

# Voya Machine Intelligence Opportunistic U.S. Equity Strategy

## Strategy-at-a-glance

Objective <sup>1</sup>	Maximize idiosyncratic alpha with strong diversification (not benchmarked)
Value Add	Differentiated process (anti-crowding) Dynamic stock selection (opportunistic) Robust risk management
Inception Date <sup>2</sup>	08/01/20
Strategy Assets <sup>3</sup>	\$3.8 million
Benchmark	N/A
Available Vehicles	Separate Account

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

<sup>2</sup> 01/01/13 at predecessor firm; linked information available upon request.

<sup>3</sup> AUM as of 12/31/23

## Strategy overview

The Voya Machine Intelligence (MI) Opportunistic U.S. Equity Strategy is an AI-driven dynamic, active strategy that seeks to deliver idiosyncratic alpha without static factor or style biases.

## Investment philosophy

We believe that alpha generation requires a unified approach – combining the best of human & machine.

Our key beliefs:

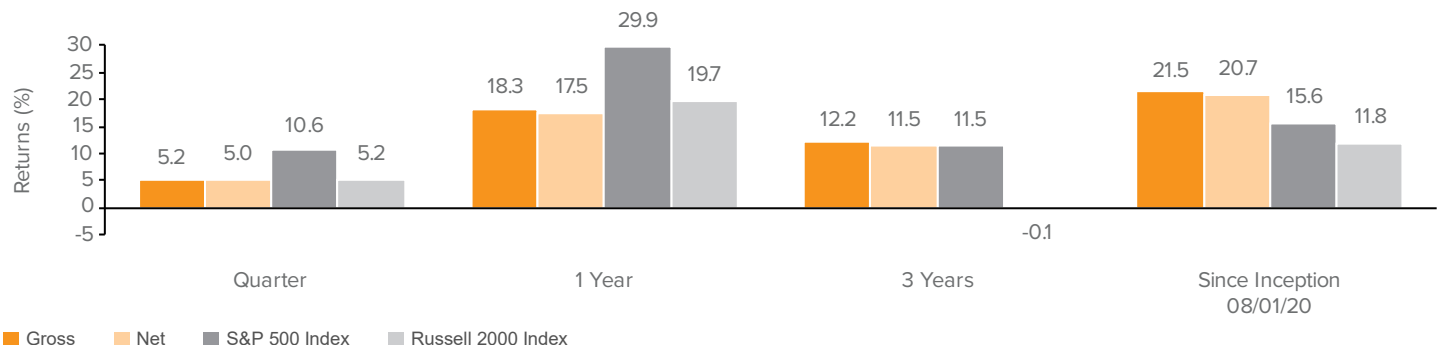
- Combining the depth & rigor of fundamental analysis with the breadth & scalability of machine learning is key
- Volatile markets require a disciplined yet dynamic process that takes advantage of mispriced opportunities and sidesteps emotional biases
- Robust risk management (including active screens for negative events, controversies, crowding and ESG risks) is needed for success

## Investment process

Voya's Machine Intelligence (VMI) team employs a disciplined and repeatable investment process that brings machine learning to fundamental investing. The process begins with transforming messy, raw data into useable information. To achieve this, the human team builds rules to integrate and scrub rich data sets consisting of 10,000+ unique data points per company. Next, this heavily cleansed data is transformed into fundamental "features" (complex financial, fundamental and ESG metrics), via a hybrid human + machine effort. This results in 252 features that provide a deep, holistic view of each company across multiple time horizons. These features serve as building blocks used by VMI's "virtual analysts" (machine learning models) to identify persistent patterns and determine whether or not a stock should be purchased. The virtual analysts send all buy recommendations to a set of "virtual traders", who analyze shorter term data to determine the entry/exit timing of each stock. Finally, comprehensive risk constraints are applied and human portfolio managers and traders are responsible for the execution of the portfolio. The strategy is traded on a weekly and/or ad hoc basis when needed to take advantage of market volatility.

## Performance

### Voya MI Opportunistic U.S. Equity 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



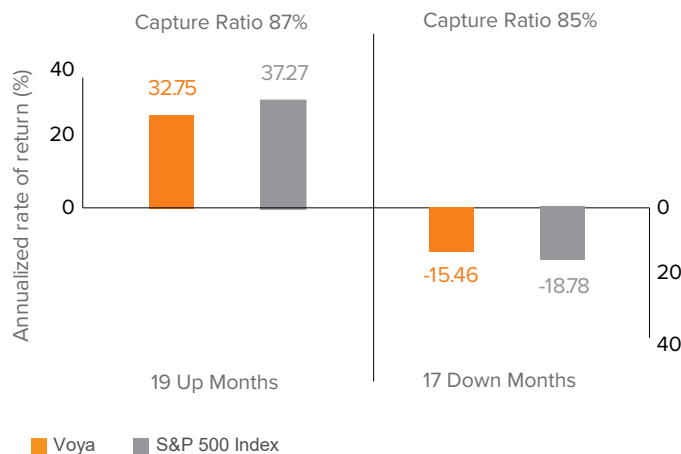
## Portfolio highlights

	Sector Weightings <sup>4</sup>			Trailing 1-Year Attribution Analysis		
	Portfolio	S&P 500 Index	Overweight/ Underweight	Allocation Effect	Selection Effect	Total Effect
Communication Services	2.78	8.95	-6.17	-0.48	-0.71	-1.20
Consumer Discretionary	3.46	10.34	-6.88	0.08	-0.02	0.06
Consumer Staples	5.95	5.97	-0.02	0.78	0.29	1.07
Energy	9.10	3.95	5.15	0.34	-0.42	-0.09
Financials	10.23	13.16	-2.93	-0.14	0.22	0.07
Health Care	14.86	12.42	2.44	0.49	-1.07	-0.58
Industrials	12.33	8.80	3.53	-0.24	-1.02	-1.26
Information Technology	13.23	29.57	-16.34	-0.80	-3.60	-4.40
Materials	18.11	2.37	15.74	-1.28	-3.04	-4.32
Real Estate	4.42	2.28	2.14	0.02	0.19	0.22
Utilities	5.54	2.20	3.34	-0.14	-0.88	-1.02
Cash	NA	NA	NA	-0.10	0.00	-0.10
<b>Total</b>	<b>100.00</b>	<b>100.00</b>	<b>0.00</b>	<b>-1.48</b>	<b>-10.07</b>	<b>-11.55</b>

Returns-Based Characteristics (3 years ending 03/31/24)	Composite	S&P 500 Index
Standard Deviation (%)	17.01	17.35
Tracking Error (%)	8.40	—
Information Ratio	0.09	—
Alpha (annualized %)	1.94	—
Beta	0.86	1.00
R-Squared	0.78	1.00
Sharpe Ratio	0.56	0.51

Portfolio Characteristics	Portfolio	S&P 500 Index
Weighted Avg. Cap (\$M)	\$158,841	\$803,922
Active Share	81	NA
P/E (next 12 mos.)	18.76	25.38
EPS Growth (3-5 year estimate)	7.90	12.49
Price to Cash Flow	16.18	21.37
ROA (%)	5.16	11.11
Dividend Yield	2.14	1.35
PEG Ratio (next 12 mos.)	2.38	2.25

### Up / Down Capture Ratio



Top Ten Holdings (%)	Portfolio
Newmont Corporation	2.87
Exxon Mobil Corporation	2.85
Weyerhaeuser Company	2.74
Agilent Technologies, Inc.	2.51
3M Company	1.88
NiSource Inc	1.83
Corning Inc	1.82
Element Solutions Inc	1.81
Royal Gold, Inc.	1.78
Apple Inc.	1.59

Top Ten Active Overweights (%)	Portfolio
Newmont Corporation	2.78
Weyerhaeuser Company	2.68
Agilent Technologies, Inc.	2.41
Element Solutions Inc	1.81
NiSource Inc	1.80
Exxon Mobil Corporation	1.80
Royal Gold, Inc.	1.78
Corning Inc	1.76
3M Company	1.75
Amcor PLC	1.51

<sup>4</sup>Ex-cash and other

**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. This attribution analysis is for informational purposes only, and is not intended as investment advice. Performance figures for individual sectors and individual securities are gross of fees. The fees charged by Voya Investment Management are described in Part II of its Form ADV. The information shown is supplemental only. Totals may not equal due to rounding.

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## Portfolio managers

### Gareth Shepherd, PhD, CFA

Co-head Voya Machine Intelligence, Portfolio Manager

Years of experience: 26

Years with firm: 4

### Russell Shtern, CFA

Portfolio Manager, Voya Machine Intelligence

Years of experience: 24

Years with firm: 2

### Vincent Costa, CFA

Chief Investment Officer, Equities

Years of experience: 39

Years with firm: 18

## 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 stock investing. Holdings are subject to market, issuer, 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. More particularly, the Strategy invests in mid to smaller companies, which may be more susceptible to price swings than larger companies because they have fewer resources and more limited products, and many are dependent on a few key managers. The manager's investment style may become out of favor and/or the manager's selection process may prove incorrect, which may have a negative impact on the Strategy performance. The Strategy invests primarily in U.S. equity securities regardless of capitalization. The Strategy uses a concentrated and high turnover investment approach, and generally seeks to invest in what the firm believes are high-quality growth-oriented companies trading at discounts to the manager's assessment of their intrinsic value. The Strategy has no appropriate benchmark for the composite because the Strategy has minimal exposure to a number of sectors and invests across the market capitalization spectrum. Investment Model: A manager's proprietary model may not adequately allow for existing or unforeseen market factors or the interplay between such factors, and even a model that performs in accordance with the manager's intentions may underperform other investment strategies or result in greater losses than other strategies. The proprietary models used by a manager to evaluate securities or securities markets are based on the manager's understanding of the interplay of market factors and do not assure successful investment. The markets, or the prices of individual securities, may be affected by factors not foreseen in developing the models. Strategies that are actively managed, in whole or in part, according to a quantitative investment model, including models using artificial intelligence to select securities, can perform differently from the market as a whole based on the investment model and the factors used in the analysis, the weight placed on each factor, and changes from the factors' historical trends. Mistakes in the construction and implementation of the investment models (including, for example, data problems and/or software issues) may create errors or limitations that might go undetected or are discovered only after the errors or limitations have negatively impacted performance. There is no guarantee that the use of these investment models will result in effective investment decisions for the Strategy.

The strategy employs a quantitative model to execute the strategy. Data imprecision, software or other technology malfunctions, programming inaccuracies and similar circumstances may impair the performance of these systems, which may negatively affect performance. Furthermore, there can be no assurance that the quantitative models used in managing the strategy will perform as anticipated or enable the strategy to achieve its objective.

The **Russell 2000 Index** is an unmanaged index that measures the performance of securities of smaller U.S. companies. It is a small-cap stock market index that makes up the smallest 2,000 stocks in the Russell 3000 Index.

The **Standard and Poor's 500 Index** is designed to measure performance of the broad domestic economy through changes in the aggregate market value of 500 stocks representing all major industries. The index includes 500 leading companies and covers approximately 80% of available market capitalization.

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