

Voya Global Perspectives

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As of June 24, 2016

Investment Weekly

Commentary and Statistics

- Stocks plunged in Asia, Europe and the United States, posting losses for the week after Britain voted to leave the European Union. Investors drove the pound to its lowest levels in decades. Investors seeking safe havens bid up gold and U.S. government bonds. The yield on the ten-year U.S. Treasury fell as low as 1.4% but climbed back to slightly below 1.6% by end of Friday. Oil prices fell for the week.
- U.S. The U. of Michigan consumer sentiment index fell to 93.5 in June from May's 94.7, a sign that consumers were increasingly worried the economy will slow in the coming year.
- The U.S. leading economic index edged down 0.2% percent in May after climbing 0.6% in April. The unexpected decline was the result of a sharp increase in initial jobless claims.
- U.S. house prices rose 0.2% in April, according to the Federal Housing Finance Agency's monthly index. The previously reported 0.7% increase in March was revised to 0.8%.
- U.S. existing homes sales rose climbed 1.8% in May to their highest level in more than nine years. The national median price rose 4.7% YoY to \$239,700, a new high. Rising demand was attributed to steady job creation and low interest rates. Home prices are rising faster than wages across much of the U.S., potentially damping sales.
- Confounding expectations for improvement, the Chicago Fed's index of national economic activity index slipped into contraction, falling from 0.05 in April fell to -0.51 in May. All four sub-categories of indicators — employment-related, housing, personal consumption and production-related — were negative.
- The International Monetary Fund cut its forecast of U.S. GDP growth to 2.2% for 2016, citing the weak energy sector, strong dollar and overseas turmoil.

| Index Prices (\$) | | |
|------------------------------|------------|------------|
| Index | 06/24/2016 | 12/31/2015 |
| Dow Jones Industrial Average | 17,400.75 | 17,425.03 |
| S&P 500 Index | 2,037.41 | 2,043.94 |

| Returns (%) | | | | |
|-------------------------------------|----------|-------|-------|----------|
| U.S. Market Indexes Returns | One Week | MTD | YTD | One Year |
| Dow Jones Industrial Average | -1.55 | -2.05 | 1.22 | -0.54 |
| S&P 500 Index | -1.62 | -2.71 | 0.76 | -1.23 |
| Russell 2000 Index | -1.48 | -2.25 | -0.02 | -10.85 |
| Russell MidCap Index | -1.54 | -2.28 | 2.63 | -4.25 |
| Barclays U.S. Aggregate Index | 0.19 | 1.24 | 4.74 | 5.57 |
| Barclays High Yield Bond Index | 0.53 | 0.75 | 8.87 | 0.76 |
| United States 20-Year Treasury Bond | 0.11 | 4.19 | 13.40 | 18.68 |
| S&P/LSTA Senior Loan Index | -0.30 | -0.46 | 5.04 | 0.09 |

| S&P 500 Sector Returns | One Week | MTD | YTD | One Year |
|------------------------|----------|-------|-------|----------|
| Consumer Discretionary | -2.23 | -3.53 | -1.71 | -0.13 |
| Consumer Staples | -0.68 | 1.35 | 6.44 | 12.45 |
| Energy | -0.62 | 0.32 | 12.78 | -8.43 |
| Financials | -2.43 | -6.56 | -6.41 | -9.58 |
| Health Care | -0.94 | -2.34 | -2.92 | -6.79 |
| Industrials | -2.39 | -2.12 | 3.18 | 1.33 |
| Materials | -2.55 | -1.56 | 6.74 | -5.10 |
| Technology | -2.08 | -5.04 | -2.65 | -1.00 |
| Telecom | 1.36 | 5.73 | 20.72 | 19.21 |
| Utilities | -0.27 | 3.44 | 18.41 | 25.10 |

U.S. Returns by Style

| One Week (%) | | Year to Date (%) | | One Year (%) | |
|--------------|--------------|------------------|--------------|--------------|--------------|
| Large Value | Large Growth | Large Value | Large Growth | Large Value | Large Growth |
| -1.5 | -1.7 | 3.0 | -1.4 | -2.4 | -2.0 |
| Mid Value | Mid Growth | Mid Value | Mid Growth | Mid Value | Mid Growth |
| -1.5 | -1.6 | 5.9 | -0.6 | -1.6 | -6.9 |
| Small Value | Small Growth | Small Value | Small Growth | Small Value | Small Growth |
| -1.4 | -1.6 | 3.9 | -3.9 | -6.9 | -14.6 |

Large Value: Russell 1000 Value
MidCap Value: Russell MidCap Value
Small Value: Russell 2000 Value

Large Growth: Russell 1000 Growth
MidCap Growth: Russell MidCap Growth
Small Growth: Russell 2000 Growth

| Global Market Returns (%) | One Week | MTD | YTD | One Year |
|---------------------------------------|----------|-------|-------|----------|
| Barclays Global Aggregate Bond Index | 0.10 | 2.40 | 8.41 | 8.57 |
| MSCI EAFE Index | -1.72 | -5.86 | -6.56 | -15.32 |
| MSCI United Kingdom Index | -2.72 | -7.34 | -6.79 | -19.42 |
| MSCI Europe ex-U.K. Index | -1.82 | -6.67 | -7.20 | -15.77 |
| MSCI Japan Index | -1.74 | -5.22 | -8.10 | -12.54 |
| MSCI AC Asia ex-Japan Index | -0.31 | -0.92 | -1.35 | -16.73 |
| MSCI Emerging Markets Index | 0.14 | 0.23 | 2.64 | -16.54 |
| JPM EMBI+ Emerging Markets Bond Index | 0.75 | 2.04 | 9.09 | 7.92 |
| NAREIT Global Real Estate Index | -0.67 | -0.13 | 4.65 | 4.07 |

Source: FactSet

- Euro zone consumer confidence fell slightly in June, decreasing to -7.3 from -7.0 in May, after having risen for two consecutive months. The figure remains above the euro zone's long-term average.
- Euro zone construction output rose 0.2% for the month of April, but fell 0.4% year-over-year. The annual drop, the first since September 2015, was driven by a fall in building construction.

| Bond Rates (%) as of: | 06/24/2016 | 06/17/2016 | 12/31/2015 | 06/24/2015 |
|--------------------------------------|------------|------------|------------|------------|
| U.S. Federal Funds Target Rate | 0.50 | 0.50 | 0.50 | 0.25 |
| U.S. Two-Year Treasury Yield | 0.65 | 0.70 | 1.06 | 0.68 |
| U.S. Ten-Year Treasury Yield | 1.58 | 1.62 | 2.28 | 2.37 |
| High Yield (Merrill U.S. Corporates) | 6.61 | 6.60 | 7.24 | 5.98 |

| Commodity Prices as of: | 06/24/2016 | 06/17/2016 | 12/31/2015 | 06/24/2015 |
|-------------------------|------------|------------|------------|------------|
| Gold (USD/oz) | 1,322.40 | 1,294.80 | 1,060.20 | 1,172.90 |
| Crude Oil (USD/bbl) | 47.64 | 47.98 | 37.04 | 60.27 |
| Gasoline (USD/gal) | 2.48 | 2.52 | 2.24 | 3.00 |
| Copper (NYM \$/lbs) | 2.11 | 2.05 | 2.13 | 2.65 |

| Exchange Rates as of: | 06/24/2016 | 06/17/2016 | 12/31/2015 | 06/24/2015 |
|-----------------------|------------|------------|------------|------------|
| \$ per € | 1.11 | 1.12 | 1.09 | 1.12 |
| \$ per £ | 1.36 | 1.43 | 1.47 | 1.57 |
| ¥ per \$ | 102.17 | 104.29 | 120.30 | 124.34 |

Index Definitions

Barclays Global Aggregate Bond Index measures a wide range of global government, government-related, corporate and securitized fixed-income investments, all with maturities greater than one year.

Barclays High-Yield Bond Index tracks the performance of below investment grade U.S. dollar-denominated corporate bonds publicly issued in the U.S. domestic market.

Barclays U.S. Aggregate Index is a bond market index 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.

Dow Jones Industrial Average is a price-weighted average computed from the stock prices of 30 of the largest and most widely held public companies in the United States, adjusted to reflect stock splits and stock dividends.

FTSE EPRA/NAREIT Global Real Estate Index represents general performance trends of the equity securities of real estate companies involved in the ownership, disposition and development of income-producing properties worldwide.

JPMorgan Emerging Markets Bond Index Plus (EMBI+) tracks total returns for traded foreign currency denominated debt instruments in the emerging markets which meet minimum criteria for face value outstanding and market trading liquidity.

MSCI EAFE Index is a free float-adjusted market capitalization weighted index designed to measure developed markets' equity performance, excluding the U.S. & Canada, for 21 countries.

MSCI Europe ex-U.K. Index is a free float-adjusted market capitalization weighted index designed to measure equity performance of the 15 developed European markets except the United Kingdom.

MSCI U.K. Index is a free float-adjusted market capitalization weighted index designed to measure equity performance of listed common stocks in the United Kingdom.

MSCI Asia ex-Japan Index is a free float-adjusted market capitalization weighted index designed to measure equity performance of the 15 developed Asian markets except Japan.

MSCI Japan Index is a free float-adjusted market capitalization weighted index designed to measure equity performance of listed common stocks in Japan.

MSCI Emerging Markets Index is a free float-adjusted market capitalization index that measures emerging market equity performance of 23 countries.

Municipal Bond Index is a bond index that includes investment-grade, tax-exempt fixed-rate bonds with long-term maturities (greater than two years) selected from issues larger than \$50 million.

NASDAQ Composite Index is a market capitalization weighted index of the performance of domestic and international common stocks listed on The Nasdaq Stock Market including over 2,800 securities.

Russell 1000 Growth Index measures the large-cap growth segment of the U.S. equity market including Russell 1000 companies with higher price-to-book ratios and forecasted growth.

Russell 1000 Value Index measures the large-cap value segment of the U.S. equity market including Russell 1000 companies with lower price-to-book ratios and lower expected growth.

Russell MidCap Growth Index measures the performance of the mid-cap growth segment of the U.S. equity market including Russell Midcap Index companies with higher price-to-book ratios and forecasted growth.

Russell MidCap Value Index measures the performance of the mid-cap growth segment of the U.S. equity market including Russell Midcap Index companies with lower price-to-book ratios and forecasted growth.

Russell 2000 Growth Index measures the performance of small-cap growth stocks in the U.S. equity market including Russell 2000 companies with higher price-to-value ratios and forecasted growth.

Russell 2000 Value Index measures the performance of small-cap growth stocks in the U.S. equity market including Russell 2000 companies with lower price-to-value ratios and forecasted growth.

S&P 500 Index is a widely regarded as the best single gauge of the U.S. equities market, including 500 leading companies in major industries of the U.S. economy.

S&P 500 Sectors are defined as the GICS (Global Industry Classification Standard) sectors which provide standardized industry definitions consisting of 10 sectors, 24 industry groups, and 67 industries.

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Past performance is no guarantee of future results.

Economic Release Calendar

| Monday, June 27 | Tuesday, June 28 | Wednesday, June 29 | Thursday, June 30 | Friday, July 1 |
|--|---|---|---|---|
| Advance Goods Trade Balance (May) U.S. Composite PMI (Jun) U.S. | GDP (1Q16) U.S. Personal Consumption (1Q16) U.S. Core PCE (1Q16) U.S. S&P/Case-Shiller U.S. HPI (Apr) U.S. Retail Sales (May) Japan | Economic/Consumer Confidence (Jun) Euro Zone Personal Income & Spending (May) U.S. Pending Home Sales (May) U.S. GfK Consumer Confidence (Jun) U.K. Industrial Production (May) Japan | Leading Index (May) China GDP (1Q16) U.K. CPI (Jun) Euro Zone Nat'l CPI (May) Japan Mfg PMI (Jun) China | Wards Domestic Vehicle Sales (Jun) U.S. Mfg PMI (Jun) Euro Zone Unemployment Rate (May) Euro Zone Mfg PMI (Jun) U.S. Construction Spending (May) U.S. |

Source: Bloomberg

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Voya Investment Management



Equity | Fixed Income | Multi-Asset Strategies & Solutions

Voya Investment Management is the asset management arm of Voya Financial, a leader in retirement services and investing. Our investment platform has been carefully built to help meet the long-term needs and goals of our clients, supported by more than 200 investment professionals. Our deep understanding of managing risk exposure and capturing unrecognized investment potential through intense fundamental research and skilled portfolio construction has delivered a consistency of results across continuously evolving market cycles. Today, we are proud to manage more than \$213 billion in assets for investors.¹

82% of our assets outperformed their benchmark on a 5-year basis.^{2a}

72% of our assets outperformed their benchmark on a 10-year basis.^{2a}

86% of the time our portfolios outperformed their benchmark on a rolling 3-year basis.^{2b}

Past performance does not guarantee future results.

¹ As of 03/31/16, Voya IM assets of \$213 billion include proprietary insurance general account assets of \$90 billion calculated on a market value basis. Voya IM assets, as reported in Voya Financial, Inc. SEC filings, include general account assets valued on a statutory book value basis and total approximately \$203 billion.

² Metrics are either a) calculated on an annualized, gross-of-fees basis, or b) based on observations of rolling 3-year annualized returns over the last 30 months, calculated on an annualized, gross-of-fees basis, and include mutual funds as well as pooled and separately-managed institutional portfolios that fall within our traditional (long-only) commercial book of business that remains open as of 03/31/16. If terminated and other accounts had been included, results may have differed from that shown.

Source of performance returns is Voya Investment Management, and further detailed information regarding these calculations is available upon request.

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