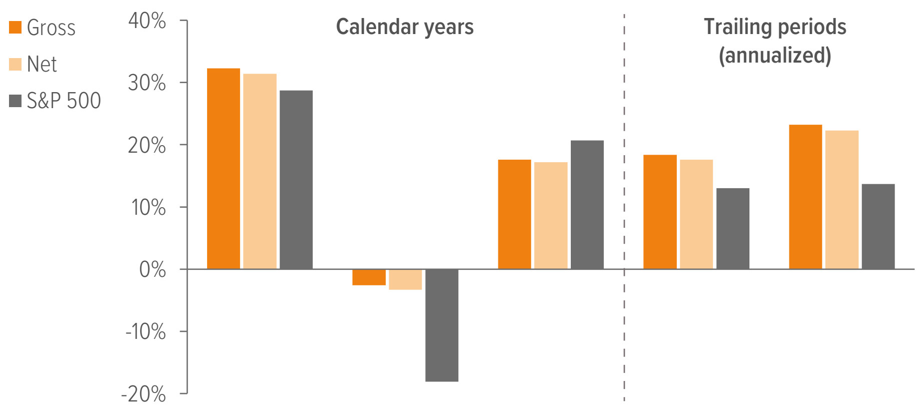
# Voya's Flagship AI-Powered Strategy Delivers Impressive 3-Year Track Record

The Voya Machine Intelligence Opportunistic U.S. Equity Strategy celebrated its three-year anniversary on July 31, 2023, **beating the S&P 500 by 9.4% annually (8.6% net)** — ranking in the 2nd percentile among its peers.[1] The AI-driven portfolio brings advanced machine learning techniques to fundamental investing, working together with human analysts, data engineers, traders and risk managers.

## 1 A minimal drawdown in the 2022 slump

In the Strategy's first three years of consistently strong performance, a key highlight was its **exceptional defense during the 2022 downturn,** helped in part by stock selection and underweights in the technology and consumer discretionary sectors. This softened the impact to overall performance from underexposure to the AI trade in 2023. (The irony of an AI avoiding AI stocks is not lost on us.)

**Voya MI Opportunistic U.S. Equity performance statistics, since inception (SI) on 08/01/20**




| 3Y statistics | MI Opp | S&P 500 |
|---|---|---|
| Std. dev. % | 18.5 | 17.8 |
| Sharpe ratio | 1.17 | 0.69 |
| Beta | 0.91 | 1.00 |
| Up capture % | 105.0 | 100 |
| Down capture % | 73.3 | 100 |

| | | 2021 | 2022 | 2023 YTD | 1Y | 3Y / SI |
|---|---|---|---|---|---|---|
| MI Opp | Gross | **32.3%** | **-2.6%** | **17.6%** | **18.4%** | **23.2%** |
| | Net | **31.4%** | **-3.3%** | **17.2%** | **17.6%** | **22.3%** |
| S&P 500 | | 28.7% | -18.1% | 20.7% | 13.0% | 13.7% |
| Excess return | Gross | 3.6% | 15.5% | -3.0% | 5.4% | 9.4% |
| | Net | 2.7% | 14.8% | -3.5% | 4.6% | 8.6% |

As of 07/31/23. Source: Voya IM. **Past performance does not guarantee future results.** Figures may not sum due to rounding. Gross and net performance numbers based on unaudited returns. Composite represents the investment results of a group of fully discretionary portfolios managed according to the Strategy. Returns include the reinvestment of income. Gross returns are presented after transaction costs, but before management fees, which, in addition to other fees incurred in the management of the portfolio, would further reduce returns. For a description of advisory fees, please see Form ADV, Part II. Gross returns should be used as Supplemental Information only. See back page for additional disclosures.

[1] eVestment U.S. All Cap Equity peer group 3-year gross performance as of 07/31/23, based on 220 of 387 strategies in the category that provided intra-quarter data as of 08/29/23.

VOYA INVESTMENT MANAGEMENT

## 2 An answer to market crowding

A key challenge for investors today is the crowding of large cap benchmarks in a handful of mega-cap tech stocks that have dominated performance. The Strategy's benchmark-agnostic approach and unique investment process will often move **away from crowded trades** into uncomfortable positions that may offer better risk/return prospects, potentially enhancing portfolio diversification.

| Top 10 holdings % | |
|---|---|
| Newmont Corp. | 2.62 |
| Abbott Laboratories | 2.40 |
| Intel Corp. | 1.91 |
| Medtronic plc | 1.70 |
| 3M Company | 1.68 |
| Exxon Mobile Corp. | 1.52 |
| Roper Technologies, Inc. | 1.46 |
| Freeport-McMoRan, Inc. | 1.39 |
| CSX Corp. | 1.36 |
| UnitedHealth Group Inc. | 1.34 |

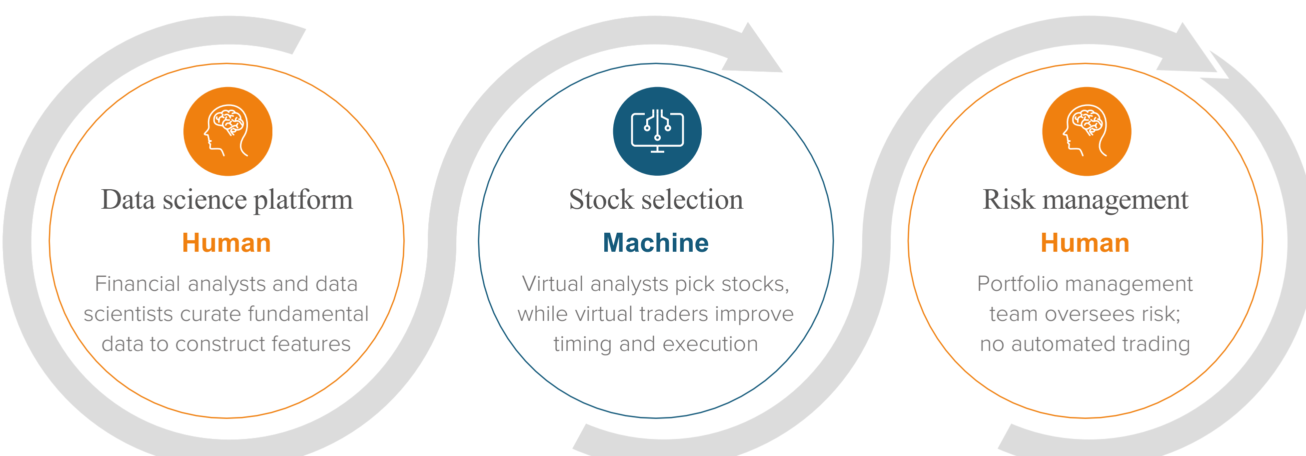
| Top 10 active overweights % | |
|---|---|
| Newmont Corp. | 2.53 |
| Abbott Laboratories | 1.89 |
| 3M Company | 1.52 |
| Intel Corp. | 1.52 |
| Medtronic plc | 1.39 |
| Roper Technologies, Inc. | 1.32 |
| Campbell Soup Co. | 1.24 |
| Freeport-McMoRan, Inc. | 1.22 |
| Weyerhaeuser Co. | 1.20 |
| CSX Corp. | 1.18 |

| Top 10 active underweights % | |
|---|---|
| Apple Inc. | -6.89 |
| Microsoft Corp. | -6.52 |
| NVIDIA Corp. | -3.02 |
| Alphabet Inc. (Google) | -2.99 |
| Amazon.com, Inc. | -2.25 |
| Tesla, Inc. | -1.88 |
| Meta Platforms Inc. (Facebook) | -1.84 |
| Berkshire Hathaway Inc. | -1.64 |
| Visa Inc. | -1.00 |
| Broadcom Inc. | -0.98 |

One-month average as of 07/31/23. Source: FactSet, Voya IM. Over/underweights relative to S&P 500 Index. Holdings subject to change. Information shown is supplemental only. See back page for additional disclosures.

## 3 Humans and machines, working together

Voya Machine Intelligence (VMI) combines machine learning insights with fundamental equity investing, bringing together the depth and rigor of traditional financial analysis with the breadth of quantitative analysis and the scalability of artificial intelligence. The VMI team, acquired by Voya in 2020, is among the industry's most experienced when it comes to AI-enhanced fundamental investing — **having trained, tested, refined and validated the process for over a decade.**




At a time of **intense interest but little clarity around AI investing**, we welcome the opportunity to share with you our experience of what drives success and failure with this emerging technology, and how we're deploying it across the Voya equity platform to empower portfolio managers.

*Index returns do not reflect fees, brokerage commissions, taxes or other expenses of investing. Investors cannot invest directly in an index.* The S&P 500 Index is an unmanaged index that measures the performance of securities of approximately 500 of the largest companies in the United States.

**Peer rankings**

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**Principal risks**

The principal risks are generally those attributable to stock investing. Holdings are subject to market, issuer, and other risks, and their values may fluctuate. Market risk is the risk that securities may decline in value due to factors affecting the securities markets or particular industries. Issuer risk is the risk that the value of a security may decline for reasons specific to the issuer, such as changes in its financial condition. More particularly, the Strategy invests in mid to smaller companies, which may be more susceptible to price swings than larger companies because they have fewer resources and more limited products, and many are dependent on a few key managers. The manager's investment style may become out of favor and/or the manager's selection process may prove incorrect, which may have a negative impact on the Strategy performance. The Strategy invests primarily in U.S equity securities regardless of capitalization. The Strategy uses a concentrated and high turnover investment approach, and generally seeks to invest in what the firm believes are high-quality growth-oriented companies trading at discounts to the manager's assessment of their intrinsic value. The Strategy has no appropriate benchmark for the composite because the Strategy has minimal exposure to a number of sectors and invests across the market capitalization spectrum. Investment Model: A manager's proprietary model may not adequately allow for existing or unforeseen market factors or the interplay between such factors, and even a model that performs in accordance with the manager's intentions may underperform other investment strategies or result in greater losses than other strategies. The proprietary models used by a manager to evaluate securities or securities markets are based on the manager's understanding of the interplay of market factors and do not assure successful investment. The markets, or the prices of individual securities, may be affected by factors not foreseen in developing the models. Strategies that are actively managed, in whole or in part, according to a quantitative investment model, including models using artificial intelligence to select securities, can perform differently from the market as a whole based on the investment model and the factors used in the analysis, the weight placed on each factor, and changes from the factors' historical trends. Mistakes in the construction and implementation of the investment models (including, for example, data problems and/or software issues) may create errors or limitations that might go undetected or are discovered only after the errors or limitations have negatively impacted performance. There is no guarantee that the use of these investment models will result in effective investment decisions for the Strategy.

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