

# Voya Global Perspectives

Markets. Insights. Opportunities.®

## Strategies | Global Perspectives Market Models (GPMM)

### Broad Global Diversification Based on Market Fundamentals

- Broad global diversification offers access to a world of opportunities
- Equally weighted allocations may help control risk and enhance returns
- Tactical asset allocation seeks downside protection

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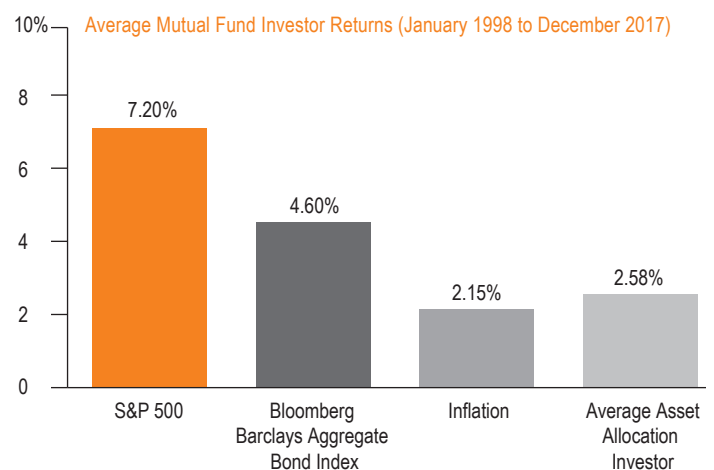
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# One Investment Option for Many Investing Questions

Finding a suitable investment mix and sticking with it through market change is a challenge made easier by a globally diversified portfolio that adjusts to the signals that drive capital markets. The goal of the **Voya Global Perspectives Market Models (GPMM)** is to help investors stay invested despite market volatility.

## Did You Know?

Over the past 20 years asset allocation investors significantly underperformed because they tended to buy when prices were high and sell when they were low.



Source: DALBAR, 2018 Quantitative Analysis of Investor Behavior; Data as of 12/31/17. Average equity, bond and asset allocation investor returns are represented by the change in total mutual fund assets after excluding sales, redemptions and exchanges.

## Disciplined Investment Process

When it comes to investing, rules — if they are clear, understandable and supported by the facts — can help promote positive behavior and prevent negative actions. With GPMM, the following investment principles serve as rules that can help you stay focused on your long-term investment goals.

### Voya GPMM Investment Principles:

- 1. Broad global diversification** offers access to a world of opportunities.
  - Broad global diversification gives the Models a broad foundation.
  - GPMM may be used as a core investment solution.
- 2. Equally weighted allocations**, rebalanced regularly, may help control risk and enhance returns.
  - Precludes any one asset class from having concentrated influence on performance.
  - Allows less efficient asset classes to have a higher contribution to overall performance.
- 3. Tactical asset allocation** seeks downside protection.
  - We believe market fundamentals drive market prices.
  - The tactical signal is rules-based, consistently applied and transparent.

## Principle 1

### Broad global diversification offers access to a world of opportunities

A broad selection of asset classes may form a stronger foundation for investment success. At the same time, asset class returns vary widely from year to year, making allocation decisions difficult and successful market timing virtually impossible. And “gaming diversification” — reactively chasing returns based on short-term fads or abandoning assets that underperform — tends to expose investors to unintended risks and leads to disappointing results. A disciplined, long-term investment plan ignores conflicting market signals in favor of a coherent strategy.

2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Emerging Mkts 91.7	Global REITs 30.4	Emerging Mkts 44.5	Emerging Mkts 56.6	Emerging Mkts 59.1	U.S. Treas 20+ 33.7	Emerging Mkts 93.5	Mid Cap 26.6	U.S. Treas 20+ 33.8	Global REITs 29.8	Small Cap 41.3	U.S. Treas 20+ 27.5	S&P 500 1.4	Small Cap 26.6	Emerging Mkts 37.8
MSCI EAFE 39.2	Small Cap 22.6	MSCI EAFE 14.0	Global REITs 43.7	MSCI EAFE 11.6	Global Bonds 4.8	High Yield 58.2	Small Cap 26.3	Corp Bonds 8.1	MSCI EAFE 17.9	Mid Cap 33.5	Global REITs 15.9	Global REITs 0.1	Mid Cap 20.7	MSCI EAFE 25.6
Small Cap 38.8	MSCI EAFE 20.7	Mid Cap 12.6	MSCI EAFE 26.9	Global AA 10.5	Corp Bonds -4.9	Global REITs 41.3	Global REITs 20.0	Global Bonds 5.6	Mid Cap 17.9	S&P 500 32.4	S&P 500 13.7	MSCI EAFE -0.4	High Yield 17.1	S&P 500 21.8
Global REITs 38.5	Emerging Mkts 17.1	Global AA 10.0	Global AA 19.2	U.S. Treas 20+ 10.2	Global AA -24.8	Mid Cap 37.4	High Yield 15.1	High Yield 5.0	Small Cap 16.3	MSCI EAFE 23.3	Mid Cap 9.8	Corp Bonds -0.7	S&P 500 12.0	Mid Cap 16.2
Mid Cap 35.6	Mid Cap 16.5	U.S. Treas 20+ 8.6	S&P 500 15.8	Global Bonds 9.5	High Yield -26.2	MSCI EAFE 32.5	S&P 500 15.1	S&P 500 2.1	S&P 500 16.0	Global AA 11.9	Global AA 7.7	U.S. Treas 20+ -1.6	Emerging Mkts 11.6	Global AA 15.6
Global AA 32.4	Global AA 15.3	Global REITs 8.3	Small Cap 15.1	Mid Cap 8.0	Small Cap -31.1	Global AA 31.9	Global AA 14.5	Global AA 1.1	High Yield 15.8	High Yield 7.4	Corp Bonds 7.5	Global AA -1.8	Global AA 10.4	Small Cap 13.2
High Yield 29.0	High Yield 11.1	Small Cap 7.7	High Yield 11.8	S&P 500 5.5	Mid Cap -36.2	S&P 500 26.5	Emerging Mkts 9.8	Small Cap 1.0	Emerging Mkts 14.9	Global REITs 2.2	Small Cap 5.8	Small Cap -2.0	Corp Bonds 6.1	Global REITs 11.4
S&P 500 28.7	S&P 500 10.9	S&P 500 4.9	Mid Cap 10.3	Corp Bonds 4.6	S&P 500 -37.0	Small Cap 25.6	U.S. Treas 20+ 9.4	Mid Cap -1.7	Global AA 14.6	Corp Bonds -1.5	High Yield 2.5	Mid Cap -2.2	Global REITs 5.0	U.S. Treas 20+ 9.0
Global Bonds 12.5	Global Bonds 9.3	High Yield 2.7	Global Bonds 6.6	High Yield 1.9	MSCI EAFE -43.1	Corp Bonds 18.7	Corp Bonds 9.0	Global REITs -8.1	Corp Bonds 9.8	Global Bonds -2.6	Global Bonds 0.6	Global Bond -3.2	Global Bond 2.1	High Yield 7.5
Corp Bonds 8.2	U.S. Treas 20+ 9.0	Corp Bonds 1.7	Corp Bonds 4.3	Small Cap -0.3	Global REITs -48.9	Global Bonds 6.9	MSCI EAFE 8.2	MSCI EAFE -11.7	Global Bonds 4.3	Emerging Mkts -3.3	Emerging Mkts -1.8	High Yield -4.5	MSCI EAFE 1.5	Global Bond 7.4
U.S. Treas 20+ 1.8	Corp Bonds 5.4	Global Bonds -4.5	U.S. Treas 20+ 0.9	Global REITs -4.7	Emerging Mkts -59.3	U.S. Treas 20+ -21.4	Global Bonds 5.5	Emerging Mkts -22.7	U.S. Treas 20+ 3.4	U.S. Treas 20+ -13.9	MSCI EAFE -4.5	Emerging Mkts -14.6	U.S. Treas 20+ 1.4	Corp Bonds 6.4

Source: FactSet, Voya Investment Management. As of 12/31/17

“Global AA” includes 10 asset classes, equally weighted: S&P 500, S&P MidCap 400, S&P SmallCap 600, MSCI U.S. REIT Index (pre-2006), FTSE EPRA/NAREIT Global Real Estate Index (post 2005), MSCI EAFE, MSCI BRIC, Bloomberg Barclays U.S. Corporate Bonds, Bloomberg Barclays U.S. Treasury 20+ Year Bonds, Bloomberg Barclays Global Aggregate Bonds, Bloomberg Barclays U.S. High Yield Bonds. For illustration only. Past performance is not a guarantee of future results. Investors cannot directly invest in an index.

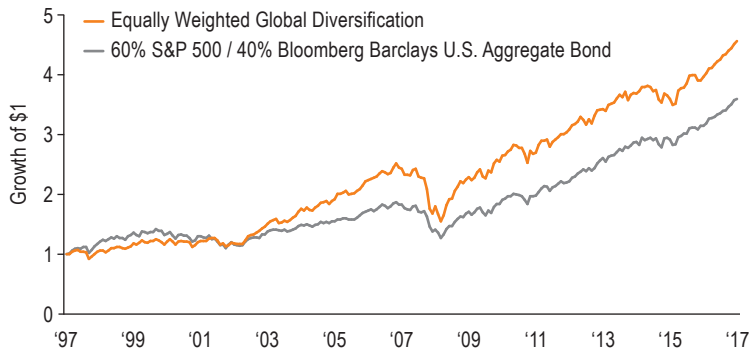
Contact your Financial Professional to find out if  
**Voya GPM** have a place in your portfolio.

## Principle 2

### Equally weighted allocations, rebalanced regularly, may help control risk and enhance returns

Most allocation plans determine asset class weights based on the relative size of the markets. We believe that diversification is better served by equal weighting across major asset classes. This allows the inherent diversification by style, risk profile and sector to have a greater effect than weightings skewed towards the most commonly held securities and categories.

Diversification assuming equal-weighted positions in global markets produced better performance than U.S. domestic equities and fixed income over the 20 years ending 12/31/17.



Sources: Bloomberg Barclays, HedgeFund Research, NAREIT, Russell Investments, Standard & Poors, FactSet.

**Note:** This Global Diversification approach includes equally weighted positions in the following indexes as proxies for diversified positions: S&P 500, S&P Midcap 400, S&P Smallcap 600, MSCI U.S. REIT Index (pre-2006), FTSE EPRA/NAREIT Global Real Estate Index (post 2005), MSCI EAFE, MSCI BRIC, Bloomberg Barclays U.S. Corporate Bonds, Bloomberg Barclays U.S. Treasury 20+ Year Bonds, Bloomberg Barclays Global Aggregate Bonds, Bloomberg Barclays U.S. High Yield Bonds. For illustrative purposes only to demonstrate the concept of diversification. Does not represent any specific investment or forecast any performance results. The investment objective and strategy of the Voya Global Perspectives Market Models differs significantly from the investment indices shown, and allocations are subject to change. The index figures do not reflect any fees, expenses or taxes. An investor cannot directly invest in an index. See index disclosures on back. **Past performance is not a guarantee of future results.**

## Principle 3

### Tactical asset allocation seeks downside protection

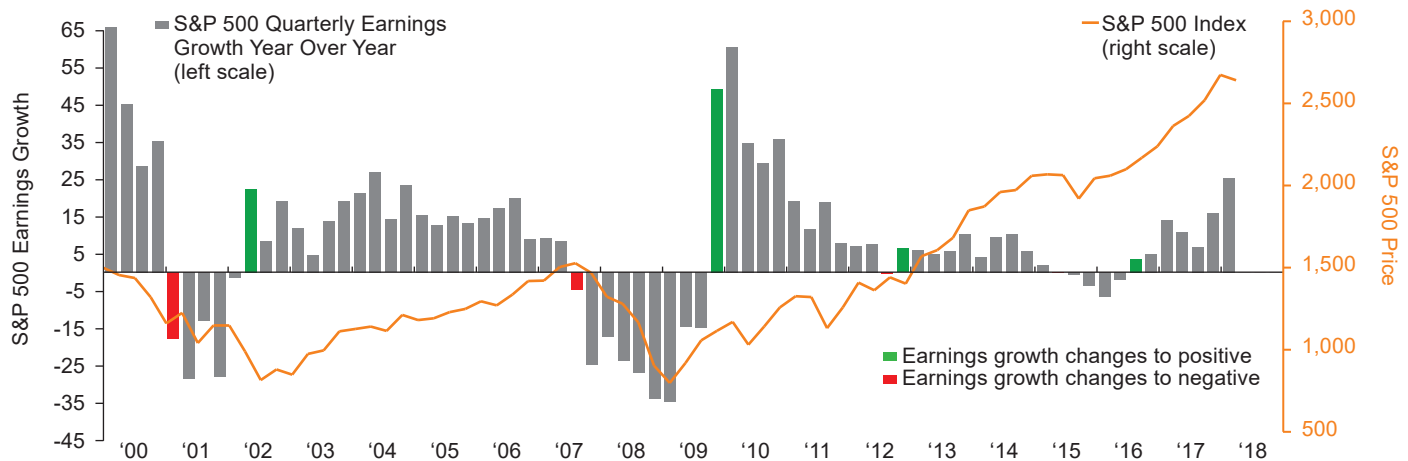
Of the fundamentals that drive markets, corporate earnings — profits — is the most important one. By closely following quarterly earnings growth for the S&P 500 companies, which includes many with global reach that are early in signaling the health of the world economy, the Models follow a clear and unequivocal signal about the direction of the economy and the markets. The **Voya GPM** deploy this signal into a coherent investment strategy that avoids gaming diversification.

The chart below shows the close correlation between stock market prices (orange line) and corporate earnings growth (gray bars).

The portfolios adapt to changes in earnings by adjusting the equity/fixed income mix when earnings growth shifts from positive to negative (red bars) or negative to positive (green bars). If quarterly year-over-year growth is positive, the percentage of equities is maintained (or restored). If growth is negative, equity exposure is reduced in favor of fixed income. Portfolio positions are always evenly balanced, and the Fund never abandons equity investments.

By making allocations based on earnings growth, the Models adapt to fundamental market drivers while avoiding the timing errors and high transaction costs of frequent trading. The Models are rebalanced quarterly to control drift from the long-term allocation policy.

#### Earnings growth of the S&P 500 is a key indicator of the health of the overall stock market



Source: Standard & Poor's, First Call, FactSet, Voya Investment Management

**Past performance does not guarantee future results.** The **S&P 500 Index** is widely regarded as a gauge of the U.S. equities market, including 500 leading companies in major industries of the U.S. economy. **Investors cannot directly invest in an index.**

This example is for illustrative purposes only and does not represent any specific product.

## Meet the Managers



**Douglas Coté, CFA**  
Senior Portfolio Manager  
29 years experience



**Karyn Cavanaugh, CFA**  
Portfolio Manager  
24 years experience

*“Effective diversification improves upside potential and reduces downside risk. Achieving those goals requires broad and meaningful commitments across global markets, along with a plan to mitigate the effects of down markets.”*

– Douglas Coté

## Turning Investment Insights into Action

The **Voya Global Perspectives Market Models** are available in both a mutual fund and ETF series, allowing the flexibility to choose the investment vehicle that is best for each investor’s personal situation. The mutual fund series offers the benefits of active management by multiple investment managers, while the ETF series uses passive underlying investments that can help minimize cost.

## Implementing the Investment Principles

The Models are designed to be fully diversified global portfolios tactically managed to help you overcome the challenges inherent in today’s markets. There are four distinct portfolio allocations to choose from, based on personal risk tolerance and investment horizon.

By investing broadly across asset classes (detailed below), and varying the allocations between Base Allocations in normal times and Defensive Allocations in uncertain times, the Fund provides a balance of upside potential and a defensive stance only when necessary.

Triggering Event							
Base Allocation	Negative Year-Over-Year Earnings Growth						Defensive Allocation
	Positive Year-Over-Year Earnings Growth						
Market Exposure	Global Aggressive Growth Model		Global Moderate Growth Model		Global Conservative Growth Model		Income Model
	Base	Defensive	Base	Defensive	Base	Defensive	Base
<b>Total Equity</b>	<b>78%</b>	<b>39%</b>	<b>60%</b>	<b>30%</b>	<b>42%</b>	<b>21%</b>	<b>0%</b>
U.S. Large Cap Equities	13.0	6.5	10.0	5.0	7.0	3.5	0.0
U.S. Mid Cap Equities	13.0	6.5	10.0	5.0	7.0	3.5	0.0
U.S. Small Cap Equities	13.0	6.5	10.0	5.0	7.0	3.5	0.0
Global Real Estate Equities	13.0	6.5	10.0	5.0	7.0	3.5	0.0
International Equity	13.0	6.5	10.0	5.0	7.0	3.5	0.0
Emerging Market	13.0	6.5	10.0	5.0	7.0	3.5	0.0
<b>Total Fixed Income</b>	<b>20%</b>	<b>58%</b>	<b>38%</b>	<b>68%</b>	<b>56%</b>	<b>76%</b>	<b>97.5%</b>
U.S. Investment Grade Bonds	5.0	14.5	9.5	17.0	14.0	19.0	19.5
U.S. Government Bonds	5.0	14.5	9.5	17.0	14.0	19.0	19.5
Global Bonds	5.0	14.5	9.5	17.0	14.0	19.0	19.5
U.S. High Yield Bonds	5.0	14.5	9.5	17.0	14.0	19.0	19.5
Senior Loans	0.0	0.0	0.0	0.0	0.0	0.0	19.5
<b>Other</b>							
Cash	2.0	3.0	2.0	2.0	2.0	3.0	2.5

Models are for illustrative purposes only and do not reflect an actual investment in a product or strategy. Allocations are subject to change.

Diversification does not guarantee against loss nor is it certain that a diversified portfolio will outperform a non-diversified portfolio.

## Investment Risks

Past performance does not guarantee future results.

All investing involves risks of fluctuating prices and the uncertainties of rates of return and yield inherent in investing. **Interest Rate Risk:** the Fund's share price and yield will be affected by interest rate movements, with bond prices generally moving in the opposite direction from interest rates. **Credit Risk** refers to the bond issuers and senior loan issuers ability to make timely payments of principal and interest. **Foreign Investing** does pose special risks including currency fluctuation, economic and political risks not found in investments that are solely domestic. **Emerging Market** stocks may be especially volatile. **High Yield Securities**, or "junk bonds", are rated lower than investment grade bonds because there is a greater possibility that the issuer may be unable to make interest and principal payments on those securities. To the extent that the Fund invests in **Mortgage-Related Securities**, its exposure to prepayment and extension risks may be greater than investments in other fixed income securities. **Global Real Estate Equities.** Risks of the REITs' are similar to those associated with direct ownership of **Real Estate**, such as changes in real estate values and property taxes, interest rates, cash flow of underlying real estate assets, supply, and demand, and the management skill and credit worthiness of the issuer. Other risks of the Fund include but are not limited to: **Market Trends Risks; Other Investment Companies' Risks; Price Volatility 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.

Index performance is shown for illustrative purposes only. Indices are unmanaged. They do not reflect any management, custody, transaction or other expenses, and generally assume reinvestment of dividends, income and capital gains. You cannot invest directly in an index. Performance of indices may be more or less volatile than any investment strategy.

**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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