Voya Large Cap Growth Strategy

Seeking the Growth Potential and Stability of Large Caps

Strategy Overview

Actively managed large cap growth strategy that relies on fundamental research and analysis to identify companies with strong and accelerating business momentum, increasing market acceptance and attractive valuations.

Key Takeaways

- Positive U.S. and global economic momentum continued unabated through the second quarter, and the financial markets delivered solid performance as a result. As measured by the Russell indexes, large-capitalization stocks outperformed mid-caps and small-caps; and growth styles outperformed value styles
- Inflation fears eased during the quarter and bonds delivered attractive performance. We believe the Federal Reserve (the "Fed") can control average price level swelling and successfully reduce monetary accommodation without triggering a deflationary tailspin or market panic
- For the quarter ended June 30, 2021, the strategy outperformed its benchmark

Current Strategy and Outlook

We have strong conviction that the U.S. and global economic expansion will continue at an above-trend pace through the balance of the year and into 2022. The Covid-19 crisis appears to be mostly behind us, obviating the need for growth-inhibiting constraints. S&P 500 earnings grew nearly 50% year-over-year in 1Q21; we expect them to grow more than 60% in 2Q21. Full-year 2021 U.S. GDP growth is tracking between 7–8%, driven, we believe, by the release of pent-up demand and spending down of accumulated savings. Broadening business activity is intensifying supply and demand imbalances, pressuring prices higher. While we're likely to see a higher base rate of inflation, we do not think the Federal Reserve will have to dramatically raise interest rates to stave it off.

You should consider the investment objectives, risks, and charges and expenses of the variable product and its underlying fund options; or mutual funds offered through a retirement plan, carefully before investing. The prospectuses / prospectus summaries / information booklets contain this and other information, which can be obtained by contacting your local representative or by calling (800) 992-0180. Please read the information carefully before investing.

Portfolio Review

For the quarter ended June 30, 2021, the Strategy modestly outperformed its benchmark on a gross-of-fees basis due to favorable stock selection. Namely, stock selection within the health care and consumer discretionary sectors contributed the most to performance. Stock selection within the industrials sector, and to a much lesser degree, the communication services sector, detracted the greatest value. An allocation to cash, while within the typical range, was also a headwind during the period.

Key contributors to performance were Intuit Inc., Tesla Inc. and Eli Lilly and Company.

An overweight position in Intuit Inc. (INTU) contributed favorably to performance during the quarter. The stock was rewarded for a strong 3Q21 earnings report and raised full-year guidance across each of its four segments. Most notably, management cited significant revenue growth within its small business segment as well as record quarterly revenue results in Credit Karma giving investors greater confidence in its long-term growth potential.

Not owning Tesla Inc. (TSLA) proved favorable during the quarter. The stock was negatively impacted by an investor rotation out of the mega-cap growth cohort, in addition to concerns regarding a decline in sales in China. Musk's abrupt announcement that the company would no longer accept bitcoin payments further exacerbated the sell-off.

An overweight position in Eli Lilly and Company (LLY) added value during the quarter. Shares advanced largely due to the news that its competitor, Biogen Inc. (BIIB), received an accelerated approval from the Food and Drug Authority (FDA) for its drug, aducanumab, for the treatment of Alzheimer's disease. Investors viewed this as a positive for LLY's drug, donanemab, given the potential for an expedited path toward regulatory approval. Subsequently, in late June, LLY announced that the FDA granted the Breakthrough Therapy designation for donanemeb which is expected to accelerate the review and development process for the drug.

Key detractors from performance were Expedia Group, Inc., Exact Sciences Corporation and Paycom Software, Inc.

An overweight position in Expedia Group, Inc. (EXPE) was a headwind during the quarter. Given the run-up of post-pandemic beneficiaries going into the period, EXPE traded down due to investor concerns that the robust travel recovery would be impacted by the spreading of the Delta variant. We continue to expect bookings to be well ahead of expectation in coming quarters and for EXPE to show very strong margins in conjunction with the positive revenue surprise.

Owning an overweight position in Exact Sciences Corporation (EXAS) earlier in the period detracted from results. Despite posting a modest 1Q21 earnings beat and a continued recovery in screening and sales activity, the stock traded off on higher expectations, as guidance for C21 was only in-line with consensus.

An overweight position in Paycom Software, Inc. (PAYC), a cloud-based human capital management (HCM) software solutions company, detracted from results. Despite positive 1Q21 earnings results showing clear signs of continued improvement and guidance indicating a return to pre-pandemic growth rates, the company has not yet realized the tailwinds from favorable employment data. While we believe these concerns are transitory, the stock was under pressure during the period.

Holdings Detail

Companies mentioned in this report – percentage of strategy investments, as of 06/30/21: Intuit Inc. 2.50%, Tesla Inc. 0%, Eli Lilly and Company 2.20%, Expedia Group, Inc. 1.62%, Exact Sciences Corporation 0% and Paycom Software, Inc. 1.40%; 0% indicates that the security is no longer in the portfolio. Portfolio holdings are subject to daily change.

The **Russell 1000 Growth Index** is an unmanaged index that measures the performance of the large-cap growth segment of the U.S. equity universe. It includes those Russell 1000 companies with higher price-to-book ratios and higher forecasted directly in an index. 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. **Growth Investing** Prices of growth stocks typically reflect high expectations for future company growth, and may fall quickly and significantly if investors suspect that actual growth may be less than expected. Growth companies typically lack any dividends that might cushion price declines. Growth stocks tend to be more volatile than value stocks, and may underperform the market as a whole over any given time period. **Derivative Instruments** Derivative instruments are subject to a number of risks, including the risk of changes in the market price of the underlying securities, credit risk with respect to the counterparty, risk of loss due to changes in interest rates and liquidity risk. The use of certain derivatives may also have a leveraging effect which may increase the volatility of the Portfolio and reduce its returns. Other risks of the Portfolio include, but are not limited to**: Liquidity, Company, Currency, Foreign Investments, Market, Other Investment Companies and Securities Lending. Investors should consider the Portfolio's prospectus and statements of additional information for a more detailed discussion of the Portfolio's risks. An investment in the Portfolio is not a bank deposit and is not insured or guaranteed by the Federal Deposit Insurance Corporation, the Federal Reserve Board or any other government agency.**

The strategy employs a quantitative model to execute the strategy. Data imprecision, software or other technology malfunctions, programming inaccuracies and similar circumstances may impair the performance of these systems, which may negatively affect performance. Furthermore, there can be no assurance that the quantitative models used in managing the strategy will perform as anticipated or enable the strategy to achieve its objective.

The strategy is available as a mutual fund or variable portfolio. The mutual fund may be available to you as part of your employer sponsored retirement plan. There may be additional plan level fees resulting in personal performance that varies from stated performance. Please call your benefits office for more information.

Variable annuities and group annuities are long-term investments designed for retirement purposes. If withdrawals are taken prior to age 59½, an IRS 10% premature distribution penalty tax may apply. Money taken from the annuity will be taxed as ordinary income in the year the money is distributed. An annuity does not provide any additional tax deferral benefit, as tax deferral is provided by the plan. Annuities may be subject to additional fees and expenses to which other tax-qualified funding vehicles may not be subject. However, an annuity does provide other features and benefits, such as lifetime income payments and death benefits, which may be valuable to you.

Variable investments, of any kind, are not guaranteed and are subject to investment risk including the possible loss of principal. The investment return and principal value of the security will fluctuate so that when redeemed, it may be worth more or less than the original investment. In addition, there is no guarantee that any variable investment option will meet its stated objective. All guarantees are based on the financial strength and claims paying ability of the issuing insurance company, who is solely responsible for all obligations under its policies.

Insurance products, annuities and funding agreements issued by Voya Retirement Insurance and Annuity Company ("VRIAC"), One Orange Way, Windsor, CT 06095, which is solely responsible for meeting its obligations. Plan administrative services provided by VRIAC or Voya Institutional Plan Services, LLC ("VIPS"). Securities distributed by or offered through Voya Financial Partners, LLC ("VFP") (member SIPC)or other broker-dealers with which it has a selling agreement. Only Voya Retirement Insurance and Annuity Company is admitted and can issue products in the state of New York. All companies are members of Voya Financial.

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 does not guarantee 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.

Not FDIC Insured | May Lose Value | No Bank Guarantee
CMFC-LCGSTRAT 063021 • ex063022 • IM1728965 • WLT250006930