

## Voya Solution Portfolios<sup>SM</sup> (Target Date)

# The Target Date Choice to Help Keep Retirement Goals on Track

### Strategy Overview

These portfolios are only offered as an investment option within variable products and retirement programs.

### Market Review and Economic Outlook

The financial markets delivered a strong fourth quarter in 2019 as the major U.S. stock indexes posted solid gains. The Dow Jones Industrial Average returned 6.67%, the NASDAQ Composite index rose 12.17% and the S&P 500 index gained 9.07%. As measured by the Russell indexes, growth styles generally led value styles; predominance among capitalization segments was less clear — large and small cap stocks generally performed about the same, while midcap stocks generally trailed. Non-U.S. markets also delivered strong returns for the month: the MSCI EAFE index gained 8.21%, the MSCI Emerging Markets index returned 11.84% and China returned 14.19% as measured by the MSCI AC Golden Dragon index.

Interest-rate sensitive assets showed mixed results for December, even after the Federal Reserve delivered its third interest-rate cut for the year. The Bloomberg Barclays (BB) Global Aggregate bond index gained 0.49% and the BB U.S. Aggregate Bond index gained 0.18%, but the BB U.S. Treasury 20+ Year index lost 4.24%. U.S. corporate bonds had positive returns: The BB U.S. Corporate index gained 1.18% and the BB U.S. High Yield index gained 2.61%. Real estate investment trusts, as measured by the MSCI U.S. REIT index, lost 0.78%.

U.S. growth has been chugging along around trend for months, while non-U.S. growth generally has shown improvement. Market participants seem to recognize that economic fundamentals are improving, yet they fear significant, unpredictable risks that could derail a rally. There has been progress on the United States–China trade war, though despite this development we do not anticipate a full retreat of global trade tensions. After a strong run in equities and more than a decade without a U.S. recession, we expect muted, albeit positive returns going forward.

### Portfolio Review

The Portfolios started the quarter with overweight positions in domestic large and small cap equities, short duration and long-maturity government bonds. These positions were funded by underweight exposures to international equities, core U.S. fixed income and high yield bonds.

Three trades were enacted across the Portfolios in October. The first trade reduced the existing duration underweight of the Funds through the purchase of long government bonds, funded by intermediate bonds. This positioning reflected our belief that U.S. employment will likely weaken from its current pace, leading to continued easing by the Federal Reserve. The second and third trades of the month sought to diversify the Funds' existing equity overweight, rotating a portion from domestic into both developed international and emerging market equities.

**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) 386-3799. Please read the information carefully before investing.**

At the time of the trades, recent foreign data, such as global PMI, supported the idea that the global economy had stopped slumping and was stabilizing.

Overall, tactical asset allocation effects were slightly negative for the quarter.

## Underlying Managers

Underlying manager performance contributed to overall performance for the quarter. Top contributors relative to their respective benchmarks were VY Invesco Comstock, Voya Multi-Manager International Equity and VY T. Rowe Price Diversified Mid Cap Growth. Bottom performers relative to their respective benchmarks in the quarter were Voya U.S. High Dividend Low Volatility, Voya Large Cap Growth and Voya Small Company Portfolio.

**Principal Risks:** 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 his or her money. When their target date is achieved they may have more or less than the original amount invested. For each target-date portfolio, until the day prior to its target date, the Portfolio will seek to provide total return consistent with an asset allocation targeted at retirement in approximately each Portfolio's designated target year. On the target date, the Portfolio's investment objective will be to seek to provide a combination of total return and stability of principal consistent with an asset allocation targeted to retirement.

Stocks are more volatile than bonds, and portfolios 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 mid cap 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 portfolios. The Voya Solution Portfolios are actively managed and the asset allocation is adjusted over time. The Portfolios may merge with or change to other portfolios over time. Refer to the prospectus for more information about the specific risks of investing in the various assets classes included in the Voya Solution Portfolios.

As with any portfolio, you could lose money on your investment in the Voya Solution Portfolios. Although asset allocation seeks to optimize returns given various levels of risk tolerance, you still may lose money and experience volatility. Market and asset class performance may differ in the future from historical performance and the assumptions used to form the

asset allocations for the Voya Target Solution Trust. There is risk that you could achieve better returns in an underlying portfolio or other portfolios representing a single asset class than in the Voya Solution Portfolios.

Important factors to consider when planning for retirement include your expected expenses, sources of income and available assets. Before investing in the Voya Solution Portfolios, weigh your objectives, time horizon and risk tolerance. The Voya Solution Portfolios invest in many underlying portfolios, which are exposed to the risks of different areas of the market. The higher a portfolio's allocation to stocks the greater the portfolio's overall risk. Diversification cannot assure a profit or protect against loss in a declining market.

The share price of the Portfolios normally changes daily based on changes in the value of the securities that the Portfolios hold. The investment strategies used may not produce the intended results. The principal risks of investing in the Portfolios and the circumstances reasonably likely to cause the value of your investment in the Portfolios to decline include: asset allocation risk, credit risk, debt securities risk, equity securities risk, foreign investment risk, growth investing risk, inflation-indexed bonds risk, interest rate risk, market and company risk, real estate risk, REITs risk, U.S. Government securities and obligations risk, derivatives risk and value investing risk. If you would like additional information regarding the risks of the Portfolios' underlying funds, please see "Description of the Investment Objectives, Main Investments and Risks of the Underlying Funds" and the "More Information on Risks" sections of the Prospectus.

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.

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 is no guarantee of 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.

The Fund discussed may be available to you as part of your employer sponsored retirement plan. There may be additional plan level fees resulting in personal performance to vary from stated performance. Please call your benefits office for more information

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