

Voya Global Perspectives

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As of February 17, 2017

Investment Weekly

Commentary and Statistics

- It was a strong week for U.S. equities with the Nasdaq, Dow Jones and S&P 500 all experiencing gains and the latter two breaking records. Oil prices dipped and gold was slightly up. The 10-year U.S. Treasury yield closed at approximately 2.42%.
- With 82% of S&P 500 companies having reported fourth quarter results, 66% have beaten earnings expectations while 53% have beaten sales expectations. According to FactSet, the fourth quarter blended earnings growth rate for the S&P 500 is 4.6%. If the index reports earnings growth for the quarter, it will mark the first time the index has recorded year-over-year earnings growth for two consecutive quarters since Q4 2014 and Q1 2015. Groupon, Procter & Gamble and Southwest airlines impressed this week; Avis, Dean Foods and GNC were among the disappointments.
- Federal Reserve Chair Janet Yellen said that incoming data suggests labor market conditions continue to tighten and inflation may move up to 2%, consistent with their expectations. She added that the Fed will evaluate whether employment and inflation are continuing to evolve in line with these expectations at upcoming meetings.
- Atlanta Fed President Dennis Lockhart said there is no urgent need for the Fed to hike rates as it evaluates how the Trump administration's policies impact the economy. He said he was agnostic about whether the economy would likely warrant two or three rate hikes this year, but that in either case he didn't really see a compelling reason to move ahead in March.
- President Donald Trump spoke about tax reform again during the period. He said that a "massive tax plan" would be unveiled in the "not-too-distant future". He added that his plan would lower rates "substantially" for individuals and businesses. However, details are yet to be released.

Index Prices (\$)		
Index	02/17/17	12/31/16
Dow Jones Industrial Average	20,624.05	19,762.60
S&P 500 Index	2,351.16	2,238.83

Returns (%)				
U.S. Market Indexes Returns	One Week	MTD	YTD	3-Months
Dow Jones Industrial Average	1.88	4.13	4.77	9.98
S&P 500 Index	1.60	3.36	5.32	8.31
Russell 2000 Index	0.82	2.86	3.27	6.75
Russell MidCap Index	0.84	2.74	5.22	7.66
Bloomberg Barclays U.S. Aggregate Index	-0.02	0.24	0.44	0.55
Bloomberg Barclays High Yield Bond Index	0.20	0.74	2.20	4.90
United States 20-Year Treasury Bond	-0.40	0.33	0.74	0.12
S&P/LSTA Senior Loan Index	0.16	0.11	0.46	2.15

S&P 500 Sector Returns	One Week	MTD	YTD	3-Months
Consumer Discretionary	1.07	2.16	6.49	7.42
Consumer Staples	1.74	3.67	5.38	8.87
Energy	-1.81	-1.54	-5.08	1.14
Financials	2.98	5.02	5.26	10.95
Health Care	2.59	4.61	6.96	6.19
Industrials	1.84	3.91	5.38	7.64
Materials	0.37	0.66	5.32	9.09
Technology	1.89	4.79	9.41	11.10
Telecom	0.25	-1.05	-3.50	7.45
Utilities	0.58	0.79	2.05	8.21

U.S. Returns by Style					
One Week (%)		Year to Date (%)		3-Months (%)	
Large Value	1.5	Large Value	3.8	Large Value	7.9
Large Growth	1.5	Large Growth	7.1	Large Growth	8.8
Mid Value	0.9	Mid Value	4.3	Mid Value	8.1
Mid Growth	0.7	Mid Growth	6.4	Mid Growth	7.1
Small Value	0.7	Small Value	1.7	Small Value	7.6
Small Growth	0.9	Small Growth	5.0	Small Growth	5.9

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	0.15	-0.23	0.89	0.21
MSCI EAFE Index	0.86	1.43	4.37	7.81
MSCI United Kingdom Index	0.53	2.05	3.37	8.18
MSCI Europe ex-U.K. Index	1.07	0.86	3.29	8.80
MSCI Japan Index	0.30	0.95	4.71	4.81
MSCI AC Asia ex-Japan Index	0.94	2.99	9.38	9.33
MSCI Emerging Markets Index	0.97	3.32	8.98	11.34
JPM EMBI+ Emerging Markets Bond Index	-0.17	1.18	2.63	4.17
FTSE EPRA/NAREIT GRE Index	0.16	2.07	3.17	8.04

Source: FactSet

- Initial jobless claims remained impressive, coming in at 239K in the latest week. This compares to the prior week of 234K, and better than the 245K consensus estimate. It is the sixth week out of the past seven coming in below 250K.
- The NFIB small business index rose to 105.9 in January from 105.8 in December, the highest level since December 2004.

Bond Rates (%) as of:	02/17/17	02/10/17	12/31/16	11/18/16
U.S. Federal Funds Target Rate	0.75	0.75	0.75	0.50
U.S. Two-Year Treasury Yield	1.20	1.20	1.20	1.06
U.S. Ten-Year Treasury Yield	2.42	2.41	2.43	2.34
High Yield (Merrill U.S. Corporates)	5.58	5.60	5.72	6.09

Commodity Prices as of:	02/17/17	02/10/17	12/31/16	11/18/16
Gold (USD/oz)	1,239.10	1,235.90	1,151.70	1,208.70
Crude Oil (USD/bbl)	53.78	53.86	53.72	46.36
Gasoline (USD/gal)	2.47	2.45	2.43	2.35
Copper (NYM \$/lbs)	2.71	2.76	2.50	2.46

Exchange Rates as of:	02/17/17	02/10/17	12/31/16	11/18/16
\$ per €	1.06	1.06	1.05	1.06
\$ per £	1.24	1.25	1.24	1.23
¥ per \$	112.83	113.59	116.64	110.66

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, February 20	Tuesday, February 21	Wednesday, February 22	Thursday, February 23	Friday, February 24
No Data	Markit Germany Services PMI (Feb P) Germany Markit Eurozone Services PMI (Feb P) Euro Zone Markit US Manufacturing PMI (Feb P) U.S. Markit US Services PMI (Feb P) U.S.	GDP YoY (4Q P) U.K. Exports QoQ (4Q P) U.K. Imports QoQ (4Q P) U.K. Existing Home Sales MoM (Jan) U.S. FOMC Meeting Minutes U.S.	Exports QoQ (4Q) Germany Imports QoQ (4Q) Germany Initial Jobless Claims (Feb 18) U.S. Continuing Claims (Feb 11) U.S.	New Home Sales (Jan) U.S. New Home Sales MoM (Jan) U.S. U. of Mich. Sentiment (Feb F) U.S.

Source: Bloomberg

Earnings Announcements

Monday, February 20	Tuesday, February 21	Wednesday, February 22	Thursday, February 23	Friday, February 24
Nordson United Insurance Holdings	Cracker Barrel HSBC Holdings Intercontinental Hotels Macy's Wal-Mart Stores	DISH Network Fitbit ONE Gas Sunoco Tesla	AAON Baidu Barclays Gap Hewlett Packard	Cabot Oil & Gas Coca Cola Femsa Foot Locker J.C. Penney

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 \$217 billion in assets for investors.¹

85% of our assets outperformed their benchmark or peer median on a 3-year basis.²

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

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

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¹ As of 12/31/16, Voya IM assets of \$217 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 \$211 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 12/31/16. 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 12/31/16. 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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