A steady, balanced and long-term approach to U.S. blue-chips

Strategy Overview

A steady, balanced and long-term approach to U.S. blue-chips.

Portfolio Management
Voya Investments, LLC, Investment Adviser
The Trust is passively managed.

Performance

For the quarter, the Trust outperformed its benchmark, the S&P 500 Total Return index.

Market Review

After five straight months of gains, stock markets felt the pull of gravity in September as coronavirus cases resurged and confidence in the economic outlook faltered. Nevertheless, strong gains in July and August offset the September downdraft, resulting in net increases for the quarter. The Dow Jones Industrial Average rose 8.22%, the S&P 500 index rose 8.79% and the NASDAQ Composite maintained its lead on the strength of its technology giants, gaining 11.02%. Gauged by market capitalization, large-cap stocks fared the best, followed by mid caps then small caps; all had positive results for the quarter. Non-U.S. markets, as measured by the MSCI EAFE index, gained 4.88%; the MSCI Emerging Markets index continued to benefit from a weaker U.S. dollar, gaining 9.56%.

During the quarter, expectations for further fiscal stimulus, optimism about progress in developing a coronavirus vaccine, positive economic momentum and better-than-expected corporate earnings were among the widely cited market drivers. Also undergirding sentiment was the Federal Reserve’s decision to cease pre-emptively raising interest rates to forestall inflation, a policy shift likely to keep rates low — and supportive of equities — for a long time. The Dow Jones UBS Commodity index, which is sensitive to changes in the economic outlook, rose 9.07%.

Portfolio Review

Outperformance for the quarter was driven by the allocation and holdings in the industrials sector as well as stock selection within financials. Not having exposure to healthcare contributed to results as well. Key contributors for the period included overweights to Union Pacific Corporation, Berkshire Hathaway Inc. and Linde plc.

By contrast, the overweight and stock selection within the energy sector, not having exposure to the information technology sector and the underweight to consumer discretionary had the largest negative impact on relative results. Among key detractors for the quarter were the overweight positions in Exxon Mobil Corporation and Marathon Petroleum Corporation, and not owning Apple Inc.
As of the end of the reporting period the strategy’s largest sector overweights included the industrials and materials sectors, while the largest underweight sectors were consumer discretionary and communication services; the Trust does not currently hold positions within the information technology, healthcare or real estate sectors. Sector exposures are purely a function of the strategy’s quantitative investment discipline, however, and are not actively managed.

**Outlook and Current Strategy**

The economy continues to recover, albeit more slowly than before; with the pandemic intensifying – and now even the President infected – it remains an open question whether the recovery is sustainable. The Federal Reserve has been resolute in its commitment to provide economic and financial market stability, but central bank action alone may not be enough to sustain the recovery. Fiscal stimulus also will be needed but passing another stimulus bill has proven difficult in the current U.S. political climate, and may not be possible until after the November elections.

The Voya Corporate Leaders Trust was created in 1935 with the objective of seeking long-term capital growth and income through investment generally in an equal number of shares of common stock of a fixed list of American blue chip corporations. The Trust’s portfolio investments are not actively managed. Stocks have only been added when corporate actions, such as mergers or spin-offs replace one of the original 30 companies. It currently holds investments in 20 American blue chip corporations favoring the industrials, energy and materials sectors.

**Holdings Detail**

Companies mentioned in this report – percentage of portfolio investments, as of 9/30/20: Union Pacific Corporation 44.25%, Berkshire Hathaway Inc. 13.26%, Linde plc 10.03%, Exxon Mobil Corporation 4.91%, Marathon Petroleum Corporation 3.27% and Apple Inc. 0%; 0% indicates that the security is no longer in the portfolio. Portfolio holdings are subject to change on a daily basis.
The Standard & Poor’s 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.

**Investment Risks:** All investing involves risks of fluctuating prices and the uncertainties of rates of return and yield inherent in investing. Investing in funds that are concentrated in a smaller number of holdings poses greater risk than funds with a larger number of holdings because each investment has a greater effect on the Fund’s performance. The value of a participation fluctuates with the market value of the underlying portfolio securities of the Trust. The dividend income, if any, from the portfolio securities is subject to fluctuation which in turn will affect the amounts of distributions made to participants. An investor in the Trust has no assurance against loss in a declining market, and redemption at a time when the market value of the participations is less than their cost will result in a loss to the investor.

**Taxation** For Federal income tax purposes, (1) the Trust will be treated as a fixed investment trust and will not be subject to Federal income tax, (2) each participant will be treated as the owner of his pro rata portion of the common stock of the corporations held by the Trust, (3) each participant will be required to include in his gross income his pro rata portion of the dividends and interest received by the Trust (including the amounts of such dividends and interest that are not distributed to participants but are used to pay the fees and expenses of the Trust), (4) at the time such dividends and interest are received by the Trust, not at the later time such dividends and interests are distributed to participants or reinvested in additional participations, and (5) each individual participant who itemizes deductions may deduct his pro rata portion of the fees and expenses of the Trust only to the extent such amount, together with his other miscellaneous itemized deductions, exceeds 2% of his adjusted gross income. Please see the prospectus for further information.

An investment in the Fund is not a bank deposit and is not insured or guaranteed 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.

©2020 Voya Investments Distributor, LLC • 230 Park Ave, New York, NY 10169 • All rights reserved.

Not FDIC Insured | May Lose Value | No Bank Guarantee
CMFC-CLTRUST 1022220 • ex093019 • IM1379856 • WLT250005846
voyainvestments.com