ING SPECIAL REPORT

market timing

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The investment technique that doesn't pay?

Buy low and sell high. Seems like common sense and certainly the dream of every investor. The problem is that, without a crystal ball, it's pretty much impossible to do. In fact, according to a landmark study, "Determinants of Portfolio Performance," and its update in 1996, market timing contributes less than two percent of portfolio performance. Asset allocation (the strategy of distributing dollars among certain types of investments), on the other hand, was responsible for almost 92 percent of portfolio performance. (See ING's Special Reports "Asset Allocation: Building the investment portfolio that's right for you" and "Diversification: The spice of (investment) life," for more information about these key investment concepts.)

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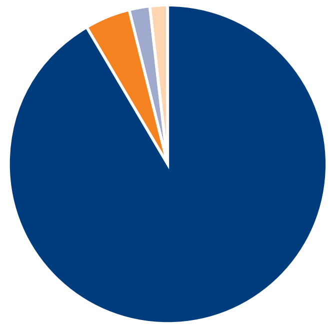
Portfolio performance is determined by:*



- Asset Allocation – 91.5%
- Individual Investment Selection – 4.6%
- Other – 2.1%
- Market Timing – 1.8%

* "Determinants of Portfolio Performance II: An Update." Brinson, Singer and Beebower, 1996.

Why? Again, it's pretty widely believed that we can't predict the future. And to successfully time the markets, you'd have to be able to anticipate the trends and factors that contribute to investment performance. Not react to the markets, because by the time Asian stock markets crash, or the Dow dips, or a new technology is introduced, it's too late and the economic effects of the event are already in motion.

Let's take a hypothetical situation. You invested $10,000 in the S&P 500 on December 31, 1994. If you stayed the course, remaining fully invested, that $10,000 would have grown to $31,260 by the end of 2004 – your average yearly returns would have been 12.07%. But take a look at the table on the next page to see what would have happened if you'd missed just a few of the best days of market performance. (Remember that this is hypothetical; past returns don't guarantee future results.) The Standard & Poor's (S&P) 500 Index is an unmanaged group of stocks considered to be representative of the economy in general. The S&P returns assume reinvestment of all dividends. This index is not available for direct investment.

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Missing the Market[1]

S&P 500 Index: December 31, 1994 – December 31, 2004

Period of Investment	Average Annual Total Return	Growth of $10,000
Fully invested	12.07%	$31,260
Missed the 10 best days	6.89	19,476
Missed the 20 best days	2.89	13,414
Missed the 30 best days	-.39	9,621
Missed the 40 best days	-3.19	7,233
Missed the 60 best days	-7.90	4,390

[1] FactSet Research Systems Inc.

As an individual investor, who has time to even try to time the market? Our investment universe is so complex – and we have so many options available to us – that the body of research and information you'd need to attempt to practice market timing is beyond the scope of most folks. Investment professionals – financial analysts, economists, fund managers, etc. – devote years of study and quantities of resources to understanding the various financial markets and how they react to each other and outside events. These resources are at your disposal through mutual funds and the types of funds you'll find in your retirement plan. By investing in these vehicles – according to your own asset allocation strategy – you're hiring these professionals to analyze the markets for you.

Using asset allocation as a part of your investment strategy neither assures nor guarantees better performance and cannot protect against loss in declining markets.

Please feel free to contact your ING representative if you'd like more information about investment basics and strategies. Or, visit us at **www.ing.com/us** for a wealth of information, including articles, additional special reports, resource information and calculators about how we can help you work toward your own financial goals.