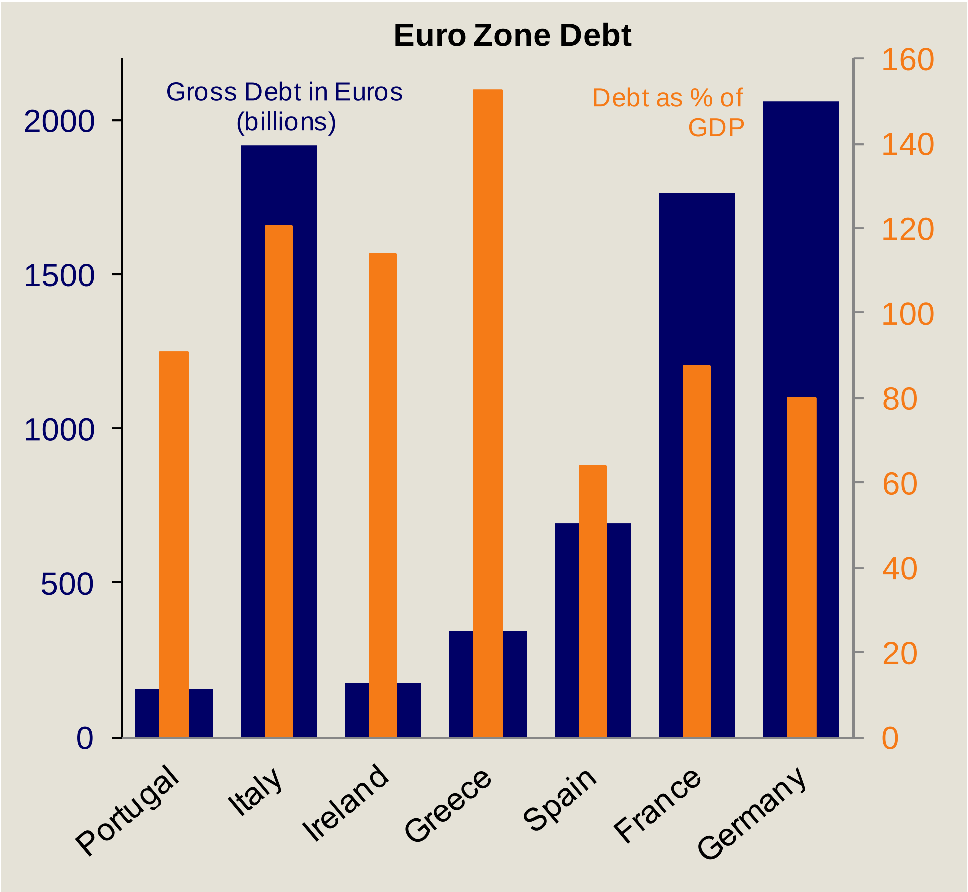


*G7= France, Italy, Germany, Japan, U.K., U.S and Canada
Source: IMF, CIA World Factbook

Euro Zone

Even with total debt at 152% of GDP, Greece accounts for less then 3% of the euro zone, but Italy is a major economy with much higher total debt at 120% of GDP, and Spain has serious bank solvency concerns.





Source: International Monetary Fund (IMF) as of 2011

Tectonic Shift — Frontier Markets

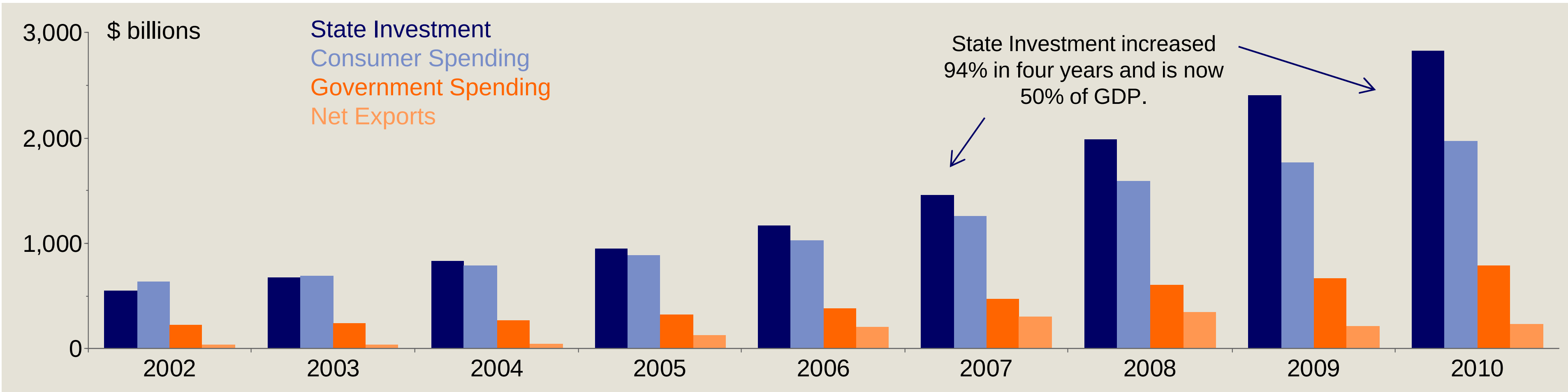
Frontier countries are emerging markets with lower capitalizations and less liquidity. They offer high growth potential and are fueling global growth as they evolve and mature.

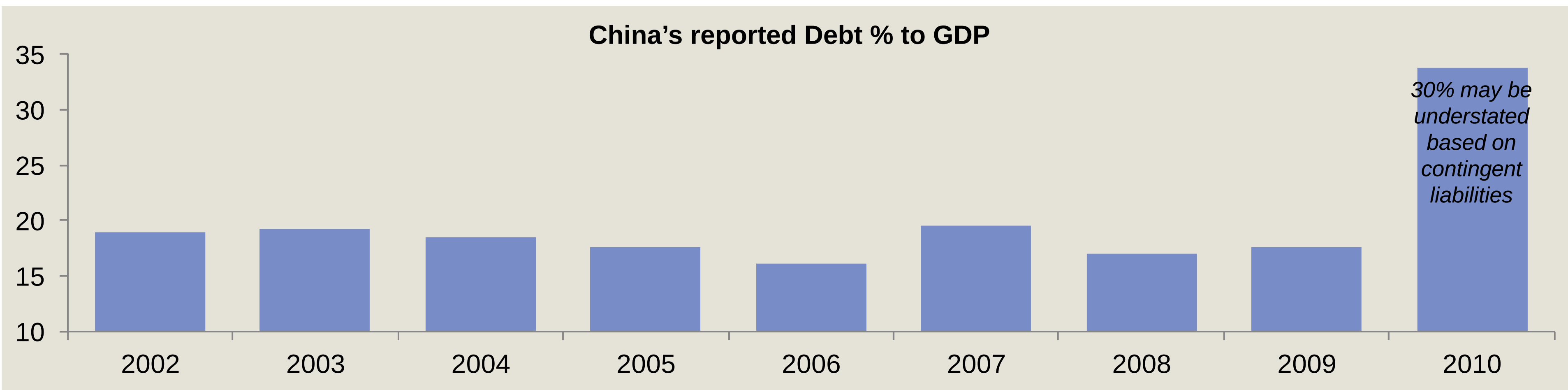
Index	Currency	Aug-12	YTD	2011	2010	2009	2008	2007	1 year	3 years	5 years
Global Markets											
MSCI Frontier Emerging Markets	*USD*	0.6	9.7	(17.3)	29.1	25.8	N/A	N/A	1.3	4.8	N/A
MSCI Frontier Markets	*USD*	2.0	1.7	(18.4)	24.2	11.7	(54.1)	42.1	(5.1)	(1.4)	(9.8)
Select Countries											
South Africa	*USD*	(0.8)	7.4	(14.4)	34.2	57.8	(37.9)	18.1	(2.4)	11.6	5.5
	local	*1.8*	*12.1*	*4.5*	*20.6*	*25.7*	*(16.0)*	*14.5*	*17.5*	*14.6*	*9.0*
Turkey	*USD*	4.1	39.3	(35.2)	21.2	98.5	(62.1)	74.8	21.5	7.3	0.3
	local	*5.7*	*34.1*	*(20.4)*	*24.5*	*92.8*	*(50.1)*	*44.7*	*28.7*	*14.4*	*7.2*
Poland	*USD*	5.5	16.2	(29.5)	15.9	42.5	(54.5)	27.4	(13.4)	1.7	(7.9)
	local	*5.0*	*12.3*	*(18.1)*	*19.6*	*37.6*	*(45.2)*	*7.9*	*(0.3)*	*7.0*	*(4.7)*
Qatar	*USD*	1.6	1.7	8.2	31.3	8.9	(26.3)	54.2	6.9	12.1	9.0
	local	*1.5*	*1.6*	*8.2*	*31.3*	*8.8*	*(26.3)*	*54.2*	*6.8*	*12.1*	*9.0*
Indonesia	*USD*	(3.6)	(1.1)	6.5	34.6	127.6	(56.2)	55.0	(5.8)	18.6	13.4
	local	*(2.9)*	*4.0*	*7.2*	*29.1*	*96.2*	*(49.2)*	*61.9*	*5.3*	*16.4*	*13.7*
S&P 500		2.3	13.5	2.1	15.1	26.5	(37.0)	5.5	18.0	13.6	1.3

Source: Factset

China Hard Landing

China's soaring state investments, property bubble and declining exports raise fears about the likelihood of a "hard landing" from its enviable recent growth.



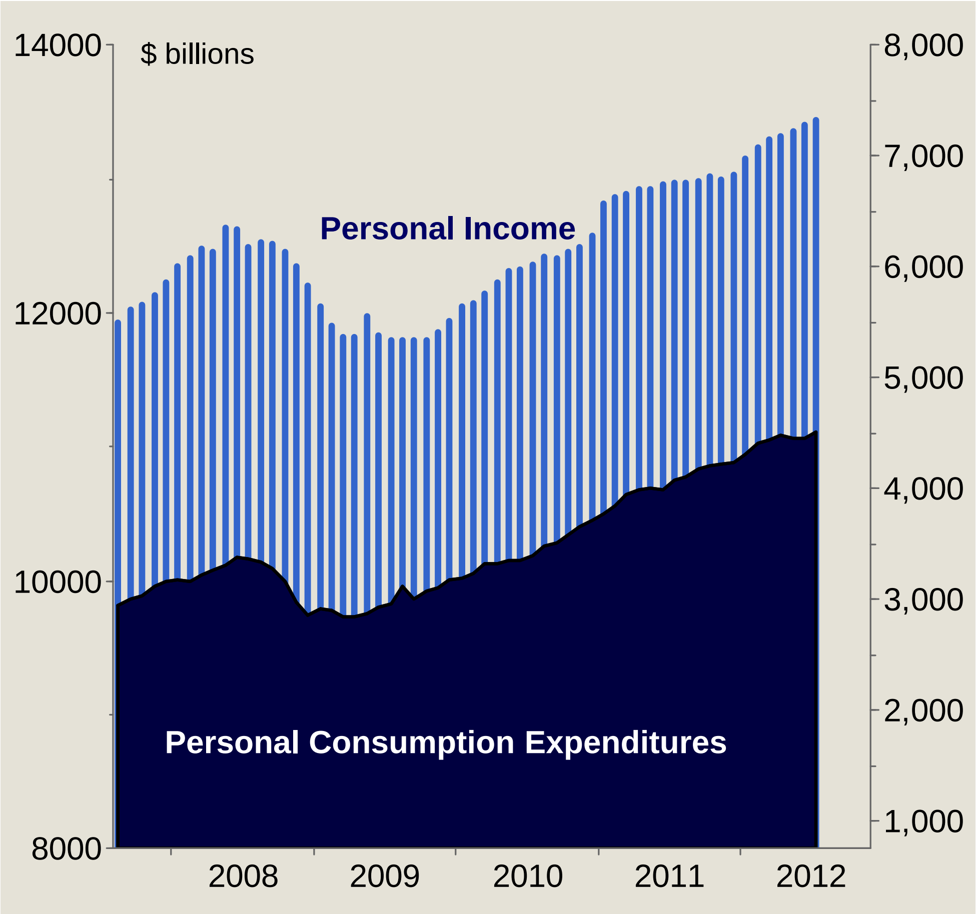


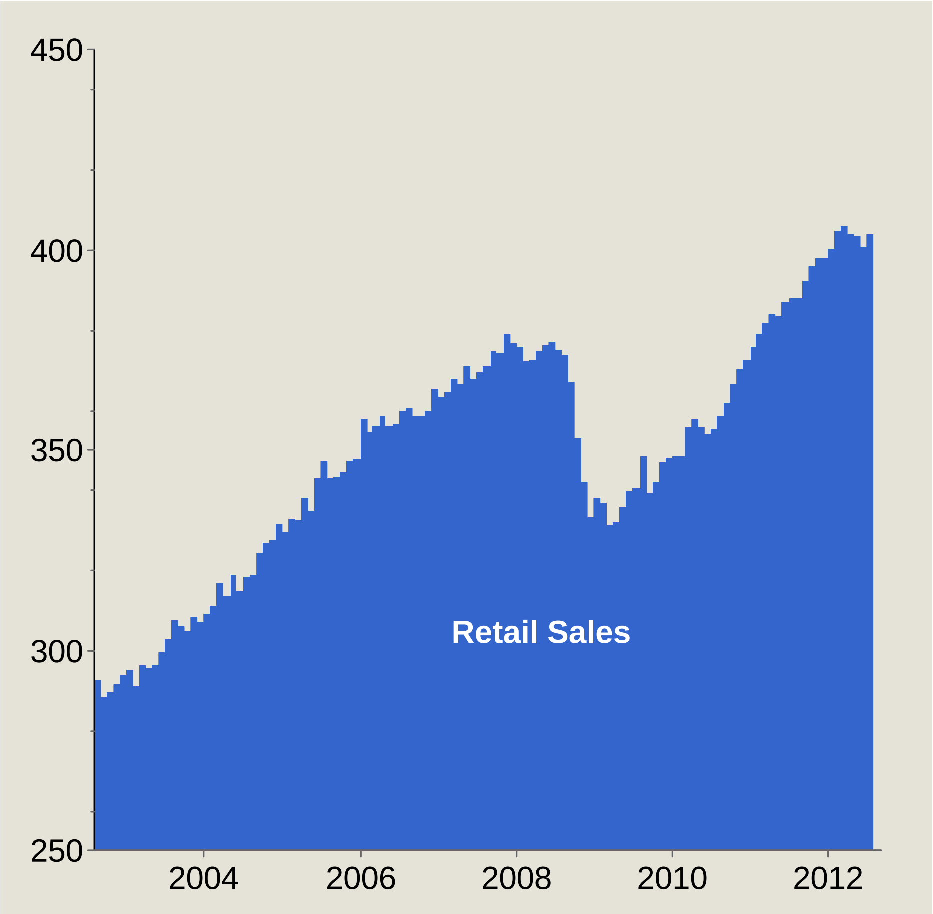
Source: International Monetary Fund (IMF) as of 2011, China Bureau of Statistics

International

Consumer Trends

At about 70% of GDP, the U.S. consumer is the game changer in the economic recovery. Consumption, income and retail sales are at all-time highs, and retail sales, although retreating recently, have risen consistently.

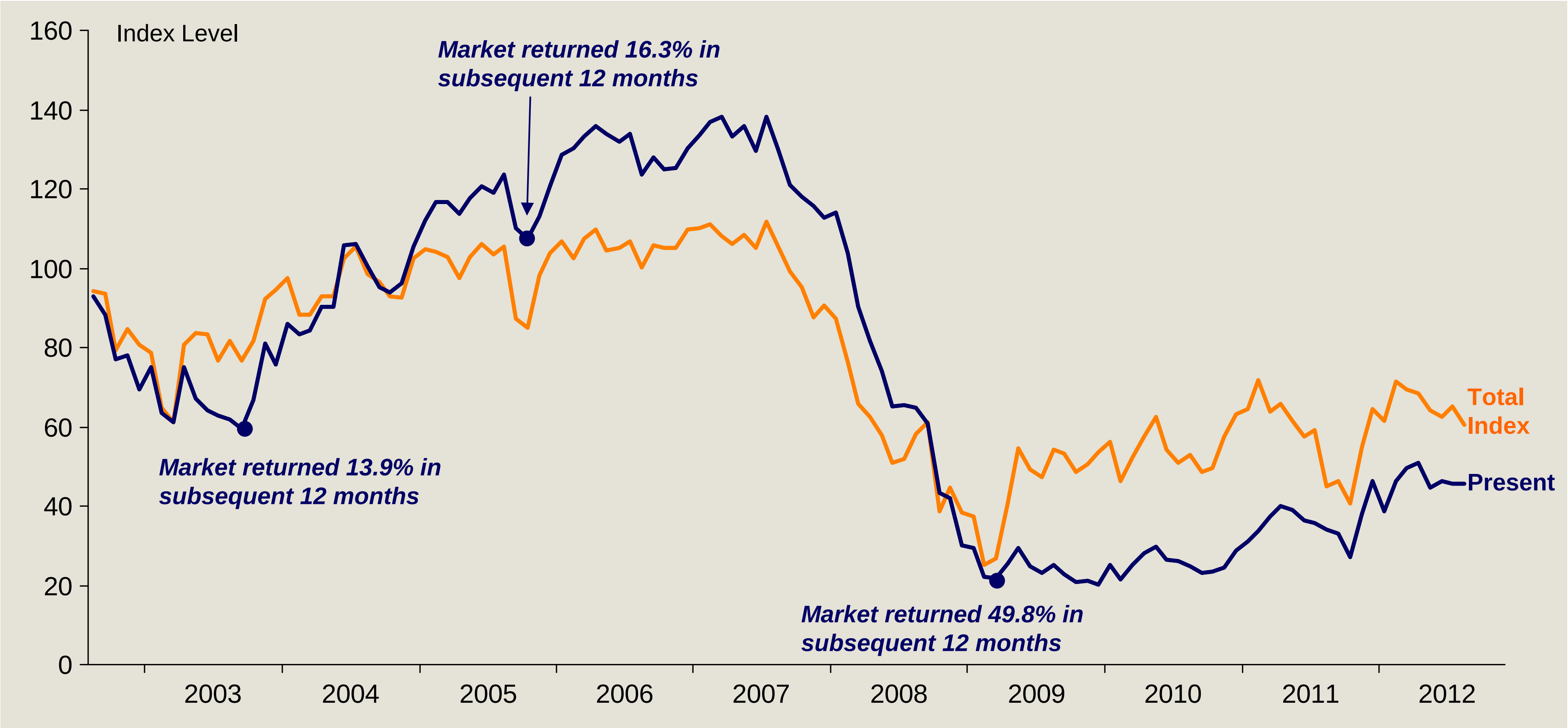




Source: FactSet

Consumer Confidence

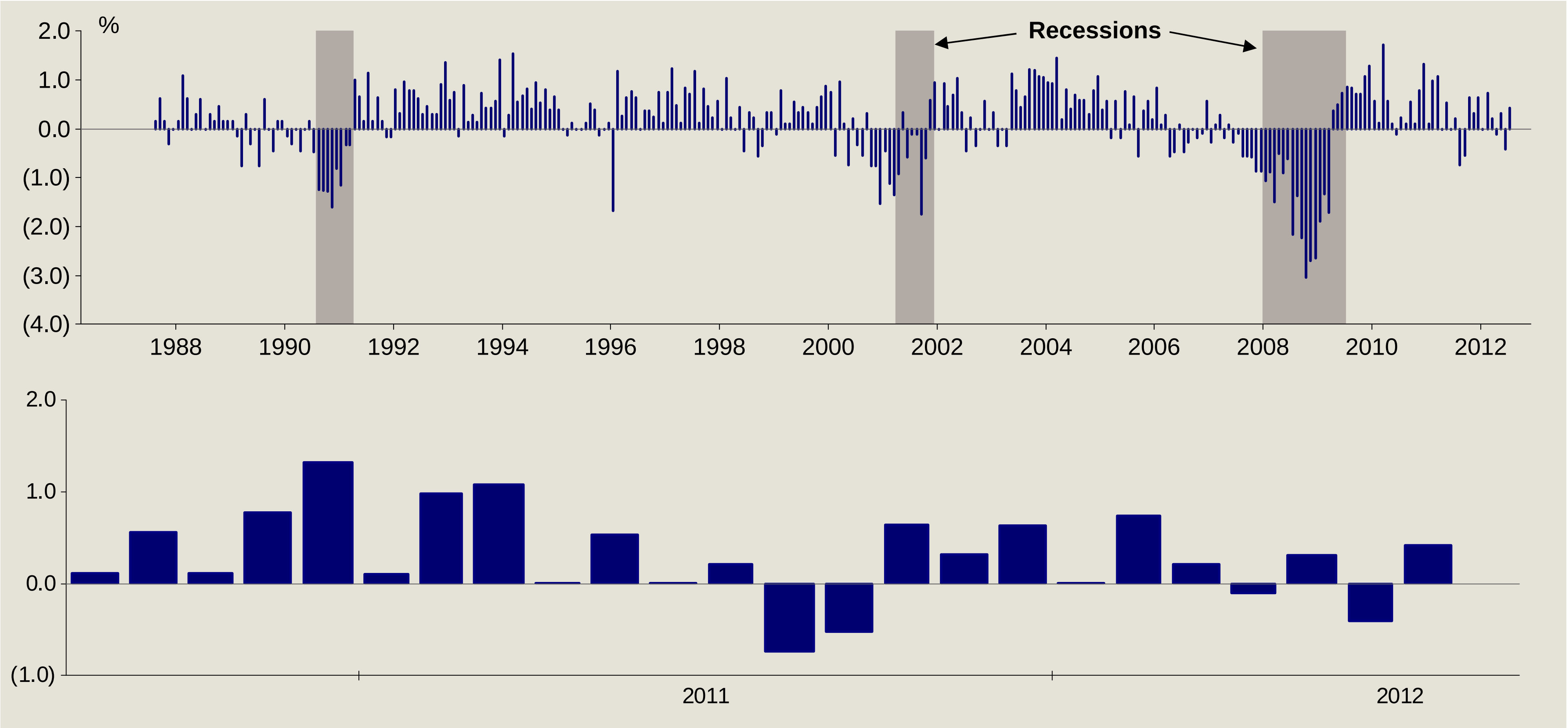
U.S. consumer confidence seems low, but consumer confidence is backward-looking and has often been a contrary indicator for subsequent stock market returns.



Source: The Conference Board, Factset

U.S. Leading Indicators

U.S. Leading Indicators have been consistently positive — in fact, for 20 of the last 24 months.



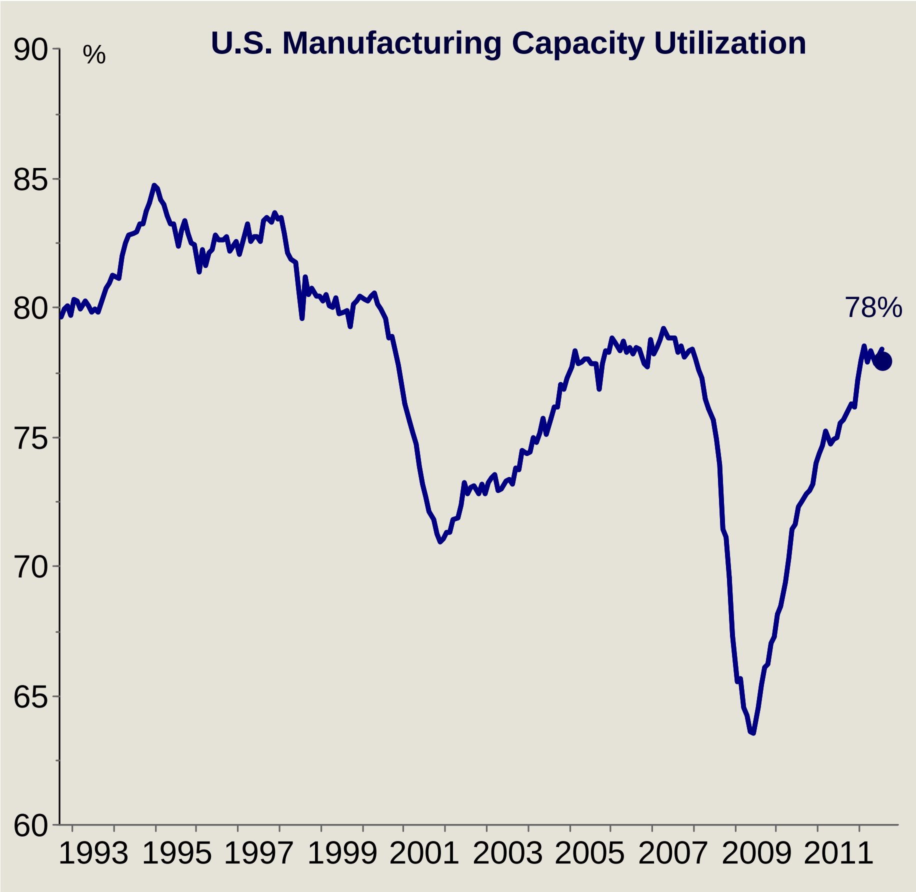
Source: Bloomberg, Factset

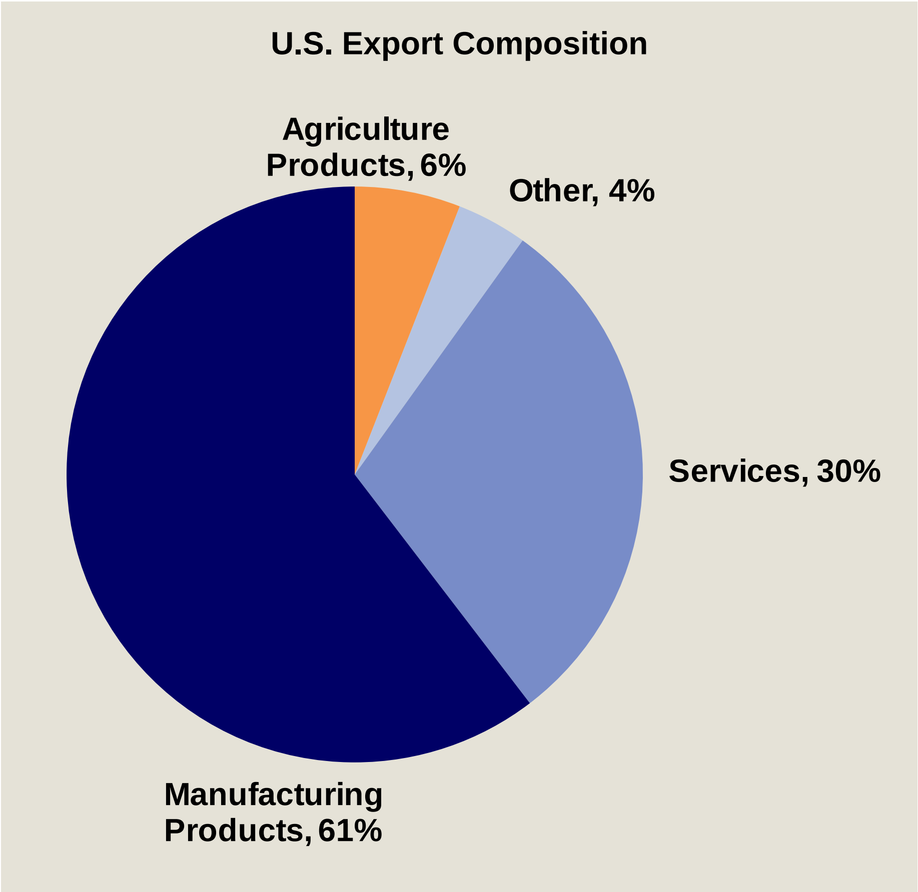
The Conference Board U.S. Leading Index consists of the weighted average of the following indices:

1. Average weekly hours, manufacturing
2. Average weekly initial jobless claims
3. Manufacturers' new orders, consumer
4. Vendor performance, slower deliveries
5. Manufacturers' new orders, capital
6. Building permits, new private housing units
7. Stock prices, 500 common stocks
8. Money Supply, M2
9. Interest Rate Spreads
10. Index of consumer expectations

Broadening Manufacturing

U.S. manufacturing capacity utilization is expanding from record lows and is nearing historically normal levels. Manufacturing is a significant part of the U.S. economy and accounts for 61% of U.S. exports.

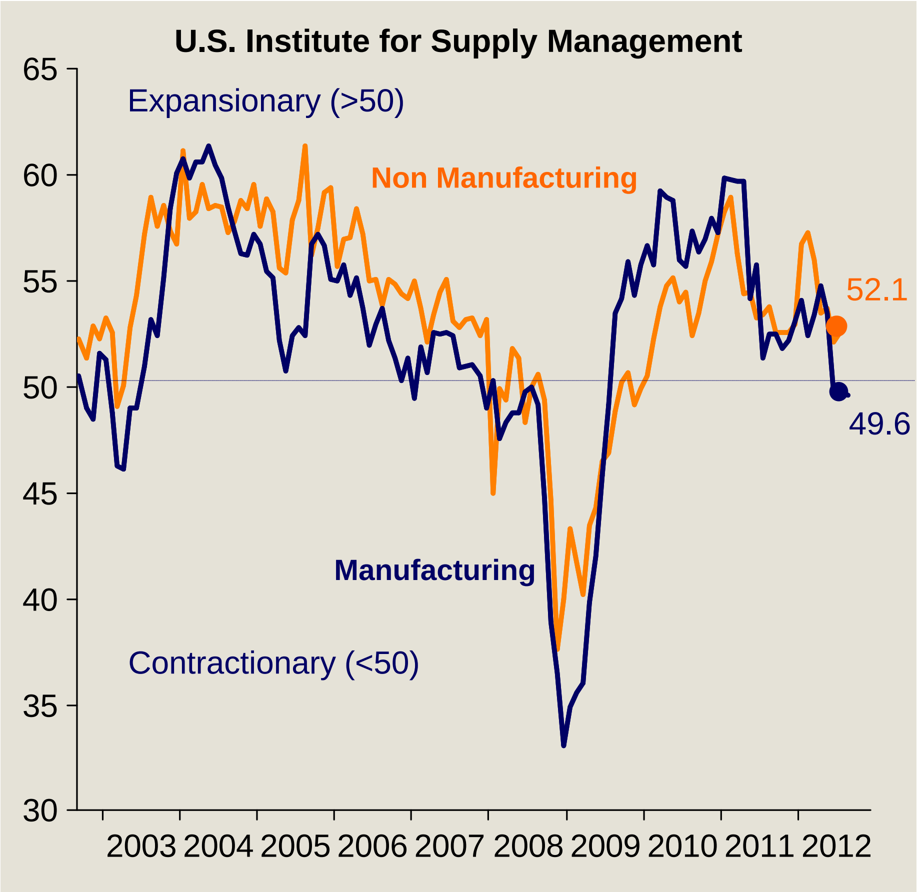


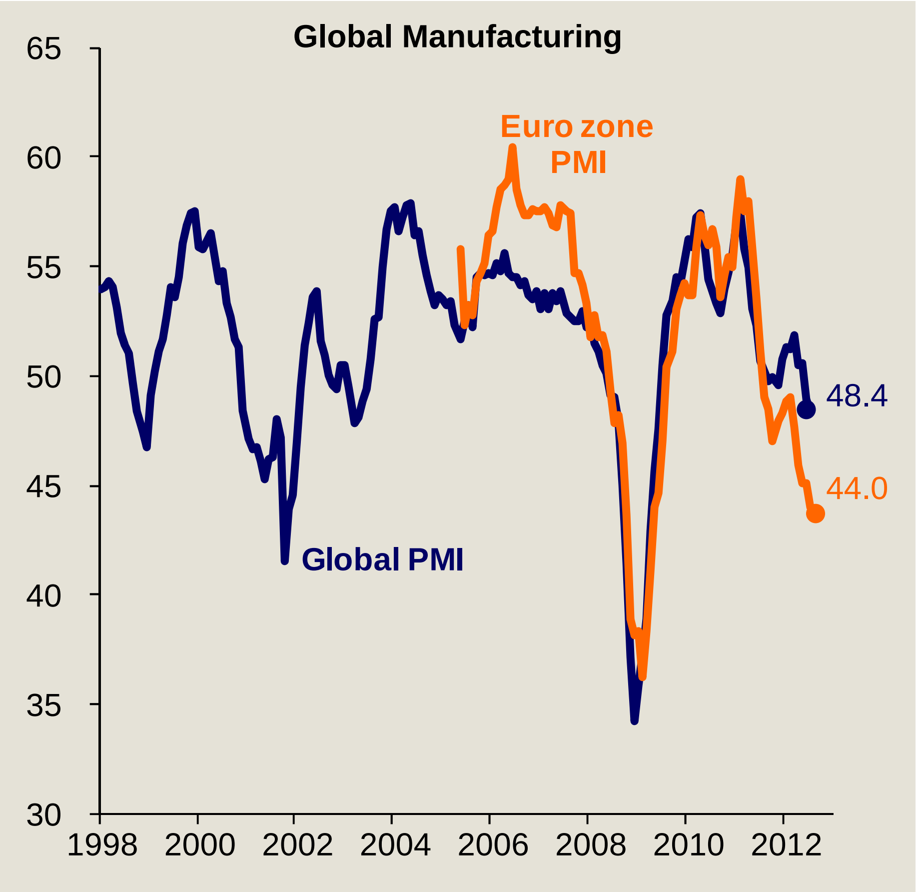


Source: FactSet , U.S. Census Bureau

Broadening Manufacturing

U.S. factory activity slipped into contraction territory based on economic uncertainties in the euro zone and China and fears of the effects of the "fiscal cliff" here at home.

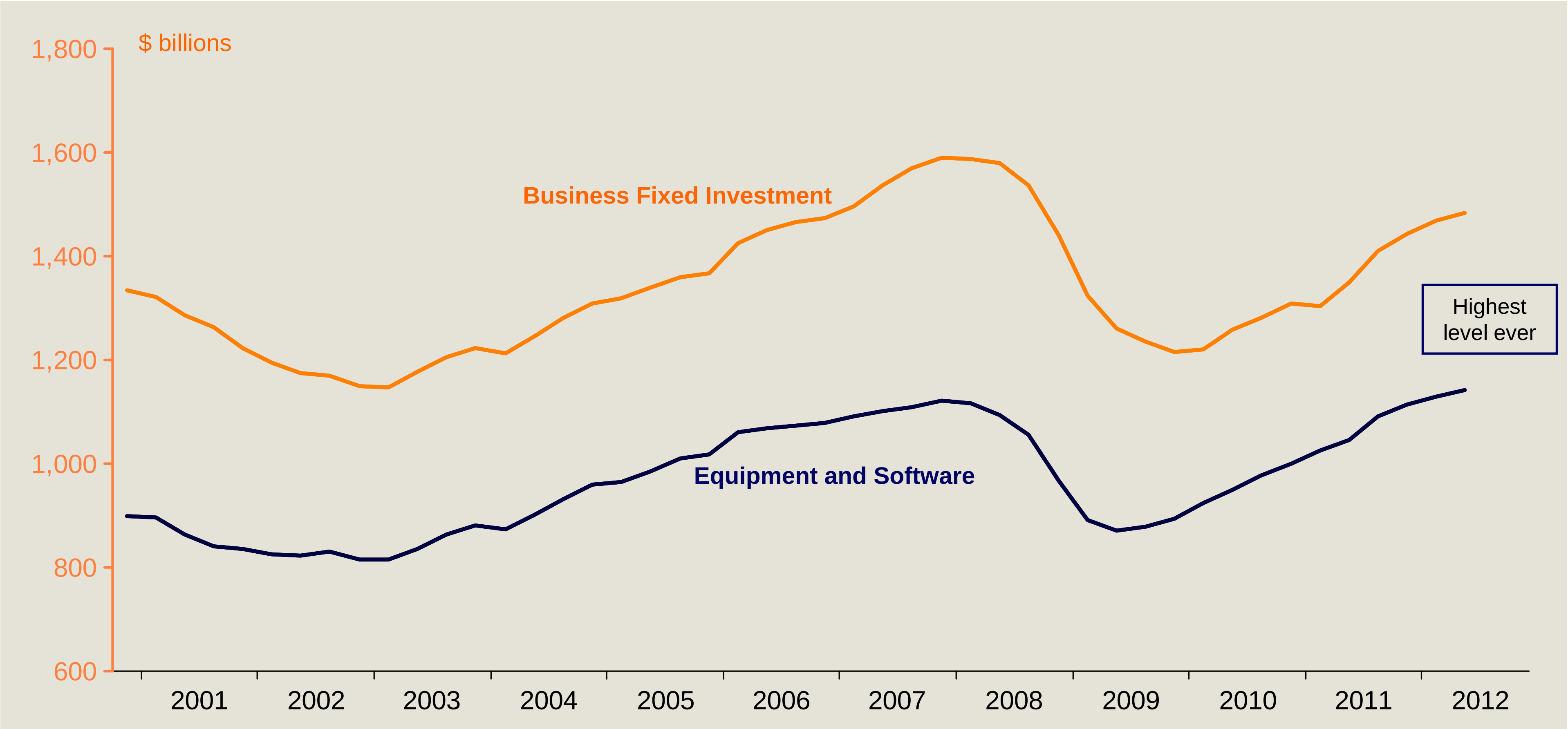




Source: Institute of Supply Management, Federal Reserve, FactSet

Tectonic Shift — Business Fixed Investment

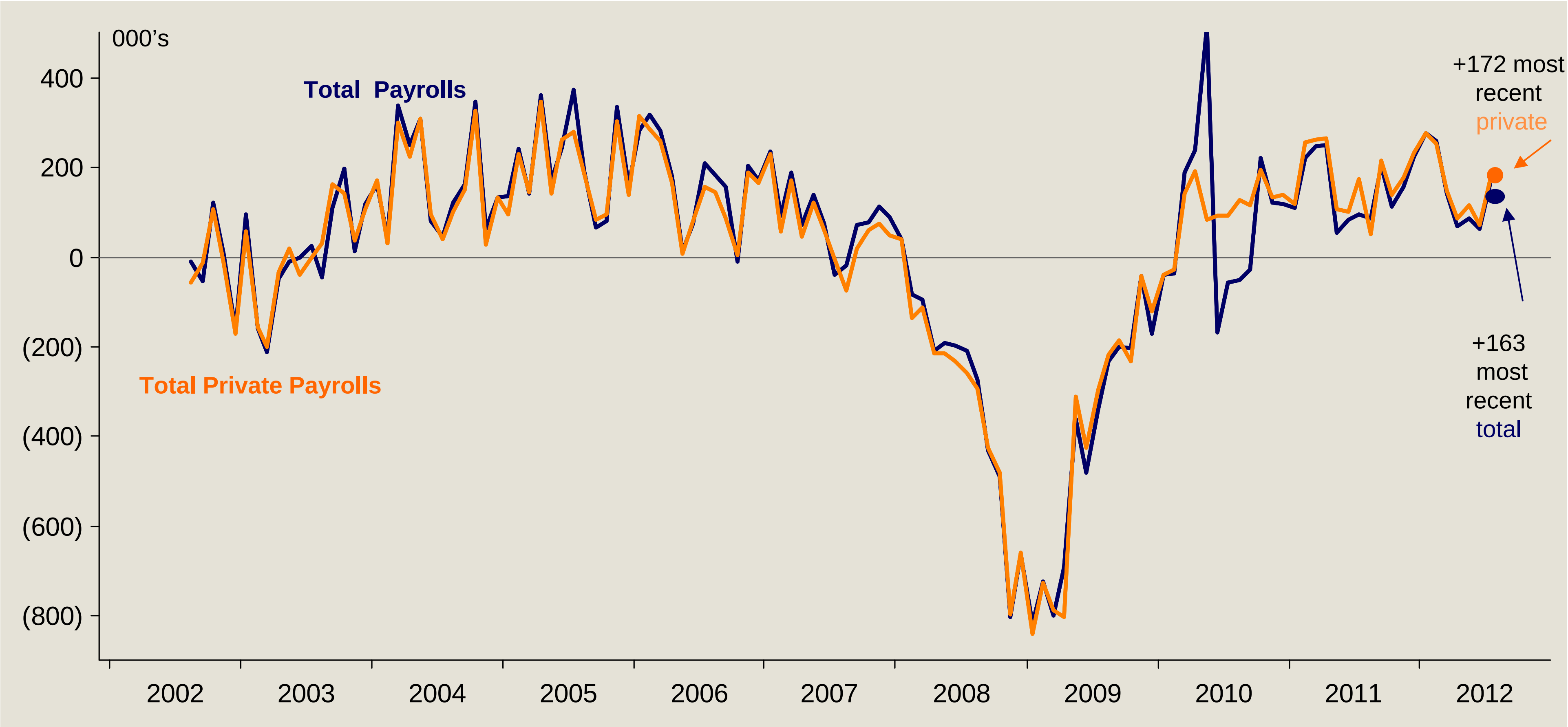
A strong recovery in corporate profits and cash flows is spurring a revival in business spending on equipment and software.



Source: Factset

Employment Payrolls

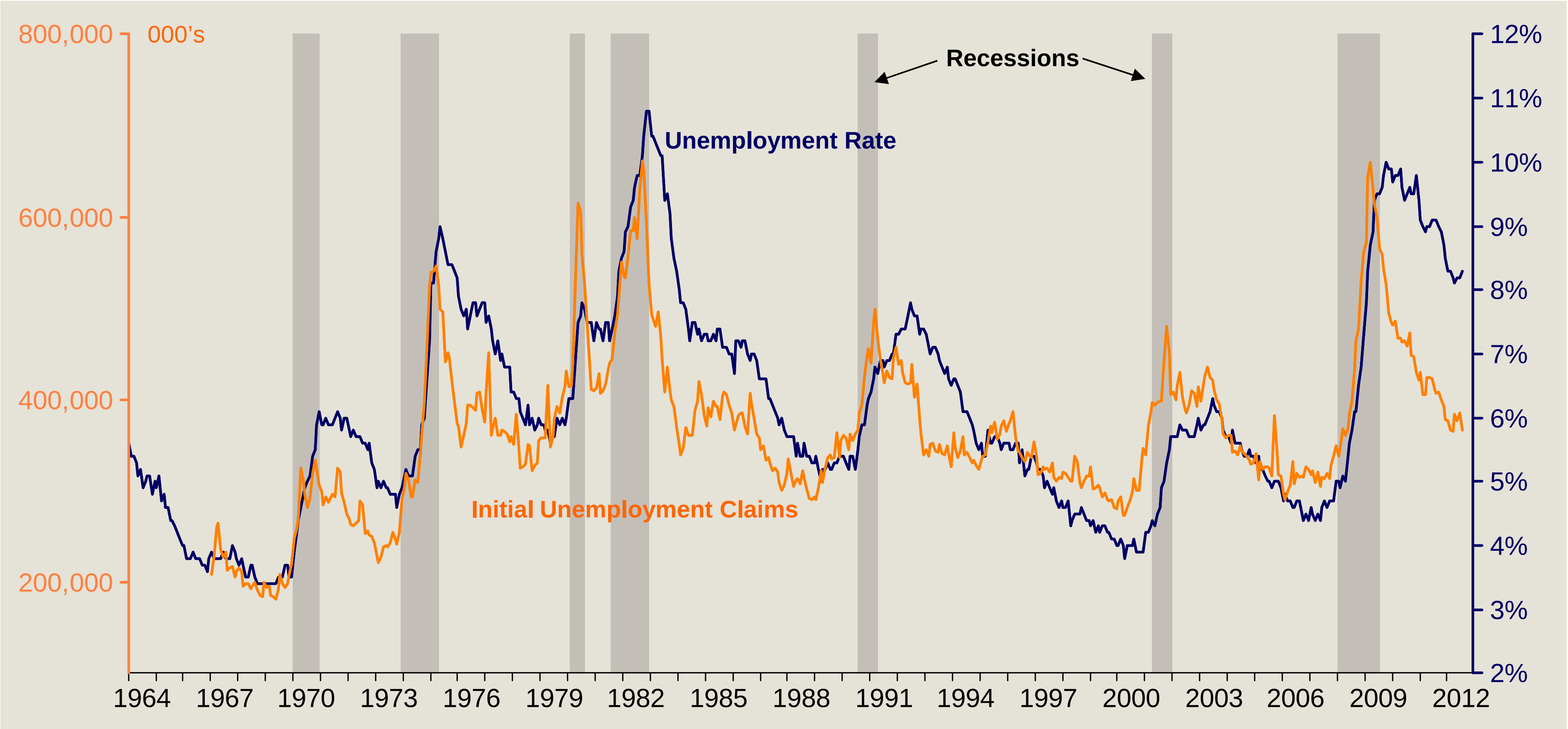
Total payrolls, including all non-farm employment, has rebounded from low second quarter figures, but not enough to bring unemployment rates down.



Source: FactSet

Unemployment Rate

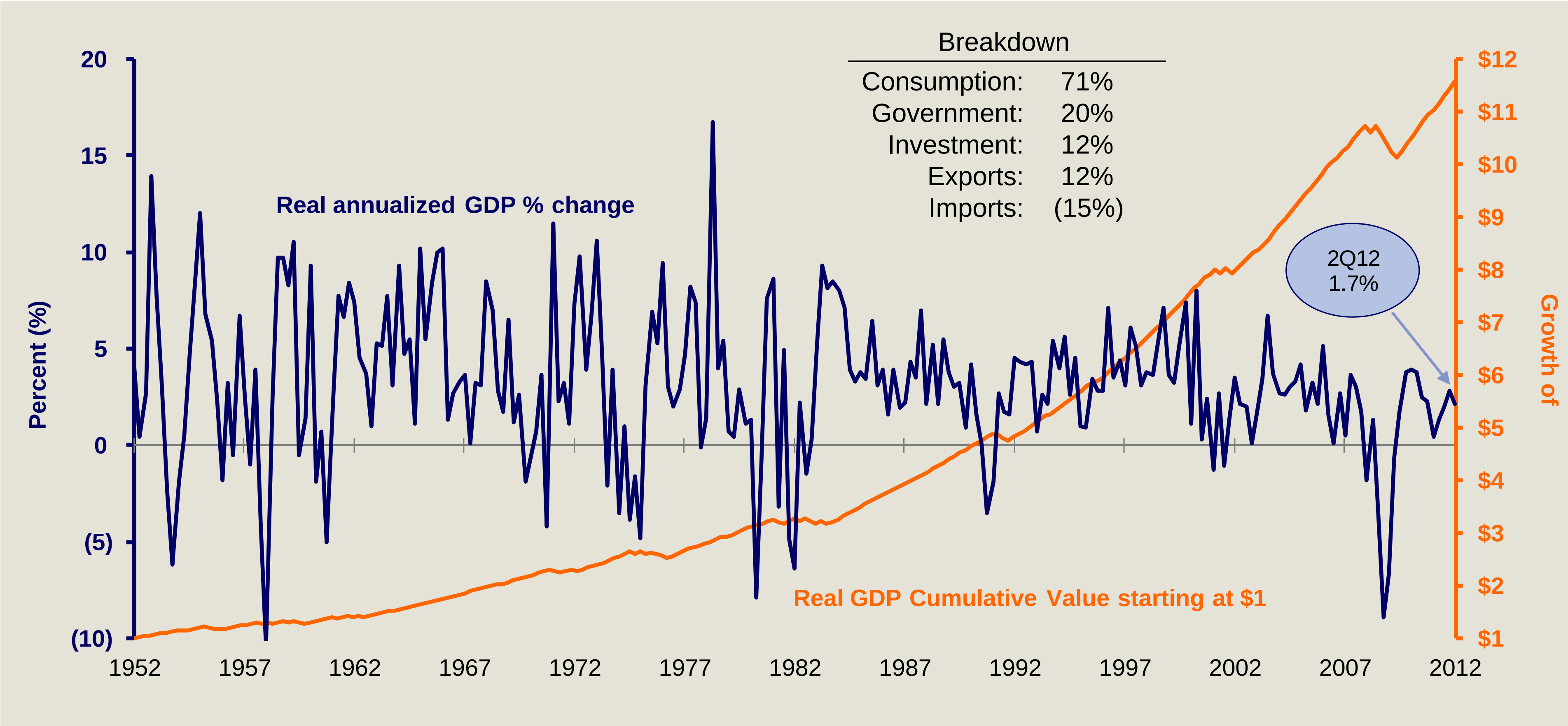
High unemployment may reluctantly recover as growth resumes; recent reports and news of job growth and payrolls have been mixed.



Source: Bureau of Labor Statistics, FactSet

Real GDP (Q/Q)

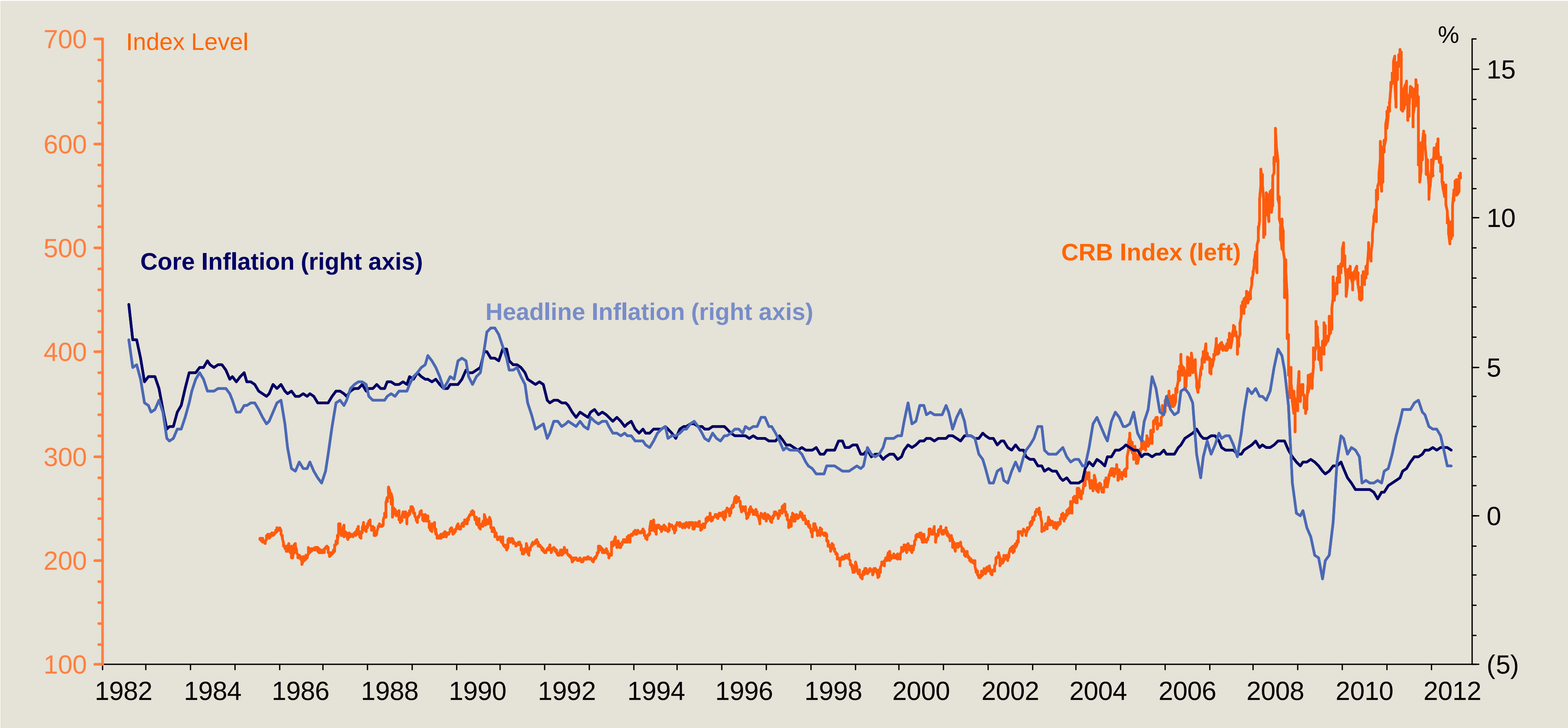
The U.S. has recovered the output level it lost in the recession and has now reached new highs. Expansions historically last about five years.



Source: Bloomberg

Inflation — CPI

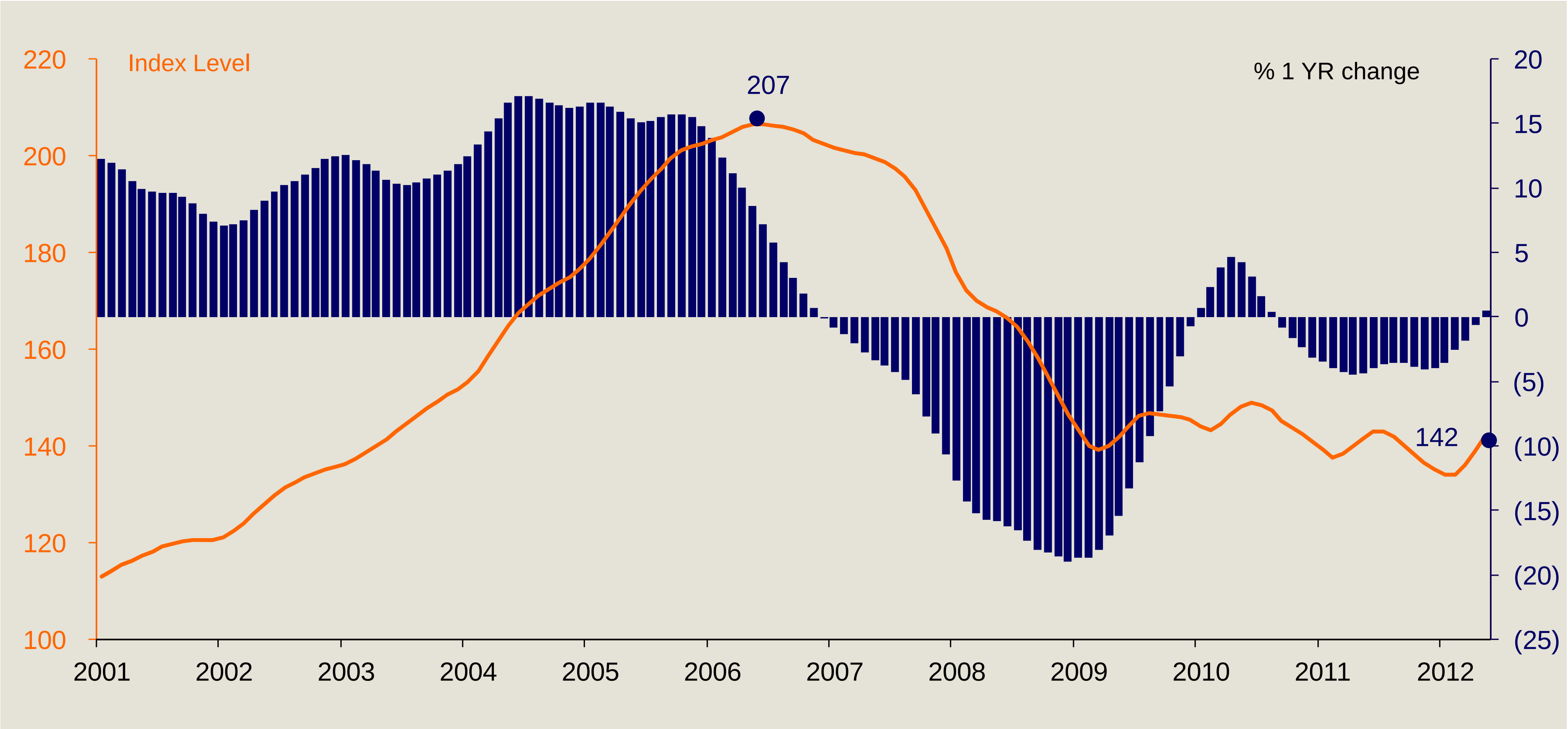
Core and headline inflation remain under control; while commodities prices spiked dramatically in 2009-2010, recent figures show a dramatic retreat.



Note: Core CPI reflects consumer price inflation excluding food and energy.
Source: Factset.

S&P Case-Shiller Home Price Index

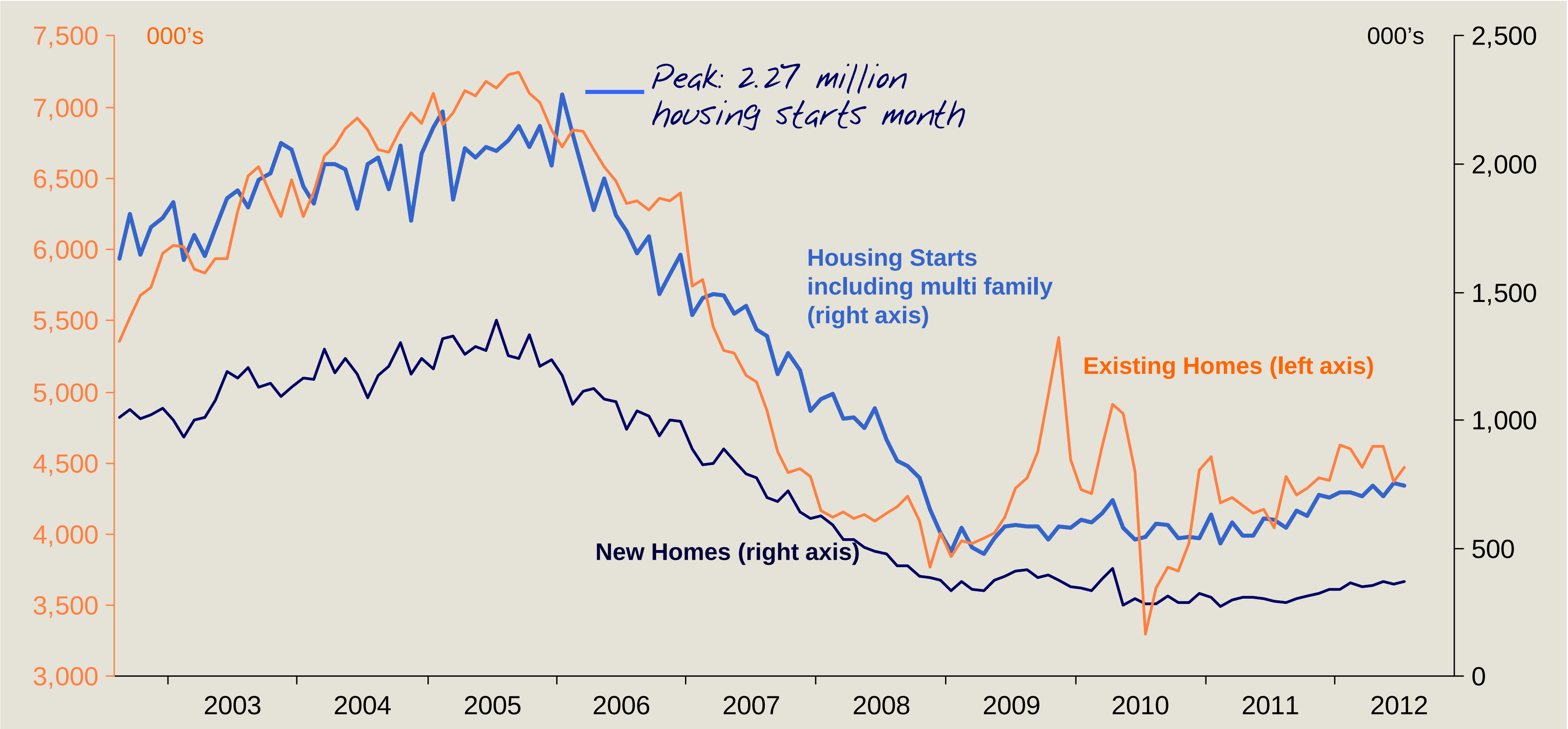
Home values are still 31% below 2006 levels but the 20 City Composite Index has shown recent upticks and signs of a sustainable recovery with the first year-over-year price increase in two years.



Source: Factset, S&P Case-Shiller, Bloomberg

Home Sales and Housing Starts

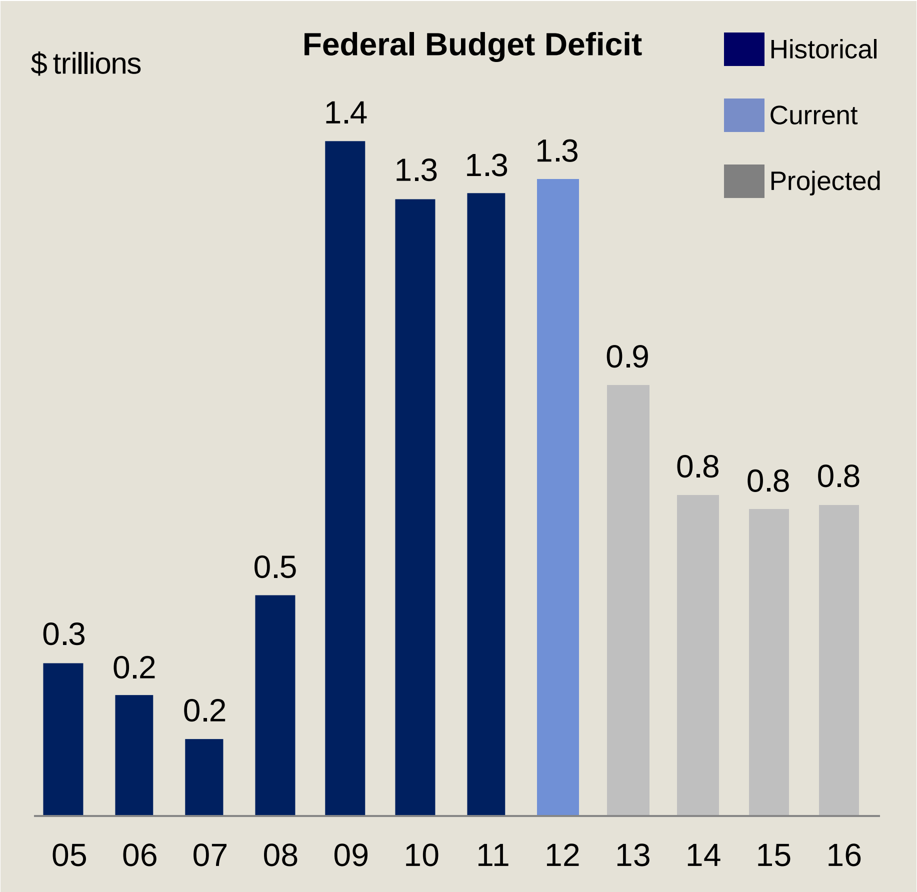
Despite recent positive news housing is still lagging the U.S. economic recovery; existing homes and new household formation suggest that outstanding supply will remain a hurdle for some time.

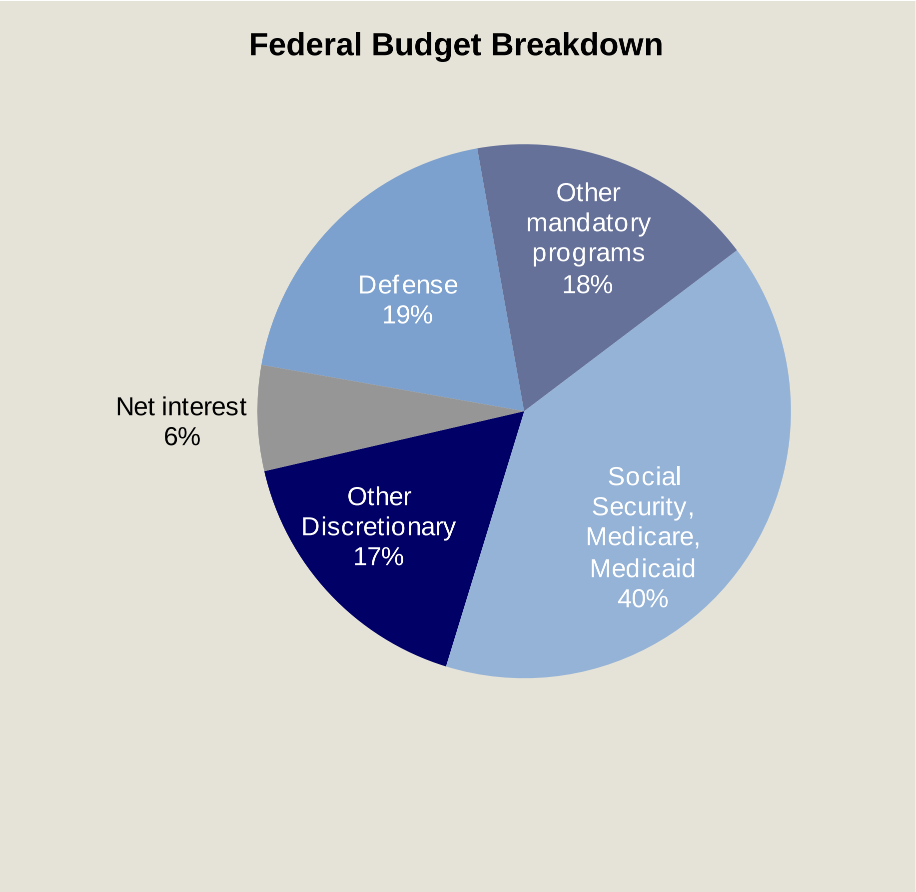


Source: U.S. Census Bureau, FactSet

Federal Budget Deficit

Troubling projected budget deficits are driven by large mandatory programs, defense and interest payments, making it difficult to reduce government spending.

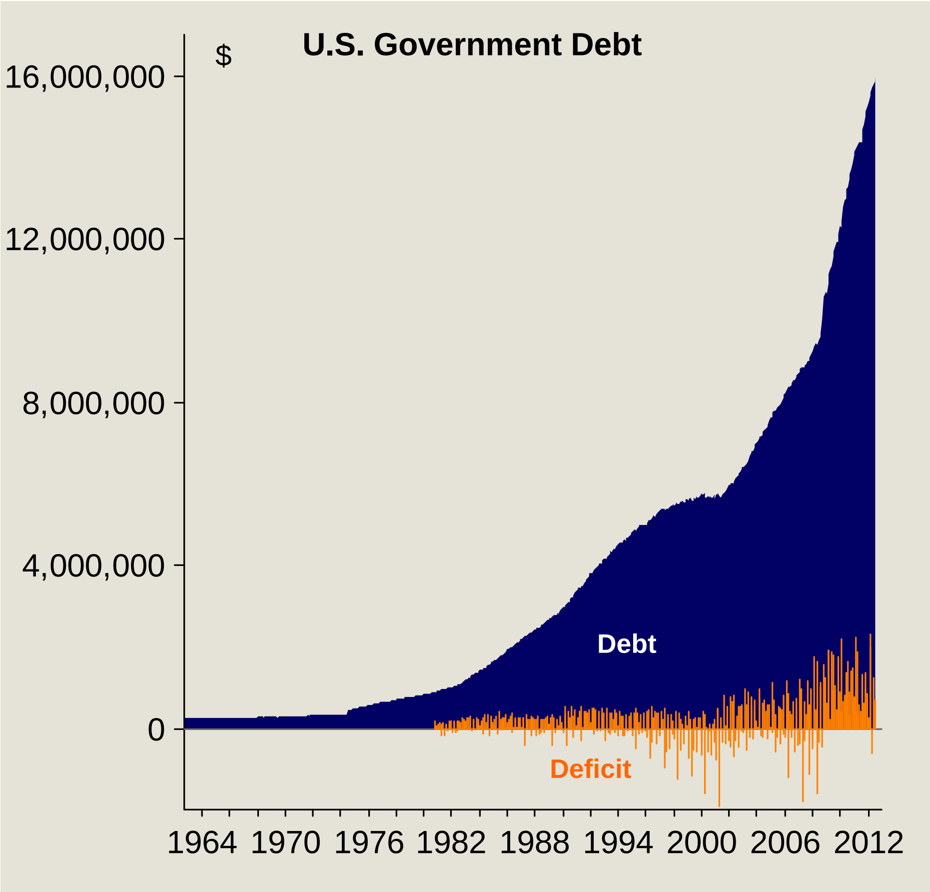


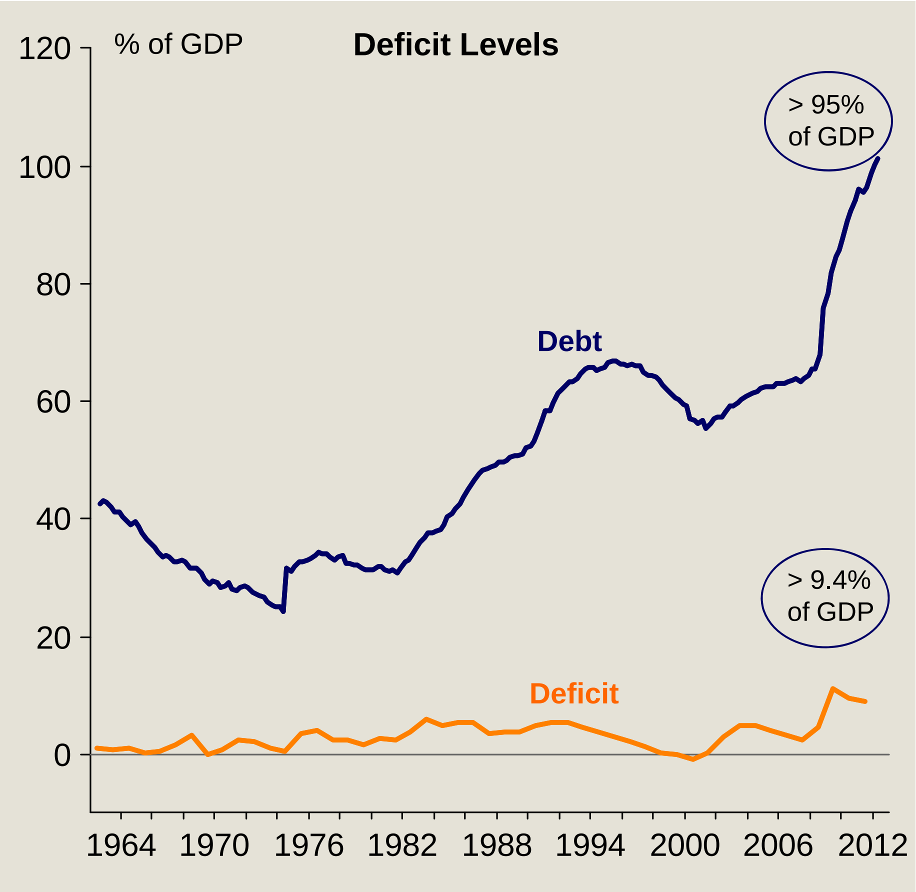


Source: Congressional Budget Office, Office of Management and Budget, Data as of 2012

U.S. Government Debt and Deficit Perspective

Total federal public debt outstanding exceeds 95% of GDP, and the current U.S. deficit is more than 9% of GDP (excluding Social Security and Medicare).

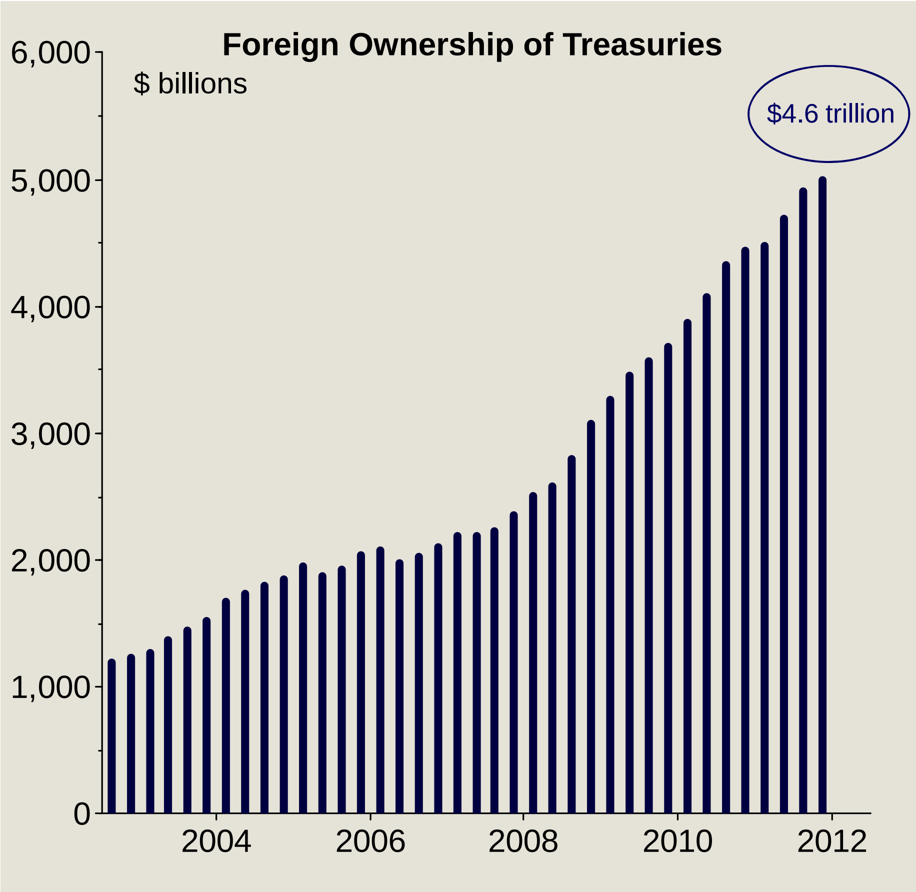


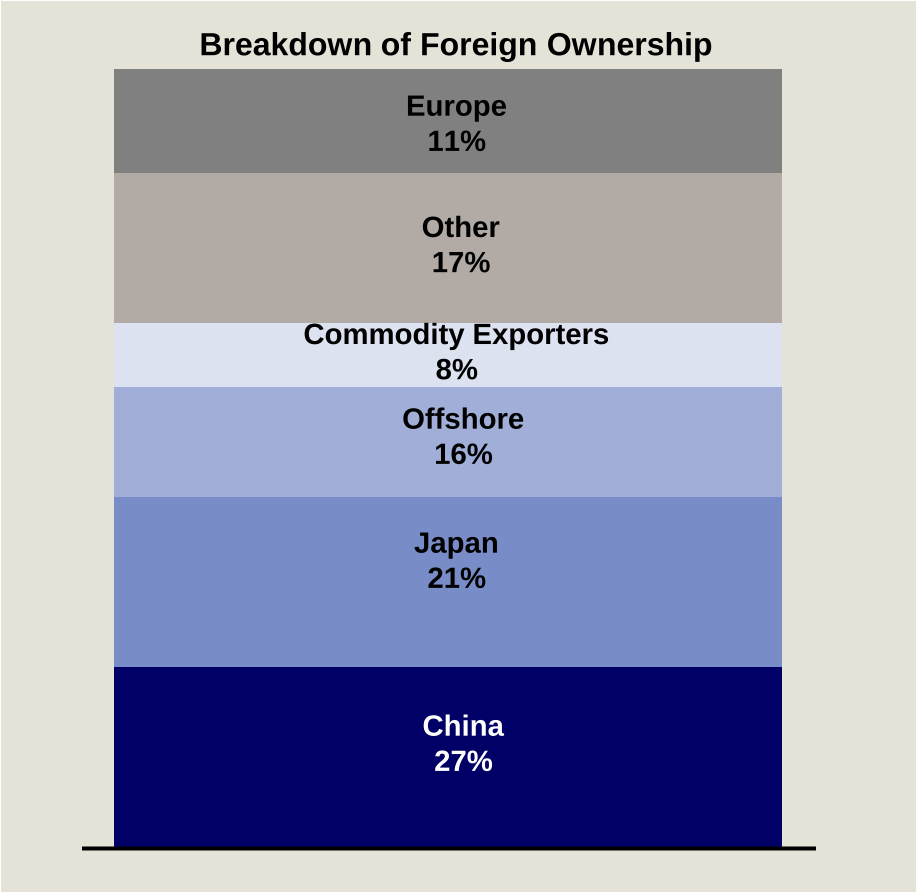


Source: Factset

Foreign Ownership of U.S. Treasuries

Foreign ownership of U.S. debt has more than tripled since 2000, in effect, financing U.S. consumption and facilitating unsustainable deficit spending.

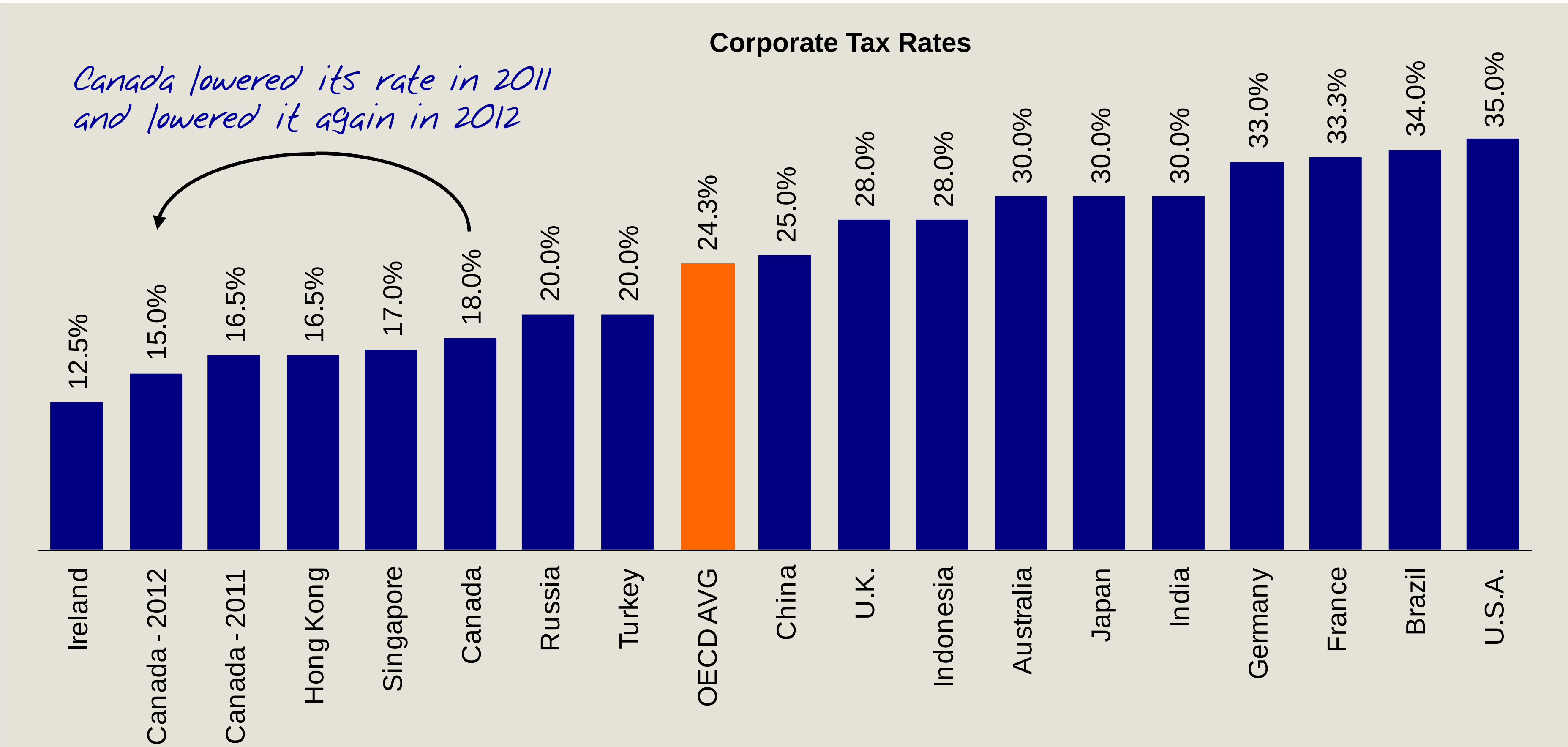




Source: U.S. Treasury. Data as of 6/15/2012, Factset

Corporate Tax Rates

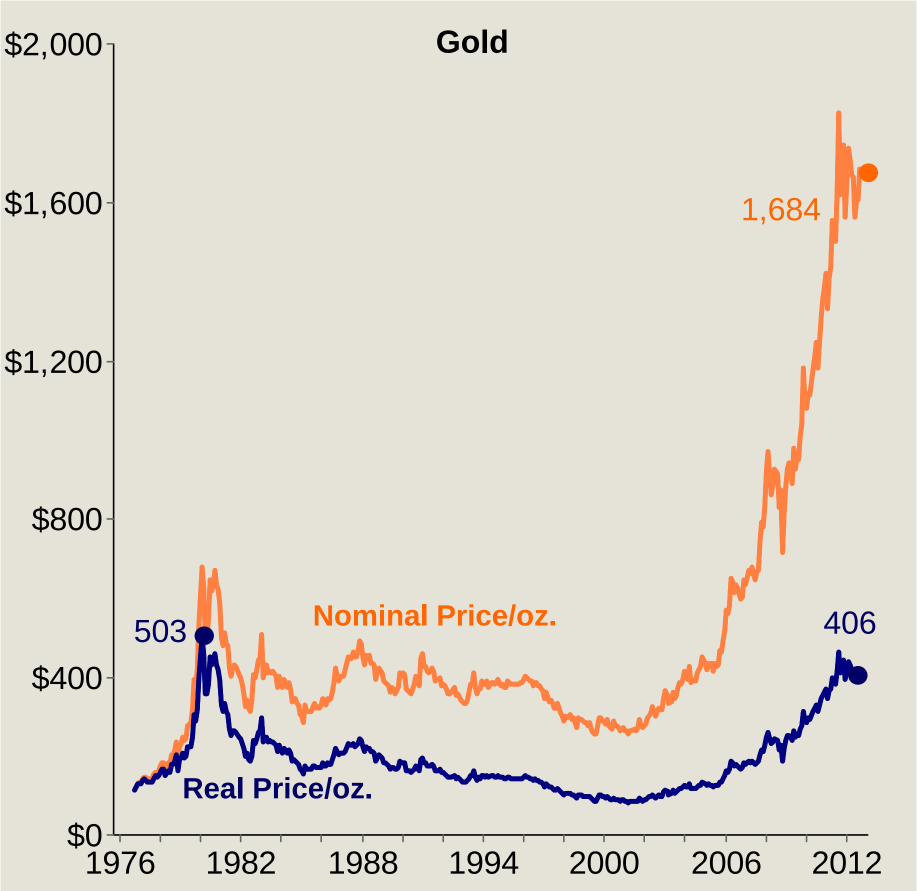
The average marginal corporate tax rate for all OECD countries is 24.3%. The U.S. is highest at 35%.



Source: Bloomberg, CIA World Factbook

Gold and Copper Prices

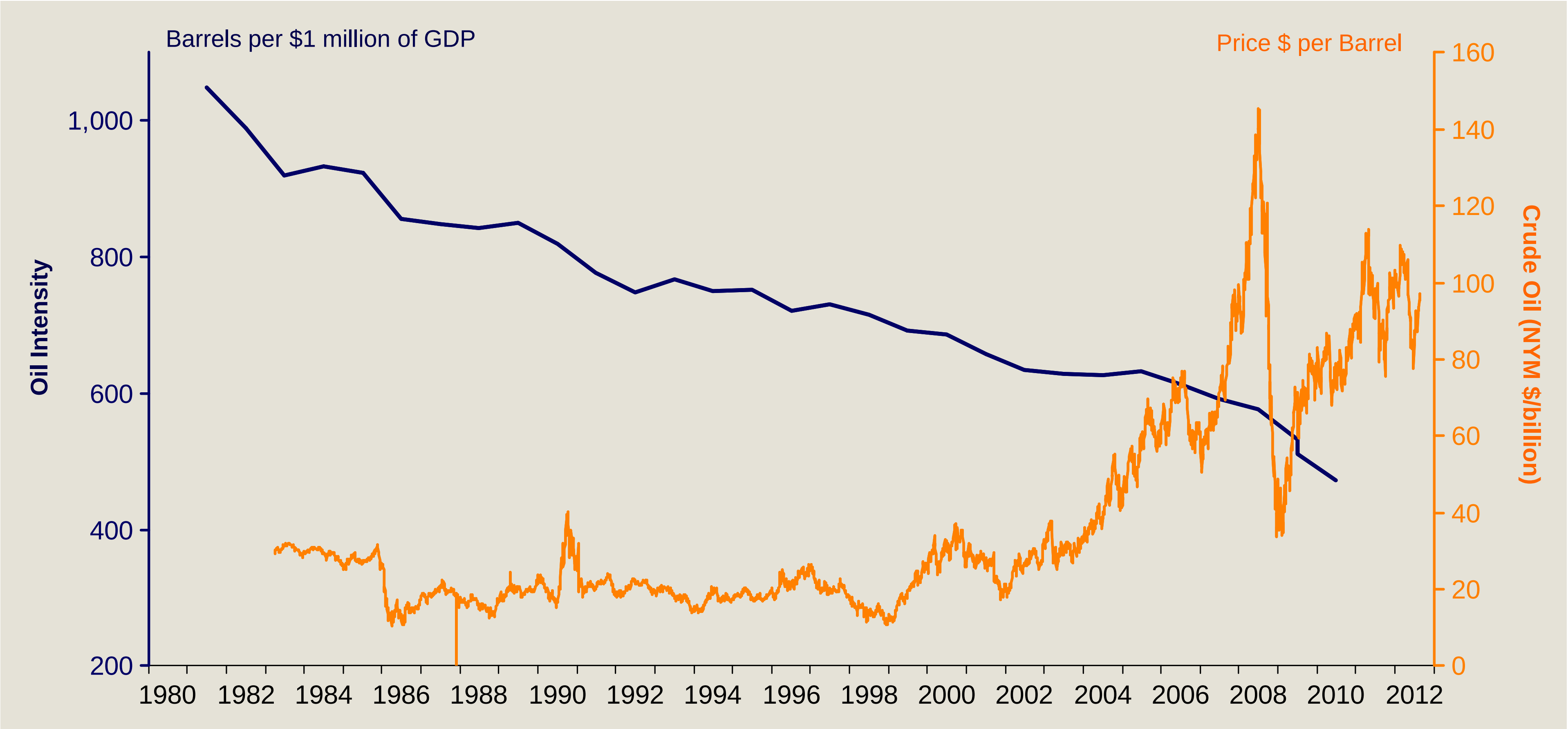
Gold, regarded as a safe haven and inflation hedge, actually sells for less today in real terms than in 1980. Copper's many industrial uses make it a strong proxy for economic growth.



Source: FactSet, (gold divided by CPI U.S. city average with 9/30/1976 = 100)

Oil Price and Intensity

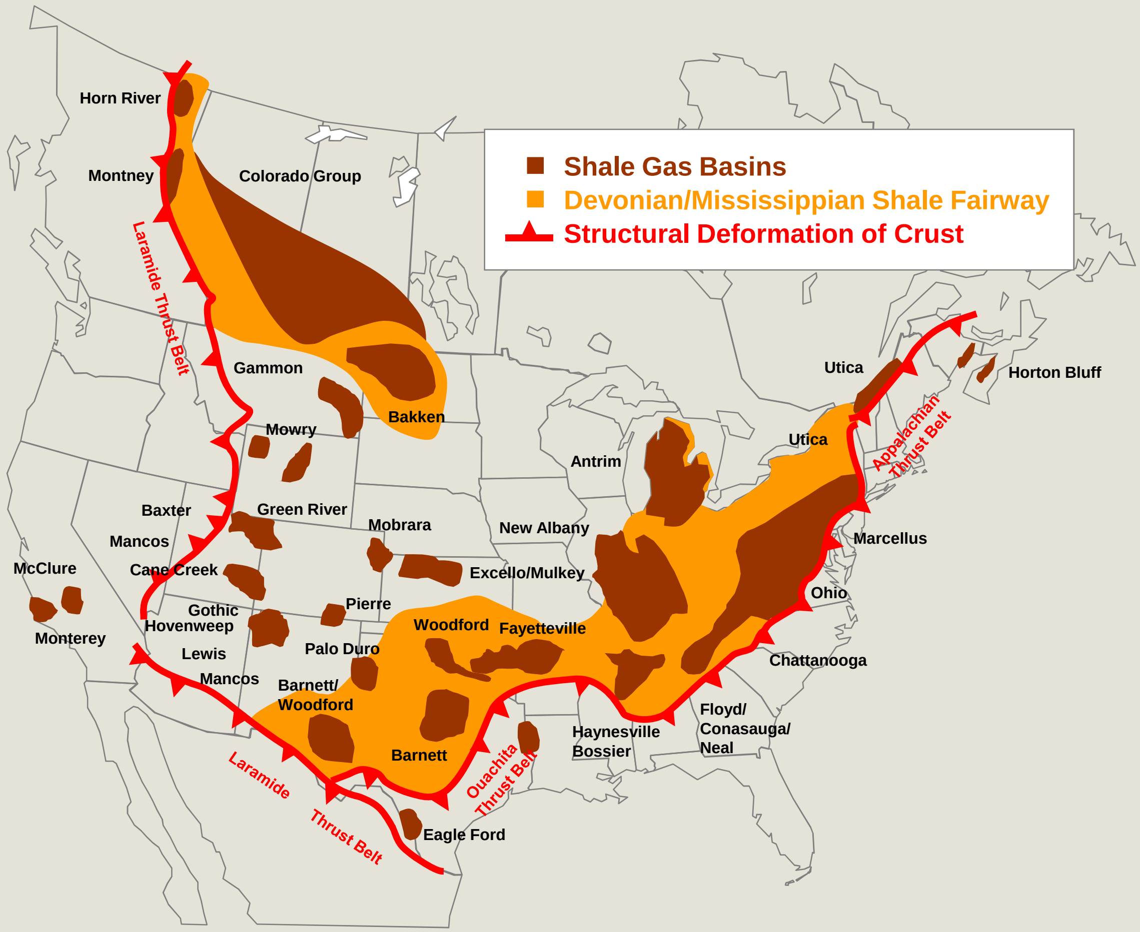
Energy prices rise and fall based on political turmoil, and gasoline prices follow suit, but the required amount of oil per GDP output in the U.S. (oil intensity) has steadily declined.



Note: Oil Prices are West Texas Intermediate light crude spot price (NYMEX).
Source: U.S. Dept of Energy, FactSet

Tectonic Shift — Energy

The abundance of natural gas in North America, as well as the ability to extract oil from shale, is changing the global energy landscape.



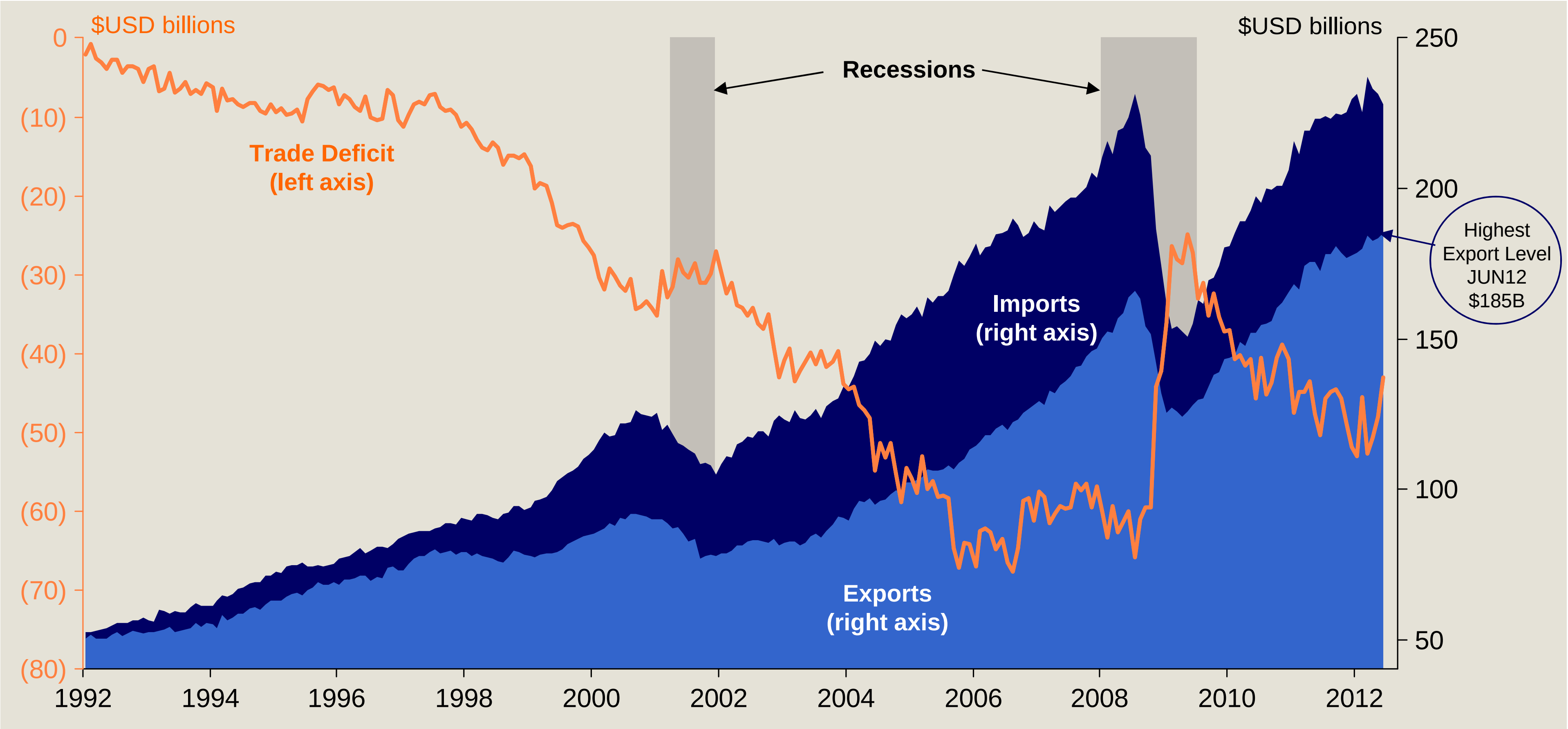
Sources of Energy in U.S. Manufacturing

Natural Gas: 27%
Electricity: 13%
Liquefied Petroleum: 11%
Coal: 8%
Fuel Oil: 2%
Other : 39%

Note: Oil Prices are West Texas Intermediate light crude spot price (NYMEX).
Source: Advanced Resources, SPE/Holditch Nov 2002 Hill 1999, Cain, 1994 Hart Publishing, 2008 modified from Ziff Energy Group
Source: U.S. Dept of Energy, FactSet
Source: Census Bureau, http://upload.wikimedia.org/wikipedia/commons/b/b4/Plate_tectonics_map.gif

Tectonic Shift — Trade

A growing economy fuels demand for imports; the trade deficit hit a 10-year low in the great recession as demand dwindled. Exports recently reached their highest level ever at $185 billion.



Source: FactSet

Long-Run Correlation (since 1990)

Return correlations below 1.0 indicate ways to combine investments and reduce overall risk; negative or near zero correlations offer the best diversification benefits.

	Std Dev	Cash	Bonds	Int Bnds	Lg Cap	Sm Cap	Intl Eq	Emg Eq	REITS	Hdge Fds
Cash	0.62	1.00	0.04	(0.10)	0.03	(0.03)	0.00	(0.05)	(0.05)	0.09
Bonds	3.72		1.00	0.48	0.13	0.02	0.09	(0.00)	0.16	0.03
Int Bnds	8.58			1.00	0.17	0.10	0.42	0.16	0.24	0.14
Lg Cap	15.13				1.00	0.81	0.75	0.70	0.59	0.74
Sm Cap	19.70					1.00	0.66	0.70	0.66	0.82
Intl Eq	17.83						1.00	0.73	0.51	0.76
Emg Eq	24.19							1.00	0.47	0.82
REITS	20.42								1.00	0.45
Hdge Fds	7.12									1.00

Indices:

Cash – 3 Month T-Bill
Bonds – Barclays Aggregate
Intl FI – Barclays Global Agg ex-US
Lg Cap – S&P 500
Sm Cap – Russell 2000
Intl Eq – MSCI EAFE
Emg Eq – MSCI Emerging Equity
REITS – FTSE NAREIT US
Hdge Fds – HFRI Composite

Note: Correlation coefficients describe the degree to which two variables are related, ranging from -1 to +1. Larger values (positive or negative) indicate stronger correlation, with +1 indicating the variables tend to move together and -1 indicating the variables move opposite one another. Zero correlation indicates independent movement. All Long-Run Correlation coefficients are calculated based on monthly total return data for 20 years, except for Cash which goes back 12 years. Standard deviations are calculated based on monthly data that is annualized.

Source: Barclays Capital, MSCI, Russell Investments, Standard & Poor’s, Citigroup, FTSE, NAREIT, HFR, FactSet

Mutual Fund Flows

Notwithstanding low interest rates, year-to-date 2012 bond flows have been very strong, while net outflows from domestic equity funds show that investors remain spooked by market volatility.

millions USD	2012	2011	2010	2009	2008	2007
Asset Class Flows						
Total Equity	(71,011)	(164,174)	(28,765)	(9,056)	(234,387)	90,816
Domestic	(97,455)	(168,746)	(87,739)	(39,666)	(151,749)	(47,791)
Foreign	26,442	4,572	58,975	30,613	(82,635)	138,609
Hybrid	39,392	44,969	23,522	22,764	(18,414)	24,162
Total Bond	224,824	174,747	246,000	376,137	27,593	108,768
Taxable	184,919	177,903	234,817	307,052	19,773	97,895
Municipal	39,905	(3,159)	11,183	69,086	7,820	10,874
Total	193,205	55,541	240,756	389,847	(225,209)	223,749
AUM						
Money Market	2,571,144	2,694,825	2,814,001	3,302,793	3,840,054	3,122,000
Change YTD	(123,681)	(119,176)	(488,792)	(537,261)	718,054	

Source: Investment Company Institute (ICI)

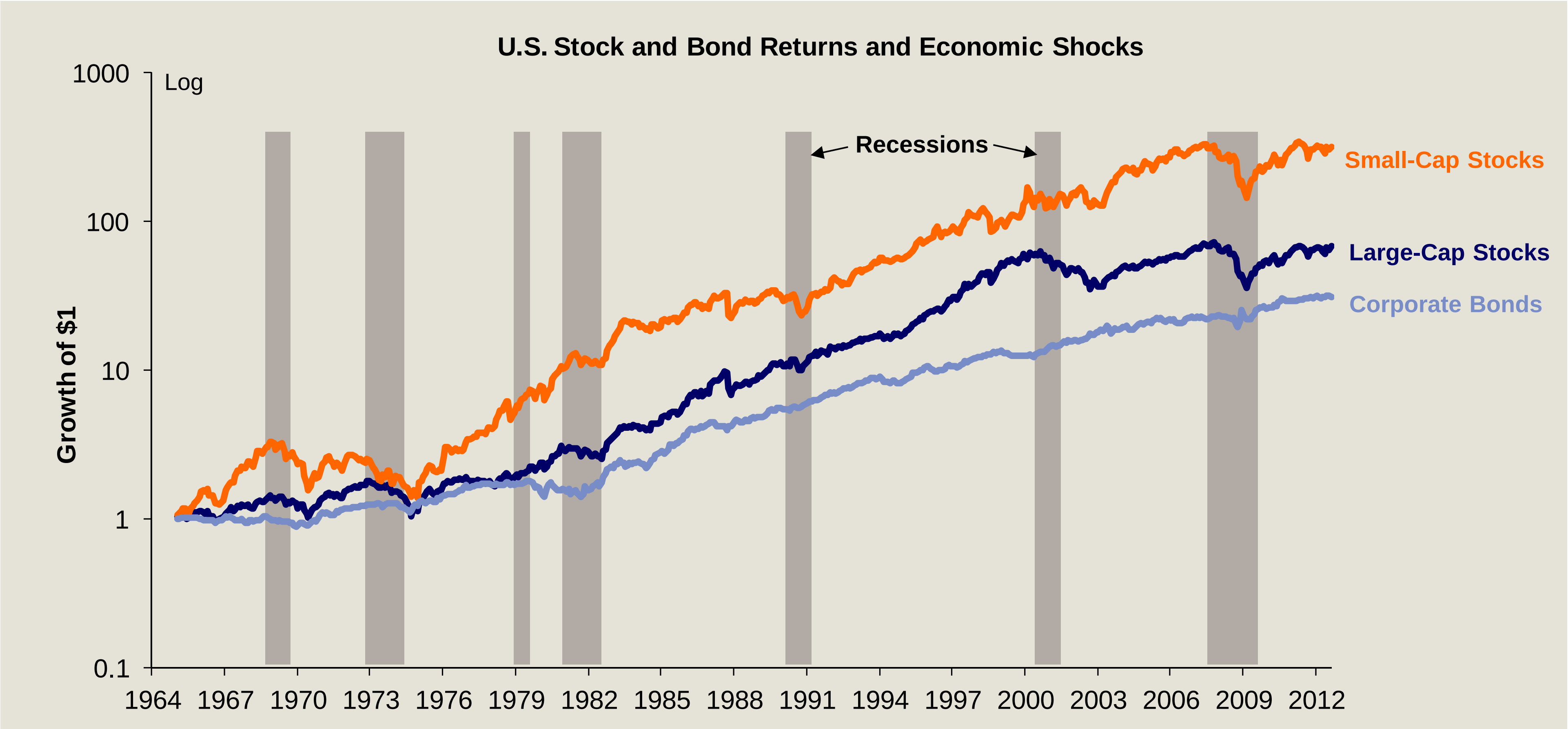
Alternative Investment Returns

Alternative Asset Class	YTD	2011	2010	2009	2008	2007	2006	1 Year	3 Year	5 Year	10 Year
Hedge Funds (as of 7/31/12)											
CSFB/Tremont HF Index	3.7	(2.5)	10.9	18.6	(19.1)	12.6	13.9	(1.3)	6.5	2.2	6.8
Distressed	5.5	(4.2)	10.3	20.9	(20.5)	8.4	15.6	(1.8)	7.4	1.3	8.5
Convertible Arbitrage	(5.0)	1.1	11.0	47.3	(31.6)	5.2	14.3	2.6	9.8	3.7	5.5
Equity Market Neutral	(1.8)	4.5	(0.8)	4.1	(40.3)	9.3	11.2	(2.6)	1.0	(8.1)	(0.5)
Global Macro	2.3	6.4	13.5	11.6	(4.6)	17.4	13.5	4.8	9.4	7.2	9.9
Long/Short Equity	2.8	(7.3)	9.3	19.5	(19.8)	13.7	14.4	(5.1)	3.7	0.8	6.6
Real Estate (as of 6/30/12)											
NCREIF Property Index	5.3	14.3	13.1	(16.9)	(6.5)	15.8	16.6	13.1	(4.2)	3.5	7.4
Apartment	5.6	15.5	18.2	(17.5)	(7.3)	11.4	14.6	18.2	(3.3)	2.9	7.4
Industrial	5.7	14.6	9.4	(17.9)	(5.8)	14.9	17.0	9.4	(5.4)	2.6	6.8
Office	4.7	13.8	11.7	(19.1)	(7.3)	20.5	19.1	11.7	(5.7)	3.8	6.4
Retail	5.9	13.8	10.8	(10.9)	(4.1)	13.5	13.3	10.8	(1.8)	4.0	9.8
Equity (as of 8/31/12)											
S&P 500	13.5	2.1	15.1	26.5	(37.0)	5.5	15.8	18.0	13.6	1.3	6.5
U.S. REIT	14.5	4.7	23.5	21.0	(41.5)	(20.2)	30.2	15.8	19.2	(1.4)	7.5
Global REIT	18.5	1.7	23.4	33.7	(45.0)	(11.1)	38.8	5.7	17.3	(1.0)	9.7

Note: All returns are annual returns except year-to-date (YTD) returns above. When considering alternative investments, investors should consider various risks including the use of leverage and other speculative investment practices, illiquid instruments, and complex tax structures. These investments are intended for sophisticated investors only, as defined by law. All investing involves substantial risk of loss.
Source: CSFB/Tremont, NCREIF, Standard & Poor's, Bloomberg

Long-term Capital Market Results

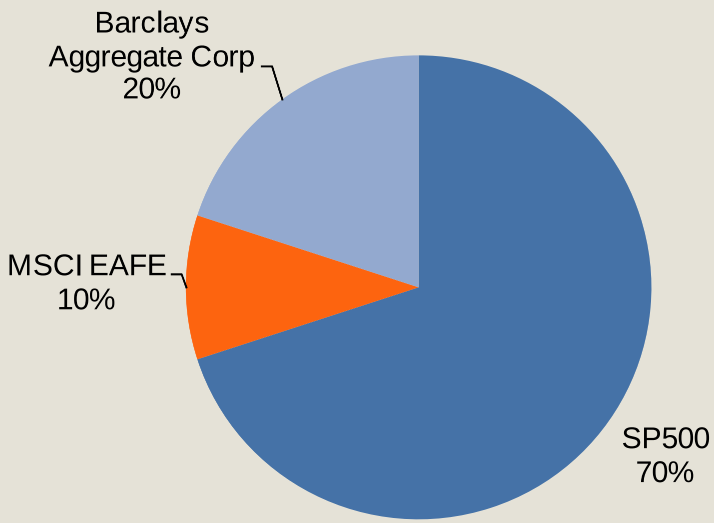
Consistent with capital market theory, stocks have outdistanced bonds, and small-cap stocks have substantially outperformed large-cap stocks for many years.



Source: FactSet

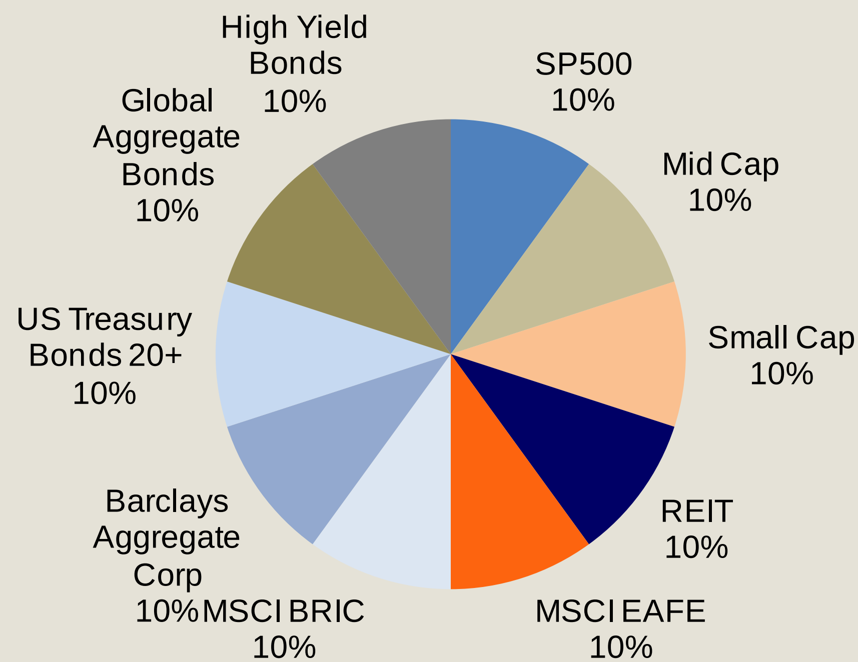
Global Asset Allocation — Effective Diversification

A broadly diversified global strategy produced better performance — with lower risk — than a common mix of U.S. large-cap and EAFE equities plus corporate bonds.



Annual Return **7.08%**

Standard Deviation **14.60%**



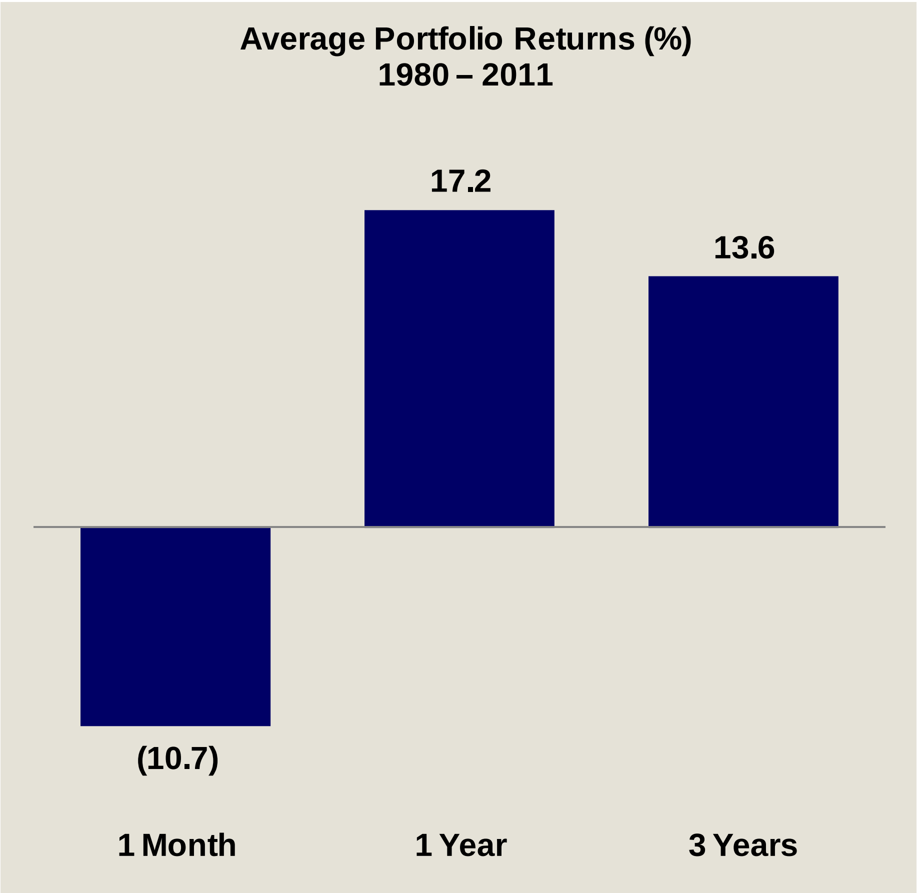
Annual Return **8.31%**

Standard Deviation **11.92%**

Index returns for the period 1995-2011 (YTD): S&P 500, S&P400 Midcap, S&P600 Smallcap, MSCI EAFE, MSCI BRIC, Barclays Capital U.S. Corporate Bonds, Barclays Capital U.S. Treasury Bonds, Barclays Capital Global Aggregate Bonds, Barclays Capital U.S. High Yield Bonds., NAREIT REIT. For illustration only. Past performance is not a guarantee of future results. Investors cannot invest directly in an index.
Source: FactSet. Returns data from 9/30/1995-12/30/2011.

Broad Multiple Market Downturns

On average since 1980, portfolios that remained fully invested through the most severe multiple-market losses would have recovered within one year.

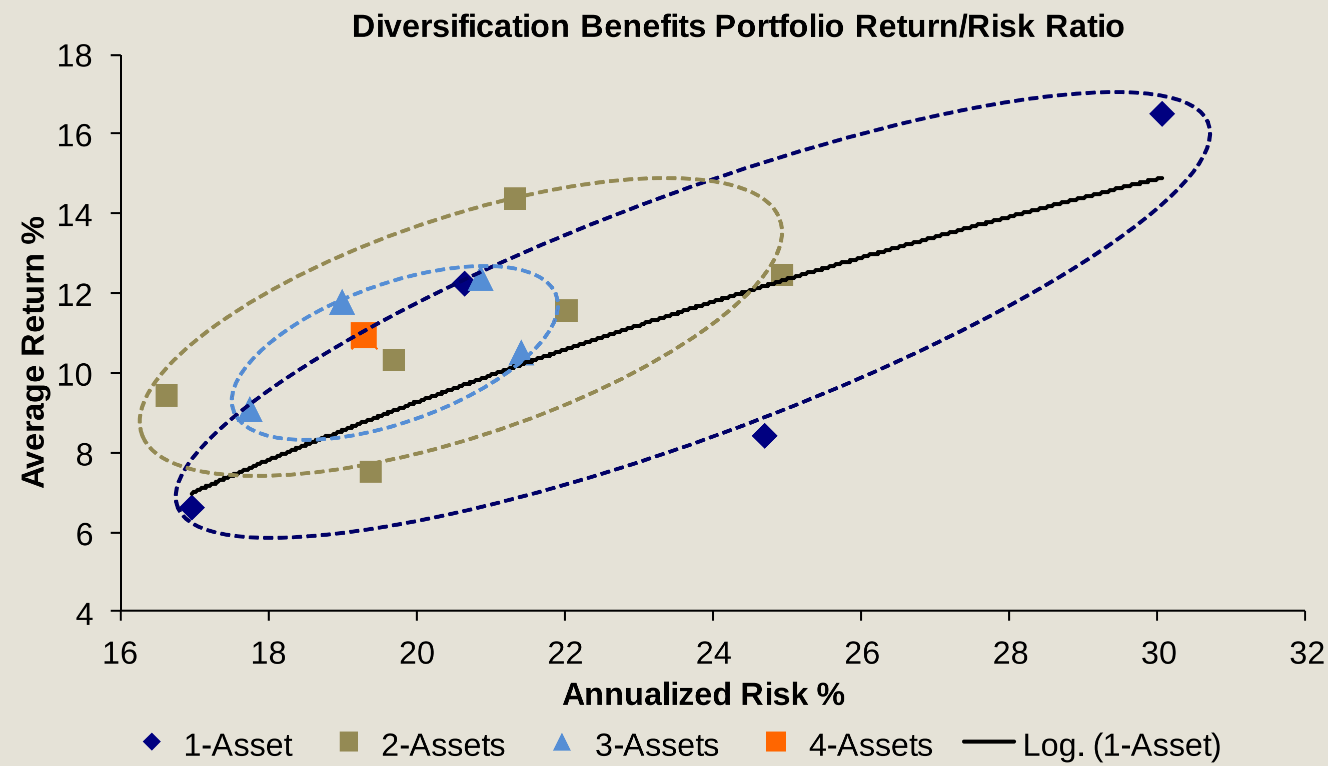


Market	U.S. Large Cap	U.S. Small Cap	Inter-national	Emerging Markets
Average Returns				
Entire Period Annual (%)	11.5	11.6	10.1	14.6
Average Down Months (%)	(9.9)	(11.4)	(10.4)	(11.1)
Subsequent Returns (%)				
1-year	14.8	20.8	12.7	20.5
3-years (annualized)	11.0	15.8	7.8	19.7

Note: Assets include U.S. Large-Cap Equities (S&P 500), U.S. Small-Cap Equities (Russell 2000), International Equities (MSCI EAFE) for the period January 1980 – September 2011 and Emerging Markets Equities (MSCI Emerging Markets Index), January 2001 – September 2011. The minimum monthly decline threshold defined as -7%. For illustration only. Past performance is not a guarantee of future results. Investors cannot invest directly in an index.
Source: FactSet, ING U.S. Investment Management.

Effect of Combining Risky Assets

A portfolio of risky assets may have less risk than might be expected at first glance. Assets should be evaluated on their contribution to the overall portfolio, not in isolation.



Annualized Returns and Risks (%)		
Risky Asset	**Return**	**Risk**
U.S. Small-cap	8.4	24.7
International Equities	6.6	17.0
Global REITS	12.2	20.7
Emerging Market Equities	16.5	30.1
Other asset classes not included in the analysis:		
U.S. Large-cap	4.5	17.0
U.S. Bonds	6.0	4.0

Note: The analysis includes returns for the Russell 2000 Small-cap Index, MSCI EAFE International Index, NAREIT REIT Index and MSCI Emerging Markets Equity index for the period January 1995 – June 2011. Hypothetical 2-, 3- and 4- asset portfolios were created based on equal weighting of the included assets. The return for each portfolio (vertical axis) is the average annualized return over the measurement period. The risk (horizontal axis) equals the annualized standard deviation for the period. Standard deviation measures dispersion around the average return, indicating whether the returns tend to be close to the average or spread over a wide range. The dotted line ellipses represent theoretical "attainable sets" of other portfolios of those assets with different asset weightings. As more assets are added to the hypothetical portfolios, historically risk tends to decline. For illustration purposes only. Past performance is not a guarantee of future results. Investors cannot invest directly in an index. Diversification does not guarantee against a loss and there is no guarantee that a diversified portfolio will consistently outperform a non-diversified portfolio.
Source: ING U.S. Investment Management, FactSet.

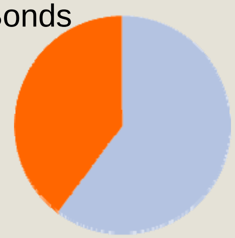
Benefits of Portfolio Rebalancing

Over 35 years, regular rebalancing increased returns and reduced risk compared to a buy and hold approach, which allows allocations to drift away from the intended targets.

Initial Portfolio

60/40 Allocation
Value: $100,000

Barclays Capital Aggregate Bonds



S&P 500 Stocks

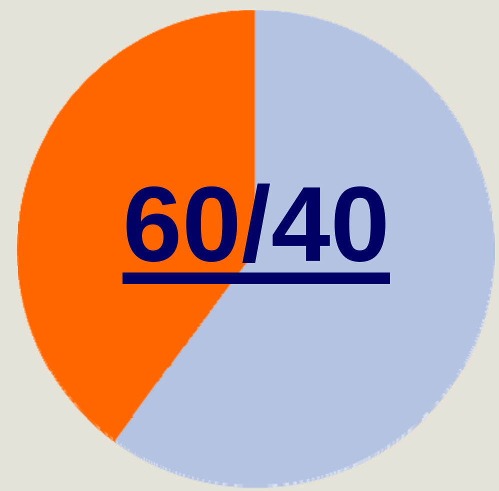
Buy and Hold

72/28 Average Allocation
Value: $2.7 million

Return	**9.67%**
Risk	**11.70%**

Rebalanced

60/40 Average Allocation
Value: $2.9 million

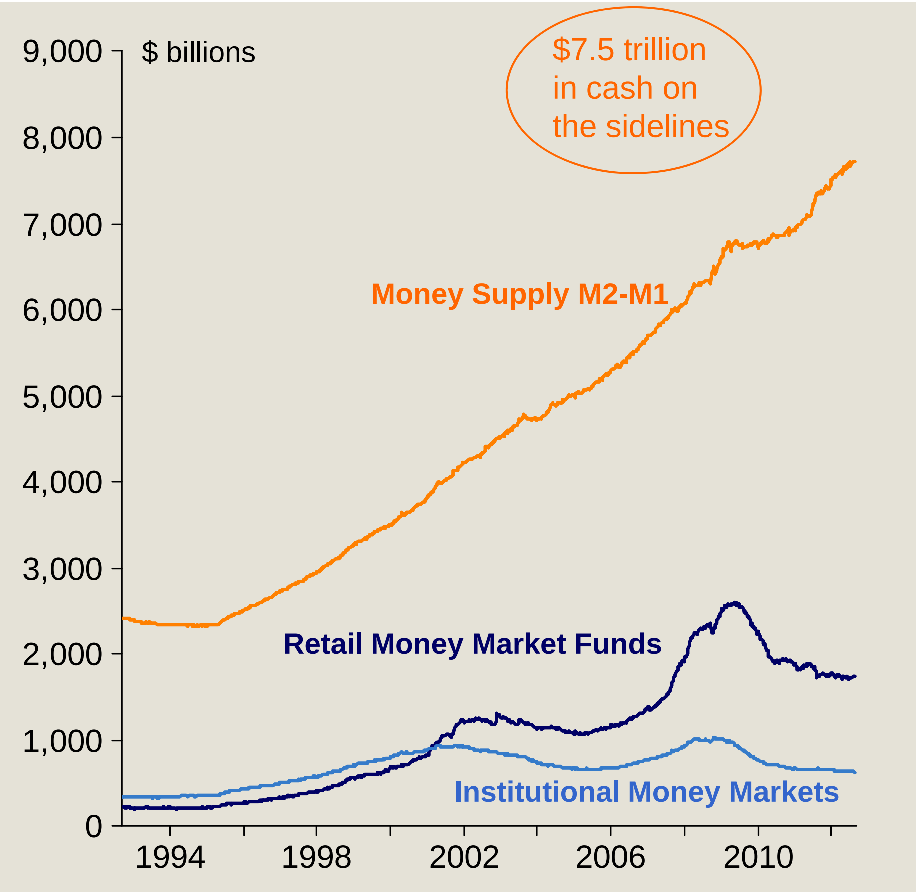


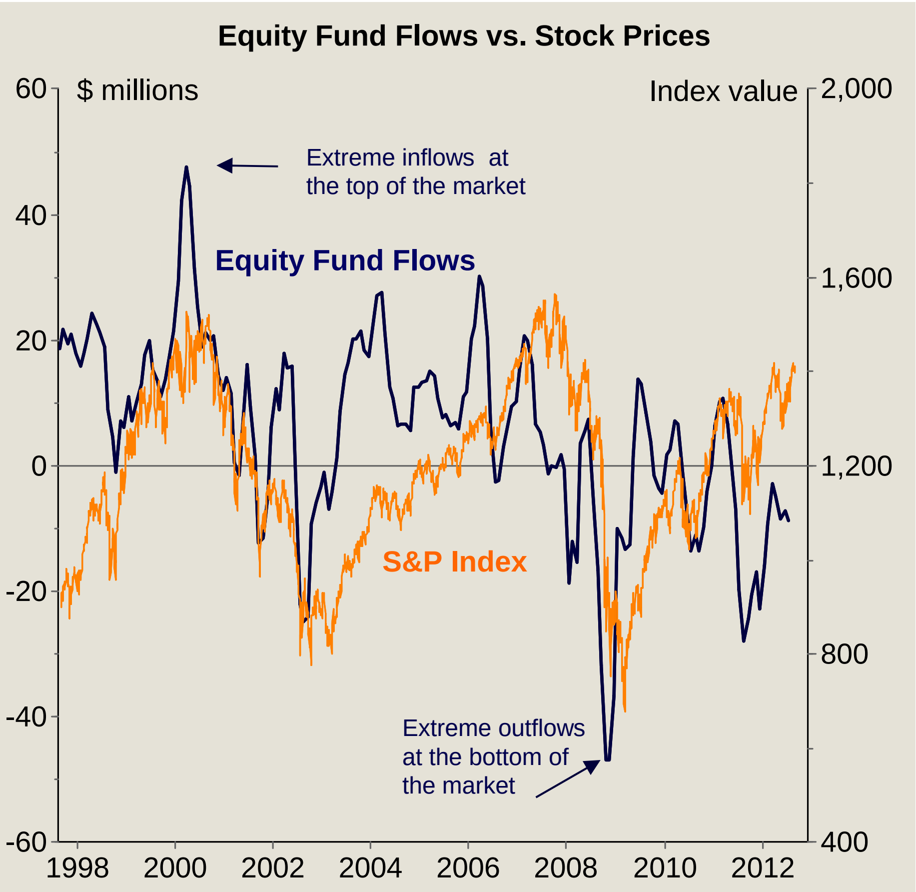
Return	**9.88%**
Risk	**9.90%**

Note: Based on index return data for the period 1/31/1976-9/30/2011, compounded annually. Initial hypothetical portfolios comprised of 60% S&P 500, 40% Barclays Capital U.S. Aggregate Bonds with rebalancing for the rebalanced portfolio on a quarterly basis. Risk equals historical annualized standard deviation. For illustration only. Past performance is not a guarantee of future results. Investors cannot invest directly in an index. Portfolio rebalancing may include trading costs and fees.
Source: FactSet, ING U.S. Investment Management.

Cash on the Sidelines and Equity Fund Flows vs. Stock Prices

The excess of M2 over M1 money supply data shows record levels of cash on the sidelines, while flows into and out of equity mutual funds exhibit extreme swings that reflect stock market performance.

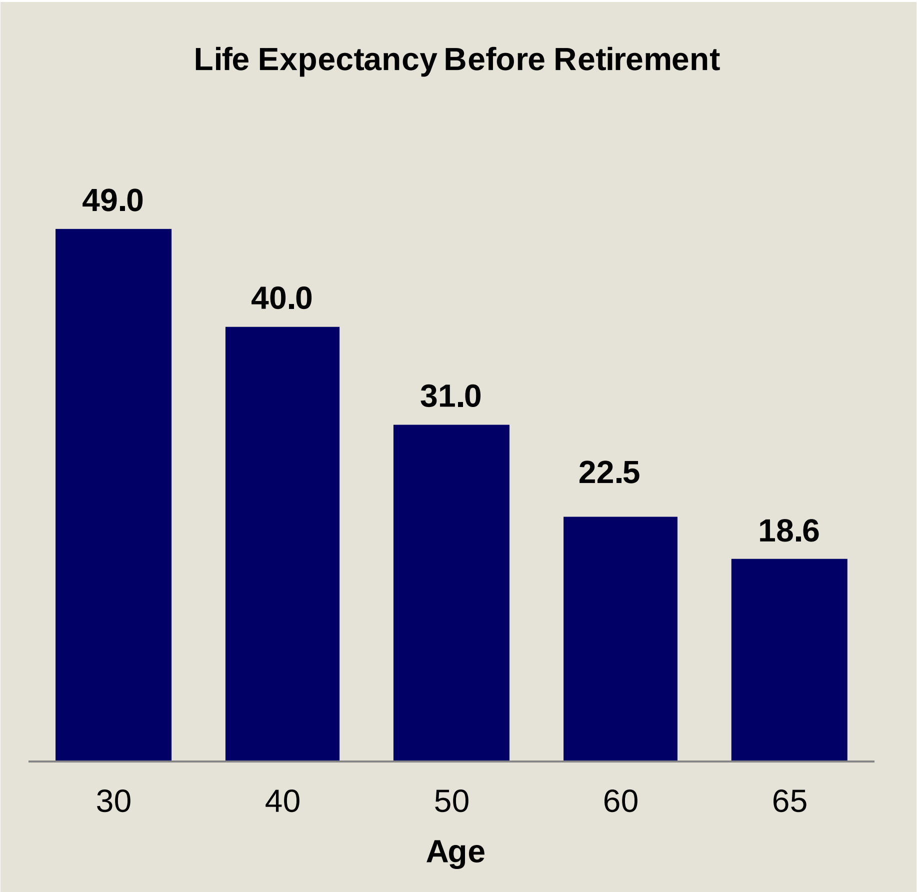


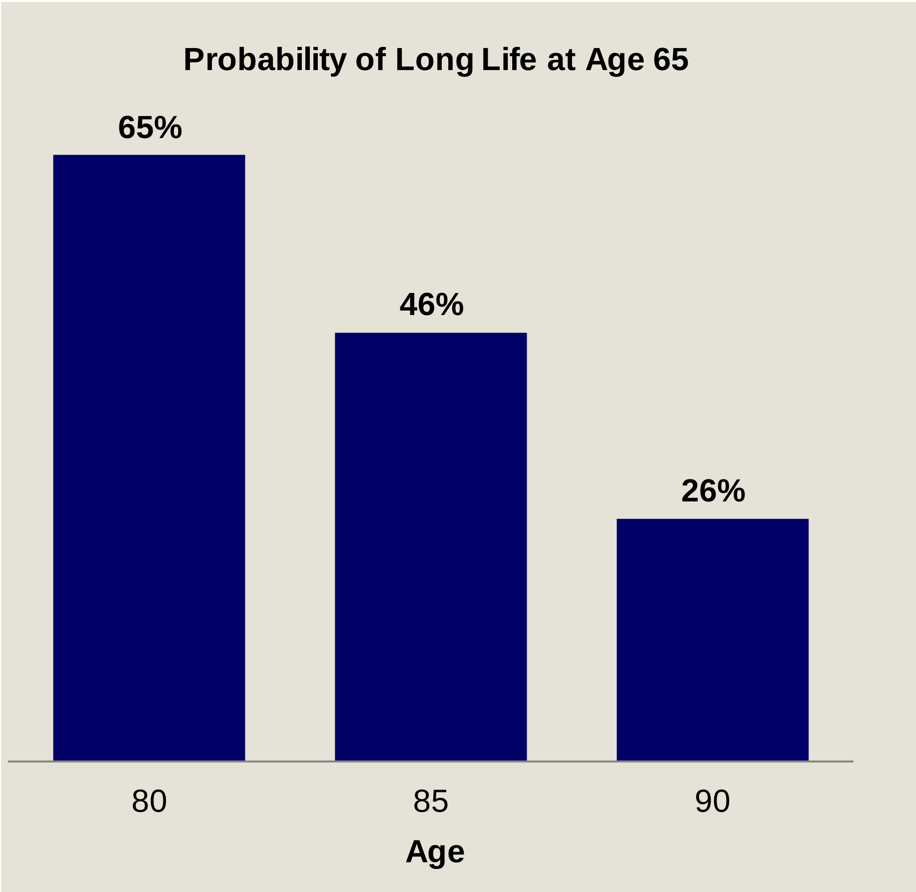


Note: M2 minus M1 includes all savings deposits and retail money market funds and excludes currency, coins and checking account balances.
Source: FactSet

Life Expectancy

Improving life expectancy for those of all ages means the probability of living many years in retirement is higher than most people realize.

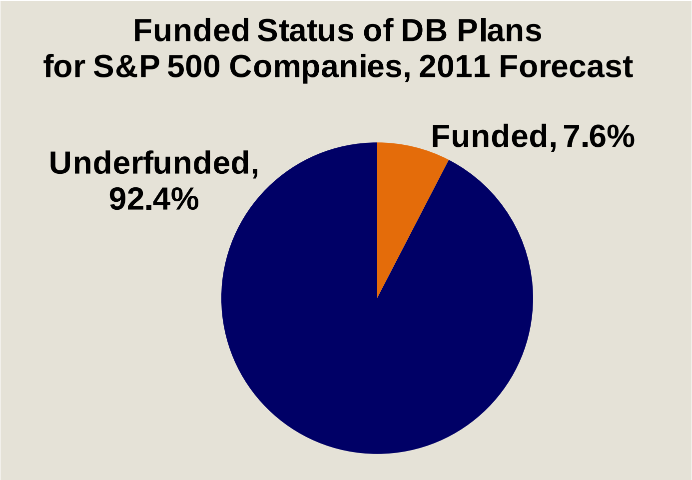


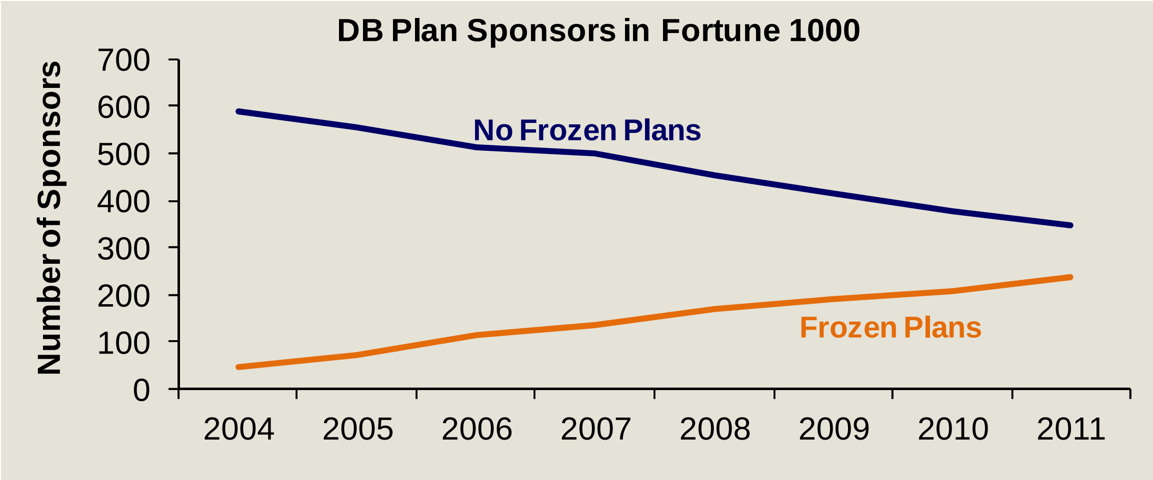


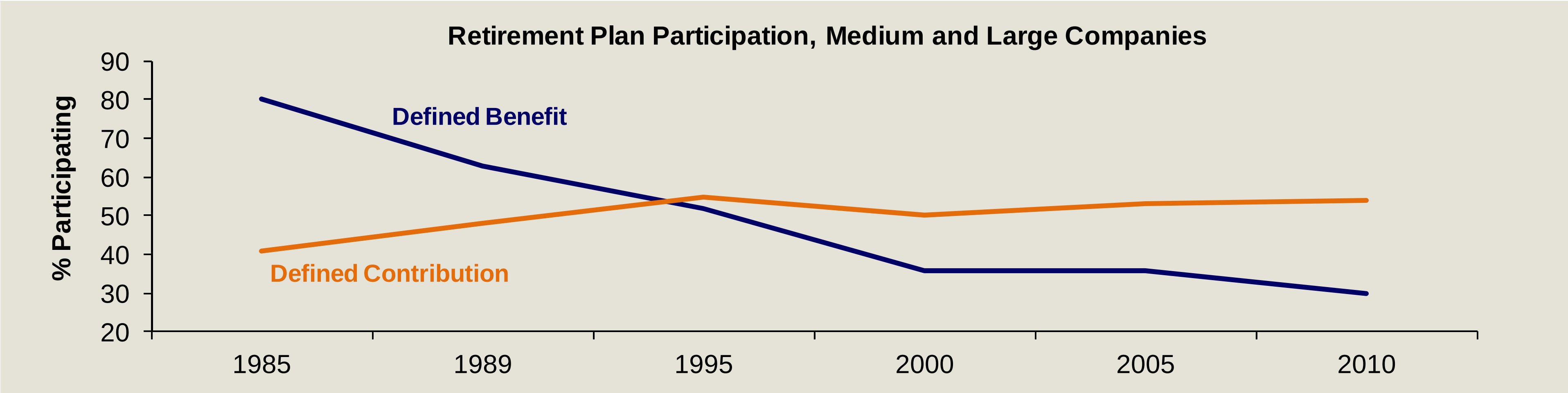
Source: Table B. Expectation of life by age, sex, Hispanic origin and race for non-Hispanic population, United States, 2007, National Vital Statistics Reports, Vol. 59, No. 9, September 28, 2011.

Retirement Plan Funding, Sponsorship, Participation

Declining funding and sponsorship of pension plans is shifting the burden of retirement savings to participants in defined contribution plans.



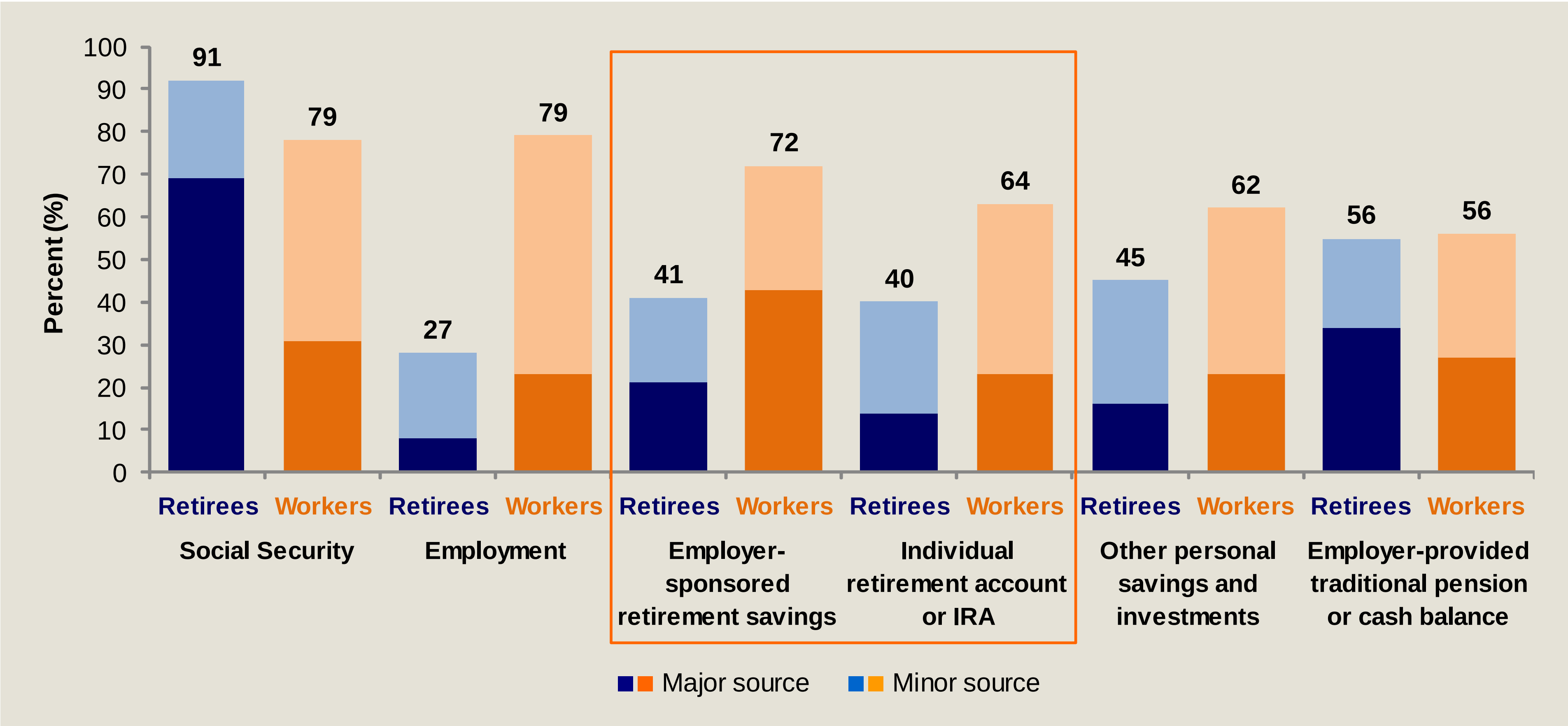




Source: Top: Towers Watson. Bottom: Employee Benefit Research Institute, U.S. Department of Labor, Bureau of Labor Statistics, *National Compensation Survey: Employee Benefits in Private Industry in the United States, March 2004 – March 2010, Bureau of Labor Statistics, 2004-2010.*

Expectations for Future Retirement Income

Today's workers expect to rely more on personal sources of retirement income, such as their savings plan and IRA, than is presently the case for those over 65.



Source: Employee Benefit Research Institute and Mathew Greenwald & Associates, Inc., 2012 Retirement Confidence Survey, ebri.org Issue Brief, March 2012, No. 369, Figure 35.

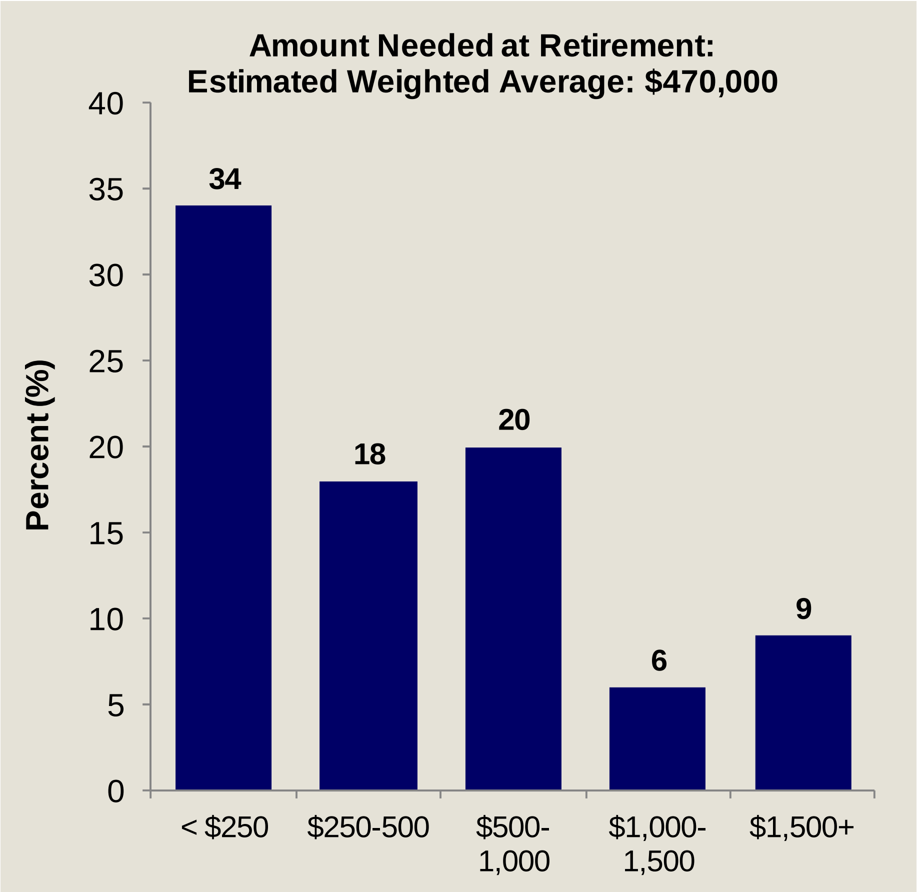
Savings Rates and Household Net Worth

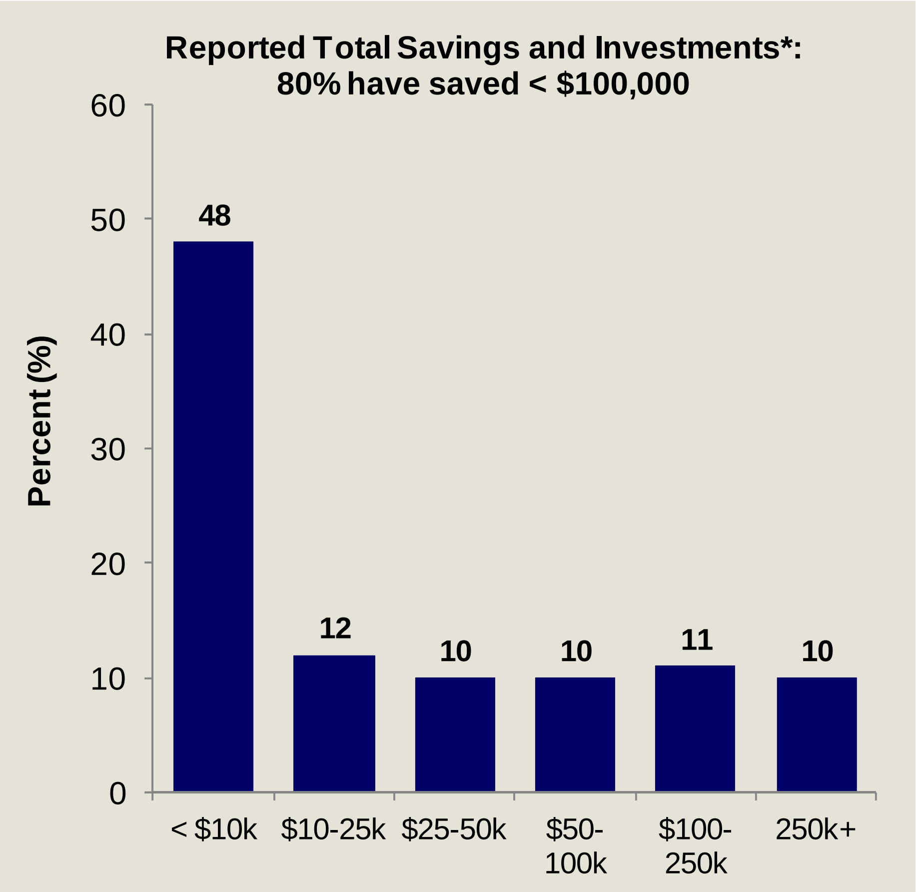
Lower personal savings rates and household net worth increase the burden that future savings must bear to achieve retirement security.

Source: Bureau of Economic Analysis, Federal Reserve, FactSet.

Savings Needed for Retirement

Among workers who reported, total savings and investments — not including their personal residence or defined benefit plans — are far below what they will need to retire.



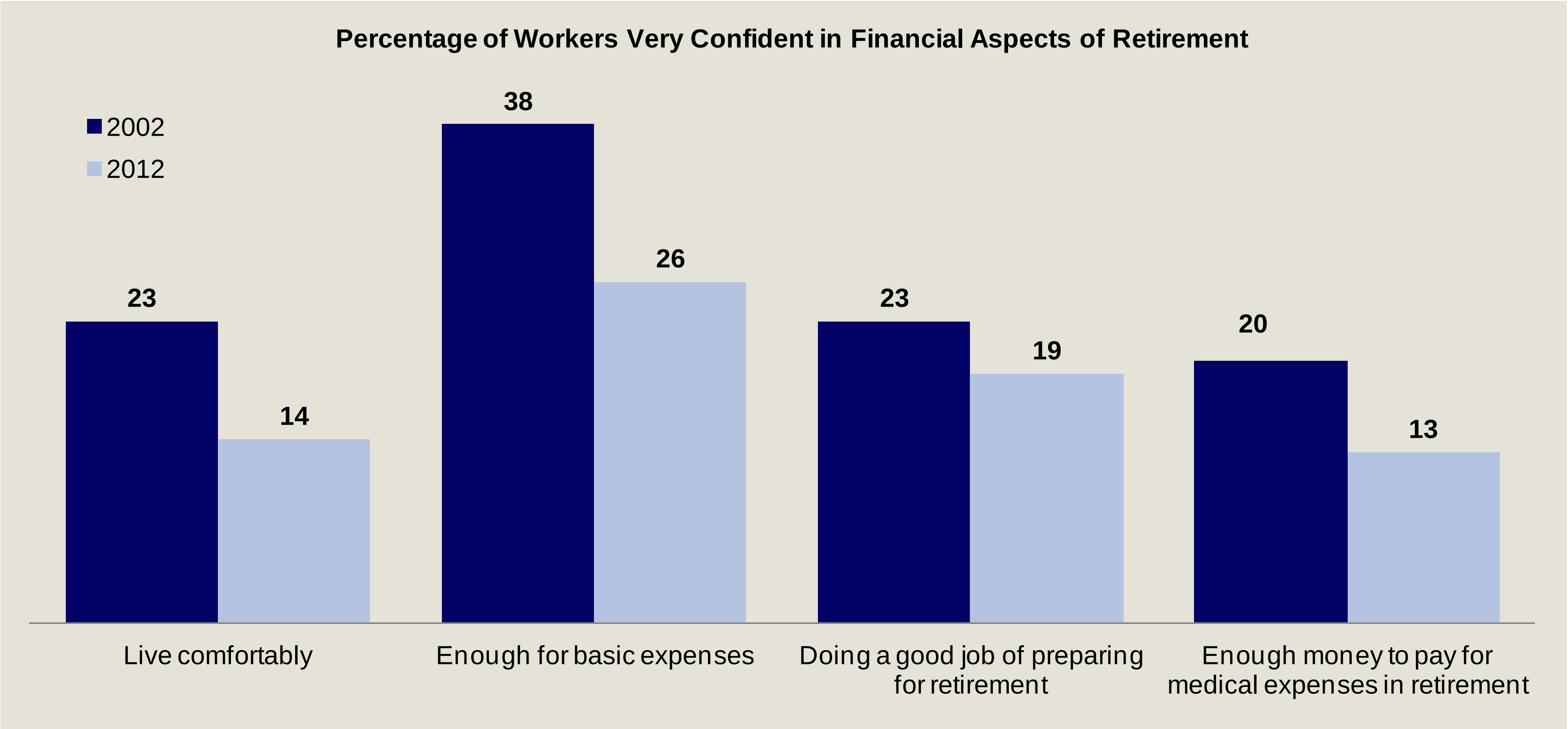


* Numbers do not add to 100% due to rounding.

Source: Employee Benefit Research Institute and Mathew Greenwald & Associates, Inc., 2012 Retirement Confidence Survey, ebri.org Issue Brief, March 2012, No. 369, Figure 23, “Amount of Savings Workers Think They Need for Retirement”, including data only for those who responded (90%), Figure 18, “Reported Total Savings and Investments, Among Those Providing a Response”.

Confidence in the Future

The percentage of workers who are very confident about the financial aspects of retirement has slipped substantially in the past ten years.



Source: Employee Benefit Research Institute and Mathew Greenwald & Associates, Inc., 2012 Retirement Confidence Survey, ebri.org Issue Brief, March 2012, No. 369, Figure 1,3,4 and 6, "Percentage of Workers Very Confident in Financial Aspects of Retirement", selected retirement responses.

Capital Market Returns

Capital market returns vary widely over time, making asset allocation decisions difficult and successful market timing virtually impossible.

2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
BC U.S. 10.3%	MSCI EM 55.8%	NAREIT/REIT 31.6%	MSCI EM 34.0%	NAREIT/REIT 35.1%	MSCI EM 39.4%	BC U.S. 5.2%	MSCI EM 78.5%	NAREIT/REIT 28.0%	BC U.S. 7.8%
NAREIT/REIT 3.8%	R2000 47.3%	MSCI EM 25.6%	MSCI EAFE 14.0%	MSCI EM 32.2%	MSCI EAFE 11.6%	T-Bill 1.6%	MidCap 40.5%	R2000 26.9%	NAREIT/REIT 4.7%
T-Bill 1.7%	MidCap 40.1%	MSCI EAFE 20.7%	MidCap 12.7%	MSCI EAFE 26.9%	BC U.S. 7.0%	Balanced -22.1%	MSCI EAFE 32.5%	MidCap 25.5%	Balanced 4.4%
MSCI EM -6.2%	MSCI EAFE 39.2%	MidCap 20.2%	NAREIT/REIT 12.2%	R2000 18.4%	Balanced 6.2%	R2000 -33.8%	NAREIT/REIT 28.0%	MSCI EM 18.9%	SP500 2.1%
Balanced -9.8%	NAREIT/REIT 37.1%	R2000 18.3%	SP500 4.9%	SP500 15.8%	MidCap 5.6%	SP500 -37.0%	R2000 27.2%	SP500 15.1%	T-Bill 0.0%
MSCI EAFE -15.7%	SP500 28.7%	SP500 10.9%	R2000 4.6%	MidCap 15.3%	SP500 5.5%	NAREIT/REIT -37.7%	SP500 26.5%	Balanced 12.1%	MidCap -1.5%
MidCap -16.2%	Balanced 18.5%	Balanced 8.3%	Balanced 4.0%	Balanced 11.1%	T-Bill 4.7%	MidCap -41.5%	Balanced 18.4%	MSCI EAFE 8.2%	R2000 -4.2%
R2000 -20.5%	BC U.S. 4.1%	BC U.S. 4.3%	T-Bill 3.0%	T-Bill 4.8%	R2000 -1.6%	MSCI EAFE -43.1%	BC U.S. 5.9%	BC U.S. 6.5%	MSCI EAFE -11.7%
SP500 -22.1%	T-Bill 1.0%	T-Bill 1.2%	BC U.S. 2.4%	BC U.S. 4.3%	NAREIT/REIT -15.7%	MSCI EM -53.3%	T-Bill 0.1%	T-Bill 0.1%	MSCI EM -18.2%

NAREIT/REIT = NAREIT Equity REIT
MSCI EM = MSCI Emerging Markets - Net
Midcap = Russell Midcap Index

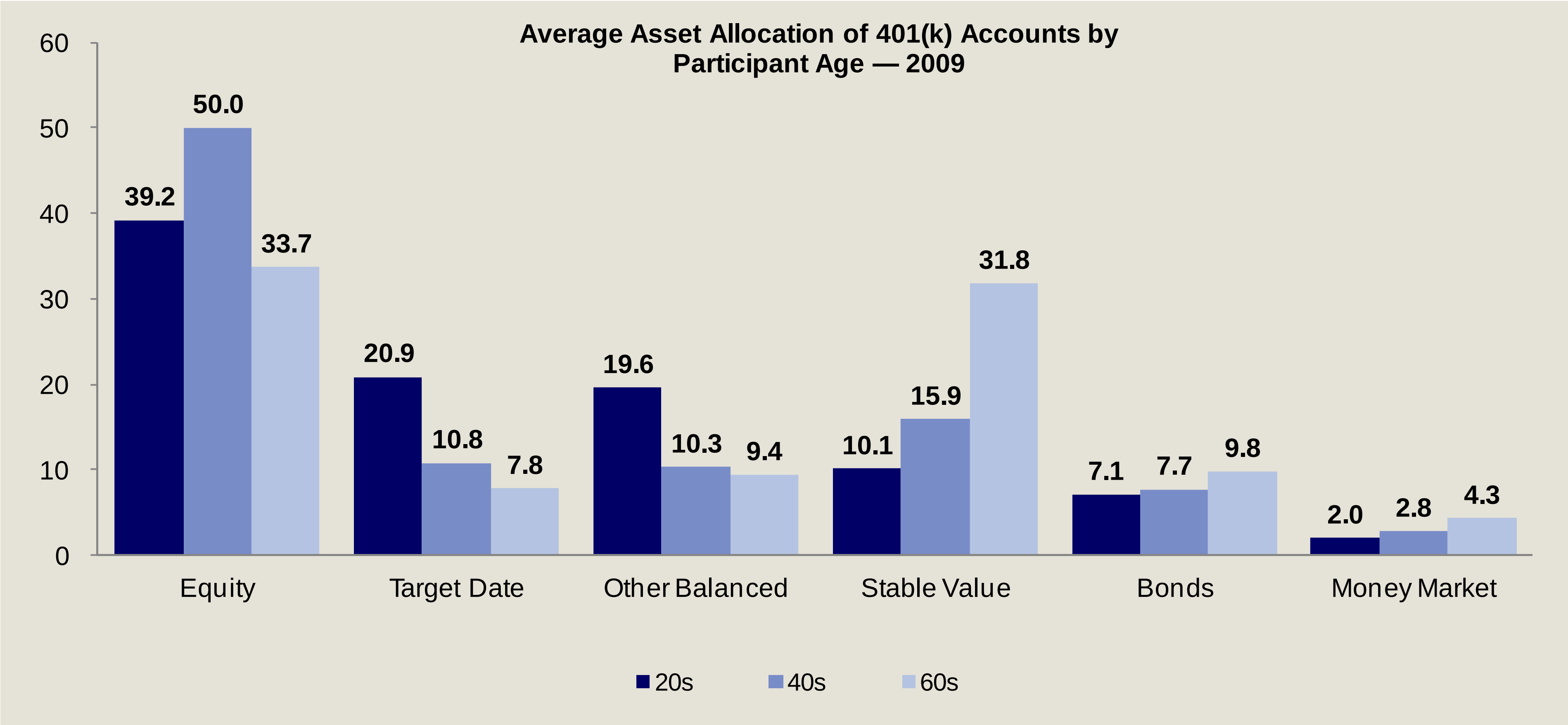
T-Bill = U.S. 30-day T-Bill
R2000 = Russell 2000 Index
SP500 = S&P 500

BC Agg. = Barclays Capital U.S. Aggregate Bond Index
Balanced = 60% S&P 500, 40% BC Aggregate
MSCI EAFE = MSCI EAFE USD

Note: For illustration only. Past performance is not a guarantee of future results. Investors cannot invest directly in an index.
Source: FactSet, ING U.S. Investment Management.

Asset Allocation by Participant Age

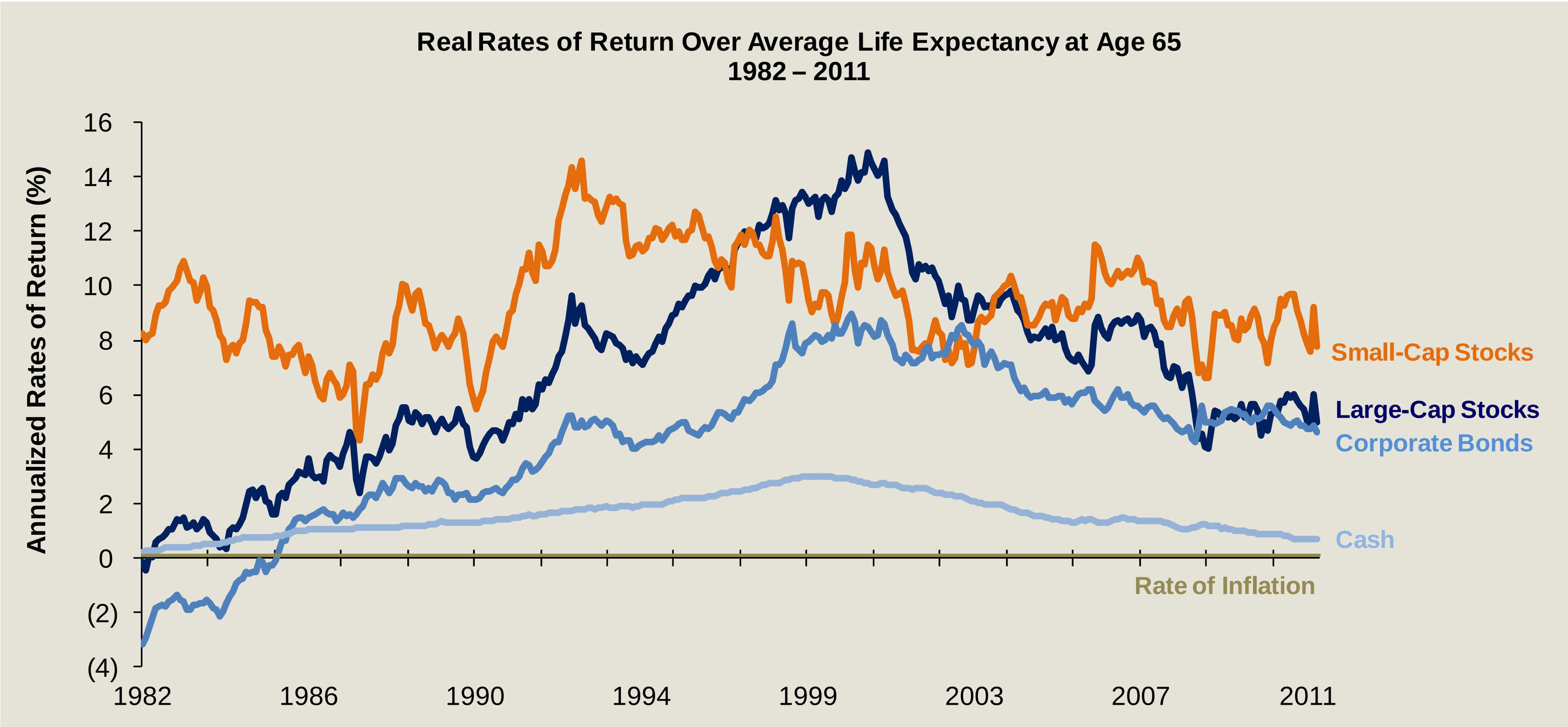
As participants age, declining equity and increasing fixed income allocations make reported allocations appear to be rational — if not optimal.



Note: Dollar weighted averages, omits minor investment options, may not sum to 100 due to rounding.
Source: EBRI/ICI Participant-Directed Plan Data Collection Project.

Maintaining Purchasing Power

Retirees face the risk of shrinking real purchasing power; on average, small-cap stocks have been a good inflation hedge; cash is a poor choice.



Note: Return data for the S&P 500 Index, Russell 2000 Small-cap Index, Barclays Capital U.S. Corporate Bond Index and the 30-day U.S. T-Bill index for rolling 18.5-year periods from 1963-2011. Calculated as the compound annualized return in excess of the rate of inflation for each asset class. The rate of inflation is based on the monthly reported change in the Consumer Price Index (CPI).
Source: FactSet, ING U.S. Investment Management.

Fund Flows in DC Plans

Fund flows show the tendency of investors to remain risk averse long after market downturns in ways that may undermine their long-term wealth accumulation goals.

Estimated Net New Cash Flows to DC Retirement Plans ($billions)

Year	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	10-Year Total	% of Total
Equities	20	74	92	52	68	16	-124	-22	-25	-90	61	6%
Hybrid (Balanced)	16	37	57	75	59	95	32	41	51	71	534	57%
Bonds	54	8	3	13	15	28	31	90	52	29	323	34%
Money Market	20	-30	-31	1	32	59	82	-70	-50	17	30	3%
Total	110	88	120	139	174	198	21	40	28	26	944	100%
S&P 500 Return	**-22.1%**	**28.7%**	**10.9%**	**4.9%**	**15.8%**	**5.5%**	**-37.0%**	**26.5%**	**15.1%**	**2.1%**		

Note: Includes both 401(k) and IRA plans. Components may not add to the illustrated total due to rounding.
Source: Investment Company Institute, ING U.S. Investment Management.

Index Definitions

Barclays Capital U.S. Aggregate Bond Index is composed of U.S. securities in Treasury, Government-Related, Corporate, and Securitized sectors that are of investment-grade quality or better, have at least one year to maturity, and have an outstanding par value of at least $250 million.

Barclays Capital U.S. Corporate Bond Index is a component of the Barclays Capital U.S. Aggregate Index.

Barclays Capital U.S. Corporate High-Yield Bond Index tracks the performance of non-investment grade U.S. dollar-denominated, fixed rate, taxable corporate bonds including those for which the middle rating of Moody's, Fitch, and S&P is Ba1/BB+/BB+ or below, and excluding Emerging Markets debt.

Barclays Capital U.S. Treasury Bond Index is a component of the Barclays Capital U.S. Aggregate Index.

Barclays Capital Global Aggregate Bond Index measures a wide spectrum of global government, government-related, agencies, corporate and securitized fixed-income investments, all with maturities greater than one year.

Barclays Emerging Market Bond Index includes fixed and floating-rate USD-denominated debt from emerging markets in the following regions: Americas, Europe, Middle East, Africa, and Asia.

The Credit Suisse/Tremont Hedge Fund Index is an asset-weighted hedge fund index covering over 5000 funds with at least US$50 million under management, a 12-month track record, and audited financial statements calculated net of performance fees and expenses. CS/Tremont sub-indexes track hedge fund strategies by methodology, asset class and/or use of leverage.

Dow Jones Industrial Average is a price-weighted average computed from the stock prices of 30 large, widely held public companies in the U.S., adjusted to reflect stock splits and dividends.

FTSE NAREIT US Real Estate Index presents comprehensive REIT performance across the U.S. economy, including all commercial investment and property sectors.

FTSE EPRA/NAREIT Global Real Estate Index is designed to represent general trends in eligible real estate equities worldwide.

The Chicago Board Options Exchange Volatility Index (CBOE VIX) is a measure of the implied volatility of S&P 500 index options. It is one measure of the market's expectation of volatility over the next 30 day period.

JPMorgan Emerging Markets Bond Index Plus (EMBI+) tracks total returns for actively traded emerging markets debt instruments including U.S.-dollar denominated Brady bonds, Eurobonds, and traded loans issued by sovereign entities.

Merrill Lynch Municipal Bond Index is an unmanaged index that includes tax-exempt fixed rate bonds across a broad range of quality and maturity segments.

MSCI BRIC Equity Index is a market capitalization weighted index of about 320 companies located in Brazil, Russia, India and China.

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

MSCI Europe Index is a free float-adjusted market capitalization weighted index designed to measure equity performance of the developed markets in Europe consisting of 16 country indices.

MSCI Pacific Index is a free float-adjusted market capitalization weighted index designed to measure developed markets' equity performance of the in the Pacific region consisting of 5 countries.

MSCI Emerging Markets Index is a free float-adjusted market capitalization index that measures emerging market equity performance of 22 countries.

Index Definitions

MSCI U.S. REIT Index is a free float-adjusted market capitalization weighted index comprised of equity REITs that generate a majority of their revenue and income from real estate rental and leasing operations.

NASDAQ Composite Index is a market capitalization weighted index of the performance of domestic and international common stocks listed on The NASDAQ Stock Market including over 2,800 securities.

The NCREIF (National Council of Real Estate Investment Fiduciaries) Property Index (NPI) is a market value-weighted index of total rates of return for a large pool of commercial real estate properties acquired in the private market for investment purposes.

Russell 3000 Index measures the performance of the largest 3000 U.S. companies representing approximately 98% of the investible U.S. equity market.

Russell 1000 Index measures the performance of the large-cap segment of the U.S. equity market and includes approximately 1000 of the largest securities based on market capitalization and representing approximately 92% of the U.S. market.

Russell 1000 Growth Index measures the large-cap growth segment of the U.S. equity market including Russell 1000 companies with higher price-to-book ratios and forecasted growth.

Russell 1000 Value Index measures the large-cap value segment of the U.S. equity market including Russell 1000 companies with lower price-to-book ratios and lower expected growth.

Russell Midcap Index measures the performance of mid-cap stocks in the U.S. equity market including 800 of the smallest securities in the Russell 1000® Index, based on market capitalization.

Russell Midcap Growth Index measures the performance of the mid-cap growth segment of the U.S. equity market including Russell Midcap Index companies with higher price-to-book ratios and forecasted growth.

Russell Midcap Value Index measures the performance of the mid-cap value segment of the U.S. equity market including Russell Midcap Index companies with lower price-to-book ratios and forecasted growth.

Russell 2000 Index measures the performance of the small-cap segment of the U.S. equity market including approximately 2000 of the smallest securities based on market capitalization.

Russell 2000 Growth Index measures the performance of small-cap growth stocks in the U.S. equity market including Russell 2000 companies with higher price-to-value ratios and forecasted growth.

Russell 2000 Value Index measures the performance of small-cap growth stocks in the U.S. equity market including Russell 2000 companies with lower price-to-value ratios and forecasted growth.

S&P MidCap 400 Index is a benchmark for mid-sized companies, which covers over 7% of the U.S. equity market and reflects the risk and return characteristics of the broad mid-cap universe.

S&P SmallCap 600 Index covers approximately 3% of the domestic equities market and is designed to represent a portfolio of small companies that are investable and financially viable.

S&P 500 Index is a gauge of the U.S. stock market which includes 500 leading companies in major industries of the U.S. economy.

S&P/LSTA (Loan Syndications and Trading Association) Leveraged Loan Index (LLI) is a total return market value index that tracks fully funded, senior secured, first lien term loans syndicated in the U.S., as well as dollar-denominated overseas loans, including 90-95% of the institutional universe.

The S&P GICS (Global Industry Classification Standard) sectors provide standardized industry definitions consisting (in the U.S.) of 10 sectors, 24 industry groups, and 68 industries.

Important Disclosures

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

All indexes are unmanaged and an individual cannot invest directly in an index. Index returns do not include fees or expenses.

Past performance is no guarantee of future results.

The views and judgments expressed are those of ING U.S. Investment Management. They are subject to change at any time. These views do not necessarily reflect the opinions of any other firm.

All investing involves risks of fluctuating prices and the uncertainties of rates of return and yield inherent in investing. All security transactions involve substantial risk of loss.

You should consult your tax, legal, accounting or other advisors about the matters discussed herein.

As indicated on each page, some information was obtained from outside sources and is believed to be reliable, but ING does not guarantee its completeness or accuracy.

Not FDIC Insured; no bank guarantee; may lose value