

Voya Private Credit Strategy

Firm Overview

Voya Investment Management at a Glance

Voya Investment Management (Voya IM) is a leading active asset management firm. As of June 30, 2017, Voya IM manages approximately \$224 billion* for affiliated and external institutions as well as individual investors. Drawing on over 40 years of experience and an ongoing commitment to reliable investing, Voya IM has the resources and expertise to help provide long-term investors with strong investment results.

Mission

Voya Investment Management's mission is to find unrecognized value ahead of consensus by seeking original insights on markets and companies. Toward that end, we apply our proprietary research and analytics, benchmark awareness and risk management to serve client needs within the guidelines and objectives of each assignment.

Portfolio Managers



Chris Lyons, CFA
 Managing Director and
 Group Head, Private Credit
 Years of experience: 28
 Years with company: 24



Virginia O'Kelley
 Vice President, Portfolio
 Manager, Private Credit
 Years of experience: 16
 Years with company: 12



Greg Addicks, CFA
 Senior Vice President and Team
 Leader, Private High Yield
 Years of experience: 27
 Years with company: 20

Supported by over 100 Fixed Income Investment Professionals with the majority averaging 10+ years of experience.

Strategy

Summary

Takes advantage of privately negotiated covenant structures, investing in fixed-rate corporate debt sold to investors and exempt from SEC registration

Objective**

To outperform the Bloomberg Barclays Corporate Duration-Adjusted Index by 1.0% annually over a full credit cycle

Private credits are primarily investment grade, fixed-rate corporate debt sold to institutional investors and exempt from SEC registration. Borrowers use private credits to maintain confidentiality of their financials and obtain more flexible terms. New issuance each year is about one-quarter of the public market. Like public bonds, private credits have a fixed-rate structure and term length. Like bank loans, they have greater upfront due diligence, priority debt and financial covenant protection and a more intensive ongoing relationship with borrowers. Privates historically have earned higher total returns than public bonds of similar quality and duration due to higher upfront yields, prepayment and amendment fees and lower losses upon defaults.

	Private	Public
Income	Fixed	Fixed
Security	Secured/Unsecured	Unsecured
Ranking	Senior and cannot be subordinated	Can be subordinated
Investors	Institutional asset managers	Asset managers, banks, hedge funds
Covenants	Maintenance / comprehensive	None
Yield Spread	20 – 100+ bps. over Public Bonds	65 – 300 bps. over Treasuries
Term	Flexible 2 – 30 years	5, 7, 10 and 30 years
Size	Average \$300 million	Average \$700 million
Liquidity	Actively traded private market	Actively traded public market
Information	Public and private – quarterly / semi-annual	Public – quarterly / semi-annual
Recoveries	91% [†]	46%

Competitive Advantages

- Experienced, stable Private Credit team with established track record of success
- Unique integration of skillsets across analysts, lawyers, and workout team
- Advantaged deal sourcing covering 95% of Private Credit issuance
- Historical up-front yield advantage vs. publicly traded securities; prepayment and amendment fees add incremental yield
- Intense upfront underwriting process, strict adherence to structural protection protocols and highly effective portfolio monitoring and management process
- Can deliver flexible solutions according to client needs

**There is no guarantee that this objective will be achieved.

*Voya IM assets of \$213 billion include proprietary insurance general account assets of \$86 billion calculated on a market value basis. Voya IM assets, as reported in Voya Financial, Inc. SEC filings, include general account assets valued on a statutory book value basis and total approximately \$206 billion. Both totals include approximately \$7 billion in Private Equity, \$7 billion in Real Estate and \$5 billion in other assets including those sub-advised through the Voya family of funds and the Multi-Asset Strategies and Solutions product offerings. Approximately \$0.6 billion of total fixed income assets are also included in the Senior Loan and Private Equity totals.

Source: Moody's Annual Global Corporate Issuance Default Study

[†]Voya Private Credit Strategy recovery rate

For more information, please contact your relationship manager or go to www.voyainvestments.com
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Voya Private Credit Strategy

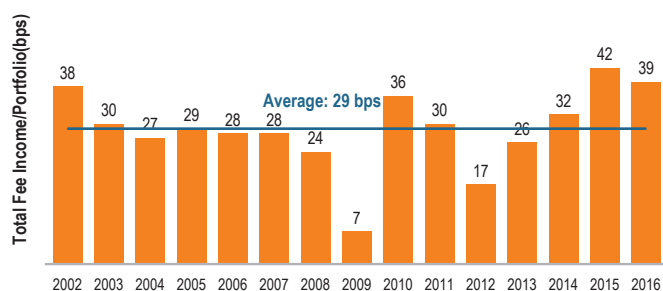
Performance (%)	Quarter	YTD	1 Year	Annualized		
				3 Years	5 Years	10 Years
Composite Gross:	1.38	5.11	2.11	3.96	3.67	6.03
Composite Net:	1.31	4.89	1.82	3.67	3.37	5.73
Bloomberg Barclays Corp Dur Adj Index	1.10	4.12	2.09	3.31	2.92	4.85
Gross Excess Return	0.29	0.99	0.02	0.65	0.75	1.18

Inherent Advantages Over Public Bonds					
	BEY (%)	Spread to Treasuries (bps)	Spread to Publics (bps)	Avg. Life	Weighted Avg. Rating
2001	7.10	260	78	7.06	BBB+
2002	6.68	242	75	8.15	BBB+
2003	5.43	202	86	8.59	BBB+
2004	4.90	152	66	7.49	BBB+
2005	5.49	136	60	7.77	BBB+
2006	6.44	168	80	6.31	BBB+
2007	6.30	166	58	8.09	BBB+
2008*	7.09	355	141	7.91	A-
2009**	5.82	256	100	10.19	A-
2010	4.84	214	82	8.25	BBB+
2011	5.04	209	74	10.14	BBB+
2012	4.04	252	92	8.99	BBB+
2013	4.27	220	74	10.80	BBB+
2014	4.49	200	64	10.70	BBB+
2015	3.99	192	54	11.60	BBB+
2016	3.70	196	56	11.80	BBB+
Q3 2017	4.09	180	49	10.50	BBB
2001-Q3 2017	5.26	207	74	9.01	BBB+

* Production efforts through first 8 months of 2008 because new production was shutdown after August 2008.

** Production efforts commenced in August 2009.

Historical Prepayment and Amendment Income



Portfolio Characteristics	
Quality Rating (%)	Portfolio
AA and Higher	4.09
A+	3.20
A	7.63
A-	16.29
BBB+	15.63
BBB	31.11
BBB-	18.50
BB and Lower	3.55

Top Ten Countries	% of Portfolio
United States	56.03
United Kingdom	11.89
Australia	9.37
Canada	3.84
New Zealand	3.63
Netherlands	3.14
Germany	2.35
Ireland	1.21
Norway	1.15
Switzerland	0.96

Industry Breakdown	% of Portfolio	% of Index
Utility	27.09	6.92
Consumer Cyclical Goods	10.78	7.54
Consumer Non Cyclical	9.69	15.80
Capital Goods	9.07	4.88
Energy	8.92	9.45
Finance	6.97	24.58
Transportation	6.98	2.15
Communications	5.45	9.76
Basic Industry	4.45	3.22
Industrial	3.87	0.42
REITS	3.06	2.36
Technology	1.95	8.58
Insurance	1.39	4.27
Other	0.31	0.08
Total	100.00	100.00

Bloomberg Barclays Corporate Duration-Adjusted Index is the U.S. Corporate Index published by Bloomberg Barclays that is adjusted to have duration identical to that of the Private Credit portfolio.

Source: Bloomberg Barclays and Voya IM

Past performance does not guarantee future results. There is no guarantee that any forecasts or opinions in this material will be realized.

Please see next page for additional disclosures.

The historical total returns are generated from proprietary insurance private debt holdings that as of December 31, 2014 have a market value of \$16.6 billion in AUM. Returns are before the deduction of management fees and will be reduced by advisory fees and other fees incurred in the management of the portfolio. For a description of advisory fees, please see Form ADV, Part II. Historical return is based on the performance of the Voya IM Private Credit portfolio through December 31, 2014. The performance presented is based on portfolios managed for our proprietary insurance assets. These assets fall outside of our GIPS firm definition and therefore not subject to the input, calculation, presentation, and disclosure requirements of GIPS. Gross-of-fees returns are calculated on a monthly basis by taking market values which use a spread pricing process and contain cash flows that are inclusive of regular P&I payments, coupon payments, including the impact of coupon bumps, amendment and waiver fees, and prepayment premiums and then geometrically linked the results to produce annual returns shown. The annual management fee will vary according to the size of the account, and will depend on the type of investment vehicle selected. The performance above is offered as Supplemental Information only. Performance shown for less than one year is not annualized. Further information regarding applicable fee schedules is available upon request.

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