

# Voya High Yield SMA

## Strategy-at-a-glance

Objective <sup>1</sup>	Seeks to generate total return through a combination of current income and capital appreciation
Inception Date	07/01/03
Benchmark	ICE BofA US High Yield Master II Constrained

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

## Strategy overview

The High Yield strategy seeks to maximize total return over a full market cycle via a broadly diversified and well-balanced approach to discovering risk-adjusted opportunities throughout the below investment grade corporate bond sector.

## Investment philosophy

We believe that selecting securities based on rigorous credit research and a keen awareness of credit and economic cycles is critical for identifying investment opportunities and managing risk.

The following key beliefs underpin our investment philosophy:

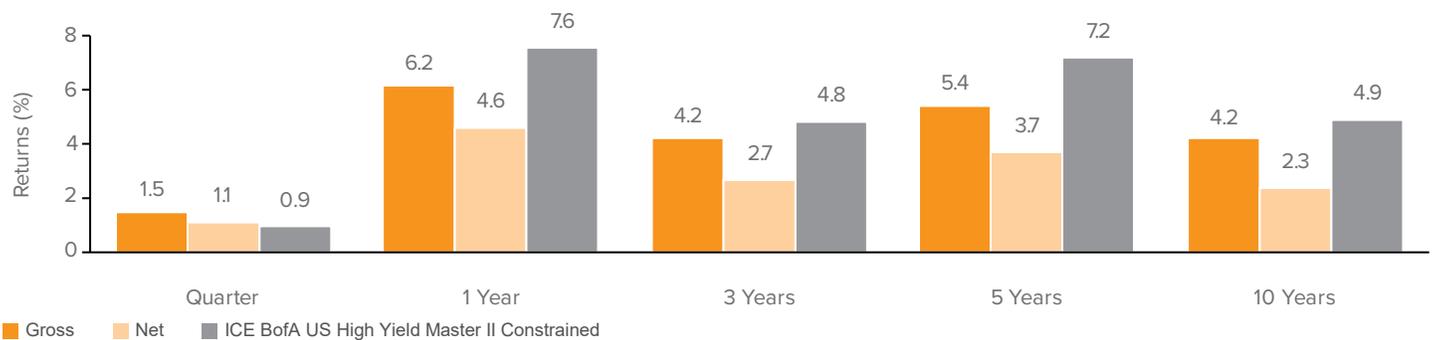
- Compensation for risk varies across time
- Security selection is the primary driver of risks and returns
- Biggest alpha opportunity is to avoid the worst return outcomes
- Balance of risk and return allows for consistency of outperformance

## Investment process

The Voya High Yield investment process begins with fundamental bottom-up credit research driven by analyst expertise at both the issuer and industry-sector level, while leveraging the input from the broader Voya Fixed Income platform. This helps identify opportunities and avoid potential pitfalls, resulting in issuer and sector views. Combining these views with market trading levels defines our desired positioning via issuer and sector over- and underweights. Portfolios are then designed to strike a prudent balance of risk and return by balancing the three primary drivers of performance – issuer selection, industry selection, and market risk – while stressing downside protection via a rigorous sell discipline. Constant portfolio monitoring by both our high yield portfolio managers and analysts, as well as our independent risk team, ensures that we maintain a prudent balance of risk and return.

## Performance

### Voya High Yield SMA



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>

**Past performance does not guarantee future results.** "Gross Returns" are presented before the deduction of transaction costs and should be used as Supplemental Information only. "Net Returns" are calculated by subtracting a hypothetical maximum total wrap fee (estimated at 1.50% per annum) from the monthly "pure" gross-of-fee returns. For periods from January 2007 to June 2021 the hypothetical maximum fee was 2.00% per annum. The total wrap fee includes transaction costs, portfolio management, investment advisory, custodial and other administrative costs. Wrap fees vary amongst brokerage firms and may be negotiated based on account size and other factors. The hypothetical maximum total wrap fee used is deemed to be the maximum fee charged to any composite account but we cannot guarantee accuracy. More information about fees can be found in the Form ADV Part II of Voya Investment Management Co.

Not FDIC Insured | May Lose Value | No Bank Guarantee | Not a Deposit

### Portfolio highlights

Returns-Based Characteristics (5 years ending 03/31/25)	Composite	ICE BofA US High Yield Master II Constrained
Standard Deviation (%)	6.48	7.58
Tracking Error (%)	1.98	—
Information Ratio	-0.90	—
Alpha (annualized %)	-1.02	—
Beta	0.83	1.00
R-Squared	0.95	1.00
Sharpe Ratio	0.42	0.60

Portfolio Characteristics	Portfolio	ICE BofA US High Yield Master II Constrained
Current Yield (%)	5.00	—

Credit Quality (%)	Portfolio	ICE BofA US High Yield Master II Constrained
Treasuries/Cash	2.89	0.00
>=BBB	33.36	0.35
BB	46.99	51.46
B	15.90	35.39
CCC	0.81	10.84
<CCC	0.00	1.96
Not rated	0.05	0.00

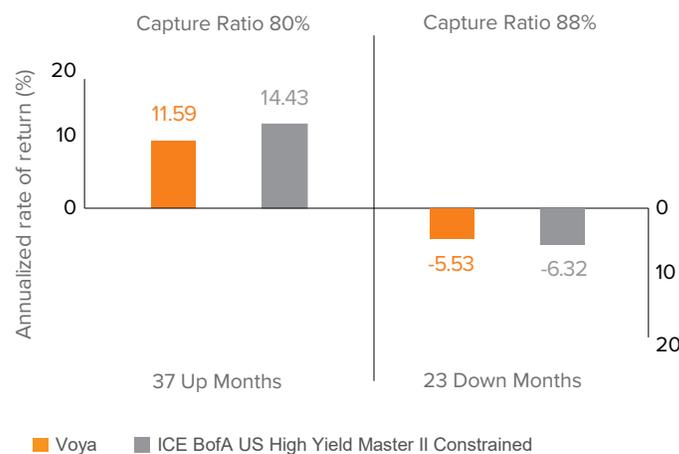
Top Ten Credit Exposures (%)	Portfolio
HCA INC	5.08
OLIN CORP	5.00
CCO HOLDINGS LLC/CCO HOLDINGS CAPI	4.47
NRG ENERGY INC	4.16
APACHE CORP	4.10
LAMAR MEDIA CORP	4.08
HOWMET AEROSPACE INC	4.08
MDC HOLDINGS INC	4.05
T-MOBILE USA INC	4.04
UNITED RENTALS INC	4.03

Top Sector Allocation (%)



	Portfolio	Index
Financials	9.99	11.88
Home Construction	8.22	1.10
Automotive	8.07	2.82
Healthcare	6.32	5.52
Chemicals	5.43	3.21
Technology	5.17	7.23
Cable and Satellite	5.03	6.82
Independent Energy	4.85	3.60
Media and Entertainment	4.76	3.18
Utility	4.65	3.19

Up / Down Capture Ratio (5 years ending 03/31/25)



Credit quality is generally based on third-party agency ratings, ranging from AAA (highest) to D (lowest). If ratings are available from each of S&P, Moody's and Fitch, the security is assigned the median rating. If ratings are available from only two of these agencies, the lower rating is assigned. If a rating is available from only one of these three agencies, then that rating is used. If ratings are not available from any of these three agencies, then we may either assign the security an internal rating or mark it as Not Rated (NR). Ratings may not accurately reflect risk and are subject to change.

**Past performance does not guarantee future results.** The returns-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.

## Portfolio managers

### Randy Parrish, CFA

#### Head of Public Credit

Years of experience: 35

Years with firm: 24

### Mohamed Basma, CFA

#### Head of Leveraged Credit

Years of experience: 28

Years with firm: 25

## Voya Investment Management

Voya Investment Management delivers actively managed public and private market solutions that drive differentiated outcomes for clients worldwide. Our team of 300+ investment professionals manages \$336 billion\* in assets. We excel at partnering with clients to understand their needs and address challenges in innovative ways, drawing on extensive expertise across fixed income, equity, and multi-asset strategies.

\*As of 12/31/24. Voya IM assets of \$339 billion, as reported in Voya Financial SEC filings, represent revenue generating assets for which Voya Investment Management LLC and the registered investment advisers it wholly owns has full discretionary investment management responsibility. Voya IM assets of \$336 billion are calculated on a market value basis for all accounts.

All investing involves risks of fluctuating prices and the uncertainties of rates of return and yield inherent in investing. High-Yield Securities, or "junk bonds", are rated lower than investment-grade bonds because there is a greater possibility that the issuer may be unable to make interest and principal payments on those securities. The strategy may use Derivatives, such as options and futures, which can be illiquid, may disproportionately increase losses and have a potentially large impact on performance. Foreign Investing does pose special risks including currency fluctuation, economic and political risks not found in investments that are solely domestic. Risks of foreign investing are generally intensified in Emerging Markets. As Interest Rates rise, bond prices may fall, reducing the value of the share price. Debt Securities with longer durations tend to be more sensitive to interest rate changes. Other risks include but are not limited to: Credit Risks; Other Investment Companies' Risks; Price Volatility Risks; Inability to Sell Securities Risks; and Securities Lending Risks.

Returns are benchmarked to the **ICE Bank of America U.S. High Yield Master II Constrained Index**, which does not incur management fees, transaction costs, or other expenses associated with a composite portfolio. The ICE Bank of America High Yield Master II Index is a market value-weighted index consisting of U.S. dollar-denominated, non-investment grade bonds not currently in default and limits any individual issuer to a maximum of 2% benchmark exposure. Securities prices used to value the benchmark index for the purposes of calculating total return may or may not differ significantly from those used to value securities held within composite portfolios.

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**Glossary of Terms:** **Alpha** measures the difference between a fund's actual return and its level of risk as measured by beta. **Beta** measures the Fund's volatility relative to the overall market. **Current Yield** is income earned over the previous 12 months divided by the current market price. **Downside Capture Ratio** is based on the percentage of time that the portfolio outperformed the index when the returns of the index were negative. **Information Ratio** measures the returns above the returns of a benchmark to the volatility of those returns. **R-Squared** is the way in which a percentage of a portfolio's total returns represents the portfolio's beta measure. **Sharpe Ratio** is a risk-adjusted measure calculated using standard deviation and excess return to determine reward per unit of risk. **Standard Deviation** is a measure of the degree to which an individual probability value varies from the distribution mean. **Tracking Error** measures the difference between the return fluctuations of a portfolio and the benchmark. **Upside Capture Ratio** is based on the percentage of time that the portfolio outperformed the index when the returns of the index were positive.

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