

Voya Balanced Core

> Investment Objective

Provide attractive long-term returns with lower volatility than the stock market.

> Portfolio Management Team Leaders

Fixed Income:

Matt Toms, CFA, Portfolio Manager

Bob Kase, CFA, Portfolio Manager

Equity:

Chris Corapi, Portfolio Manager

Vincent Costa, Portfolio Manager

Portfolio Review and Outlook

The Balanced Core SMA performed in line with the benchmark, the 50% S&P 500 Total Return / 50% Merrill Lynch U.S. Broad Market Bond Index, for the quarter.

The equity sleeve benefited from strong stock selection. On the sector level, stock selection within the industrials and energy sectors had the largest positive impact on performance. By contrast, stock selection was weakest within the telecommunication services and financials sectors.

On an individual stock basis, overweight positions in Activision Blizzard, Inc. and Deere & Company. were among the portfolio's largest contributors for the quarter. Overweight positions in Discover Financial Services and Cisco Systems, Inc. were among the top detractors for the period.

An overweight to high quality investment grade credit relative to the benchmark drove performance for the fixed income sleeve of the strategy. Our investment grade (IG) credit versus an underweight to U.S. Treasury securities was favorable as corporates outperformed. We prefer "spread" assets with potential to benefit from improving global growth. Corporations look healthier as sales growth continues to recover; recent quarterly earnings have shown strong improvement over prior quarters. With limited overall cost pressures, corporate profit margins will be resilient. Leverage is slowly rising but looks supportable, and interest coverage remains elevated.

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