

Voya Large Cap Value Fund

> Investment Objective

The Fund seeks growth of capital and current income.

> Main Investments

Equity securities of large U.S. companies; may also invest in mid- and small-sized companies and stocks of foreign issuers.

> Portfolio Management

Voya Investments, LLC, Investment Adviser

Voya Investment Management Co., LLC, Investment Sub-Adviser



Christopher Corapi
Portfolio Manager



Vincent Costa, CFA
Portfolio Manager



Kristy Finnegan, CFA
Portfolio Manager



James Dorment, CFA
Portfolio Manager

Key Takeaways

- For the quarter ending June 30, 2017 the Voya Large Cap Value Fund outperformed its benchmark, the Russell 1000 Value Index
- Outperformance was due to a combination of strong security selection and sector allocation
- On the sector level, stock selection within the industrials and information technology sectors had the largest positive impact on relative performance
- Stock selection within the financials and health care sectors detracted the most value

Market Review

Global economic expansion gained strength during the second quarter amongst an array of elevated political risks that continue to arise in the wake of Brexit. The global growth impulse recently shifted to be more international than U.S.-based, with Europe and the emerging markets seeming to be the most potent growth drivers. As expected, the Federal Reserve (Fed) hiked short-term interest rates 25 basis points in June.

As Fed policy has shifted toward normalizing, the European Central Bank (ECB) has moved front and center; and is now driving an accommodative global monetary system, as seen by the negative rate on the German two-year note. The ECB will stop expanding its balance sheet later this year, but will be patient to raise rates with no pressure from inflation.

Domestically, data continues to support economic growth, however not as robustly as readings late last year, especially in hard economic data such as retail sales and inflation. The optimism that drove the so-called “Trump trade” in the first half of 2017 has all but evaporated. The market is questioning the possibility of a tax deal, but policy analysts still expect some fiscal stimulus, which they believe would add 0.3–0.5 percentage points to GDP in 2018. Even the Fed’s June hike of short term rates has not been able to convince long rate investors that the economy is in danger of running too hot.

We believe rates will likely go higher, however the low growth U.S. GDP scenario needs to be liberated with a revolution of fiscal policy change since monetary policy has seemingly run its course. In our view, all of these factors add up to financial markets that are well supported, but not fully positioned. Bond strategies have still accumulated more flows than equity strategies this year, which is surprising. It also means that low volatility may persist far longer than expected. Short of an exogenous shock such as geopolitics,

equities have a lot of strength to hold onto their gains and bond markets face marginally higher yields, which could be later this year as U.S. fiscal policy gains clarity. What’s more, the Q2 broad based swath of good performance reinforces the case for global diversification as a means of building wealth while mitigating risk.

Portfolio Review

For the quarter ending June 30, 2017 the Voya Large Cap Value Fund outperformed its benchmark, the Russell 1000 Value Index due to a combination of strong security selection and sector allocation. On the sector level, stock selection within the industrials and information technology sectors had the largest positive impact on relative performance. By contrast, stock selection within the financials and health care sectors detracted the most value.

On an individual security level basis, Deere & Company, Hartford Financial Services Group, Inc., and Coach, Inc. were among the key contributors for the period.

Within the industrials sector, an overweight position in Deere & Company, a manufacturer of equipment used in agriculture, construction, forestry, and turf care, outperformed for the quarter. On June 1st, the company announced an all cash acquisition of the Wirtgen Group, a German-based road construction equipment manufacturer. Investors view the deal to an attractive strategic fit that will help the company expand its international footprint, at an attractive price.

Within the financials sector, an overweight position in Hartford Financial Services Group, Inc., an insurance and financial services company, outperformed. Shares of Hartford Financial traded higher as the company posted much improved results in personal auto lines following several quarters of weak results associated with persistently high claims frequency. In addition, Hartford benefited from a recent regulatory rule change in Connecticut which could make it easier for the company to shed the low-return closed block business.

Within the consumer discretionary sector, an overweight position in Coach, Inc. outperformed following solid FQ317 results driven by margin improvements. The company also announced plans to acquire Kate Spade, continuing to evolve itself as a global, multi-brand luxury company. We believe the targeted synergies are conservative and expect the integration to be a driver of EPS upside.

Not FDIC Insured | May Lose Value | No Bank Guarantee

INVESTMENT MANAGEMENT

Reliable Partner | Reliable Investing®

VOYA®

Voya Large Cap Value Fund

Among the key detractors for the period were Discover Financial Services, Anadarko Petroleum Corporation, and Schlumberger NV.

Within the financial sector, an overweight position in Discover Financial Services, a direct banking and payment services company, underperformed. The company reported a modest 1Q17 miss due to higher credit costs and weaker net interest margin driven by increased rewards expenses. We subsequently exited the position during the quarter on additional signs of consumer credit deterioration beyond normal portfolio seasoning.

Within the energy sector, an overweight position in Anadarko Petroleum Corporation, an independent exploration and production company, underperformed. On April 17, there was a tragic explosion at a house in Firestone, CO located 174 feet from an Anadarko gas well, causing Anadarko to temporarily close over 3,000 vertical wells to perform a full inspection of all field equipment associated with its vertical DJ Basin wells. The findings indicated there was an inactive flow line close to the house that exploded. Furthermore, the company reported a disappointing 1Q17, missing on both earnings and cash flow. We subsequently sold out of the name in late June.

Within the energy sector, an overweight position in Schlumberger NV, a provider of integrated project management solutions to the international oil and gas exploration and production industries, underperformed. While the company reported 1Q results in line with expectations, lackluster performance in key international markets overshadowed results and negatively impacted the stock.

Outlook and Current Strategy

We continue to see attractive valuations in companies in a variety of sectors. Going forward we believe that dividends will continue to be in demand by investors, who are searching for income and for funds with good downside capture such as the Voya Large Cap Value strategy has provided.

Holdings Detail

Companies mentioned in this report – percentage of portfolio investments, as of 6/30/17: Deere & Co. 1.98%; Hartford Financial 2.93%; Coach 1.88%; Discover Financial 0.00%; Anadarko 0.00%; Schlumberger 1.56%; 0% indicates that the security is no longer in the portfolio. Portfolio holdings are subject to change on a daily basis.

The **Russell 1000® Value Index** is an unmanaged index that measures the performance of those Russell 1000 companies with lower price-to-book ratios and lower forecasted growth values. The Index does not reflect fees, brokerage commissions, taxes or other expenses of investing. **Investors cannot invest directly in an index.**

The **Standard & Poor's 500 Index** is an unmanaged capitalization-weighted index of 500 stocks designed to measure performance of the broad domestic economy through changes in the aggregate market value of 500 stocks representing all major industries.

The **Dow Jones Industrial Average** is a price-weighted average computed from the stock prices of 30 of the largest and most widely held public companies in the United States, adjusted to reflect stock splits and stock dividends.

The **Bloomberg Barclays U.S. Aggregate Bond Index** is an unmanaged index composed of securities from the Bloomberg Barclays Capital/Government/ Corporate Bond Index, Mortgage-Backed Securities Index, and the Asset-Backed Securities Index including securities that are of investment grade quality or better and have at least one year to maturity. The Index does not reflect fees, brokerage commissions, taxes or other expenses of investing. **Investors cannot invest directly in an index.**

Principal Risks: All investing involves risks of fluctuating prices and the uncertainties of rates of return and yield. Prices of **Value-Oriented Securities** tend to correlate more closely with economic cycles than growth-oriented securities, they generally are more sensitive to changing economic conditions. Investing in stocks of **Small- and Mid-Sized Companies** may entail greater volatility and less liquidity than larger companies. The Fund may use **Derivatives**, such as options and futures, which can be illiquid, may disproportionately increase losses and have a potentially large impact on Fund performance. Because the Fund may invest in **Other Investment Companies**, you may pay a proportionate share of the expenses of that other investment company, in addition to the expenses of the Fund. Other risks of the Fund include but are not limited to: **Convertible Securities Risks, Market Trends Risks, Price Volatility Risks and Securities Lending Risks. Investors should consult the Fund's Prospectus and Statement of Additional Information for a more detailed discussion of the Fund's risks. An investment in the Fund is not a bank deposit and is not insured by the Federal Deposit Insurance Corporation, the Federal Reserve Board or any other government agency.**

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.

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. **Past performance is no guarantee of future results.**

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. Portfolio holdings are fluid and are subject to daily change based on market conditions and other factors.

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 to vary from stated performance. Please call your benefits office for more information.

©2016 Voya Investments Distributor, LLC • 230 Park Ave, New York, NY 10169 • All rights reserved.

Not FDIC Insured | May Lose Value | No Bank Guarantee
CMFC-LCV2 072717 • ex093017 • IM0731-36175-0418

PLAN | INVEST | PROTECT

voyainvestments.com

