

# Voya Global Perspectives

Markets. Insights. Opportunities.®

As of July 1, 2016

## Investment Weekly

### Commentary and Statistics

- Global stocks began the week in retrenchment, driven by Brexit risk-off sentiment, but found their footing by mid-week. Markets around the globe finished the week in the black, and some of the major indexes turned positive year to date. The pound further declined against the U.S. dollar. Gold slipped early in the week but rallied to post gains by Friday. The ten-year U.S. Treasury yield dipped below 1.4% before closing at about 1.5%. Oil prices got a boost from lower supply.
- Personal income climbed 0.2% in May. Wages and salaries advanced 0.2%, suggesting the labor market remains stable despite disappointing employment figures.
- U.S. personal spending rose 0.4% in May following a 1.1% rise in April, the fastest rate in nearly seven years. The rebound prompted economists to upgrade estimates of second quarter GDP by as much as 0.3%.
- U.S. home prices rose 5.0% YoY in April, compared to 5.1% in March. U.S. pending home sales fell 3.7% in May, cancelling out a sharp rise in April to land near the March reading. The decline was attributed to high prices as a result of limited supply and tight mortgage lending standards.
- U.S. automakers were on track to set another annual sales record. WardAuto.com forecast an annualized selling rate of 17.3 million vehicles in June, slower than May but ahead of average monthly sales YTD.
- Inflation remained muted, below the Federal Reserve's 2% YoY target. Core personal consumption expenditures, one of the Fed's preferred inflation gauges, rose 0.2% in May.
- The ISM reported its index of manufacturing activity rose to 53.2 in June from 51.3 in May, the highest level in 16 months and a sign of strength entering the second half of the year.

Index Prices (\$)		
Index	07/01/2016	12/31/2015
Dow Jones Industrial Average	17,949.37	17,425.03
S&P 500 Index	2,102.95	2,043.94

Returns (%)				
U.S. Market Indexes Returns	One Week	MTD	YTD	One Year
Dow Jones Industrial Average	3.18	0.13	4.45	3.77
S&P 500 Index	3.27	0.21	4.06	3.47
Russell 2000 Index	2.67	0.42	2.65	-6.52
Russell MidCap Index	3.10	0.30	5.81	0.33
Barclays U.S. Aggregate Index	0.76	0.21	5.53	6.63
Barclays High Yield Bond Index	0.57	0.39	9.49	1.80
United States 20-Year Treasury Bond	3.33	1.17	17.17	23.65
S&P/LSTA Senior Loan Index	0.42	0.12	5.48	0.71

S&P 500 Sector Returns	One Week	MTD	YTD	One Year
Consumer Discretionary	3.38	0.92	1.61	3.62
Consumer Staples	3.46	-0.31	10.12	16.91
Energy	3.43	0.47	16.65	-2.19
Financials	3.11	-0.46	-3.49	-5.87
Health Care	4.04	0.58	1.00	-2.32
Industrials	3.57	0.38	6.86	7.03
Materials	0.73	0.06	7.52	-2.47
Technology	2.54	0.14	-0.17	4.24
Telecom	4.11	0.67	25.68	25.34
Utilities	4.17	-0.05	23.35	30.64

#### U.S. Returns by Style

One Week (%)		Year to Date (%)		One Year (%)	
Large Value	Large Growth	Large Value	Large Growth	Large Value	Large Growth
3.3	3.2	6.4	1.7	2.4	2.6
Mid Value	Mid Growth	Mid Value	Mid Growth	Mid Value	Mid Growth
3.1	3.1	9.2	2.4	3.0	-2.4
Small Value	Small Growth	Small Value	Small Growth	Small Value	Small Growth
2.4	2.9	6.5	-1.1	-2.5	-10.5

**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	0.77	0.26	9.25	9.69
MSCI EAFE Index	3.48	0.76	-3.31	-9.71
MSCI United Kingdom Index	4.41	0.35	-2.68	-12.40
MSCI Europe ex-U.K. Index	3.23	1.15	-4.21	-10.19
MSCI Japan Index	3.52	0.57	-4.87	-7.92
MSCI AC Asia ex-Japan Index	4.30	0.56	2.89	-11.53
MSCI Emerging Markets Index	4.50	0.62	7.26	-11.15
JPM EMBI+ Emerging Markets Bond Index	2.26	0.59	11.55	10.84
NAREIT Global Real Estate Index	4.29	0.28	9.14	9.75

Source: FactSet

- U.S. GDP increased at an annual rate of 1.1% in 1Q16, according to the BEA's third estimate, which was revised up from 0.8%. The revision was due to exports increasing rather than decreasing, as previously estimated.
- The U.S. trade balance for May stood at minus \$60.5 billion dollars, subject to revision. The trade gap has widened for three consecutive months to total minus \$239 billion YTD.

Bond Rates (%) as of:	07/01/2016	06/24/2016	12/31/2015	07/01/2015
U.S. Federal Funds Target Rate	0.50	0.50	0.50	0.25
U.S. Two-Year Treasury Yield	0.60	0.65	1.06	0.69
U.S. Ten-Year Treasury Yield	1.46	1.58	2.28	2.42
High Yield (Merrill U.S. Corporates)	6.32	6.61	7.24	6.12

Commodity Prices as of:	07/01/2016	06/24/2016	12/31/2015	07/01/2015
Gold (USD/oz)	1,339.00	1,322.40	1,060.20	1,169.30
Crude Oil (USD/bbl)	48.99	47.64	37.04	56.96
Gasoline (USD/gal)	2.50	2.48	2.24	3.04
Copper (NYM \$/lbs)	2.22	2.11	2.13	2.64

Exchange Rates as of:	07/01/2016	06/24/2016	12/31/2015	07/01/2015
\$ per €	1.11	1.11	1.09	1.11
\$ per £	1.33	1.36	1.47	1.56
¥ per \$	102.67	102.17	120.30	122.95

## 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, July 4	Tuesday, July 5	Wednesday, July 6	Thursday, July 7	Friday, July 8
<b>Investor Confidence (Jul)</b> Euro Zone	<b>Composite PMI (Jun)</b> Euro Zone	<b>Composite PMI (Jun)</b> U.S.	<b>Foreign Reserves (Jun)</b> China	<b>Change in Nonfarm Payrolls (Jun)</b> U.S.
<b>PI (May)</b> Euro Zone	<b>Composite PMI (Jun)</b> U.K.	<b>FOMC June Meeting Minutes</b> U.S.	<b>Leading &amp; Coincident Indexes (May)</b> Japan	<b>Unemployment Rate (Jun)</b> U.S.
<b>Composite PMI (Jun)</b> China	<b>Retail Sales (May)</b> Euro Zone		<b>Halifax House Prices (Jun)</b> U.K.	<b>Average Hourly Earnings (Jun)</b> U.S.
<b>Composite PMI (Jun)</b> Japan	<b>Durable Goods Orders (May)</b> U.S.		<b>Mfg Production (May)</b> U.K.	<b>Labor Force Participation (Jun)</b> U.S.
	<b>BRC Shop Price Index (Jun)</b> U.K.		<b>NIESR GDP Estimate (Jun)</b> U.K.	<b>Consumer Credit (May)</b> U.S.

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.<sup>1</sup>

**82%** of our assets outperformed their benchmark on a 5-year basis.<sup>2a</sup>

**72%** of our assets outperformed their benchmark on a 10-year basis.<sup>2a</sup>

**86%** of the time our portfolios outperformed their benchmark on a rolling 3-year basis.<sup>2b</sup>

### Past performance does not guarantee future results.

<sup>1</sup> 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.

<sup>2</sup> 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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