Separately Managed Account I For Quarter Ending June 30, 2017 I 2Q17 Strategy Brief

Voya Real Estate

Firm Overview

Voya Investment Management at a Glance

Voya Investment Management (Voya IM) is a leading active asset management firm. As of March 31, 2017, Voya IM manages approximately $219 billion* for affiliated and external institutions as well as individual investors. Drawing on over 40 years of experience and an ongoing commitment to reliable investing, Voya IM has the resources and expertise to help provide long-term investors with strong investment results.

Mission

Voya Investment Management's mission is to find unrecognized value ahead of consensus by seeking original insights on markets and companies. Toward that end, we apply our proprietary research and analytics, benchmark awareness and risk management to serve client needs within the guidelines and objectives of each assignment.

Portfolio Managers

T. Ritson Ferguson, CFA

Managing Director, CEO,
Co-Chief Investment Officer,
Senior Global Portfolio Manager

Years of experience: 31

Years with company: 25

Joseph P. Smith, CFA

Managing Director,
Co-Chief Investment Officer,
Senior Global Portfolio Manager

Years of experience: 27

Years with company: 20

Strategy

Investment Philosophy

- Identify undervalued real estate in the public markets through the use of proprietary private market intelligence
- Allocate capital to regions and sectors where we believe real estate fundamentals are strongest
- Identify individual companies where the real estate is undervalued
- Maintain diversification of companies, property and geography
- Establish positions based on conviction level of out-performance potential

Summary

Real estate strategy that invests in equity securities of companies primarily engaged in the business of owning, operating, managing, developing, acquiring and selling commercial real estate properties

Objective**

The Voya Real Estate strategy seeks to provide investors total return (dividends plus capital appreciation) by investing in a portfolio of equity securities of companies primarily engaged in the business of owning, operating, managing, developing, acquiring and selling commercial real estate properties.

Investment Process

The model for the strategy is provided by CBRE Clarion Real Estate Securities, LLC (CBRE Clarion) and implemented by Voya Investment Management Co. (Voya IM), the investment adviser. The investment process combines top-down regional and property sector allocation and bottom-up security selection with the following universe constraints:

Sector Asset Allocation

- Macro economic trend analysis
- Relative attractiveness of real estate, bonds and stocks
- Property type weighting bands

Security Selection

- Relative Value Analysis tool
- Proprietary NAV Analysis
- Local Market Research
- 3-Year Earnings Forecasts
- Meetings with Management

Risk Management Mitigation

- Risk Mitigation
- Sector Limits
- Position Limits
- Diversified Holdings (35-45)

*Voya IM assets of $219 billion include proprietary insurance general account assets of $89 billion calculated on a market value basis. Voya IM assets, as reported in Voya Financial, Inc. SEC filings, include general account assets valued on a statutory book value basis and total approximately $213 billion. Both totals include approximately $8 billion in Private Equity, $4 billion in Real Estate and $5 billion in other assets including those sub-advised through the Voya family of funds and the Multi-Asset Strategies and Solutions product offerings. Approximately $0.6 billion of total fixed income assets are also included in the Senior Loan and Private Equity totals.

**There is no guarantee that this objective will be achieved.

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Voya Real Estate

Supplemental Performance: Annualized Total Returns[1]
Voya Real Estate SMA Composite

Composite	Quarter	YTD	1 Year	Annualized		
				3 Years	5 Years	10 Years
Gross:	1.82	2.60	-3.09	7.58	9.07	6.98
Net:	1.08	1.11	-5.93	4.46	5.90	3.86
MSCI US REIT Index	1.65	2.66	-1.82	8.19	9.38	5.94
Gross Excess Return	0.17	-0.06	-1.27	-0.61	-0.31	1.04

Commentary

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.

Account Performance

The strategy produced positive results but underperformed the benchmark during the quarter. An overweight to the underperforming mall sector and an underweight to the outperforming healthcare sector were a drag on relative performance during the period. Stock selection was essentially flat for the quarter as the value added by strong stock selection in the mall and net lease sectors was offset by sub-par selection in the shopping center and residential sectors. Asset allocation was positive, primarily the result of underweights to the underperforming net lease and shopping center sectors, as well as from an overweight to the outperforming industrial, residential and technology/data center sectors.

Current Strategy and Outlook

We are overweight sectors and stocks where we are positive on the fundamentals and valuations seem reasonable to cheap; we are underweight where fundamentals are weak and valuations are not cheap to justify poor fundamentals. We prefer attractively-valued stocks that offer visible earnings growth, conservative balance sheets and modest development pipelines. We favor class-A mall companies, technology and select residential and industrial companies; we are more selective in the storage, healthcare, net lease, office, shopping center and hotel sectors. Within residential, we like manufactured housing, single family home-for-rent companies and select coastal apartment REITs. Class-A mall stocks have been weak due to online shopping concerns and we believe offer attractive value at these levels. We remain selective on the more bond-like sectors that offer modest growth and trade less attractively relative to our estimate of underlying private market real estate value. We favor companies which offer growth in an economic environment which will see fiscal stimulus, increased consumer spending and higher rates of inflation.

(1) "Gross Returns" are presented before the deduction of transaction costs and should be used as Supplemental Information only. Prior to January 2007, net-of-fee returns presented reflect the deduction of actual fees paid by each account in the composite. After January 2007, net-of-fees returns presented are calculated by subtracting a hypothetical maximum total wrap fee (estimated at 3.00% per annum) from the monthly "pure" gross-of-fees returns. The total wrap fee includes transaction costs, portfolio management, investment advisory, custodial and other administrative costs. Wrap fees vary amongst brokerage firms and may be negotiated based on account size and other factors. The hypothetical maximum total wrap fee used is deemed to be the maximum fee charged to any composite account but we cannot guarantee accuracy. More information about fees can be found in the Form ADV Part II of Voya Investment Management Co. **Please refer to Voya Investment Management GIPS compliant composite for additional performance information.**

Past performance does not guarantee future results. There is no guarantee that any forecasts or opinions in this material will be realized. Manager commentary is for informational purposes only and does not constitute investment advice and is not a recommendation to purchase or sell any of the securities referenced.

Voya Real Estate

Strategy Statistics[2]

Top Ten Holdings (%)	Portfolio
Simon Property Group Inc.	4.78
ProLogis Inc.	3.40
Mitsui Fudosan Co. Ltd.	3.25
GGP Inc.	2.82
Welltower Inc.	2.68
AvalonBay Communities Inc.	2.66
Cheung Kong Property Holding	2.16
Vornado Realty Trust	2.13
Land Securities Group	2.06
Vonovia SE	2.00

Portfolio Characteristics	Portfolio
Price/FFO	17.80
Weighted Average Market Cap	$18,834

Property Sector Analysis	Voya	Index
Diversified	22.60	20.80
Healthcare	7.50	8.80
Hotels	3.10	3.90
Industrial	9.10	7.80
Malls	11.70	10.30
Net Leased	3.90	4.80
Office	10.50	14.30
Other	1.40	0.00
Residential	15.90	14.80
Self Storage	3.50	3.60
Shopping Centers	8.50	9.10
Technology	2.30	1.80
Total Portfolio	100.00	100.00

Glossary of Terms:

[2] For information purposes only and not a recommendation to purchase or sell any security. The sector, security and holdings information is based on a representative portfolio included in the Composite that we believe best represents this investment management style. It should not be assumed that the adviser continues to hold the securities listed. Other accounts in the Composite might have slightly different portfolio characteristics. Returns-based characteristics are based on the Composite returns. Composite information is subject to change at any time.

Schedule of Composite Performance (%)

Year	Gross of Fees	Net of Fees	MSCI U.S. REIT Index	Dow Jones US Select Real Estate Securities Index	FTSE NAREIT Equity REIT Index	Number of Accounts	% Standard Deviation	Composite Assets (millions)	% of Firm Assets	Total Firm Assets (millions)
2016*	5.02%	4.37%	8.60%	6.65%	8.52%	18	*	2,559.30	15	$17,473.9
2015	4.11%	3.46%	2.52%	4.46%	3.20%	21	0.49	3,103.40	15	$20,754.9
2014	31.17%	30.35%	30.38%	31.85%	30.14%	23	0.80	3,357.80	14	$25,776.2
2013	2.91%	2.23%	2.47%	1.31%	2.45%	20	0.22	2,665.52	12	$22,754.1
2012	16.49%	15.74%	17.79%	17.09%	18.07%	20	0.23	2,660.94	11	$23,646.7
2011	10.42%	9.72%	8.67%	8.86%	8.28%	21	0.44	2,183.47	11	19,626.9
2010	28.95%	28.21%	28.48%	28.48%	27.94%	18	0.37	1,968.33	10	$19,454.3
2009	31.14%	30.25%	28.61%	29.01%	28.01%	16	0.43	1,524.56	9	$17,238.6
2008	-34.40%	-34.80%	-37.98%	-39.83%	-37.74%	16	0.47	862.59	8	$10,815.0
2007	-15.41%	-15.89%	-16.82%	-17.89%	-15.70%	18	0.24	1,067.25	6	$17,682.5

CBRE Clarion Securities (CBRE Clarion) claims compliance with the Global Investment Performance Standards (GIPS®) and has prepared and presented this report in compliance with the GIPS standards. CBRE Clarion has been independently verified for the ten-year period ended December 31, 2015. Verification assesses whether (1) the firm has complied with all the composite construction requirements of the GIPS standards on a firm-wide basis and (2) the firm's policies and procedures are designed to calculate and present performance in compliance with the GIPS standards. Verification does not ensure the accuracy of any specific composite presentation. The CBRE Clarion Real Estate Securities Composite has been examined for the periods January 1, 1999 through December 31, 2015 by Ernst & Young LLP. The verification and performance examination report is available upon request. Composite information for the periods ended December 31, 1998 and prior were verified by KPMG LLP.

CBRE Clarion is an investment adviser registered with the U.S. Securities and Exchange Commission and specializes in the management of real asset securities, including real estate and infrastructure securities. CBRE Clarion is a majority owned subsidiary of CBRE Group, Inc. and includes four wholly owned subsidiaries. CBRE Clarion has offices located in Radnor, PA, USA; London, England; Tokyo, Japan; Hong Kong; and Sydney, Australia. Total firm assets as of December 31, 2016 were US $17 billion.

The CBRE Clarion Real Estate Securities Composite ("the Composite") seeks high total return through investment in U.S. real estate equity securities along with a combination of above-average income and long-term growth of capital. The Composite's inception date is October 1, 1984 and was initially created January 1, 1993. The Composite is benchmarked to the MSCI US REIT Index (RMS). RMS is comprised of U.S. Real Estate Investment Trusts (REITs) of reasonable size and liquidity weighted by market capitalization and considered representative of U.S. equity REIT performance. In addition the composite is compared to the Dow Jones US Select Real Estate Securities Index (DJ Index) and the FTSE NAREIT Equity REIT Index (NAREIT Index). The DJ index is a market cap weighted index comprised of U.S. REITs and Real Estate Operating companies (REOCs), with minimum total market caps of at least US $200 million, that are both equity owner and commercial and/or residential real estate having at least 75% of the company's total revenue derived from these areas. The NAREIT Index is an unmanaged, market capitalization weighted index of all publicly traded Equity REITs that have 75% or more of their gross invested book assets invested directly or indirectly in the equity ownership of real estate. Investors cannot invest directly in an index. Index performance is gross of withholding taxes and reflects the reinvestment of dividend and gains but does not reflect the deduction of any fees or expenses, which would reduce returns. The composition of an index may not reflect the manner in which an account is constructed in relation to expected or achieved returns, portfolio guidelines, restrictions, volatility or tracking error targets, all of which may change over time. The accounts in the Composite typically invest in approximately 40 - 60 securities and their volatility may be greater than the index, which typically contain more securities than those in the composite.

The Composite contains accounts which are non-restricted, discretionary, fee-paying portfolios managed to the Composite's investment objective with market value greater than US $1 million. New accounts included in the Composite have been under management for at least one full month and terminated accounts are included in the Composite through the last full month they are invested. The Composite contains performance generated by the CBRE Clarion accounting system. Prior to January 1, 2016, NAV based fund's performance was "grossed up" based on the total fee ratio. Monthly Composite returns are calculated by asset weighting each account's monthly return based on the beginning of month market values. CBRE Clarion uses a time-weighted, monthly linked rate of return formula with daily adjustments for cash flows. The monthly rate of return for an eligible account is the percentage change in the market value of the account during the month, taking into account the effect of any cash additions or withdrawals that occur during the month. Such cash additions or withdrawals are accounted for using the modified Dietz method. An account may be temporarily removed from the Composite if it experiences a "significant cash flow" that is a cumulative cash flow in excess of 30% of the portfolio's market value during the month; an account will not be removed if it is the only account in the Composite. The account is returned to the Composite the following month. An account may also be temporarily removed from the Composite if the implementation of the strategy is interrupted due to client direction, such as raising cash for a significant withdrawal over the course of month end.

Composite returns are net of execution costs, include the effect of withholding taxes, and reflect the reinvestment of dividends, interest and capital gains. Gross returns do not reflect the deduction of investment advisory fees. Actual investment returns will be reduced by the advisory fees, consistent with the fees described in the client's investment management agreement or Part 2A of the CBRE Clarion Form ADV, plus any other cost a client may incur directly, such as custody fees. Net of fees returns are calculated by deducting the annualized equivalent of the annual management fee for each constituent account from the gross of fees return for the constituent on a monthly basis. Any constituent accounts which have performance fee arrangements are calculated net of the performance fee. The management fee for CBRE Clarion U.S. Real Estate Securities strategy is generally tiered and begins at 0.50% per annum, billed quarterly in arrears, for an initial investment of US $50 million. Fees are negotiable depending on the size of the account. Management fees do not include custody fees. The performance numbers as presented are expressed in U.S. Dollars (US$). The three-year annualized standard deviation measures the variability of the composite returns over the preceding 36-month period. The standard deviation is not required for periods prior to 2011. The dispersion of annual returns is measured by the standard deviation across equal-weighted portfolio returns represented within the composite for a full year. For periods where less than five accounts were included in the composite for the full year, standard deviation is not disclosed, as it is not considered meaningful.

Upon request, we can provide: (a) a complete list and description of CBRE Clarion composites; (b) information regarding our policies for valuing portfolios, calculating performance and preparing compliant presentations; (c) a copy of the verification report; and (d) a list of affiliated entities. Please direct requests to the CBRE Clarion compliance department at 610.995.2500

The information presented should not be considered as a recommendation. Investing in real estate securities involves risk including to potential loss of principal. Real estate equities are subject to risks similar to those associated with the direct ownership of real estate. Portfolios concentrated in real estatesecurities may experience price volatility and other risks associated with non-diversification. While equities may offer the potential for greater long-term growth than some debt securities, they generally have higher volatility. There are no assurances performance will match or outperform any particular benchmark. Past performance is no guarantee of future results.

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