Voya Solution Portfolios℠ (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.

## Key takeaways

- In the fourth quarter of 2024, U.S. stocks continued their upward trajectory following Donald Trump's presidential victory. The U.S. bond market struggled due to concerns about sticky inflation, increased deficit spending, and a more conservative rate-cut path from the U.S. Federal Reserve (Fed), which saw the 10-year U.S. Treasury yield rise by more than 80 basis points (bp) to 4.58% by the end of the quarter.
- Global markets face challenges in 2025, but the U.S. remains attractive due to post-election optimism, investment, productivity gains and energy independence, with the Fed expected to continue gradual easing. We continue to overweight U.S. large and mid-cap stocks, driven by strong corporate profitability and a resumption of corporate spending, while maintaining a preference for U.S. investment-grade (IG) core bonds versus foreign currency denominated bonds.
- The Portfolios posted negative absolute but positive relative returns for the period, outperforming their strategic allocation benchmarks on a net asset value (NAV) basis.

## Market review

**U.S. stocks continued their upward trajectory during the fourth quarter following Donald Trump's presidential victory.** The consumer discretionary and communication services sectors led, while materials and healthcare lagged. Large cap stocks outperformed small caps, and growth stocks significantly beat value stocks.

**The U.S. bond market struggled during the quarter on concerns about sticky inflation, increased deficit spending and the U.S. Fed's more conservative rate-cut path,** as the 10-year U.S. Treasury yield rose by more than 80 bp, ending the quarter at 4.58%. The Fed cut rates by 25 bp in November and December. However, the central bank now projects just two rate cuts in 2025, reflecting a more cautious stance in response to strong economic data.

**The U.S. election, marked by Trump's proposed tariffs, increased global uncertainty, lead to further U.S. dollar strength and broadly weighed on international equities.** Europe struggled with political instability in France and Germany and rising energy costs ahead of winter. In yen terms, Japanese equities rose due to strong corporate activity including strategic mergers, share buybacks and improved return on equity. Meanwhile, China dealt with weak consumer activity, property sector challenges and concerns about regulatory changes and economic restructuring. These combined factors caused international equities to continue to underperform.

## Outlook

**Global challenges and opportunities confront the markets in 2025.** However, the U.S. remains attractive driven by post-election optimism, investment, productivity gains from deregulation, innovation and energy independence. Despite some softening, the U.S. labor market remains resilient. Inflation is expected to stay manageable, allowing the Fed to continue its gradual easing.

**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) 992-0180. Please read the information carefully before investing.**

**Supported by this positive outlook and President Trump's pro-business proposals, we continue to overweight U.S. large and mid-cap stocks.** Large-cap valuations appear expensive, but they are supported by strong corporate profitability. The increasing weight of the technology sector with its capital-light business models suggest that higher margins may be the new norm, making expectations more reasonable. With the election concluded, corporate spending is expected to resume and drive positive earnings growth as well. Mid-caps offer enticing valuations and are poised to benefit from a broadening expansion and lower borrowing costs and provide more financial stability than small caps.

**Outside the U.S., pockets of weakness are becoming more apparent, particularly in the eurozone and China.** The eurozone faces cooling services and ongoing manufacturing challenges, heightening economic uncertainty. In China, new policies aim to address economic sluggishness, especially in the property market, and boost investor confidence. However, the investment environment looks more promising in Japan, where deflation has been curbed and corporate reforms have made progress. Despite this, there has been relatively little foreign investment, creating an opportunity as more investors recognize the growth story. Given this mixed picture, we continue to prefer U.S. equities.

**In fixed income, U.S. IG core bonds offer decent yields and portfolio stability.** While conviction on rates near-term direction is limited, we believe core bonds will hedge against equity risk due to the transition from inflation to growth risk that has occurred. While credit stress and defaults are expected to remain controlled, high yield spreads are very tight, leading us to prefer equities for risk allocation. In addition, an expectation that the U.S. dollar rally will continue and a positive U.S. economic outlook justify a preference for U.S. assets and an underweight in foreign currency denominated bonds.

## Positioning

**At the beginning of the period, Portfolios were tactically overweight to U.S. mid-cap stocks and underweight in U.S. large-cap stocks.** Emerging market (EM) equities were increased to remove an underweight by selling U.S. large cap and small cap. China's recent enactment of monetary stimulus and its commitment to future fiscal measures indicate that policymakers are prepared to take action to meet their economic targets, which could provide a tailwind for EM stocks. In December, U.S. large-cap equities were reduced, and short-term bonds were increased. This move came after the post-election run-up and the elevated valuations, as we deemed it prudent to lock in some gains and diversify away from the momentum trade. In terms of manager changes, the Vanguard FTSE Emerging Markets ETF was added to implement the tactical increase to EM equities.

Overall, Portfolios continue to maintain a balanced posture with a preference for U.S. large and mid-cap equities, and core IG fixed income.

## Performance

**The Voya Solution Portfolios' primary performance objective is to outperform its strategic allocation benchmark over the long-term through tactical asset allocation,** i.e., deviating from the composite benchmark over the short and medium-term and active manager selection. The benchmark return is the weighted average return of indices that represent asset classes included in the strategic allocation benchmark. Index returns are gross of all fees. The Portfolios are generally rebalanced monthly and the strategic asset allocations are updated annually to reflect changes to our capital market assumptions. In the fourth quarter of 2024, Portfolios' outperformed their strategic allocation benchmarks. Tactical asset allocation was a detractor, but manager selection contributed.

**Tactical asset allocation had a negative impact on performance during the period.** Portfolios' tactical underweights in U.S. large cap and overweights to EM equities were the main detractor, as large U.S. stocks delivered another period of positive performance, helped by continued strong corporate earnings and despite sharply rising long-term interest rates. EM equities struggled due to geopolitical tensions, economic uncertainties in key regions and a stronger U.S. dollar.

**Underlying managers' relative results were positive across the funds.** Active strategies that contributed most to excess returns in the quarter VY T. Rowe Price Diversified Mid Cap Growth, Voya Large Cap Value and Voya Multi-Manager International Equity. The biggest detractor in the quarter were Voya Multi-Manager Mid Cap Value, Voya Multi-Manager EM Equity and VY T. Rowe Price Growth Equity.

**Principal Risks: All investing involves risks of fluctuating prices and the uncertainties of rates of return and yield inherent in investing. You could lose money on your investment and any of the following risks, among others, could affect investment performance. The following principal risks are presented in alphabetical order which does not imply order of importance or likelihood:** Affiliated Underlying Funds; Asset Allocation; Commodities; Company; Credit; Credit Default Swaps; Currency; Derivative Instruments; Environmental, Social, and Governance (Funds-of-Funds); Floating Rate Loans; Foreign (Non-U.S.) Investments/ Developing and Emerging Markets; Growth Investing; High-Yield Securities; Index Strategy (Funds-of-Funds); Interest in Loans; Interest Rate; Investment Model; Liquidity; Managed Payment; Market; Market Capitalization; Market Disruption and Geopolitical; Prepayment and Extension; Real Estate Companies and Real Estate Investment Trusts; Underlying Funds; Value Investing. **Investors should consult the Fund's Prospectus and Statement of Additional Information for a more detailed discussion of the Fund's risks.**

**Risks specific to Managed Payment:** The Fund is expected to make monthly payments under its Managed Payment Policy regardless of the Fund's investment performance. Because these payments will be made from Fund assets, the Fund's monthly payments may reduce the amount of assets available for investment by the Fund. It is possible for the Fund to suffer substantial investment losses and simultaneously experience additional asset reductions as a result of its payments to shareholders under the Managed Payment Policy. The Fund may, under its Managed Payment Policy, return capital to shareholders which will decrease their costs basis in the Fund and will affect the amount of any capital gain or loss that shareholders realize when selling or exchanging their Fund shares.

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.

Variable annuities and group annuities are long-term investments designed for retirement purposes. If withdrawals are taken prior to age 59½, an IRS 10% premature distribution penalty tax may apply. Money taken from the annuity will be taxed as ordinary income in the year the money is distributed. An annuity does not provide any additional tax deferral benefit, as tax deferral is provided by the plan. Annuities may be subject to additional fees and expenses to which other tax-qualified funding vehicles may not be subject. However, an annuity does provide other features and benefits, such as lifetime income payments and death benefits, which may be valuable to you.

Variable investments, of any kind, are not guaranteed and are subject to investment risk including the possible loss of principal. The investment return and principal value of the security will fluctuate so that when redeemed, it may be worth more or less than the original investment. In addition, there is no guarantee that any variable investment option will meet its stated objective. All guarantees are based on the financial strength and claims paying ability of the issuing insurance company, who is solely responsible for all obligations under its policies.

Insurance products, annuities and funding agreements issued by Voya Retirement Insurance and Annuity Company ("VRIAC"), One Orange Way, Windsor, CT 06095, which is solely responsible for meeting its obligations. Plan administrative services provided by VRIAC or Voya Institutional Plan Services, LLC ("VIPS"). Securities distributed by or offered through Voya Financial Partners, LLC ("VFP") (member SIPC)or other broker-dealers with which it has a selling agreement. Only Voya Retirement Insurance and Annuity Company is admitted and can issue products in the state of New York. All companies are members of Voya Financial.

**Past performance is no guarantee of future returns.** All investing involves risks of fluctuating prices and the uncertainties of rates of return and yield inherent in investing. All security transactions involve substantial risk of loss. Please reference your client statement for a complete review of recent transactions and performance.

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.

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

©2024 Voya Investments Distributor, LLC • 230 Park Ave, New York, NY 10169 • All rights reserved.

Not FDIC Insured | May Lose Value | No Bank Guarantee
CMFC-SOLPOR • 123124 • ex123125 • IM4190851