

Voya Corporate Leaders® 100

> Investment Objective

The Voya Corporate Leaders® 100 seeks to outperform the market capitalization-weighted return of the S&P 500 index with less downside risk

> Portfolio Management

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Key Takeaways

- For the quarter ended June 30, 2017, the Corporate Leaders 100 Strategy underperformed its benchmark, the S&P 500 Index.
- Over the reporting period, portfolio holdings within the health care and information technology sector had the largest negative impact on relative performance.
- By contrast, portfolio holdings within the industrials sector had the largest positive impact on relative performance.

Market Review

Global economic expansion gained strength in the second quarter as the growth impulse shifted to an international focus. 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) embraced accommodation but will likely be patient with no pressure from inflation. Domestic data continues to reflect economic growth but not as robustly as late last year. Meanwhile, the so-called “Trump trade” optimism has all but evaporated as prospects for a tax deal and fiscal stimulus have diminished. The low-growth U.S. GDP scenario needs a dose of fiscal policy change since monetary policy has seemingly run its course. These factors add up to financial markets that are well, but not fully, supported. Short of a shock such as geopolitics, equities seem to have the strength to hold their gains, and bond markets face marginally higher yields as U.S. fiscal policy gains clarity.

Portfolio Review

For the quarter ended June 30, 2017, the Corporate Leaders 100 Strategy underperformed its benchmark, the S&P 500 Index.

Over the reporting period, portfolio holdings within the health care and information technology sector had the largest negative impact on relative performance. On an individual stock level basis, overweight positions in Twenty-First Century Fox, Inc., Halliburton Company, and Kinder Morgan Inc. were among the key detractors for the period. By contrast, portfolio holdings within the industrials sector had the largest positive impact on relative performance. Among the largest individual contributors for

the period were overweight positions in PayPay Holdings Inc., Caterpillar Inc., and McDonald's Corporation.

Outlook and Current Strategy

The Strategy follows a strict rules-based approach. It starts by holding equalweighted positions in the stocks of the S&P 100 Index at the beginning of each calendar quarter (implying that each holding represents approximately 1% of the portfolio). On a quarterly basis, if the value of a security rises by more than 50%, the position size immediately is reduced to 1%, and if the value of a security falls more than 30%, the position is eliminated. The portfolio is rebalanced quarterly in order to realign the strategy's holdings to its initial 1% weightings.

As of the end of the reporting period, the strategy's largest sector overweight is within the industrials and consumer staples sectors while the largest sector underweight is information technology. Sector exposures are purely a function of the strategy's rules-based investment discipline and are not actively managed.

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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.

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