

# Voya Short Duration Strategy

Strategy-At-A-Glance	
Objective <sup>1</sup>	To outperform the Bloomberg U.S. Government/Credit 1-3 Year Index by 0.75-1.00% over a full credit cycle with annualized tracking error of approximately 0.75-1.50%
Value Added Sources	Sector Allocation: 40-60% Security Selection: 40-60% Interest Rate / Curve Position: 10-20%
Inception Date	01/01/13
Strategy Assets <sup>2</sup>	\$5.4 billion
Benchmark	Bloomberg U.S. Government/Credit 1-3 Year Index
Available Vehicles	Separate Account Mutual Fund

<sup>1</sup> There is no guarantee that this objective will be achieved.

<sup>2</sup> AUM as of 06/30/23

## Strategy Overview

The Short Duration strategy seeks to outperform over a full market cycle via a broadly diversified portfolio, with a focus on risk-adjusted returns, primarily emphasizing opportunities across the range of U.S. investment grade corporate bonds while maintaining a short duration profile.

## Investment Philosophy

We believe that intensive security level research paired with a broadly informed awareness of the economic and credit cycle are critical to identifying superior investment opportunities and managing downside risk.

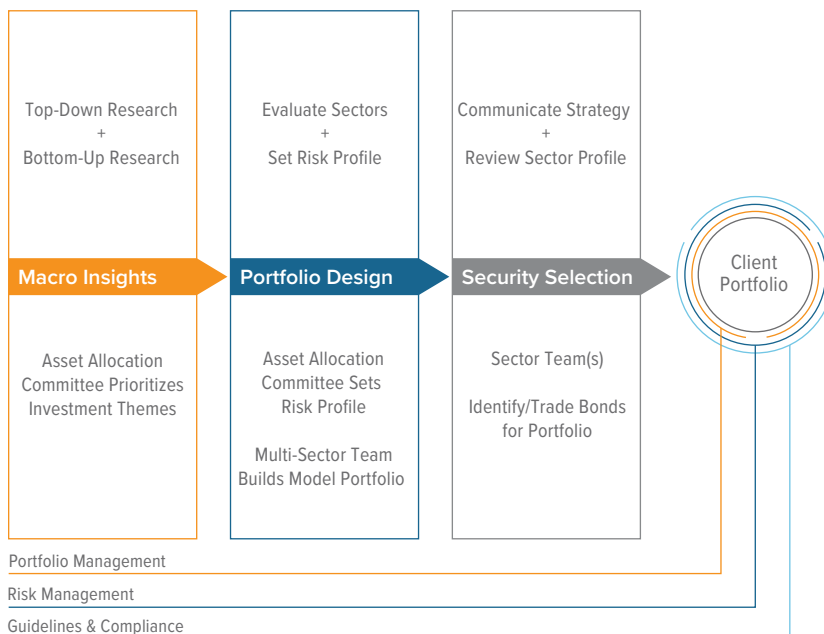
The following key beliefs underpin our investment philosophy:

- Security selection is a significant driver of risk and returns
- Nimble sector and sub-sector allocations capture relative value
- Risk management is critical throughout the entire investment process

These three key beliefs frame an integrated strategy that incorporates a dynamic blend of top-down and bottom-up approaches.

## Investment Process

Supported by a seasoned team of over 275 fixed income professionals, our three-step process leverages the collective insights from across Voya's Fixed Income platform, incorporating both top-down and bottom-up research insight. First, our asset allocation committee deliberates and prioritizes investment themes impacting fixed income markets, and offers unencumbered views regarding sectors and overall risk posturing. Next, the multi-sector team then builds a model portfolio, incorporating client guidelines and objectives. Finally, individual sector teams are then responsible for identifying and trading specific bonds.



Not FDIC Insured | May Lose Value | No Bank Guarantee

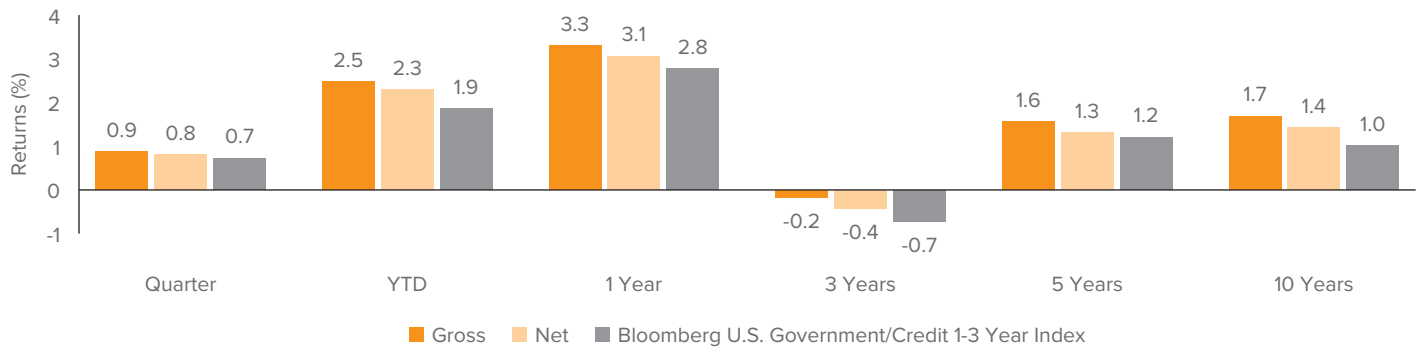
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INVESTMENT MANAGEMENT



## Performance

### Voya Short Duration Composite



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

Voya Investment Management claims compliance with the Global Investment Performance Standards (GIPS®). GIPS® is a registered trademark of CFA Institute. CFA Institute does not endorse or promote this organization, nor does it warrant the accuracy or quality of the content contained herein. **To learn more on the GIPS® compliance Schedule of Composite Performance go to: <https://institutional.voya.com/document/product/gips.pptx>.**

The Composite performance information represents the investment results of a group of fully discretionary accounts managed with the investment objective of outperforming the benchmark. Information is subject to change at any time. Gross returns are presented after all transaction costs, but before management fees. Returns include the reinvestment of income. Net performance is shown after the deduction of a model management fee equal to the highest fee charged. Benchmark source: Bloomberg Index Services Limited

The **Bloomberg U.S. Government/Credit 1-3 Year Index** covers treasuries, agencies, publicly issued U.S. corporate and foreign debentures and secured notes that meet specified maturity, liquidity, and quality requirements. For comparison purposes, the index is fully invested, which includes the reinvestment of income. The returns for the index do not include any transaction costs, management fees or other costs.

**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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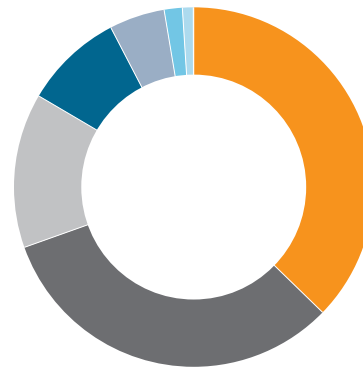
### Portfolio Highlights

Returns-Based Characteristics (5 years ending 09/30/23)	Composite	Bloomberg U.S. Government/Credit 1-3 Year Index
Standard Deviation (%)	2.45	1.74
Tracking Error (%)	1.72	-
Information Ratio	0.21	-
Alpha (annualized %)	0.36	-
Beta	1.00	1.00
R-Squared	0.51	1.00
Sharpe Ratio	-0.07	-0.31

Credit Quality (%)	Portfolio	Bloomberg U.S. Government/Credit 1-3 Year Index
Treasuries/Cash	32.28	65.84
AAA	16.94	4.19
AA	8.82	6.44
A	19.67	12.43
BBB	18.56	11.08
BB	1.70	0.00
B	1.04	0.00
<B	0.00	0.00
Not Rated	1.00	0.02

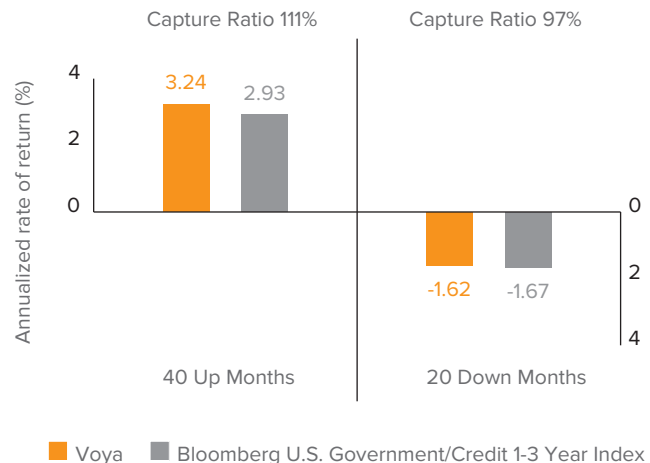
Top Ten Credit Exposures (%)	Portfolio
Bank of America Corp.	1.67
Morgan Stanley	1.59
JPMorgan Chase & Co.	1.29
FLORIDA POWER & LIGHT CO	0.54
Credit Suisse AG (New York Branch)	0.53
Mitsubishi UFJ Financial Group Inc.	0.48
Toronto Dominion Bank	0.45
FIDELITY NATIONAL INFORMATION SERV	0.45
Southern Company	0.41
HSBC Holdings PLC	0.40

Top Sector Allocation (%)



	Voya	Index
IG Corporates	37.27	24.91
US Treasury & Cash	32.28	65.84
Asset-Backed Securities	13.90	0.00
Commercial Mortgage-Backed Securities	8.91	0.00
Agency Mortgages	4.99	0.00
HY Corporates	1.63	0.02
Non-Agency RMBS and SF CRT	0.97	0.00
Government Related	0.04	8.43
Emerging Markets	0.00	0.81

Up / Down Capture Ratio



**Credit Quality** – is calculated based on S&P, Moody's and Fitch ratings. If the ratings from all 3 rating agencies are available, securities will be assigned the Median rating based on the numerical equivalents. If the ratings are available from only two of the agencies, the more conservative of the ratings will be assigned to the security. If the rating is available from only one agency, then that rating will be used. Any security is not rated by S&P, Moody's, or Fitch is placed in the NR (Not Rated) category. Internal ratings will not be used for any security. Ratings do not apply to the Fund itself or to the Fund shares. Ratings are subject to change. Ratings are a measure of quality and safety of a bond based on the financial condition of the issuer. Generally accepted, AAA is the highest grade (best) to D which is the lowest (worst).

**Past performance does not guarantee future results.** The return-based characteristics presented are based on the gross-of-fee composite returns. Characteristics are based on a representative account in the composite that we believe best represents the portfolio management style of the composite. Characteristics may be adjusted to exclude securities for which data is not available or for extreme data outliers via commonly-used trimming methodologies. Holdings are subject to change. The information shown is supplemental only. Totals may not equal due to rounding.

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## Portfolio Managers



**Matt Toms, CFA**  
**Global Chief Investment Officer**  
 Years of experience: 29  
 Years with firm: 14



**Sean Banai, CFA**  
**Head of Portfolio Management**  
 Years of experience: 24  
 Years with firm: 24



**Bob Kase, CFA**  
**Senior Portfolio Manager**  
 Years of experience: 39  
 Years with firm: 16



**Dave Goodson**  
**Head of Securitized**  
 Years of experience: 27  
 Years with firm: 21



**Randy Parrish, CFA**  
**Head of Public Credit**  
 Years of experience: 33  
 Years with firm: 22

## Voya Investment Management

Voya Investment Management provides both core and specialized investment strategies to institutions, financial intermediaries and individual investors worldwide. Drawing on a 50-year legacy of active investing and the expertise of over 300 investment professionals, Voya Investment Management manages approximately \$319 billion\* in assets across public and private fixed income, equities, multi-asset solutions and alternative strategies.

Our award-winning culture is grounded in a commitment to understanding and anticipating clients' needs, producing strong investment performance, and embedding diversity, equity and inclusion in everything we do. Voya Investment Management is the asset management business of Voya Financial (NYSE: VOYA), a leading health, wealth and investment company with 9,000 employees dedicated to serving the needs of over 14 million individual and workplace clients.

\*As of 06/30/23. Voya IM assets are calculated on a market value basis and include proprietary insurance general account assets of \$33 billion.

The principal risks are generally those attributable to bond investing. Holdings are subject to market, issuer, credit, prepayment, extension, and other risks, and their values may fluctuate. Market risk is the risk that securities may decline in value due to factors affecting the securities markets or particular industries. Issuer risk is the risk that the value of a security may decline for reasons specific to the issuer, such as changes in its financial condition. The strategy may invest in mortgage-related securities, which can be paid off early if the borrowers on the underlying mortgages pay off their mortgages sooner than scheduled. If interest rates are falling, the strategy will be forced to reinvest this money at lower yields. Conversely, if interest rates are rising, the expected principal payments will slow, thereby locking in the coupon rate at below market levels and extending the security's life and duration while reducing its market value.

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