

Strategic Allocations to Actively Managed Equity and Fixed Income Assets

Strategy overview

A 55/45 equity/fixed income, multi-asset strategy providing exposure to the investment expertise of the Voya Investment Management equity and fixed income teams in a single strategy.

Global stock markets ended a tumultuous 2020 on an upbeat note, rallying on expectations for synchronous, regional recoveries in 2021. The major U.S. market indexes posted solid gains for the monthly, quarterly and annual periods ended December 31, 2020. For the quarter, the NASDAQ Composite rose 15.41%, the S&P 500 index gained 12.01% and the Dow Jones Industrial Average increased by 10.73%. Gauged by market capitalization, small- and mid-cap stocks outperformed large caps, though all posted strong gains for the quarter. Non-U.S. markets, as measured by the MSCI EAFE index, gained 16.05%; the MSCI Emerging Markets index returned 19.70%.

Fixed income assets generally delivered positive returns for the quarter: the Bloomberg Barclays (BB) Global Aggregate Bond index gained 3.28% and the BB U.S. Aggregate Bond index gained 0.67%. Corporate credit markets also fared well: the BB U.S. Credit index rose 2.79% and the BB U.S. High Yield index gained 6.45%. U.S. Treasury securities were weaker: the BB U.S. Treasury 1-5 Year index eked out a 0.01% return and the Bloomberg Barclays U.S. Treasury 20+ Year index returned -3.02%.

Despite historically weak, choppy economic data and unsettling, pandemic-related headlines, risk assets have pushed higher on investor confidence that the future will be better than the present. With two Covid-19 vaccines in distribution and a new round of fiscal stimulus about to be deployed, we believe the U.S. economy is primed to accelerate in 2021. In our view, there is a clear bridge (vaccine) to post-Covid normalcy and abutments (fiscal stimulus and prolonged, accommodative monetary policy) that should keep the recovery on track and absorb unexpected jolts along the way.

Disclaimers

The information contained herein is obtained from multiple sources and believed to be reliable. Information has not been verified by Merrill Lynch and may differ from documents created by Merrill Lynch. Clients should refer to the Merrill Lynch Profile, which you can obtain from your financial advisor. For additional information or other programs speak to your financial advisor.

Merrill Lynch, through its affiliate, Managed Account Advisors, LLC (MSS) will be the overlay portfolio manager (OPM) for this investment style. Voya IM will provide securities recommendations to the OPM generally in the form of a model, which includes the specific securities and the percentage allocation to each security to be held in client accounts. This investment advice is updated by Voya IM whenever the recommendations change. The OPM generally implements the investment advice of Voya IM without change, subject to any reasonable client-imposed restrictions and, to the extent possible, tax considerations. Voya IM can, after consultation with Merrill Lynch, place orders for certain block trades with Merrill Lynch or another broker-dealer. Voya IM is not affiliated with Merrill Lynch. While the model portfolio was created to reflect the investment strategy and asset allocation policy of Consults, it does not represent the performance of actual accounts and, therefore, does not factor in changes in asset allocation and timing of investments that might have been made based on the then-current economic conditions, and which may have changed the results.

In addition, Voya cannot assure that the non-Consults results would be similar to its results from management of Consults accounts. Foreign investments, including ADRs, may be exposed to certain risks not typically involved in domestic investments such as exchange rate fluctuations, adverse political and economic developments, imposition of exchange controls or other foreign laws or restrictions.

Index returns do not reflect fees, brokerage commissions, taxes or other expenses of investing. **Investors cannot invest directly in an index.**

Voya Investment Management has prepared this commentary 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 is no guarantee of future returns.**

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. Strategy holdings are fluid and are subject to daily change based on market conditions and other factors.

Past performance does not guarantee future results.

©2021 Voya Investments Distributor, LLC • 230 Park Ave, New York, NY 10169 • All rights reserved.

Not FDIC Insured | May Lose Value | No Bank Guarantee
SMA-C-SI-MLC 123120 • ex123121 • IM1502219 • WLT250007085