

Voya Global Perspectives

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As of December 2, 2016

Investment Weekly

Commentary and Statistics

- U.S. equity markets cooled off after their recent, post-election rally while oil prices rocketed off the back of an OPEC output deal. The S&P 500, Dow Jones and Nasdaq were relatively flat during the period, oil finished up gaining over 12%. Gold was slightly down, impacted by persistent monetary policy speculation, and the 10-year U.S. Treasury note yield ended the week at approximately 2.39%.
- Oil rallied after OPEC voted to implement a production cut for the first time in eight years.
- A 15-session streak of gains by the Russell 2000 Index, the longest such run since 1996, came to an end during the period – the index was down for the week.
- Data from the National Retail Federation (NRF) suggests some 154 million people shopped over the Thanksgiving weekend. While this number was up from 151 million in 2015, the NRF noted that average spending per person declined to \$289.19 from last year's \$299.60.
- Stronger U.S. growth is trumping most other market concerns for now, including the Italian referendum “no” vote which may open the door for another European anti-establishment movement.
- Robust U.S. economic data including a stronger than expected revision to 3Q U.S. gross domestic product (GDP) growth; a significant drop in the unemployment rate; and new post-recession highs in consumer confidence support the increasing expectation of a December rate hike.
- 3Q 2016 GDP growth was revised up to a 3.2% annualized rate from an initial estimate of 2.9%. This was ahead of the 3.0% consensus and the fastest pace in three years. Unemployment fell to 4.6% in November, a nine-year low. Consumer confidence for November jumped to 107.1, ahead of the 101.1 consensus and up from 98.6 in October. The reading was the highest since July 2007.

Index Prices (\$)		
Index	12/02/2016	12/31/2015
Dow Jones Industrial Average	19,170.42	17,425.03
S&P 500 Index	2,191.95	2,043.94

Returns (%)				
U.S. Market Indexes Returns	One Week	MTD	YTD	3-Months
Dow Jones Industrial Average	0.22	6.15	12.90	4.35
S&P 500 Index	-0.91	3.38	9.45	1.09
Russell 2000 Index	-2.40	10.48	17.29	5.38
Russell MidCap Index	-1.19	4.96	12.06	1.13
Barclays U.S. Aggregate Index	0.08	-2.45	2.41	-3.11
Barclays High Yield Bond Index	0.37	-0.38	15.12	0.66
United States 20-Year Treasury Bond	-0.72	-8.38	1.26	-13.17
S&P/LSTA Senior Loan Index	0.27	0.29	9.59	1.50

S&P 500 Sector Returns	One Week	MTD	YTD	3-Months
Consumer Discretionary	-1.88	4.21	5.47	1.12
Consumer Staples	-1.26	-4.27	2.16	-7.07
Energy	2.64	8.82	25.43	8.21
Financials	0.92	14.74	19.02	14.09
Health Care	-1.56	1.50	-3.83	-5.46
Industrials	0.07	9.63	19.10	6.81
Materials	0.72	6.88	16.58	2.11
Technology	-2.90	-2.16	10.01	-0.55
Telecom	-1.69	3.55	14.15	-4.58
Utilities	-0.87	-5.39	10.82	-4.97

U.S. Returns by Style					
One Week (%)		Year to Date (%)		3-Months (%)	
Large Value	Large Growth	Large Value	Large Growth	Large Value	Large Growth
-0.1	-1.9	14.6	4.9	3.5	-1.2
Mid Value	Mid Growth	Mid Value	Mid Growth	Mid Value	Mid Growth
-0.1	-2.5	18.0	5.9	3.5	-1.7
Small Value	Small Growth	Small Value	Small Growth	Small Value	Small Growth
-1.1	-3.8	26.4	8.5	9.5	1.2

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	3-Months
Barclays Global Aggregate Bond Index	0.22	-3.82	2.72	-5.77
MSCI EAFE Index	-0.22	-1.92	-1.80	-4.09
MSCI United Kingdom Index	0.17	0.99	-3.40	-6.41
MSCI Europe ex-U.K. Index	-0.52	-3.73	-5.66	-6.92
MSCI Japan Index	0.25	-1.63	2.54	1.22
MSCI AC Asia ex-Japan Index	-0.04	-3.76	6.93	-3.99
MSCI Emerging Markets Index	-0.29	-5.67	10.03	-4.90
JPM EMBI+ Emerging Markets Bond Index	-0.35	-4.63	8.10	-5.60
NAREIT Global Real Estate Index	0.18	-3.56	1.32	-9.93

Source: FactSet

- Year over year Consumer Price Index (CPI) data in the euro zone was flat with a November reading of 0.6% compared to 0.5% in November 2015, in line with the forecast. The preliminary CPI for Germany measured 0.8% in 2016 compared to 0.8% in November 2015, also in line with forecasts.

Bond Rates (%) as of:	12/02/2016	11/25/2016	12/31/2015	09/02/2016
U.S. Federal Funds Target Rate	0.50	0.50	0.50	0.50
U.S. Two-Year Treasury Yield	1.11	1.14	1.06	0.80
U.S. Ten-Year Treasury Yield	2.39	2.37	2.28	1.60
High Yield (Merrill U.S. Corporates)	6.05	5.99	7.24	5.55

Commodity Prices as of:	12/02/2016	11/25/2016	12/31/2015	09/02/2016
Gold (USD/oz)	1,175.10	1,178.40	1,060.20	1,326.70
Crude Oil (USD/bbl)	51.68	46.06	37.04	44.44
Gasoline (USD/gal)	2.31	2.32	2.23	2.34
Copper (NYM \$/lbs)	2.62	2.67	2.13	2.07

Exchange Rates as of:	12/02/2016	11/25/2016	12/31/2015	9/02/2016
\$ per €	1.07	1.06	1.09	1.12
\$ per £	1.27	1.25	1.47	1.33
¥ per \$	113.81	113.00	120.30	104.16

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, December 5	Tuesday, December 6	Wednesday, December 7	Thursday, December 8	Friday, December 9
Markit Eurozone Services PMI (Nov F) Euro Zone Sentix Investor Confidence (Dec) Euro Zone Retail Sales YoY (Oct) Euro Zone Markit US Services PMI (Nov F) U.S. Markit US Composite PMI (Nov F) U.S.	No Data	Halifax House Price 3Mths/Year (Nov) U.K. Industrial Production YoY (Oct) U.K. JOLTS Job Openings (Oct) U.S. Consumer Credit (Oct) U.S. Exports YoY (Nov) China Imports YoY (Nov) China	CPI YoY (Nov) China	Trade Balance (Oct) Euro Zone Trade Balance (Oct) U.S. U. of Mich. Sentiment (Dec P) U.S.

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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 \$221 billion in assets for investors.¹

85% of our assets outperformed their benchmark or peer median on a 5-year basis.²

83% of our assets outperformed their benchmark on a 5-year basis.³

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

Past performance does not guarantee future results.

¹ As of 09/30/16, Voya IM assets of \$221 billion include proprietary insurance general account assets of \$93 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 \$208 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 09/30/16. If terminated and other accounts had been included, results may have differed from that shown. ³ 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 09/30/16. If terminated and other non-discretionary and special purpose 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 09/30/16. 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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