

Voya Global Perspectives

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As of August 11, 2017

Investment Weekly

Commentary and Statistics

- U.S. equities fell during a week of geopolitical tension with the S&P 500, Dow Jones and Nasdaq all posting a loss. Oil dipped and gold was up for the week. The 10-year U.S. Treasury yield closed at approximately 2.22%.
- Tensions with North Korea populated headlines during the period. A new round of harsher sanctions from the United Nations drew the support of China, North Korea's largest trading partner. In response to the latest developments, President Donald Trump told reporters that the country should refrain from threatening the U.S., saying that if North Korea escalates their nuclear threat, "they will be met with fire and fury like the world has never seen."
- June's JOLTS report showed total nonfarm job openings at 6.2M, the highest level since the inception of the series in December 2000. This was higher than the consensus for 5.6M and above May's upwardly revised level of 5.7M (was 5.7M). Hires and separations were little changed at 5.4M and 5.2M, respectively, and the quits rate remained at 2.1%.
- The National Federation of Independent Business (NFIB) said its index of small business optimism (which has been viewed as a proxy for the post-election "animal spirits" dynamic) increased to 105.2 in July from 103.6 in June, preserving the surge that started the day after the election.
- Inflation disappointed with the headline consumer price index (CPI) up 0.1% month-to-month in July following an unchanged reading in June, below consensus for a 0.2% increase. The year-over-year rate of growth pushed up to 1.7% from 1.6%, below the 1.8% consensus. Core CPI also increased 0.1% month-to-month in July following a 0.1% gain in the prior month, below the 0.2% consensus. This marked the fifth straight month of softer-than-expected core inflation.

Index Prices (\$)		
Index	08/11/17	12/31/16
Dow Jones Industrial Average	21,858.32	19,762.60
S&P 500 Index	2,441.32	2,238.83

Returns (%)				
U.S. Market Indexes Returns	One Week	MTD	YTD	3-Months
Dow Jones Industrial Average	-0.91	0.02	12.30	5.14
S&P 500 Index	-1.37	-1.06	10.40	2.47
Russell 2000 Index	-2.67	-3.52	2.04	-0.82
Russell MidCap Index	-1.94	-2.32	7.03	0.75
Bloomberg Barclays U.S. Aggregate Index	0.24	0.41	3.14	1.92
Bloomberg Barclays High Yield Bond Index	-0.75	-0.71	5.34	1.23
United States 20-Year Treasury Bond	1.19	2.21	7.25	5.66
S&P/LSTA Senior Loan Index	-0.15	-0.11	2.10	0.69

S&P 500 Sector Returns	One Week	MTD	YTD	3-Months
Consumer Discretionary	-1.31	-1.62	11.25	0.15
Consumer Staples	0.13	-0.38	8.24	0.87
Energy	-2.58	-3.78	-13.81	-5.16
Financials	-2.69	-1.48	7.12	4.86
Health Care	-1.14	-1.56	15.14	4.72
Industrials	-1.53	-0.59	8.93	1.88
Materials	-2.04	-2.04	8.64	1.95
Technology	-0.88	0.08	22.41	3.66
Telecom	-1.35	-1.83	-6.79	2.16
Utilities	-0.21	0.92	12.43	5.29

U.S. Returns by Style

One Week (%)		Year to Date (%)		3-Months (%)	
Large Value	Large Growth	Large Value	Large Growth	Large Value	Large Growth
-1.8	-1.1	4.3	16.3	1.2	3.4
Mid Value	Mid Growth	Mid Value	Mid Growth	Mid Value	Mid Growth
-2.1	-1.7	3.9	11.0	0.4	1.1
Small Value	Small Growth	Small Value	Small Growth	Small Value	Small Growth
-3.3	-2.0	-2.8	7.5	-1.9	0.3

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	0.57	0.56	6.76	4.56
MSCI EAFE Index	-1.48	-0.88	16.49	3.97
MSCI United Kingdom Index	-2.60	-1.82	10.82	1.07
MSCI Europe ex-U.K. Index	-2.10	-1.02	20.80	4.34
MSCI Japan Index	0.63	0.93	13.38	5.65
MSCI AC Asia ex-Japan Index	-2.61	-2.44	26.43	6.47
MSCI Emerging Markets Index	-2.24	-2.10	23.13	5.56
JPM EMBI+ Emerging Markets Bond Index	-0.25	0.20	7.11	1.49
FTSE EPRA/NAREIT GRE Index	-1.80	-1.80	8.13	3.51

Source: FactSet

- There continues to be market consensus that the Federal Reserve will make a September balance-sheet announcement, with dovish members suggesting such a move despite softer inflation trends. Chicago Fed President Charles Evans told Reuters that it would be “quite reasonable to begin” balance-sheet normalization at next month’s meeting, and reiterated that the runoff will have little impact on markets given it has been so well telegraphed.

Bond Rates (%) as of:	08/11/17	08/04/17	12/31/16	05/11/17
U.S. Federal Funds Target Rate	1.25	1.25	0.75	1.00
U.S. Two-Year Treasury Yield	1.30	1.36	1.20	1.34
U.S. Ten-Year Treasury Yield	2.19	2.27	2.43	2.40
High Yield (Merrill U.S. Corporates)	5.47	5.23	5.72	5.46

Commodity Prices as of:	08/11/17	08/04/17	12/31/16	05/11/17
Gold (USD/oz)	1,294.00	1,264.60	1,151.70	1,224.20
Crude Oil (USD/bbl)	48.82	49.58	53.72	47.83
Gasoline (USD/gal)	2.56	2.53	2.43	2.55
Copper (NYM \$/lbs)	2.91	2.89	2.50	2.50

Exchange Rates as of:	08/11/17	08/04/17	12/31/16	05/11/17
\$ per €	1.18	1.18	1.05	1.09
\$ per £	1.30	1.30	1.24	1.29
¥ per \$	109.15	110.89	116.64	113.71

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.

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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, August 14	Tuesday, August 15	Wednesday, August 16	Thursday, August 17	Friday, August 18
No Data	CPI YoY (Jul) U.K.	Jobless Claims Change (Jul) U.K.	CPI YoY (Jul F) Euro Zone	PPI YoY (Jul) Germany
	House Price Index YoY (Jun) U.K.	MBA Mortgage Applications (Aug 11) U.S.	Initial Jobless Claims (Aug 12) U.S.	Construction Output YoY (Jun) Euro Zone
	Import Price Index YoY (Jul) U.S.	Housing Starts MoM (Jul) U.S.	Continuing Claims (Aug 5) U.S.	U. of Mich. Sentiment (Aug P) U.S.
	Export Price Index YoY (Jul) U.S.	Building Permits MoM (Jul) U.S.		
		FOMC Meeting Minutes (Jul 26) U.S.		

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 \$224 billion in assets for investors.¹

84% of our assets outperformed their benchmark on a 5-year basis.²

87% of our assets outperformed their benchmark or peer median on a 5-year basis.³

85% of the time our portfolios outperformed their benchmark on a rolling 3-year basis.⁴

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¹ As of 06/30/17, Voya IM assets of \$224 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 \$217 billion. ² Above benchmark metrics are 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 remain open as of 06/30/17. If terminated and other non-discretionary and special purpose accounts had been included, results may have differed from that shown. ³ 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 06/30/17. If terminated and other accounts had been included, results may have differed from that shown. ⁴ 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 06/30/17. 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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