

ING Emerging Markets High Dividend Equity Fund
Form N-CSRS
November 03, 2011
[Table of Contents](#)

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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM N-CSR

CERTIFIED SHAREHOLDER REPORT OF

REGISTERED MANAGEMENT INVESTMENT COMPANIES

Investment Company Act file number: 811-22004

ING Emerging Markets High Dividend Equity Fund

(Exact name of registrant as specified in charter)

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

85258
(Zip code)

Huey P. Falgout, Jr., 7337 Doubletree Ranch Rd. Scottsdale, AZ 85258
(Name and address of agent for service)

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

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

Date of reporting period: **August 31, 2011**

Table of Contents

Item 1. Reports to Stockholders.

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

Table of Contents

Semi-Annual Report

August 31, 2011

ING Emerging Markets High Dividend Equity Fund

E-Delivery Sign-up details inside

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

FUNDS

Table of Contents

TABLE OF CONTENTS

| | |
|--|----|
| <u>President's Letter</u> | 1 |
| <u>Market Perspective</u> | 2 |
| <u>Portfolio Managers' Report</u> | 4 |
| <u>Statement of Assets and Liabilities</u> | 6 |
| <u>Statement of Operations</u> | 7 |
| <u>Statements of Changes in Net Assets</u> | 8 |
| <u>Financial Highlights</u> | 9 |
| <u>Notes to Financial Statements</u> | 10 |
| <u>Summary Portfolio of Investments</u> | 18 |
| <u>Advisory Contract Approval Discussion</u> | 23 |
| <u>Additional Information</u> | 25 |

Go Paperless with E-Delivery!

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

Just go to www.ingfunds.com, click on the E-Delivery icon from the home page, follow the directions and complete the quick 5 Steps to Enroll.

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

PROXY VOTING INFORMATION

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

QUARTERLY PORTFOLIO HOLDINGS

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

Table of Contents

PRESIDENT'S LETTER

Dear Shareholder,

ING Emerging Markets High Dividend Equity Fund (the "Fund") is a newly organized, diversified, closed-end management investment company whose shares are traded on the New York Stock Exchange under the symbol "IHD". The Fund's investment objective is total return through a combination of current income, capital gains and capital appreciation.

The Fund will seek to achieve its investment objective by investing principally in a portfolio of equity securities, primarily of issuers in emerging market countries. The sub-adviser will seek to construct a portfolio with a weighted average gross dividend yield that exceeds the dividend yield of the MSCI® Emerging Markets Index. The Fund will also normally seek to secure gains and enhance the stability of returns over a market cycle by writing (selling) call options on selected exchange-traded funds ("ETFs") and/or international, regional or country indices of equity securities, and/or on equity securities.

Based on net asset value ("NAV"), the Fund had a total return of (9.85)% for the

period from inception on April 26, 2011 through August 31, 2011⁽¹⁾. Based on its share price as of August 31, 2011, the Fund provided a total return of (20.48)% for the period from inception on April 26, 2011 through August 31, 2011⁽²⁾. The Fund intends to implement a level distribution strategy and make regular quarterly distributions to shareholders based on the past and projected performance of the Fund.

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

At ING Funds our mission is to set the standard in helping our clients manage their financial future. We seek to assist you and your financial advisor by offering a range of global investment solutions. We invite you to visit our website at www.ingfunds.com. Here you will find information on our products and services, including current market data and fund statistics on our open-and closed-end funds. You will see that we offer a broad variety of equity, fixed income and multi-asset funds that aim to fulfill a variety of investor needs.

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

Sincerely,

Shaun P. Mathews

President & Chief Executive Officer

ING Funds

October 7, 2011

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

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

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

Table of Contents

MARKET PERSPECTIVE: SIX MONTHS ENDED AUGUST 31, 2011

As our new fiscal year started, commentators were wondering what it would take to spoil investors' collective appetite for risky assets. Global equities in the form of the MSCI World IndexSM measured in local currencies including net reinvested dividends were already up nearly 5% in 2011, despite a continuing European sovereign debt crisis and the violent uncertainties of the Arab Spring in North Africa and the Middle East. As if this were not enough, a massive earthquake and tsunami hit Japan on March 11, causing severe local damage and disruption to global supplies of electrical and digital components. Yet global equities returned nearly 1% between March 10 and March 31. Many of the developed world's economies including the US, seemed to be returning to health, boosted by heavy, ongoing doses of stimulative and monetary medicine.

But as the year wore on, the patient took a turn for the worse and by the end of August global equities were down 11.03% for the six month period. (The MSCI World IndexSM returned (9.21)% for the six-month period, measured in U.S. dollars.)

It did not happen right away. In the U.S., the latest unemployment rate was reported in April at 8.8%, the lowest in 24 months. New private sector jobs well above 200,000 were added in each of January, February and March. But the average for the next three months slumped to 111,000, just 72,000 including the shrinking government sector. The unemployment rate rebounded to 9.1% and by the end of August the number of new weekly unemployment claims was still stuck above 400,000.

In the housing market, sales of new and existing homes seemed to be stabilizing at low levels. But by May both were in decline again and that month the double dip in home prices was confirmed when the S&P/Case-Shiller 20-City Composite Home Price Index was reported as having fallen below the near term trough recorded in April 2009.

Gross Domestic Product (GDP) growth had been reported at 3.1% (quarter-over-quarter, annualized) for the fourth quarter of 2010. On July 29 this was revised down to 2.3%, among other revisions that showed the recession had been deeper and started earlier than previously thought. Worse, growth in the first quarter of 2011 was a barely perceptible 0.4%. When the next quarter's figure was reported at just 1.0%, the common assessment was that the economy was operating at stall-speed.

There was to be no cheer on the political front as parties deadlocked on the issue of raising the debt ceiling. A stopgap agreement avoided the risk of the United States defaulting on its debt, but it did not stop Standard & Poors from downgrading the country's credit rating.

A slowdown of sorts was also taking place in China. Its economy was still growing fast, at 9.5% in the latest quarter, but activity was clearly slowing at the margin, which would significantly impact global growth. It was a self-inflicted slowdown, as the authorities used monetary tightening to battle inflation of 6.5% and a housing price bubble. By August, the closely watched Chinese purchasing managers' index was registering near-stagnation.

Arguably the largest single depressant to investors' risk appetite was renewed anxiety about Eurozone sovereign debt, when rumors started to swirl that Greece would seek a

restructuring of its debt, much of it held by European banks, threatening a Lehman-like event that might paralyze the banking system and trip the region back into recession. In late July, a second bail-out package was agreed to for Greece. But amid doubts about the political will necessary to carry it through, attention turned to the Italian bond market, the world's third largest, and Spain's. Bond yields soared to euro-era high levels, retreating only when the European Central Bank started buying the bonds, a role it was never meant to play.

In U.S. fixed income markets, the Barclays Capital U.S. Aggregate Bond Index of investment grade bonds rose 5.49% in the first half of the fiscal year. The sub-index representing government bonds returned 6.53% and short to medium Treasuries traded at record low yields. Conversely, the Barclays Capital High Yield Bond - 2% Issuer Constrained Composite Index lost 1.57% in these more risk-averse times.

U.S. equities, represented by the S&P 500[®] Index including dividends, lost 7.23% in the six months through August, with negative returns in the last four, including the worst August since 2001. The operating earnings of S&P 500[®] companies in the second quarter of 2011 eclipsed their

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all-time record of exactly four years before and while that might have supported prices in the past, it was increasingly seen as unlikely to stand in near-recessionary conditions.

In currencies, the dollar benefited periodically from safe haven status, as the latest trauma of the Eurozone debt crisis played out. But in the end, many commentators argued that there was no haven that was truly safe and over the six months the dollar ultimately fell 4.98% against the euro, 1.46% against the pound and 5.95% to the yen, which briefly touched a post-war high.

In international markets, the MSCI Japan[®] Index plunged 19.23% in the first half of the fiscal year, weighed down by the disruptive aftermath of natural disaster, as the economy re-entered recession. The MSCI Europe ex UK[®] Index returned a similar (18.34)%, measures of business activity and confidence steadily deteriorating as the period progressed. The European Central Bank still saw fit, however, to raise interest rates twice. In the UK, GDP was barely higher than its mid 2010 level, with severe spending cuts on the way. Yet the MSCI UK[®] Index only fell 8.04%, with contributions from the defensive consumer staples and health care sectors moderating losses in the financials, energy and materials sectors.

Parentheses denote a negative number.

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

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

Table of Contents

BENCHMARK DESCRIPTIONS

| Index | Description |
|--|--|
| MSCI World Index SM | An unmanaged index that measures the performance of over 1,400 securities listed on exchanges in the U.S., Europe, Canada, Australia, New Zealand and the Far East. |
| S&P/Case-Shiller 20-City Composite Home Price Index | A composite index of the home price index for the top 20 Metropolitan Statistical Areas in the United States. The index is published monthly by Standard & Poor's. |
| Barclays Capital U.S. Aggregate Bond Index | An unmanaged index of publicly issued investment grade U.S. Government, mortgage-backed, asset-backed and corporate debt securities. |
| Barclays Capital High Yield Bond 2% Issuer Constrained Composite Index | An unmanaged index that includes all fixed income securities having a maximum quality rating of Ba1, a minimum amount outstanding of \$150 million, and at least one year to maturity. |
| S&P 500 [®] Index | An unmanaged index that measures the performance of securities of approximately 500 large-capitalization companies whose securities are traded on major U.S. stock markets. |
| MSCI Japan [®] Index | A free float-adjusted market capitalization index that is designed to measure developed market equity performance in Japan. |
| MSCI Europe ex UK [®] Index | A free float-adjusted market capitalization index that is designed to measure developed market equity performance in Europe, excluding the UK. |
| MSCI UK [®] Index | A free float-adjusted market capitalization index that is designed to measure developed market equity performance in the UK. |
| MSCI Europe [®] Index | A free float-adjusted market capitalization weighted index designed to measure the equity market performance of the developed markets in Europe. |
| MSCI All Country Asia Pacific ex-Japan [®] Index | A free float-adjusted market capitalization weighted index designed to measure the equity market performance of Asia, excluding Japan. |

Table of Contents**ING EMERGING MARKETS HIGH DIVIDEND EQUITY FUND****PORTFOLIO MANAGERS REPORT****Country Allocation****as of August 31, 2011**

(as a percentage of net assets)

| | |
|--|---------------|
| China | 16.7% |
| Brazil | 16.4% |
| South Korea | 11.1% |
| Taiwan | 9.0% |
| Hong Kong | 7.1% |
| Russia | 6.7% |
| South Africa | 6.3% |
| Singapore | 4.4% |
| Malaysia | 3.4% |
| Mexico | 2.4% |
| Countries between 0.5%-1.9%^ | 14.2% |
| Assets in Excess of Other Liabilities* | 2.3% |
| Net Assets | 100.0% |

* Includes short-term investments.

^ Includes 13 countries, which each represents 0.5%-1.9% of net assets.

Portfolio holdings are subject to change daily.

ING Emerging Markets High Dividend Equity Fund's (the Fund) primary investment objective seeks to provide total return through a combination of current income, capital gains and capital appreciation. The Fund seeks to achieve its investment objectives by investing principally in a portfolio of equity securities, primarily of issuers in emerging market countries. The Fund will also normally seek to secure gains and enhance the stability of returns over a market cycle by writing (selling) call options on selected exchange-traded funds (ETFs) and/or international, regional or country indices of equity securities, and/or on equity securities.

Portfolio Management: The Fund is managed by Manu Vandenbulck, Nicolas Simar, Patrick den Besten, Willem van Dommelen and Edwin Cuppen, Portfolio Managers, ING Investment Management Advisors B.V. (Europe) the Sub-Adviser.*

Equity Portfolio Construction: Under normal market conditions, the Fund will seek to achieve its investment objective by investing at least 80% of its Managed Assets in dividend producing equity securities of, or derivatives having economic characteristics similar to the equity securities of, issuers in emerging markets. The Sub-Adviser seeks to construct a portfolio with a weighted average gross dividend yield that exceeds the dividend yield of the MSCI® Emerging Markets Index.

The Fund will invest in approximately 60 to 120 equity securities and will select securities through a bottom-up process that is based upon quantitative screening and fundamental industry, sector and company analysis.

For the purpose of the Fund's investments, the following countries are considered emerging markets: Argentina, Bahrain, Brazil, Bulgaria, Chile, China, Colombia, Czech Republic, Egypt, Estonia, Hungary, India, Indonesia, Israel, Korea, Jordan, Kuwait, Latvia, Lithuania, Malaysia, Mauritius, Mexico, Morocco, Nigeria, Oman, Pakistan, Peru, Philippines, Poland, Qatar, Romania, Russia, Saudi Arabia, Slovakia, South Africa, Sri Lanka, Taiwan, Thailand, Turkey, United Arab Emirates, and Zimbabwe.

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In addition, the Fund may invest up to 20% of its Managed Assets in the equity securities of issuers in countries which are not considered emerging markets.

The Fund's Options Strategy: The Fund writes (sells) call options on selected ETFs and/or international, regional or country indices of equity securities, and/or on equity securities, with the underlying value of such calls having 15% to 50% of total value of the Fund's portfolio. The Fund

seeks to generate gains from the call writing strategy over a market cycle to supplement the dividend yield of its underlying portfolio.

Performance: Based on net asset value (NAV), the Fund had a total return of (9.85)% for the period from inception on April 26, 2011 through August 31, 2011. Based on its share price as of August 31, 2011, the Fund provided a total return of (20.48)% for the period from inception on April 26, 2011 through August 31, 2011. The Fund is not benchmarked to an index but uses the MSCI® Emerging Markets Index as a reference index, which returned (12.91)% for the period from May 1, 2011 to August 31, 2011. During the period, the Fund made quarterly distributions totaling \$0.40 per share, which were characterized as \$0.26 per share capital gains and \$0.14 per share net investment income. As of August 31, 2011, the Fund had 19,255,000 shares outstanding.

Market Review: Emerging market (EM) equities retreated during a reporting period dominated by growth concerns across developed markets and sovereign debt worries in Europe. Housing and labor markets remained weak. Emerging markets underperformed developed markets. Continued inflationary pressures led by higher food

Top Ten Holdings

as of August 31, 2011*

(as a percentage of net assets)

| | |
|--|------|
| Petroleo Brasileiro SA ADR | 3.2% |
| China Mobile Ltd. ADR | 2.8% |
| America Movil SAB de CV | 2.4% |
| Samsung Electronics Co., Ltd. | 2.2% |
| Vale SA | 2.2% |
| Lukoil-Spon | 2.2% |
| Gazprom OAO ADR | 2.1% |
| Taiwan Semiconductor Manufacturing Co., Ltd. | 1.8% |
| Mobile Telesystems OJSC ADR | 1.7% |
| Telekomunikasi Indonesia Tbk PT | 1.5% |

* Excludes short-term investments.

Portfolio holdings are subject to change daily.

Table of Contents

PORTFOLIO MANAGERS REPORT

ING EMERGING MARKETS HIGH DIVIDEND EQUITY FUND

prices in both China and India forced central banks to raise interest rates again. Reserve rate requirements were raised in China which also added to growth concerns encouraging debate between hard versus soft landing scenarios for the economy. August turned out to be an awful month for global equities, with many country indices posting double-digit declines. No sector escaped the sell-off but financials and cyclical sectors were particularly hard hit. The only sectors that were relatively resilient were consumer staples and telecommunications services.

Equity Portfolio: The Fund's equity portfolio outperformed the reference index during the reporting period. Both sector allocation and stock selection aided performance. Underweights in the energy and materials sectors contributed to results. Stock picking among financials, consumer discretionary and information technology companies helped performance, whereas selection among consumer staples and materials detracted.

Among the best performing stocks were China Mobile and HTC Corp. The worst detractors included industrials company China High Speed Transmission Equipment Group Co. Ltd. and energy company Petrobras Petroleo Brasileiro. During the period, we increased the Fund's underweight in South Africa and Taiwan, reduced its underweight in India and increased the overweight in China/Hong Kong. We also reduced the overweight in Brazil.

Options Portfolio: During the reporting period call options were written against the iShares MSCI Emerging Markets Index Fund ETF. The option portfolio consists of a series of short-dated call options on the iShares MSCI Emerging Markets Index Fund ETF. The options were generally sold with maturities of four to five weeks. Portfolio coverage was 20%. Generally, options were sold at-the-money and implemented in the over-the-counter market.

Almost all emerging markets indices ended lower, with the largest contraction in August when global equity markets tumbled. The result was low volatility in the earlier part of the period with much higher volatility toward the end of August. The option premiums received were stable early in the period but increased towards the end, with August premiums elevated. For the full period the total premium collected exceeded the amount that had to be settled at expiry and the strategy added value. The option overlay reduced the volatility of Fund returns and contributed to the Fund's ability to generate a relatively higher total return.

Outlook and Current Strategy: Earnings expectations have been significantly reduced in the last couple of months, especially in India. Risk events still lurk on the horizon, especially in Europe, and cyclical indicators may dip further. We believe that inflation will soon peak, especially in Asia, and then begin to slow. Food and commodity prices, which are key drivers of inflation in Asia, are leveling off; this offers some hope that the worst may be behind us.

We believe the EM universe will be affected by the declining global trade and falling material prices, and the risks of policy mistakes are increasing. Nonetheless, we still believe EM will be the main drivers of global growth. We maintain a positive view as EM valuations now are lower than their long-term averages compared to developed markets equities. Our focus for now is to concentrate Fund weightings towards countries with relatively solid domestic growth momentum, such as China, Russia and Brazil.

* Effective June 1, 2011, Moudy el Khodr was removed as a portfolio manager to the Fund.

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

Table of Contents

STATEMENT OF ASSETS AND LIABILITIES AS OF AUGUST 31, 2011 (UNAUDITED)

ASSETS:

| | |
|-------------------------------------|--------------------|
| Investments in securities at value* | \$ 316,340,913 |
| Short-term investments at value*** | 10,488,611 |
| Foreign currencies at value***** | 289,036 |
| Receivables: | |
| Dividends and interest | 914,208 |
| Receivable due from manager | 166,506 |
| Total assets | 328,199,274 |

LIABILITIES:

| | |
|--|------------------|
| Payable to affiliates | 335,756 |
| Payable to custodian due to bank overdraft | 1,228,238 |
| Payable for trustee fees | 1,818 |
| Other accrued expenses and liabilities | 116,306 |
| Written options, at fair value^ | 2,746,223 |
| Total liabilities | 4,428,341 |

NET ASSETS \$ 323,770,933

NET ASSETS WERE COMPRISED OF:

| | |
|--|----------------|
| Paid-in capital | \$ 366,933,332 |
| Distributions in excess of net investment income | (142,574) |
| Accumulated net realized loss | (77) |
| Net unrealized depreciation | (43,019,748) |

NET ASSETS \$ 323,770,933

| | |
|--|-----------------------|
| * Cost of investments in securities | \$ 359,133,332 |
| *** Cost of short-term investments | \$ 10,488,611 |
| *****Cost of foreign currencies | \$ 288,877 |
| ^ Premiums received on written options | \$ 2,521,791 |
| Net Assets | \$ 323,770,933 |
| Shares outstanding* | 19,255,000 |
| Net asset value | \$ 16.81 |

* Unlimited shares authorized; \$0.01 par value.

See Accompanying Notes to Financial Statements

Table of Contents

STATEMENT OF OPERATIONS (UNAUDITED)

| | April 26, 2011 ⁽¹⁾ to August 31, 2011 |
|---|---|
| INVESTMENT INCOME: | |
| Dividends, net of foreign taxes withheld* | \$ 5,505,638 |
| Total investment income | 5,505,638 |
| EXPENSES: | |
| Investment management fees | 1,356,156 |
| Transfer agent fees | 3,040 |
| Administrative service fees | 117,925 |
| Shareholder reporting expense | 10,386 |
| Registration fees | 10,250 |
| Professional fees | 19,643 |
| Custody and accounting expense | 112,650 |
| Trustee fees | 4,125 |
| Organizational expense | 50,000 |
| Miscellaneous expense | 6,091 |
| Total expenses | 1,690,266 |
| Net waived and reimbursed fees | (50,000) |
| Net expenses | 1,640,266 |
| Net investment income | 3,865,372 |
| REALIZED AND UNREALIZED GAIN (LOSS) | |
| Net realized gain (loss) on: | |
| Investments | 186,531 |
| Foreign currency related transactions | (1,281,466) |
| Written options | 4,717,244 |
| Net realized gain | 3,622,309 |
| Net change in unrealized appreciation or depreciation on: | |
| Investments | (42,792,420) |
| Foreign currency related transactions | (2,896) |
| Written options | (224,432) |
| Net change in unrealized appreciation or depreciation | (43,019,748) |
| Net realized and unrealized loss | (39,397,439) |
| Decrease in net assets resulting from operations | \$ (35,532,067) |

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| | | |
|--------------------------------|----|---------|
| * Foreign taxes withheld | \$ | 633,305 |
| (1) Commencement of operations | | |

See Accompanying Notes to Financial Statements

Table of Contents

STATEMENT OF CHANGES IN NET ASSETS (UNAUDITED)

| | April 26, 2011⁽¹⁾ to August 31, 2011 |
|---|--|
| FROM OPERATIONS: | |
| Net investment income | \$ 3,865,372 |
| Net realized gain | 3,622,309 |
| Net change in unrealized depreciation | (43,019,748) |
| Decrease in net assets resulting from operations | (35,532,067) |
| FROM DISTRIBUTIONS TO SHAREHOLDERS: | |
| Net investment income | (2,726,556) |
| Net realized gains | (4,903,776) |
| Return of capital | (71,668) |
| Total distributions | (7,702,000) |
| FROM CAPITAL SHARE TRANSACTIONS: | |
| Net proceeds from sale of shares ⁽²⁾ | 367,005,000 |
| Net increase in net assets | 323,770,933 |
| NET ASSETS: | |
| Beginning of period | |
| End of period | \$ 323,770,933 |
| Distributions in excess of net investment income at end of period | \$ (142,574) |

(1) Commencement of operations

(2) Proceeds from sales of shares net of sales load paid of \$17,335,000 and offering costs of \$770,000.

See Accompanying Notes to Financial Statements

Table of Contents

FINANCIAL HIGHLIGHTS (UNAUDITED)

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

| Year or period ended | Per Share Operating Performance | | | | | | | | | | Ratios and Supplemental Data | | | | | | |
|------------------------------------|--|-----------------------|--|----------------------------------|---------------------|------------------------------------|------------------------|---------------------|--------------------------------|-----------------------------|------------------------------|--------------------|-----------------------------------|---|---|---|----------------------------|
| | Income (loss) from investment operations | | | Less distributions | | | | | | | Total investment return | | Ratios to average net assets | | | | |
| | Net asset value, beginning of period | Net investment income | Net realized and unrealized gain (loss) on investments | Total from investment operations | From net investment | From realized gains on investments | From return of capital | Total distributions | Net asset value, end of period | Market value, end of period | at net asset value(3) | at market value(4) | Net assets, end of period (000's) | Gross expenses prior to expense waiver(5) | Net investment expenses after expense waiver(5) | Net investment income after expense waiver(5) | Portfolio turnover rate(6) |
| 04-26-11 ⁽¹⁾ - 08-31-11 | (\$) | (\$) | (\$) | (\$) | (\$) | (\$) | (\$) | (\$) | (\$) | (\$) | (%) | (%) | (\$) | (%) | (%) | (%) | (%) |
| | 19.06 ⁽²⁾ | 0.20 | (2.05) | (1.85) | 0.14 | 0.26 | 0.00* | 0.40 | 16.81 | 15.56 | (9.85) | (20.48) | 323,771 | 1.42 | 1.38 | 3.25 | 20 |

- (1) Commencement of operations.
- (2) Net asset value at beginning of period reflects the deduction of the sales load of \$0.90 per share and offering costs of \$0.04 per share paid by the shareholder from the \$20.00 offering price.
- (3) Total investment return at net asset value has been calculated assuming a purchase at net asset value at the beginning of each period and a sale at net asset value at the end of each period and assumes reinvestment of dividends, capital gain distributions and return of capital distributions/allocations, if any, in accordance with the provisions of the dividend reinvestment plan. Total investment return at net asset value is not annualized for periods less than one year.
- (4) Total investment return at market value measures the change in the market value of your investment assuming reinvestment of dividends, capital gain distributions and return of capital distributions/allocations, if any, in accordance with the provisions of the Fund's dividend reinvestment plan. Total investment return at market value is not annualized for periods less than one year.
- (5) Annualized for periods less than one year.
- (6) The Investment Adviser has entered into a written expense limitation agreement with the Fund under which it will limit the expenses of the Fund (excluding interest, taxes, leverage expenses and extraordinary expenses) subject to possible recoupment by the Investment Adviser within three years of being incurred.
- Calculated using average number of shares outstanding throughout the period.
- * Amount is less than \$0.005.

See Accompanying Notes to Financial Statements

Table of Contents

NOTES TO FINANCIAL STATEMENTS AS OF AUGUST 31, 2011 (UNAUDITED)

NOTE 1 ORGANIZATION

ING Emerging Markets High Dividend Equity Fund (the Fund) is a diversified, closed-end management investment company registered under the Investment Company Act of 1940, as amended (the 1940 Act). The Fund is organized as a Delaware statutory trust.

NOTE 2 SIGNIFICANT ACCOUNTING POLICIES

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

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

Securities and assets for which market quotations are not readily available (which may include certain restricted securities that are subject to limitations as to their sale) are valued at their fair values, as defined by the 1940 Act, and as determined in good faith by or under the supervision of the Fund's Board of Trustees (Board), in accordance with methods that are specifically authorized by the Board. Securities traded on exchanges, including foreign exchanges, which close

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

the closing price of a security on an

Table of Contents

NOTES TO FINANCIAL STATEMENTS AS OF AUGUST 31, 2011 (UNAUDITED) (CONTINUED)

NOTE 2 SIGNIFICANT ACCOUNTING POLICIES (continued)

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

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

Fair value is defined as the price that the Fund would receive to sell an asset or pay to transfer a liability in an orderly transaction between market participants at the measurement date. Each investment asset or liability of the Fund is assigned a level at measurement date based on the significance and source of the inputs to its valuation. Quoted prices in active markets for identical securities are classified as Level 1, inputs other than quoted prices for an asset or liability that are observable are classified as Level 2 and unobservable inputs, including the sub-adviser's judgment about the assumptions that a market participant would use in pricing an asset or liability are classified as Level 3. The inputs used for valuing securities are not necessarily an indication of the risks associated with investing in those securities. Short-term securities of

sufficient credit quality which are valued at amortized cost, which approximates fair value, are generally considered to be Level 2 securities under applicable accounting rules. A table summarizing the Fund's investments under these levels of classification is included following the Summary Portfolio of Investments.

For the period ended August 31, 2011, there have been no significant changes to the fair valuation methodologies.

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

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

(1) Market value of investment securities, other assets and liabilities at the exchange rates prevailing at the end of the day.

(2)

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Purchases and sales of investment securities, income and expenses at the rates of exchange prevailing on the respective dates of such transactions.

Although the net assets and the market values are presented at the foreign exchange rates at the end of the day, the Fund does not isolate the portion of the results of operations resulting from changes in foreign exchange rates on investments from the fluctuations arising from changes in market prices of securities held. Such fluctuations are included with the net realized and unrealized gains or losses from investments. For securities, which are subject to foreign withholding tax upon disposition, liabilities are recorded on the Statement of Assets and Liabilities for the estimated tax withholding based on the securities current market value. Upon disposition, realized gains or losses on such securities are recorded net of foreign withholding tax. Reported net realized foreign exchange gains or losses arise from sales of foreign currencies, currency gains or losses realized between the trade and settlement dates on securities transactions, the difference between the amounts of dividends, interest,

Table of Contents

NOTES TO FINANCIAL STATEMENTS AS OF AUGUST 31, 2011 (UNAUDITED) (CONTINUED)

NOTE 2 SIGNIFICANT ACCOUNTING POLICIES (continued)

and foreign withholding taxes recorded on the Fund's books and the U.S. dollar equivalent of the amounts actually received or paid. Net unrealized foreign exchange gains and losses arise from changes in the value of assets and liabilities other than investments in securities at period end, resulting from changes in the exchange rate. Foreign security and currency transactions may involve certain considerations and risks not typically associated with investing in U.S. companies and U.S. government securities. These risks include, but are not limited to, revaluation of currencies and future adverse political and economic developments which could cause securities and their markets to be less liquid and prices more volatile than those of comparable U.S. companies and U.S. government securities.

D. Distributions to Shareholders. The Fund intends to make quarterly distributions from its cash available for distribution, which consists of the Fund's dividends and interest income after payment of Fund expenses, net option premiums and net realized and unrealized gains on investments. At least annually, the Fund intends to distribute all or substantially all of its net realized capital gains. Distributions are recorded on the ex-dividend date. Distributions are determined annually in accordance with federal tax principles, which may differ from U.S. generally accepted accounting principles for investment companies.

The tax treatment and characterization of the Fund's distributions may vary significantly from time to time depending on whether the Fund has gains or losses on the call options written on its portfolio versus gains or losses on the equity securities in the portfolio. Each quarter, the Fund will provide disclosures with distribution payments made that estimate the percentages of that distribution that represent net investment income, other income or capital gains, and return of capital, if any. The final composition of the tax characteristics of the distributions cannot be determined with certainty until after the end of the Fund's tax year, and will be reported to shareholders at that time. A significant portion of the Fund's distributions may constitute a return of capital. The amount of quarterly distributions will vary, depending on a number of factors. As portfolio and market conditions change, the rate of dividends on the common shares will change. There can be no assurance that the Fund will be able to declare a dividend in each period.

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

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

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

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

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

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

Foreign Exchange Rate Risk. Foreign exchange rate risk relates to the change in U.S. dollar value of a security

Table of Contents

NOTES TO FINANCIAL STATEMENTS AS OF AUGUST 31, 2011 (UNAUDITED) (CONTINUED)

NOTE 2 SIGNIFICANT ACCOUNTING POLICIES (continued)

held that is denominated in a foreign currency. The U.S. dollar value of a foreign currency denominated security will decrease as the dollar appreciates against the currency, while the U.S. dollar value will increase as the dollar depreciates against the currency.

Interest Rate Risk. Interest rate risk refers to the fluctuations in value of fixed-income securities resulting from the inverse relationship between price and yield. For example, an increase in general interest rates will tend to reduce the market value of already issued fixed-income investments, and a decline in general interest rates will tend to increase their value. In addition, debt securities with longer durations, which tend to have higher yields, are subject to potentially greater fluctuations in value from changes in interest rates than obligations with shorter durations.

Risks of Investing in Derivatives. The Fund's use of derivatives can result in losses due to unanticipated changes in the market risk factors and the overall market. In instances where the Fund is using derivatives to decrease, or hedge, exposures to market risk factors for securities held by the Fund, there are also risks that those derivatives may not perform as expected resulting in losses for the combined or hedged positions.

The use of these strategies involves certain special risks, including a possible imperfect correlation, or even no correlation, between price movements of derivative instruments and price movements of related investments. While some strategies involving derivative instruments can reduce the risk of loss, they can also reduce the opportunity for gain or even result in losses by offsetting favorable price movements in related investments or otherwise, due to the possible inability of the Fund to purchase or sell a portfolio security at a time that otherwise would be favorable or the possible need to sell a portfolio security at a disadvantageous time because the Fund is required to maintain asset coverage or offsetting positions in connection with transactions in derivative instruments. Additional associated risks from investing in derivatives also exist and potentially could have significant effects on the valuation of the derivative and the Fund. Associated risks are not the risks that the Fund is attempting to increase or decrease exposure to, per its investment objectives, but are the additional risks from investing in derivatives. Examples of these associated risks are liquidity risk, which is the risk that the Fund

will not be able to sell the derivative in the open market in a timely manner, and counterparty credit risk, which is the risk that the counterparty will not fulfill its obligation to the Fund. Associated risks can be different for each type of derivative and are discussed by each derivative type in the following notes.

Counterparty Credit Risk and Credit Related Contingent Features. Certain derivative positions are subject to counterparty credit risk, which is the risk that the counterparty will not fulfill its obligation to the Fund. The Fund's derivative counterparties are financial institutions who are subject to market conditions that may weaken their financial position. The Fund intends to enter into financial transactions with counterparties that it believes to be creditworthy at the time of the transaction. To reduce this risk, the Fund generally enters into master netting arrangements, established within the Fund's International Swap and Derivatives Association, Inc. (ISDA) Master Agreements (Master Agreements). These agreements are with select counterparties and they govern transactions, including certain over-the-counter (OTC) derivative and forward foreign currency contracts, entered into by the Fund and the counterparty. The Master Agreements maintain provisions for general obligations, representations, agreements, collateral, and events of default or termination. The occurrence of a specified event of termination may give a counterparty the right to terminate all of its contracts and affect settlement of all outstanding transactions under the applicable Master Agreement.

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

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The Fund's maximum risk of loss from counterparty credit risk on OTC derivatives is generally the aggregate unrealized gain in excess of any collateral pledged by the counterparty to the Fund. For purchased OTC options, the Fund bears the risk of loss in the amount of the premiums paid and the change in market value of the options should the counterparty not perform under the contracts. The Fund did not enter into any purchased OTC options during the period ended August 31, 2011.

Table of Contents

NOTES TO FINANCIAL STATEMENTS AS OF AUGUST 31, 2011 (UNAUDITED) (CONTINUED)

NOTE 2 SIGNIFICANT ACCOUNTING POLICIES (continued)

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

Written options by the Fund do not give rise to counterparty credit risk, as written options obligate the Fund to perform and not the counterparty. As of August 31, 2011, the total value of written OTC call options subject to Master Agreements in a net liability position was \$2,746,223. If a contingent feature had been triggered, the Fund could have been required to pay this amount in cash to its counterparties. The Fund did not hold or post collateral for its open written OTC call options at period end.

H. *Offering Costs and Organization Expenses.* Costs incurred with the offering of common shares were recorded as a reduction of capital paid in excess of par applicable to common shares. Organization expenses are expensed as incurred.

I. *Options Contracts.* The Fund may purchase put and call options and may write (sell) put options and covered call options. The premium received by the Fund upon the writing of a put or call option is included in the Statement of Assets and Liabilities as a liability which is subsequently marked-to-market until it is exercised or closed, or it expires. The Fund will realize a gain or loss upon the expiration or closing of the option contract. When an option is exercised, the proceeds on sales of the underlying security for a written call option or purchased put option or the purchase cost of the security for a written put option or a purchased call option is adjusted by the amount of premium received or paid. The risk in writing a call option is that the Fund gives up the opportunity for profit if the market price of the security increases and the option is exercised. The risk in buying an option is that the Fund pays a premium whether or not the option is exercised. Risks may also arise from an illiquid

secondary market or from the inability of counterparties to meet the terms of the contract.

The Fund seeks to generate gains from the OTC call options writing strategy over a market cycle to supplement the dividend yield of its underlying portfolio of high dividend yield equity securities. Please refer to Note 7 for the volume of written OTC call option activity during the period ended August 31, 2011.

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

NOTE 3 INVESTMENT MANAGEMENT AND ADMINISTRATIVE FEES

ING Investments, LLC (ING Investments or the Investment Advisor), an Arizona limited liability company, is the Investment Adviser of the Fund. The Fund pays the Investment Adviser for its services under the investment management agreement (Management Agreement), a fee, payable monthly, based on an annual rate of 1.15% of the Fund's average daily managed assets. Managed assets are defined as the Fund's average daily gross asset value, minus the sum of the Fund's accrued and unpaid dividends on any outstanding preferred shares and accrued liabilities (other than liabilities for the principal amount of any borrowings incurred, commercial paper or notes issued by the Fund and the liquidation preference of any outstanding preferred shares). As of August 31, 2011, there were no preferred shares outstanding.

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The Investment Adviser entered into a sub-advisory agreement (a Sub-Advisory Agreement) with ING Investment Management Advisors B.V. (IIMA) a subsidiary of ING Groep, domiciled in The Hague, The Netherlands. Subject to policies as the Board or the Investment Adviser might determine, IIMA manages the Fund s assets in accordance with the Fund s investment objectives, policies and limitations.

The Investment Adviser has also retained ING Investment Management Co. (ING IM or Consultant), a Connecticut corporation, to provide certain consulting services for the Investment Adviser. These services include, among other things, furnishing

Table of Contents

NOTES TO FINANCIAL STATEMENTS AS OF AUGUST 31, 2011 (UNAUDITED) (CONTINUED)

NOTE 3 INVESTMENT MANAGEMENT AND ADMINISTRATIVE FEES (continued)

statistical and other factual information; providing advice with respect to potential investment strategies that may be employed for the Fund, including, but not limited to, potential options strategies; developing economic models of the anticipated investment performance and yield for the Fund; and providing advice to the Investment Adviser and/or Sub-Adviser with respect to the Fund's level and/or managed distribution policy. For its services, the Consultant will receive a consultancy fee from the Investment Adviser. No fee will be paid by the Fund directly to the Consultant.

ING Funds Services, LLC (the Administrator) serves as Administrator to the Fund. The Fund pays the Administrator for its services a fee based on an annual rate of 0.10% of the Fund's average daily managed assets. The Investment Adviser, IIMA, and the Administrator are indirect, wholly-owned subsidiaries of ING Groep. ING Groep is a global financial institution of Dutch origin offering banking, investments, life insurance and retirement services.

ING Groep has adopted a formal restructuring plan that was approved by the European Commission in November 2009 under which the ING life insurance businesses, including the retirement services and investment management businesses, which include the Investment Adviser and its affiliates, would be separated from ING Groep by the end of 2013. To achieve this goal, ING Groep announced in November 2010 that it plans to pursue two separate initial public offerings: one a U.S. focused offering that would include U.S. based insurance, retirement services, and investment management operations; and the other a European based offering for European and Asian based insurance and investment management operations. There can be no assurance that the restructuring plan will be carried out through two offerings or at all.

The restructuring plan and the uncertainty about its implementation, whether implemented through the planned public offerings or through other means, in whole or in part, may be disruptive to the businesses of ING entities, including the ING entities that service the Fund, and may cause, among other things, interruption or reduction of business and services, diversion of management's attention from day-to-day operations, and loss of key employees or customers. A failure to complete the offerings or other means of implementation on favorable terms could have a material adverse impact on the operations of the

businesses subject to the restructuring plan. The restructuring plan may result in the Investment Adviser's loss of access to services and resources of ING Groep, which could adversely affect its businesses and profitability. In addition, the divestment of ING businesses, including the Investment Adviser, may potentially be deemed a change of control of each entity. A change of control would result in the termination of the Fund's advisory and sub-advisory agreements, which would trigger the necessity for new agreements that would require approval of the board, and may trigger the need for shareholder approval. Currently, the Investment Adviser does not anticipate that the restructuring will have a material adverse impact on the Fund or its operations and administration.

NOTE 4 OTHER TRANSACTIONS WITH AFFILIATED AND RELATED PARTIES

As of August 31, 2011, the Fund had the following amounts recorded as payable to affiliates on the accompanying Statement of Assets and Liabilities:

| Accrued | Accrued | Total |
|------------|----------------|-------|
| Investment | Administrative | |
| Management | Fees | |

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| Fees | | |
|------------|-----------|------------|
| \$ 308,896 | \$ 26,860 | \$ 335,756 |

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

NOTE 5 PURCHASES AND SALES OF INVESTMENT SECURITIES

The cost of purchases and proceeds from sales of investments for the period ended August 31, 2011, excluding short-term securities, were \$425,467,704 and \$66,520,903, respectively.

NOTE 6 EXPENSE LIMITATIONS

The Investment Adviser has entered into a written expense limitation agreement (Expense Limitation Agreement) with the Fund under which it will limit the expenses of the Fund, excluding interest, taxes, leverage expenses, and extraordinary expenses to 1.50% of average daily managed assets. The Investment Adviser may at a later date recoup from the Fund fees waived and other expenses assumed by the Investment Adviser during the previous 36 months, but only if,

Table of Contents

NOTES TO FINANCIAL STATEMENTS AS OF AUGUST 31, 2011 (UNAUDITED) (CONTINUED)

NOTE 6 EXPENSE LIMITATIONS (continued)

after such reimbursement, the Fund's expense ratio does not exceed the percentage described above. The Expense Limitation Agreement is contractual and shall renew automatically for one-year terms unless ING Investments or the Fund provides written notice of the termination within 90 days of the end of the then current term or upon written termination of the Management Agreement.

NOTE 7 TRANSACTIONS IN WRITTEN OPTIONS

Transactions in written OTC call options on indices were as follows:

| | Number of Contracts | Premiums Received |
|---|------------------------|----------------------|
| Balance at 02/28/11* | | \$ |
| Options Written | 6,784,600 | 8,015,861 |
| Options Expired | (4,495,900) | (4,666,788) |
| Options Exercised | | |
| Options Terminated in Closing Purchase Transactions | (754,200) | (827,282) |
| Balance at 08/31/11 | 1,534,500 | \$ 2,521,791 |

* Fund commenced operations on April 26, 2011.

NOTE 8 CONCENTRATION OF INVESTMENT RISKS

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

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

investments. The risks of investing in foreign securities can be intensified in the case of investments in issuers located in countries with emerging markets.

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

NOTE 9 CAPITAL SHARES

Transactions in capital shares and dollars were as follows:

| Year or period ended | Shares sold | Net increase (decrease) in shares outstanding | Shares sold | Net increase (decrease) |
|-------------------------------------|----------------|--|----------------|----------------------------|
| | # | # | (\$) | (\$) |
| 04-26-11 ⁽¹⁾ - 08- 31-11 | 19,255,000 | 19,255,000 | 367,005,000 | 367,005,000 |

⁽¹⁾ Commencement of operations.

NOTE 10 FEDERAL INCOME TAXES

The amount of distributions from net investment income and net realized capital gains are determined in accordance with federal income tax regulations, which may differ from U.S. generally accepted accounting principles for investment companies. These book/tax differences may be either temporary or permanent. Permanent differences are reclassified within the capital accounts based on their federal tax-basis treatment; temporary differences are not reclassified. Key differences include the treatment of short-term capital gains, foreign currency transactions, income from passive foreign investment corporations and wash sale deferrals. Distributions in excess of net investment

income and/or net realized capital gains for tax purposes are reported as return of capital.

The following estimated permanent tax differences have been reclassified as of the Fund's semi-annual period ended August 31, 2011:

| Paid-in Capital | Undistributed Net Investment Income | Accumulated Net Realized Gains/(Losses) |
|--------------------|---|---|
| \$ | \$ (1,281,390) | \$ 1,281,390 |

Dividends paid by the Fund from net investment income and distributions of net realized short-term

Table of Contents

NOTES TO FINANCIAL STATEMENTS AS OF AUGUST 31, 2011 (UNAUDITED) (CONTINUED)

NOTE 10 FEDERAL INCOME TAXES (continued)

capital gains are, for federal income tax purposes, taxable as ordinary income to shareholders.

The tax composition of dividends and distributions in the current period will not be determined until after the Fund's tax year-end of December 31, 2011.

The Fund's major tax jurisdictions are federal and Arizona. The earliest tax year that remains subject to examination by these jurisdictions is the Fund's initial tax year of 2011.

As of August 31, 2011, no provision for income tax is required in the Fund's financial statements as a result of tax positions taken on federal and state income tax returns for open tax years. The Fund's federal and state income and federal excise tax returns for tax years for which the applicable statutes of limitations have not expired are subject to examination by the Internal Revenue Service and state department of revenue.

The Regulated Investment Company Modernization Act of 2010 (the Act) was enacted on December 22, 2010. The Act makes changes to several tax rules impacting the Fund. In general, the provisions of the Act will be effective for the Fund's tax year ending December 31, 2011. The Act provides several benefits, including the unlimited carryforward of future capital losses. Relevant information regarding the impact of the Act on the Fund, if any, will be contained within the Federal Income Taxes section of the notes to financial statements for the fiscal year ending February 29, 2012.

NOTE 11 OTHER ACCOUNTING PRONOUNCEMENTS

In May 2011, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU)

No. 2011-04 Amendments to Achieve Common Fair Value Measurement and Disclosure Requirements. ASU No. 2011-04 amends FASB ASC Topic 820, Fair Value Measurements and Disclosures, to establish common requirements for measuring fair value and for disclosing information about fair value measurements in accordance with GAAP and the International Financial Reporting Standards (IFRSs). The ASU is effective prospectively for interim and annual periods beginning after December 15, 2011. As of August 31, 2011, management of the Fund is currently assessing the potential impact, in addition to expanded financial statement disclosure, that may result from adopting this ASU.

NOTE 12 SUBSEQUENT EVENTS

Dividends: Subsequent to August 31, 2011, the Fund made distributions of:

| Per Share Amount | Declaration Date | Payable Date | Record Date |
|------------------|------------------|--------------|-------------|
| \$ 0.400 | 9/15/2011 | 10/17/2011 | 10/5/2011 |

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

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

Table of Contents**ING EMERGING MARKETS HIGH
DIVIDEND EQUITY FUND****SUMMARY
PORTFOLIO OF INVESTMENTS**

AS OF AUGUST 31, 2011 (UNAUDITED)

| Shares | | Value | Percentage of Net Assets |
|----------------------------------|---------------------------------------|-------------------|---|
| COMMON STOCK: 96.4% | | | |
| Belgium: 0.6% | | | |
| 43,943 | Other Securities | \$ 1,982,212 | 0.6 |
| Brazil: 15.1% | | | |
| 281,636 | Banco do Brasil S.A. | 4,700,715 | 1.4 |
| 504,663 | BM&F Bovespa S.A. | 2,964,130 | 0.9 |
| 105,337 | Cia de Concessoes Rodoviaras | 3,143,104 | 1.0 |
| 296,247 | Cia Siderurgica Nacional S.A. | 2,912,410 | 0.9 |
| 87,188 | Lojas Renner SA | 3,273,042 | 1.0 |
| 388,509 | Petroleo Brasileiro SA ADR | 10,353,765 | 3.2 |
| 306,163 | Porto Seguro SA | 3,808,045 | 1.2 |
| 205,968 | Redecard S.A. | 3,156,994 | 1.0 |
| 310,009 | Tele Norte Leste Participacoes SA ADR | 4,061,118 | 1.3 |
| 276,676 | Vale SA | 7,033,782 | 2.2 |
| 300,533 | Other Securities | 3,352,520 | 1.0 |
| | | 48,759,625 | 15.1 |
| Chile: 1.2% | | | |
| 9,807,699 | Enersis SA | 3,930,734 | 1.2 |
| China: 16.7% | | | |
| 1,049,000 | BOC Hong Kong Holdings Ltd. | 2,884,591 | 0.9 |
| 3,987,000 | China Construction Bank | 2,967,231 | 0.9 |
| 4,548,000 | China Petroleum & Chemical Corp. | 4,486,723 | 1.4 |
| 2,380,000 | China Resources Power Holdings Co. | 4,023,213 | 1.2 |
| 1,857,000 | CNOOC Ltd. | 3,765,586 | 1.2 |
| 2,678,000 | Guangzhou Automobile Group Co. Ltd. | 2,912,430 | 0.9 |
| 514,000 | Hengan International Group Co., Ltd. | 4,398,556 | 1.4 |
| 5,101,000 | Want Want China Holdings Ltd. | 4,233,599 | 1.3 |
| 43,776,800 | Other Securities | 24,279,819 | 7.5 |
| | | 53,951,748 | 16.7 |
| Czech Republic: 1.4% | | | |
| 63,676 | CEZ A/S | 2,988,493 | 0.9 |
| 7,500 | Other Securities | 1,579,950 | 0.5 |
| | | 4,568,443 | 1.4 |
| | | | Percentage of Net Assets |
| Shares | | Value | |
| COMMON STOCK: (continued) | | | |
| Hong Kong: 7.1% | | | |
| 175,600 | China Mobile Ltd. ADR | \$ 8,985,452 | 2.8 |
| 199,500 | Hang Seng Bank Ltd. | 2,947,255 | 0.9 |
| 871,500 | Link Real Estate Investment Trust | 3,044,211 | 0.9 |
| 8,579,500 | Other Securities | 7,982,008 | 2.5 |
| | | 22,958,926 | 7.1 |
| Hungary: 0.5% | | | |
| 8,599 | Other Securities | 1,589,948 | 0.5 |
| India: 1.7% | | | |
| 723,633 | Other Securities | 5,522,338 | 1.7 |

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| | | | |
|------------------------|--|-------------------|------------|
| Indonesia: 1.9% | | | |
| 5,447,000 | Telekomunikasi Indonesia Tbk PT | 4,706,039 | 1.5 |
| 3,868,500 | Other Securities | 1,392,129 | 0.4 |
| | | 6,098,168 | 1.9 |
| Malaysia: 3.4% | | | |
| 707,900 | Public Bank BHD | 3,115,095 | 0.9 |
| 1,956,400 | Tenaga Nasional BHD | 3,466,972 | 1.1 |
| 3,016,000 | Other Securities | 4,463,742 | 1.4 |
| | | 11,045,809 | 3.4 |
| Mexico: 2.4% | | | |
| 6,099,844 | America Movil SAB de CV | 7,811,186 | 2.4 |
| Peru: 0.6% | | | |
| 19,300 | Other Securities | 1,923,052 | 0.6 |
| Poland: 1.8% | | | |
| 2,134,961 | Polskie Gornictwo Naftowe I Gazownictwo SA | 3,015,737 | 0.9 |
| 22,149 | Other Securities | 2,726,067 | 0.9 |
| | | 5,741,804 | 1.8 |
| Qatar: 1.1% | | | |
| 155,189 | Commercial Bank of Qatar | 3,484,979 | 1.1 |
| Russia: 6.7% | | | |
| 556,422 | Gazprom OAO ADR | 6,927,454 | 2.1 |
| 116,678 | Lukoil-Spon | 7,024,016 | 2.2 |
| 322,549 | Mobile Telesystems OJSC ADR | 5,460,754 | 1.7 |
| 356,869 | Other Securities | 2,391,022 | 0.7 |
| | | 21,803,246 | 6.7 |

See Accompanying Notes to Financial Statements

Table of Contents
**ING EMERGING MARKETS HIGH
DIVIDEND EQUITY FUND**
**SUMMARY
PORTFOLIO OF INVESTMENTS**

AS OF AUGUST 31, 2011 (UNAUDITED) (CONTINUED)

| Shares | | Value | Percentage of Net Assets |
|----------------------------------|--|--------------------|--------------------------------|
| COMMON STOCK: (continued) | | | |
| Singapore: 4.4% | | | |
| 610,000 | Fraser and Neave Ltd. | \$ 2,990,954 | 0.9 |
| 1,691,000 | Singapore Telecommunications Ltd. | 4,369,836 | 1.4 |
| 282,000 | United Overseas Bank Ltd. | 4,344,358 | 1.3 |
| 351,000 | Other Securities | 2,710,914 | 0.8 |
| | | 14,416,062 | 4.4 |
| South Africa: 6.3% | | | |
| 340,913 | Adcock Ingram Holdings Ltd. | 2,964,577 | 0.9 |
| 172,788 | Impala Platinum Holdings Ltd. | 4,432,417 | 1.4 |
| 1,225,665 | Life Healthcare Group Holdings Ltd. | 3,073,765 | 0.9 |
| 744,708 | Sanlam Ltd. | 2,899,767 | 0.9 |
| 311,477 | Standard Bank Group Ltd. | 4,440,768 | 1.4 |
| 54,445 | Other Securities | 2,624,745 | 0.8 |
| | | 20,436,039 | 6.3 |
| South Korea: 11.1% | | | |
| 42,629 | X Hite Brewery Co., Ltd. | 3,953,529 | 1.2 |
| 70,618 | KT&G Corp. | 4,552,005 | 1.4 |
| 10,520 | Posco | 4,002,803 | 1.3 |
| 10,172 | Samsung Electronics Co., Ltd. | 7,143,226 | 2.2 |
| 79,980 | Woongjin Coway Co., Ltd. | 3,013,998 | 0.9 |
| 624,090 | Other Securities | 13,150,056 | 4.1 |
| | | 35,815,617 | 11.1 |
| Taiwan: 9.0% | | | |
| 3,300,000 | Acer, Inc. | 3,987,979 | 1.2 |
| 2,378,000 | Taiwan Semiconductor Manufacturing Co., Ltd. | 5,702,868 | 1.8 |
| 7,616,707 | Other Securities | 19,571,501 | 6.0 |
| | | 29,262,348 | 9.0 |
| Thailand: 1.3% | | | |
| 724,000 | PTT Exploration & Production PCL | 4,237,249 | 1.3 |
| United Kingdom: 1.2% | | | |
| 360,783 | Eurasian Natural Resources Corp. | 3,971,729 | 1.2 |
| | | | |
| Shares | | Value | Percentage of Net Assets |
| COMMON STOCK: (continued) | | | |
| United States: 0.9% | | | |
| 83,102 | Other Securities | \$ 2,806,355 | 0.9 |
| | Total Common Stock | | |
| | (Cost \$354,764,039) | 312,117,617 | 96.4 |
| PREFERRED STOCK: 1.3% | | | |
| Brazil: 1.3% | | | |
| 228,365 | Cia Energetica de Minas Gerais | 4,223,296 | 1.3 |
| | Total Preferred Stock | 4,223,296 | 1.3 |

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| | | | |
|--|--|-----------------------|--------------|
| | (Cost \$4,369,293) | | |
| | Total Long-Term Investments | | |
| | (Cost \$359,133,332) | 316,340,913 | 97.7 |
| SHORT-TERM INVESTMENTS: 3.2% | | | |
| | Mutual Funds: 3.2% | | |
| 10,488,611 | BlackRock Liquidity Funds, TempFund, Institutional Class | | |
| | (Cost \$10,488,611) | 10,488,611 | 3.2 |
| | Total Short-Term Investments | | |
| | (Cost \$10,488,611) | 10,488,611 | 3.2 |
| Total Investments in Securities | | | |
| | (Cost \$369,621,943)* | \$ 326,829,524 | 100.9 |
| | Liabilities in Excess of Other Assets | (3,058,591) | (0.9) |
| | Net Assets | \$ 323,770,933 | 100.0 |

Other Securities represents issues not identified as the top 50 holdings in terms of market value and issues or issuers not exceeding 1% of net assets individually or in aggregate respectively as of August 31, 2011.

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

ADR American Depositary Receipt

X Fair value determined by ING Funds Valuation Committee appointed by the Funds Board of Directors/Trustees.

* Cost for federal income tax purposes is \$370,106,562.

| | | |
|---|--------|------------------|
| Net unrealized depreciation consists of: | | |
| Gross Unrealized Appreciation | \$ | 4,254,842 |
| Gross Unrealized Depreciation | | (47,531,880) |
| Net Unrealized depreciation | \$ | (43,277,038) |

See Accompanying Notes to Financial Statements

Table of Contents

SUMMARY PORTFOLIO OF INVESTMENTS

ING EMERGING MARKETS HIGH DIVIDEND EQUITY FUND

AS OF AUGUST 31, 2011 (UNAUDITED) (CONTINUED)

| Sector Diversification | Percentage of Net Assets |
|---------------------------------------|--------------------------|
| Consumer Discretionary | 6.6% |
| Consumer Staples | 7.2% |
| Energy | 14.3% |
| Financials | 21.6% |
| Health Care | 2.8% |
| Industrials | 6.4% |
| Information Technology | 11.3% |
| Materials | 10.3% |
| Telecommunications | 11.1% |
| Utilities | 6.1% |
| Short-Term Investments | 3.2% |
| Liabilities in Excess of Other Assets | (0.9)% |
| Net Assets | 100.0% |

Fair Value Measurements[^]

The following is a summary of the fair valuations according to the inputs used as of August 31, 2011 in valuing the assets and liabilities:

| | Quoted Prices in Active Markets for Identical Investments (Level 1) | Significant Other Observable Inputs # (Level 2) | Significant Unobservable Inputs (Level 3) | Fair Value at 8/31/2011 |
|------------------------------|--|--|--|-------------------------------|
| Asset Table | | | | |
| Investments, at value | | | | |
| Common Stock | | | | |
| Belgium | \$ | \$ 1,982,212 | \$ | \$ 1,982,212 |
| Brazil | 48,759,625 | | | 48,759,625 |
| Chile | 3,930,734 | | | 3,930,734 |
| China | | 53,951,748 | | 53,951,748 |
| Czech Republic | | 4,568,443 | | 4,568,443 |
| Hong Kong | 8,985,452 | 13,973,474 | | 22,958,926 |
| Hungary | | 1,589,948 | | 1,589,948 |
| India | | 5,522,338 | | 5,522,338 |
| Indonesia | | 6,098,168 | | 6,098,168 |
| Malaysia | | 11,045,809 | | 11,045,809 |
| Mexico | 7,811,186 | | | 7,811,186 |
| Peru | 1,923,052 | | | 1,923,052 |
| Poland | | 5,741,804 | | 5,741,804 |
| Qatar | | 3,484,979 | | 3,484,979 |
| Russia | 21,803,246 | | | 21,803,246 |
| Singapore | | 14,416,062 | | 14,416,062 |
| South Africa | | 20,436,039 | | 20,436,039 |
| South Korea | | 31,862,088 | 3,953,529 | 35,815,617 |

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| | | | | |
|-------------------------------------|----|-------------|----------------|----------------|
| Taiwan | | 29,262,348 | | 29,262,348 |
| Thailand | | 4,237,249 | | 4,237,249 |
| United Kingdom | | 3,971,729 | | 3,971,729 |
| United States | | 2,806,355 | | 2,806,355 |
| Total Common Stock | \$ | 96,019,650 | \$ 212,144,438 | \$ 312,117,617 |
| Preferred Stock | | 4,223,296 | | 4,223,296 |
| Short-Term Investments | | 10,488,611 | | 10,488,611 |
| Total Investments, at value | \$ | 110,731,557 | \$ 212,144,438 | \$ 326,829,524 |
| Liabilities Table | | | | |
| Other Financial Instruments* | | | | |
| Written Options | | | (2,746,223) | (2,746,223) |
| Total Liabilities | \$ | | \$ (2,746,223) | \$ (2,746,223) |

See Accompanying Notes to Financial Statements

Table of Contents

SUMMARY PORTFOLIO OF INVESTMENTS

ING EMERGING MARKETS HIGH DIVIDEND EQUITY FUND

AS OF AUGUST 31, 2011 (UNAUDITED) (CONTINUED)

The following is a reconciliation of the fair valuations using significant unobservable inputs (Level 3) for the Portfolio's assets and liabilities during the period ended August 31, 2011:

| | Beginning Balance 4/26/2011* | Purchases | Sales | Accrued Discounts/ (Premiums) | Total Realized Gain/(Loss) | Total Unrealized Appreciation/ (Depreciation) | Transfers Into Level 3 | Transfers Out of Level 3 | Ending Balance 8/31/2011 |
|------------------------------|------------------------------|--------------|-------|-------------------------------|----------------------------|---|------------------------|--------------------------|--------------------------|
| Asset Table | | | | | | | | | |
| Investments, at value | | | | | | | | | |
| Common Stock | \$ | \$ 4,671,365 | \$ | \$ | \$ | \$ (717,836) | \$ | \$ | \$ 3,953,529 |
| Total Investments, at value | \$ | \$ 4,671,365 | \$ | \$ | \$ | \$ (717,836) | \$ | \$ | \$ 3,953,529 |

As of August 31, 2011, total change in unrealized gain (loss) on Level 3 securities still held at period end and included in the change in net assets was \$(717,836).

- ^ See Note 2, Significant Accounting Policies in the Notes to Financial Statements for additional information.
- + Other Financial Instruments are derivatives not reflected in the Summary Portfolio of Investments and may include open forward foreign currency contracts, futures, swaps, and written options. Forward foreign currency contracts and futures are valued at the unrealized gain (loss) on the instrument. Swaps and written options are valued at the fair value of the instrument.
- # The earlier close of the foreign markets gives rise to the possibility that significant events, including broad market moves, may have occurred in the interim and may materially affect the value of those securities. To account for this, the Portfolio may frequently value many of its foreign equity securities using fair value prices based on third party vendor modeling tools to the extent available. Accordingly, a significant portion of the Portfolio's investments are categorized as Level 2 investments.
- * Commencement of operations.

There were no significant transfers between Level 1 and 2 during the period ended August 31, 2011.

Transfers in or out of Level 3 represent either the beginning value (for transfers in), or the ending value (for transfers out) of any security or derivative instrument where a change in the pricing level occurred from the beginning to the end of the period. Transfers are recognized at the end of the reporting period.

ING Emerging Markets High Dividend Equity Fund Written OTC Options on August 31, 2011

| # of Contracts | Counterparty | Description | Exercise Price | Expiration Date | Premiums Received | Fair Value |
|---------------------------|------------------|--|----------------|-----------------|-------------------|----------------|
| Options on Indices | | | | | | |
| 769,800 | BNP Paribas Bank | Call on iShares MSCI Emerging Markets Index Fund | 39.948 | USD 09/16/11 | \$ 1,229,448 | \$ (2,464,044) |
| 764,700 | BNP Paribas Bank | Call on iShares MSCI Emerging Markets Index Fund | 42.838 | USD 09/02/11 | 1,292,343 | (282,179) |
| | | Total Written OTC Options | | | \$ 2,521,791 | \$ (2,746,223) |

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

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The fair value of derivative instruments as of August 31, 2011 was as follows:

| Derivatives not accounted for as hedging instruments | Location on Statement of Assets and Liabilities | Fair Value |
|---|--|---------------------|
| Liability Derivatives | | |
| Equity contracts | Written options, at fair value | \$ 2,746,223 |
| Total Liability Derivatives | | \$ 2,746,223 |

The effect of derivative instruments on the Portfolio's Statement of Operations for the period ended August 31, 2011 was as follows:

| Derivatives not accounted for as hedging instruments | Amount of Realized Gain or (Loss) on | |
|---|---|-----------|
| | Derivatives Recognized in | |
| | Income | |
| | Written | |
| | options | |
| Equity contracts | \$ | 4,717,244 |
| Total | \$ | 4,717,244 |

See Accompanying Notes to Financial Statements

Table of Contents

SUMMARY PORTFOLIO OF INVESTMENTS

**ING EMERGING MARKETS HIGH
DIVIDEND EQUITY FUND**

AS OF AUGUST 31, 2011 (UNAUDITED) (CONTINUED)

Derivatives not accounted for as hedging

instruments

**Change in Unrealized Appreciation or (Depreciation)
on Derivatives Recognized in Income
Written**

| | | options |
|------------------|----|----------------|
| Equity contracts | \$ | (224,432) |
| Total | \$ | (224,432) |

Supplemental Option Information (Unaudited)

Supplemental Call Option Statistics as of August 31, 2011

| | |
|---|----------------|
| % of Total Net Assets against which calls written | 20.08% |
| Average Days to Expiration at time written | 28 days |
| Average Call Moneyiness* at time written | ATM |
| Premium received for calls | \$ 2,521,791 |
| Value of calls | \$ (2,746,223) |

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

See Accompanying Notes to Financial Statements

Table of Contents

ADVISORY CONTRACT APPROVAL DISCUSSION (UNAUDITED)

BOARD CONSIDERATION AND APPROVAL OF NEW ADVISORY OR SUB-ADVISORY CONTRACTS

Section 15 of the Investment Company Act of 1940 Act, as amended (the 1940 Act), mandates that, when ING Emerging Markets High Dividend Equity Fund (the Fund) enters into a new advisory or sub-advisory agreement, the Board of Trustees (the Board) of the Fund, including a majority of Board members who have no direct or indirect interest in the advisory contract or sub-advisory contract, and who are not interested persons of the Fund, as such term is defined under the 1940 Act (the Non-Interested Trustees), must approve the new arrangements. Thus, at a meeting held on September 30, 2010, the Board, including a majority of the Independent Trustees, considered whether to approve the investment advisory contract (the Advisory Contract) with ING Investments, LLC (IIL or the Adviser) and the sub-advisory contract (Sub-Advisory Contract) between IIL with ING Investment Management Advisors B.V. (IIM BV or the Sub-Adviser).

The type and format of the information provided to the Board or to legal counsel for the Independent Trustees in connection with the contract approval process has been codified in the ING Funds *15(c) Methodology Guide*. This *Guide* was developed under the direction of the Independent Trustees and sets out a blueprint pursuant to which the Independent Trustees request certain information that they deem important to facilitate an informed review in connection with initial approvals of advisory contracts. Management provides certain of the information requested by the *15(c) Methodology Guide* in Fund Analysis and Comparison Tables (FACT sheets) prior to the Independent Trustees' review of advisory arrangements (including the Fund's Advisory and Sub-Advisory Contracts).

In determining whether to initially approve the Advisory and Sub-Advisory Contracts for the Fund, the Board received and evaluated such information as it deemed necessary for an informed determination of whether each agreement, and the proposed policies and procedures for the Fund, should be approved. The materials provided to the Board in support of the Fund's advisory and sub-advisory arrangements included the following: (1) a memorandum presenting Management's rationale for requesting the launch of the Fund that discusses, among other things: (a) IIL's experience and expertise in the management of other Funds within the ING Funds complex, (b) the experience of IIL overseeing sub-advisers to other Funds within the

ING Fund complex, including IIM BV the Sub-Adviser to the Fund; and (c) IIM BV's experience in managing other global mandates; (2) information about the Fund's investment objective and strategies and anticipated portfolio characteristics; (3) FACT sheets for the Fund that compare the Fund's fee structure to its comparable selected peer group (Selected Peer Group) and Morningstar/Lipper category medians; (4) supporting documentation, including copies of the Advisory and Sub-Advisory Contracts for the Fund; and (5) other information relevant to the Board's evaluation. In addition, the Board considered the information provided periodically throughout the year in presentations to the Board by IIL in the context of IIL's oversight of other sub-advisers managing Funds in the ING Funds complex, and by IIM BV in connection with its management of other Funds in the ING Funds complex.

The Board's consideration of whether to approve the Advisory Contract with IIL on behalf of the Fund took into account several factors including, but not limited to, the following: (1) the nature and quality of the services to be provided by IIL to the Fund under the Advisory Contract; (2) IIL's experience as a manager-of-managers overseeing sub-advisers to other Funds within the ING Funds complex, including other Funds managed by IIM BV; (3) IIL's strength and reputation within the industry; (4) the fairness of the compensation under the proposed Advisory Contract in light of the services to be provided to the Fund and taking into account the sub-advisory fees payable by IIL to IIM BV; (5) the fairness of IIL's compensation under an Advisory Contract with level fees that does not include breakpoints, taking into account that the Fund is a closed-end fund; (6) the pricing structure (including the estimated expense ratio to be borne by shareholders) of the Fund, including that: (a) the proposed management fee (inclusive an administration fee) for the Fund is above the average and the median management fees of the funds in the Fund's Selected Peer Group, and (b) the estimated expense ratio for the Fund is below the average and above the median ratios of the funds in the Fund's Selected Peer Group; (7) the projected profitability of IIL when sub-advisory fees payable by IIL to IIM BV are taken into account; (8) the personnel, operations, financial condition, and investment management capabilities and resources of IIL; (9) IIL's compliance capabilities, as demonstrated by, among other things, its policies and procedures designed to prevent violations of the Federal securities laws, which had previously been approved by the Board in connection with its oversight of other Funds in the

Table of Contents

ADVISORY CONTRACT APPROVAL DISCUSSION (UNAUDITED) (CONTINUED)

ING Funds complex; (10) the information that had been provided by IIL at regular Board meetings, and in anticipation of the August 5, 2010 meeting at which preliminary discussions were held regarding the Fund and September 30, 2010 meeting at which approvals were granted, with respect to its capabilities as a manager of-managers in overseeing similar Funds; and (11) fall-out benefits to IIL and its affiliates that were anticipated to arise from IIL's management of the Fund.

In reviewing the proposed Sub-Advisory Contract with IIM BV the Board considered a number of factors, including, but not limited to, the following: (1) IIL's view of the reputation of IIM BV and its sub-advisory services to other Funds in the ING Funds complex; (2) IIM BV's strength and reputation in the industry; (3) the information that had been provided by IIM BV in advance of the International/Balanced/Fixed Income Funds Investment Review Committee Meeting held on July 29, 2010, the Special Contracts Committee meetings held on August 2, 2010 and the Board's August 5, 2010 and September 30, 2010 meetings with respect to IIM BV's sub-advisory services; (4) the nature and quality of the services to be provided by IIM BV under the proposed Sub-Advisory Contract; (5) the personnel, operations, financial condition, and investment management capabilities, methodologies and resources of IIM BV, including its management team's expertise in the management of other Funds in the ING Funds complex; (6) the fairness of the

compensation under the Sub-Advisory Contract in light of the services to be provided by IIM BV as the Fund's Sub-Adviser; (7) the costs for the services to be provided by ING IM; (8) IIM BV's operations and compliance program, including its policies and procedures adopted pursuant to Rule 206(4)-7 under the Advisers Act, which had previously been approved by the Board as part of its oversight of other Funds in the ING Funds complex; (9) IIM BV's financial condition; (10) the appropriateness of the selection of IIM BV in light of the Fund's investment objective and prospective investor base; and (11) IIM BV's Code of Ethics, which had previously been approved for other ING Funds.

After its deliberation, the Board reached the following conclusions: (1) the Fund's proposed management fee rate is reasonable in the context of all factors considered by the Board; (2) the Fund's estimated expense ratio is reasonable in the context of all factors considered by the Board; (3) the sub-advisory fee rate payable by IIL to IIM BV is reasonable in the context of all factors considered by the Board; and (4) each of IIL and IIM BV maintains an appropriate compliance program, with this conclusion based upon the Board's previous and ongoing review of the compliance program. Based on these conclusions and other factors, the Board voted to approve the Advisory and Sub-Advisory Contracts for the Fund. During the Board's deliberations, different Board members may have given different weight to different individual factors and related conclusions.

Table of Contents

ADDITIONAL INFORMATION (UNAUDITED)

During the period, there were no material changes in the Fund's investment objective or policies that were not approved by the shareholders or the Fund's charter or by-laws or in the principal risk factors associated with investment in the Fund. Effective June 1, 2011, Moudy el Khodr was removed as a person responsible for the day-to-day management of Fund's portfolio.

Dividend Reinvestment Plan

Unless the registered owner of Common Shares elects to receive cash by contacting BNY (the Plan Agent), all dividends declared on Common Shares of the Fund will be automatically reinvested by the Plan Agent for shareholders in additional Common Shares of the Fund through the Fund's Dividend Reinvestment Plan (the Plan). Shareholders who elect not to participate in the Plan will receive all dividends and other distributions in cash paid by check mailed directly to the shareholder of record (or, if the Common Shares are held in street or other nominee name, then to such nominee) by the Plan Agent. Participation in the Plan is completely voluntary and may be terminated or resumed at any time without penalty by notice if received and processed by the Plan Agent prior to the dividend record date; otherwise such termination or resumption will be effective with respect to any subsequently declared dividend or other distribution. Some brokers may automatically elect to receive cash on your behalf and may re-invest that cash in additional Common Shares of the Fund for you. If you wish for all dividends declared on your Common Shares of the Fund to be automatically reinvested pursuant to the Plan, please contact your broker.

The Plan Agent will open an account for each Common Shareholder under the Plan in the same name in which such Common Shareholder's Common Shares are registered. Whenever the Fund declares a dividend or other distribution (together, a Dividend) payable in cash, non-participants in the Plan will receive cash and participants in the Plan will receive the equivalent in Common Shares. The Common Shares will be acquired by the Plan Agent for the participants' accounts, depending upon the circumstances described below, either (i) through receipt of additional unissued but authorized Common Shares from the Fund (Newly Issued Common Shares) or (ii) by purchase of outstanding Common Shares on the open market (Open-Market Purchases) on the NYSE or elsewhere. Open-market purchases and sales are usually made through a broker affiliated with the Plan Agent.

If, on the payment date for any Dividend, the closing market price plus estimated brokerage commissions per

Common Share is equal to or greater than the net asset value per Common Share, the Plan Agent will invest the Dividend amount in Newly Issued Common Shares on behalf of the participants. The number of Newly Issued Common Shares to be credited to each participant's account will be determined by dividing the dollar amount of the Dividend by the net asset value per Common Share on the payment date; provided that, if the net asset value is less than or equal to 95% of the closing market value on the payment date, the dollar amount of the Dividend will be divided by 95% of the closing market price per Common Share on the payment date. If, on the payment date for any Dividend, the net asset value per Common Share is greater than the closing market value plus estimated brokerage commissions, the Plan Agent will invest the Dividend amount in Common Shares acquired on behalf of the participants in Open-Market Purchases. In the event of a market discount on the payment date for any Dividend, the Plan Agent will have until the last business day before the next date on which the Common Shares trade on an ex-dividend basis or 30 days after the payment date for such Dividend, whichever is sooner (the Last Purchase Date), to invest the Dividend amount in Common Shares acquired in Open-Market Purchases.

The Fund pays quarterly Dividends. Therefore, the period during which Open-Market Purchases can be made will exist only from the payment date of each Dividend through the date before the next ex-dividend date, which typically will be approximately ten days.

If, before the Plan Agent has completed its Open-Market Purchases, the market price per common share exceeds the net asset value per Common Share, the average per Common Share purchase price paid by the Plan Administrator may exceed the net asset value of the Common Shares, resulting in the acquisition of fewer Common Shares than if the Dividend had been paid in Newly Issued Common Shares on the Dividend payment date. Because of the foregoing difficulty with respect to Open-Market Purchases, the Plan provides that if the Plan Agent is unable to invest the full Dividend amount in Open-Market Purchases during the purchase period or if the market discount shifts to a market premium during the purchase period, the Plan Agent will cease making Open-Market Purchases and will invest the un-invested portion of the Dividend amount in Newly Issued Common Shares at the net asset value per common share at the close of business on the Last Purchase Date provided

that, if the net asset value is less than or equal to 95% of the then

Table of Contents

ADDITIONAL INFORMATION (UNAUDITED) (CONTINUED)

current market price per Common Share, the dollar amount of the Dividend will be divided by 95% of the market price on the payment date.

The Plan Agent maintains all shareholders' accounts in the Plan and furnishes written confirmation of all transactions in the accounts, including information needed by shareholders for tax records. Common Shares in the account of each Plan participant will be held by the Plan Agent on behalf of the Plan participant, and each shareholder proxy will include those shares purchased or received pursuant to the Plan. The Plan Agent will forward all proxy solicitation materials to participants and vote proxies for shares held under the Plan in accordance with the instructions of the participants.

In the case of shareholders such as banks, brokers or nominees which hold shares for others who are the beneficial owners, the Plan Agent will administer the Plan on the basis of the number of Common Shares certified from time to time by the record shareholder's name and held for the account of beneficial owners who participate in the Plan.

There will be no brokerage charges with respect to Common Shares issued directly by the Fund. However, each participant will pay a pro rata share of brokerage commissions incurred in connection with Open-Market Purchases. The automatic reinvestment of Dividends will not relieve participants of any federal, state or local income tax that may be payable (or required to be withheld) on such Dividends. Participants that request a partial or full sale of shares through the Plan Agent are subject to a \$15.00 sales fee and a \$0.10 per share brokerage commission on purchases or sales, and may be subject to certain other service charges.

The Fund reserves the right to amend or terminate the Plan. There is no direct service charge to participants with regard to purchases in the Plan; however, the Fund reserves the right to amend the Plan to include a service charge payable by the participants.

All questions concerning the Plan should be directed to the Fund's Shareholder Service Department at (800) 992-0180.

KEY FINANCIAL DATES CALENDAR 2011 DISTRIBUTIONS:

| Declaration Date | Ex Date | Payable Date |
|--------------------|-------------------|------------------|
| May 25, 2011 | July 1, 2011 | July 15, 2011 |
| September 15, 2011 | October 3, 2011 | October 17, 2011 |
| December 15, 2011 | December 28, 2011 | January 16, 2011 |

Record date will be two business days after each Ex-Dividend Date. These dates are subject to change.

Stock Data

The Fund's common shares are traded on the NYSE (Symbol: IHD).

Repurchase of Securities by Closed-End Companies

In accordance with Section 23(c) of the 1940 Act, and Rule 23c-1 under the 1940 Act the Fund may from time to time purchase shares of beneficial interest of the Fund in the open market, in privately negotiated transactions and/or purchase shares to correct erroneous transactions.

Number of Shareholders

The approximate number of record holders of Common Stock as of August 31, 2011 was 12,107, which does not include beneficial owners of shares held in the name of brokers or other nominees.

Certifications

In accordance with Section 303A.12 (a) of the New York Stock Exchange Listed Company Manual, the Fund's CEO is required to submit the Annual CEO Certification certifying that he was not aware, as of the date of submission, of any violation by the Fund of the NYSE's Corporate governance listing standards. In addition, as required by Section 302 of the Sarbanes-Oxley Act of 2002 and related SEC rules, the Fund's principal executive and financial officers have made quarterly certifications, included in filings with the SEC on Forms N-CSR and N-Q, relating to, among other things, the Fund's disclosure controls and procedures and internal controls over financial reporting.

Table of Contents

Investment Adviser

ING Investments, LLC

7337 East Doubletree Ranch Road, Suite 100

Scottsdale, Arizona 85258

Administrator

ING Funds Services, LLC

7337 East Doubletree Ranch Road, Suite 100

Scottsdale, Arizona 85258

Transfer Agent

BNY Mellon Shareowner Services

480 Washington Boulevard

Jersey City, NJ 07310-1900

Custodian

The Bank of New York Mellon

One Wall Street

New York, New York 10286

Legal Counsel

Dechert LLP

1775 I Street, N.W.

Washington, D.C. 20006

Toll-Free Shareholder Information

Call us from 9:00 a.m. to 7:00 p.m. Eastern time on any business day for account or other information, at (800) 992-0180

SAR-UIHD

(0811-102611)

Table of Contents

Item 2. Code of Ethics.

Not required for semi-annual filing.

Item 3. Audit Committee Financial Expert.

Not required for semi-annual filing.

Item 4. Principal Accountant Fees and Services.

Not required for semi-annual filing.

Item 5. Audit Committee Of Listed Registrants.

Not required for semi-annual filing.

Item 6. Schedule of Investments.

Table of Contents

PORTFOLIO OF INVESTMENTS

ING EMERGING MARKETS HIGH DIVIDEND EQUITY FUND

as of August 31, 2011 (Unaudited)

| Shares | | Value | Percentage of Net Assets |
|----------------------------|------------------------|-------------------|--------------------------|
| COMMON STOCK: 96.4% | | | |
| Belgium: 0.6% | | | |
| 43,943 | Oriflame Cosmetics | | |
| | S.A. | \$ 1,982,212 | 0.6 |
| Brazil: 15.1% | | | |
| 281,636 | Banco do Brasil S.A. | 4,700,715 | 1.4 |
| 504,663 | BM&F Bovespa S.A. | 2,964,130 | 0.9 |
| 105,337 | Cia de Concessoes | | |
| | Rodoviaras | 3,143,104 | 1.0 |
| 296,247 | Cia Siderurgica | | |
| | Nacional S.A. | 2,912,410 | 0.9 |
| 86,830 | Itau Unibanco Holding | | |
| | S.A. | 1,567,075 | 0.5 |
| 87,188 | Lojas Renner SA | 3,273,042 | 1.0 |
| 213,703 | MRV Engenharia e | | |
| | Participacoes SA | 1,785,445 | 0.5 |
| 388,509 | Petroleo Brasileiro SA | | |
| | ADR | 10,353,765 | 3.2 |
| 306,163 | Porto Seguro SA | 3,808,045 | 1.2 |
| 205,968 | Redecard S.A. | 3,156,994 | 1.0 |
| 310,009 | Tele Norte Leste | | |
| | Participacoes SA ADR | 4,061,118 | 1.3 |
| 276,676 | Vale SA | 7,033,782 | 2.2 |
| | | 48,759,625 | 15.1 |
| Chile: 1.2% | | | |
| 9,807,699 | Enersis SA | 3,930,734 | 1.2 |
| China: 16.7% | | | |
| 1,049,000 | BOC Hong Kong | | |
| | Holdings Ltd. | 2,884,591 | 0.9 |
| 5,158,800 | China Citic Bank | 2,779,584 | 0.9 |
| 3,987,000 | China Construction | | |
| | Bank | 2,967,231 | 0.9 |
| 8,152,000 | China Dongxiang Group | | |
| | Co. | 1,840,024 | 0.6 |
| 3,377,000 | China High Speed | 1,986,313 | 0.6 |
| | Transmission | | |
| | Equipment Group Co., | | |

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| | | | |
|----------------------------------|---|-------------------|---|
| 902,000 | Ltd. China Life Insurance | | |
| 4,548,000 | Co., Ltd. China Petroleum & Chemical Corp. | 2,286,510 | 0.7 |
| 2,380,000 | China Resources Power Holdings Co. | 4,486,724 | 1.4 |
| 2,822,000 | China Shanshui Cement Group Ltd. | 4,023,213 | 1.2 |
| 1,857,000 | CNOOC Ltd. | 2,802,620 | 0.9 |
| 2,678,000 | Guangzhou Automobile Group Co. Ltd. | 3,765,586 | 1.2 |
| 514,000 | Hengan International | 2,912,430 | 0.9 |
| 3,507,000 | Group Co., Ltd. Huabao International | 4,398,556 | 1.4 |
| 4,219,000 | Holdings Ltd. Industrial and Commercial Bank of China Ltd. | 2,707,720 | 0.8 |
| 10,486,000 | Renhe Commercial | 2,783,633 | 0.9 |
| 5,101,000 | Holdings Co. Ltd. Want Want China Holdings Ltd. | 2,068,805 | 0.6 |
| | | 4,233,599 | 1.3 |
| Shares | | Value | Percentage of Net Assets |
| COMMON STOCK: (continued) | | | |
| China: (continued) | | | |
| 788,000 | Yanzhou Coal Mining Co., Ltd. | | |
| 4,365,000 | Zhejiang Expressway Co., Ltd. | \$ 2,295,769 | 0.7 |
| | | 2,728,840 | 0.8 |
| | | 53,951,748 | 16.7 |
| Czech Republic: 1.4% | | | |
| 63,676 | CEZ A/S | 2,988,493 | 0.9 |
| 7,500 | Komerčni Banka AS | 1,579,950 | 0.5 |
| | | 4,568,443 | 1.4 |
| Hong Kong: 7.1% | | | |
| 5,094,000 | Chaoda Modern Agriculture Holdings Ltd. | 1,663,245 | 0.5 |
| 175,600 | China Mobile Ltd. ADR | 8,985,452 | 2.8 |
| 199,500 | Hang Seng Bank Ltd. | 2,947,255 | 0.9 |
| 271,000 | Hutchison Whampoa Ltd. | 2,604,448 | 0.8 |
| 1,520,500 | Li Ning Co. Ltd. | 2,096,496 | 0.7 |

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| | | | |
|------------------------|---|------------------------|------------|
| 871,500 | Link Real Estate | | |
| 1,694,000 | Investment Trust United Laboratories | 3,044,211 | 0.9 |
| | International Holdings | | |
| | Ltd./The | 1,617,819 | 0.5 |
| | | 22,958,926 | 7.1 |
| Hungary: 0.5% | | | |
| 8,599 | Richter Gedeon Nyrt | 1,589,948 | 0.5 |
| India: 1.7% | | | |
| 288,885 | Oil & Natural Gas Corp., | | |
| 367,197 | Ltd. Oriental Bank Of | 1,656,484 | 0.5 |
| 67,551 | Commerce Punjab National Bank | 2,495,428 1,370,426 | 0.8 0.4 |
| | | 5,522,338 | 1.7 |
| Indonesia: 1.9% | | | |
| 3,868,500 | Perusahaan Gas | | |
| 5,447,000 | Negara PT Telekomunikasi | 1,392,129 | 0.4 |
| | Indonesia Tbk PT | 4,706,039 | 1.5 |
| | | 6,098,168 | 1.9 |
| Malaysia: 3.4% | | | |
| 1,295,600 | Berjaya Sports Toto | | |
| 1,720,400 | BHD IOI Corp. Bhd | 1,837,510 2,626,232 | 0.6 0.8 |
| 707,900 | Public Bank BHD | 3,115,095 | 0.9 |
| 1,956,400 | Tenaga Nasional BHD | 3,466,972 | 1.1 |
| | | 11,045,809 | 3.4 |
| Mexico: 2.4% | | | |
| 6,099,844 | America Movil SAB de | | |
| | CV | 7,811,186 | 2.4 |
| Peru: 0.6% | | | |
| 19,300 | Credicorp Ltd. | 1,923,052 | 0.6 |

See Accompanying Notes to Financial Statements

Table of Contents

PORTFOLIO OF INVESTMENTS

ING EMERGING MARKETS HIGH DIVIDEND EQUITY FUND

as of August 31, 2011 (Unaudited) (Continued)

| Shares | | Value | Percentage of Net Assets |
|----------------------------------|---|-------------------|--------------------------------|
| COMMON STOCK: (continued) | | | |
| Poland: 1.8% | | | |
| 2,134,961 | Polskie Gornictwo | | |
| | Naftowe I Gazownictwo | | |
| 22,149 | SA Powszechny Zaklad | \$ 3,015,737 | 0.9 |
| | Ubezpieczen SA | 2,726,067 | 0.9 |
| | | 5,741,804 | 1.8 |
| Qatar: 1.1% | | | |
| 155,189 | Commercial Bank of Qatar | 3,484,979 | 1.1 |
| Russia: 6.7% | | | |
| 556,422 | Gazprom OAO ADR | 6,927,454 | 2.1 |
| 116,678 | Lukoil-Spon | 7,024,016 | 2.2 |
| 356,869 | Mechel ADR | 2,391,022 | 0.7 |
| 322,549 | Mobile Telesystems | | |
| | OJSC ADR | 5,460,754 | 1.7 |
| | | 21,803,246 | 6.7 |
| Singapore: 4.4% | | | |
| 610,000 | Fraser and Neave Ltd. | 2,990,954 | 0.9 |
| 351,000 | Keppel Corp., Ltd. | 2,710,914 | 0.8 |
| 1,691,000 | Singapore Telecommunications Ltd. | | |
| 282,000 | United Overseas Bank | 4,369,836 | 1.4 |
| | Ltd. | 4,344,358 | 1.3 |
| | | 14,416,062 | 4.4 |
| South Africa: 6.3% | | | |
| 340,913 | Adcock Ingram Holdings | | |
| 172,788 | Ltd. Impala Platinum | 2,964,577 | 0.9 |
| 1,225,665 | Holdings Ltd. Life Healthcare Group | 4,432,417 | 1.4 |
| 744,708 | Holdings Ltd. | 3,073,765 | 0.9 |
| 54,445 | Sanlam Ltd. | 2,899,767 | 0.9 |
| 311,477 | Sasol Ltd. | 2,624,745 | 0.8 |
| | Standard Bank Group | 4,440,768 | 1.4 |

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| | | | | | |
|----------------------------------|---|--------------------------|----|-------------------|-------------------|
| | | Ltd. | | 20,436,039 | 6.3 |
| South Korea: 11.1% | | | | | |
| 42,629 | X | Hite Brewery Co., Ltd. | | 3,953,529 | 1.2 |
| 94,160 | | Hyundai Development | | | |
| | | Co. | | 2,222,907 | 0.7 |
| 18,723 | | Hyundai Mipo Dockyard | | | |
| | | Co., Ltd. | | 2,425,705 | 0.8 |
| 145,880 | | Hyundai Securities Co. | | 1,580,108 | 0.5 |
| 64,970 | | Kangwon Land, Inc. | | 1,701,122 | 0.5 |
| 61,207 | | KB Financial Group, Inc. | | 2,538,960 | 0.8 |
| 70,618 | | KT&G Corp. | | 4,552,005 | 1.4 |
| 10,520 | | Posco | | 4,002,803 | 1.3 |
| 10,172 | | Samsung Electronics | | | |
| | | Co., Ltd. | | 7,143,226 | 2.2 |
| 79,980 | | Woongjin Coway Co., | | | |
| | | Ltd. | | 3,013,998 | 0.9 |
| 239,150 | | Woori Finance Holdings | | | |
| | | Co., Ltd. | | 2,681,254 | 0.8 |
| | | | | 35,815,617 | 11.1 |
| | | | | | Percentage |
| | | | | | of Net |
| | | | | | Assets |
| Shares | | | | Value | |
| COMMON STOCK: (continued) | | | | | |
| Taiwan: 9.0% | | | | | |
| 3,300,000 | | Acer, Inc. | \$ | 3,987,979 | 1.2 |
| 539,000 | | E Ink Holdings, Inc. | | 1,165,470 | 0.4 |
| 761,000 | | Giant Manufacturing | | | |
| | | Co., Ltd. | | 2,852,713 | 0.9 |
| 57,750 | | HTC Corp. | | 1,521,721 | 0.5 |
| 2,446,170 | | Lite-On Technology | | | |
| | | Corp. | | 2,667,955 | 0.8 |
| 355,587 | | MStar Semiconductor, | | | |
| | | Inc. | | 1,957,191 | 0.6 |
| 1,011,000 | | Novatek | | | |
| | | Microelectronics Corp., | | | |
| | | Ltd. | | 2,674,745 | 0.8 |
| 1,008,700 | | Powertech Technology, | | | |
| | | Inc. | | 2,444,730 | 0.7 |
| 786,000 | | Quanta Computer, Inc. | | 1,604,926 | 0.5 |
| 224,500 | | Simplo Technology Co. | | | |
| | | Ltd. | | 1,594,870 | 0.5 |
| 427,000 | | Synnex Technology | | | |
| | | International Corp. | | 1,087,180 | 0.3 |
| 2,378,000 | | Taiwan Semiconductor | | | |
| | | Manufacturing Co., Ltd. | | 5,702,868 | 1.8 |
| | | | | 29,262,348 | 9.0 |
| Thailand: 1.3% | | | | | |

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| | | | |
|-------------------------------------|---|-------------|------|
| 724,000 | PTT Exploration & Production PCL | 4,237,249 | 1.3 |
| United Kingdom: 1.2% | | | |
| 360,783 | Eurasian Natural Resources Corp. | 3,971,729 | 1.2 |
| United States: 0.9% | | | |
| 83,102 | Southern Copper Corp. | 2,806,355 | 0.9 |
| | Total Common Stock (Cost \$354,764,039) | 312,117,617 | 96.4 |
| PREFERRED STOCK: 1.3% | | | |
| Brazil: 1.3% | | | |
| 228,365 | Cia Energetica de Minas Gerais | 4,223,296 | 1.3 |
| | Total Preferred Stock (Cost \$4,369,293) | 4,223,296 | 1.3 |
| | Total Long-Term Investments (Cost \$359,133,332) | 316,340,913 | 97.7 |
| SHORT-TERM INVESTMENTS: 3.2% | | | |
| Mutual Funds: 3.2% | | | |
| 10,488,611 | BlackRock Liquidity Funds, TempFund, Institutional Class (Cost \$10,488,611) | 10,488,611 | 3.2 |
| | Total Short-Term Investmentsea (Cost \$10,488,611) | 10,488,611 | 3.2 |

See Accompanying Notes to Financial Statements

Table of Contents

PORTFOLIO OF INVESTMENTS

ING EMERGING MARKETS HIGH DIVIDEND EQUITY FUND

as of August 31, 2011 (Unaudited) (Continued)

Total Investments in

Securities

| | | |
|---------------------------------------|-----------------------|--------------|
| (Cost \$369,621,943)* | \$ 326,829,524 | 100.9 |
| Liabilities in Excess of Other Assets | (3,058,591) | (0.9) |
| Net Assets | \$ 323,770,933 | 100.0 |

ADR American Depositary Receipt

X Fair value determined by ING Funds Valuation Committee appointed by the Funds Board of Directors/Trustees.

* Cost for federal income tax purposes is \$370,106,562.

Net unrealized depreciation consists of:

| | |
|------------------------------------|------------------------|
| Gross Unrealized Appreciation | \$4,254,842 |
| Gross Unrealized Depreciation | (47,531,880) |
| Net Unrealized depreciation | \$ (43,277,038) |

| Sector Diversification | Percentage of Net Assets |
|---------------------------------------|---------------------------------|
| Consumer Discretionary | 6.6% |
| Consumer Staples | 7.2 |
| Energy | 14.3 |
| Financials | 21.6 |
| Health Care | 2.8 |
| Industrials | 6.4 |
| Information Technology | 11.3 |
| Materials | 10.3 |
| Telecommunications | 11.1 |
| Utilities | 6.1 |
| Short-Term Investments | 3.2 |
| Liabilities in Excess of Other Assets | (0.9) |
| Net Assets | 100.0% |

(EMPTY)(EMPTY)(EMPTY)

See Accompanying Notes to Financial Statements

Table of Contents

Item 7. Disclosure of Proxy Voting Policies and Procedures for Closed-end Management Investment Companies.

Not applicable.

Item 8. Portfolio Managers of Closed-end Management Investment Companies.

Not applicable.

Item 9. Purchases of Equity Securities by Closed-end Management Investment Company and Affiliated Purchasers.

Not applicable.

Item 10. Submission of Matters to a Vote of Security Holders.

The Board has a Nominating Committee for the purpose of considering and presenting to the Board candidates it proposes for nomination to fill Independent Trustee vacancies on the Board. The Committee currently consists of all Independent Trustees of the Board. (6 individuals). The Nominating Committee operates pursuant to a Charter approved by the Board. The primary purpose of the Nominating Committee is to consider and present to the Board the candidates it proposes for nomination to fill vacancies on the Board. In evaluating candidates, the Nominating Committee may consider a variety of factors, but it has not at this time set any specific minimum qualifications that must be met. Specific qualifications of candidates for Board membership will be based on the needs of the Board at the time of nomination.

The Nominating Committee is willing to consider nominations received from shareholders and shall assess shareholder nominees in the same manner as it reviews its own nominees. A shareholder nominee for director should be submitted in writing to the Fund's Secretary. Any such shareholder nomination should include at a minimum the following information as to each individual proposed for nomination as trustee: such individual's written consent to be named in the proxy statement as a nominee (if nominated) and to serve as a trustee (if elected), and all information relating to such individual that is required to be disclosed in the solicitation of proxies for election of trustees, or is otherwise required, in each case under applicable federal securities laws, rules and regulations.

Table of Contents

The secretary shall submit all nominations received in a timely manner to the Nominating Committee. To be timely, any such submission must be delivered to the Fund's Secretary not earlier than the 90th day prior to such meeting and not later than the close of business on the later of the 60th day prior to such meeting or the 10th day following the day on which public announcement of the date of the meeting is first made, by either disclosure in a press release or in a document publicly filed by the Fund with the Securities and Exchange Commission.

Table of Contents

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934 and the Investment Company Act of 1940, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

(Registrant): ING Emerging Markets High Dividend Equity Fund

By /s/ Shaun P. Mathews
Shaun P. Mathews

President and Chief Executive Officer
Date: November 3, 2011

Pursuant to the requirements of the Securities Exchange Act of 1934 and the Investment Company Act of 1940, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

By /s/ Shaun P. Mathews
Shaun P. Mathews

President and Chief Executive Officer
Date: November 3, 2011

By /s/ Todd Modic
Todd Modic

Senior Vice President and Chief Financial Officer
Date: November 3, 2011