

# Voya Senior Loan Trust Fund

Strategy-At-A-Glance	
Fund Description	The Voya Senior Loan Trust Fund is a collective investment trust fund maintained by Voya Investment Trust Co., available to eligible qualified retirement plan clients. Designed exclusively for qualified retirement plans and their participants, the fund is not available to individual retail investors.
Share Class Inception Date	07/02/08
Benchmark	S&P/LSTA Leveraged Loan Index
Annual Expense Ratio (%) <sup>1</sup>	0.04%
Annual Expense Ratio per \$1,000 <sup>1</sup>	\$0.35

<sup>1</sup> The investment management fee is charged outside of the fund NAV, therefore the expense ratio calculations do not include the investment management fee.

## Strategy Overview

The Senior Loan strategy seeks superior long-term risk-adjusted total returns over a full credit and interest rate cycle by investing primarily in a broadly diversified portfolio of senior secured floating-rate loans.

## Investment Philosophy

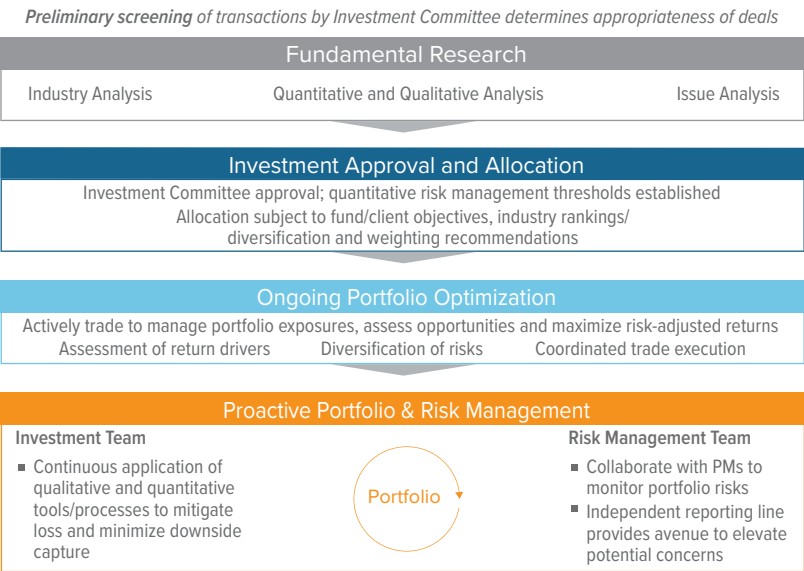
Traditional, fundamental credit underwriting and monitoring are the foundation of our investment philosophy and process. Our disciplined investment style and through-cycle investment approach seeks to deliver reliable results for our clients.

The following key beliefs underpin our investment philosophy:

- Investing in senior loans require a lender’s mentality
- Risk vs. return is asymmetrical; Alpha is ultimately created by avoiding loss
- Proactive management allows for downside protection

## Investment Process

Supported by an over 50-person dedicated investment team, our investment process focuses on fundamental credit analysis, relative value assessment and high levels of diversification. We conduct top-down analysis to target industries with strong operating momentum or improving credit conditions, while avoiding those sectors prone to the clustering of defaults. The other major component of our process, specific borrower selection, is based on fundamental bottom-up credit analysis that includes independent credit research, in-depth collateral review and relative value analysis.



Not FDIC Insured | May Lose Value | No Bank Guarantee

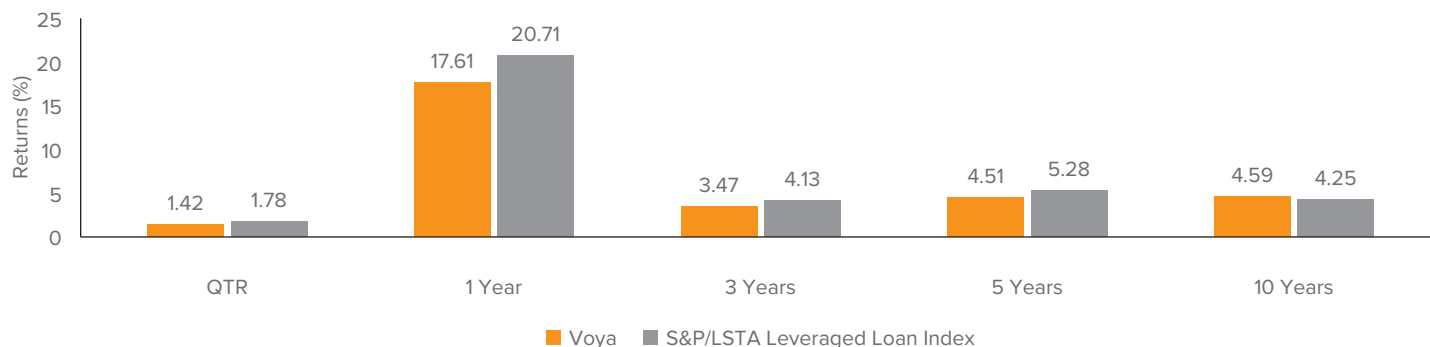
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INVESTMENT MANAGEMENT



## Performance

### Trust Share Class Performance



**Performance quoted is past performance, is no guarantee of future results and assumes that dividends and distributions are reinvested. Current performance may be lower or higher. Investment value will fluctuate, and shares, when redeemed, may be worth more or less than original cost.**

The gross-of-fees performance presented is reflective of trading costs but excludes the effect of management fees and other administrative fees related to the Collective Trust investment vehicle. A typical management fee schedule for this product is First \$100 million 45bp, Next \$150 million 38bp, Next \$250 million 35bp, Over \$500 million 30bp. Administrative and operating expenses which include, but are not limited to, custody, accounting, transfer agency and audit are reflected in the valuation of the fund. The Trustee has voluntarily determined to pay out of its resources any administrative expenses which exceed 10 bps.

## Investment Commentary

### Portfolio Review

For the quarter, the Voya Senior Loan Collective Trust (the "Trust") returned 1.42% on a gross-of-fees basis, while the S&P/LSTA Leveraged Loan index (the "index") returned 1.78%. Relative performance was largely impacted by selection among single-B-rated loans, and selection among and an underweight in the outperforming CCC-rated cohort. By industry, relative performance lagged a bit due to selection in and an overweight to radio and television and selection in electronics and electrical, and business equipment and services. At the issuer level, an overweight to Diamond Sports Group, LLC was the largest detractor over the period, as the company continues to face uncertainties related to the timing of a full return to live sporting events and a currently unsustainable debt capital structure. In contrast, partially offsetting contributors included underweights in BBB- and BB-rated loans. Relative performance was also helped by an underweight in utilities and selection in nonferrous metals and minerals. Additional contributions resulted from an overweight to U.S. Silica Company, which was upgraded by the rating agencies during the quarter following the continued strengthening of U.S. economic activity and a stable outlook for the oil and gas industry.

The Trust experienced one default during the quarter (Belk Inc.), as compared to two for the index. Diversification measures remain robust with 36 industries and 353 individual issuers represented.

### Current Strategy and Outlook

The loan market performed soundly during the quarter, buoyed by healthy market technical factors and stronger secondary trading levels. In total, the

index returned 1.78% for the period with market value gains and interest income both contributing to performance. Returns were in the black across all rating cohorts but clearly favored lower-quality, as investors maintained a strong "risk-on" bias. With an outsized gain of 6.38%, CCC-rated loans were the top performers for a fourth consecutive quarter. Moving up the ratings quality scale, single-B- and BB-rated loans posted returns of 1.60% and 0.75%, respectively.

From a fundamental credit perspective, the loan market experienced muted default activity with just two index constituents defaulting during the quarter. As a result, the trailing-12-month default rate by principal amount fell by 68 basis points (bp) from the previous quarter, to 3.15%, much closer to the historical average for the asset class. The forward consensus estimates (LCD's latest default survey) place the peak rate at just under 4% for year-end 2021.

As we look ahead, the broad macro picture should continue to improve as economic reopening progresses, vaccinations ramp up, and a general pivot back to pre-pandemic activities accelerates. The global vaccine roll-out has improved the outlook for COVID-19, as infection rates are expected to continue to fall. However, the road to herd immunity will remain turbulent, particularly for countries with slower rates of vaccinations. Nonetheless, the most material downside risks have diminished considerably, and the upward trend in corporate earnings should continue against the backdrop of strong, near-term GDP growth. Apart from the pandemic, market participants are also focused on inflation and rate volatility, both of which have been recently ignited by prospects of additional government spending. Should there be a further leg up in longer-end rates, we expect loans to benefit in such a scenario, given the inherent rising-rate protection offered by the asset class.

The **S&P/LSTA Leveraged Loan Index** - S&P/LSTA (Loan Syndications and Trading Association) Leveraged Loan Index (LLI) is a total return market value index that tracks fully funded, senior secured, first lien term loans syndicated in the U.S., as well as dollar-denominated overseas loans, including 90-95% of the institutional universe.

**Indexes do not reflect fees, brokerage commissions, taxes or other expenses of investing, and investors cannot directly invest in an index.**

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## Portfolio Highlights

Returns-Based Characteristics (5 years ending 03/31/21)	Voya	S&P/LSTA Leveraged Loan Index
Standard Deviation (%)	6.43	6.81
Tracking Error (%)	0.71	–
Information Ratio	-1.10	–
Alpha (annualized %)	-0.53	–
Beta	0.94	1.00
R-Squared	0.99	1.00
Sharpe Ratio	0.52	0.61

Characteristics	
Number of Industries	36
Average per Industry	\$55,652,305
Average per Industry as % of AUM	2.78
Number of Issuers	353
Average per Issuer	\$5,675,589
Average per Issuer as % of AUM	0.28
Weighted Average Spread	3.70%
Weighted Average Maturity in Years	4.94
Weighted Average Market Price	98.74%
AUM Current Month End	2,003,482,988
AUM Previous Month End	1,999,578,827

Ratings Distribution (%)	S&P
Treasuries/Cash	N/A
BBB or Above	0.88
BB	10.91
B	80.06
CCC	7.15
CC or Below	0.07
NR	0.93

Top Ten Issuers (\$ millions)	Market Value (\$)	% of AUM
Asurion, LLC	27.13	1.35
Ply Gem Industries, Inc.	24.36	1.22
Caesars Resort Collection	18.16	0.91
Acrisure, LLC	16.73	0.84
Sedgwick Holdings, Inc.	16.38	0.82
Edelman Financial Services	16.09	0.80
Scientific Games International, Inc.	15.88	0.79
Internet Brands, Inc.	15.45	0.77
Misys (Finastra)	14.98	0.75
McAfee, LLC	14.94	0.75

Top 10 Industries (\$ millions) <sup>2</sup>	Market Value (\$)	% of AUM
Electronics/Electrical	334.90	16.72
Business Equipment & Services	217.27	10.84
Health Care	203.11	10.14
Diversified Insurance	127.39	6.36
Telecommunications	121.10	6.04
Building & Development	100.21	5.00
Containers & Glass Products	78.67	3.93
Radio & Television	77.06	3.85
Automotive	75.96	3.79
Lodging & Casinos	72.44	3.62

<sup>2</sup> Industry allocation for the Trust is tracked using S&P Industries.

**Past performance does not guarantee future results.** Holdings are subject to change. The information shown is supplemental only. Totals may not equal due to rounding.

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## Portfolio Manager



**Jeff Bakalar**

**Group Head**

Years of experience: 35

Years with firm: 23

## Voya Investment Management

Voya Investment Management is the asset management business of Voya Financial, a Fortune 500 company with over 6,000 employees seeking to help clients plan, invest and protect their savings. Voya Investment Management manages approximately \$255 billion\* in assets across fixed income, senior loans, equities, multi-asset strategies and solutions, private equity, and real assets. Drawing on over 40 years of experience and the expertise of 250+ investment professionals, the firm's capabilities span traditional products and solutions as well as those that cannot be easily replicated by an index.

At Voya Investment Management, a heritage of partnership and innovation serves clients at every step. Our award winning culture is deeply rooted in a client-centric approach to help investors meet their goals — from insurance companies, corporate and public pension funds, sovereign wealth funds, endowments and foundations, and consultants to intermediaries, as well as individual investors.

\*As of 12/31/20. Voya IM assets are calculated on a market value basis and include proprietary insurance general account assets of \$68 billion.

**Risk is inherent in all investing. The following are the principal risks associated with investing in senior loans.** **Credit risk:** Senior loans are below-investment-grade instruments that carry a higher than normal risk that borrowers may not make timely payments of principal and interest. Failure by borrowers to make such payments may cause the yield and/or the value of your investment to decline. **Interest rate risk:** The yield on senior loans is directly affected by changes in market interest rates. If such rates fall, the yield may fall. Also, if overall interest rates on loans decline, the yield may fall and the value of the assets may decrease. When market interest rates rise, there may be a delay in the rise in the yield due to a lag between changes in such rates and the resetting of the floating rates on the loans. **Limited secondary market for loans:** Loans do not trade on an established exchange. There is a limited secondary market for loans. **Demand for loans:** An increase in demand for loans may adversely affect the rate of interest payable on new loans, and it may also increase the price of loans in the secondary market. A decrease in the demand for loans may adversely affect the price of loans, which could cause the value of loans to decline. **Use of leverage:** The strategy may engage in leverage for some portfolios. The use of leverage in a portfolio may have a magnifying effect on the returns for a portfolio, both positively and negatively. **Foreign currency:** The strategy may invest in loans denominated in currencies other than the U.S. dollar. While the strategy seeks to hedge foreign currency risk to the greatest extent practicable, such hedging may not be effective.

**This is not, and is not intended to be, a description of all risks of investing in senior loans. The applicable offering documents should be read carefully before investing.**

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**Past performance does not guarantee future results.**

Participation in a Collective Trust Fund is limited to eligible trusts that are accepted by the Trustee as Participating Trusts. Eligible trusts generally include (i) certain employee benefit trusts exempt from federal income taxation under Code Section 501(a); (ii) certain governmental plans or units described in Code Section 414(d), Code Section 457(b), and Code Section 818 (a) (6); (iii) certain commingled trust funds exempt from federal income taxation under Code Section 501(a); and (iv) certain insurance company separate accounts as defined in the Investment Company Act section 2(a) (17). Neither the Fund nor units of beneficial interest in the Fund are registered under the Investment Company Act of 1940 or the Securities Act of 1933 in reliance on an exemption, under these acts applicable to collective trust funds maintained by a bank for certain types of employee benefit trusts. Collective Investment Trusts are not mutual funds and are not required to file a prospectus or registration statement with the Securities and Exchange Commission and, accordingly, neither is available.

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