

# Voya Core Fixed Income Strategy

Strategy-at-a-glance	
Objective <sup>1</sup>	To outperform the Bloomberg U.S. Aggregate Index over a full credit cycle
Value Added Sources	Sector Allocation: 40-60% Security Selection: 40-60% Interest Rate/ Curve Position: 10-20%
Inception Date	02/01/98
Strategy Assets <sup>2</sup>	\$1.2 billion
Benchmark	Bloomberg U.S. Aggregate Bond Index
Available Vehicles	Separate Account

<sup>1</sup> There is no guarantee that this objective will be achieved.

<sup>2</sup> AUM as of 12/31/23

## Strategy overview

The Core Fixed Income strategy seeks to maximize total return over a full market cycle via a broadly diversified and well-balanced multi-sector approach focused exclusively on investment grade debt securities.

## Investment philosophy

We believe that intensive security level research paired with a broadly informed awareness of the economic and credit cycles are critical to identifying superior investment opportunities and managing downside risk.

The following key beliefs underpin our investment philosophy:

- Security selection is a significant driver of risk and returns
- Nimble sector and sub-sector allocations capture relative value
- Risk management is critical throughout the entire investment process

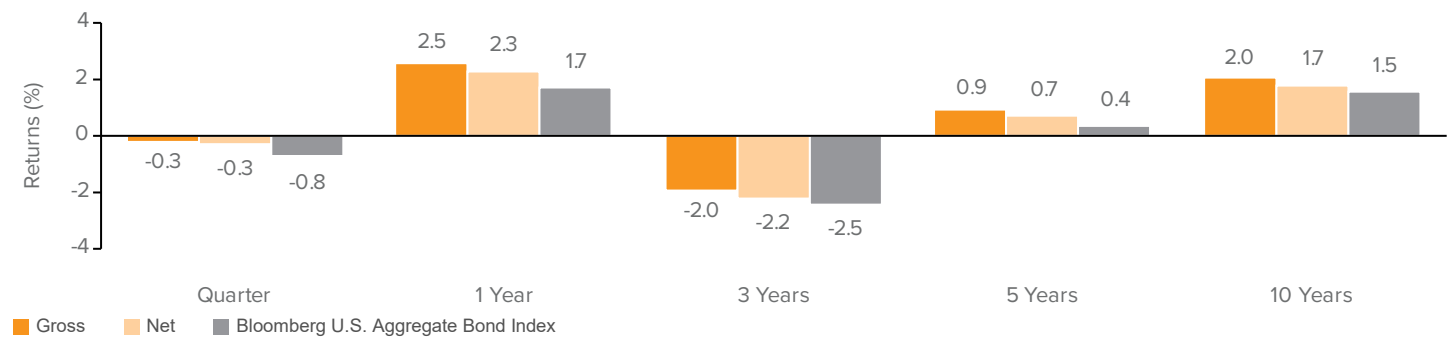
These three key beliefs frame an integrated strategy that incorporates a dynamic blend of top-down and bottom-up approaches.

## Investment process

Supported by a seasoned team of fixed income professionals, our three-step process leverages the collective insights from across Voya's Fixed Income platform, incorporating both top-down and bottom-up research insights. First, our asset allocation committee deliberates and prioritizes investment themes impacting fixed income markets, offers unencumbered views regarding sectors and overall risk posturing. Next, the multi-sector team then builds a model portfolio, incorporating client guidelines and objectives. Finally, individual sector teams are then responsible for identifying and trading specific bonds.

## Performance

### Voya Core Fixed Income Composite



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**Past performance does not guarantee future results.** Performance numbers for time periods greater than one year are annualized. The Composite represents the investment results of a group of fully discretionary portfolios managed according to the strategy. Returns include the reinvestment of income. Gross-of-fees returns are presented before management and custodial fees but after all trading expenses. Net-of-fees returns are calculated by deducting a hypothetical management fee from the gross return on a monthly basis and geometrically linking the results to produce returns shown. The hypothetical management fee is equal to or greater than the asset-weighted average of each accounts' fee schedule in the composite. The model fee used will result in a net return that is equal to or lower than a net return using actual fees. For a description of advisory fees, please see Form ADV, Part II. Gross returns should be used as Supplemental Information only.

Not FDIC Insured | May Lose Value | No Bank Guarantee

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INVESTMENT MANAGEMENT



### Portfolio highlights

Returns-Based Characteristics (5 years ending 03/31/24)	Composite	Bloomberg U.S. Aggregate Bond Index
Standard Deviation (%)	6.39	6.08
Tracking Error (%)	1.34	—
Information Ratio	0.41	—
Alpha (annualized %)	0.60	—
Beta	1.03	1.00
R-Squared	0.96	1.00
Sharpe Ratio	-0.18	-0.28

Credit Quality (%)	Portfolio	Bloomberg U.S. Aggregate Bond Index
Treasuries/Cash	20.36	42.08
AAA	20.80	3.55
AA	32.30	29.84
A	10.99	11.95
BBB	15.56	12.55
BB	0.00	0.00
B	0.00	0.00
<B	0.00	0.00
Not Rated	0.00	0.04

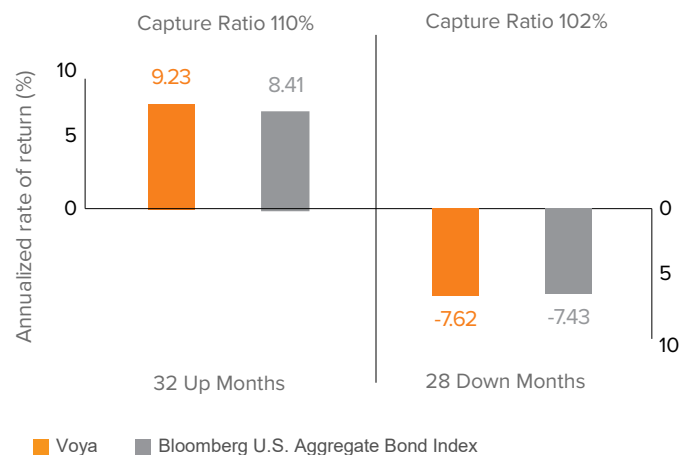
Top Ten Credit Exposures (%)	Portfolio
BANK OF AMERICA CORP	0.87
MORGAN STANLEY	0.75
JPMORGAN CHASE & CO	0.65
DUKE ENERGY CAROLINAS LLC	0.53
HCA INC	0.50
ORACLE CORPORATION	0.45
ABBVIE INC	0.39
BROADCOM INC	0.34
META PLATFORMS INC	0.32
PFIZER INVESTMENT ENTERPRISES PTE.	0.32

Top Sector Allocation (%)



	Portfolio	Index
Agency Mortgages	27.64	25.86
IG Corporates	24.85	24.76
US Treasury & Cash	20.36	42.12
Asset-Backed Securities	15.22	0.50
Commercial Mortgage-Backed Securities	7.88	1.63
Non-Agency RMBS and SF CRT	3.11	0.00
Emerging Markets	0.92	1.35
Government Related	0.02	3.77
HY Corporates	0.00	0.01

Up / Down Capture Ratio



**Credit Quality** is calculated based on S&P, Moody's and Fitch ratings. If the ratings from all 3 rating agencies are available, securities will be assigned the median rating based on the numerical equivalents. If the ratings are available from only two of the agencies, the more conservative of the ratings will be assigned to the security. If the rating is available from only one agency, then that rating will be used. Any security is not rated by S&P, Moody's, or Fitch is placed in the NR (Not Rated) category. Internal ratings will not be used for any security. 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).

**Past performance does not guarantee future results.** The returns-based characteristics presented are based on the gross-of-fee composite returns. Characteristics are based on a representative account in the composite that we believe best represents the portfolio management style of the composite. Characteristics may be adjusted to exclude securities for which data is not available or for extreme data outliers via commonly used trimming methodologies. Holdings are subject to change. The information shown is supplemental only. Totals may not equal due to rounding.

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## Portfolio managers

### Matt Toms, CFA

Chief Executive Officer

Years of experience: 30

Years with firm: 15

### Sean Banai, CFA

Head of Portfolio Management

Years of experience: 25

Years with firm: 25

### Dave Goodson

Head of Securitized

Years of experience: 28

Years with firm: 22

### Randy Parrish, CFA

Head of Public Credit

Years of experience: 34

Years with firm: 23

## Voya Investment Management

Voya Investment Management provides both core and specialized investment strategies to institutions, financial intermediaries and individual investors worldwide. Drawing on a 50-year legacy of active investing and the expertise of over 300 investment professionals, Voya Investment Management manages approximately \$318 billion\* in assets across public and private fixed income, equities, multi-asset solutions and alternative strategies.

Our culture is grounded in a commitment to understanding and anticipating clients' needs, producing strong investment performance, and seeking to embed diversity, equity and inclusion in everything we do. Voya Investment Management is the asset management business of Voya Financial (NYSE: VOYA), a leading health, wealth and investment company with 9,000 employees dedicated to serving the needs of over 14 million individual and workplace clients.

\*As of 12/31/23. Voya IM assets are calculated on a market value basis and include proprietary insurance general account assets of \$33 billion.

The principal risks are generally those attributable to bond investing. Holdings are subject to market, issuer, credit, prepayment, extension and other risks, and their values may fluctuate. Market risk is the risk that securities may decline in value due to factors affecting the securities markets or particular industries. Issuer risk is the risk that the value of a security may decline for reasons specific to the issuer, such as changes in its financial condition. The strategy may invest in mortgage-related securities, which can be paid off early if the borrowers on the underlying mortgages pay off their mortgages sooner than scheduled. If interest rates are falling, the strategy will be forced to reinvest this money at lower yields. Conversely, if interest rates are rising, the expected principal payments will slow, thereby locking in the coupon rate at below-market levels and extending the security's life and duration while reducing its market value.

The **Bloomberg U.S. Aggregate Bond Index** is a broad-based flagship benchmark that measures the investment grade, US dollar-denominated, fixed-rate taxable bond market. The index includes treasuries, government-related and corporate securities, fixed-rate agency MBS, ABS and CMBS (agency and non-agency).

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