

# Tech Stocks are Inflating Valuations Among Large and Small Caps. Where is the Middle Ground? Mid-Caps

Between large cap froth and a small cap profit shortage

It is well known that tech-sector valuations are driving the ever-expanding speculative pockets in large cap growth stocks. And while the same is happening with small caps, there's one crucial difference: lack of profitability

## Goldman Sachs Non-Profitable Technology Index

As of 06/30/21



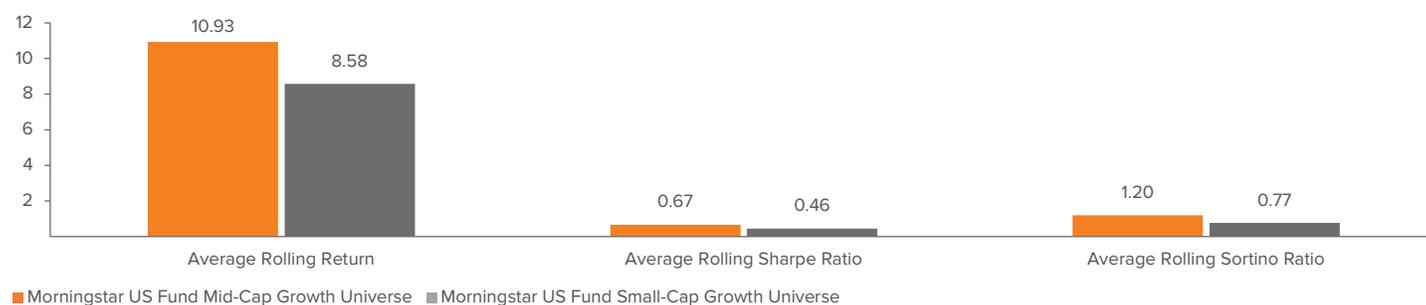
Source: Bloomberg & Goldman Sachs

## Mid-cap growth; Goldilocks among inflated valuations

Mid-cap stocks can offer the growth potential of small cap companies, yet with the stability of their large cap counterparts; an attractive combination for investors seeking risk-adjusted growth beyond the current environment of bloated large cap valuations and meager small cap profits

## Rolling Three-Year Statistics

30 Years Ending 06/30/21

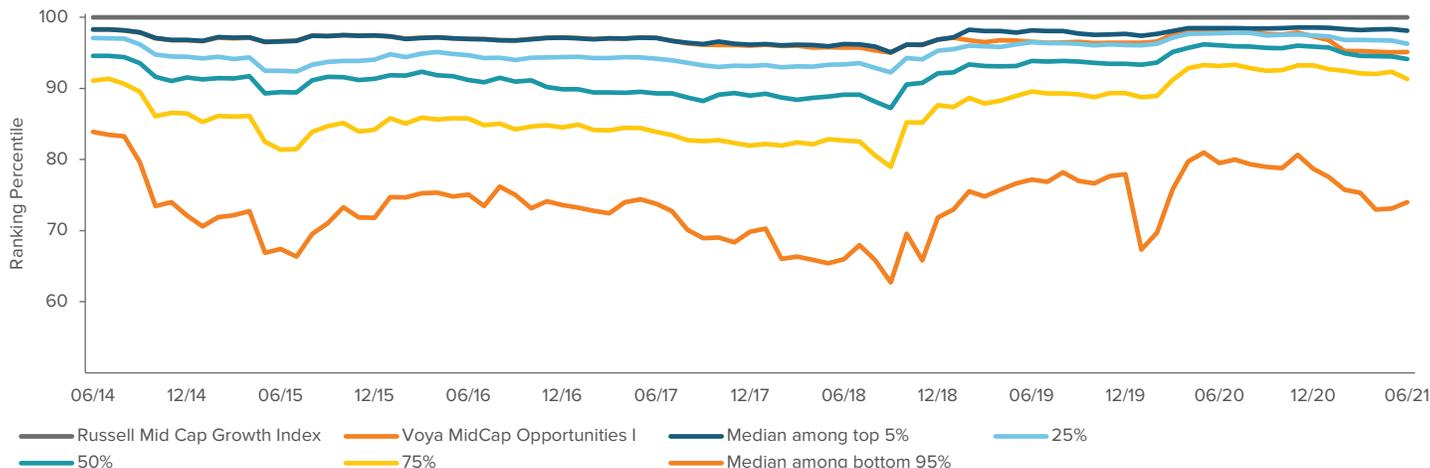


Source: Morningstar

## As large and small cap bubbles inflate, mid-cap style purity and consistency of performance will be crucial

- The Voya MidCap Opportunity Fund sits squarely in the Morningstar category for mid-growth; we do not deviate from our stated objective
- In fact, the Fund has remained in the top 28<sup>th</sup> percentile for R-squared among peers since 12/31/11

### Three-Year Rolling R-squared Rank



Source: Morningstar: As of 06/30/21. Represents three-year rolling performance, based on monthly observation. **Past performance does not guarantee future results.**

## Historically resilient over market cycles

- We seek to deliver consistent performance over the long term
  - 0.15 information ratio vs. 0.11 for peer group median
  - Top 11% of competitor universe for information ratio
- Each dot represents the three-year rolling performance of the Voya MidCap Opportunities Fund relative to the Russell Midcap Growth Index. Dots appearing above the line indicate periods when the strategy outperformed; those below the line indicate periods of underperformance



Source: Voya Investment Management and Morningstar®. As of 06/30/21. Peer group median based on Morningstar US Fund Mid-Cap Growth universe. All figures are based on Class I shares since team inception (08/01/05) through 06/30/21 and presented net of fees. Returns for other share classes will vary due to fees and expenses. **Past performance does not guarantee future results.**

## Potential stability in turbulent markets

Voya takes a disciplined approach to portfolio construction and risk management

- **Excess Returns:** Produced upside participation and downside protection in low-return and negative return environments
- **Focus on Risk:** Carefully consider risk profile when making decisions to ensure the majority of risk is stock-specific
- **Sector Neutral:** Helps avoid common errors and excess risk

Market Environment	Outperformance vs. Russell Midcap Growth Index	Average Rolling 3-Year Positive Excess Return (%)
Down Market <sup>1</sup> (-5% or more)	100%	+5.64
Average Market <sup>1</sup> (-5% to +15%)	42%	+3.21

Source: Voya Investment Management and Morningstar®. As of 06/30/21. The Firm uses proprietary multi-factor sector models to filter the investment universe to identify stocks that warrant further in-depth fundamental analysis. All figures are based on Morningstar US Fund Mid-Cap Growth universe. All figures are based on Class I shares since team inception (08/01/05) through 06/30/21 and presented net of fees. Returns for other share classes will vary due to fees and expenses. **Past performance does not guarantee future results.**

## Voya MidCap Opportunities Fund Performance (%) as of 06/30/21

	QTD	YTD	1 Year	3 Years	5 Years	10 Years	Expense Ratio <sup>2</sup>	
							Gross	Net
Voya MidCap Opportunities Fund, Class I	9.74	9.97	48.55	21.28	18.94	13.79	0.98	0.95
Russell MidCap Growth Index	11.07	10.44	43.77	22.39	20.52	15.13	-	-

**The performance quoted represents past performance and does not guarantee future results. Current performance may be lower or higher than the performance information shown. The investment return and principal value of an investment in the portfolio will fluctuate, so that your shares, when redeemed, may be worth more or less than their original cost. For performance information current to the most recent month-end, please visit, [www.voyainvestments.com](http://www.voyainvestments.com).**

Total investment return at net asset value has been calculated assuming a purchase at net asset value at the beginning of the period and a sale at net asset value at the end of the period; and assumes reinvestment of dividends, capital gain distributions and return of capital distributions/allocations, if any, in accordance with the provisions of the dividend reinvestment plan. Net asset value equals total Fund assets net of Fund expenses such as operating costs and management fees. Total investment return at net asset value is not annualized for periods less than one year. Performance does not account for taxes. Returns for the other share classes vary due to different charges and expenses.

The Voya **MidCap Opportunities 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.

<sup>1</sup> Market is represented by the Russell MidCap Growth Index.

<sup>2</sup> The Adviser has contractually agreed to limit expenses of the Fund. This expense limitation agreement excludes interest, taxes, investment-related costs, leverage expenses, and extraordinary expenses and may be subject to possible recoupment. Please see the Fund's prospectus for more information. The expense limits will continue through at least 10/01/21. The Fund is operating under the contractual expense limits.

## Voya Equity: Disciplined approach. Historically consistent results.



### Analysts Drive Our Alpha

- Career analysts are experts within their sectors
- Differentiated valuation models for each sector
- Robust fundamental research complemented by long qualitative heritage

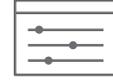
### Security Selection Drives Performance



### Macro and Sector Bets are Not Worth the Risk

- Alpha through stock selection has proven to be durable; sector selection has not
- Sector-neutral portfolios avoid market-timing risks
- Strategies built for the long term

### Disciplined Portfolio Construction



### Reliability—Purposely Built

- Investment process and culture designed to mitigate behavioral biases
- Stock selection that seeks portfolio durability in any market environment
- Integrated risk management helps ensure intentional exposures

### Historically Consistent Performance

#### Disclosures

The **S&P 500 Index** is an unmanaged capitalization-weighted index of 500 stocks designed to measure performance of the broad domestic economy through changes in the aggregate market value of 500 stocks representing all major industries. **Russell Midcap Growth Index** is an unmanaged index that measures the performance of those companies included in the Russell Midcap Index with relatively higher price-to-book ratios and higher forecasted growth values. Russell Midcap Index is an unmanaged index that measures the performance of the mid-cap segment of the U.S. equity universe. The Russell Midcap Index is a subset of the Russell 1000 Index and includes approximately 800 of the smallest securities based on a combination of their market cap and current index membership. The index do not reflect fees, brokerage commissions, taxes or other expenses of investing. **Investors cannot invest directly in an index.**

**R-squared** measures the extent to which a fund's movement can be explained by movements in its benchmark index. An R-squared value of 1 indicates that all of a fund's movements are explained by movements in its respective benchmark; an R-squared value of 0 indicates that none of a fund's movements can be explained by movements in its respective benchmark. Information ratio is the ratio of a portfolio's excess returns versus a benchmark to the volatility of those returns. It seeks to measure the consistency of a manager's performance. The strategy 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 that varies from stated performance. Please call your benefits office for more information.

#### Investment Risks

All investing involves risks of fluctuating prices and the uncertainties of rates of return and yield inherent in investing. **Foreign Investing** does pose special risks including currency fluctuation, economic and political risks not found in investments that are solely domestic. Investing in stocks of **Mid-Sized Companies** may entail greater volatility and less liquidity than larger companies. The Fund may use **Derivatives**, such as options and futures, which can be illiquid, may disproportionately increase losses and have a potentially large impact on Fund performance. Other risks of the Fund include but are not limited to: **Growth Investing Risks; Market Trends Risks; Other Investment Securities Risks; Securities Lending Risks; and Portfolio Turnover Risks.** **Investors should consult the Fund's Prospectus and Statement of Additional Information for a more detailed discussion of the Fund's risks. The strategy employs a quantitative model to execute the strategy. Data imprecision, software or other technology malfunctions, programming inaccuracies and similar circumstances may impair the performance of these systems, which may negatively affect performance. Furthermore, there can be no assurance that the quantitative models used in managing the strategy will perform as anticipated or enable the strategy to achieve its objective.**

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

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