ING Infrastructure, Industrials & Materials Fund
Form N-CSR
May 05, 2011
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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: 811-22144

ING Infrastructure, Industrials and Materials Fund

(Exact name of registrant as specified in charter)

7337 E. Doubletree Ranch Rd., Scottsdale, AZ	**85258**
(Address of principal executive offices)	**(Zip code)**

The Corporation Trust Company, 1209 Orange

Street, Wilmington, DE 19801

(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: **February 28, 2011**

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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):

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Annual Report

February 28, 2011

ING Infrastructure, Industrials and Materials 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

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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.

PRESIDENT S LETTER

Dear Shareholder,

ING Infrastructure, Industrials and Materials Fund (the Fund) is a diversified, closed-end management investment company whose shares are traded on the New York Stock Exchange under the symbol IDE. 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 in companies that own and/or operate infrastructure facilities in the infrastructure sector, and in a broad range of companies, principally in the industrials and materials sector that ING Investment Management Co. (the Sub-Adviser) believes will benefit from the building, renovation, expansion and utilization of infrastructure.

For the fiscal year ended February 28, 2011, the Fund made quarterly distributions totaling $1.80 per share, including a return of capital of $1.69 per share and net investment income of $0.11 per share.

Based on net asset value (NAV), the Fund had a total return of 29.54% for the fiscal year ended February 28, 2011[1]. This NAV return reflects an increase in the Fund s NAV from $19.20

on February 28, 2010 to $22.64 on February 28, 2011. Based on its share price as of February 28, 2011, the Fund provided a total return of 10.84% for the fiscal year ended February 28, 2011[2]. This share price return reflects an increase in the Fund s share price from $20.00 on February 28, 2010 to $20.18 on February 28, 2011.

At ING Funds our mission is to help you grow, protect and enjoy your wealth. 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

ING Funds

April 8, 2011

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 disclaims 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 dividend reinvestment plan. Total investment return at net asset value is not annualized for periods less than one year.

(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. Total investment return at market value is not annualized for periods less than one year.

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MARKET PERSPECTIVE: YEAR ENDED FEBRUARY 28, 2011

In our semi-annual report we described how, after a 13-month advance through mid-April, a confluence of local and world issues sent global equities, in the form of the MSCI World Index^{SM} measured in local currencies, including net reinvested dividends (MSCI for regions discussed below), reeling to a loss of over 3%. But in the second half of our fiscal year the MSCI World Index^{SM} roared back, and for the whole year returned 17.46%. (The MSCI World Index^{SM} returned 21.67% for the year ended February 28, 2011, measured in U.S. dollars.) Investor sentiment turned distinctly positive, despite the grave concerns that remained and a new crisis to worry about.

It was a bumpy ride. Markets from stocks to bonds to currencies were continually buffeted by news and events relating to three main themes: the fitful U.S. economic recovery, the sovereign debt crisis in the euro zone and growth dynamics in China.

In the U.S., quarterly gross domestic product (GDP) growth decelerated from 2.7% (annualized) in the first quarter of 2010 to 1.7% in the second, before recovering to 2.8% in the fourth. But attention seemed focused on employment and housing. Since the latest recession ended in June 2009, the unemployment rate had been stuck between 9.4% and 10.1%. At last, the February employment report showed improvement to 9.0% in January. But economists were baffled by the paltry 36,000 new jobs created that month, while the labor force participation rate, at 64.2%, was the lowest since March 1984.

In the housing market, sales of new and existing homes collapsed after the expiry in April of a program of tax credits for home buyers and languished thereafter. House prices (based on the S&P/Case-Shiller 20-City Composite Home Price Index), having shown annual increases from February 2010 started falling again in October and our fiscal year ended with the index less than 1% above the trough recorded in May 2009.

To be sure, there were grounds for optimism as the fiscal year drew to a close. Consumer spending had risen for seven straight months. The modest GDP growth above concealed a 6.7% surge in real final sales, the best since 1998. The Institute for Supply Management purchasing managers index signaled the busiest manufacturing sector since 2004. The Federal Reserve in November announced a second round of quantitative easing and would buy $600 billion in Treasury notes and bonds. The mixed mid-term election results forced a compromise stimulus package worth an estimated $858 billion for 2011. Those two measures increased the attractiveness of riskier asset classes like equities at the expense of high grade bonds.

In the euro zone, a sovereign debt crisis started with fiscally profligate Greece, bringing falling stock markets, downgrades, soaring yields on peripheral euro zone bonds and doubts about the viability of the euro itself. Greece s bail-out was followed by Ireland near the end of 2010 and as our fiscal year ended, Portugal, with its 10-year bonds yielding about 7.5%, looked to be next.

Investors watched nervously as China, the source of much of the world s growth, wrestled with inflation near 5% and a housing bubble. The authorities increased banks reserve ratio requirements six times in 2010 and twice more in 2011. Interest rates were raised three times after mid October.

Then in January, popular revolt erupted in North Africa. In short order, dictatorships in Tunisia and Egypt fell, to be replaced by . . . no one knew exactly what. As the fiscal year ended, the fate of Libya, a significant oil producer, hung in the balance and the price of oil, which had been rising anyway on improving demand, was nudging $100 per barrel.

In U.S. fixed income markets the Barclays Capital U.S. Aggregate Bond Index of investment grade bonds returned 6.54% in the fiscal year, with a small loss in the second half as risk appetite returned. Within this the Barclays Capital U.S. Treasury index returned 3.71%, underperforming the 7.93% on the Barclays Capital Corporate Investment Grade Bond index. But both paled against the Barclays Capital High Yield Bond 2% Issuer Constrained Composite Index, which gained 17.34%.

U.S. equities, represented by the S&P 500® Index including dividends, rose 22.57% in the 12 months through February 2011, including its best September since 1939 and best December since 1991. Prices were supported by strong earnings reports, with operating earnings per share for S&P 500® companies set to record their fifth straight quarter of annual growth. Equities also benefited from improved risk appetite through the quantitative easing initiative and stimulus package referred to above.

In currencies, the worst of the gloom about the euro zone in early June was replaced by renewed pessimism about the dollar in a stalling economy. Then, markets were seized by another bout of euro zone angst, before the threat of another energy crisis proved dollar-negative. For the fiscal year the dollar fell 1.07% against the euro, 5.78% against the pound and 8.10% to the yen, which breached 15-year high levels.

In international markets, the MSCI Japan® Index confounded the pessimists by returning 8.14% for the year after being down nearly 10% half way through. This was based on generally favorable corporate earnings and came despite declining GDP and 23 months of falling prices. The MSCI Europe ex UK® Index returned 14.50%, with Germany up 29.52% and Ireland and Greece both falling. This broadly reflected the two-tier economy that has developed, with economic statistics favoring more soundly based countries at the expense of the peripherals. Powered by its sizeable materials sector, the MSCI UK® Index advanced 15.43%, despite the prospect of severe public spending cuts intended to eliminate an 11% budget deficit, a shock 0.6% quarterly fall in fourth quarter GDP growth and inflation rising to 4.0%.

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.

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Benchmark Descriptions

Index	Description
MSCI World Index℠	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 U.S. Treasury Index	An unmanaged index that includes public obligations of the U.S. Treasury. Treasury bills, certain special issues, such as state and local government series bonds (SLGs), as well as U.S. Treasury TIPS and STRIPS, are excluded.
Barclays Capital Corporate Investment Grade Bond Index	The corporate component of the Barclays Capital U.S. Credit Index. The U.S. Credit Index includes publicly-issued U.S. corporate and specified foreign debentures and secured notes that meet the specified maturity, liquidity, and quality requirements. The index includes both corporate and non-corporate sectors. The corporate sectors are industrial, utility and finance, which includes both U.S. and non-U.S. corporations.
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 All Country World® Index	A free float-adjusted market capitalization index that is designed to measure equity market performance in the global developed and emerging markets.

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ING INFRASTRUCTURE, INDUSTRIALS AND MATERIALS FUND PORTFOLIO MANAGERS REPORT

Country Allocation

as of February 28, 2011

(as a percent of net assets)

United States	42.8%
United Kingdom	9.5%
Germany	8.2%
France	6.3%
Brazil	4.8%
Japan	4.1%
Netherlands	2.9%
Switzerland	2.9%
Hong Kong	2.8%
Luxembourg	2.5%
China	1.8%
Italy	1.8%
Countries less than 1.8%(1)	8.8%
Other Assets and Liabilities Net*	0.8%
Net Assets	100.0%

* Includes short-term investments related to Blackrock Liquidity Funds TempFund Portfolio Class I.

(1) Includes nine countries, which each represents less than 1.8% of net assets.

Portfolio holdings are subject to change daily.

ING Infrastructure, Industrials and Materials Fund (the Fund) seeks total return through a combination of current income, capital gains and capital appreciation.

The Fund will seek to achieve its investment objective by investing in companies that own and/or operate infrastructure facilities in the infrastructure sector, and in a broad range of companies, principally in the industrials and materials sectors, that the Sub-Adviser believes will benefit from the building, renovation, expansion and utilization of infrastructure.

The Fund is managed by Martin Jansen, Brian Madonick, Joseph Vultaggio, Paul Zemsky, Frank van Etten and David Powers, Portfolio Managers, ING Investment Management Co. 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 the equity securities of, or derivatives having economic characteristics similar to the equity securities of, issuers in three broad market sectors infrastructure, industrials and materials.

The Sub-Adviser seeks to construct a diversified equity portfolio of 60 to 100 equity securities, with a focus on companies that will potentially benefit from increased government and private spending in six areas: power, construction, materials, communications, transportation and water.

The Sub-Adviser has constructed a broad universe of approximately 1,500 global companies that operate in industries which are related to its six investment areas. The Sub-Adviser will seek to identify, through bottom-up fundamental research, companies that it believes to be undervalued relative to their business fundamentals and outlook, and whose revenues or growth in revenues are driven by infrastructure spending.

The Sub-Adviser seeks to invest in companies with the following characteristics:

1. Good growth prospects
2. Resilient earnings potential across market cycles
3. Disciplined capital allocation management
4. Strong competitive position

Options Strategy: Under normal market conditions, the Fund will also seek to secure gains and enhance the stability of returns over a market cycle by writing (selling) call options on either (1) the value of subsets of stocks in its portfolio or (2) selected equity securities held in its portfolio, generally comprised of a portion of the Fund s large-capitalization holdings.

The underlying value against which such calls will be written may vary depending on the cash flow requirements of the portfolio and on the Sub-Adviser s assessment of market conditions, generally within a range of 15% to 50%.

The Fund expects to write (sell) call options primarily with shorter maturities (typically ten days to three months until expiration) generally, at-the-money or near-the-money , in the over-the-counter markets with major international banks, broker-dealers and financial institutions. The Fund may also write (sell) call options on selected indices and/or exchange traded funds (ETFs).

Performance: Based on net asset value (NAV) as of February 28, 2011, the Fund provided a total return of 29.54% for the fiscal year. This NAV return reflects a increase in the Fund s NAV from $19.20 on February 28, 2010 to $22.64 on February 28, 2011. Based on its share price as of February 28, 2011, the Fund provided a total return of 10.84% for the fiscal year. This share price return reflects an increase in its share price from $20.00 on February 28, 2010 to $20.18 on February 28, 2011. The Fund is not benchmarked to an index but uses the MSCI All Country World Index[SM] as a reference index, which returned 21.54% for the reporting period. By comparison, the return of the global sectors and industries from which the Fund selects securities related to infrastructure spending and development was 25.96%. During the fiscal year, the Fund made quarterly distributions totaling $1.80 per share, including a return of capital of $1.69 per share and net investment income of $0.11 per share. As of February 28, 2011, the Fund had 19,805,000 shares outstanding.

***Market Review*:** Stronger global equity markets through late April were followed by a sharp sell-off as the European sovereign debt crisis escalated, which raised concerns that the global economic recovery could be derailed. In the course of June markets stabilized, followed by a recovery for the remainder of the fiscal year. Emerging markets and developed-Asia ex-Japan, which were strong initially, lost ground later in the year. For the year as a whole, North and South America were the strongest, while Japan lagged.

Top Ten Holdings

as of February 28, 2011

(as a percent of net assets)

Schlumberger Ltd.	3.0%
National Oilwell Varco, Inc.	2.8%
Caterpillar, Inc.	2.7%
Fluor Corp.	2.7%
Honeywell International, Inc.	2.7%
Emerson Electric Co.	2.4%
United Parcel Service, Inc. Class B	2.2%
Cummins, Inc.	2.0%
Vodafone Group PLC	1.9%
Dover Corp.	1.9%

Portfolio holdings are subject to change daily.

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PORTFOLIO MANAGERS REPORT

ING INFRASTRUCTURE, INDUSTRIALS AND MATERIALS FUND

Equity Portfolio**:** Over a volatile fiscal year, the equity portfolio s return exceeded that of the internal reference benchmark[1] by about 1000 basis points. The regional allocation added value largely due to underweighting a relatively weak Japan. Security selection was strongly positive in North America and Europe, but lost value in the emerging markets. Positioning within the industrials sector was responsible for the bulk of the positive security selection result, while the impact from selection in materials and telecommunication services was modestly negative. The underweight in utilities compared to the internal reference benchmark also contributed to results. Based upon the six themes underlying the philosophy of the Fund, stock selection added material value in the power, construction and transportation sleeves. Security selection in communications detracted from the result.

Options Portfolio**:** The Fund generates premiums and seeks gains by writing (selling) call options on a basket of equity securities on a portion of the value of the equity portfolio. The strike prices of the traded options were typically at or near the money, and the average expiration dates were between four and five weeks. The coverage ratio was maintained at approximately 30-35% throughout the period. The Fund s option strategy had a negative impact on relative returns this period as strong equity market performance beginning in the second half of 2010 and extending to the beginning of 2011 led the majority of the call options to expire in the money.

Current Outlook & Strategy**:** Despite the economic and market volatility, we believe the developed world appears to be on track for positive, albeit muted, economic growth. The emerging economies continue to grow strongly and have an acute need (and the financial resources) to accelerate infrastructure development. Companies linked to infrastructure development continue, we believe, to be well positioned for above average growth in a global market where secular growth in the developed world is relatively scarce. In our opinion, market volatility is likely to remain above average, which should continue to be reflected in attractive levels of premiums the Fund is likely to receive on its call writing activities.

* Effective February 28, 2011, Christopher Corapi is no longer a portfolio manager to the Fund.

[1] For the practical management of the equity portfolio, we have identified the universe of companies whose businesses, we believe, fall within the six themes underlying the investment philosophy of the Fund: communications, construction, food and water, materials, power and transportation. This universe is updated periodically. Currently it consists of nearly 700 companies based in over 60 countries. By market capitalization of the shares of those companies, approximately 36% of the universe is based in each of North America and Europe, 15% in the developed economies of the Pacific region and 13% in emerging markets. The principal sector weights are Industrials at 37%, Materials 26%, Utilities 17%, Telecommunications 11% and Energy 6%. Aside from indicating the opportunity set from which we select securities, the performance of this universe provides an internal reference benchmark against which the actual performance of the Fund s equity portfolio can be compared.

Portfolio holdings and characteristic are subject to change and may not be representative of current holdings and characteristics.

Performance data represents past performance and is no guarantee of future results.

An index has no cash in its portfolio, imposes no sales charges and incurs no operating expenses. An investor cannot invest directly in an index.

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REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

The Shareholders and Board of Trustees

ING Infrastructure, Industrials and Materials Fund

We have audited the accompanying statement of assets and liabilities, including the summary portfolio of investments, of ING Infrastructure, Industrials and Materials Fund as of February 28, 2011, and the related statement of operations for the year then ended, the statement of changes in net assets for the year then ended and the period from January 26, 2010 (commencement of operations) to February 28, 2010, and the financial highlights for the year then ended and the period from January 26, 2010 to February 28, 2010. These financial statements and financial highlights are the responsibility of management. Our responsibility is to express an opinion on these financial statements and financial highlights based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements and financial highlights are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. Our procedures included confirmation of securities owned as of February 28, 2011, by correspondence with the custodian and brokers or by other appropriate auditing procedures where replies from brokers were not received. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements and financial highlights referred to above present fairly, in all material respects, the financial position of ING Infrastructure, Industrials and Materials Fund as of February 28, 2011, and the results of its operations, the changes in its net assets, and the financial highlights for the periods specified in the first paragraph above, in conformity with U.S. generally accepted accounting principles.

Boston, Massachusetts

April 25, 2011

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STATEMENT OF ASSETS AND LIABILITIES AS OF FEBRUARY 28, 2011

ASSETS:	
Investments in securities at value*	$ 445,083,837
Short-term investments at value**	3,791,000
Cash	217
Foreign currencies at value***	941,465
Receivables:	
Investment securities sold	2,243
Dividends	642,505
Prepaid expenses	3,220
Total assets	450,464,487
LIABILITIES:	
Payable for investment securities purchased	8,192
Payable to affiliates	375,422
Payable for trustee fees	3,044
Other accrued expenses and liabilities	140,494
Written options, at fair value^	1,538,246
Total liabilities	2,065,398
NET ASSETS (equivalent to $22.64 per share on 19,805,000 shares outstanding)	$ 448,399,089
NET ASSETS WERE COMPRISED OF:	
Paid-in capital shares of beneficial interest at $0.01 par value (unlimited shares authorized)	$ 344,056,872
Distributions in excess of net investment income/accumulated net investment loss	1,077,345
Accumulated net realized gain	5,237,420
Net unrealized appreciation	98,027,452
NET ASSETS	$ 448,399,089

* Cost of investments in securities	$ 348,845,829
** Cost of short-term investments	$ 3,791,000
*** Cost of foreign currencies	$ 933,302
^ Premiums received on written options	$ 3,323,998

See Accompanying Notes to Financial Statements

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STATEMENT OF OPERATIONS FOR THE YEAR ENDED FEBRUARY 28, 2011

INVESTMENT INCOME:	
Dividends, net of foreign taxes withheld*[(1)]	$ 8,517,492
Total investment income	8,517,492
EXPENSES:	
Investment management fees	3,944,768
Transfer agent fees	24,379
Administrative service fees	394,472
Shareholder reporting expense	96,573
Professional fees	61,565
Custody and accounting expense	132,137
Trustee fees	12,894
Miscellaneous expense	45,981
Total expenses	4,712,769
Net waived and reimbursed fees	(4,557)
Net expenses	4,708,212
Net investment income	3,809,280
REALIZED AND UNREALIZED GAIN (LOSS):	
Net realized gain (loss) on:	
Investments	23,548,329
Foreign currency related transactions	(50,199)
Written options	(17,573,727)
Net realized gain	5,924,403
Net change in unrealized appreciation or depreciation on:	
Investments	93,711,299
Foreign currency related transactions	2,497
Written options	445,904
Net change in unrealized appreciation or depreciation	94,159,700
Net realized and unrealized gain	100,084,103
Increase in net assets resulting from operations	$ 103,893,383
* Foreign taxes withheld	$ 592,150
(1) Dividends from affiliates	$ 10,793

See Accompanying Notes to Financial Statements

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STATEMENTS OF CHANGES IN NET ASSETS

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