Voya Senior Loan Group

Slim Pickings

- A shallow forward calendar sent investors flocking to the new issue market this week creating strong demand with five deals enjoying tighter pricing and more advantageous terms. The S&P/LSTA Leveraged Loan Index (the "Index") posted a nice increase on the week, 0.68%, as average bids jumped 50 bps to 92.60.

- Higher rated and larger deals drew considerable interest in the primary this week, as a dwindling pipeline brought investors into the market with greater urgency. Other than whispers of dividend and add-ons deals, few new issue deals appear likely for the near term. Net of the approximately $12.95 billion of anticipated repayments unassociated with the forward calendar, the amount of net new supply totals nearly $4.56 billion, the lowest level seen since LCD began its tracking of this data last September, down slightly from $4.72 billion a week ago.

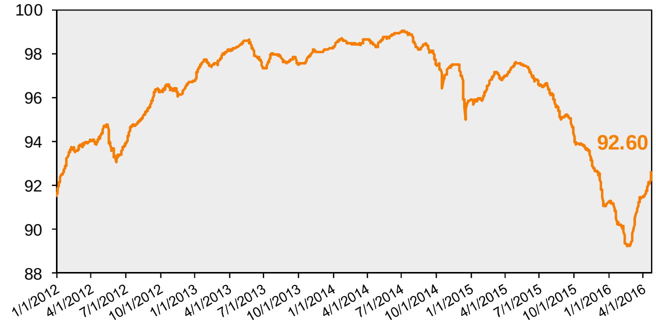
- The lack of significant upcoming M&A activity is resonating through the secondary. The market remains well-bid and pricing pressure is becoming noticeable. Over 20% of performing loans in the Index are now trading at par or higher, a near seven percent jump on the week. The surge in secondary prices has also received a helping hand from post-quarter end repayments.

- As for ratings cohorts, distressed credits continued to run with the recent market upturn. While BBs and Single Bs were up 0.44% and 0.75% on the week, respectively, with average bids rising respectively by 35 bps to 98.94, and 83 bps to 94.18, CCCs jumped an impressive 1.99%. The average bid for CCC loans was up 61 bps, to 75.18.

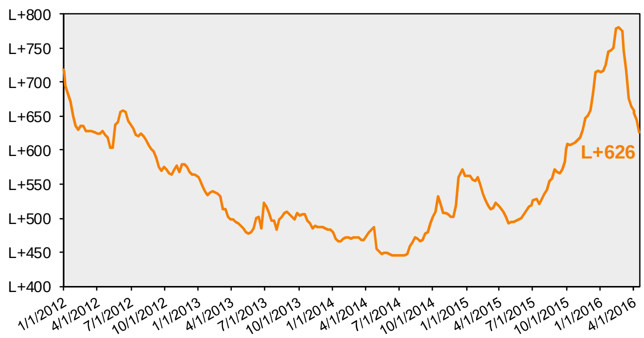
- With $817 million in new CLO issuance this week and talk of additional pricings in the week to come, the CLO space appears to be picking up its pace. April issuance stands at $1.2 billion, while $8.8 billion has been issued YTD. Retail inflows increased slightly, with $292 million entering that portion of the market this week (Lipper FMI universe).

- The Index experienced no defaults this week. The current default rate by amount outstanding sits at 1.69%.

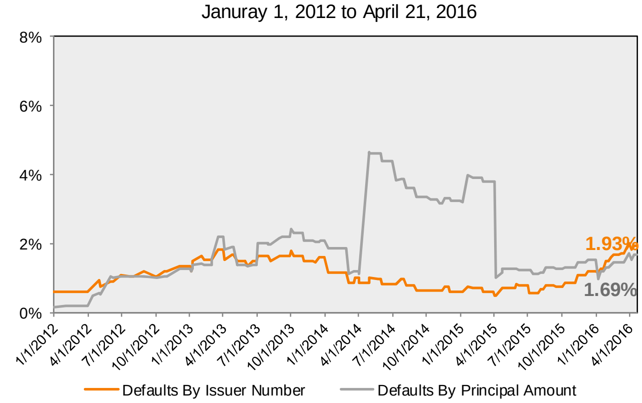
Average Bid
S&P/LSTA Leveraged Loan Index
January 1, 2012 to April 21, 2016



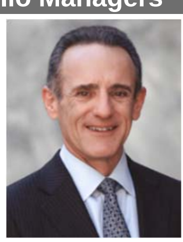
Average Three Year Call Secondary Spreads
S&P/LSTA Leveraged Loan Index [1,2]
January 1, 2012 to April 15, 2016



Lagging 12 Month Defualt Rate[3]
S&P/LSTA Leveraged Loan Index
Januray 1, 2012 to April 21, 2016



Portfolio Managers



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Voya Senior Loan Strategy

The Voya Senior Loan Group is a part of Voya Investment Management. The team is comprised of 28 investment professionals and 27 dedicated support staff. There are five portfolio management teams in Scottsdale, each of which is responsible for particular industries, and a team located in London that is responsible for sourcing overseas loans.

The Voya Senior Loan Strategy is an actively managed, ultra-short duration floating rate income strategy that invests primarily in privately syndicated, below investment grade senior secured corporate loans. Senior loans are floating rate instruments that can provide a natural hedge against rising interest rates. They are typically secured by a first priority lien on a borrower's assets, resulting in historically higher recoveries than unsecured corporate bonds.

General Risks for Floating Rate Senior Bank Loans: Floating rate senior bank loans involve certain risks. Below investment grade assets carry a higher than normal risk that borrowers may default in the timely payment of principal and interest on their loans, which would likely cause the value of the investment to decrease. Changes in short-term market interest rates will directly affect the yield on investments in floating rate senior bank loans. If such rates fall, the investment's yield will also fall. If interest rate spreads on loans decline in general, the yield on such loans will fall and the value of such loans may decrease. When short-term market interest rates rise, because of the lag between changes in such short term rates and the resetting of the floating rates on senior loans, the impact of rising rates will be delayed to the extent of such lag. Because of the limited secondary market for floating rate senior bank loans, the ability to sell these loans in a timely fashion and/or at a favorable price may be limited. An increase or decrease in the demand for loans may adversely affect the loans.

Unless otherwise noted, the source for all data in this report is Standard & Poor's/LCD. S&P/LCD does not make any representations or warranties as to the completeness, accuracy or sufficiency of the data in this report.

1 – Assumes 3 Year Maturity. Three year maturity assumption: (i) all loans pay off at par in 3 years, (ii) discount from par is amortized evenly over the 3 years as additional spread, and (iii) no other principal payments during the 3 years. Discounted spread is calculated based upon the current bid price, not on par. *[Please note that Index yield data is only available on a lagging basis, thus the data demonstrated is as of April 15, 2016.]*

2 – Excludes facilities that are currently in default.

3 – Comprises all loans, including those not tracked in the LSTA/LPC mark-to-market service. Vast majority are institutional tranches. Issuer default rate is calculated as the number of defaults over the last twelve months divided by the number of issuers in the Index at the beginning of the twelve-month period. Principal default rate is calculated as the amount defaulted over the last twelve months divided by the amount outstanding at the beginning of the twelve-month period.

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