

# Voya Global Perspectives

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As of July 15, 2016

## Investment Weekly

### Commentary and Statistics

- As stocks posted a week of strong gains, the Dow Jones Industrial Average and the S&P 500 index hit new highs. U.S. inflation rose 0.2% in June, marking the fourth straight month of increases in consumer prices. The 10-year U.S. Treasury yield continued to trace a low path. Gold prices were at a two week low following the week's equities rally. Oil experienced a modest gain after rallying with 4% gains early in the week.
- With 7% of S&P 500 companies having reported first quarter results, 66% have beaten earnings expectations while 51% have beaten sales expectations. According to FactSet, the second quarter blended earnings decline stands at -5.5%, down from the July 1 forecast of -5.3%. If the index reports negative earnings growth for the quarter, it will mark fifth consecutive quarter of decline, the first such string since 3Q08–3Q09. Citigroup, Sagent Pharmaceuticals and Alcoa impressed this week; Twitter, Netflix and Valeant Pharmaceuticals were among the disappointments.
- Retail sales slightly progressed in both the United States and the U.K., with the British Retail Consortium citing June growth of 0.2% compared to a year ago and U.S. retail sales advancing 0.1% since last month to 0.6%.
- On the last business day of May, U.S. job openings decreased to 5.5 million, with hires and separations both little changed at 5.0 million. The quit rate was 2.0% and the layoffs and discharges rate stood at 1.2%.
- The University of Michigan's U.S. consumer sentiment index registered 89.5 in July 2016, down from 93.5 in June. Analysts had predicted 93.5. China's GDP expanded 1.8% in 2Q16, the country's strongest growth since 3Q15.

Index Prices (\$)		
Index	07/15/2016	12/31/2015
Dow Jones Industrial Average	18,516.55	17,425.03
S&P 500 Index	2,161.74	2,043.94

Returns (%)				
U.S. Market Indexes Returns	One Week	MTD	YTD	One Year
Dow Jones Industrial Average	2.04	3.35	7.81	5.35
S&P 500 Index	1.51	3.08	7.04	4.87
Russell 2000 Index	2.39	4.68	7.00	-3.21
Russell MidCap Index	1.57	3.19	8.87	2.56
Barclays U.S. Aggregate Index	-0.78	0.03	5.34	5.98
Barclays High Yield Bond Index	1.37	2.77	12.08	4.21
United States 20-Year Treasury Bond	-3.60	0.09	15.92	20.72
S&P/LSTA Senior Loan Index	0.79	1.26	6.69	1.68

S&P 500 Sector Returns	One Week	MTD	YTD	One Year
Consumer Discretionary	0.50	3.78	4.49	4.57
Consumer Staples	0.08	1.20	11.78	15.38
Energy	2.09	1.42	17.75	-0.06
Financials	2.59	2.89	-0.24	-4.47
Health Care	0.69	3.31	3.74	-1.76
Industrials	2.55	4.75	11.51	10.86
Materials	3.91	5.26	13.11	3.72
Technology	2.17	4.13	3.80	6.83
Telecom	0.65	1.19	26.33	25.59
Utilities	-1.05	-0.99	22.19	25.09

#### U.S. Returns by Style

One Week (%)		Year to Date (%)		One Year (%)	
Large Value	Large Growth	Large Value	Large Growth	Large Value	Large Growth
1.9	1.1	9.3	4.8	4.3	3.6
Mid Value	Mid Growth	Mid Value	Mid Growth	Mid Value	Mid Growth
2.0	1.1	12.2	5.6	5.6	-0.5
Small Value	Small Growth	Small Value	Small Growth	Small Value	Small Growth
3.1	1.7	11.2	2.9	1.9	-8.1

**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	-1.32	-0.60	8.31	9.01
MSCI EAFE Index	3.66	2.63	-1.51	-9.15
MSCI United Kingdom Index	3.33	1.49	-1.57	-13.12
MSCI Europe ex-U.K. Index	3.56	2.39	-3.04	-10.99
MSCI Japan Index	3.85	2.91	-2.65	-5.73
MSCI AC Asia ex-Japan Index	4.68	4.12	6.53	-4.60
MSCI Emerging Markets Index	4.85	4.28	11.16	-4.85
JPM EMBI+ Emerging Markets Bond Index	0.28	1.82	12.91	12.24
NAREIT Global Real Estate Index	1.59	1.98	10.99	10.36

Source: FactSet

- Twelve-month CPI inflation for the U.K. was a meager 0.3% in May, far below the 2% target. Euro zone inflation for June was flat, matching the previous month's CPI reading as well as the forecasted number of 0.1%.
- The Bank of England voted to maintain its bank rate at 0.5% as the U.K. continues to manage financial market ripples caused by the nation's decision to leave the European Union. It is predicted that fiscal policy will be loosened at the upcoming August meeting.

Bond Rates (%) as of:	07/15/2016	07/08/2016	12/31/2015	07/15/2015
U.S. Federal Funds Target Rate	0.50	0.50	0.50	0.25
U.S. Two-Year Treasury Yield	0.71	0.61	1.06	0.64
U.S. Ten-Year Treasury Yield	1.59	1.37	2.28	2.35
High Yield (Merrill U.S. Corporates)	5.83	6.09	7.24	6.07

Commodity Prices as of:	07/15/2016	07/08/2016	12/31/2015	07/15/2015
Gold (USD/oz)	1,327.40	1,358.40	1,060.20	1,147.40
Crude Oil (USD/bbl)	45.95	45.41	37.04	51.41
Gasoline (USD/gal)	2.43	2.47	2.24	3.06
Copper (NYM \$/lbs)	2.23	2.12	2.13	2.53

Exchange Rates as of:	07/15/2016	07/08/2016	12/31/2015	07/15/2015
\$ per €	1.11	1.10	1.09	1.10
\$ per £	1.32	1.30	1.47	1.56
¥ per \$	105.81	100.55	120.30	123.94

## 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 18	Tuesday, July 19	Wednesday, July 20	Thursday, July 21	Friday, July 22
<b>NAHB Housing Market Index (Jul)</b> U.S.	<b>CPI (Jun)</b> U.K.  <b>Retail Prices (Jun)</b> U.K.  <b>ZEW Survey Expectations (Jul)</b> Euro Zone  <b>Housing Starts (Jun)</b> U.S.  <b>Building Permits (Jun)</b> U.S.	<b>Employment Change 3M/3M (May)</b> U.K.  <b>Leading Economic Index (June)</b> China	<b>ECB Asset Purchase Target (Jul)</b> Euro Zone  <b>Chicago Fed Nat'l Activity Index (Jun)</b> U.S.  <b>Phila. Fed Business Outlook (Jul)</b> U.S.  <b>FHFA House Price Index (May)</b> U.S.  <b>Existing Home Sales (Jun)</b> U.S.  <b>Mfg PMI (Jul)</b> Japan	<b>Mfg PMI (Jul)</b> Euro Zone  <b>Mfg PMI (Jul)</b> U.S.

Source: Bloomberg

## Earnings Announcements

Monday, July 18	Tuesday, July 19	Wednesday, July 20	Thursday, July 21	Friday, July 22
<b>Bank of Am.</b> <b>Hasbro</b> <b>IBM</b> <b>Lennox Intl</b> <b>Yahoo!</b>	<b>Discover Financial</b> <b>Goldman Sachs</b> <b>J&amp;J</b> <b>Lockheed Martin</b> <b>Microsoft</b> <b>UnitedHealth Grp</b>	<b>Am. Express</b> <b>Canadian Pac. Railway</b> <b>F5 Networks</b> <b>Halliburton</b> <b>Intel</b> <b>Qualcomm</b> <b>St Jude Medical</b> <b>Tupperware</b>	<b>AT&amp;T</b> <b>Biogen</b> <b>Dunkin Brands</b> <b>GM</b> <b>Paypal</b> <b>Quest Diagnostic</b> <b>Skechers</b> <b>Southwest Air</b> <b>Starbucks</b> <b>Travelers</b>	<b>Am. Airlines</b> <b>GE</b> <b>Honeywell</b> <b>Whirlpool</b>

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 \$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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