

# Tips for Winning the NFL Draft and **Small Cap Investing**

Not all college stars successfully transition to the pros, just like not all small companies grow. How should NFL teams and small cap managers approach their selections to increase the odds of winning?

## 5 tips for success in NFL drafting and small cap investing

### National Football League

College players may succeed in the pros if they develop their skills or possess the football IQ to compete against stronger opponents and more complex strategies.

Later picks that grow into exceptional pros offer better value than early picks who have already achieved peak potential.

Highly skilled but injury-prone players who struggle to stay on the field don't contribute as much as less talented players who consistently compete.

Untested rookies may have more upside compared with veterans who have reached their peak or are on the decline.

A win-now vs. build-for-the-future dilemma balances selecting the best player available with addressing immediate needs.



**Set realistic expectations**



**Don't overreach**



**Find consistent team players**



**Look for prospects with a high ceiling**



**Determine the best fit for today**

### Small Cap Investing

Operational excellence, market share gains, industry expansion and competitive edge can impact a company's chance of success.

Investors who pay below fundamental value based on competitive positioning or growth potential often achieve higher returns.

Managers who consistently outperform tend to be diversified and exhibit volatility that's lower than benchmark and industry averages.

New smaller companies with revenue growth, but no earnings, offer cheaper yet riskier growth.

The ideal time to own a small company is when revenue and earnings are accelerating, and multiples are expanding.

## How Voya does it

- 1** Voya avoids incorrect growth expectations through its **fundamental analysis** and conversations with management and industry peers.
- 2** Voya prefers **stocks trading in the lower two-thirds** of their historical valuation range.
- 3** Voya has outperformed the index in **9 of the last 10 calendar years** and on a rolling 3-year basis **100%** of the time.\*
- 4** Voya prefers to invest in companies that have **at least 15% revenue and earnings growth potential**.
- 5** Voya identifies companies that have **accelerating earnings**, trade at **attractive multiples**, and have **room to expand**.

\*Source: Morningstar Direct. Data is for the Voya Small Cap Growth Fund I Shares compared with the Russell 2000 Growth Index from 2014-2023.

### Risks of investing

The principal risks are generally those attributable to investing in stocks and related derivative instruments. Holdings are subject to market, issuer and other risks, and their values may fluctuate. Market risk is the risk that securities or other instruments 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 or instrument may decline for reasons specific to the issuer, such as changes in its financial condition. More particularly, the strategy invests in 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.

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