

Voya Global Perspectives

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As of July 28, 2017

Investment Weekly

Commentary and Statistics

- The Dow Jones gained some ground while the Nasdaq and S&P 500 dipped. Gold was up for the third week in a row and oil jumped. The 10-year U.S. Treasury yield closed at approximately 2.29%.
- With 57% of S&P 500 companies having reported second quarter results, 73% have beaten both earnings and sales expectations. According to FactSet, the second quarter blended earnings growth rate estimate for the S&P 500 is 9.1%. Scientific Games Corporation, WebMD and PetMed Express impressed this week; Seagate Technology, Thermo Fisher Scientific and Tupperware were among the disappointments.
- The Federal Reserve (Fed) announced that interest rates will be held steady, as widely anticipated. Investors seemed more interested in the Federal Open Market Committee's (FOMC) take on inflation trends and the balance-sheet runoff that was outlined at June's meeting. The statement was little changed from the June edition, though there was some increased acknowledgment of weaker inflation (by the removal of the word "somewhat" from a statement about price growth running below 2%).
- Investors were also hoping for a clearer signal about when the Fed would begin its balance-sheet normalization efforts, though the statement disappointed in this regard. In place of a reference to normalization beginning "this year," the FOMC said the program would begin "relatively soon," but also hedged slightly by adding that the current reinvestment policy would be maintained "for the time being."
- Political headlines were very thick during the period. The Senate GOP's health care reform and tax reform were center stage. The Washington Post noted that White House officials may be preparing to push

Index Prices (\$)		
Index	07/28/17	12/31/16
Dow Jones Industrial Average	21,830.31	19,762.60
S&P 500 Index	2,472.10	2,238.83

Returns (%)				
U.S. Market Indexes Returns	One Week	MTD	YTD	3-Months
Dow Jones Industrial Average	1.17	2.39	11.96	4.92
S&P 500 Index	0.00	2.13	11.67	4.21
Russell 2000 Index	-0.45	1.03	6.07	2.40
Russell MidCap Index	-0.18	1.51	9.62	3.46
Bloomberg Barclays U.S. Aggregate Index	-0.21	0.43	2.72	1.10
Bloomberg Barclays High Yield Bond Index	0.21	1.10	6.08	2.12
United States 20-Year Treasury Bond	-1.54	-0.61	5.01	1.95
S&P/LSTA Senior Loan Index	0.21	0.73	2.17	0.98

S&P 500 Sector Returns	One Week	MTD	YTD	3-Months
Consumer Discretionary	0.32	1.94	13.15	1.85
Consumer Staples	0.37	0.66	8.74	1.20
Energy	1.90	2.27	-10.63	-1.39
Financials	0.48	1.09	8.05	6.29
Health Care	-1.26	0.90	17.11	6.43
Industrials	-0.62	0.20	9.72	3.12
Materials	-0.30	2.35	11.78	4.14
Technology	-0.62	4.89	22.97	6.54
Telecom	6.99	5.93	-5.44	1.83
Utilities	-0.46	2.06	10.99	3.51

U.S. Returns by Style					
One Week (%)		Year to Date (%)		3-Months (%)	
Large Value	0.2	Large Value	5.9	Large Value	2.7
Large Growth	-0.3	Large Growth	17.4	Large Growth	5.4
Mid Value	-0.2	Mid Value	6.5	Mid Value	2.5
Mid Growth	-0.2	Mid Growth	13.5	Mid Growth	4.6
Small Value	-0.2	Small Value	1.2	Small Value	1.0
Small Growth	-0.7	Small Growth	11.5	Small Growth	3.9

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	3-Months
Bloomberg Barclays Global Aggregate Bond Index	0.12	1.50	5.97	2.98
MSCI EAFE Index	0.23	2.61	17.21	6.36
MSCI United Kingdom Index	-0.12	2.00	12.24	4.66
MSCI Europe ex-U.K. Index	0.52	3.01	21.89	7.61
MSCI Japan Index	-0.32	1.71	11.99	5.91
MSCI AC Asia ex-Japan Index	0.37	4.86	28.90	11.23
MSCI Emerging Markets Index	0.29	5.71	25.37	10.03
JPM EMBI+ Emerging Markets Bond Index	-0.29	0.57	6.81	1.15
FTSE EPRA/NAREIT GRE Index	0.83	2.66	10.09	5.13

Source: FactSet

a targeted, short-term tax cut in the event that more comprehensive tax-reform legislation fails.

- Q2 GDP increased in line with expectations at a 2.6% annualized rate following the downwardly revised 1.2% growth seen in Q1 (was +1.4%). The report noted that the increase was influenced by positive contributions from personal consumption expenditures (PCE), nonresidential fixed investment, exports and federal government spending. The gains were partly offset by detractors from private residential fixed investment, private inventory investment and state and local government spending.

Bond Rates (%) as of:	07/28/17	07/21/17	12/31/16	04/28/17
U.S. Federal Funds Target Rate	1.25	1.25	0.75	1.00
U.S. Two-Year Treasury Yield	1.36	1.35	1.20	1.26
U.S. Ten-Year Treasury Yield	2.29	2.23	2.43	2.28
High Yield (Merrill U.S. Corporates)	5.14	5.17	5.72	5.39

Commodity Prices as of:	07/28/17	07/21/17	12/31/16	04/28/17
Gold (USD/oz)	1,268.40	1,254.90	1,151.70	1,268.30
Crude Oil (USD/bbl)	49.71	45.77	53.72	49.33
Gasoline (USD/gal)	2.50	2.47	2.43	2.61
Copper (NYM \$/lbs)	2.87	2.72	2.50	2.60

Exchange Rates as of:	07/28/17	07/21/17	12/31/16	04/28/17
\$ per €	1.17	1.17	1.05	1.09
\$ per £	1.31	1.30	1.24	1.29
¥ per \$	110.96	111.12	116.64	111.47

Index Definitions

Bloomberg 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.

Bloomberg 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.

Bloomberg 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.

This commentary has been prepared by Voya Investment Management for informational purposes. Nothing contained herein should be construed as (i) an offer to sell or solicitation of an offer to buy any security or (ii) a recommendation as to the advisability of investing in, purchasing or selling any security. Any opinions expressed herein reflect our judgment and are subject to change. Certain of the statements contained herein are statements of future expectations and other forward-looking statements that are based on management's current views and assumptions and involve known and unknown risks and uncertainties that could cause actual results, performance or events to differ materially from those expressed or implied in such statements. Actual results, performance or events may differ materially from those in such statements due to, without limitation, (1) general economic conditions, (2) performance of financial markets, (3) changes in laws and regulations and (4) changes in the policies of governments and/or regulatory authorities. The opinions, views and information expressed in this commentary regarding holdings are subject to change without notice. The information provided regarding holdings is not a recommendation to buy or sell any security. Fund holdings are fluid and are subject to daily change based on market conditions and other factors.

Past performance is no guarantee of future results.

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.

Economic Release Calendar

Monday, July 31	Tuesday, August 1	Wednesday, August 2	Thursday, August 3	Friday, August 4
CPI Core YoY (Jul A) Euro Zone Pending Home Sales MoM (Jun) U.S.	Markit/BME Germany Manufacturing PMI (Jul F) Germany Markit Eurozone Manufacturing PMI (Jul F) Euro Zone Personal Income (Jun) U.S. Personal Spending (Jun) U.S. Markit U.S. Manufacturing PMI (Jul F) U.S. ISM Employment (Jul) U.S.	PPI YoY (Jun) Euro Zone MBA Mortgage Applications (Jul 28) U.S.	Markit Germany Services PMI (Jul F) Germany Markit Eurozone Composite PMI (Jul F) Euro Zone Initial Jobless Claims (Jul 29) U.S. Continuing Claims (Jul 22) U.S.	Average Hourly Earnings YoY (Jul) U.S.

Source: Bloomberg

Earnings Announcements

Monday, July 31	Tuesday, August 1	Wednesday, August 2	Thursday, August 3	Friday, August 4
Alliance Holdings EZCORP Loews Nautilus Pandora Media	Allstate Delta Denny's Radian Group Thompson Reuters	Alamo BlackRock HubSpot MetLife Molson Coors	Clorox Dish Network Red Lion Hotels Shake Shack Wyndham Worldwide	Cigna Potbelly Royal Bank Scotland Sempra Energy

Source: Bloomberg

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Past performance is no guarantee of future results.

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 \$219 billion in assets for investors.¹

82% of our assets outperformed their benchmark or peer median on a 3-year basis.²

87% of our assets outperformed their benchmark or peer median on a 5-year basis.²

86% of the time our portfolios outperformed their benchmark on a rolling 3-year basis.³

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¹ As of 03/31/17, Voya IM assets of \$219 billion include proprietary insurance general account assets of \$89 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 \$213 billion. ² Metrics presented use pre-determined criteria to measure each individual investment product based on its ability to either A) rank above the median of its peer category; or B) outperform its benchmark index on a gross-of-fees basis. Generally speaking, the results for unconstrained, fully-active investment products were based on relevant peer category rankings while those of "enhanced index", rules-based, risk-constrained, or client-specific investment products were based on benchmark-relative performance. Metrics are calculated on an annualized basis and includes mutual funds as well as pooled and separately-managed institutional portfolios that fall within our traditional (long-only) commercial book of business that remain open as of 03/31/17. If terminated and other accounts had been included, results may have differed from that shown. ³ Metrics are based on observations of rolling 3-year annualized returns over the last 30 months, calculated on an annualized, gross-of-fees basis, and includes mutual funds as well as pooled and separately-managed institutional portfolios that fall within our traditional long-only commercial book of business that remain open as of 03/31/17. If terminated and other accounts had been included, results may have differed from that shown. Source of performance returns and peer medians is Voya Investment Management but is based in part on data from Morningstar (mutual funds) and eVestment (institutional composites). Further detailed information regarding these calculations is available upon request.

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