Voya Asia Pacific High Dividend Equity Income Fund
Form N-CSR
May 07, 2014

OMB APPROVAL	
OMB Number:	3235-0570
Expires:	January 31, 2017
Estimated average burden hours per response:	20.6

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

Voya Asia Pacific High Dividend Equity Income Fund

(formerly known as, ING Asia Pacific High Dividend Equity Income Fund)

(Exact name of registrant as specified in charter)

7337 E. Doubletree Ranch Rd. Suite 100, Scottsdale, AZ	**85258**
(Address of principal executive offices)	**(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: **February 28, 2014**

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):

Annual Report

February 28, 2014

ING Asia Pacific High Dividend Equity Income Fund
(Effective May 1, 2014, to be renamed Voya Asia Pacific High Dividend Equity Income 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.

MUTUAL 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.inginvestment.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.inginvestment.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.inginvestment.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 Forms 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.

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PRESIDENT S LETTER

Dear Shareholder,

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

The Fund seeks to achieve its investment objective by investing primarily in a portfolio of high dividend yielding equity securities of Asia Pacific companies. The Fund also seeks to enhance total returns over a market cycle by selling call options on selected Asia Pacific Indices and/or equity securities of Asia Pacific Companies and/or exchange-traded funds.

For the year ended February 28, 2014, the Fund made quarterly distributions totaling $1.35 per share, all characterized as net investment income.

Based on net asset value (NAV), the Fund provided a total return of (7.51)% for the year ended February 28, 2014.[1] This NAV return reflects a decrease in the Fund s NAV from $15.93 on February 28, 2013 to $13.34 on February 28, 2014. Based on its share price, the Fund provided a total return of (14.02)% for the year ended February 28, 2014.[2] This share price return reflects a decrease in the Fund s share price from $15.89 on February 28, 2013 to $12.37 on February 28, 2014.

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 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.inginvestment.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.

On April 7, 2014, ING U.S., Inc. was renamed to Voya Financial, Inc. The actual rebranding of the various businesses that comprise ING U.S. Retirement Solutions, Investment Management and Insurance Solutions will occur in stages, with ING U.S. Investment Management among the first to rebrand.[3] As of May 1, 2014, ING U.S. Investment Management will be known as Voya Investment Management. Though the rebranding will affect product and legal entity names, there will be no disruption in service or product delivery to our clients. As always, we remain committed to delivering unmatched client service with a focus on sustainable long-term investment results, to help investors meet their long-term goals with confidence.

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 Mathews
President and Chief Executive Officer
ING Funds
April 1, 2014

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.inginvestment.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.

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(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.

(3) Please see the Additional Information section regarding rebranding details on page 30.

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MARKET PERSPECTIVE: YEAR ENDED FEBRUARY 28, 2014

By the middle of the fiscal year, global equities, in the form of the MSCI World Index[SM] measured in local currencies, including net reinvested dividends (the Index), had already gained 7.15%. In the second half a change in the dynamics of investor sentiment seemed to emerge and in the end the Index returned 21.53% for the whole fiscal year. (The Index returned 21.68% for the one year ended February 28, 2014, measured in U.S. dollars.)

In the U.S., investor sentiment was cushioned by the U.S. Federal Reserve Board s (Fed) $85 billion of monthly Treasury and mortgage-backed securities purchases in the face of an unimpressive economic recovery. Gross Domestic Product (GDP) in the first quarter of 2013 rose by just 1.8% (annualized) and in the second by only 2.5%. As late as October, the average number of new jobs being created was reported at fewer than 150,000 per month with the unemployment rate at 7.2%. However, a slow recovery was a double-edged sword for markets in risky assets: a faster pace would probably cause the tapering of bond purchases by the Fed.

During most of the summer then, the tapering issue dominated investor confidence. On May 22 and again on June 19, Fed Chairman Bernanke attempted to prepare markets for the beginning of the end of quantitative easing. The reaction was soaring bond yields and by June 24 an 8% slump in the Index from its May 21 peak. Nervous central bankers were forced to give assurances that easy money was here for a long time. Soothed by these and later words of comfort in July, markets recovered, but were dampened again by the threat of military engagement in the Middle East.

Yet a change in the dynamics of investor sentiment seemed to be underway. Middle East tensions eased and attention turned to the September 18 meeting of the Fed, which was widely expected to announce the imminent tapering of the Fed s bond purchases. Surprisingly, on the day before Chairman Bernanke s address, the Index had again reached a new high for the year. This would have been hard to imagine even a few months earlier, but the significance was apparently lost in the shock of the Fed s decision not to taper.

The next jolt to investor sentiment was Congressional gridlock in October, which shut the government down and threatened a debt ceiling crisis of the type that sapped investor confidence in 2011. But a deal to postpone the day of reckoning for a few months was reached on October 16 and markets quickly regained their poise.

Increasingly it appeared that investors were reconciled to tapering, no longer treating bad news on the economy, which might prolong the Fed s bond purchases, as good news. And better news was starting to flow. A limited budget deal was reached on December 11. The unemployment rate fell to 7.0%. GDP growth in the third quarter was revised up to 4.1% (flattered somewhat by inventory accumulation). Consumer confidence was clearly improving.

When on December 18 the Fed did announce a tapering to $75 billion per month with more to come, markets quickly took it in stride and the Index ended 2013 at a new all-time high. January and February saw some U.S. data deteriorate, perhaps cold weather-related, with two weak employment reports (despite the unemployment rate falling to 6.6%), fourth quarter GDP growth down to 2.4% and declining retail sales.

In U.S. fixed income markets, the Barclays U.S. Aggregate Bond Index (Barclays Aggregate) of investment grade bonds returned just 0.15% in the fiscal year. The anticipated end to quantitative easing undermined longer-dated issues. The Barclays Long Term U.S. Treasury sub-index dropped 4.90%, recovering in January and February most of a much larger loss suffered in the first 10 months. The Barclays U.S. Corporate Investment Grade Bond sub-index added 1.42%. However, the (separate) Barclays High Yield Bond 2% Issuer Constrained Composite Index (not a part of the Barclays Aggregate) gained 8.36%.

U.S. equities, represented by the S&P 500® Index including dividends, soared 25.37%, to a record closing high. The health care sector did best with a gain of 39.26%, followed by consumer discretionary 33.79%. By far the worst performer was the telecommunications sector 0.92%, then utilities 12.46%. Operating earnings per share for S&P 500® companies set another record in the fourth quarter of 2013, with the share of profits in national income historically high, supported by low interest rates and sluggish wage growth.

In currencies, the dollar fell 5.40% against the euro during the 12 months and 9.45% against the pound on better economic news from Europe, especially the UK. But the dollar gained 9.98% on the yen in the face of the new Japanese government s aggressive monetary easing.

In international markets, the MSCI Japan® Index surged 26.39% during the fiscal year, but has retreated by 7% in 2014. GDP grew for four consecutive quarters, albeit at declining rates. From October core consumer prices started rising again after years of decline. The MSCI Europe ex UK® Index advanced 21.13%. The euro zone finally recorded quarterly GDP growth of 0.3% in the second quarter of 2013 after six straight quarterly declines, followed by slim gains of 0.1% and 0.3%. The closely watched composite purchasing managers index registered expansion from July after 17 months of contraction. But there was still much to do with unemployment at 12.0%, near an all-time high. The MSCI UK® Index added 10.53%, held back by heavily weighted laggards especially among banks and miners. GDP in the third quarter of 2013 grew an improved 0.8% followed by 0.7%, while unemployment continued to fall. But concerns remained about a housing bubble and consumer prices rising faster than wages.

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.inginvestment.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
Barclays 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 U.S. Corporate Investment Grade Bond Index	An unmanaged index consisting of publicly issued, fixed rate, nonconvertible, investment grade debt securities.
Barclays 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.
Barclays Long Term U.S. Treasury Index	The Index includes all publicly issued, U.S. Treasury securities that have a remaining maturity of 10 or more years, are rated investment grade, and have $250 million or more of outstanding face value.
MSCI All Country Asia Pacific ex-Japan® Index	A free float-adjusted market capitalization weighted index that is designed to measure the equity market performance of Asia, excluding 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 Japan® Index	A free float-adjusted market capitalization index that is designed to measure developed market equity performance in Japan.
MSCI UK® Index	A free float-adjusted market capitalization index that is designed to measure developed market equity performance in the UK.
MSCI World Index℠	

Index	Description
	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 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.

ING Asia Pacific High Dividend Equity Income Fund

Geographic Diversification as of February 28, 2014 *(as a percentage of net assets)*	
Australia	23.7%
China	20.2%
South Korea	14.6%
Taiwan	11.0%
India	7.0%
Hong Kong	6.4%
Indonesia	3.9%
United Kingdom	2.4%
Singapore	2.3%
Malaysia	2.3%
Countries between 1.2% 1.4%ˆ	2.6%
Assets in Excess of Other Liabilities	3.6%
Net Assets	100.0%

ˆIncludes 2 countries, which each represents 1.2% 1.4% of net assets.

Portfolio holdings are subject to change daily.

ING Asia Pacific High Dividend Equity Income Fund* (the Fund) is a diversified, closed-end fund with the investment objective of total return through a combination of current income, capital gains and capital appreciation.

The Fund seeks to achieve its investment objective by investing primarily in a portfolio of dividend yielding equity securities of Asia Pacific companies. For purposes of the Fund s investments, issuers in Asia Pacific countries are those that meet one or more of the following factors: (i) whose principal securities trading markets are in Asia Pacific countries; (ii) that derive at least 50% of their total revenue or profit from either goods produced or sold, investments made or services performed in Asia Pacific countries; (iii) that have at least 50% of their assets in Asia Pacific countries; or (iv) that are organized under the laws of, or with principal offices in, Asia Pacific countries.

The Fund also seeks to enhance returns over a market cycle by selling call options on selected Asia Pacific Indices and/or equity securities of Asia Pacific companies and/or exchange-traded funds (ETFs).

Portfolio Management: The Fund is managed by Manu Vandenbulck, Robert Davis, Nicholas Simar, Willem van Dommelen and Edwin Cuppen, Portfolio Managers of ING Investment Management Advisors B.V. the Sub-Adviser.

Equity Portfolio Construction and Option Strategy: 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 Asia Pacific Companies that are listed and traded principally on Asia Pacific exchanges. The Sub-Adviser seeks to construct a portfolio with a weighted average gross dividend yield that exceeds the dividend yield of the MSCI All Country Asia Pacific ex-Japan® 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 analysis. Quantitative screening narrows the investable universe by focusing on primarily two criteria, liquidity and dividend yield. Screens are employed based on market capitalization, dividend yield and average daily volumes thresholds. The screening process reduces the number of names that undergo further bottom-up analysis. Fundamental factors are used to evaluate dividend sustainability, valuation and growth prospects in order to identify the highest conviction stocks from the investable universe. During this process, stocks are reviewed in detail for cash flow strength, capital structure, capital expenditures and operating margins.

Top Ten Holdings
as of February 28, 2014
(as a percentage of net assets)

Taiwan Semiconductor Manufacturing Co., Ltd.	2.7%
Incitec Pivot Ltd.	1.6%
China Construction Bank	1.6%
Quanta Computer, Inc.	1.5%
Cheng Uei Precision Industry Co., Ltd.	1.4%
Indofood Sukses Makmur Tbk PT	1.4%
China Petroleum & Chemical Corp.	1.4%
Guangdong Investment Ltd.	1.4%
Sky Network Television Ltd.	1.4%
BHP Billiton Ltd.	1.3%

Portfolio holdings are subject to change daily.

The Fund also employs a strategy of writing call options on selected Asia Pacific indices and/or equity securities of Asia Pacific companies and/or ETFs, with the underlying value of such calls generally representing 0% to 50% of the value of its holdings in equity securities. The Fund seeks to generate gains from the call writing strategy over a market cycle to supplement the dividend yield of its underlying portfolio. Call options will be written (sold) usually at-the money, out-of-the-money or near-the-money and can be written both in exchange-listed option markets and over-the-counter markets with major international banks, broker-dealers and financial institutions. The Fund seeks to maintain written call options positions on selected international, regional or country indices and/or equity securities of Asia Pacific companies and/or ETFs whose price movements, taken in the aggregate, are correlated with the price movements of the Fund s portfolio.

Performance: Based on net asset value (NAV) as of February 28, 2014, the Fund provided a total return of (7.51)% for the year. This NAV return reflects a decrease in its NAV from $15.93 on February 28, 2013 to $13.34 on February 28, 2014. Based on its share price as of February 28, 2014, the Fund provided a total return of (14.02)% for the year. This share price return reflects a decrease in its share price from $15.89 on February 28, 2013 to $12.37 on February 28, 2014. To reflect the strategic emphasis of the Fund, the equity portfolio uses the MSCI All Country Asia Pacific ex-Japan Index as a reference index. The MSCI All Country Asia Pacific ex-Japan Index (a market weighted equity index without any style tilt and without call option writing) returned (0.97)% for the reporting period. For the period ended February 28, 2014, the Fund made quarterly distributions totaling $1.35 per share, all characterized net investment income. As of February 28, 2014, the Fund had 12,651,007 shares outstanding.

Portfolio Specifics: Asian equities generally declined during the 12-month period ended February 28, 2014 and considerably lagged developed markets. The region faced two major headwinds during the period: doubts about Chinese economic growth and fears that the U.S. Federal Reserve Board s (the Fed) tapering of quantitative easing would dry up liquidity. There was currency turmoil for India, Indonesia, Thailand and the Philippines, as markets predicted that Fed tapering would put downward pressure on the currencies of

countries with current account deficits. Indonesia (21.9%) was the hardest hit. Macroeconomic imbalances, leaking foreign exchange (FX) reserves and high valuations seemed to be a big worry for investors.

One of the heaviest currency depreciations was for the Indian rupee after markets dismissed attempts by India s government and India s central bank to stop the slide. The country recovered, however, after the Reserve Bank of India (RBI) opened a special FX swap line for India s state-owned oil companies to source their U.S. dollar requirement instead of using the spot market. The new governor of the RBI, Raghuram Rajan, also adopted measures to support banks and the rupee. Towards the end of the period the performance of equities in India became linked to the 2014 elections, and finished the period down 1.7%.

Chinese equities fell 0.8%, roughly in line with the index. Macroeconomic indicators were weak at the beginning of the period, and then showed signs of improvement before eventually softening towards the end. GDP growth decreased from 7.9% to 7.7%. Further evidence of a slowdown came from the HSBC/market Flash PMI manufacturing indicator, which dropped to 48.3 having been above 50. China s shadow banking industry was also in focus after a trust loan made to a coal mining company came close to an unprecedented default.

Elsewhere, the depreciating Japanese yen put pressure on Korea s automobile firms, but Korean equities (+0.5%) still managed to outperform, helped by the country s large information technology (IT) sector. IT was the best performing sector in the region. Taiwan, another tech heavyweight, made strong gains (+6.6%). Malaysia was the best performing country overall, helped by its current account surplus and also better visibility following its general election. Australian equities (-3.2%) underperformed due to a weak Australian dollar. In local terms, however, Australian stocks actually gained 10.8%.

Equity Portfolio: The equity dividend portfolio part of the strategy underperformed the MSCI All Country Asia Pacific ex-Japan Index due to stock selection. The main detractor from performance was a lack of exposure to Asian internet stocks that do not pay dividends, yet performed strongly. Not holding the Chinese company Tencent Holdings Ltd. had the largest negative impact on relative performance as the stock rose due to enthusiasm for its social media messaging app called WeChat. In addition to China, stock picking was negative in India, Australia and Hong Kong. Our Taiwanese, South Korean and Singaporean stocks did relatively better. Hyundai Motor Co. Ltd. was the biggest active contributor in the portfolio. Country allocation contributed to relative performance due to our positioning in China, Thailand, Australia and Singapore. Allocation to Indonesia detracted from results.

Our main overweight positions are in India and Indonesia. Singapore, Australia and Malaysia are the largest country underweights. The utility sector is the largest overweight and financials is the largest underweight. We are extra tilted to value with overweights in the energy and industrial sectors, which we believe offer more valuation support than growth and greater cyclical upside than bond proxies, *i.e.*, stocks with so-called safe dividends that won t be cut even if the economy falters.

Option Portfolio: The Fund generates premiums and seeks gains by writing (selling) call options on a basket of international indexes, which make up a portion of the equity portfolio s value. During the reporting period, the managers sold call options on the Australia (ASX), Hong Kong (Hang Seng), Korea (KOSPI 200) and Taiwan (TWSE) indices. The coverage ratio was kept low ar stable at around 25% of total Fund value. The Fund managers generally sold options at-the-money, with a maturity of about four weeks.

Our reporting year started with a decline in the relevant markets. Lows were reached around the end of June. Since then, markets have been in an uptrend. By the end of the reporting period, the Taiwanese and Australian markets were up, while the Korean market ended in negative territory. The Hong Kong market also posted a negative return for the reporting period, although this was marginal. Overall, the option overlay detracted from Fund performance.

Current Strategy and Outlook: We maintain a balanced view on Asia-Pacific assets. On the one hand, Asia ex-Japan markets have been underperforming global equity markets and valuations are starting to look cheap, in our opinion, in select stocks and countries. On the other hand, we believe there are potential challenges ahead: 1) the gradual adjustment of China towards a path of slower economic growth; 2) the impact of tapering on global liquidity and investment flows to emerging markets; and 3) the uncertain political landscape; 2014 is an important election year for some markets, obscuring the direction of monetary and fiscal policy.

We believe equity investors can still benefit from diversification into the Asia-Pacific region. In our view, prospects remain good there for companies that are able to steadily grow earnings and cash flows, and that have the capital discipline to deliver a portion of their profits to shareholders. The current dividend yield on Asia ex-Japan equities, 2.7%, remains higher than some major developed markets such as the United States (2.1%) and Japan (1.9%).

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* Effective May 1, 2014, the Fund will be renamed Voya Asia Pacific High Dividend Equity Income 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.

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

The Shareholders and Board of Trustees
ING Asia Pacific High Dividend Equity Income Fund

We have audited the accompanying statement of assets and liabilities, including the summary portfolio of investments, of ING Asia Pacific High Dividend Equity Income Fund, as of February 28, 2014, and the related statement of operations for the year then ended, the statements of changes in net assets for each of the years in the two-year period then ended, and the financial highlights for each of the years or periods in the seven-year period then ended. 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, 2014, by correspondence with the custodian, transfer agent, 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 Asia Pacific High Dividend Equity Income Fund as of February 28, 2014, and the results of its operations for the year then ended, the statements of changes in its net assets for each of the years in the two-year period then ended, and the financial highlights for the each of the years or periods in the seven-year period then ended, in conformity with U.S. generally accepted accounting principles.

Boston, Massachusetts
April 24, 2014

STATEMENT OF ASSETS AND LIABILITIES AS OF FEBRUARY 28, 2014

ASSETS:	
Investments in securities at fair value*	$162,691,683
Cash	7,666,548
Foreign currencies at value**	84,304
Receivables:	
Dividends	621,923
Prepaid expenses	1,210
Total assets	171,065,668
LIABILITIES:	
Payable for investment management fees	147,057
Payable for administrative fees	12,788
Payable for trustee fees	2,332
Other accrued expenses and liabilities	143,294
Written options, at fair valueˆ	1,999,870
Total liabilities	2,305,341
NET ASSETS	$168,760,327
NET ASSETS WERE COMPRISED OF:	
Paid-in capital	$201,526,819
Undistributed net investment income	212,463
Accumulated net realized loss	(18,213,017)
Net unrealized depreciation	(14,765,938)
NET ASSETS	$168,760,327

* Cost of investments in securities	$176,084,950
** Cost of foreign currencies	$ 85,297
ˆ Premiums received on written options	$ 628,138

Net assets	$168,760,327
Shares authorized	unlimited
Par value	$ 0.010
Shares outstanding	12,651,007
Net asset value	$ 13.34

See Accompanying Notes to Financial Statements

STATEMENT OF OPERATIONS FOR THE YEAR ENDED FEBRUARY 28, 2014

INVESTMENT INCOME:	
Dividends, net of foreign taxes withheld*	$ 7,092,839
Total investment income	7,092,839
EXPENSES:	
Investment management fees	2,087,041
Transfer agent fees	23,114
Administrative service fees	181,480
Shareholder reporting expense	41,058
Professional fees	101,930
Custody and accounting expense	184,349
Trustee fees	6,343
Miscellaneous expense	46,692
Total expenses	2,672,007
Net investment income	4,420,832
REALIZED AND UNREALIZED GAIN (LOSS):	
Net realized gain (loss) on:	
Investments (net of Indian capital gains tax withheldˆ)	12,488,415
Foreign currency related transactions	(192,827)
Written options	(212,316)
Net realized gain	12,083,272
Net change in unrealized appreciation (depreciation) on:	
Investments	(31,729,219)
Foreign currency related transactions	(1,031)
Written options	(454,663)
Net change in unrealized appreciation (depreciation)	(32,184,913)
Net realized and unrealized loss	(20,101,641)
Decrease in net assets resulting from operations	$ (15,680,809)

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* Foreign taxes withheld	$ 505,749
ˆ Foreign taxes on sale of Indian investments	$ 67,944

See Accompanying Notes to Financial Statements

STATEMENTS OF CHANGES IN NET ASSETS

	Year Ended February 28, 2014	Year Ended February 28, 2013
FROM OPERATIONS:		
Net investment income	$ 4,420,832	$ 3,688,164
Net realized gain	12,083,272	6,344,541
Net change in unrealized appreciation (depreciation)	(32,184,913)	1,699,082
Increase (decrease) in net assets resulting from operations	(15,680,809)	11,731,787
FROM DISTRIBUTIONS TO SHAREHOLDERS:		
Net investment income	(17,078,221)	(7,002,466)
Return of capital		(11,906,624)
Total distributions	(17,078,221)	(18,909,090)
FROM CAPITAL SHARE TRANSACTIONS:		
Reinvestment of distributions	28,199	1,249,909
Net increase in net assets resulting from capital share transactions	28,199	1,249,909
Net decrease in net assets	(32,730,831)	(5,927,394)
NET ASSETS:		
Beginning of year or period	201,491,158	207,418,552
End of year or period	$168,760,327	$201,491,158
Undistributed net investment income at end of year or period	$ 212,463	$ 350,612

See Accompanying Notes to Financial Statements

FINANCIAL HIGHLIGHTS

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

	Per Share Operating Performance										
		Income (loss) from investment operations			Less distributions						
	Net asset value, beginning of year or period	Net investment income (loss)	Net realized and unrealized gain (loss)	Total from investment operations	From net investment income	From net realized gains	From return of capital	Total distributions	Net asset value, end of year or period	Market value, end of year or period	T inves re r as va
Year or period ended	($)	($)	($)	($)	($)	($)	($)	($)	($)	($)	(
02-28-14	15.93	0.35	(1.59)	(1.24)	1.35			1.35	13.34	12.37	(

					Per Share Operating Performance						
02-28-13	16.51	0.29	0.63	0.92	0.55		0.95	1.50	15.93	15.89	
02-29-12	18.16	0.38	(0.35)	0.03	0.98		0.70	1.68	16.51	17.16	
02-28-11	17.02	0.33	2.54	2.87	1.73			1.73	18.16	18.82	**1**
02-28-10	11.34	0.32	7.30	7.62	0.34		1.60	1.94	17.02	18.05	**6**
02-28-09	22.99	0.64	(10.30)	(9.66)	0.64		1.35	1.99	11.34	10.18	**(4**
03-30-07(5) 02-29-08	23.83(6)	0.72	0.13	0.85	0.77	0.92		1.69	22.99	20.65	

(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.

(3) Annualized for periods less than one year.

(4) The Investment Adviser has agreed to limit expenses, (excluding interest, taxes, brokerage, extraordinary expenses and acquired fund fees and expenses) subject to possible recoupment by ING Investments, LLC within three years of being incurred.

(5) Commencement of operations.

(6) Net asset value at beginning of period reflects the deduction of the sales load of $1.125 per share and the offering costs of $0.05 per share paid by the shareholder from the $25.00 offering price.

Calculated using average number of shares outstanding throughout the period.

See Accompanying Notes to Financial Statements

NOTES TO FINANCIAL STATEMENTS AS OF FEBRUARY 28, 2014

NOTE 1 ORGANIZATION

ING Asia Pacific High Dividend Equity Income 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.*** U.S. GAAP defines fair value as the price 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. Investments in equity securities traded on a national securities exchange are valued at the official closing price when available or, for certain markets, the last reported sale price on each valuation day. Securities traded on an exchange 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 on each valuation day. 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 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 (NAV). Investments in securities of sufficient credit quality, maturing 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 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 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

NOTE 2 SIGNIFICANT ACCOUNTING POLICIES (continued)

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.

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.

The Board has adopted methods for valuing securities and other assets in circumstances where market quotes are not readily available, and has delegated the responsibility for applying the valuation methods to the Pricing Committee as established by the Fund s Administrator. The Pricing Committee considers all facts it deems relevant that are reasonably available, through either public information or information available to the Investment Adviser or sub-adviser, when determining the fair value of the security. In the event that a security or asset cannot be valued pursuant to one of the valuation methods established by the Board, the fair value of the security or asset will be determined in good faith by the Pricing Committee. When the Fund uses these fair valuation methods that use significant unobservable inputs to determine its NAV, securities will be priced by a method that the Pricing Committee believes accurately reflects fair value and are categorized as Level 3 of the fair value hierarchy. The methodologies used for valuing securities are not necessarily an indication of the risks of investing in those securities nor can it be assured the Fund can obtain the fair value assigned to a security if they were to sell the security.

To assess the continuing appropriateness of security valuations, the Pricing Committee may compare prior day prices, prices on comparable securities, and traded prices to the prior or current day prices and the Pricing Committee challenges those prices exceeding certain tolerance levels with the independent pricing service or broker source. For those securities valued in good faith at fair value, the Pricing Committee reviews and affirms the reasonableness of the valuation on a regular basis after considering all relevant information that is reasonably available.

For fair valuations using significant unobservable inputs, U.S. GAAP requires a reconciliation of the beginning to ending balances for reported fair values that presents changes attributable to total realized and unrealized gains or losses, purchases and sales, and transfers in or out of the Level 3 category during the period. The end of period timing recognition is used for the transfers between Levels of the Fund s assets and liabilities. A reconciliation of Level 3 investments is presented only when the Fund has a significant amount of Level 3 investments.

For the year ended February 28, 2014, 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.

NOTE 2 SIGNIFICANT ACCOUNTING POLICIES (continued)

(2) 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, 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. The foregoing risks are even greater with respect to securities in emerging markets.

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. Such quarterly distributions may also consist of a return of capital. 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. GAAP 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.

F. ***Use of Estimates.*** The preparation of financial statements in conformity with U.S. GAAP 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 objectives 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

NOTE 2 SIGNIFICANT ACCOUNTING POLICIES (continued)

increase or decrease its exposure to the following market risk factors:

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 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. The Fund may lose money if short-term or long-term interest rates rise sharply or otherwise change in a manner not anticipated by the sub-adviser. As of the date of this report, interest rates in the United States are at, or near, historic lows, which may increase the Fund s exposure to risks associated with rising interest rates.

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.

NOTE 2 SIGNIFICANT ACCOUNTING POLICIES (continued)

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 year ended February 28, 2014.

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 February 28, 2014, the total value of written OTC call options subject to Master Agreements in a liability position was $1,999,870. 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 year end. There were no credit events during the year ended February 28, 2014 that triggered any credit related contingent features.

H. ***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 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 year ended February 28, 2014.

I. ***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 Adviser), 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. For purposes of the Management Agreement, 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 February 28, 2014, there were no preferred shares outstanding.

The Investment Adviser has retained ING Investment Management Co. LLC (ING IM or the Consultant), a Delaware limited liability company, to provide certain consulting services for the Investment Adviser. These services include, among other things, furnishing 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.

NOTE 3 INVESTMENT MANAGEMENT AND ADMINISTRATIVE FEES (continued)

The Investment Adviser entered into a sub-advisory agreement with ING Investment Management Advisors B.V. (IIMA) a subsidiary of ING Groep N.V. (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.

Effective May 6, 2013, the Investment Adviser entered into a sub-advisory agreement with ING IM. Subject to policies as the Board or the Investment Adviser might determine, ING IM will manage the Fund s assets in accordance with the Fund s investment objectives, policies and limitations.

IIMA currently manages the Fund s assets; however, in the future, the Investment Adviser may allocate the Fund s assets to ING IM for management, and may change the allocation of the Fund s assets among the two sub-advisers in its discretion, to pursue the Fund s investment objective. Each sub-adviser would make investment decisions for the assets it is allocated to manage.

ING Funds Services, LLC (the Administrator), a Delaware limited liability company, 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.

NOTE 4 EXPENSE LIMITATION AGREEMENT

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, extraordinary expenses, and acquired fund fees and 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, after such recoupment, the Fund s expense ratio does not exceed the percentage described above. The Expense Limitation Agreement is contractual through March 1, 2015 and shall renew automatically for one-year terms unless; (i) ING Investments provides 90 days written notice of its termination and such termination is approved by the Board; or (ii) the Management Agreement has been terminated.

Waived and reimbursed fees and any recoupment by the Investment Adviser of such waived and reimbursed fees are reflected on the accompanying Statement of Operations.

As of February 28, 2014, there are no amounts of waived or reimbursed fees that are subject to possible recoupment by the Investment Adviser.

NOTE 5 OTHER TRANSACTIONS WITH AFFILIATES AND RELATED PARTIES

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 6 PURCHASES AND SALES OF INVESTMENT SECURITIES

The cost of purchases and proceeds from sales of investments for the year ended February 28, 2014, excluding short-term securities, were $113,429,755 and $131,248,874 respectively.

NOTE 7 TRANSACTIONS IN WRITTEN OPTIONS

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

	Number of Contracts	Premiums Received
Balance at 02/28/13	45,439,800	$ 578,096
Options Written	489,343,900	8,233,981
Options Expired	(245,658,900)	(3,436,131)
Options Exercised		
Options Terminated in Closing Purchase Transactions	(251,491,000)	(4,747,808)
Balance at 02/28/14	37,633,800	$ 628,138

NOTE 8 CONCENTRATION OF 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

NOTE 8 CONCENTRATION OF RISKS (continued)

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.

Asia Pacific Regional and Country Risks. Investments in the Asia Pacific region are subject to special risks. The Asia Pacific region includes countries in all stages of economic development. Some Asia Pacific economies may be characterized by over-extension of credit, currency devaluations and restrictions, underdeveloped financial services sectors, heavy reliance on international trade, and economic recessions. In addition, the economies of many Asia Pacific countries are dependent on the economies of the United States, Europe and other Asian countries, and a deceleration in any of these economies could negatively impact the economies of Asia Pacific countries. Currency fluctuations, devaluations and trading restrictions in any one country can have a significant effect on the entire Asia Pacific region. Increased political and social instability in any Asia Pacific country could cause further economic and market uncertainty in the region, or result in significant downturns and volatility in the economies of Asia Pacific countries. The development of Asia Pacific economies, and particularly those of China, Japan and South Korea, may also be affected by political, military, economic and other factors related to North Korea.

NOTE 9 CAPITAL SHARES

Transactions in capital shares and dollars were as follows:

	Reinvestment of distributions	Net increase in shares outstanding	Reinvestment of distributions	Net increase
Year or period ended	**#**	**#**	**($)**	**($)**
2/28/2014	1,800	1,800	28,199	28,199
2/28/2013	82,817	82,817	1,249,909	1,249,909

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. GAAP 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 companies (PFICs) 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 permanent tax differences have been reclassified as of the Fund s tax year ended December 31, 2013[(1)]:

Paid-in Capital	Undistributed Net Investment Income	Accumulated Net Realized Gains/(Losses)
$(13,144,143)	$12,519,240	$624,903

(1) $13,130,880 relates to distributions in excess of net investment income taxed as ordinary income due to current year earnings and profits.

Dividends paid by the Fund from net investment income and distributions of net realized short-term 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, 2014. The tax composition of dividends and distributions as of the Fund s most recent tax year-ends was as follows:

Tax Year Ended December 31, 2013	Tax Year Ended December 31, 2012	
Ordinary Income	Ordinary Income	Return of Capital

Tax Year Ended December 31, 2013	Tax Year Ended December 31, 2012	
$17,078,220	$7,002,465	$11,906,624

The tax-basis components of distributable earnings and the capital loss carryforwards which may be used to offset future realized capital gains for federal income tax purposes as of December 31, 2013 are detailed below. The Regulated Investment Company Modernization Act of 2010 (the Act) provides an unlimited carryforward period for newly generated capital losses. Under the Act, there may be a greater likelihood that all or a portion of the Fund s pre-enactment capital loss carryforwards may expire without being utilized due to the fact that post-enactment capital losses are required to be utilized before pre-enactment capital loss carryforwards.

NOTE 10 FEDERAL INCOME TAXES (continued)

Late Year Ordinary Losses Deferred	Post-October Capital Losses Deferred	Unrealized Appreciation/ (Depreciation)	Short-term Capital Loss Carryforwards	Expiration
$(190,748)	$(2,338,300)	$(9,042,590)	$(16,547,878)	2017

The Fund s major tax jurisdictions are U.S. federal and Arizona. The earliest tax year that remains subject to examination by these jurisdictions is 2009.

As of February 28, 2014, 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.

NOTE 11 RESTRUCTURING PLAN

In October 2009, ING Groep submitted a restructuring plan (the Restructuring Plan) to the European Commission in order to receive approval for state aid granted to ING Groep by the Kingdom of the Netherlands in November 2008 and March 2009. To receive approval for this state aid, ING Groep was required to divest its insurance and investment management businesses, including ING U.S., before the end of 2013. In November 2012, the Restructuring Plan was amended to permit ING Groep additional time to complete the divestment. Pursuant to the amended Restructuring Plan, ING Groep must divest at least 25% of ING U.S. by the end of 2013, more than 50% by the end of 2014, and the remaining interest by the end of 2016 (such divestment, the Separation Plan).

In May 2013, ING U.S. conducted an initial public offering of ING U.S. common stock (the IPO). In October 2013, ING Groep divested additional shares in a secondary offering of common stock of ING U.S. In March 2014, ING Groep divested additional shares, reducing its ownership interest in ING U.S. below 50%. ING U.S. did not receive any proceeds from these offerings.

ING Groep has stated that it intends to sell its remaining interest in ING U.S. over time. While the base case for the remainder of the Separation Plan is the divestment of ING Groep s remaining interest in one or more broadly distributed offerings, all options remain open and it is possible that ING Groep s divestment of its remaining interest in ING U.S. may take place by means of a sale to a single buyer or group of buyers.

It is anticipated that one or more of the transactions contemplated by the Separation Plan would result in the automatic termination of the existing investment advisory and sub-advisory agreements under which the Investment Adviser and sub-adviser provide services to the Fund. In order to ensure that the existing investment advisory and sub-advisory services can continue uninterrupted, the Board approved new advisory and sub-advisory agreements for the Fund in connection with the IPO. Shareholders of the Fund approved the new investment advisory and sub-advisory agreements prompted by the IPO, as well as any future advisory and sub-advisory agreements prompted by the Separation Plan that are approved by the Board and whose terms are not materially different from the current agreements. This means that shareholders may not have another opportunity to vote on a new agreement with the Investment Adviser or an affiliated sub-adviser even if they undergo a change of control, as long as no single person or group of persons acting together gains control (as defined in the 1940 Act) of ING U.S.

The Separation Plan, whether implemented through public offerings or other means, may be disruptive to the businesses of ING U.S. and its subsidiaries, including the Investment Adviser and affiliated entities that provide services to the Fund, and may cause, among other things, interruption of business operations or services, diversion of management s attention from day-to-day operations, reduced access to capital, and loss of key employees or customers. The completion of the Separation Plan is expected to result in the Investment Adviser s loss of access to the resources of ING Groep, which could adversely affect its business. Since a portion of the shares of ING U.S., as a standalone entity, are publicly held, it is subject to the reporting requirements of the Securities Exchange Act of 1934 as well as other U.S. government and state regulations, and subject to the risk of changing regulation.

The Separation Plan may be implemented in phases. During the time that ING Groep retains a significant interest in ING U.S., circumstances affecting ING Groep, including restrictions or requirements imposed on ING Groep by European and other authorities, may also affect ING U.S. A failure to complete the Separation Plan could create uncertainty about the nature of the relationship between ING U.S. and ING Groep, and could adversely affect ING U.S. and the Investment Adviser and its affiliates. Currently, the Investment Adviser and its affiliates do not anticipate that the Separation Plan will have a material adverse impact on their operations or the Fund and its operation.

NOTE 12 SUBSEQUENT EVENTS

Dividends: Subsequent to February 28, 2014, the Fund made a distribution of:

Per Share Amount	Declaration Date	Payable Date	Record Date
$0.320	3/17/2014	4/15/2014	4/3/2014

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.

Effective May 1, 2014, the Fund is to be renamed Voya Asia Pacific High Dividend Equity Income Fund.

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.

ING Asia Pacific High Dividend Equity Income Fund

SUMMARY PORTFOLIO OF INVESTMENTS
as of February 28, 2014

Shares		Value	Percentage of Net Assets
COMMON STOCK: 93.6%			
71,775	Australia & New Zealand Banking Group Ltd.	$ 2,063,556	1.2
67,032	BHP Billiton Ltd.	2,299,098	1.4
1,159,378	CFS Retail Property Trust	2,041,283	1.2
188,754	Coca-Cola Amatil Ltd.	1,905,529	1.1
505,737	Goodman Group	2,172,826	1.3
981,600	Incitec Pivot Ltd.	2,758,167	1.6
382,675	Insurance Australia Group	1,858,125	1.1
694,339	Metcash Ltd.	1,921,403	1.1
64,274	National Australia Bank Ltd.	1,998,849	1.2
35,778	Rio Tinto Ltd.	2,137,472	1.3
161,211	Santos Ltd.	1,965,555	1.2
3,893,304	Sigma Pharmaceuticals Ltd.	2,212,416	1.3
1,394,797	Spark Infrastructure Group	2,130,957	1.3
622,179	Stockland	2,148,692	1.3
171,544	Suncorp Group Ltd	1,865,264	1.1
610,602	Sydney Airport	2,216,149	1.3
410,488	Toll Holdings Ltd.	1,952,986	1.2
346,785	Transurban Group	2,191,609	1.3
72,128	Westpac Banking Corp.	2,164,699	1.3
		40,004,635	**23.8**
648,000	BOC Hong Kong Holdings Ltd.	1,969,460	1.2
3,132,000	China BlueChemical Ltd.	1,831,116	1.1
3,949,960	China Construction Bank	2,721,451	1.6
184,500	China Mobile Ltd.	1,750,062	1.0
716,000	China Overseas Land & Investment Ltd.	1,929,686	1.1
2,631,800	China Petroleum & Chemical Corp.	2,329,687	1.4
916,000	China Resources Power Holdings Co.	2,216,391	1.3
5,140,000	China Shanshui Cement Group Ltd.	1,823,159	1.1
4,074,000	China Telecom Corp., Ltd.	1,763,173	1.0
2,218,000	Guangdong Investment Ltd.	2,324,278	1.4
2,909,379	Industrial and Commercial Bank of China Ltd.	1,749,042	1.0
1,840,000			