Dechert LLP

1900 K Street, NW
Washington, DC 20006
+1 202 261 3300 Main
+1 202 261 3333 Fax
www.dechert.com

JEFFREY S. PURETZ

jeffrey.puretz@dechert.com
+1 202 261 3358 Direct
+1 202 261 3058 Fax

March 27, 2013

Douglas J. Scheidt, Esq.
Associate Director and Chief Counsel
Division of Investment Management
U.S. Securities and Exchange Commission
100 F Street, N.E.
Washington, D.C. 20549

Dear Mr. Scheidt:

On behalf our clients, ING Investments, LLC, Directed Services LLC, and ING Investment Management Co. LLC (collectively, the "Advisers"), we request the assurance of the staff of the Division of Investment Management ("Staff") that it would not recommend any enforcement action to the Securities and Exchange Commission ("Commission") for non-compliance with the shareholder approval requirements of Section 15(a) of the Investment Company Act of 1940, as amended ("1940 Act"), if the ING Funds obtain shareholder approval of new investment advisory agreements with the Advisers at a single meeting of shareholders, at the commencement of a series of related transactions that may be deemed to result in one or more "assignments" of the Funds' advisory agreements.

Background

Each Adviser is registered with the Commission under the Investment Advisers Act of 1940 ("Advisers Act"), and each serves as the investment adviser or subadviser to registered investment companies in a fund complex known as the "ING Funds." Each ING Fund ("Fund") is registered as an investment company with the Commission under the 1940 Act, or is a series of a registered investment company. The Funds include open-end and closed-end investment companies and currently hold approximately $90 billion in assets.

Each Adviser is an indirect, wholly owned subsidiary of ING U.S., Inc. ("ING U.S."), which, in turn, is an indirect, wholly owned subsidiary of ING Groep N.V. ("ING Group").[1] ING U.S. is the U.S. holding company for ING Group's U.S.-based retirement, investments and insurance operations. ING Group is a global financial services company of Dutch origin that is active in the fields of banking, insurance, asset management, and retirement services. ING Group's shares have been listed on Euronext since March 1991. In addition, depositary receipts for ING

[1] ING Investment Management BV, a non-U.S. affiliate of the Advisers that is a wholly owned subsidiary of ING Group and is not a subsidiary of ING U.S., also serves as a subadviser to certain Funds.

Group's ordinary shares are listed on the stock exchanges of Amsterdam, Brussels, and New York (NYSE).

During the financial crisis of 2008-2009, in connection with financial assistance provided by the Kingdom of the Netherlands ("Dutch State") to ING Group, ING Group was required, under European rules for state supported companies, to agree to a restructuring plan calling for it to separate its global banking business from its global insurance, investment, and retirement businesses, including ING U.S. (the "Divestiture"). Pursuant to the most recent agreement with the European Commission, ING Group is required to divest at least 25% of its interest in ING U.S. by the end of 2013, more than 50% of its interest by year-end 2014, and the remaining interest by year-end 2016.

ING Group has announced that the base case for the Divestiture includes an initial public offering of ING U.S. (the "ING U.S. IPO"),[2] in which ING Group initially will sell a portion of its ownership interest in ING U.S. (which may include more or less than 25% of ING U.S.'s outstanding voting securities), and thereafter will divest its remaining ownership stake over time. The amount of stock to be sold in the ING U.S. IPO, and the number and timing of subsequent offerings, are not known to the Advisers, and will depend on a variety of factors, including the potential proceeds of the offerings and market conditions.[3]

Relevant Law

Consistent with Section 15(a)(4) of the 1940 Act, the Advisers provide investment advisory services to the Funds pursuant to agreements that state that they terminate automatically in the event of an "assignment" (the "Current Advisory Agreements"). Section 2(a)(4) of the 1940 Act provides that an "assignment" occurs upon the "direct or indirect transfer ... of a controlling block of the assignor's outstanding voting securities by a security holder of the assignor...." Although the 1940 Act does not define the term "controlling block," it provides that any person who owns beneficially more than 25% of the voting securities of a company is presumed to control the company. Thus, the direct or indirect transfer of more than 25% of the Advisers' outstanding voting securities to a person may be viewed as a transfer of a "controlling block" of the Advisers'

---

2 On November 9, 2012, ING U.S. filed a Form S-1 registration statement (file number 333-184847) with the Commission to register an initial public offering of ING U.S. common stock. An amendment to the Form S-1 was filed on January 23, 2013. As of the date of this letter, the registration statement has not yet become effective.

3 As noted below, however, our request for no-action assurance here is based on the expectation that the shares of ING U.S. will be broadly distributed, without the acquisition of more than 25% of the shares of ING U.S. by a single "person," as such term is defined in Section 2(a)(28) of the 1940 Act.

outstanding voting securities, and thus an assignment which would result in the automatic termination of the Current Advisory Agreements.[4]

The Advisers believe there are reasonable arguments in support of the conclusion that the Divestiture would not result in an "assignment" of the Current Advisory Agreements. Before and after the Divestiture, the Advisers' outstanding voting securities will be held directly or indirectly by ING U.S. Under the base case described above, the Divestiture ultimately will result in the sale of ING U.S.'s outstanding voting securities to a broadly dispersed group of public shareholders. ING Group itself is a public company whose ownership is broadly dispersed. Accordingly, in the base case scenario, the ownership of ING U.S. is and will be held, directly or indirectly, by a broadly dispersed group of public shareholders both before and after the Divestiture.

Nevertheless, the Advisers believe that it is appropriate to seek Fund shareholder approval of investment advisory agreements in consideration of the fact that, upon completion of the Divestiture, the Advisers no longer will be owned indirectly by ING Group.[5] Accordingly, on the recommendation of the Advisers and following their own due diligence reviews, the Funds' Boards (collectively, the "Board") approved new investment advisory agreements and subadvisory agreements ("New Advisory Agreements") to replace the Current Advisory Agreements, which will terminate automatically upon their assignment.[6] The Board also authorized the solicitation of

---

4 There are circumstances where the transfer of more than 25% of a company's outstanding voting securities to a person may not be deemed to result in an "assignment" of that company's investment advisory agreements. *See, e.g.*, Dean Witter, Discover & Co.; Morgan Stanley Group Inc., SEC No-Action Letter (pub. avail. Apr. 18, 1997), in which the Staff stated that:

> [t]he transfer or issuance of a block of stock in connection with a merger involving two issuers generally would not by itself cause an assignment of the advisory contracts of their advisory subsidiaries, for purposes of the [1940 Act] or the Advisers Act, unless (1) a person who had control of either issuer prior to the transaction does not have control of the surviving entity after the transaction, (2) a person who did not have control of either issuer prior to the transaction gains control of the surviving entity, or (3) the transaction results in an advisory subsidiary being merged out of existence.

5 *See Willheim v. Murchison*, 342 F.2d 33, 37 (2d Cir. 1965), *cert denied* 382 U.S. 840 (1965) (assuming, but only for the sake of argument, that the definition of assignment in the 1940 Act "is broad enough to include the transfer of a controlling block of the voting securities of an owner of a controlling block of the assignor's voting securities by a security holder of that owner, even when the owner is not a company created to hold the assignor's stock").

6 The ING Funds complex currently is organized as two different "clusters" under two separate boards of trustees. The chairman of each board is independent and the independent trustees on each board are represented by counsel that is "independent legal counsel" as that term is defined in Rule

shareholder approval of the New Advisory Agreements, as well as any subsequent advisory agreements that, subject to Board approval, may be entered into in the event that future offerings of ING U.S.'s shares could be deemed to cause assignments of the advisory agreements then in force ("Subsequent Advisory Agreements").

Plan for Soliciting Fund Shareholder Approval

The Advisers have considered the timing of when to ask Fund shareholders to approve the New Advisory Agreements and the Subsequent Advisory Agreements.[7] This determination is complicated by the fact that the precise amount or percentage of the shares of ING U.S. that will be sold in the ING U.S. IPO, and any subsequent offerings of ING U.S.'s shares, is not known to the Advisers, and may not be known for some time. To provide greater certainty in light of these complexities, the Advisers and the Funds have developed a plan to solicit shareholder approval of the New Advisory Agreements and the Subsequent Advisory Agreements in connection with the ING U.S. IPO (the "Plan"). This would be the only vote by the Funds' shareholders on any assignments of investment advisory contracts arising from the Divestiture under the circumstances described herein.

Under the Plan, shareholders of the Funds would be asked to approve the New Advisory Agreements as well as Subsequent Advisory Agreements at a single shareholder meeting. Proxy statements soliciting shareholder approval of the New Advisory Agreements and Subsequent Advisory Agreements would be distributed to Fund shareholders in near proximity to the anticipated time of the closing of the ING U.S. IPO.[8] Thus, the Plan envisages seeking shareholder approval one time, through a single proxy statement, of all investment advisory agreements entered into in connection with the Divestiture under the circumstances described herein. This would occur even if the ING U.S. IPO does not involve the offering of more than 25% of the outstanding voting securities of ING U.S., and might, therefore, not be presumed to be an assignment, in which event

---

0-1(a)(6) under the 1940 Act. Shareholders of all of the Funds will be asked to approve a single consolidated board at the same shareholder meetings, at which shareholders will consider the approval of the New Advisory Agreements and the Subsequent Advisory Agreements (as defined hereafter).

7 Subadvisory agreements with investment advisers that are not affiliated with the Advisers will not require shareholder approval pursuant to a "manager-of-managers" exemptive order on which the ING Funds may rely. *See* Investment Company Act Rel. No. 25558 (April 30, 2002) (Notice) and Investment Company Act Rel. No. 25592 (May 24, 2002) (Order).

8 Following informal discussions with the Staff about this matter, the ING Funds filed a preliminary proxy statement seeking shareholder approval of the New Advisory Agreements and Subsequent Advisory Agreements on January 25, 2013. *See, e.g.*, Preliminary Proxy Statement for ING Funds Trust (filed Jan. 25, 2013).

the parties could be viewed as seeking approval of New Advisory Agreements and Subsequent Advisory Agreements even though the Current Advisory Agreements presumably would not have terminated. The Advisers would consider whether future offerings of ING U.S. shares may result in an assignment of the then-current advisory agreements on a case-by-case basis, in which case the Advisers would ask the Board to approve, and the Board would need to approve, Subsequent Advisory Agreements. The terms of any Subsequent Advisory Agreements would not be materially different from the terms of the New Advisory Agreements.

After the meeting of shareholders contemplated by the proxy statement, and through the completion of the Divestiture, the prospectuses for each open-end Fund would disclose the relevant facts associated with the Divestiture and the fact, assuming shareholder approval, that the Fund's shareholders had approved the New Advisory Agreements and Subsequent Advisory Agreements. Similar information would be included in shareholder reports for each closed-end Fund.

The Plan assumes that each public offering of the shares of ING U.S., including shares offered in the ING U.S. IPO, will involve the broad sale of the common stock of ING U.S. to the public with no single "person," as such term is defined in the 1940 Act, acquiring more than 25% of ING U.S.'s outstanding voting securities in the offerings.[9]

Rationale for the Plan

We believe that it is reasonable to seek Fund shareholder approval of the New Advisory Agreements and Subsequent Advisory Agreements at the commencement of the Divestiture, even though the overall Divestiture may take several years to complete. As described above, ING Group agreed to pursue the Divestiture in connection with aid it received from the Dutch State. If ING U.S. conducts multiple offerings to complete the Divestiture, the offerings will all be related and, in essence, part of a single plan for ING Group to divest its stake in ING U.S. The essential question before Fund shareholders is whether the Advisers should continue to serve the ING Funds even though the Advisers will not be owned indirectly by ING Group. This question would be the same if there were one proxy solicitation or multiple proxy solicitations for each Fund. Soliciting shareholder approval on multiple occasions in connection with subsequent offerings of ING U.S.'s shares may lead to confusion by Fund shareholders, who would see successive proxy statements that repeat substantially the same information, and would substantially increase printing, mailing and solicitation expenses which would be borne by the Advisers or an affiliate (but not the Funds).

We also believe that the timing of Fund shareholder approval of the New Advisory Agreements and Subsequent Advisory Agreements is appropriate. The Plan will allow Fund

---

[9] 15 U.S.C. § 80a-2(a)(28) (definition of the term "person" in the 1940 Act).

shareholders the opportunity to vote in near proximity to the anticipated time of the ING U.S. IPO, which is the offering that is expected to garner the most media and market attention, at which time there will be a meaningful change in the ownership and governance of ING U.S. in that, among other things, ING U.S. will begin to operate as a public company and as such will be subject to a host of governance, disclosure and other requirements to which it is not currently subject.

Finally, we believe that the proposal to include disclosure in fund prospectuses and shareholder reports about the Divestiture and shareholder approval of the New Advisory Agreements and Subsequent Advisory Agreements addresses any concern that new Fund shareholders may not have a voice on whether the Advisers should continue to serve the Funds. The disclosure ensures that shareholders are informed of all relevant facts about the Divestiture at the time they make the decision to invest with the Funds.

In support of the Plan, we note that the Staff provided no-action relief in two situations with unique factual circumstances involving transactions that could have technically resulted in more than one assignment of advisory agreements. In one recent no-action letter, the Staff granted no-action assurance in connection with a transaction that apparently involved a single vote of fund shareholders which covered a series of related transactions that were designed to facilitate a single plan of conveyance of ownership interests in an adviser to a charitable organization.[10] In another case, the Staff granted no-action assurance in connection with a plan by several investment advisers that were subsidiaries of a life insurance company to continue to manage funds under existing advisory agreements, even though the insurance company was placed in rehabilitation and the governing state insurance commissioner was given control of all of the insurer's assets and business. The advisers argued, among other things, that a vote of fund shareholders in connection with the rehabilitation could confuse shareholders because the subsequent completion of the rehabilitation process would result in the sale of the advisers by the insurer, and, in turn, another technical assignment of the advisory agreements, thereby requiring another proxy solicitation.[11]

---

[10] In American Century Investment Management, Inc., SEC No-Action Letter (pub. avail. Feb. 2, 2012), the Staff provided certain assurances under Section 15(a)(4) of the 1940 Act in connection with the: (1) designation of additional trustees to a trust that indirectly controlled a mutual fund adviser; and (2) transfer of that trust's indirect interest in the adviser to a charitable organization that was the beneficiary of the trust. The Staff appeared to provide this no-action relief based, *at least in part*, on the fact that, prior to these proposed actions, during which another assignment occurred, funds managed by the investment adviser actually sought and obtained shareholder approval of new investment advisory agreements, and the proxy statement included certain disclosures regarding these proposed actions (*i.e.*, the beneficiaries of the trust and the process for appointment of successor trustees).

[11] *See* Markston Investment Management, SEC No-Action Letter (pub. avail. Aug. 23, 1991); *see also* Investment Management Staff Issues of Interest (at http://sec.gov/divisions/investment/issues-of-

While the facts in each of these no-action letters involved unique circumstances, the facts surrounding ING Group, ING U.S., the Advisers, and the Divestiture are also unique, and we submit that these letters support the Plan described herein.

Conclusion

We accordingly request assurance that the Staff would not recommend any enforcement action to the Commission for non-compliance with the shareholder approval requirements of Section 15(a) of the 1940 Act if the Funds obtain shareholder approval of the New Advisory Agreements and Subsequent Advisory Agreements at a single meeting of shareholders around the time of the closing of the ING U.S. IPO, consistent with the Plan described herein.

If you have any questions, please do not hesitate to contact me (at 202.261.3358) or my partner, Tom Bogle (at 202.261.3360).

Sincerely,

Jeffrey S. Puretz

JSP/tcb

---

interest.shtml), where the Staff reported it had informally advised an investment adviser that it may be sufficient, citing Section 205(a)(2) of the Advisers Act, to obtain consent at the same time to the assignment of an advisory contract in a transaction that involved two steps, one involving a transfer of the adviser's outstanding voting securities temporarily for one day to an intermediary for tax purposes, and then to the ultimate purchaser.