ING PRIME RATE TRUST
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Funds

First Quarter Report

May 31, 2006

ING Prime Rate Trust

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ING Prime Rate Trust

FIRST QUARTER REPORT

May 31, 2006

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PORTFOLIO MANAGERS REPORT

Dear Shareholders:

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

PORTFOLIO CHARACTERISTICS
AS OF MAY 31, 2006

Net Assets	$	1,093,947,269
Total Assets	$	2,155,338,225
Assets Invested in Senior Loans	$	2,092,132,468
Senior Loans Represented		533
Average Amount Outstanding per Loan		$3,925,202
Industries Represented		39
Average Loan Amount per Industry		$53,644,422
Portfolio Turnover Rate		18%
Weighted Average Days to Interest Rate Reset		42
Average Loan Final Maturity		63 months
Total Leverage as a Percentage of Total Assets (including Preferred Shares)		47%

PERFORMANCE SUMMARY

The Trust declared $0.13 of dividends during the first fiscal quarter ended May 31, 2006. Based on the average month-end net asset value (NAV) per share of $7.54, this resulted in an annualized distribution rate of 7.18%(1) for the quarter. The Trust s total net return for the first fiscal quarter, based on NAV, was 1.18%, versus a total gross return on the S&P/LSTA Leveraged Loan Index (LLI)(2) of 1.30% for the same quarter. The total market value return (based on full reinvestment of dividends) for the Trust s common shares during the first fiscal quarter was 2.29%.

MARKET OVERVIEW

The tail end of the Trust s first fiscal quarter of 2006 was a transitional period in the U.S. leveraged loan market, as the average bid for the most widely traded loans declined to a new seven-month low (100.21).(3) Fortunately, based on higher LIBOR rates and increasing credit spreads, total return during the period (as evidenced by LLI) was still positive, a good result relative to the experience of most other actively traded capital markets. Importantly, the reduction in the market premium was driven almost exclusively by technical factors (*i.e.*, supply and demand) and not by a systemic increase in realized credit risk (*i.e.*, defaults). During the quarter, new issue volume reached an all-time record, putting pressure on secondary loan prices and thereby increasing NAV volatility across

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(1) The distribution rate is calculated by annualizing dividends declared during the period and dividing the resulting annualized dividend by the Trust s average month-end net asset value (in the case of NAV) or the average month-end NYSE Composite closing price (in the case of Market). The distribution rate is based solely on the actual dividends and distributions, which are made at the discretion of management. The distribution rate may or may not include all investment income and ordinarily will not include capital gains or losses, if any.

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

(3) Source: Standard & Poor s Leveraged Commentary & Data

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PORTFOLIO MANAGERS REPORT (continued)

the board. While this technical correction did hold down returns, it also marked what appears to be an important turning point in investor sentiment in that new issue spread pricing has increased materially across all ratings categories. The fact that credit spreads are reverting to more normalized risk-adjusted levels in a reasonably orderly fashion is a very healthy development.

Fundamentally, the credit environment and the direction of short-term interest rates remain the primary focus of market participants. In short, while pockets of weakness persist, credit conditions remain reasonably attractive as evidenced by a quarter-over-quarter improvement in the trailing default rate (1.54% at May 31, 2006, versus 2.08% at February 28, 2006).(3) And while visible deceleration of the U.S. housing market has had a moderating impact, the broader U.S. economy appears to be expanding at an acceptable rate, supporting the consensus view that the Fed may boost short-term interest rates a little further. Consequently, the fundamental outlook for leveraged loan issuers, and floating rate loan investments, remains favorable over the near-term.

TOP TEN INDUSTRY SECTORS
AS OF MAY 31, 2006
AS A PERCENTAGE OF:

	TOTAL ASSETS	NET ASSETS
North American Cable	11.1%	21.8%
Healthcare, Education and Childcare	8.2%	16.1%
Chemicals, Plastics and Rubber	5.7%	11.2%
Oil and Gas	5.4%	10.7%
Buildings and Real Estate	4.7%	9.3%
Printing and Publishing	4.2%	8.3%
Utilities	3.9%	7.8%
Leisure, Amusement, Entertainment	3.9%	7.7%
Automobile	3.9%	7.7%
Retail Stores	3.8%	7.6%

Portfolio holdings are subject to change daily.

PORTFOLIO OVERVIEW

Coming off several strong consecutive quarters, the Trust s net performance was marginally lower than the gross returns of the LLI (based on NAV) during the most recent quarter, due primarily to the secondary market price correction noted above. Price compression was most noticeable in the lower spread, typically higher credit quality subset of the market, an area emphasized by our strategy due to its low credit-related volatility profile. Aside from broader market issues, the Trust s exposure to the Adelphia Communications group of affiliates was the biggest detractor to this quarter s results. While cable operators have been posting favorable operating results generally, loan prices for the Adelphia group were negatively impacted by the continued delay in the company s bankruptcy asset sale process and complicating factors surrounding the ultimate disposition of proceeds.

TOP TEN SENIOR LOAN ISSUERS
AS OF MAY 31, 2006
AS A PERCENTAGE OF:

	TOTAL ASSETS	NET ASSETS
Charter Communications Operating, LLC	2.5%	4.9%
Metro-Goldwyn-Mayer Studios, Inc.	2.0%	3.9%
Georgia-Pacific Corporation	1.7%	3.4%
NRG Energy, Inc.	1.4%	2.8%
Century Cable Holdings, LLC	1.4%	2.7%
Sungard Data Systems, Inc.	1.3%	2.6%
Olympus Cable Holdings, LLC	1.3%	2.5%
Davita, Inc.	1.2%	2.4%
Fidelity National Information Solutions, Inc.	1.2%	2.4%
CSC Holdings, Inc.	1.1%	2.2%

Portfolio holdings are subject to change daily.

Although we continue to wait on the eventual resolution of these issues, we

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(3) Source: Standard & Poor s Leveraged Commentary & Data

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PORTFOLIO MANAGERS REPORT (continued)

still anticipate a favorable outcome for the company s obligations held by the Trust.

Diversification remains very healthy. The average individual loan position at the end of the quarter represented approximately 0.25% of total assets, while the average industry sector accounted for roughly 2.56%.

USE OF LEVERAGE

The Trust utilizes financial leverage to seek to increase the yield to the holders of common shares. As of May 31, 2006, the Trust had $450 million of Aaa/AAA(4) rated cumulative auction rate preferred shares outstanding, and $567 million of borrowings outstanding under $625 million in available credit facilities. Total leverage, as a percentage of total assets (including preferred shares), was 47.19% at period end. The use of leverage for investment purposes increases both investment opportunity and investment risk.

(4) Obligations rated Aaa by Moody s Investors Service are judged to be of the highest quality, with minimal credit risk. An obligator rated AAA has extremely strong capacity to meet its financial commitments. AAA is the highest Issuer Credit Rating assigned by Standard & Poor s. Credit quality refers to the Trust s underlying investments, not to the stability or safety of this Trust.

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PORTFOLIO MANAGERS REPORT (continued)

OUTLOOK

As noted above, absent any material geo-political shock to the global economic system, credit conditions are expected to remain reasonably stable through the balance of the year. Moreover, while an unprecedented level of uncertainty currently surrounds near-term Fed action, it s clear that inflationary pressures are not significantly receding. The unanswered question at this point is whether the economy is moderating at a pace sufficient to cause the Fed to pause. Given the recent price correction in our market, the combination of 1) level credit conditions, 2) an upward rate bias and 3) increasingly wider credit spreads would foster a favorable environment for non-investment grade loan performance.

Our strategy is dedicated to delivering attractive-risk adjusted returns and moderate NAV volatility. As such, we remain focused on the better quality subset of the loan universe (i.e., better relative credit ratings, traditional first position collateral packages, and standard covenant protections) and will cede excess returns to maintain that strategy.

Jeffrey A. Bakalar
Senior Vice President
Senior Portfolio Manager
ING Investment Management Co.

Daniel A. Norman
Senior Vice President
Senior Portfolio Manager
ING Investment Management Co.

ING Prime Rate Trust
July 18, 2006

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PORTFOLIO MANAGERS REPORT (continued)

	Average Annual Total Returns for the Years Ended May 31, 2006			
	1 Year	**3 Years**	**5 Years**	**10 Years**
Based on Net Asset Value (NAV)	9.95%	9.60%	6.08%	5.70%
Based on Market Value	6.88%	6.25%	4.99%	4.92%
S&P/LSTA Leveraged Loan Index(a)	6.36%	6.15%	5.13%	
Credit-Suisse Leveraged Loan Index	6.94%	6.70%	5.28%	5.63%

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

Total returns based on net asset value reflect that the Investment Manager may have waived or recouped fees and expenses otherwise payable by the Trust.

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

Assumes rights were exercised and excludes sales charges and commissions(b),(c)

(a) Performance since inception for the index is 5.35% from January 1, 1997.

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

(c) On October 18, 1996, the Trust issued to its shareholders non-transferable rights which entitled the holders to subscribe for 18,122,963 shares of the Trust s common stock at the rate of one share of common stock for each five rights held. On November 12, 1996, the offering expired and was fully subscribed. The Trust issued 18,122,963 shares of its common stock to exercising rights holders at a subscription price of $9.09. Offering costs of $6,972,203 were charged against the offering proceeds.

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

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

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

INDEX DESCRIPTIONS

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

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

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PORTFOLIO MANAGERS REPORT (continued)

YIELDS AND DISTRIBUTIONS RATES

Quarter Ended	**Prime Rate**	**Net Asset Value (NAV) 30-Day SEC Yield(A)**	**Market 30-Day SEC Yield(A)**	**Average Annualized Distribution Rate at NAV(B)**	**Average Annualized Distribution Rate at Market(B)**
May 31, 2006	8.00%	9.63%	10.31% &		