

Voya Global Perspectives

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As of July 29, 2016

Investment Weekly

Commentary and Statistics

- Stocks were mostly up following a volatile week that included disappointing advance U.S. gross domestic product (GDP) data combined with mixed global economic signals. Oil prices were down after tumbling to a 21-day low midweek. Gold experienced gains after the Federal Reserve's (Fed) announcement to hold rates. The 10-year U.S. Treasury yield closed lower for the period.
- With 63% of S&P 500 companies having reported first quarter results, 71% have beaten earnings expectations while 57% have beaten sales expectations. According to FactSet, the second quarter blended earnings decline stands at -3.8%, compared to the July 1 forecast of -5.3%. If the index reports negative earnings growth for the quarter, it will mark the fifth consecutive quarter of decline, the first such string since 3Q08–3Q09. Sprint, Jet Blue Airways and Apple impressed this week; McDonald's, Twitter and Ford were among the disappointments.
- Advance 2Q16 U.S. GDP data estimated weak growth at an annualized rate of 1.2%. U.S. GDP for 1Q16 was revised down to 0.8% from 1.1%.
- The Conference Board's U.S. consumer confidence slipped to 97.3 in July from a downwardly revised 97.4 in June, but came in better than the 96.0 consensus. The University of Michigan consumer-sentiment index also fell from 93.5 in June to 90.0 in July.
- Weekly initial jobless claims continued their long sub-300,000 streak, coming in just above consensus at 266,000, a slight uptick from last week's downwardly revised 252,000 level. The four-week moving average ticked down to 256,500 from the prior week's downwardly revised 257,500.

Index Prices (\$)		
Index	07/29/2016	12/31/2015
Dow Jones Industrial Average	18,432.24	17,425.03
S&P 500 Index	2,173.60	2,043.94

Returns (%)				
U.S. Market Indexes Returns	One Week	MTD	YTD	One Year
Dow Jones Industrial Average	-0.75	2.94	7.38	6.64
S&P 500 Index	-0.05	3.69	7.66	5.39
Russell 2000 Index	0.59	5.97	8.32	0.75
Russell MidCap Index	0.50	4.57	10.31	4.59
Barclays U.S. Aggregate Index	0.48	0.63	5.98	6.29
Barclays High Yield Bond Index	-0.34	2.70	12.01	5.28
United States 20-Year Treasury Bond	2.06	2.43	18.64	20.09
S&P/LSTA Senior Loan Index	-0.01	1.62	7.07	2.65

S&P 500 Sector Returns	One Week	MTD	YTD	One Year
Consumer Discretionary	-0.02	4.56	5.26	4.17
Consumer Staples	-1.44	-0.71	9.67	11.39
Energy	-2.05	-1.93	13.86	-1.23
Financials	-0.08	3.55	0.39	-4.14
Health Care	0.33	4.94	5.38	0.34
Industrials	-0.52	3.40	10.08	10.28
Materials	0.12	5.10	12.94	8.61
Technology	1.56	7.89	7.55	9.39
Telecom	-0.60	1.01	26.11	26.95
Utilities	-1.14	-0.69	22.56	25.24

U.S. Returns by Style					
One Week (%)		Year to Date (%)		One Year (%)	
Large Value	Large Growth	Large Value	Large Growth	Large Value	Large Growth
-0.3	0.4	9.4	6.1	4.9	4.5
Mid Value	Mid Growth	Mid Value	Mid Growth	Mid Value	Mid Growth
0.4	0.6	13.5	7.2	7.9	1.4
Small Value	Small Growth	Small Value	Small Growth	Small Value	Small Growth
0.3	0.9	11.8	4.8	5.9	-4.2

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	1.74	0.75	9.78	9.77
MSCI EAFE Index	2.38	5.08	0.83	-6.17
MSCI United Kingdom Index	1.47	2.77	-0.34	-10.56
MSCI Europe ex-U.K. Index	2.53	4.83	-0.73	-8.38
MSCI Japan Index	3.20	6.48	0.73	-1.61
MSCI AC Asia ex-Japan Index	0.29	4.89	7.33	-1.14
MSCI Emerging Markets Index	0.52	5.09	12.02	-0.18
JPM EMBI+ Emerging Markets Bond Index	-0.23	1.56	12.62	12.20
NAREIT Global Real Estate Index	1.48	5.03	14.30	13.82

Source: FactSet

- New U.S. single-family home purchases rose 10.1% during the first half of 2016, compared to the same period in 2015. Sales rose 3.5% comparing June 2016 to May 2016 - the strongest monthly sales statistic since February 2008. Meanwhile, British mortgage approvals fell in June reaching their lowest level since May 2015.
- The Fed announced that while it will presently hold interest rates, contingent on the labor market and overall strength of the economy, a September hike is not off the table. According to their statement, "... economic activity has been expanding at a moderate rate."

Bond Rates (%) as of:	07/29/2016	07/22/2016	12/31/2015	07/29/2015
U.S. Federal Funds Target Rate	0.50	0.50	0.50	0.25
U.S. Two-Year Treasury Yield	0.67	0.71	1.06	0.71
U.S. Ten-Year Treasury Yield	1.46	1.57	2.28	2.27
High Yield (Merrill U.S. Corporates)	5.89	5.76	7.24	6.26

Commodity Prices as of:	07/29/2016	07/22/2016	12/31/2015	07/29/2015
Gold (USD/oz)	1,357.50	1,323.40	1,060.20	1,092.60
Crude Oil (USD/bbl)	41.60	44.19	37.04	48.79
Gasoline (USD/gal)	2.34	2.40	2.24	3.04
Copper (NYM \$/lbs)	2.22	2.23	2.13	2.41

Exchange Rates as of:	07/29/2016	07/22/2016	12/31/2015	07/29/2015
\$ per €	1.12	1.10	1.09	1.10
\$ per £	1.33	1.31	1.47	1.57
¥ per \$	102.49	106.27	120.30	123.82

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, August 1	Tuesday, August 2	Wednesday, August 3	Thursday, August 4	Friday, August 5
Markit Eurozone Manufacturing PMI (Jul) Euro Zone Markit U.S. Manufacturing PMI (Jul) U.S.	Personal Income (Jun) U.S. Caixin China PMI Composite (Jul) China	Markit Eurozone Services PMI (Jul) Euro Zone Retail Sales YoY (Jun) Euro Zone Markit US Composite PMI (Jul) U.S.	Markit Eurozone Retail PMI (Jul) Euro Zone Bank of England Bank Rate U.K. Initial Jobless Claims U.S. Bloomberg Consumer Comfort U.S. Durable Goods Orders (Jun) U.S.	Change in Private Payrolls (Jul) U.S. Unemployment Rate (Jul) U.S. Labor Force Participation Rate (Jul) U.S.

Source: Bloomberg

Earnings Announcements

Monday, August 1	Tuesday, August 2	Wednesday, August 3	Thursday, August 4	Friday, August 5
AMC Entertainment Loews Corporation	Aetna Avis Budget Group CVS Etsy Ferrarri Molson Coors Pfizer Procter & Gamble Royal Caribbean	Clorox GoDaddy Marathon Oil MetLife Noble Energy Prudential Rio Tinto Tesla Motors	Apache Kellogg Motorola Nokia Starwood Viacom	Cognizant Technology Royal Bank of Scotland Virgin America

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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