

# Voya Target Solution Trust Series — Target-Date Funds

## Strategy-At-A-Glance

Inception Date	05/01/05
Strategy Assets <sup>1</sup>	\$2.3 billion
Vehicles	Collective Trust

<sup>1</sup>AUM as of 09/30/18

## Strategy Overview

The Target Solution Trust series is a suite of 10 Target Date collective trusts that seeks to help investors meet their long-term retirement goals. This series invests in underlying managers that cover multiple asset classes and asset managers, including active and passive styles, to create diversified allocations for investors based on their retirement date. Through sophisticated portfolio construction techniques, the trusts offer diversification of alpha sources and investment styles to help generate consistent risk-adjusted returns over the long term.

## Investment Philosophy

The following key beliefs underpin our investment philosophy:

- A target date design should be aligned with participants' risk tolerance, demographics and benefit structure
- True diversification comes from not only traditional asset classes, but also an array of investment managers, a blend of active and passive and alternative asset classes
- It is exceedingly rare to find asset management firms that offer superior investment solutions in every market category and asset class
- A target date manager should have the flexibility to change allocations, managers and approach to asset classes to adapt to different market environments

## Investment Process

The investment process is an iterative, disciplined, and flexible method for identifying performance opportunities across a broad universe of investible assets. The process incorporates glide path research and construction, asset allocation, manager research and selection, portfolio construction, and implementation and risk management. Each step of the process is rooted in rigorous academic research and practical real world analysis.



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Performance (%) (Net)						
Portfolio (Inception Date)	3 Months	1 Year	Annualized			Total Expense Ratio (%) <sup>2</sup>
			3 Year	5 Year	Since Inception	
Voya Target Solution 2060 Trust Fund (08/18/2015)	-12.44	-8.90	5.90	NA	3.98	0.43
Voya Target Solution 2055 Trust Fund (01/01/2010)	-12.44	-8.88	5.83	4.84	8.21	0.43
Voya Target Solution 2050 Trust Fund (01/01/2010)	-12.43	-8.91	5.83	4.80	8.09	0.43
Voya Target Solution 2045 Trust Fund (01/01/2010)	-12.24	-8.64	5.84	4.81	8.14	0.43
Voya Target Solution 2040 Trust Fund (01/01/2010)	-11.47	-8.00	5.93	4.80	7.85	0.43
Voya Target Solution 2035 Trust Fund (01/01/2010)	-10.58	-7.30	5.78	4.66	7.70	0.43
Voya Target Solution 2030 Trust Fund (01/01/2010)	-9.30	-6.65	5.37	4.48	7.32	0.43
Voya Target Solution 2025 Trust Fund (01/01/2010)	-7.65	-5.38	5.08	4.27	6.96	0.43
Voya Target Solution 2020 Trust Fund (01/01/2010)	-5.70	-3.99	4.59	4.06	6.37	0.43
Voya Target Solution Income Trust Fund (01/01/2010)	-4.02	-3.03	3.68	3.43	4.99	0.43

#### Important Information

There is no guarantee that any investment option will achieve its stated objective. Principal value fluctuates and there is no guarantee of value at any time, including the target date. The “target date” is the approximate date when an investor plans to start withdrawing their money. When their target date is reached, they may have more or less than the original amount invested. For each target-date Trust, until the day prior to its target date, the Trust will seek to provide total returns consistent with an asset allocation targeted for an investor who is retiring in approximately each Trust’s designated target year. The target year is specified in the Trust’s name. For example, the Voya Target Solution 2045 Trust bears an asset allocation that the investment adviser believes balances the risk and return objectives of the “average” investor who will be retiring in the year 2045. Prior to choosing a Target Solution Trust, investors are strongly encouraged to review and understand the Trust’s objectives and its composition of stocks and bonds, and how the asset allocation will change over time as the target date nears. No two investors are alike and one should not assume that just because they intend to retire in the year corresponding to the target date that a specific Trust is appropriate and suitable to their risk tolerance. It is recommended that an investor consider carefully the possibility of capital loss in each of the target date Trusts, the likelihood and magnitude of which will be dependent upon the Trust’s asset allocation. On the target date, the Trust’s investment objective will be to seek to provide a combination of total return and stability of principal consistent with a low to moderate risk asset allocation which is targeted to the “average” retiree.

Stocks are more volatile than bonds, and trusts with a higher concentration of stocks are more likely to experience greater fluctuations in value than portfolios with a higher concentration in bonds. Foreign stocks and small and midcap stocks may be more volatile than large cap stocks. Investing in bonds also entails credit risk and interest rate risk. Generally investors with longer timeframes can consider assuming more risk in their investment portfolio. The Voya Target Solution Trusts are actively managed and the asset allocation adjusted over time. The trusts may merge with or change to other trusts over time. Refer to the Declaration of Trust for more information about the specific risks of investing in the various assets classes included in the Voya Target Solution Trusts.

The Voya Target Solution Trust is a collective investment trust fund managed and distributed by Voya Investment Trust Co., to eligible qualified retirement plan clients. Designed exclusively for qualified retirement plans and their participants, the funds are not available to individual retail investors.

Returns are net of Trustee’s Management Fee, External Managers’ Management Fees, and all administrative and operating expenses, including but not limited to custody, transaction, accounting and audit fees, of the Funds. Returns are calculated based on the Assets of the Trust Funds, and may differ from the NAV-based calculations.

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) changes in laws and regulations and (4) changes in the policies of governments and/or regulatory authorities. 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. Fund holdings are fluid and are subject to daily change based on market conditions and other factors.

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.

**A collective fund is not a mutual fund; the collective investment trust fund is managed by Voya Investment Trust Co. There is no guarantee the fund will achieve its objective.**

<sup>2</sup> The estimated fee set forth above is comprised of Management Fees as well as administrative and operating expenses (such as custody valuation and audit fees). The fee rates set forth above are only estimated fee rates for the NAV classes in the Target Solution Trust Fund[s] and could be higher or lower. The current fee rate for each class of the Target Solution Trust Fund[s], based on the current asset allocation and selection of underlying Collective Trust Funds, is similar to or less than the estimated fees provided above. The actual fees and expenses incurred will vary over time based on strategic and tactical allocations across asset classes, changes in underlying Collective Trust Funds selected and/or fee schedules as well as actual administrative and operating expenses incurred at both the underlying schedules, Collective Trust Fund and Target Solution Trust Fund levels; as a result, these fees and expenses may be higher or lower than the estimated fee schedule shown above.

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Strategic Fund Allocation (%)										
Funds	2060	2055	2050	2045	2040	2035	2030	2025	2020	Income
<b>US Large Blend</b>										
BlackRock Equity Index Non-Lendable Fund F	22.50	22.50	19.50	19.00	20.50	20.00	16.00	13.50	12.00	8.50
S+P500 EMINI FUT MAR19	–	–	3.00	3.00	2.00	2.00	2.00	1.00	1.00	1.00
<b>US Large Growth</b>										
MFS Heritage Growth Equity Fd Cl 1	7.50	7.50	7.50	7.50	5.50	5.00	4.00	2.75	–	–
Voya Large Cap Growth Trust Fund	5.50	5.50	5.50	5.50	5.50	5.50	6.00	6.00	6.50	5.00
<b>US Large Value</b>										
BlackRock Russell 1000 Value Non-Lendable Fund F	7.50	7.50	7.50	7.50	5.50	5.00	4.00	2.75	–	–
Voya Large Cap Value Trust Fund	5.50	5.50	5.50	5.50	5.50	5.50	6.00	6.00	6.50	5.00
<b>US Mid Cap Blend</b>										
S+P MID 400 EMINI MAR19	–	–	-1.00	-1.00	-1.00	-1.00	-1.00	-1.00	-1.00	-1.00
Voya Mid Cap Growth Trust Fund	3.00	3.00	3.50	3.50	3.00	2.50	2.00	1.75	1.00	1.00
Wellington Mid Cap Value CIT	3.00	3.00	3.50	3.50	3.00	2.50	2.00	1.75	1.00	1.00
<b>US Small Cap</b>										
Voya Small Cap Core Trust Fund	3.00	3.00	3.00	3.00	3.00	2.00	2.00	2.00	1.00	–
<b>International</b>										
BlackRock MSCI EAFE Equity Index Non-Lendable Fund F	9.50	9.50	10.50	9.50	9.50	7.50	7.50	6.00	4.00	3.00
Lazard - Lazard/Wilmington Intl Equity Port Class 6	3.50	3.50	3.50	3.50	3.50	5.00	4.00	3.00	2.00	–
MFS International Growth Fund	2.50	2.50	2.50	2.50	2.00	1.00	–	–	–	–
MSCI EAFE MAR19	–	–	-1.00	-1.00	-1.00	-1.00	-1.00	-1.00	-1.00	-1.00
Wellington Trust Intl Opportunities Fund	8.50	8.50	8.50	8.50	8.00	7.50	7.50	5.00	5.00	4.00
<b>Emerging Markets</b>										
AQR Emerging Equities Fund	3.80	3.80	5.00	4.50	4.00	3.50	2.50	2.50	–	–
BlackRock Emerging Markets Index Non-Lendable Fund F	1.00	1.00	2.00	2.00	2.00	2.00	2.00	–	–	–
JPMorgan Emerging Markets Equity	2.70	2.70	3.50	3.50	2.50	2.50	2.50	2.50	3.50	3.00
MSCI EMG MKT MAR19	–	–	-3.00	-3.00	-2.00	-2.00	-2.00	-1.00	-1.00	-1.00
<b>Real Estate</b>										
Vanguard Global ex-U.S. Real Estate ETF	0.75	0.75	0.75	0.75	0.75	0.75	0.75	0.50	0.50	0.50
Vanguard REIT Index ETF	0.75	0.75	0.75	0.75	0.75	0.75	0.75	0.50	0.50	0.50
<b>Commodities</b>										
Credit Suisse Enhanced Commodity Return Trust - 1625 6338	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50
<b>Core Fixed Income</b>										
BlackRock US Debt Index Non Lendable	2.00	2.00	2.00	2.00	2.00	3.00	6.50	8.50	11.00	14.50
Goldman Sachs Collective Trust Core Plus Fixed Income	–	–	–	–	–	2.50	6.50	8.25	10.00	11.00
US 10YR NOTE (CBT)MAR19	–	–	-1.00	-1.00	-1.00	-1.00	-1.00	-1.00	-1.00	-1.00
Voya Core Plus Trust Fund	3.00	3.00	4.00	4.25	8.00	9.50	11.00	11.00	12.75	15.50
<b>Senior Debt</b>										
PowerShares Senior Loan ETF	–	–	–	0.75	1.00	1.00	1.00	1.00	1.00	1.00
Voya Senior Loan Trust Fund	–	–	–	1.00	2.00	3.00	3.00	4.00	4.00	4.00
<b>Global Bond</b>										
Brandywine Global Investment Grade Fixed Income	–	–	–	–	–	–	–	3.00	3.00	3.00
<b>TIPS</b>										
BlackRock US Treasury Inflation Protection	–	–	–	–	–	–	–	2.00	5.00	7.00
<b>Short Duration</b>										
iShares 1-3 Year Treasury Bond ETF	1.00	1.00	–	–	1.00	1.00	1.00	1.00	1.00	1.00
US 2YR NOTE (CBT) MAR19	–	–	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Voya Core Short Duration High Quality Trust Fund	–	–	–	–	–	–	–	3.25	7.25	10.00
<b>Long Govt Bonds</b>										
iShares TR 20+ Year Treasury Bond ETF	2.00	2.00	–	–	–	–	–	–	–	–
US ULTRA BOND CBT MAR19	–	–	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
<b>Total Equity</b>	<b>92.0%</b>	<b>92.0%</b>	<b>92.0%</b>	<b>90.0%</b>	<b>84.0%</b>	<b>78.0%</b>	<b>69.0%</b>	<b>56.0%</b>	<b>43.0%</b>	<b>31.0%</b>
<b>Total Fixed Income</b>	<b>8.0%</b>	<b>8.0%</b>	<b>8.0%</b>	<b>10.0%</b>	<b>16.0%</b>	<b>22.0%</b>	<b>31.0%</b>	<b>44.0%</b>	<b>57.0%</b>	<b>69.0%</b>
<b>Active/Passive Breakdown (%)</b>										
<b>Summary</b>	<b>2060</b>	<b>2055</b>	<b>2050</b>	<b>2045</b>	<b>2040</b>	<b>2035</b>	<b>2030</b>	<b>2025</b>	<b>2020</b>	<b>Income</b>
Passive	48.5	48.5	44.5	43.3	43.0	41.0	39.5	35.8	35.0	36.0
Active	51.5	51.5	55.5	56.8	57.0	59.0	60.5	64.3	65.0	64.0

Due to rounding totals may not equal 100%.

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## Voya Investment Management

Voya Investment Management (Voya IM) 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. As of 09/30/18, Voya IM manages approximately \$212 billion\* in assets across Fixed Income, Senior Loans, Equities, Multi-Asset Strategies & Solutions, Private Equity, and Real Assets. Drawing on over 40 years of experience and the expertise of 250+ investment professionals, Voya IM's capabilities span traditional products and solutions as well as those that cannot be easily replicated by an index.

Voya IM's award-winning culture is deeply rooted in a client-centric approach to helping investors meet their goals — from insurance companies, corporate and public pension funds, sovereign wealth funds, endowments and foundations, and consultants to intermediaries, and individual investors. Reliability is why our clients hire us and it is why they trust us to navigate the path ahead.

## Portfolio Manager



### Paul Zemsky, CFA

Chief Investment Officer, Multi-Asset Strategies and Solutions

Years of experience: 35

Years with firm: 14

\*As of 09/30/18. Voya IM assets are calculated on a market value basis and include proprietary insurance general account assets of \$59 billion.

The Target Solution Trust principal risks are generally those attributable to investing in stocks, bonds and related derivative instruments. Target Solution Trust holdings are subject to market, issuer and other risks, and their values may fluctuate. Market risk is the risk that securities or other instruments 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 or instrument may decline for reasons specific to the issuer, such as changes in its financial condition. Additionally, the concentration of Target Solution Trust holdings may lead to high volatility and tracking error relative to the benchmark. Furthermore, there is the risk that needed hedges may not always be available in the derivatives markets or available at attractive prices. In addition, because each Target Solution Trust is exposed to underlying collective funds, the performance of these investment vehicles will have a substantial impact on the Target Solution Trust's overall performance, and such investment vehicles may have unique risks based on their strategy and operations. Certain underlying investment vehicles may not offer daily liquidity. The Target Solution Trust may also incur fees attributable to such underlying pooled investment vehicles. In some situations, fees paid from these investment vehicles to affiliates of the Trustee may be offset or rebated vis-a-vis the Trust or its investors.

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