

Access to a Broad Range of Credit Sectors through Closed-End Interval Fund

Strategy overview

Actively managed, ultra-short duration floating-rate income strategy that invests primarily in privately syndicated, below investment-grade senior secured corporate loans.

An investor should consider the investment objectives, risks, charges and expenses of the Fund(s) carefully before investing. For a free copy of the Funds' prospectus, or summary prospectus, which contains this and other information, visit us at www.voyainvestments.com or call (800) 992-0180. Please read the prospectus carefully before investing.

Key takeaways

- Monetary policy continued to produce market volatility in the second quarter of 2023.
- Class I shares of the Fund outperformed the benchmark the 50% Bloomberg High Yield Bond—2% Issuer Constrained Composite Index/ 50% Morningstar LSTA US Leveraged Loan Index (benchmark) on a net asset value (NAV basis), during the quarter.
- Looking forward, we believe the recent data releases on the economic front have minimized the prospect of a near-term recession.

Portfolio review

Monetary policy continued to produce market volatility in the second quarter of 2023.

Despite the failure of a fourth U.S. Regional Bank just two days prior, the U.S. Federal Reserve delivered another 25 basis points (bp) hike at their meeting in May. That said, with inflation trending in the right direction, and lending from banks expected to tighten, it was widely believed that this hike might be the last. Inflation data over the next couple of months was relatively well behaved. While the numbers remained elevated, they avoided moving higher. Meanwhile, the labor market remained strong. Monthly job gains surpassed already elevated expectations, with each monthly gain exceeding the previous one. While the Fed did not deliver a hike at their meeting in June, these upside surprises in the labor market eliminated any hope of a “pause”, with market participants instead viewing the Fed’s inaction as a “skip”. Accordingly, a hawkish Fed dot plot signaled that two more rate hikes could be on the horizon for the balance of the year.

Loans and high yield (HY) bonds both experienced a strong quarter, with the Morningstar® LSTA® US Leveraged Loan Index and Bloomberg U.S. High Yield 2% Issuer Constrained Index up 3.15% and 1.67%, respectively.

Loans continue to benefit from a strong carry given high interest rates and have returned 6.48% on a YTD basis (the best return since 2009 for any comparable period). Credit spreads for HY finished the quarter 65 bp tighter at 390 bp. The down-in-quality trade was evident in both markets, as risk appetite remained strong despite some macro uncertainties. BB, B and CCC rated loans returned 2.81%, 3.25% and 4.39%, respectively, while BB, B, and CCC rated bonds delivered respective returns of 0.89%, 1.90% and 4.18%. Nonetheless, performance has not been uniform across all leveraged issuers within the lower-rated stack, as dispersion remains elevated due to idiosyncratic reasons. New-issue activity was relatively light across the leveraged finance space, totaling approximately \$103 billion between the two segments, although a slight improvement from last quarter’s \$93 billion. Bond issuance saw an uptick, partly due to increased M&A activity and the prevalence of bond-for-loan takeouts (up nearly 30% quarter over quarter), as issuers looked to address upcoming maturities.

Class I shares of the Fund outperformed the benchmark on a NAV basis. The portfolio was modestly skewed to loans over HY bonds in the quarter, while a few collateralized loan obligation (CLO) tranches were purchased during the period as off-benchmark positions. Positive performance drivers in the period included select loans within the

software space (RSA Security, Veritas Technologies and Virgin Pulse) that outperformed the broader market due to idiosyncratic reasons, bond holdings in financials sector (Freedom Mortgage and Ladder Capital), and exposure to cruise lines (Norwegian Cruise Lines and Royal Caribbean) that benefited from an uptick in demand for travel. Detractors included holdings in Lumileds, which was downgraded after the company gave a weak earnings outlook and Altice France, as well as the avoidance of Carvana, which rallied from distressed levels. The Fund's use of leverage boosted returns given the increase in average loan and bond prices experienced during the period.

Current strategy and outlook

Looking forward, we believe the recent data releases on the economic front have minimized the prospect of a near-term recession. However, the strength of the labor market and, in turn, the consumer should influence the Fed to maintain a hawkish

stance until inflation moderates further. While corporate earnings have remained somewhat resilient, we expect margins to decline during the second half of the year, as pricing power diminishes while the sticky components of core inflation remain elevated. In addition, we expect dispersion in performance among borrowers to continue and pockets of stress to emerge as the cycle matures. As such, our focus will be on security selection and finding pockets of value in an increasingly dispersed market.

Holdings detail

Companies mentioned in this report – percentage of Fund investments, as of 06/30/23: RSA Security 0.57%, Veritas Technologies 0.48%, Virgin Pulse 0.13%, Freedom Mortgage 0.17%, Ladder Capital 0.26%, Norwegian Cruise Lines 0.30%, Royal Caribbean 0.60%, Lumileds 0.15%, Altice France 0.56%, Carvana 0%; 0% indicates that the security is no longer in the portfolio. Portfolio holdings are subject to daily change.

The **Morningstar® LSTA® US Leveraged Loan index** is an unmanaged total return index that captures accrued interest, repayments, and market value changes. The index does not reflect fees, brokerage commissions, taxes or other expenses of investing. **Investors cannot invest directly in an Index.**

Bloomberg U.S. High Yield 2% Issuer Constrained Index is an unmanaged index that covers U.S. corporate, fixed-rate, non-investment grade debt with at least one year to maturity and at least \$150 million in par outstanding. Index weights for each issuer are capped at 2%.

Principal Risks: All investing involves risks of fluctuating prices and the uncertainties of rates of return and yield. **Investment Risks:** The Fund invests primarily in below investment grade, floating rate senior loans (also known as "high yield" or "junk" instruments), which are subject to greater levels of liquidity, credit, and other risks than are investment grade instruments. There is a limited secondary market for floating rate loans, which may limit the Fund's ability to sell a loan in a timely fashion or at a favorable price. If a loan is illiquid, the value of the loan may be negatively impacted and the manager may not be able to sell the loan in order to meet redemption needs or other portfolio cash requirements. The value of loans in the Fund could be negatively impacted by adverse economic or market conditions and by the failure of borrowers to repay principal or interest. A decrease in demand for loans may adversely affect the value of the Fund's investments, causing the Fund's net asset value to fall. Because of the limited market for floating rate senior loans, it may be difficult to value loans in the Fund on a daily basis. The actual price the Fund receives upon the sale of a loan could differ significantly from the value assigned to it in the Fund. The Fund may invest in foreign instruments, which may present increased market, liquidity, currency, interest rate, political, information, and other risks. These risks may be greater in the case of emerging market loans. Although interest rates for floating rate senior loans typically reset periodically, changes in market interest rates may impact the valuation of loans in the portfolio. In the case of early prepayment of loans in the Fund, the Fund may realize proceeds from the repayment that are less than the valuation assigned to the loan by the Fund. In the case of extensions of payment periods by borrowers on loans in the Fund, the valuation of the loans may be reduced. The Fund may also invest in other investment companies and will pay a proportional share of the expenses of the other investment company. **Derivative Instruments:** Derivative instruments are subject to a number of risks, including the risk of changes in the market price of the underlying securities, credit risk with respect to the counterparty, risk of loss due to changes in interest rates and liquidity risk. The use of certain derivatives may also have a leveraging effect which may increase the volatility of the Fund and reduce its returns. Other investment risks of the Fund include, but are not limited to: **Equity Securities, Foreign Investments, High-Yield Securities, Leverage, Liquidity, Prepayment and Extension.** **Investors should consult the Fund's prospectus and statement of additional information for a more detailed discussion of the Fund's risks. An investment in the Fund is not a bank deposit and is not insured by the Federal Deposit Insurance Corporation, the Federal Reserve Board or any other government agency.**

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.

Performance Attribution: During the period from January 1, 2017 to July 31, 2020, an unaffiliated data provider, which is used by the Funds to identify individual senior loans and groups of senior loans that detracted from or contributed to portfolio performance on an absolute or relative basis (commonly known as "attribution analysis"), provided the Funds with inaccurate data. As a result, the attribution analysis used to explain and analyze a portfolio's performance against a particular benchmark was inaccurate in some instances during the period. Importantly, the Funds' actual performance information and performance comparison to their respective benchmark which appeared in various Fund commentaries during this period were correct and were not impacted by the inaccurate data. The data provider has identified and corrected the issue that caused the transmission of inaccurate information, and correct information is reflected in attribution analysis used in commentaries prepared after September 30, 2020 performance. Please call your benefits office for more information.

The Standard & Poor's rating scale is as follows, from excellent (high grade) to poor (including default): AAA to D, with intermediate ratings offered at each level between AA and CCC. Anything lower than a BBB- rating is considered a non-investment grade or junk bond. Any security that is not rated by Standard & Poor's is placed in the NR (Not Rated) category.

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