Personal Investment Performance
Questions and Answers

"What is PIP?"

Personal Investment Performance (PIP) is a measurement of the performance of YOUR entire account for the time you were invested in the plan during the statement period. PIP is calculated based on the performance of your investments during that period, taking into account your activity among investments.

"How is it calculated?"

Since the calculation involves all of the activity in all of your investments throughout the quarter, the calculation is very complex. The method used in Voya's PIP calculation is a commonly accepted calculation used by professional financial planners, though there are other ways of calculating PIP which may yield slightly different results.

"What's the difference between PIP and my performance update sheet?"

Unlike the fund performance listed on your performance update sheet, PIP takes into account all of the investments in your account, as well as all of the activity within the account for the statement period.

"I'm just in one fund. Why is my PIP different from the fund's performance?"

PIP includes any activity in your account involving the funds you are investing in throughout the quarter. For example, contributions or fund transfers. Conventional fund performance looks at a single fund only on the first and last days of the quarter.

Example I

Let's use a simple portfolio as an example. Suppose you have a portfolio of one share of XYZ stock. At the beginning of the quarter the stock price is $10. No changes are made to the account during the quarter, and at the end of the quarter, the stock price is $9. This means that the stock, and also your portfolio, had a return of negative 10% (i.e. -10%.) for that quarter.

Example II

At the beginning of the quarter you owned the same share of XYZ stock, again with a starting price of $10. You purchase a second share of XYZ stock in the middle of the quarter, at a price of $11. Again, the stock price at the end of the quarter is $9. The return of the stock, measured from day 1 to day 91 is negative 10% (i.e. –10%). The return of the portfolio, however, will be different from that of the stock because of the activity of the account. Since the purchase in during the quarter was at a higher price than the ending price, the portfolio performance is worse. In this case, the Personal Investment Performance of the portfolio is negative 14.3% (i.e.-14.3%). If the purchase during the quarter had been at a price lower than the ending price, the performance of the portfolio would have been better than that of the stock. This is a simple example, but it does show how activity during a quarter can influence performance.

Example III

As a third example, again suppose at the beginning of the quarter the stock price of XYZ stock is $10, but you have no balance in the portfolio. Your first investment was made during the quarter at a price of $11, and at quarter end, was in the plan for 61 days. At the end of the quarter the stock price was $9. The return of the stock, measured from day 30 to day 91, is negative 18.18% (i.e.-18.18%). Since the purchase of the stock was made at a higher price than at quarter begin, your Personal Investment Performance (PIP) will have a lower return than the stock's quarterly return of negative 10% (i.e.-10%).