Commentary | 4Q24

Voya Global Income and Growth Fund

Focused On Providing Consistent Income With Upside Participation, Downside Managementt

Strategy overview

A multi-asset client solution that seeks to deliver consistent income and capital growth with less volatility than a stock-only portfolio through investments in global equities, global convertible securities and global high-yield corporate bonds.

Key takeaways

- For the quarter, the Fund underperformed the equity-only benchmark MSCI World Index (the Index) on a net asset value (NAV) basis.
- The portfolio was negatively impacted by weakness across global risk assets.
- Global economic growth could begin to stabilize as central banks worldwide reduce interest rates or implement stimulus to boost spending.
- Mid- to high-single-digit returns in 2025 are possible for global large-cap equities, global convertible securities and global high-yield (HY) corporate bonds.

Portfolio review

The Fund was negatively impacted by weakness across global large-cap equities, global convertible securities and global HY corporate bonds.

The top contributors included a software position with bitcoin exposure, a semiconductor company reporting significant revenue growth and a technology holding capitalizing on secular trends around artificial intelligence. The other top contributors were an electric vehicle manufacturer, as well as a fuel cell manufacturer that outperformed following the announcement of a key strategic partnership.

The top detractors during the period included an ecommerce holding that underperformed on macro-related concerns and a commercial real estate operator expected to benefit from stabilizing property values and increasing earnings capacity. The other top detractors included multiple software companies, in addition to a specialty chemical position that fell on growth fears.

Current strategy and outlook

Global economic growth could begin to stabilize as central banks worldwide reduce interest rates or implement stimulus to boost spending. The U.S. economy should continue to expand in 2025, supported by earnings growth, further U.S. Federal Reserve easing as inflation and the labor market continue to normalize, and the new administration's pro-U.S. growth policies.

An investor should consider the investment objectives, risks, charges and expenses of the Fund(s) carefully before investing. For a free copy of the Funds' prospectus, or summary prospectus, which contains this and other information, visit us at www.voyainvestments.com or call (800) 992-0180. Please read the prospectus carefully before investing.

Apart from these factors, steady consumer spending, ongoing services sector expansion, continued fiscal spending and improving productivity aided by the proliferation of artificial intelligence (AI) are U.S. growth tailwinds. Risk to the U.S. economy may increase if these trends weaken. Other considerations include tariff and immigration policies, geopolitical tensions, prolonged labor market softening and continued manufacturing contraction in the United States and economic weakness outside of the U.S.

Against this backdrop, mid- to high-single-digit returns in 2025 are possible for global large-cap equities, global convertible securities and global HY corporate bonds. The equity market's path will not be linear, with bouts of volatility probable throughout the year. Given their defensive characteristics, HY corporate bonds and convertible securities can mitigate market volatility better than equities.

The expected range of annual returns for global large-cap equities is 5–10%. The market could benefit from continued Fed easing, economic growth and accelerating or inflecting earnings from more companies. Secular growth themes, such as AI, lower taxes, increased mergers and acquisition activity, deregulation, productivity gains and share buybacks are also catalysts. If either economic growth or earnings growth fall short of expectations, the equity market could be challenged. U.S. valuations will continue to be debated.

Global convertible securities have an attractive asymmetric return profile, providing upside participation potential when stock prices rise and downside mitigation when stock prices fall. The asset class may outperform the broad equity market if leadership broadens, and new issuance remains steady. U.S. $85–95 billion of new issuance is expected in 2025 due to coupon savings demand, elevated refinancing needs and a positive outlook for price appreciation among small- and mid-cap companies. Aside from diversification benefits, new issuance expands the opportunity set of investments with attractive terms and the desired risk and reward characteristics.

The global HY market, yielding over 7%[1], is expected to deliver a coupon-like return in 2025 with upside possible. As a result, the asset class continues to offer equity-like returns but with less volatility. The market's attractive total return potential is a function of its discount to face value and higher coupon, which also serves to cushion downside volatility. Credit fundamental factors are stable, near-term refinancing obligations remain low and management teams continue to exercise balance sheet discipline. Increased mergers and acquisition activity and deregulation could also have a positive market impact. In this environment, new issuance is expected to remain elevated, the default rate should stay below the historical average of 3–4%, and spreads can remain tight.

A covered call options strategy can be utilized to generate premium income. In periods of elevated or rising equity volatility, premiums collected may translate into more attractive annualized yields.

Collectively, these asset classes can provide a steady source of income and a compelling "participate and mitigate" return profile.

The Global Income strategy is a client solution designed to provide high monthly income, the potential for capital appreciation, and less volatility than an equity-only fund.

[1] Source: ICE Data Services; data as of December 2024.

The **MSCI World Index** captures large and mid-cap representation across 23 Developed Markets (DM) countries. With 1,410 constituents, the index covers approximately 85% of the free float-adjusted market capitalization in each country. **Investors cannot directly invest in an Index.**

Past performance is no guarantee of future returns. All investing involves risks of fluctuating prices and the uncertainties of rates of return and yield inherent in investing. All security transactions involve substantial risk of loss. Please reference your client statement for a complete review of recent transactions and performance.

Investment Risks: All investing involves risks of fluctuating prices and the uncertainties of rates of return and yield inherent in investing. **Debt Instruments:** Debt instruments are subject to greater levels of credit and liquidity risk, may be speculative and may decline in value due to changes in interest rates or an issuer's or counterparty's deterioration or default. **High Yield Fixed Income Securities:** There is a greater risk of issuer default, less liquidity, and increased price volatility related to high yield securities than investment grade securities. **Market Volatility:** The value of the securities in the Fund may go up or down in response to the prospects of individual companies and/or general economic conditions. Price changes may be short- or long-term. Local, regional or global events such as war, acts of terrorism, the spread of infectious illness or other public health issue, recessions, or other events could have a significant impact on the Fund and its investments, including hampering the ability of the portfolio's manager(s) to invest the Fund's assets as intended. **Issuer Risk:** The Fund will be affected by factors specific to the issuers of securities and other instruments in which the Fund invests, including actual or perceived changes in the financial condition or business prospects of such issuers. **Interest Rate:** The values of debt instruments may rise or fall in response to changes in interest rates, and this risk may be enhanced for securities with longer maturities. **Credit Risk:** If the issuer of a debt instrument fails to pay interest or principal in a timely manner, or negative perceptions exist in the market of the issuer's ability to make such payments, the price of the security may decline. **Investors should consult the Fund's Prospectus and Statement of Additional Information for a more detailed discussion of the Fund's risks.**

This commentary has been prepared by Voya Investment Management for informational purposes. Nothing contained herein should be construed as (i) an offer to sell or solicitation of an offer to buy any security or (ii) a recommendation as to the advisability of investing in, purchasing or selling any security. Any opinions expressed herein reflect our judgment and are subject to change. Certain of the statements contained herein are statements of future expectations and other forward-looking statements that are based on management's current views and assumptions and involve known and unknown risks and uncertainties that could cause actual results, performance or events to differ materially from those expressed or implied in such statements. Actual results, performance or events may differ materially from those in such statements due to, without limitation, (1) general economic conditions, (2) performance of financial markets, (3) interest rate levels, (4) increasing levels of loan defaults (5) changes in laws and regulations and (6) changes in the policies of governments and/or regulatory authorities.

The opinions, views and information expressed in this commentary regarding holdings are subject to change without notice. The information provided regarding holdings is not a recommendation to buy or sell any security. Strategy holdings are fluid and are subject to daily change based on market conditions and other factors.

Maturity allocations are based on the sum of the weighted average of each security where maturity is relevant. Credit Quality is calculated based on S&P ratings. If no S&P rating is available, the Moody's equivalent will be used. If no Moody's rating is available, the security will be placed in the NR (Not Rated) category. Internal ratings will not be used for any security. Ratings do not apply to the Fund itself or the Fund shares. Ratings are subject to change. Ratings are a measure of quality and safety of a bond based on the financial condition of the issuer. Generally accepted, AAA is the highest grade (best) to D which is the lowest (worst). Due to rounding, numbers presented may not add up to 100% and percentages may not precisely reflect the absolute figures.

The Fund discussed may be available to you as part of your employer sponsored retirement plan. There may be additional plan level fees resulting in personal performance that varies from stated performance. Please call your benefits office for more information.

IM4168744 • 123124 • ex123125