

# Voya Global Perspectives

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As of July 22, 2016

## Investment Weekly

### Commentary and Statistics

- Stocks advanced during the week after the European Central Bank (ECB) disappointed investors with a balk on further stimulus. U.S. and European markets lost ground but Asian bourses posted slight gains. Oil was down for the week while gold tumbled to a three-week low with a modest recovery. The 10-year U.S. Treasury yield reached its highest level of four weeks.
- With 25% of S&P 500 companies having reported first quarter results, 6.7% have beaten earnings expectations while 57% have beaten sales expectations. According to FactSet, the second quarter blended earnings decline stands at -3.7%, compared to the July 1 forecast of -5.3%. If the index reports negative earnings growth for the quarter, it will mark the fifth consecutive quarter of decline, the first such string since 3Q08–3Q09. Microsoft, General Electric and eBay impressed this week; Southwest Airlines, Kellogg and Hasbro were among the disappointments.
- ECB declines to commit to further stimulus, waits for September data. At its first meeting following Brexit, the ECB decided to hold interest rates at record lows.
- German economic sentiment plunged in July; the ZEW index declined from 19.2 to -6.8, its lowest level since 2012. Germany is displaying economic stability and export concerns as it adjusts to Brexit ramifications.
- China's leading economic index rose 0.5% in June and the May figure was revised up significantly, implying steady growth over the past two months.
- U.S. home sales were up 1.1% in June compared to May. May sales were revised slightly lower from 5.53 million to 5.51 million.

Index Prices (\$)		
Index	07/22/2016	12/31/2015
Dow Jones Industrial Average	18,570.85	17,425.03
S&P 500 Index	2,175.03	2,043.94

Returns (%)				
U.S. Market Indexes Returns	One Week	MTD	YTD	One Year
Dow Jones Industrial Average	0.35	3.71	8.18	6.84
S&P 500 Index	0.64	3.74	7.72	5.18
Russell 2000 Index	0.64	5.35	7.68	-2.13
Russell MidCap Index	0.82	4.04	9.76	3.90
Barclays U.S. Aggregate Index	0.13	0.16	5.48	5.95
Barclays High Yield Bond Index	0.28	3.06	12.39	5.61
United States 20-Year Treasury Bond	0.27	0.36	16.24	18.79
S&P/LSTA Senior Loan Index	0.36	1.63	7.08	2.09

S&P 500 Sector Returns	One Week	MTD	YTD	One Year
Consumer Discretionary	0.76	4.58	5.28	4.72
Consumer Staples	-0.45	0.74	11.28	13.47
Energy	-1.28	0.12	16.24	1.52
Financials	0.72	3.63	0.48	-5.22
Health Care	1.24	4.59	5.03	-0.95
Industrials	-0.76	3.95	10.66	11.22
Materials	-0.27	4.97	12.80	6.37
Technology	2.02	6.23	5.89	7.48
Telecom	0.42	1.62	26.87	28.06
Utilities	1.46	0.46	23.98	27.54

#### U.S. Returns by Style

One Week (%)		Year to Date (%)		One Year (%)	
Large Value	Large Growth	Large Value	Large Growth	Large Value	Large Growth
0.4	1.0	9.7	5.8	5.3	3.6
Mid Value	Mid Growth	Mid Value	Mid Growth	Mid Value	Mid Growth
0.7	1.0	13.0	6.6	7.5	0.4
Small Value	Small Growth	Small Value	Small Growth	Small Value	Small Growth
0.3	1.0	11.5	3.9	3.5	-7.5

**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	-0.38	-0.97	7.90	8.48
MSCI EAFE Index	0.00	2.63	-1.51	-8.85
MSCI United Kingdom Index	-0.21	1.28	-1.78	-12.24
MSCI Europe ex-U.K. Index	-0.14	2.25	-3.18	-10.85
MSCI Japan Index	0.26	3.18	-2.40	-5.88
MSCI AC Asia ex-Japan Index	0.45	4.59	7.02	-4.35
MSCI Emerging Markets Index	0.25	4.55	11.45	-3.94
JPM EMBI+ Emerging Markets Bond Index	-0.03	1.79	12.88	12.00
NAREIT Global Real Estate Index	1.48	3.50	12.64	11.41

Source: FactSet

- Housing starts rose 4.8% in June, an encouraging sign as 2H16 commences. Persistent undersupply in the face of high demand has kept homes out of reach for many potential buyers.
- Jobless claims continued to impress, with the latest reading falling to a three-month low of 253,000 for the week ended July 16. That beat the consensus estimate for 265,000 and was down from the prior week.
- The International Monetary Fund (IMF) downgraded its 2016 global growth estimate 0.1% to 3.1%, the same as 2015. The IMF predicts a 2017 annual growth increase to 3.4%.

Bond Rates (%) as of:	07/22/2016	07/15/2016	12/31/2015	07/22/2015
U.S. Federal Funds Target Rate	0.50	0.50	0.50	0.25
U.S. Two-Year Treasury Yield	0.71	0.71	1.06	0.71
U.S. Ten-Year Treasury Yield	1.57	1.59	2.28	2.32
High Yield (Merrill U.S. Corporates)	5.76	5.83	7.24	6.27

Commodity Prices as of:	07/22/2016	07/15/2016	12/31/2015	07/22/2015
Gold (USD/oz)	1,323.40	1,327.40	1,060.20	1,091.50
Crude Oil (USD/bbl)	44.19	45.95	37.04	49.19
Gasoline (USD/gal)	2.40	2.43	2.24	3.10
Copper (NYM \$/lbs)	2.23	2.23	2.13	2.43

Exchange Rates as of:	07/22/2016	07/15/2016	12/31/2015	07/22/2015
\$ per €	1.10	1.11	1.09	1.09
\$ per £	1.31	1.32	1.47	1.56
¥ per \$	106.27	105.81	120.30	124.05

## 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 25	Tuesday, July 26	Wednesday, July 27	Thursday, July 28	Friday, July 29
<b>Dallas Fed Manf. Activity (Jul)</b> U.S.	<b>Consumer Confidence Index (Jul)</b> U.S.	<b>Durable Goods Orders (Jun)</b> U.S.	<b>Economic Confidence (Jul)</b> Euro Zone	<b>Mortgage Approvals (Jun)</b> U.K.
	<b>New Home Sales (Jun)</b> U.S.	<b>Pending Home Sales MoM (Jun)</b> U.S.	<b>Business Climate Indicator (Jul)</b> Euro Zone	<b>Unemployment Rate (Jun)</b> Euro Zone
			<b>Consumer Confidence (Jul)</b> Euro Zone	<b>CPI Estimate YoY (Jul)</b> Euro Zone
			<b>Initial Jobless Claims</b> U.S.	<b>Personal Consumption (2Q)</b> U.S.
			<b>Bloomberg Consumer Comfort</b> U.S.	<b>U. of Mich. Sentiment (Jul)</b> U.S.

Source: Bloomberg

## Earnings Announcements

Monday, July 25	Tuesday, July 26	Wednesday, July 27	Thursday, July 28	Friday, July 29
<b>J &amp; J Snack Foods</b> <b>Las Vegas Sands</b> <b>Sprint</b> <b>Texas Instruments</b>	<b>3M</b> <b>Alliance Holdings</b> <b>Apple</b> <b>JetBlue Airways</b> <b>McDonalds</b> <b>Twitter</b> <b>Verizon</b>	<b>Boeing</b> <b>Coca-Cola</b> <b>Comcast</b> <b>Equifax</b> <b>Facebook</b> <b>Groupon</b> <b>Hess</b> <b>Marriott International</b> <b>T-Mobile</b>	<b>Alphabet</b> <b>Amazon</b> <b>Colgate-Palmolive</b> <b>Harley Davidson</b> <b>Royal Dutch Shell</b> <b>S&amp;P Global</b> <b>Starz</b>	<b>Barclays</b> <b>Cabot Oil &amp; Gas</b> <b>Exxon Mobil</b> <b>United Parcel Service (UPS)</b> <b>Xerox</b>

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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