



# Plan Review

Washoe County (664390)

07/01/2023 through 09/30/2023

For sponsor use only.  
Not for distribution to plan participants

PLAN | INVEST | PROTECT

**VOYA**<sup>®</sup>  
FINANCIAL

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## CONTACT INFORMATION

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**Bishop Bastien**  
Voya Financial®



### Plan Sponsor web site [www.voyaretirementplans.com/sponsor](http://www.voyaretirementplans.com/sponsor)

Use the Plan Sponsor web site to help better manage your retirement plan. The site provides access to an education library, fiduciary information, and legislative/industry updates. In addition, it includes the ability to:

- View plan and participant-level account balances
- View plan level transaction history
- View year-to-date contribution amounts
- Review and manage plan investment options

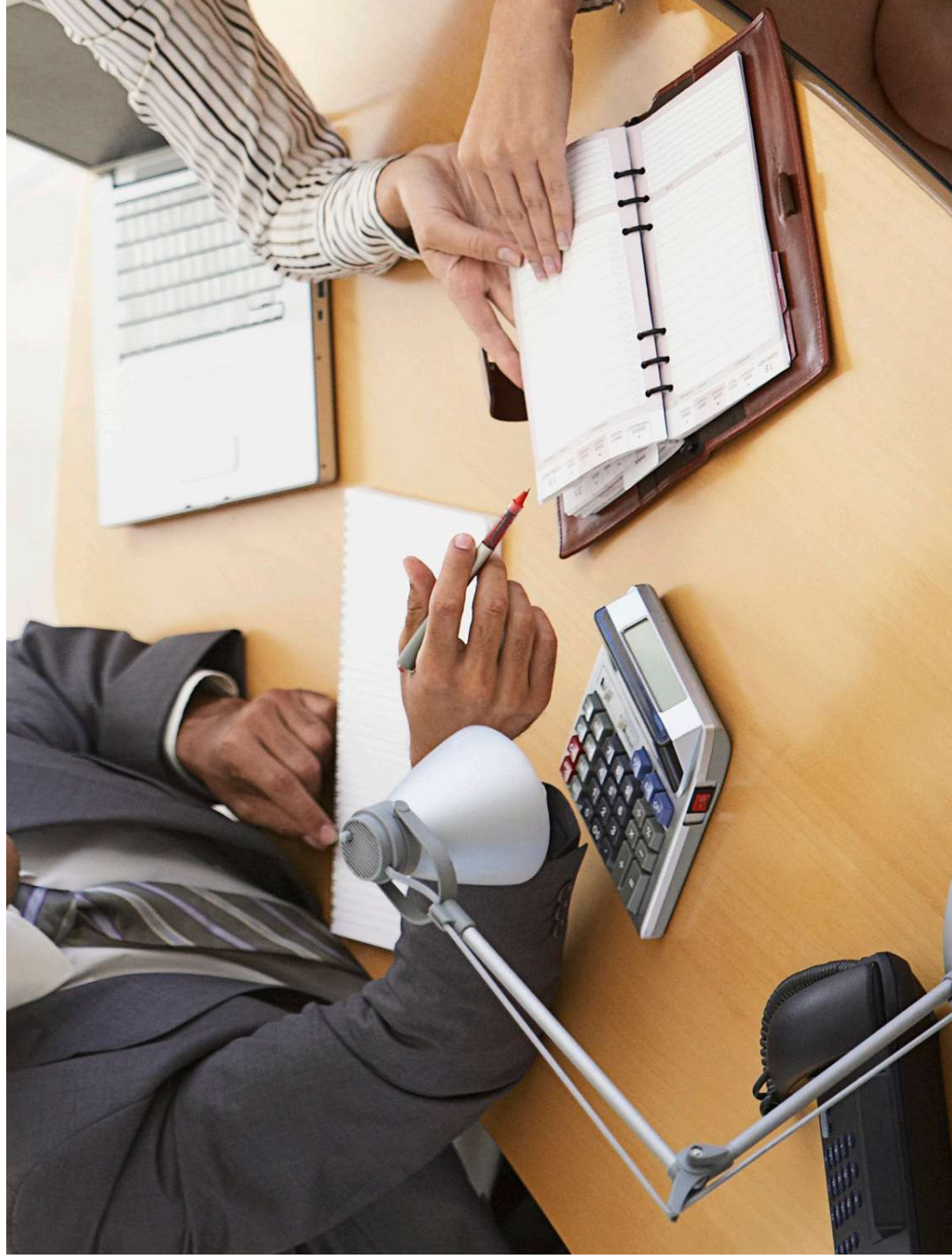
\* Entities listed above may or may not be affiliated with Voya.  
Not FDIC/NCUA/NCUSIF Insured | Not a Deposit of a Bank/Credit Union | May Lose Value  
Not Bank/Credit Union Guaranteed | Not Insured by Any Federal Government Agency

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## Voya Update

At Voya, we are making strides toward being America's Retirement Company<sup>®</sup> by helping individuals become financially independent – one person, one family, one institution at a time. Within the Voya Update section, we explain why a growing number of people are choosing Voya to meet their financial and retirement planning needs.

# Voya Financial Fact Sheet

Second-Quarter 2023



Our aspirational vision:

Clearing your path to financial confidence and a more fulfilling life

Voya Financial, Inc. (NYSE: VOYA), is a leading health, wealth and investment company offering products, solutions and technologies that help its individual, workplace and institutional clients become well planned, well invested and well protected. Voya also is purpose-driven and committed to conducting business in a way that is economically, ethically, socially and environmentally responsible. Voya has earned recognition as: one of the World's Most Ethical Companies® by the Ethisphere Institute; a member of the Bloomberg Gender-Equality Index; and a “Best Place to Work for Disability Inclusion” on the Disability Equality Index.

## Fast Facts



14.7 million  
Customers



7,200  
Employees



\$790 billion  
Total assets under management and administration\*



Top 5  
Provider of retirement plans\*\*



One of the 50  
Largest managers of assets globally\*\*\*\*



Top 5  
Group provider of supplemental health insurance\*\*\*\*

\*As of June 30, 2023

\*\**Pensioners & Investments* magazine, Defined Contribution Record Keepers Directory, April 2023

\*\*\*LIMRA 4Q 2022 Workplace Supplemental Health In Force Final Report; Marketshare-Total Group Based Supp. Health. Insurance is underwritten by ReliaStar Life Insurance Company (Minneapolis, MN) and ReliaStar Life Insurance Company of New York

\*\*\*\**Pensioners & Investments* magazine, “The Largest Money

Managers,” 2023 Survey based on assets as of 12/31/22

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## Workplace Solutions:

Voya provides workplace benefits and savings products, technologies and solutions through its Wealth Solutions and Health Solutions businesses. This includes innovative digital capabilities that enhance the participant education and user experience through all life stages. Examples of Voya's focus on customer needs and innovation include: myVoyage, a first-of-its-kind personalized financial-guidance and connected workplace-benefits digital platform and Voya Claims 360, an integrated and intuitive model designed to simplify the claims process for supplemental health insurance products.

### - Wealth Solutions

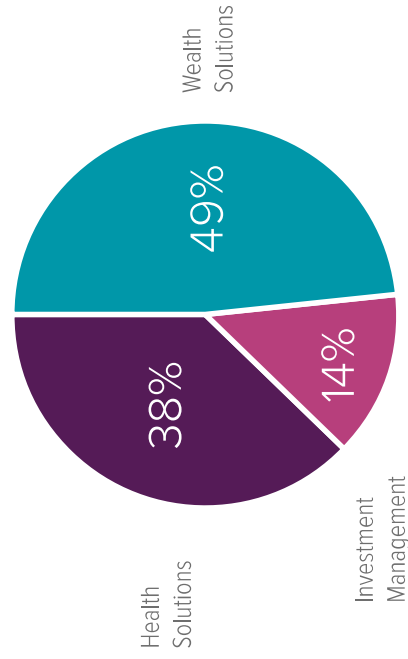
Voya is a leading provider of retirement products and services in the U.S., serving more than 52,000 institutional clients and over 6 million individual retirement plan participants. Voya also has approximately 600 financial professionals serving retail and workplace clients. Voya is focused on guiding Americans to greater retirement readiness and financial wellness through employer-sponsored savings plans and holistic retirement and income guidance.

### - Health Solutions

Through its insurance companies, Voya is a leading provider of supplemental health insurance in the U.S. and offers a comprehensive and highly flexible portfolio of stop loss, life, disability, and voluntary insurance products to businesses covering more than 6.6 million individuals through the workplace. Voya also offers health savings and spending accounts through our health accounts solutions business. Through Benefitfocus, a Voya company, we also provide benefits administration capabilities to 16.5 million individual subscription employees across employer and health plan clients.

## Percentage of adjusted operating earnings by segment\*

\* Before income taxes and for the trailing twelve months ended June 30, 2023. Excludes Corporate. Does not equal 100% due to rounding.



## Investment Management

Voya Investment Management manages public and private fixed income, equities, multi-asset solutions and alternative strategies for institutions, financial intermediaries and individual investors, drawing on a 50-year legacy of active investing and the expertise of 300+ investment professionals.

Health Account Solutions, including Health Savings Accounts, Flexible Spending Accounts, Commuter Benefits, Health Reimbursement Arrangements, and COBRA Administration offered by Voya Benefits Company, LLC (in New York, doing business as Voya BC, LLC). HSA custodial services provided by Voya Institutional Trust Company. For all other products, administration services provided in part by WEX Health, Inc.

Insurance products are underwritten by ReliaStar Life Insurance Company (Minneapolis, MN) and ReliaStar Life Insurance Company of New York (Woodbury, NY). Within the State of New York, only ReliaStar Life Insurance Company of New York is admitted, and its products issued. Both are members of the Voya® family of companies. Voya Employee Benefits is a division of both companies. Product availability and specific provisions may vary by state.

## Awards and Recognitions



Third-party awards and/or rankings about entities within the Voya family of companies are given based upon various criteria and methodologies. Awards and/or rankings are not representative of actual client experiences or outcomes, and are not indicative of any future performance. For certain awards/rankings, Voya pays a fee to be considered. For material facts regarding an award, including but not limited to whether a fee was paid to be eligible for the award, please visit <https://www.voya.com/about-us/our-character/awards-and-recognition>.

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## Strengthening our culture through workplace flexibility, employee well-being and diversity, equity and inclusion

90%

of employees have a positive sentiment toward Voya Financial.

Source: Voya Financial employee sentiment survey data, as of Nov. 2022

Voya provides a variety of benefits and services for its employees with an emphasis on physical, mental and financial well-being, including a no-cost tuition program, access to financial advisors and paid parental leave for both parents after the birth or adoption of a child.

32%

of Voya employees are people of color.

Source: Voya Financial 2022 Impact Report

Voya is building a workforce that better reflects the diversity of our society, including attracting and recruiting talent from underrepresented groups, and offering developed equity programs to increase equity in career growth and mobility.

25%

of employees belong to one or more of Voya's 11 employee-led councils.

Source: Voya Financial workforce data, as of Dec. 31, 2022

Each council creates a supportive community of colleagues who share similar experiences and their allies, as they learn to better understand and embrace differences and support each other. Councils are also business collaborators who help the company advance strategy through business plans, goal development and progress tracking.



# Voya's culture and values are reflected in how we serve clients and communities

Voya Foundation makes a meaningful difference in the community and empowers employees to engage in supporting causes that matter most to them, including nonprofits that serve health and human services, education and animal welfare.



Through Voya's Executive Board Program, 60 Voya leaders serve on nonprofit boards in local communities, where they can share their management skills.



Each employee receives 40 hours per year of paid time off to volunteer.



All full-time employees receive up to \$5,000 from Voya Foundation to match personal donations to any 501(c)3 organization.

## 2022 highlights

- Voya was ranked No. 2 in volunteer participation of more than 100 financial service companies.\*
- Employee donations to nonprofits, including the Voya Foundation match, totaled \$5.5 million.
- 53% of Voya employees donated their time to our communities during the National Days of Service.

\*Source: Voya Financial 2022 Impact Report

## Voya Cares® resources, thought leadership and advocacy for disability inclusion

Voya Cares is committed to making a positive difference in the lives of people with disabilities and their caregivers from birth through aging. The program provides advocacy, educational resources and workplace solutions to help employers meet the complex needs of the special needs community in their workforce. The newest Voya Cares content focuses on Employment Extenders and Sandwich Caregivers. Learn more by visiting [VoyaCares.com](https://VoyaCares.com).

Voya also received a score of 100% on the 2023 Disability Equality Index®, designating the company as one of 294 companies named as a “Best Place to Work for Disability Inclusion” for the sixth consecutive year.



**DEI** **BEST PLACE TO WORK FOR DISABILITY INCLUSION**<sup>SM</sup>  
100 DISABILITY EQUALITY INDEX

Products and services offered through the Voya® family of companies.  
CN3023087\_0724





## Client Health Review

Capture the pulse of your plan with the Client Health Review. This section provides an overview of plan performance through an intuitive analysis of key elements, including participation, deferrals, participant engagement, and more.

## PLAN PULSE

Gauge the direction and health of your plan by reviewing how key plan statistics have increased, decreased or stayed the same over time.

**07/01/2022 - 09/30/2022: vs. 07/01/2023- 09/30/2023**

	Change since prior period	Impact of change
	 Increase	 Positive Impact
	 Decrease	 Negative Impact
	 No Change	 No Impact

Plan assets		
Participant accounts		
Employee contributions*		
Employer contributions*		
Overall distributions		
Loan requests*		

\* If applicable to your plan.

**For sponsor use only. Not for distribution to plan participants.**

Plan statistics for: Washoe County (664390)

## PLAN STATEMENT

Here's a summary of your plan's current and prior period assets. In addition, total assets are graphed in the chart below for the 5 most recent periods. Please note, in some cases there may be differences between amounts noted here and in other reports or statements you receive. Differences may be due to timing and reporting methods. For this reason, we suggest you do not rely solely on the Plan Review for audit purposes.

### Plan summary

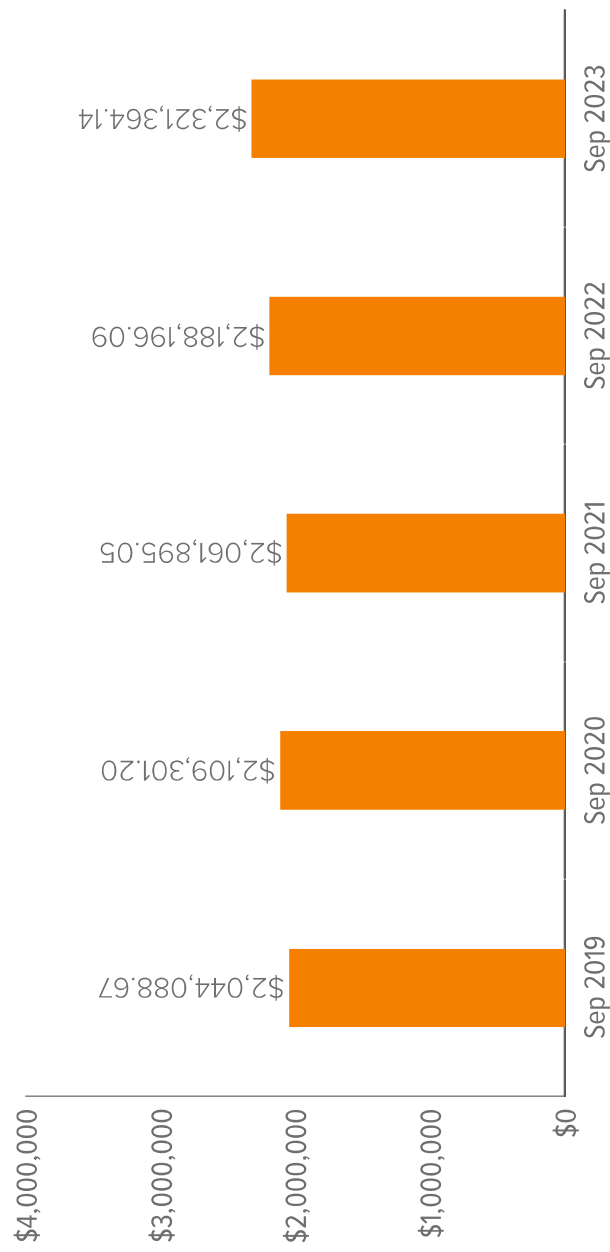
Compare by period

	(07/01/2022 - 09/30/2022)	(07/01/2023 - 09/30/2023)
Beginning of Period Plan Assets	\$2,151,429.86	\$2,309,292.23
Contributions	\$73,145.77	\$84,620.13
Distributions	-\$42,837.05	-\$84,821.36
Other Activity	-\$363.99	\$365.55
Appreciation/Depreciation	\$6,821.50	\$11,907.59
End of Period Plan Assets	\$2,188,196.09	\$2,321,364.14

Appreciation/Depreciation reflects the investment gains/losses during the period reported excluding assets held outside Voya. If applicable, Dividends may represent dividends earned on assets held in NAV Funds or Self Directed Brokerage Option accounts.

### Total plan assets

Compare by period end



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Plan statistics for: Washoe County (664390)

## PARTICIPATION

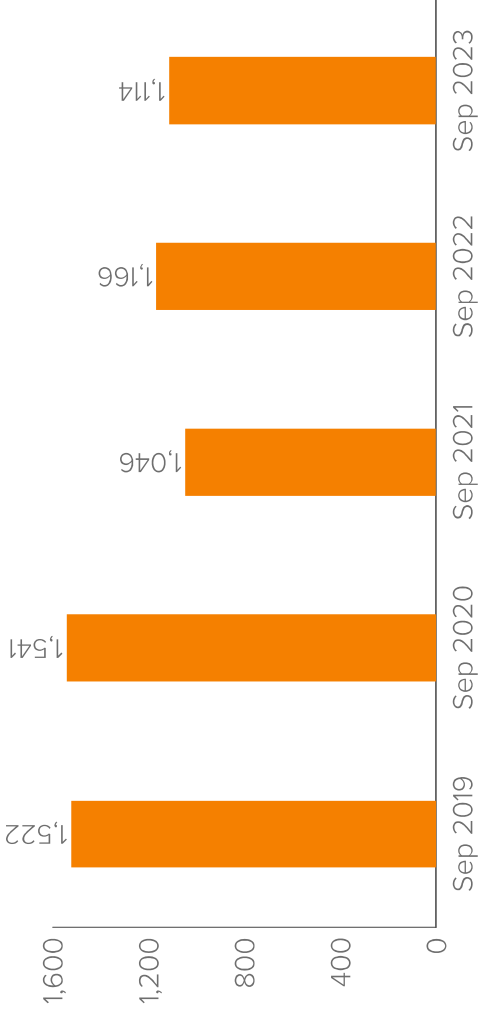
Participation is a key indicator of the success of your plan. Check out your progress. We can help you devise a plan to boost participation among employees as well as increase the deferral rates of existing participants.

### Participant account reconciliation

07/01/2023 - 09/30/2023

Beginning of Period	1,249
New Accounts	40
Closed Accounts	-175
End of Period	1,114
Terminated Employees with an account balance	231
Terminated Employees with an account balance < \$5,000	189

### Participant accounts by year



### Participant accounts by age group

	Sep 2019	Sep 2020	Sep 2021	Sep 2022	Sep 2023
<30	471	449	329	395	399
30 - 39	454	480	302	319	300
40 - 49	209	224	148	158	144
50 - 59	177	181	135	137	135
60+	210	206	129	154	133
Unknown	1	1	3	3	3
	30.95%	29.14%	31.45%	33.88%	35.82%
	29.83%	31.15%	28.87%	27.36%	26.93%
	13.73%	14.54%	14.15%	13.55%	12.93%
	11.63%	11.75%	12.91%	11.75%	12.12%
	13.80%	13.37%	12.33%	13.21%	11.94%
	0.07%	0.06%	0.29%	0.26%	0.27%

**For sponsor use only. Not for distribution to plan participants.**

Plan statistics for: Washoe County (664390)

## PLAN HEALTH INSIGHTS

As of 08/31/2023

**152**  
**Participants**  
included in analysis



**11%**  
are on track  
to exceed 70% of their  
income in retirement.  
Benchmark: 17%

The average  
deferral  
rate

Benchmark: 7%

**3%**

Income replacement %

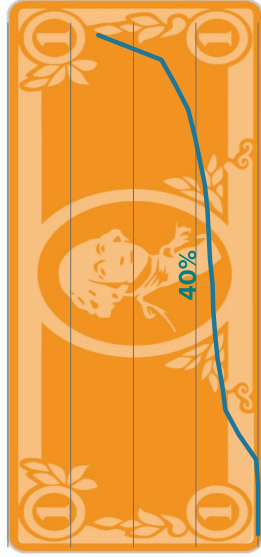
200%

150%

100%

50%

0%



1

152

Participants Included in Analysis

Average plan  
income replacement

Benchmark: 42%

**40%**

**32%**

Social  
Security

**2%**

DC

**2%**

Other

**4%**

Pension

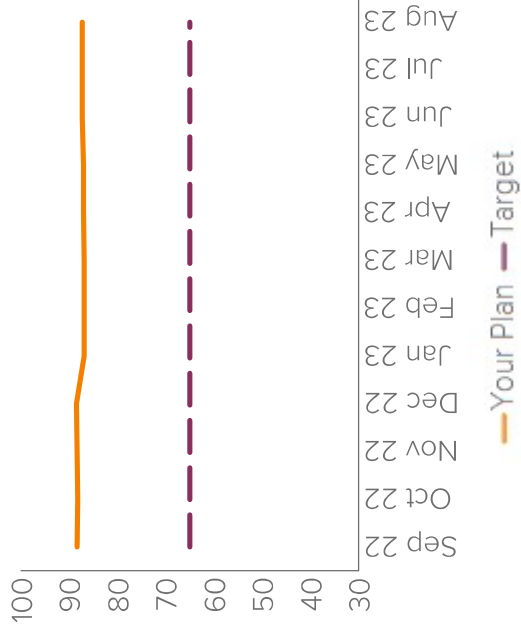
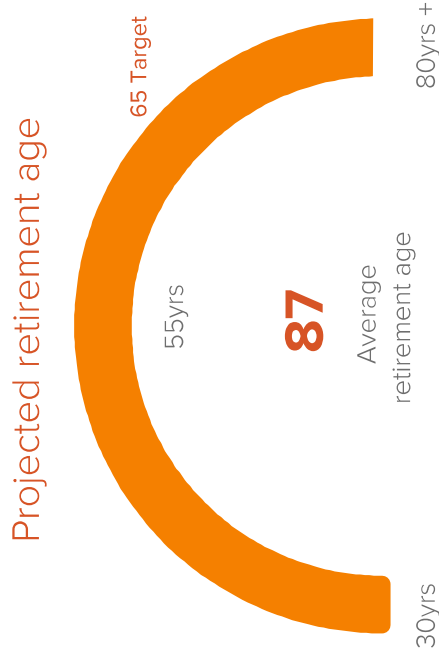
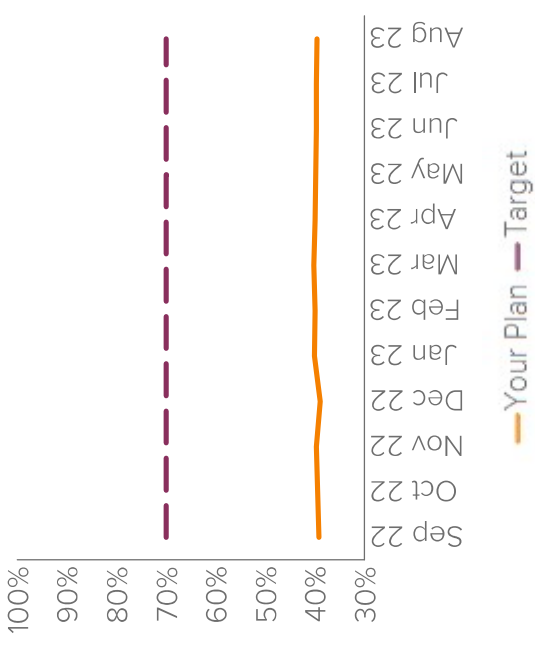
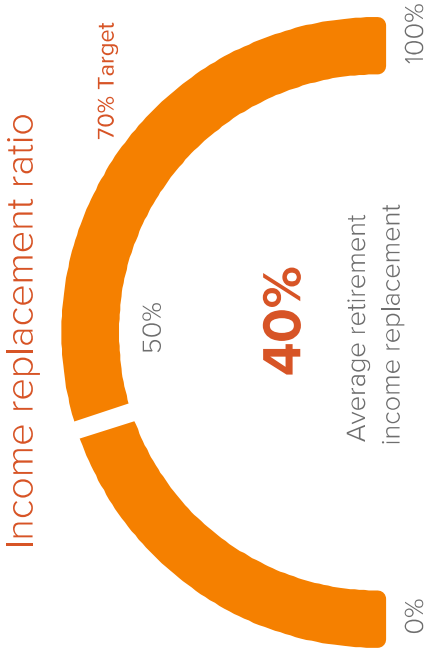
Benchmark data derived from Voya book of business statistics  
Source of Data: Voya Retirement Readiness Data Mart

**For sponsor use only. Not for distribution to plan participants.**

Plan statistics for: WASHOE COUNTY OBRA DEFERRED COMP

## PLAN HEALTH TRENDING

As of 08/31/2023



Source of Data: Voya Retirement Readiness Data Mart

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 Plan statistics for: WASHOE COUNTY OBRA DEFERRED COMP

# Income replacement ratio by age



Source of Data: Voya Retirement Readiness Data Mart  
CN0428-33960-0519D

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Plan statistics for: WASHOE COUNTY OBRA DEFERRED COMP

## PARTICIPANT ENGAGEMENT

Offering a variety of services helps create a more engaging experience for participants, which encourages action and drives results. The Participant Engagement report provides an overview of participant activity with central services, such as the toll-free Customer Service Center, Internet, Mobile, and the Voice Response line. Use this report to gain key insight into the actions and engagement levels of plan participants.

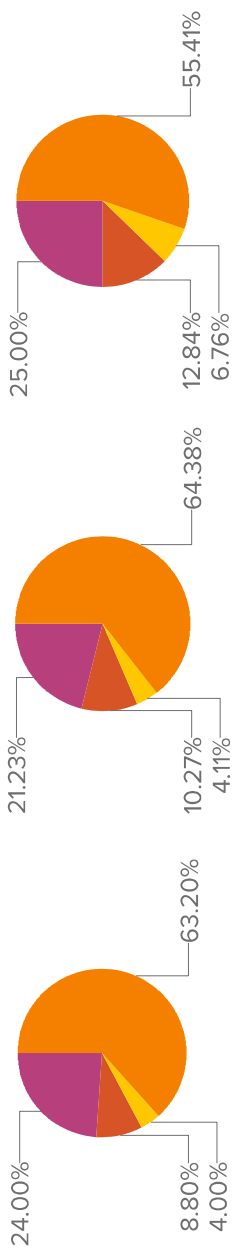
### Participant access statistics 07/01/2023 - 09/30/2023

	Internet	Mobile	VRU	CSA*
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Total participants (unique)	82	10	19	37
Total inquiries	519	31	23	56

Unique participant inquiries by type

■ Internet  
 ■ Mobile  
 ■ VRU  
 ■ CSA\*



07/01/2021 - 09/30/2021

07/01/2022 - 09/30/2022

07/01/2023 - 09/30/2023

	Internet	Mobile	VRU	CSA*
--	----------	--------	-----	------

#### Actions by type

Catch up contribution elections	0	0	0	0
Contribution rate escalations	0	0	0	0
Deferral updates	0	0	0	0
Fund transfers	0	0	0	0
In-service/partial withdrawals	3	N/A	N/A	0
Investment election changes	0	0	0	0
Investment reallocations	0	0	0	0
Loan requests	0	N/A	N/A	0
Lump sum withdrawals	10	N/A	N/A	19
Rebalance elections	0	0	0	0
<b>Total</b>	<b>13</b>	<b>0</b>	<b>5</b>	<b>19</b>

\* CSA - Customer Service Associate

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Plan statistics for: Washoe County (664390)

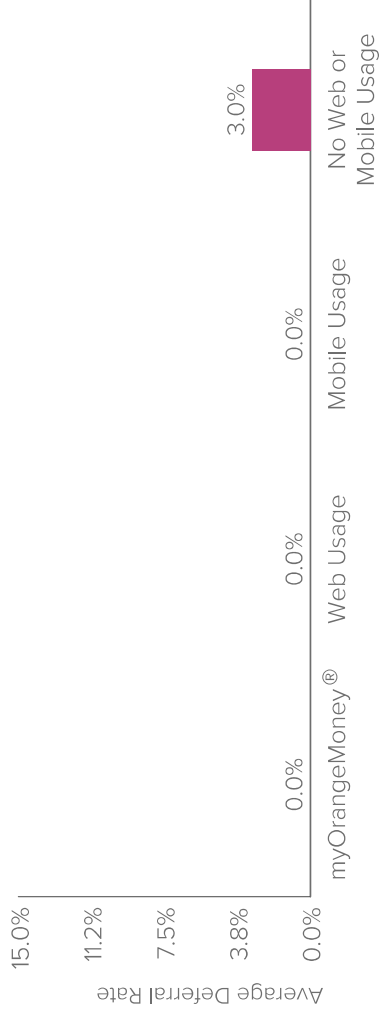


Engagement

myOrangeMoney®	5
Personal Financial Dashboard	1
Total participants (unique)	6

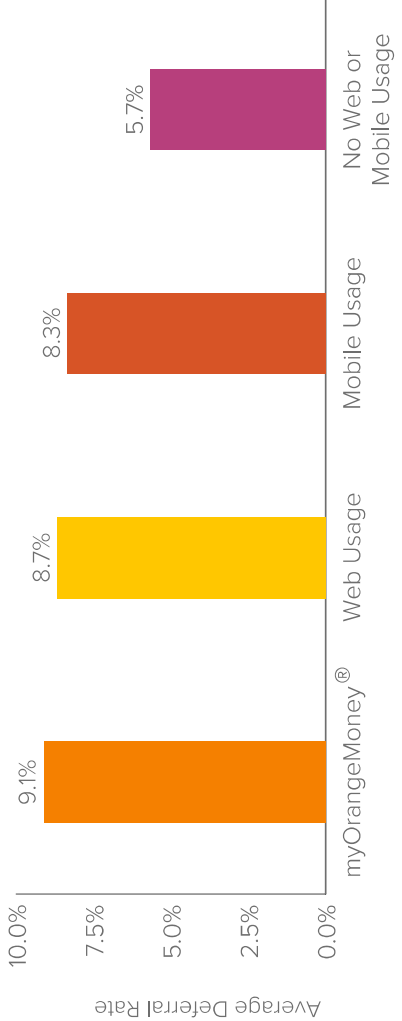
Web engagement impact on deferral rates  
07/01/2023 - 09/30/2023

Your plan



Important Note - Your plan's rates are calculated based on the information provided to Voya.

All Voya plans



Rates derived from Voya Retirement Readiness Data Mart as of August 2023

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Plan statistics for: Washoe County (664390)

## Plan Activity



## Plan Activity

The Plan Activity is designed to lighten your burden and provide you with several easy-to-read analysis tools. These tools will empower you to actively analyze plan performance and objectively make recommendations for optimizations.

## TRANSACTION ACTIVITY DETAIL

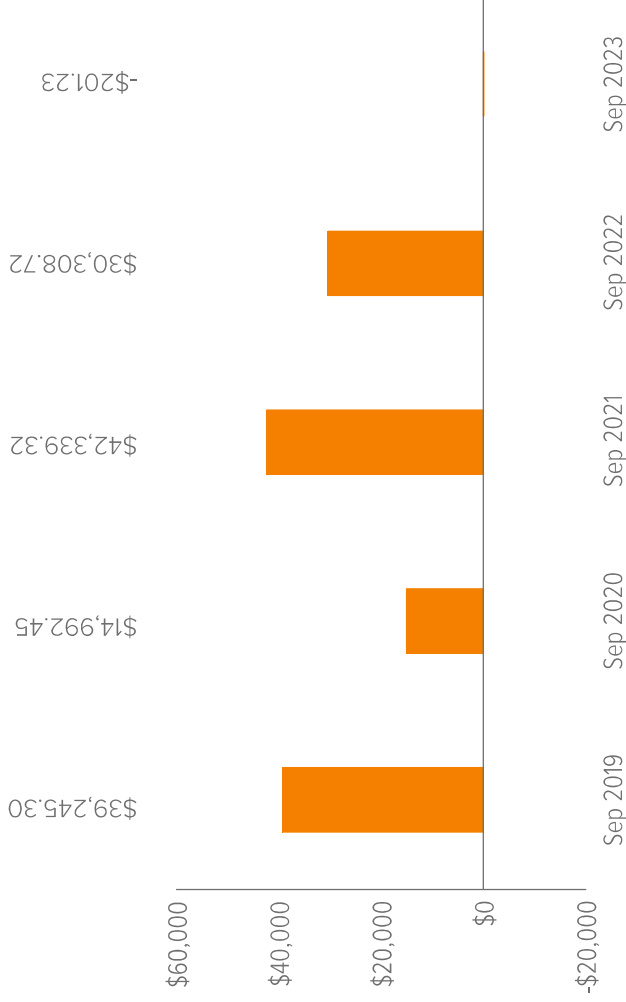
Below is a summary of your plan's transaction activity and net cash flow, along with highlights of the more notable transactions for the current period and prior periods. Monitor this data over time to ensure contribution levels are satisfactory and that distributions haven't risen unexpectedly, possibly indicating a need for further employee education.

### Summary activity

	Prior Period 07/01/2022 - 09/30/2022		Current Period 07/01/2023 - 09/30/2023	
	Amount	Participants	Amount	Participants
Contributions	\$73,145.77	272	\$84,620.13	279
Distributions	-\$42,837.05	14	-\$84,821.36	175
Other Activity	-\$363.99	1,072	\$365.55	1,227

The Summary Activity section does not include daily valuations of investment options; thus it does not reflect market appreciation or depreciation. Net Cash Flow below is determined by subtracting the total Distributions from the total Contributions for the period.

### Net cash flow by period end (contributions vs. distributions)



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Plan statistics for: Washoe County (664390)

## Activity Highlights

	Prior Period		Current Period		Change Over	
	07/01/2022 - 09/30/2022		07/01/2023 - 09/30/2023		Prior Period	
Contributions	Amount	Participants	Amount	Participants	Amount	Participants
414H Pickup	\$73,145.77	272	\$84,620.13	279	15.69%	7
<b>Total</b>	<b>\$73,145.77</b>		<b>\$84,620.13</b>		<b>15.69%</b>	
Distributions	Amount	Participants	Amount	Participants	Amount	Participants
Death Claim	-\$16,018.25	1	-\$4,839.15	2	-69.79%	1
Withdrawal	-\$26,818.80	13	-\$79,982.21	173	198.23%	160
<b>Total</b>	<b>-\$42,837.05</b>		<b>-\$84,821.36</b>		<b>98.01%</b>	
Other Activity	Amount	Participants	Amount	Participants		
Asset Transfer	\$0.00	0	\$591.73	2		
Fee	-\$363.99	1,070	-\$226.18	1,144		
Inter-Participant Transfers	\$0.00	0	\$0.00	4		
Margin Change	\$0.00	0	\$0.00	1,105		
<b>Total</b>	<b>-\$363.99</b>		<b>\$365.55</b>			

If applicable, "Asset Transfer" may refer to internal or external transfers of assets as a result of various transactions including, but not limited to, 90-24 transfers, 1035 exchanges, rollover contributions, mergers or product conversions. If applicable, "Fee," aside from "TPA Fee Deduction" and "Maintenance Fee," may refer to asset based administration, service or loan fees. If applicable, "Dividends" may represent dividends earned on assets held in NAV Funds or Self Directed Brokerage Option accounts.

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Plan statistics for: Washoe County (664390)

## CONTRIBUTION SUMMARY

Examine contribution levels in a simple year-over-year format. Find out if your employees' contribution levels increased or decreased over the last five years.

### Contributions by source and participants

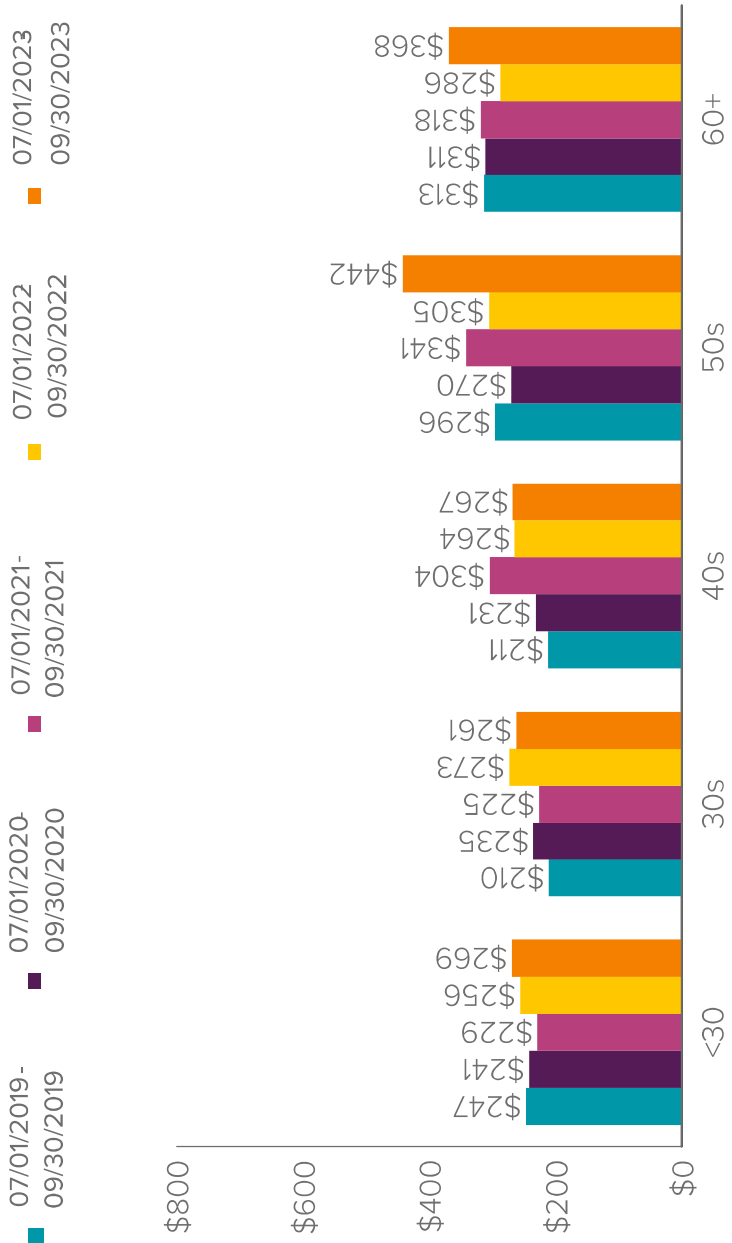
Employee	07/01/2019 - 09/30/2019	07/01/2020 - 09/30/2020	07/01/2021 - 09/30/2021	07/01/2022 - 09/30/2022	07/01/2023 - 09/30/2023
414H Pickup	\$72,613.80 (285)	\$50,713.93 (199)	\$73,408.83 (280)	\$73,145.77 (272)	\$84,620.13 (279)
<b>Total</b>	<b>\$72,613.80</b>	<b>\$50,713.93</b>	<b>\$73,408.83</b>	<b>\$73,145.77</b>	<b>\$84,620.13</b>
<b>Grand Total</b>	<b>\$72,613.80</b>	<b>\$50,713.93</b>	<b>\$73,408.83</b>	<b>\$73,145.77</b>	<b>\$84,620.13</b>

(Numbers) represent number of participants

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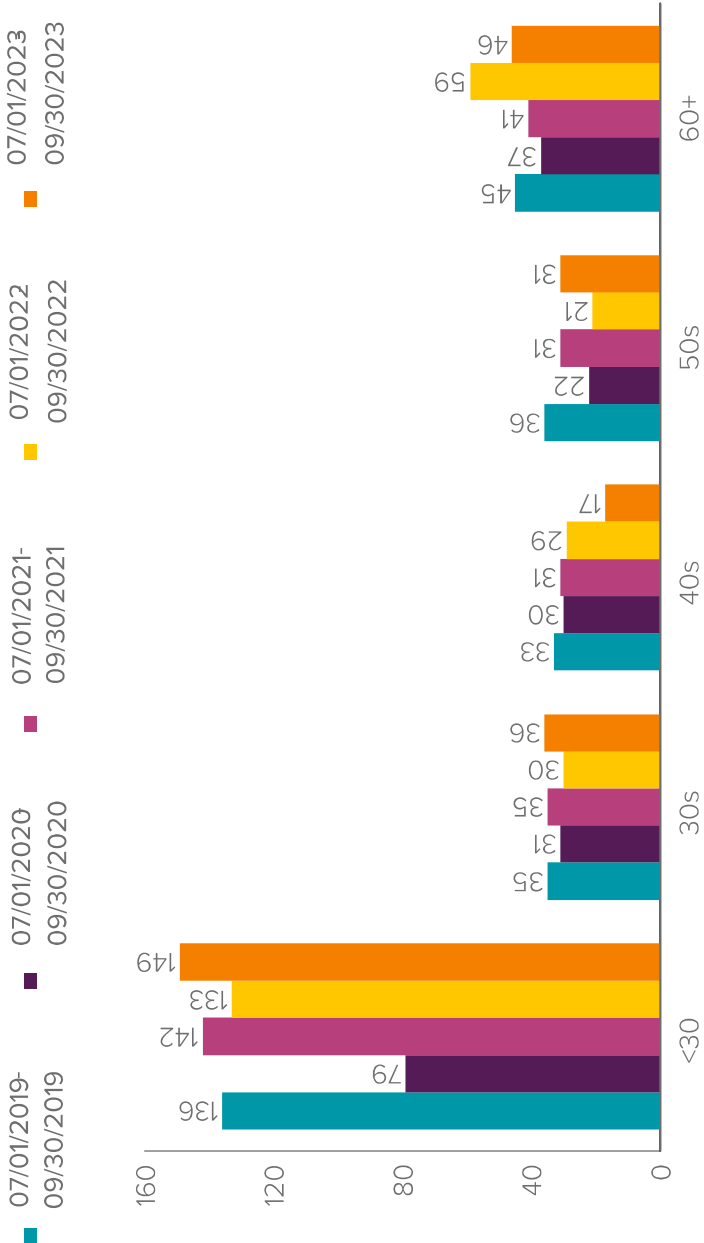
Plan statistics for: Washoe County (664390)

## Average participant contributions by age group



Average participant contributions include employee sources only

## Contributing participant counts by age group



Contributing participant counts include employee sources only

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Plan statistics for: Washoe County (664390)

## CURRENT PARTICIPATION AND ENROLLMENT STATISTICS

Review key plan enrollment statistics at a glance including participation, deferrals, auto enrollment, and more. Use this report to spot trends and understand the overall activity and enrollment health of the plan.

### Current participation

	Year End 2019	Year End 2020	Year End 2021	Year End 2022	Q1 2023	Q2 2023	Q3 2023
Participant accounts	1,529	1,610	1,065	1,217	1,204	1,249	1,114

Deferral summary

Eligibility tracking

**As of**

**As of 09/30/2023**

Average deferral rate for all participants	%	Total eligible employees	1,497
Average deferral rate for HCE participants	%	Eligible employees not enrolled	1
Average deferral rate for NHCE participants	%	Plan participation	
Participants included in deferral rate calculation		<b>As of</b>	
Participants who changed deferral rate to 0 in the last 3 months	N/A	Participation rate	%

Contribution summary

Terminated employees

**As of 09/30/2023**

**As of 10/17/2023**

Total participants actively deferring in last 4 months	198	With an account balance	231
		With an account balance < \$5,000	189

### Enrollment summary

**07/01/2023 - 09/30/2023**

**Auto enrollment**

**07/01/2023 - 09/30/2023**

New enrollments	34
Participants who opted for auto-escalation	0
Average deferral rate of auto-enrollers (0)	0.0%
Average deferral rate of self-enrollers (0)	0.0%
Average deferral amount of self-enrollers (0)	\$0
Opted out	0

Your plan's data is calculated based on information provided to Voya. Participants actively deferring in last 4 months excludes those who've been suspended or currently have an inactive account status.

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Plan statistics for: Washoe County (664390)

## PARTICIPANT BALANCE

Monitoring your participants' account balances and comparing them to benchmark data helps you encourage employees to remain on track with their retirement.

### Your average participant account balance compared to benchmark data

↑ Your balance is above the benchmark 
 ↕ Your balance is below the benchmark 
 ✖ No change

	Sep 2019	Sep 2020	Sep 2021	Sep 2022	Sep 2023
Your Plan	\$1,343 <sup>1</sup>	\$1,368 <sup>2</sup>	\$1,971 <sup>3</sup>	\$1,876 <sup>4</sup>	\$2,083 <sup>5</sup>
Benchmark	\$40,381	\$46,823	\$52,286	\$43,405	\$47,670

<sup>1</sup> Voya Universe of Government Plans as of December 2019

<sup>2</sup> Voya Universe of Government Plans as of December 2020

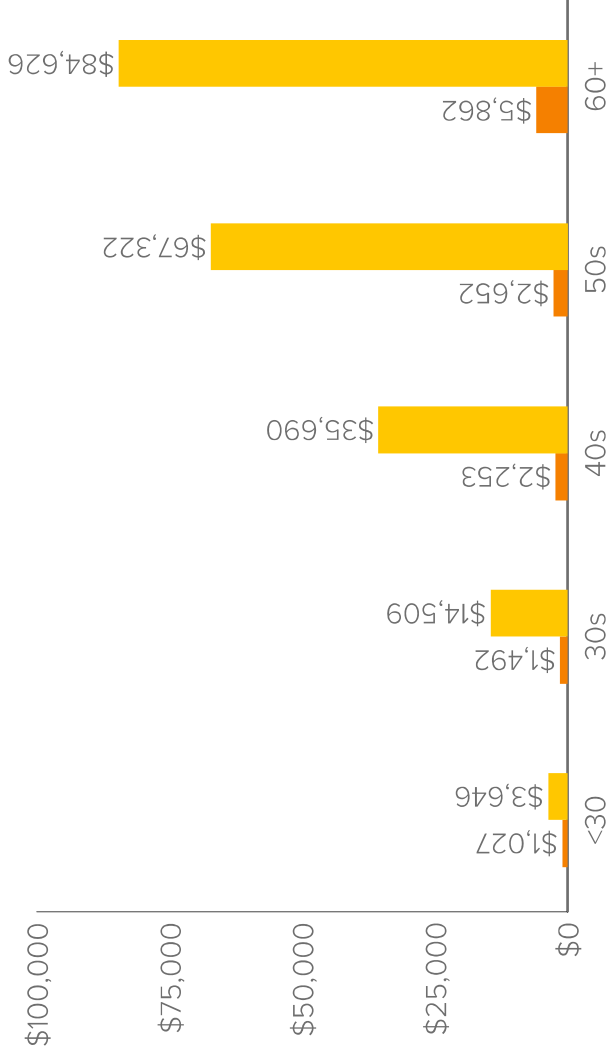
<sup>3</sup> Voya Universe of Government Plans as of December 2021

<sup>4</sup> Voya Universe of Government Plans as of December 2022

<sup>5</sup> Voya Universe of Government Plans as of June 2023

### Your average participant account balance by age group

👤 Your Plan 
 👤 Benchmark



Voya Universe of Government Plans as of June 2023

**For sponsor use only. Not for distribution to plan participants.**

Plan statistics for: Washoe County (664390)



## DISTRIBUTION SUMMARY

Compare your plan's total distribution dollars over a five year span. See how these dollars change according to type of distribution, in addition to your number of transactions.

### Distributions by type and participants

	07/01/2019 - 09/30/2019	07/01/2020 - 09/30/2020	07/01/2021 - 09/30/2021	07/01/2022 - 09/30/2022	07/01/2023 - 09/30/2023
Death Claim	\$0.00 (0)	\$0.00 (0)	\$0.00 (0)	-\$16,018.25 (1)	-\$4,839.15 (2)
Withdrawal	-\$33,368.50 (35)	-\$35,721.48 (17)	-\$31,069.51 (14)	-\$26,818.80 (13)	-\$79,982.21 (173)
<b>Total</b>	<b>-\$33,368.50</b>	<b>-\$35,721.48</b>	<b>-\$31,069.51</b>	<b>-\$42,837.05</b>	<b>-\$84,821.36</b>

(Numbers) represent number of participants

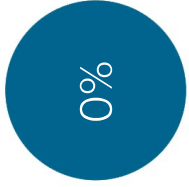
**For sponsor use only. Not for distribution to plan participants.**

Plan statistics for: Washoe County (664390)

## DIVERSIFICATION

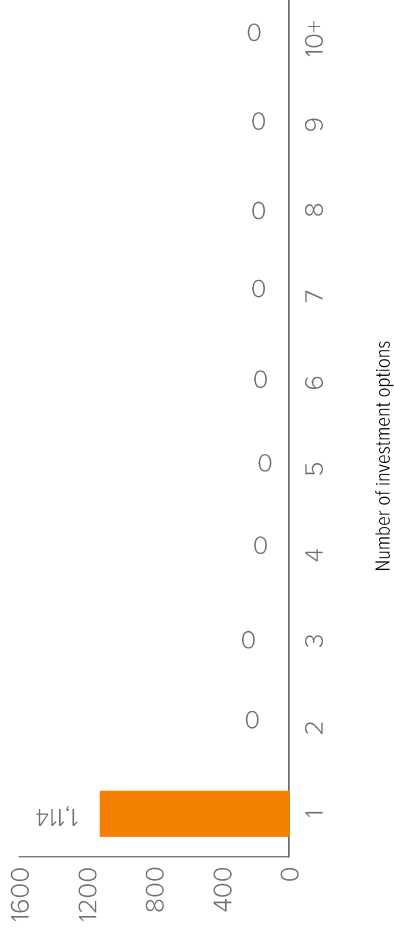
It's sensible for each participant to hold a well-diversified retirement portfolio. Doing so reduces each investor's exposure to risk while optimizing his/her potential for return. The information that follows provides some insight as to how your participants are diversifying their investments.

### Investment diversification As of 10/17/2023



Voya views a person as diversified if their investment mix is made up of at least one fixed fund, one U.S. fund, and one Non U.S. fund and less than 20% in company stock, as applicable. Alternately they are considered diversified if they are invested in an asset allocation fund.

### Diversification of participant assets by number of participants As of 09/30/2023



### Average number of investment options utilized per participant

	Sep 2020	Sep 2021	Sep 2022	Sep 2023
With Asset Allocation Funds	1.0	1.0	1.0	1.0
Without Asset Allocation Funds	1.0	1.0	1.0	1.0

The average number of investment options utilized per participant without asset allocation funds excludes those participants who are invested solely in an asset allocation fund.

Please remember, using diversification as part of an investment strategy neither assures nor guarantees better performance and cannot protect against loss in declining markets.



Benchmark\*

\* Voya Universe of Government Plans as of June 2023; includes pts invested solely in an asset allocation fund

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Plan statistics for: Washoe County (664390)

Diversification detail of participants utilizing one investment option

Investment Option/Fund Name (by Asset Class)		Participants Invested
Asset Allocation		Total: 0
Stability of Principal		Total: 1,114
Voya Fixed Account - 457/401 II		1,114
Bonds	Total:	0
Balanced	Total:	0
Large Cap Value/Blend	Total:	0
Large Cap Growth	Total:	0
Small/Mid/Specialty	Total:	0
Global / International	Total:	0
<b>Grand total of participants utilizing one investment option</b>		<b>1,114</b>

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Plan statistics for: Washoe County (664390)



## Plan Investment Review

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The Plan Investment Review provides a comprehensive overview of all of the investment options under your plan. It highlights multiple investment analysis tools, employee diversification, and several key facets to help you determine if the plan is on track to achieve the desired performance goals.

## TOTAL PLAN ASSETS AND CONTRIBUTIONS BY INVESTMENT OPTION

Compare the allocation of existing assets with that of the current period. Do you see a dramatic change where assets are currently being allocated? Does that shift make sense given current market conditions...or your employees? Are the participants well diversified across the asset classes?

### Diversification of Participant Assets and Contributions

Investment Option/Fund Name (by Asset Class)	Assets as of 09/30/2023	% of Total Assets	Participants Invested	Contributions 07/01/2023 - 09/30/2023	% of Total Contributions	Participants Contributing
<b>Asset Allocation</b>						
<b>Total</b>	<b>\$0.00</b>	<b>0.00%</b>		<b>\$0.00</b>	<b>0.00%</b>	
<b>Stability of Principal</b>						
Voya Fixed Account - 457/401 II	\$2,321,364.14	100.00%	1,250	\$84,620.13	100.00%	279
<b>Total</b>	<b>\$2,321,364.14</b>	<b>100.00%</b>		<b>\$84,620.13</b>	<b>100.00%</b>	
<b>Bonds</b>						
<b>Total</b>	<b>\$0.00</b>	<b>0.00%</b>		<b>\$0.00</b>	<b>0.00%</b>	
<b>Balanced</b>						
<b>Total</b>	<b>\$0.00</b>	<b>0.00%</b>		<b>\$0.00</b>	<b>0.00%</b>	
<b>Large Cap Value/Blend</b>						
<b>Total</b>	<b>\$0.00</b>	<b>0.00%</b>		<b>\$0.00</b>	<b>0.00%</b>	
<b>Large Cap Growth</b>						
<b>Total</b>	<b>\$0.00</b>	<b>0.00%</b>		<b>\$0.00</b>	<b>0.00%</b>	
<b>Small/Mid/Specialty</b>						
<b>Total</b>	<b>\$0.00</b>	<b>0.00%</b>		<b>\$0.00</b>	<b>0.00%</b>	
<b>Global / International</b>						
<b>Total</b>	<b>\$0.00</b>	<b>0.00%</b>		<b>\$0.00</b>	<b>0.00%</b>	
<b>Grand Total</b>	<b>\$2,321,364.14</b>			<b>\$84,620.13</b>		

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Plan statistics for: Washoe County (664390)

# Voya Fixed Account – 457/401 II

The Voya Fixed Account – 457/401 II is available through a group annuity or other type of contract issued by Voya Retirement Insurance and Annuity Company (“VRIAC” or the “Company”). The Voya Fixed Account – 457/401 II is an obligation of VRIAC’s general account which supports all of the Company’s insurance and annuity commitments. All guarantees are based on the financial strength and claims-paying ability of VRIAC, which is solely responsible for all obligations under its contracts.

## Asset Class: **Stability of Principal**

### **Important Information**

This information should be read in conjunction with your contract prospectus, contract prospectus summary or disclosure booklet, as applicable. Please read them carefully before investing.

### **Voya Retirement Insurance and Annuity Company**

One Orange Way  
Windsor, CT 06095-4774  
[www.voyaretirementplans.com](http://www.voyaretirementplans.com)

### **Objective**

Stability of principal is the primary objective of this investment option. The Voya Fixed Account – 457/401 II guarantees minimum rates of interest and may credit interest that exceeds the guaranteed minimum rates. Daily credited interest becomes part of principal and the investment increases through compound interest. All amounts invested by your plan in the Voya Fixed Account – 457/401 II receive the same credited rate. This is known as a portfolio method of interest rate crediting.

### **Key Features**

The Voya Fixed Account – 457/401 II is intended to be a long-term investment for participants seeking stability of principal. The assets supporting it are invested by VRIAC with this goal in mind. Therefore, VRIAC may impose restrictions on transfers and withdrawals involving the Voya Fixed Account – 457/401 II if Competing Investment Options (as defined below) are offered, or if you have a choice between multiple service providers. These restrictions help VRIAC to provide stable credited interest rates which historically have not varied significantly from month to month despite the general market’s volatility in new money interest rates.

### **Restrictions on Transfers from the Voya Fixed Account – 457/401 II**

Transfers from the Voya Fixed Account – 457/401 II will be subject to the equity wash restrictions shown below.

**Equity Wash Restrictions on Transfers**  
Transfers between investment options are allowed at any time, subject to the following provisions:

- (a) Direct transfers from the Voya Fixed Account – 457/401 II cannot be made to a Competing Investment Option;
- (b) A transfer from the Voya Fixed Account – 457/401 II to other investment options under the contract cannot be made if a transfer to a Competing Investment Option has taken place within 90 days;
- (c) A transfer from the Voya Fixed Account – 457/401 II to other investment options under the contract cannot be made if a non-Competing Investment Option has taken place within 90 days; and
- (d) A transfer from a non-Competing Investment Option to a Competing Investment Option cannot be made if a transfer from the Voya Fixed Account – 457/401 II has taken place within 90 days.

### **Competing Investment Option**

As used throughout this document, a Competing Investment Option is defined as any investment option that:

- (a) Provides a direct or indirect investment performance guarantee;
- (b) Is, or may be, invested primarily in assets other than common or preferred stock;
- (c) Is, or may be, invested primarily in financial vehicles (such as mutual funds, trusts or insurance company contracts) which are invested in assets other than common or preferred stock;
- (d) Is available through an account with a brokerage firm designated by the Company and made available by the Contract Holder (as defined in the contract) as an additional investment under the plan;
- (e) Is a self-directed brokerage arrangement;
- (f) Is any fund with similar characteristics to the above as reasonably determined by the Company; or
- (g) Is any fund with a targeted duration of less than three years (e.g. money market funds).

For more information regarding Competing Investment Options in your plan, please contact the Customer Contact Center at (800) 584-6001.

### **Requests for Full Withdrawals**

If the contract is surrendered completely, or if you surrender your account to transfer to another carrier within the plan, a Market Value Adjustment (“MVA”) may be applied to the Voya Fixed Account – 457/401 II portion of your account (or the Contract Holder may elect to have the surrendered amount paid out over a period of 60 months, with interest paid). This MVA would not apply to any distribution made to you as a benefit payment. Please refer to your contract prospectus, contract prospectus summary or disclosure booklet, as applicable, for more information.

### **Interest Rate Structure**

The Voya Fixed Account – 457/401 II guarantees principal and a guaranteed minimum interest rate (“GMIR”) for the life of the contract, as well as featuring two declared interest rates: a current rate, determined at least monthly, and a guaranteed minimum floor rate declared for a defined period – currently one calendar year. The guaranteed minimum floor rate may change after a defined period, but it will never be lower than the GMIR that applies for the life of the contract. The current rate, the guaranteed minimum floor rate and the GMIR are expressed as annual effective yields. Taking the effect of compounding into account, the interest credited to your account daily yields the then current credited rate.

VRIAC’s determination of credited interest rates reflects a number of factors, which may include mortality and expense risks, interest rate guarantees, the investment income earned on invested assets and the amortization of any capital gains and/or losses realized on the sale of invested assets. Under this option, VRIAC assumes the risk of investment gain or loss by guaranteeing the principal amount you allocate to this option and promising a minimum interest rate during the accumulation period and also throughout the annuity payout period, if applicable.

Currently, the guaranteed minimum floor rate equals the GMIR. The current rate to be credited under a contract may be higher than the GMIR/guaranteed minimum floor rate and may be changed at any time, except that VRIAC will not apply a decrease to the current rate following a rate change initiated solely by us prior to the last day of the three-month period measured from the first day of the month in which such change was effective. The current rate for a plan’s initial investment in the Voya Fixed Account – 457/401 II may be in effect for less than a full three-month period.

Any insurance products, annuities and funding agreements that you may have purchased are issued by Voya Retirement Insurance and Annuity Company ("VRIAC"). VRIAC is solely responsible for meeting its obligations. Plan administrative services provided by VRIAC or Voya Institutional Plan Services, LLC ("VIPS"). Neither VRIAC nor VIPS engage in the sale or solicitation of securities. If custodial or trust agreements are part of this arrangement, they may be provided by Voya Institutional Trust Company. All companies are members of the Voya® family of companies. Securities distributed by Voya Financial Partners, LLC (member SIPC) or other broker-dealers with which it has a selling agreement. All products or services may not be available in all states.

# Multi-Asset Perspectives



**Paul Zemsky, CFA**  
Chief Investment Officer,  
Multi-Asset Strategies



**Barbara Reinhard, CFA**  
Head of Asset Allocation,  
Multi-Asset Strategies

Capital markets have responded positively to better-than-expected economic outcomes so far this year. While the United States has managed to avoid an official recession, growth is almost certain to slow and increases in profits will be challenged. Given this backdrop, we see equities trading sideways to slightly higher in the near term and we continue to favor the U.S. over the rest of the world.

## Tactical indicators



### Economic growth (slowing)

Demand is holding up as inflation quickly cools, but we think increasingly tight monetary conditions will slow output notably toward the end of this year and into next. Weaker but still historically strong levels of employment should help prevent a major economic downturn.



### Fundamentals (neutral)

Slowing nominal GDP will challenge revenue growth and profit margins. Consensus expectations look optimistic as margins typically contract in a decelerating pricing environment. Nonetheless, strong earnings guidance from company management and improved macro data could help equities grind higher in the near term.



### Valuations (negative)

U.S. stocks appear reasonably priced, but the equity risk premium has tightened and higher bond yields make fixed income marginally more attractive from a valuation standpoint.



### Sentiment (neutral)

Market-based sentiment indicators have shifted from bearish to modestly bullish. Consumer sentiment has surged recently, providing evidence of the potential for continued durability in consumer spending.

## Quick take

- At the outset of this year, calls for imminent recession proliferated and investor positioning was extremely bearish. Yet **economic and corporate earnings data were generally better than expected** and many of the most feared geopolitical tail risks seem to have lessened (at least temporarily). As a result, risk assets posted another quarter of strong returns, driven by the largest and growthiest names in the U.S. While this trajectory for equity prices is unlikely to persist, we think leadership can broaden to other sectors and don't foresee significant near-term declines.
- Slowing economic growth will weigh not only on prices, but also on profits. Consumer spending is already moderating. If the labor market stays tight, however, **the economy should be able to avoid a significant dent in demand.**
- Following the Federal Reserve's latest rate hike that brought the fed funds rate target range to 5.25–5.50% and a report that inflation is cooling, **the bond market thinks further rate hikes are now off the table.**
- Amid disinflationary forces and an improving macro environment, **U.S. large caps could continue to grind higher** as corporate and investor sentiment perks up.
- **We continue to favor domestic assets and maintain underweights to international equities.** However, our outlook on foreign developed market stocks is primarily driven by our less sanguine view of Europe. Japan looks attractive now.
- Following the reopening of its economy, China's performance has been disappointing. Without the expected economic momentum, structural headwinds have resurfaced; **our underweight to China and to emerging markets remains.**
- **Our preference for high-quality fixed income persists** given high base rates, reasonable spreads and tightening credit conditions.



## Portfolio positioning

Fundamentals appear mixed, but lower bond yields and the disinflationary impulse from monetary policy-tightening could continue to provide near-term support to risk assets. Voya recommends balancing risk-seeking positions with high-quality tilts.

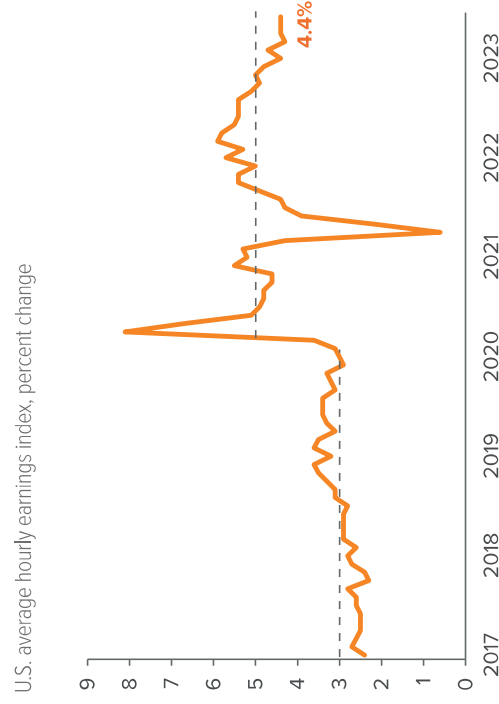
Equities	Neutral	
U.S. large cap	○ ○ ○ ●	Larger U.S. firms are better positioned to withstand inflationary pressures and have more durable earnings streams than companies of other sizes or regions.
U.S. small cap	○ ○ ● ○	Small caps continue to trade at a sizable discount to large caps but probably will lag in a risk-off period, given their exposure to regional banks, which are vulnerable to further weakness.
International	● ○ ○ ○	Recent European equity market performance has become detached from fundamentals. Japan faces a difficult monetary policy crossroads with uncertain but likely unfavorable outcomes.
Emerging markets	● ○ ○ ○	China's reopening has faltered, real estate looks shaky and the contraction in global manufacturing could result in more downside for China and EM broadly.
REITs	● ○ ○ ○	REITs are battered and beaten. The near-term outlook for commercial real estate is still unfavorable, but prices now reflect much of dramatically weaker fundamentals.
Commodities	● ○ ○ ○	Precious metals may provide some diversification, but the basket approach could struggle during a global slowdown or recession.
Fixed income	Neutral	
US core	○ ○ ○ ●	Investment-grade fixed income offers attractive yield with reasonable risk and provides a degree of protection against recession. Duration should again provide a hedge to equity and credit risk.
Inflation (TIPS)	○ ○ ● ○	Disinflation is underway, but the TIPS curve is too expensive, especially on the front end.
Non-investment grade	○ ○ ● ○	High-yield spreads have compressed and don't offer appealing income pick-up overall. But balance sheets are generally sturdy and any default cycle due to tighter lending standards should be mild.
International	● ○ ○ ○	Low relative yields and stiff inflation headwinds from Europe keep us favoring U.S. fixed income. Emerging market debt looks more interesting.

Underweight ○ Neutral ● Overweight ●

## Investment outlook

The U.S. economy has displayed remarkable resilience in the face of persistently high inflation, aggressive monetary tightening, banking sector stress and a standoff over the debt-ceiling limit. While the U.S. has thus far managed to avoid perhaps the most widely anticipated recession in history, **growth is almost certain to slow and profit increases will be difficult to come by.** Consumer spending continues to provide a sturdy foundation but will likely come under increased pressure as government pandemic assistance and the suspension of student loan repayments conclude. Already, the rate of change in consumers spending is moderating and credit card delinquency rates are rising, but not to a concerning degree. This is because the labor market and wages have held up well. The unemployment rate is still near cycle lows of 3.6%. Job openings are trending down but remain well above the number of unemployed. Initial jobless claims have been edging higher and the quits rate has declined, but the overall state of the jobs market remains tight. As a result, average hourly earnings are growing at a pace inconsistent with the Fed's 2% inflation target (Exhibit 1). While indicators suggest wages are set to soften (Exhibit 2) and commodities, core goods and prices overall continue to cool, **we believe the Fed isn't ready to take its foot off the brakes yet.**

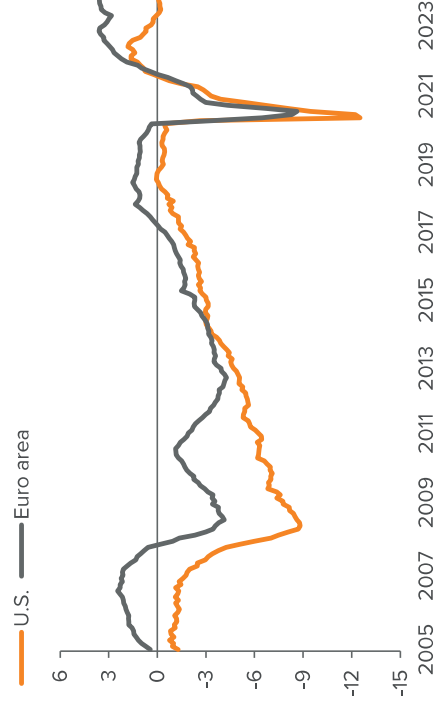
### Exhibit 1. Wage growth remains strong — and well above the level the Fed wants to see



As of 07/17/23. Source: Bloomberg, Goldman Sachs.

### Exhibit 2. U.S. wage growth is likely to soften, while Europe's appears stickier

Goldman Sachs wage survey leading indicators



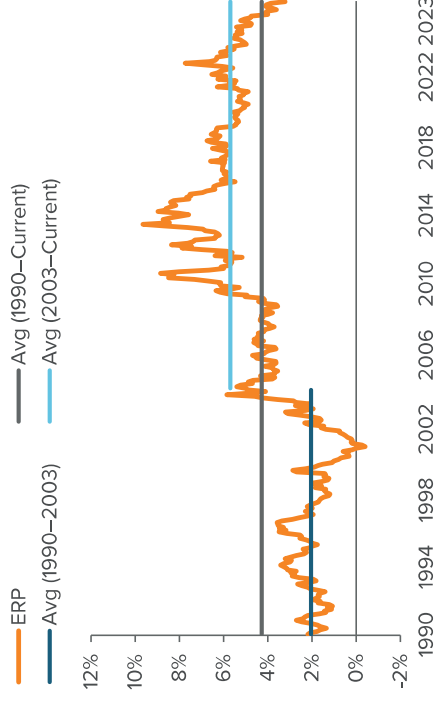
As of 06/30/23. Source: Bloomberg, Goldman Sachs.

The bond market, finally acknowledging this view, has reversed course, with futures pricing out the possibility of interest rate cuts this year and now roughly falling in line with Fed projections. Besides higher rates for longer, stricter credit conditions following the regional bank crisis should tighten financial conditions — which have yet to fully impact businesses and households. These factors support the disinflationary forces that are already in place. **In our view, there are two variables that will weigh on inflation going forward: rents and used car prices.** With respect to the former, the softening in demand should lead to declining prices across an array of discretionary services. For the latter, the steep drop in auto auction prices foretells the impending slump in inflation. **The bottom line is that core inflationary pressures are fading alongside weaker economic growth.** However, it doesn't mean a recession is imminent or that it will be deep and painful.

Market participants' recognition of cooling inflation and better-than-expected macro data contributed to surprisingly strong first half equity market returns and, with stocks still under-owned in many investor portfolios, **we think there is room for modest gains from U.S. large caps in the second half of this year.** Valuations look reasonable (Exhibit 3) and earnings offer the potential for upside surprise as corporate sentiment improves and earnings guidance ratios are reaching their highest levels since 2021. We can't write off potential disappointments, as the range of S&P 500 earnings forecasts is the widest it has been in decades, with a 50% gap between the highest and lowest year-end price targets; however, **we believe strong U.S. fiscal balances should limit any potential economic downturn.**

### Exhibit 3. U.S. large cap valuations have increased but the equity risk premium still looks reasonable

S&P 500 implied equity risk premium

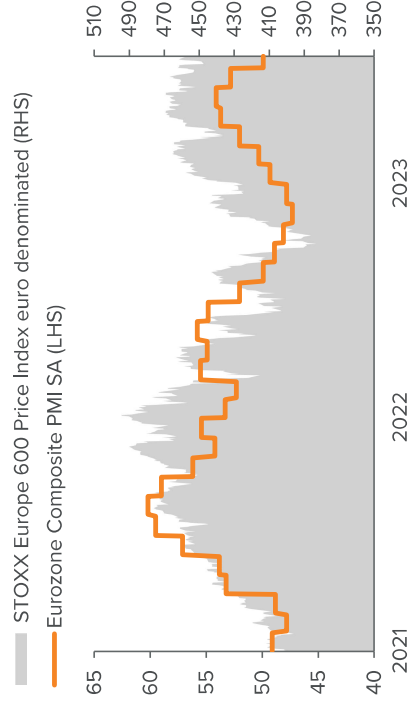


As of 07/17/23. Source: Bloomberg, Voya Investment Management.

**The outlook for Japanese equities has improved** thanks to governance reforms that have led to higher foreign inflows and earnings revisions that are turning positive. Another potential source of return for foreign investors could come from a stronger yen should the Bank of Japan abandon yield-curve control and Ministry of Finance intervention. Still, **we remain underweight international developed equities given our views on Europe,** which lags the U.S. in the fight against inflation. What's more, wages in Europe could be even stickier with labor's relatively stronger bargaining power. While China's economic slowdown could ease Eurozone price pressures on the margins, given the high correlation between the two economies, the European Central Bank still has more work to do. With policy rates set to move higher and economic momentum decelerating (Exhibit 4), **we think most of Europe's strong performance has already played out.**

### Exhibit 4. Eurozone manufacturing and services activity contracted in July

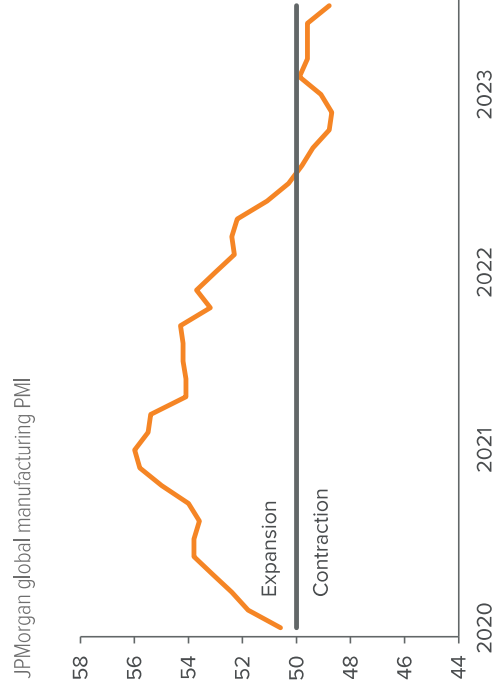
Eurozone composite PMI seasonally adjusted versus STOXX Europe 600 Index



As of 07/17/23. Source: Bloomberg. The STOXX Europe 600 is an index of European stocks that has a fixed number of 600 components representing large-, mid- and small-capitalization companies among 17 European countries, covering approximately 90% of the free-float market capitalization of the European stock market (not limited to the Eurozone). **Investors cannot invest directly in an index. Past performance is no guarantee of future returns.**

**In China, frustrations linger — and according to our research could worsen.** The post-pandemic economic reopening narrative has faltered, real estate looks shaky and the contraction in global manufacturing (Exhibit 5) could create a headwind for cyclical assets broadly, resulting in more downside for China specifically. In addition, after years of poor market performance, a negative wealth effect could exacerbate a liquidity trap where individuals hoard cash, making policy officials hesitant to aggressively stimulate. **Yet, we think significant stimulus will be necessary to meaningfully boost asset prices, and incremental policy measures ultimately will fail.** We believe China will reluctantly export deflation via a weaker currency, helping to nudge U.S. inflation lower and support the U.S. dollar (which has continued to weaken over the last month). This outlook accounts for our preference for domestic stocks. The move away from the dollar is clearly a long-term concern with foreign country reserves being rebalanced and trade arrangements reworked to “de-dollarize,” but the near-term ramifications have been overstated and the currency now appears to be trading in a fair range with the potential for a reversal should a global risk-off event occur.

**Exhibit 5. Global manufacturing output hit a six-month low in June**



As of 07/17/23. Source: Bloomberg.

Concerns about growth and credit losses are valid, as the effect of higher rates weigh more heavily on earnings and borrowers' leverage ratios. As a result, **we have tempered our long U.S. large cap position with underweights to the more economically sensitive areas of the equity market and favor higher-quality U.S. fixed income.** We seek the yield pick-up from spread product, but in our view, it's not worth reaching below investment grade, where most companies have locked in cheap long-term rates.

## Multi-Asset Strategies and Solutions team

Voya Investment Management's Multi-Asset Strategies and Solutions (MASS) team, led by Chief Investment Officer Paul Zemsky, manages the firm's suite of multi-asset solutions designed to help investors achieve their long-term objectives. The team consists of 25 investment professionals who have deep expertise in asset allocation, manager selection and research, quantitative research, portfolio implementation and actuarial sciences. Within MASS, the asset allocation team, led by Barbara Reinhard, is responsible for constructing strategic asset allocations based on its long-term views. The team also employs a tactical asset allocation approach, driven by market fundamentals, valuation, and sentiment, which is designed to capture market anomalies and/or reduce portfolio risk.

### Past performance does not guarantee future results.

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# Post-Pandemic Renormalization: Inflation Is the Final Piece



**Barbara Reinhard, CFA**  
Managing Director,  
Head of Asset Allocation

## Highlights

- The post-pandemic economic renormalization is not a classic business recovery, it's a disaster recovery. Take classic market indicators with a grain of salt.
- The world is awash with shifting cross-currents. We think the developments that matter most to financial assets are inflation, employment and corporate earnings.
- U.S. equity markets performed well during the second quarter, while bond market volatility continued.
- The Global Perspectives Portfolios are in base positioning. We are cautiously optimistic on the near-term outlook for U.S. equities.

## Not your typical business cycle

We view the post-pandemic recovery not as a classic business cycle but an economy trying to normalize after a natural disaster. First came the government-mandated lockdowns and then the bust. Then came the re-openings and the inflationary effects of mega-policy stimulus. Lastly, came the 180-degree reversal in monetary policy, which has led to a deflationary trend likely to continue over the next 18 months. As a result, we think classic market signals are not necessarily as accurate predictors as they can be during classic business cycles.

For example, inversion of the two-to-ten spread in the U.S. Treasury yield curve historically has been a predictor of coming recessions; the current inversion has persisted for more than a year, and has led to concerns that a recession is imminent. This time, however, the yield curve inversion may have more to do with rate policy normalization after years of zero real rates; in our view, it is not necessarily a strong predictor of recession as the economy recovers from disaster. We think it's more important to focus on developments in fundamental factors that affect the markets, e.g., inflation, employment and corporate earnings.

## Inflation, employment and corporate earnings

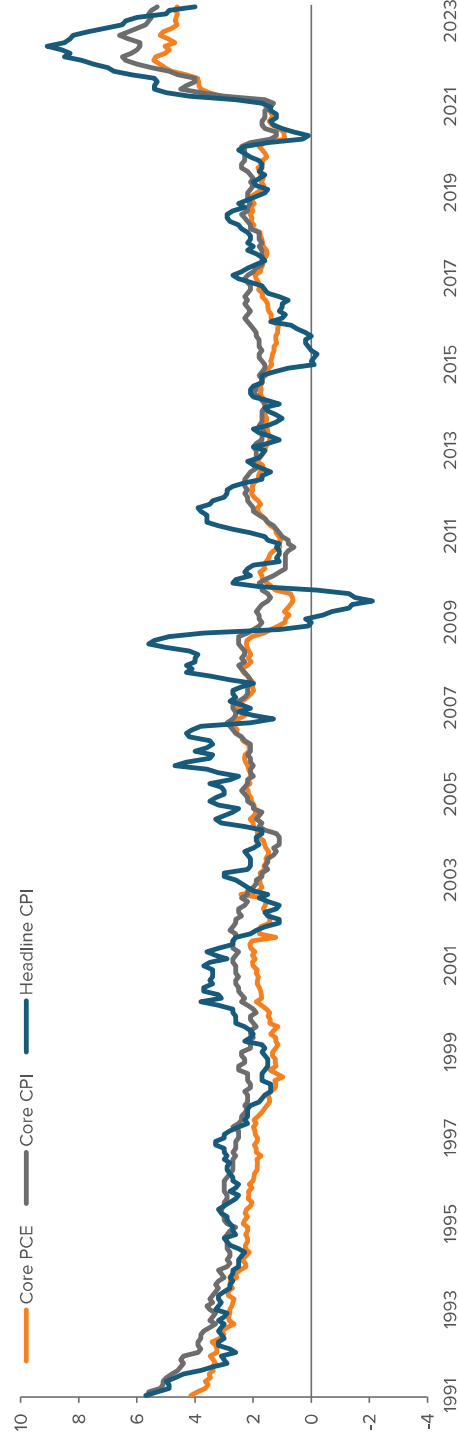
The world is awash with shifting cross-currents. The U.S. equity market has been leading the way with support from artificial intelligence (AI) capturing investors' imagination. Europe's war is intensifying, and there has been political instability in Russia with the Wagner Group's revolt. Twice this year OPEC has tried and failed to lift the price of crude oil. With these shifting sands, we think the developments that matter most to financial assets are inflation, employment and corporate earnings.

## Inflation

First, inflation has fallen a lot in the United States (Exhibit 1) and there are reasons to believe further downward price pressures are in the pipeline.

### Exhibit 1. U.S. inflation is falling fast

CPI and PCE, year-over-year percent change



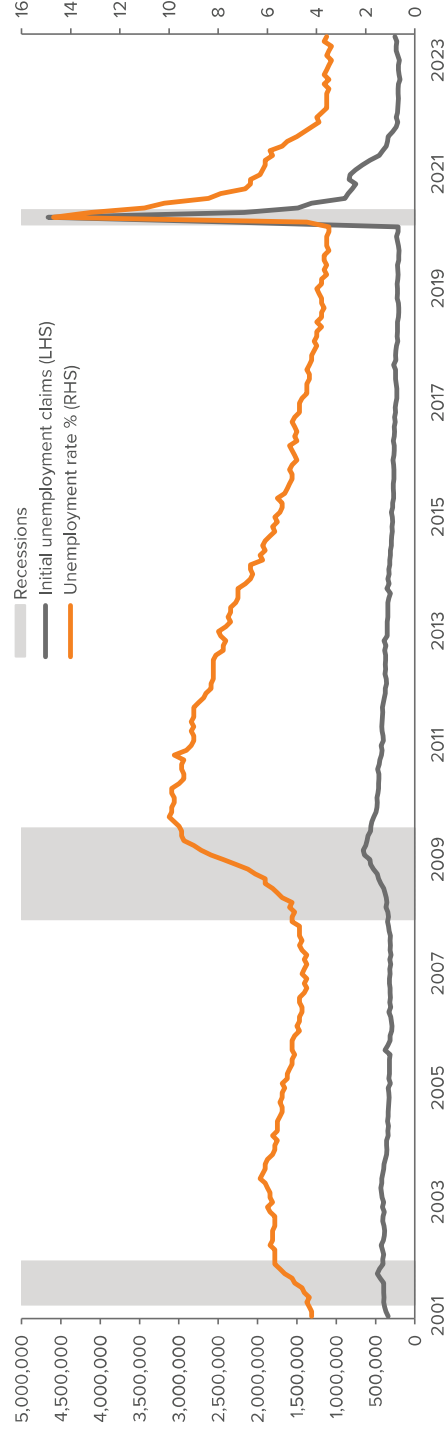
As of 05/31/23. Source: FactSet.

We expect two of the big drivers will be rents and used car prices. For rental inflation, the softening in demand means that prices across an array of discretionary services also will decline. For vehicle prices, the coming plunge is being foretold by the steep drop in auction prices. The bottom line, core inflationary pressures are fading.

## Employment

Second, employment is another area of close focus for the markets and the key factor in determining if and when a recession starts. Stepping back from the monthly details of the jobs numbers, which are subject to potentially large revisions, the main message from the revised data is that the trend is still slowing and job growth is flattening off, at a close to pre-Covid pace (Exhibit 2).

### Exhibit 2. The labor market remains tight



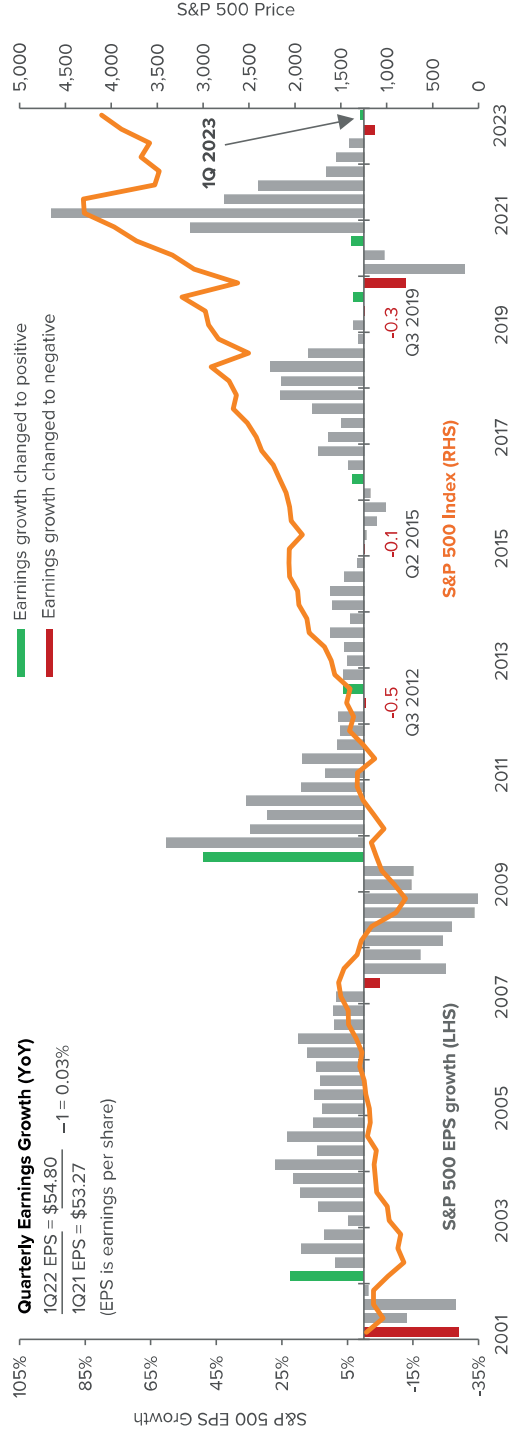
As of 06/30/23. Source: Bureau of Labor Statistics.

The economic story, we think, is that both the post-pandemic catch-up and cyclical components of hiring are slowing. The best example of this is probably the leisure and hospitality sector, where employment is still below the pre-Covid level, but the rate of increase has declined in recent months. That leads to thoughts on the consumer, which will be getting some relief from faster falling inflation. A common response to the view that consumption is softening is the observation that everywhere is busy; restaurants are full and hotels are booked. These stories are illustrated in the data. But we note consumers' rate of change in spending is moderating. Restaurant diner numbers in recent months have consistently run below last year's levels, and airline passenger traffic is a bit stronger, but the trend here is slightly below zero on a year-over-year basis. This is not necessarily a bad development; we see it as part of the renormalization process that has followed the post-covid boom in spending.

## Corporate earnings

Third, we look at corporate earnings — the foundation of the Global Perspectives tactical signal. First-quarter 2023 S&P 500 year-over-year earnings growth came in slightly positive (Exhibit 3).

### Exhibit 3. Corporate earnings growth turned positive in 2Q23



Source: Refinitiv — Thomson Reuters and FactSet, Voya Investment Management. Earnings per share (EPS) is the portion of a company's profit allocated to each outstanding share of common stock. The S&P 500 index is a gauge of the U.S. stock market that includes 500 leading companies in major industries of the U.S. economy. **Past performance is no guarantee of future results. Indexes are unmanaged and not available for direct investment.**

## GP Portfolios shift back to base positioning

The better than expected earnings triggered a change in the GP Models' rules-based tactical signal, moving the Models from defensive to base positioning in early July. Going forward, we think earnings could surprise to the upside, as the macro environment in 2Q23 was much stronger than expected heading into the quarter. Despite the banking scare in March, the economy proved to be more resilient, with incoming fundamental data topping consensus expectations. Consensus expectations for S&P 500 Index 2Q23 earnings per share (EPS) have been cut by just 2% since March, versus the historical average of 4% cuts. We see several factors helping 2Q23 earnings: improving macro data, the strongest earnings guidance ratio since 2021 and more upbeat corporate sentiment. Within the S&P 500 Index, seven of eleven sectors are expected to see better year-over-year earnings growth this quarter than in 1Q23. Over the past three months, 2023 consensus earnings estimates have started to stabilize. Recent strength in macro data and favorable seasonality suggest limited downside risk to the 2023 estimates.

## Second quarter 2023 review

### U.S. equity markets performed well during the second quarter.

Large growth stocks led the way, with information technology stocks benefiting from chip manufacturers and companies tied to AI. Stocks were buoyed by relief over Congress's passage of the bill to raise the debt ceiling. The U.S. economy and corporate earnings have remained resilient, bolstering the case for a soft landing. Despite elevated rates and tightening financial conditions in the first half of the year, valuations have expanded with the forward P/E ratio on the S&P 500 around 19x, above the 25-year average.

### International developed and emerging market stocks advanced

but trailed U.S. stocks. European shares have been on a run, but economic indicators, such as composite PMIs, show slowing momentum. Japan delivered strong performance in local terms, but a weak yen pulled a chunk of it back from unhedged foreign investors. China stocks disappointed again amid concerns over a weaker than expected recovery after the country's emergence from Covid lockdowns.

**Volatility in the U.S. bond market continued.** Interest rates rose across the curve with the 10-year U.S. Treasury yield ending at 3.81%. The Federal Reserve executed two 25-basis-point hikes during the period, bringing the federal funds rate to a range of 5.00–5.25%, but did not implement a hike at its June meeting. Inflation continued to decline, but Fed officials maintained a hawkish stance with the Fed's "dot-plot" indicating two more hikes this year.

## Exhibit 4. Market returns were mixed in 2Q23

Index	2023	YTD 2023	2022	3 years	5 years
<b>Equity</b>					
S&P 500	8.7	16.9	-18.1	22.0	13.2
S&P 400 mid cap	4.9	8.8	-13.1	24.0	10.3
S&P 600 small cap	8.2	6.0	-16.1	23.1	10.2
Global REITs	0.5	1.6	-24.4	7.8	3.4
EAFE	3.2	12.1	-14.0	14.7	5.8
Emerging markets	0.9	5.1	-19.7	8.6	2.5
Average equity	4.4	8.4	-17.6	7.4	11.0
<b>Fixed income</b>					
Corporate bonds	-0.3	3.2	-15.8	-0.6	1.6
U.S. Treasury 20+	-2.4	4.1	-31.1	-12.6	-1.1
Global bonds	-1.5	1.4	-16.2	-3.9	-1.6
High yield	1.8	5.4	-11.2	6.5	3.6
Average fixed income	-0.6	3.5	-18.6	-2.7	7.0
<b>Overall average</b>	<b>2.3</b>	<b>6.5</b>	<b>-18.0</b>	<b>9.0</b>	<b>4.8</b>

As of 06/30/23. Source: FactSet, FTSE NAREIT, Voya Investment Management. The overall average model allocation includes 10 asset classes, equally weighted: S&P 500, S&P 400 Midcap, S&P 600 Smallcap, MSCI U.S. REIT Index/FTSE EPRA REIT Index, MSCI EAFE Index, MSCI BRIC Index, Bloomberg Barclays U.S. Corporate Bonds, Bloomberg Barclays U.S. Treasury Bonds, Bloomberg Barclays Global Aggregate Bonds, Bloomberg Barclays U.S. High Yield Bonds. Returns are annualized for periods longer than one year. **Past performance is no guarantee of future results. An investment cannot be made in an index.**

## Disclosures

General investment risks: all investing involves risks of fluctuating prices and the uncertainties of rates of return and yield inherent in investing. All security transactions involve substantial risk of loss. Diversification does not guarantee a profit or ensure against loss. **Past performance does not guarantee future returns.**

The **S&P 500 Index** is a gauge of the U.S. stock market, which includes 500 leading companies in major industries of the U.S. economy. The **S&P MidCap 400 Index** is a benchmark for mid-sized companies, which covers over 7% of the U.S. equity market and reflects the risk and return characteristics of the broad mid-cap universe. The **S&P SmallCap 600 Index** covers approximately 3% of the domestic equities market and is designed to represent a portfolio of small companies that are investable and financially viable. The **S&P 500 Value Index** tracks the performance of the subset of S&P 500 stocks classified as value style, as measured by three factors: the ratios of book value, earnings and sales to price. The **S&P 500 Growth Index** tracks the performance of the subset of S&P 500 stocks classified as growth style, as measured by three factors: sales growth, the ratio of earnings change to price and momentum. **Investors cannot invest directly in an index.**

The **FTSE EPRA/NAREIT Global Real Estate Index** is designed to represent general trends in eligible real estate equities worldwide. The **MSCI EAFE Index** is a free float-adjusted market capitalization weighted index designed to measure the developed markets' equity performance, excluding the U.S. and Canada, for 21 countries. The **MSCI Emerging Markets Index** is a free float-adjusted market capitalization index that measures emerging market equity performance of 23 countries. **Investors cannot invest directly in an index.**

The **Bloomberg U.S. Corporate Bond Index** is a component of the Bloomberg U.S. Aggregate Index. The **Bloomberg U.S. Aggregate Index** is composed of U.S. securities in Treasury, government-related, corporate and securitized sectors that are of investment-grade quality or better, have at least one year to maturity and have an outstanding par value of at least \$250 million. The **Bloomberg U.S. Treasury 20+ Year Index** tracks the performance of U.S. dollar-denominated, fixed-rate, nominal debt issued by the U.S. Treasury with 20 or more years to maturity. The **Bloomberg Global Aggregate Bond Index** measures a wide spectrum of global government, government related, agencies, corporate and securitized fixed-income investments, all with maturities greater than one year. The **Bloomberg U.S. Corporate High-Yield Bond Index** tracks the performance of non-investment grade U.S. dollar-denominated, fixed rate, taxable corporate bonds including those for which the middle rating of Moody's, Fitch, and S&P is Ba1/BB+/BB+ or below, and excluding emerging markets debt. **Investors cannot invest directly in an index.**

The **CBOT Volatility Index (VIX)** is a real-time index that represents expectations for the relative strength of near-term price changes of the S&P 500 index. The **S&P GCSI Index** is a benchmark commodities index that tracks the performance of the global commodities market. It is made up of 24 exchange-traded futures contracts that cover physical commodities spanning five sectors. **Investors cannot invest directly in an index.**

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## Outlook: cautious optimism

In summary, we are cautiously optimistic on the outlook for U.S. equities in the near term. Markets are fluid and these are challenging times for investors, with a lot of conflicting information and wide dispersion among forecasts. In the face of these uncertainties, the Global Perspectives program offers a time-tested strategy that potentially helps investors stay diversified and avoid the pitfalls of market timing.





## Communication & Education

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Optimize your plan and strategic marketing initiatives with insightful information in the Communication & Education Section. Within this section, you can view marketing literature along with several other educational and communications topics.

# 2023 Cost of Living Adjustments Announced

On October 21, 2022, the Internal Revenue Service issued Notice 2022-55, providing for the following 2023 cost of living dollar limits:

	<u>2023</u>	<u>2022</u>
<b>LIMIT</b>		
<b>Defined Benefit Plans</b>		
The lesser of the maximum dollar limitation for annual benefits under defined benefit plans under Internal Revenue Code (IRC) Section 415(b)(1)(A) or 100% of the participant's average compensation for his high 3 years.	\$265,000	\$245,000
<b>Defined Contribution Plan 415 dollar limit</b>		
The lesser of the dollar limitation for annual additions under defined contribution plans under IRC Section 415(c)(1)(A) or 100% of compensation.	\$66,000	\$61,000
<b>401(k)/403(b)/Existing SARSEP Elective deferral limit</b>		
All elective deferrals (including designated Roth contributions) in a tax year made by a participant to a 401(k), 403(b) tax deferred annuity, simplified employee pension, and SIMPLE retirement plan are aggregated under IRC Section 402(g).	\$22,500	\$20,500
<b>457 Deferral Limits</b>		
The lesser of the limitation on vested contributions to 457 plans under IRC Section 457(e)(15) or 100% of includible compensation.	\$22,500	\$20,500
<b>403(b) Catch-up limit</b>		
The maximum available 402(g) elective deferral limit plus the special catch-up election for employees participating in a 403(b) tax deferred annuity who have had at least 15 years of service with an educational organization, hospital, home health agency, health and welfare service agency, church or convention or association of churches. <i>Note: The additional 403(b) special catch-up of up to \$3,000 per year cannot exceed cumulatively \$15,000 over the lifetime of the 403(b) participant.</i>	\$25,500	\$23,500

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## LIMIT

2023

2022

### **457 Catch-up limit**

The special catch-up election for employees participating in an eligible 457 deferred compensation who have elected the special catch-up available in the three years prior to the year of normal retirement age.

\$45,000

\$41,000

*Note: The participant in a governmental 457(b) plan may make catch-up contributions in a year equal to the greater of (a) the amount permitted under the age 50+ catch-up, or (b) the amount permitted under the 457 catch-up.*

### **Age 50+ Catch-up Limits**

The special catch-up available under IRC Section 414(v) for individuals at least 50 years old in 2023 and make eligible pre-tax contributions to 401(k), 403(b), and governmental 457 plans.

\$7,500

\$6,500

The special catch-up is available for individuals who are at least 50 years old in 2023 and make eligible pre-tax contributions to a SIMPLE plan.

\$3,500

\$3,000

### **Definition of Key Employee**

The compensation threshold used for determining key employees under IRC Section 416(i)(1)(A)(i).

\$215,000

\$200,000

### **Definition of Highly Compensated Employees**

The compensation threshold used for determining highly compensated employees under IRC Section 414(q)(1)(B).

\$150,000

\$135,000

### **Compensation Limit**

The annual limit of compensation that may be taken into account for contribution purposes in accordance with IRC Section 401(a)(17).

\$330,000

\$305,000

The annual limit of compensation that may be taken into account for contribution purposes in accordance with IRC Section 401(a)(17) (certain governmental plan participants who first became participants in that governmental plan before the 1996 plan year).

\$490,000

\$450,000

### **Adjusted Gross Income Limit for Saver's Credit**

The highest adjusted gross income (based on federal income tax filing status) taken into account for eligibility for the Saver's Credit under IRC Section 25B.

\$73,000 (joint)

\$68,000 (joint)

\$36,500 (single)

\$34,000 (single)

\$54,750 (head of household)

\$51,000 (head of household)

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## LIMIT

2023

2022

### **SIMPLE Retirement Accounts**

Compensation taken into account that an employee may elect to defer under a SIMPLE retirement plan described in IRC Section 408(p)(2).

\$15,500

\$14,000

### **Compensation for SEPs**

Compensation taken into account to determine eligibility for simplified employee pensions (SEPs).

\$750

\$650

On October 13, 2022, the Social Security Administration released its cost of living information for 2023:

### **Taxable Wage Base**

2023

2022

Maximum amount of earnings subject to payroll tax.

\$160,200

\$147,000

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