

Voya Target Retirement Funds

These portfolios are only offered as an investment option within variable products and retirement programs.

Market Review and Economic Outlook

U.S. equities led the way for the third quarter of 2018. The strength of the U.S. economy created a flourishing backdrop for corporate earnings, which posted another quarter of 25% growth. The major market indexes such as the Dow Jones Industrial Average, S&P 500 and Nasdaq Composite all posted high, single-digit returns. Large cap stocks outperformed mid caps, which surpassed small caps; growth stocks outperformed value. Non-U.S. developed markets, as measured by the MSCI EAFE index, posted lesser gains than the United States. Emerging markets, burdened by global trade tensions, sustained losses.

The healthcare sector dominated, followed by industrials and information technology. By contrast, the materials, energy and real estate sectors detracted value. Both gold and oil prices decreased over the quarter.

Business confidence remained high and the unemployment rate fell to its lowest level since 1969. The Federal Reserve raised interest rates by another 0.25% in September and appears on track to hike one more time this year in December. The Bloomberg Barclays Global Aggregate index sustained a loss for the quarter, whereas the Bloomberg Barclays U.S. Aggregate Bond index was roughly flat.

Political drama, trade worries and Fed rate hikes caused episodic market setbacks but did not derail the positive investor outlook driven by solid fundamentals and soaring consumer and business confidence. Trade tensions have yet to make a meaningful dent in GDP or earnings, and interest rates appear to be rising for the right reason — stronger economic growth.

Asset Allocation

The Funds started the quarter with overweight positions in domestic large cap equities and short duration fixed income, funded by underweights to emerging market equities, real estate and core U.S. fixed income.

In July, the Funds exited from high yield, reallocating the assets to core U.S. fixed income and short duration bonds. This is a tactical view that represents de-risking fixed income positions as we believe we are in the late stages of the credit and business cycles.

In September, the Funds further reduced their exposures to emerging market (EM) equities in favor of domestic, large-cap equities. At the time of the trade, EM equities were entrenched in a bear market, having experienced a -20% correction from their most recent peak. At these levels, we believe valuations are still in line with their five-year averages and capable of another leg lower before valuation becomes attractive. On the fundamental side, data from China continued to show weakness through the summer and copper prices and global ISM continues to slip.

Overall, tactical asset allocation effects were positive for the quarter.

Underlying Managers

Underlying manager performance detracted for overall performance for the quarter.

Bottom performers relative to their respective benchmark in the quarter included Voya Multi-Manager Emerging Markets Equity, Voya Small Company and Voya Multi-Manager Mid Cap Value. Top performers relative to their respective benchmark in the quarter included Voya Global Bond, Voya Intermediate Bond and Voya Short Term Bond.

Not FDIC Insured | May Lose Value | No Bank Guarantee

INVESTMENT MANAGEMENT

Reliable Partner | Reliable Investing®



Voya Target Retirement Funds

Principal Risks: There is no guarantee that any investment option will achieve its stated objective. Principal value fluctuates and there is no guarantee of value at any time, including the target date. The target date is the approximate date when investors plan to start withdrawing their money. When their target date is achieved they may have more or less than the original amount invested. For each target-date portfolio, until the day prior to its target date, the Trust will seek to provide total return consistent with an asset allocation targeted at retirement in approximately each Trust's designated target year. On the target date, the Trust's investment objective will be to seek to provide a combination of total return and stability of principal consistent with an asset allocation targeted to retirement.

Stocks are more volatile than bonds, and trusts with a higher concentration of stocks are more likely to experience greater fluctuations in value than portfolios with a higher concentration in bonds. Foreign stocks and small and midcap stocks may be more volatile than large cap stocks. Investing in bonds also entails credit risk and interest rate risk. Generally, investors with longer timeframes can consider assuming more risk in their investment portfolios. The Voya Target Solution Trusts are actively managed and the asset allocation adjusted over time. The trusts may merge with or change to other trusts over time. Refer to the prospectus for more information about the specific risks of investing in the various assets classes included in the Voya Target Solution Trusts.

As with any portfolio, you could lose money on your investment in the Voya Target Solution Trust. Although asset allocation seeks to optimize returns given various levels of risk tolerance, you still may lose money and experience volatility. Market and asset class performance may differ in the future from historical performance and the assumptions used to form the asset allocations for the Voya Target Solution Trust. There is risk that you could achieve better returns in an underlying portfolio or other portfolios representing a single asset class than in the Voya Target Solution Trust.

Important factors to consider when planning for retirement include your expected expenses, sources of income and available assets. Before investing in the Voya Target Solution Trust, weigh your objectives, time horizon and risk tolerance. The Voya Target Solutions Trust invests in many underlying portfolios, which are exposed to the risks of different areas of the market. The higher a portfolio's allocation to stocks the greater the portfolio's overall risk. Diversification cannot assure a profit or protect against loss in a declining market.

You should consider the investment objectives, risks, and charges and expenses of the variable product and its underlying fund options; or mutual funds offered through a retirement plan, carefully before investing. The prospectuses/prospectus summaries/information booklets contain this and other information, which can be obtained by contacting your local representative or by calling (800) 386-3799. Please read the information carefully before investing.

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

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