J.P. Morgan 2025 Life Insurance CIO Call Series - Voya Financial, Inc. (VOYA) Call

Thursday, 05 June 2025

Moderator	Hello everyone, and welcome to the J.P. Morgan 2025 Life Insurance CIO Call Series - Voya Financial Incorporated. My name is James, and I'll be your operator for today. I'd like to inform all participants that this conference call, as well as any Q&A, may be recorded and made available to clients of J.P. Morgan, where a company is representing and a recording may also be posted on their website. Views and opinions expressed by any external speakers on this call are those of the speakers and not of J.P. Morgan. Part of this conference call may also be reproduced by J.P. Morgan research. If you have any objections, you may disconnect at this time. This call is intended for J.P. Morgan clients only. Press participants are permitted on this call and should disconnect now. Unless otherwise permitted by internal J.P. Morgan policy, members of J.P. Morgan investment and corporate banking are not permitted on this call and should disconnect now. I'll now hand the call over to our host, Jimmy Bhullar, to begin.
Jimmy	Thank you, James. Good morning, everyone, and thanks for joining the call. This is part of a series of calls we're hosting with chief investment officers of life insurance companies on the investment climate and their portfolios over the next month. Participating in today's call are several members of Voya Financial's executive and investment management team, including Eric Stein. Eric is the Head of Investments and Chief Investment Officer of Fixed Income at Voya Investment Management. We also have Jeff Hobbs, Head of Insurance Portfolio Management at Voya Investment Management; Matt Toms, CEO of Voya Investment Management; Mike Katz, CFO of Voya Financial; and Mei Ni Chu, Head of IR at Voya. In terms of the format, I'll ask Eric and the Voya team to address their views on the economy and the broader credit environment. We'll ask some questions on Voya's portfolio as well, and we'll take your questions also. The call should last about half an hour. James, could you announce instructions for questions?
Moderator	Of course, Jimmy. For any questions that you might have, you can go ahead and press star followed by the number one on your telephone keypad. And if you are streaming via web browser, you can go ahead and press the Q&A and then type in your question. So going back to you, Jimmy.
Jimmy	Thank you. Eric, maybe just start with your views on the US economy. It seems like there's more uncertainty in the economy and there are concerns about a slowdown, but the actual data, at least concurrently, seems fine. What are your views on the overall economic environment in the US?
Eric	First, Jimmy, thanks for having us on. In terms of the overall economic environment, I would say today we're almost two months from when the tariff announcements happened, and still economic uncertainty, still some risk to the downside, but it's a meaningfully lower percentage of a recession happening than we had two months ago. While the skew may be to

the downside, just with broad policy uncertainty, we're probably in a significantly better spot than we were two months ago from a macro perspective.

I also think from a market perspective the almost obsessive focus of markets on tariff policy will somewhat continue, but also abate a little bit. It can't have that level of acute focus for such a long time as the distribution of outcomes narrow. There's still some uncertainty there, I don't want to overstate how much the distribution of outcomes is narrowing, but it has been narrowing. And really the switch from a market perspective is to fiscal policy, that is really what the fixed income markets have evolved to focus on, even more than tariff policy. And that's really evolved over the past two months or so.

Jimmy: And insurance company portfolios obviously are managed with a very long term view. But are there any subtle changes that you've made to your portfolio in terms of new money allocations in response to the environment? Or has what you're doing been fairly steady despite what's going on?

Eric: Yes, maybe I'll say something on the broad fixed income environment, and then Jeff can jump in specifically with our general account portfolio.

From a broad perspective, one of our themes this year if you look at bonds, bonds are back to doing their job. Given where we have yields, there's actually potential for yields to come down should we get into a risk-off or recessionary market environment, that's most times when there's a risk-off period and stocks fall and credit spreads widen and Treasuries rally. It doesn't happen every year, it did not happen in 2022, but we really view 2022 as an outlier from that perspective.

And a lot of people like to look at the nominal yields on Treasuries, which right before we jumped on the call was 4.37 on the 10-year, but we like to really decompose it to the real yield and inflation expectations and the real yield, really, the yield investors are getting above what the market's pricing in for inflation. That's now just about a shade over 2%. And that has been a significant increase. If you go back not that far, really, to the end of '21 into early '22, before the bond market sell off, it was negative 1% real yield, kind of blew through that zero real yield level, and now we're at about 2%. So really just this point that there's some value in fixed income and value in duration with that 2% real yield, I think that that's really the fixed income backdrop.

And then I'll let Jeff jump in with what we're thinking about from a portfolio perspective.

Jeff: Eric, like you mentioned, there's a distribution of outcomes, and that distribution maybe has narrowed here, but we're really trying to build investment portfolios to position us for a wide range of economic outcomes. That's a bet towards high quality and diversified sources of risk premia. You also noted that risk is skewed to the downside, so we are limiting credit risk, we've reduced deeply speculative grade exposures in the portfolio. We're operating with a pretty limited below investment grade bucket. We're underweight the subprime consumer broadly. We're focusing on resilient balance sheets, both on the consumer and corporate side. If you go back to the beginning of the year, cyclical and non-cyclical credit were really trading atop each other. So we use that as an opportunity to reduce some of the cyclicality in the portfolio, doing a lot of focus on our watch list and credits that could be under pressure in a changing environment, but feel really good about how we're positioned. And ratings upgrades have continued to outpace downgrades in the portfolio broadly.

Jimmy And it's interesting, there's a lot of concern about the economy overall, about credit, about GDP growth, yet corporate credit spreads are really fairly narrow and they haven't really widened much, other than a few days here and there at the height of the trade issues. What are your views on why, despite all this economic uncertainty, spreads haven't really widened to the extent you might expect in theory?

Jeff Go ahead, Eric, please start.

Eric I was going to say from a broad perspective, I'd say a few things. One is the higher level of yields that we just talked about still makes fixed income attractive. So while spread is one way to look at it, absolute yields is another way to look at it. So just the backup we've seen in Treasury yields over the past couple years, it makes the absolute yield level higher and maybe investors more reluctant to just sell bonds and have spreads widen on certain types of investors in particular.

I think the other part is in a mildly bad state of the world, the economy's okay, spreads can still remain pretty tight because the probability you get your money back as a credit investor remains high. It's really when that tail risk starts to get priced in that you see a bigger move in spreads. So I agree, it was a little surprising spreads didn't widen as much during that episode. They started to leak wider certainly in March and into early April, but they've been fairly contained, I think, for those reasons.

And, Jeff, I'll let you jump in.

Jeff No, I agree with what you've got there, Eric. Thank you.

Jimmy And then maybe with that backdrop, where is it that you find the best value within your portfolio, where on the increment you might be increasing allocations? And what are some of the areas that you might have invested in the past where you might be de-emphasizing right now?

Jeff Yes, I'll start on that one, Jimmy, please. You noted that corporate credit spreads remain tight. Eric noted that absolute yields are pretty compelling. If you think about our time as a public company, investment rate corporate spreads right now are somewhere around the 10th percentile, so definitely on the tighter side, zero volatility spreads on current coupon mortgages would be closer to the 90th percentile. So I think there's a bias to saying, gosh, spreads are tight. But it really depends on asset class.

We're still finding some interesting opportunities in the securitized sector, including resi, as mentioned. We have real strength in our investment grade private placement and commercial mortgage lending origination platforms. Voya is the largest manager of private placements for third party insurers and top three on the CML side, so we're still finding opportunities there where we can act as customized lenders in situations that offer attractive risk adjusted returns. So while we're biased away from public credit data, a little bit more to pan-securitized than production oriented assets, we have the teams offering best ideas every day as market environments change, and still able to drive interesting risk adjusted returns here.

Jimmy

And maybe touching on commercial real estate, there were a lot of concerns about commercial real estate last year or the year before, and it seems like entering 2025 things were starting to stabilize, even maybe in the office space. But not sure what you're seeing in the CRE market right now and in your commercial mortgage loan book. What's your base view of how commercial real estate is going to behave? And specifically, maybe touch on office as well.

Jeff

Yes, that's the right way to characterize it. It definitely felt like we're having a little bit of falling earlier in the year, you were seeing a pickup in real estate transaction activity, a lot of refinancing happening, and CMBS space that slowed as we hit a little bit of market volatility and higher rates.

Our portfolio is really pretty well positioned, as you know, on the commercial mortgage loan side. We're really a debt focused shop, so over 99% of what we have is in debt. We don't actively look at real estate equity. We have a higher quality skew in our portfolio than the industry, on average, something like 74% CML. It's a highly diversified portfolio here. So it's about 15% of total assets spread across 600 loans. That means our average loan size is under $10 million. How do you have an average loan size under $10 million for an institutional quality portfolio? It's because we participate those loans out to other investors. I referenced earlier, we have this large third party commercial mortgage lending business, so performance in the portfolio has been quite strong but it started at a position that's low levered.

You referenced the office space, we went into the stress period with a relative underweight to office versus the ACLI average for the industry. I think our office exposure certainly held up better than others. We're starting, as you mentioned, to see a little bit more real estate transaction volume in the office space. There's definitely been local buyers of assets come in and provide a little bit of an equity bid in a market that had been hard hit.

Office still has time to work through its struggles. We saw retail go through something similar through COVID, where you had a lot of rationalization space over a multi-year period, and then that get accelerated by rising vacancies during COVID, and then retail absorption came back into balance. That's going to happen in office, but it's still going to happen over a multi-year period. So I would characterize office as having green shoots towards a recovery, but we're still really quite early. The other sectors in our portfolio, we have multifamily, industrial tilt and grocery, anchor style retails really held up quite well here.

Jimmy

And if we look at your mortgage loan book, it touches various segments of the economy and various geographic regions. And just in the last few months, with all the economic turmoil, have you seen any sort of shift in the credit profile, or maybe changes in delinquencies in any of the segments of the book overall, where things incrementally might have gotten worse in the last few months?

Jeff

At our leverage point, there hasn't been a rise in stress on the portfolio at all. But if you think about it just from a broad industry perspective, if you had a lot of industrial and the Inland Empire tied towards Asian trade, you might be more concerned about that exposure today than you were six months ago. If we see a slowdown in economic activity, what gets hurt first? Hotels with very short lease terms, right? So more cyclical properties would be impacted if we had a prolonged kind of stress. And in financing markets it is very short lived, you could see transactions that were on the cusp of being able to refi fall back into some amount of stress, that just doesn't exist in our portfolio, big size, we feel pretty good about where we are today.

Jimmy — James, could we take a question?

Moderator — Of course, Jimmy. We now have our first question from Christopher Santos of Morgan Stanley. "Where do you think 10-year Treasuries and IG spreads will be at the end of the year? And explanation for your forecast."

Eric — First, I'll say hi, Chris, a former colleague of mine. Thank you for the question. I'll jump in on yields and maybe have Jeff jump in on spreads.

We're at 4.37 right now on the 10-year, we don't print official forecasts like a sell side firm, but I think the balance of risks for yields is really toward a steeper curve, so with some pressure to come down at the front end and maybe pressure to go up in yields at the back end due to fiscal policy. I would think we'll stay maybe somewhat range bound at somewhere between 4.0 and 4.50, something like that, 4.10 and 4.50, I think we're going to likely stay in this range on the 10-year, just trading in line with economic variables and fiscal policy.

But my strongest view on the 10-year is that if we hit a real risk-off period in markets, we are going to see yields fall. And also on fiscal policy, even though I expect the curve to steepen with pressure from fiscal policy, ultimately expect Treasury Secretary Bessent to change the issuance pattern, start issuing more T-bills and less long bonds. So I think there's some cap on how much the curve can steepen, but I expect fiscal to have a real impact on the curve.

Jeff, do you have thoughts on the IG spread side?

Jeff — Yes, IG spreads closed last night, Bloomberg, Barclays IG index at 88, so I referenced earlier that's something in the 10th percentile of the trailing dozen years or so. So definitely tighter, you longer on averages, median spreads would be closer to that 135, long run average spreads closer to 150. So we're trading towards the tighter end of [indiscernible 18:49] ranges. We're 15 or so off the historic tights we hit last year.

Our bias would be marginally wider. We're not expecting a recessionary environment. We referenced the sell-off in spreads as pricing and the potential for credit tail outcomes. We still think this is a muddle through style economy, so we're not picturing spreads gapping materially wider, but the bias, just from a risk return perspective, skews wider. And so maybe we would cap fair value closer to 100 to 110 basis points, and that would bias wider than where we are today.

Jimmy — And just on the topic of credit, as your presented various deals and various types of securities, are there areas where you're seeing that underwriting standards are diminishing across the industry and you're avoiding, for that reason, or where you feel like maybe the credit is okay but you're just not getting paid enough to take it on either by the type of security or by the underlying industry segment?

Jeff

It’s more the latter, where we sit today, and a little bit of market indigestion in April can help firm up credit standards in private assets. We've seen private asset origination slow relative to public markets that are back open and roaring. So it’s a relative value lens today and not a situation where we look and say, boy, structure is really falling apart. Structure tends to move pro cyclically, so if spreads continue to stay tight for an extended period of time, we'll see structuring start to weaken. But that isn't where we are, sitting here early June 2025.

Jimmy

And privates have obviously been very topical recently. Can you talk about how much of your allocations in fixed income you're doing through private versus traditional public securities, and how that's evolved over the past few years? And then I'll have a few follow ups on private.

Jeff

Yes, investment grade private placements is a healthy part of our portfolio, and nearly a quarter of overall general account. As I referenced earlier, Voya is a market leader in that space, the largest manager of investment grade private placements for third parties. So that's a very strong and deep team at Voya, and one that we allocate to heavily for the general account. It's been a big part of what we've done historically.

When people talk about private credit, that phrase can mean a lot of things to different people. Some people hear private credit and think middle market direct lending. That's actually a pretty small part of our overall portfolio. And where we do have exposure, it's usually in places where we are a senior lender and de-levered from being the first lost piece. The private allocation has crept higher, as we've seen good relative value in recent years. We're also diversifying some of the sourcing we do in that space, with a little bit of diversification from our traditional corporate infra business to do a little bit more of things on the asset based finance side.

Jimmy

And when you invest in privates, are the ratings that you rely on, are they the traditional larger agencies? Or do you use a bunch of smaller agencies as well in weighting those credits?

Jeff

The majority of transactions today are what are called, from the NAIC perspective, filing exempt. That includes rating agencies that are qualifying NRSROs, and that could include the major rating agencies and then a host of minor rating agencies. We don't have a bias in our portfolio to rating agencies that may have had recent negative press. This is not something where we're going out and shopping ratings. When we do build credit portfolios, we actually use an internal rating too, how does our team think about the underlying credit risk of a transaction? We are sizing risk according to our team's own internal view.

But at this point, much of the private placement universe has at least a public rating. There was a time when a lot of private transactions were unrated and then you would go directly to the Securities Valuation Office of the NAIC to get a rating, but most of the portfolio is rated at this point.

Jimmy

And what is it that attracts you to privates? I think for the insurance industry privates have become a growing proportion of their portfolios, and the definition of privates, obviously, as you mentioned, is fairly broad. There are companies that typically are investing in privates issued by companies that issue in the public markets as well, versus maybe some buying privates that are more middle market or distressed by securities. What is it that you get out of investing in privates that you can't get in the public market?

And then, what is it that the issuer is getting by issuing in the private markets versus public? One of the things that investors have had a hard time understanding is how the investors claim that they're getting a good deal and then the issuers claim that it's more beneficial for them to be issuing in the private market. So it's hard to imagine both sides win. What are your views on why you do it and why the issuers are doing it?

Jeff There's certainly been a rising trend toward private assets. But our allocation of private assets isn't new, so the private placement team I referenced has been in place for more than three decades, lending in the space for our own proprietary balance sheet.

When we think about private assets historically, the three big return drivers have been an upfront spread premia versus what we think of as similar quality public comparables. So upfront spread premia fee income, these deals, think of them as fixed rate transactions that are pari passu with the bank loans and so they have restrictive covenants. When those covenants are violated, there can be amendment or make whole fees that occur. And then the third driver of returns over time has been we've had better loss severities. We've had very high historical recoveries in our private placements when we've had very rare payment defaults.

The combination of those three things has delivered a cumulative outperformance versus public credit over a track record that dates back 20 years that is north of 100 basis points. And you think about that versus a public investment grade spread, I referenced that 88 basis points, and that's why insurers invest in the space.

And you asked the question about why do issuers issue in that space? There's a whole host of reasons. You have some businesses that want to keep their financials private. There can be customized borrowing solutions in the private market that are less applicable in the public market. Public markets may want to do 5s10s30s, you get a whole range of maturity profiles. You also see non-standard amortization profiles. You can also see deals that are not index eligible size that work better in private markets for smaller enterprises than through a public shelf. There's privately negotiated situations where both the borrower and the lender believe that it's the right outcome, and that's not that different than your traditional banking business at J.P. Morgan.

Jimmy And then, do you share, maybe not in your portfolio, but if you look across the market and the behavior of other investors, do you share the concerns about rate inflation on the part of the rating agencies in private, where some of the securities are rated by smaller firms and rating standards are not as intense as they might be potentially at some of the larger S&P and Moody's type firms?

Jeff Yes, I referenced earlier, we're going to think about sizing risk according to our own internal rating and view of the risk profile. If you think about the industry broadly, when I started managing insurance company portfolios, more than 20% of the Public Index was rated AA or better. That's something like 4% to 5% today. So it's tougher for me to think that structurally the market has had ratings inflation when we're talking about spreads near historical types and the average quality of the market lower today. But we are thoughtful about ratings that come over and thinking about it from our own internal view of the credit risk.

Jimmy	James, could we go to the line for questions?
Moderator	Of course, Jimmy. We will now take a question from Kevin Wijendra from J.P. Morgan. Go ahead, Kevin, your line is now open.
Kevin	Hi. Thanks for taking my question. On your CML book, what is the process and frequency of appraisals? And how do you market the CML book specifically for office?
Jeff	Yes, a helpful question. The Voya underwritten LTV, that's an internal estimate where we apply conservative through the cycle assumptions and then higher assume property specific cap rates. We're doing our own internal review of that LTV quarterly. On office, we've been doing it more regularly, just given the pressure on that. We've actually seen improvements in the broader debt service coverage and LTV of our book here in recent months and quarters. The debt service coverage ratio of our total book is 2.1x our underwritten LTV, which takes that through the cycle approach, is down to 48% for the broad portfolio. That's consistent with the very strong credit underwriting performance the team has had historically. If you go back to 2000, our CML book has had an average loss rate of something like 4 basis points. That would be akin to AA rated corporate credit. So really strong long run performance, and that's driven by really conservative in place underwriting.
Kevin	Great. Thanks. And then on your BBB securities, Voya has a slightly higher exposure to BBB securities than the rest of the industry. Can you discuss the quality of BBBs, given the high level of issuance during recent years? And are you seeing any stress in the space, given the current credit environment?
Jeff	Yes, part of that BBB overweight is structural. Within that private placement allocation, we tilt more towards BBBs than As. BBBs in that space tend to have better covenant packages, think leverage limits, asset sale restrictions, those types of covenants, so being closer to a covenant with a BBB rated credit gets you back to the negotiating table earlier. That's also been a source of that amendment fee income that I referenced earlier. So, tilted towards BBBs. In the private space, if you think about the overall allocation towards BBBs, we've meaningfully reduced cyclical BBBs. On the public side, there’s not a lot of BBB- cyclical risk in public credit in the portfolio. Where we do have that structural triple BBB overweight on the private side, we counterbalance that with a meaningful underweight to deeply speculative grade credit in the portfolio overall. There's not a lot of single B and lower rated risk in the general account. That's less than 1% of the overall GA today.
Kevin	Thank you.
Jimmy	And Matt, since maybe you're on the call, in your investment management business, your flows in 1Q were very strong, and I think you referenced good activity and inflows in both institutional and retail funds. And I think you had mentioned that there was good momentum from insurance clients in intermediary channels as well. So just if you could talk about, one, just what your expectations are for flows in your business over the next several quarters, and what the pipeline looks like.

And then, relatedly, are you seeing any sort of decoupling from the US, especially by international investors, where maybe on the increment they might be allocating a little bit less to the US market than they would have in the past, given the noise on trade and everything that we've seen here in the last two, three months or so?

Matt

Thanks, Jimmy, and happy to put some detail around that. So very happy, as you referenced, the flow of momentum that we had in 2024 carried over nicely into the first quarter of ’25, the $7.7 billion is above the 2% organic growth rate for the quarter. So very strong, and it's broad. Insurance, an area that we specialize in, and obviously is a meaningful component of that. So our private asset side within insurance continues to be strong. The CLO market was strong. And our fraud fixed income was strong, tying to what Eric and Jeff both referenced, the attractiveness of the bond market overall. Also, we've seen good momentum on the retail side, the intermediary side, both US, but to bridge to the second part of your question, in Asia as well.

And so I think the story as far as the international demand, and I'll come back to flow at the end and what our forward outlook is, the key to the first quarter was the breadth, both domestic, international, public and private, and the fixed income demand was broad and the international demand for equities was broad. Internationally, what we're seeing is not a meaningful shift away from the dollar yet. It is interesting to note that financial market pricing has largely taken out a lot of the uncertainty premium around tariffs that was put in.

The one thing that didn't reverse was the dollar value. The dollar reduced in value versus all major trading pairs, and hasn't rebounded. So the dollar did mark lower. We think that's a long term harbinger for some rebalancing away from dollar, but we think that's measured in years and decades. There's no easy replacement for the dollar as a reserve currently. There's a rebalancing that's been underway for five to ten years already. That will continue. But the flows we've seen to date, we don't see as tied to a major rebalancing. Those who are in Asia that have a managed currency pair, it's still managed. You still need to have the portfolio of dollar behind that. That's not changed at all from a structural alignment. Or if you have a flexible exchange rate band around the dollar, you still need to act the same way as the central bank internationally, in your reserve portfolio.

So yes, I think there's a decade plus long implication here, and I think the currency markets are showing that. But in the investment markets what you've seen is more of an allocation in equities, where a US overweight may be more balanced into an EMEA underweight being shaved down. So it's been modest. It's been around the edges. And it's not been in the debt markets. It's been incrementally towards active allocation weights in the equity market.

The first quarter was quite strong for us internationally. We are not seeing a meaningful pullback from the Asian client base. I think the European client base, a little bit from a little bit of a home bias in the EMEA equity space.

As far as the forward outlook on flows, extremely happy with 2024, a great start to 2025. When you see volatility like that which we've seen in the financial markets, even though things have softened, clients tend to pause and large activities tend to slow. We do expect second quarter, while we still are very confident in our performance and our distribution capabilities and the trust we have from our clients, we think the whole industry will see a more subdued second quarter. As we look to the second half, as the more sanguine seeds continue, we think you'll see that rebound, but we've been looking for a slowdown in that growth in the second quarter. But still believe we're kicking well above the average industry pace, and that's driven by the quality of our investment teams.

Jimmy

And Mike Katz, for you on variable investment income, most insurance companies had cautioned about on variable investment income, in recent months they've been indicating that it should be weak in 2Q. But the markets obviously has recovered a lot over the past couple of months, so does that change the outlook for VII in the near term? Or given the lag in how you report, the recovery in the market will not have much of an impact and maybe it affects second half but not necessarily 2Q?

Mike

Yes, and I'd welcome, Matt, your comments on this as well. I think, certainly, Jimmy, it makes sense to say, okay, let's look at what happened in April, and could that have a read through on the third quarter? I think it can, given the fact that there's a quarterly lag. Certainly, what's happened over the last month or so gives me a little more optimism on the outlook, but I still think it's reasonable to think that when you look at the 9% long term assumption that we expect out of alternatives, that that would be a bit challenged this year.

It's hard to predict. I find it interesting how many questions we get around predicting private returns. It's just as hard as the public markets. But I think certainly there's a little more optimism today than where we were coming out of the Q1 call. I would think third quarter would be where that challenge is probably going to be most revealed, but a bit of a stay tuned on there.

Matt, I don't know if there's anything you would want to add to that.

Matt

No, I think that's right. It's hard to predict. Private equity valuations tend to have a lag, and we're dealing with a quarter lag, but they also have the vested interest to not create volatility in the industry. So you tend to have conservative marks. I know there's a lot of skepticism around that, but private equity firms and our portfolio is heavily skewed towards a highly diversified portfolio with great vintage diversification of LPs. There's a lot of hesitancy to mark that up. So in this environment, the path of least resistance is to march sideways.

The one thing I would say is that economic growth continues, and as inflation, while we're in an uncertain period right now and there's fears of stagflation, if and as inflation fears start to moderate and the Fed can move and the curve steepens, lower yield levels, better financing environments, those are all things that can impact the structural valuation of private assets, which tend to trade less in line with the PE ebbs and flows of the public market, where you're trading relative PEs quite often. That's an environment, as you do see the top of rates come off, or well off the recent high of 480 on the 10-year, that are long term structural.

But in the near term you probably need this quarter of somewhat calm and next quarter of continued calm to let deal activity go up or lower rates benefit the portfolios. That makes us bullish about that 9+% return over the longer term. We've actually averaged, as I think we've shared, 12% over the long term, but to get back to 9% we think you need a little bit more time.

Jimmy	And it seems like very recently, the last week, two weeks or so, the deal pipeline and IPO activity are starting to pick up as well. Obviously, it doesn't affect results in the funds in the next one to two quarters, but could have a bearing as you get to later in the year. James, are there any questions on the line?
Moderator	For now, Jimmy, there are no pending questions waiting in queue. But a few reminders for our audience. If you'd like to put your questions in, you can press star followed by the number one on your telephone keypad. And if you are streaming via web browser, go ahead and press the Q&A button and then type in your question. So going back to you, Jimmy.
Jimmy	And maybe lastly, Mei Ni, are there any questions you've been getting from investors on the portfolio and on credit, on topics that haven't been discussed on this call?
Mei Ni	Thanks, Jimmy, for the opportunity. I'd say it's actually been pretty quiet from investors in terms of line of questioning into the investment portfolio. I think your lens on how do variable investment returns shape up through second quarter and through the rest of the year, is probably where there are greater questions. But I think on balance, it has been pretty quiet from that perspective. Just switching away from this particular topic, I think most investors are encouraged by the results that we put up for the first quarter and feel encouraged that we're making a step in the right direction in terms of the improvements to margins in health that's going to drive more of the near term uplifting cash flows and valuation. And our focus really here for first quarter and through the rest of the year is really around continuing that execution muscle. And that, in itself, is going to help drive a near term re-rate in our stock.
Jimmy	And just to remind everybody, you still intend to disclose your variable investment income in early July, at some point for the second quarter?
Mei Ni	That's correct. We'll take a very similar cadence to timing as to what we have done in the last couple of quarters. I think it's been a very important aspect of getting prepared for the upcoming quarterly earnings. The feedback that we've heard is that it's been very helpful, both in terms of just setting the early expectation of what those VII returns are going to be for the quarter, but then also allowing a bit more focus on business results by the time we get to the earnings call. And we're hitting about a year into this practice, and it's really been encouraging to see other peers in the space also adopt a similar approach. So very consistent, and we'll take the same approach in early July. So stay tuned.
Jimmy	Okay. So with that, we'll end the call. Thank you to the Voya team for participating, and to James for hosting the call and to everybody who is listening in. Take care and have a good day. Bye.
Moderator	This concludes today's call. Thank you all for joining. You may now disconnect your lines. You have a good day.