

Voya Global Perspectives

Markets. Insights. Opportunities.®

As of June 29, 2018

Investment Weekly

Commentary and Statistics

- Stocks were down again for the week, but late Friday rallies kept the major indexes on track for quarterly gains. Markets rose after the Trump administration backed down from imposing new restrictions on Chinese investment in the United States, easing fears of an all-out trade war.
- Oil prices gained as summer demand picked up and supply tightened. Gold prices declined in response to U.S. dollar gains, but rose Friday on news of higher inflation. The 10-year U.S. Treasury yield rose and fell during the week as investors moved in and out of stocks, ending near 2.85%.
- Core personal-consumption expenditures, excluding food and energy, rose 2% year-over-year in May. This key gauge of inflation hit the Federal Reserve's target for the first time in six years, an indicator that the economy is on a solid footing after a long period of slow growth.
- Consumer confidence declined in June after improving in May, according to the Conference Board. The assessment of current conditions remained upbeat but optimism about the short-term outlook eased. Separately, the University of Michigan reported that American households expect higher inflation in the coming months and years. The expectation for inflation in five to ten years rose in June to 2.6%.
- The Commerce Department reported its first reading on first-quarter GDP, up 2.3%, vs 2.0% expected. Against the backdrop of a tightening labor market and large fiscal stimulus, most observers expect the first-quarter slowdown to prove temporary.
- The Chicago Fed National Activity Index dropped to -0.15 in May 2018 from an upwardly revised 0.42 in the previous month, and below market expectations of 0.09. Production- and housing-related

Index Prices (\$)		
Index	06/29/18	12/31/17
Dow Jones Industrial Average	24,271.41	24,652.00
S&P 500 Index	2,718.37	2,676.00

Returns (%)				
U.S. Market Indexes Returns	One Week	MTD	YTD	3-Months
Dow Jones Industrial Average	-1.26	-0.49	-0.73	1.26
S&P 500 Index	-1.31	0.62	2.65	3.43
Russell 2000 Index	-2.46	0.72	7.66	7.75
Russell MidCap Index	-1.59	0.69	2.35	2.82
Bloomberg Barclays U.S. Aggregate Index	0.34	-0.12	-1.62	-0.16
Bloomberg Barclays High Yield Bond Index	-0.53	0.40	0.16	1.03
United States 20-Year Treasury Bond	1.09	0.19	-3.02	0.35
S&P/LSTA Senior Loan Index	-0.21	0.00	1.85	0.44

S&P 500 Sector Returns	One Week	MTD	YTD	3-Months
Consumer Discretionary	-1.87	3.61	11.52	8.17
Consumer Staples	-0.23	4.50	-8.55	-1.54
Energy	1.03	0.71	6.81	13.48
Financials	-1.91	-1.92	-4.09	-3.16
Health Care	-1.77	1.63	1.83	3.09
Industrials	-1.32	-3.31	-4.69	-3.18
Materials	-0.74	0.34	-3.08	2.58
Real Estate	1.23	4.44	0.81	6.13
Technology	-2.19	-0.35	10.87	7.09
Telecom	1.18	2.37	-8.35	-0.94
Utilities	2.32	2.77	0.32	3.74

U.S. Returns by Style

One Week (%)		Year to Date (%)		3-Months (%)	
Large Value	Large Growth	Large Value	Large Growth	Large Value	Large Growth
-1.0	-1.7	-1.7	7.3	1.2	5.8
Mid Value	Mid Growth	Mid Value	Mid Growth	Mid Value	Mid Growth
-1.0	-2.4	-0.2	5.4	2.4	3.2
Small Value	Small Growth	Small Value	Small Growth	Small Value	Small Growth
-2.1	-2.8	5.4	9.7	8.3	7.2

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
Bloomberg Barclays Global Aggregate Bond Index	0.15	-0.44	-1.46	-2.79
MSCI EAFE Index	-1.03	-1.19	-2.37	-0.80
MSCI United Kingdom Index	-0.95	-0.96	-1.01	2.96
MSCI Europe ex-U.K. Index	-0.92	-0.51	-3.37	-2.31
MSCI Japan Index	-1.42	-2.50	-1.85	-2.12
MSCI AC Asia ex-Japan Index	-2.12	-4.74	-4.65	-5.15
MSCI Emerging Markets Index	-1.41	-4.09	-6.51	-7.73
JPM EMBI+ Emerging Markets Bond Index	-0.32	-1.00	-5.23	-3.51
FTSE EPRA/NAREIT GRE Index	-0.59	0.60	-0.01	3.52

Source: FactSet

indicators dragged the index down. By contrast, employment-related indicators were upbeat.

- The National Association of Realtors said its pending home sales index slipped 0.5% in May to 105.9, the second straight monthly decline. The Association noted that a shortage of properties on the market held sales back. The number of homes on the market has dropped 6.1 percent over the past year to 1.85 million. On a yearly basis, pending home sales have fallen 2.2% percent.

Bond Rates (%) as of:	06/29/18	06/22/18	12/31/17	03/29/18
U.S. Federal Funds Target Rate	2.00	2.00	1.50	1.75
U.S. Two-Year Treasury Yield	2.53	2.55	1.89	2.28
U.S. Ten-Year Treasury Yield	2.85	2.90	2.41	2.74
U.S. 30-Year Treasury Yield	2.98	3.04	2.74	2.97
High Yield (Merrill U.S. Corporates)	6.52	6.36	5.59	6.25

Commodity Prices as of:	06/29/18	06/22/18	12/31/17	03/29/18
Gold (USD/oz)	1,254.50	1,270.70	1,309.30	1,327.30
Crude Oil (USD/bbl)	74.15	68.58	60.42	64.94
Gasoline (USD/gal)	3.02	3.06	2.66	2.87
Copper (NYM \$/lbs)	2.95	3.03	3.28	3.02

Exchange Rates as of:	06/29/18	06/22/18	12/31/17	03/29/18
\$ per €	1.17	1.16	1.20	1.23
\$ per £	1.32	1.33	1.35	1.40
¥ per \$	110.77	109.90	112.65	106.35

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 2	Tuesday, July 3	Wednesday, July 4	Thursday, July 5	Friday, July 6
PPI (May) Euro Zone	Wards Total Vehicle Sales (Jun) U.S.	Markit Eurozone Composite PMI (Jun) Euro Zone	Markit Eurozone Retail PMI (Jun) Euro Zone	Coincident Index (May) Japan
Unemployment Rate (May) Euro Zone	Retail Sales (May) Euro Zone	Markit/CIPS UK Composite PMI (Jun) U.K.	Markit US Composite PMI (Jun) U.S.	Halifax House Prices (Jun) U.K.
Construction Spending (May) U.S.	Durable Goods Orders (May) U.S.		FOMC Meeting Minutes U.S.	Change in Nonfarm Payrolls (Jun) U.S.
ISM Manufacturing (Jun) U.S.	Nikkei Japan PMI Composite (Jun) Japan		Household Spending (May) Japan	Unemployment Rate (Jun) U.S.
	Caixin China PMI Composite (Jun) China			Average Hourly Earnings (Jun) 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 \$227 billion in assets for investors.¹



79% 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 5-year basis.³

87% of the time our portfolios outperformed their benchmark on a rolling 7-year basis.³

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¹As of 03/31/18. Voya Investment Management assets are calculated on a market value basis and include proprietary insurance general account assets of \$87 billion. ²Metrics 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 03/31/18. 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. ³Metrics are based on observations of rolling 5-year or 7-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 03/31/18. 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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