

Voya Global Perspectives

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As of June 10, 2016

Investment Weekly

Commentary and Statistics

- U.S. stocks declined for the week on uncertainty over global economic growth, central bank policy and the upcoming Brexit vote. European bourses also were in the red; Asian markets were mixed. Bonds yields in Germany, Japan and the U.K. fell to record lows, pushing investors to the United States and driving the yield on the ten-year U.S. Treasury to its lowest point in three years. Oil prices fell as the U.S. dollar strengthened; by contrast, gold prices gained.
- The U. of Michigan's consumer sentiment index declined to 94.3 in June from 94.7 in May, clouding the outlook for spending and economic growth. Satisfaction with current conditions reached an 11-year high thanks to wage gains, but confidence about the future slipped.
- Job openings rose to 5.8 million in April, up from 5.7 million in March, according to JOLTS. The openings rate rose to a new post-recession high of 3.9%; the quits rate fell to 2% from 2.1% the prior month.
- Last week's drop in jobless claims suggested layoffs may still be low despite the hiring slowdown in May. Jobless claims touched a four-decade low in April before inching up, and have declined since spring 2009.
- U.S. labor productivity fell at a 0.6% annual rate in 1Q16. The drop extended a slowdown that is hindering the economy's ability to lift living standards.
- Euro zone economic growth accelerated to 0.6% in 1Q16 after 0.3% in 4Q15. Economists attributed part of the rebound to transitory factors and said correction in the second quarter was likely.
- Japan's leading index increased less than expected in April, rising to 100.5 from 99.1 in March. The coincident and lagging indexes also rose.

Index Prices (\$)		
Index	06/10/2016	12/31/2015
Dow Jones Industrial Average	17,865.34	17,425.03
S&P 500 Index	2,096.07	2,043.94

Returns (%)				
U.S. Market Indexes Returns	One Week	MTD	YTD	One Year
Dow Jones Industrial Average	0.35	0.51	3.86	1.91
S&P 500 Index	-0.11	0.02	3.59	1.77
Russell 2000 Index	0.01	0.83	3.13	-6.75
Russell MidCap Index	-0.31	0.14	5.16	-1.71
Barclays U.S. Aggregate Index	0.38	0.99	4.48	5.83
Barclays High Yield Bond Index	0.98	1.01	9.15	1.21
United States 20-Year Treasury Bond	1.38	3.63	12.78	19.57
S&P/LSTA Senior Loan Index	0.28	0.30	5.84	0.67

S&P 500 Sector Returns	One Week	MTD	YTD	One Year
Consumer Discretionary	-0.84	-0.97	0.90	4.11
Consumer Staples	1.05	2.67	7.82	15.03
Energy	1.43	0.98	13.51	-9.08
Financials	-1.50	-2.39	-2.23	-5.52
Health Care	-0.78	0.58	-0.02	-2.62
Industrials	0.85	1.02	6.49	3.98
Materials	0.22	1.83	10.41	-2.91
Technology	-0.30	-1.11	1.38	2.71
Telecom	2.78	2.85	17.44	17.17
Utilities	0.97	2.97	17.88	23.34

U.S. Returns by Style

One Week (%)		Year to Date (%)		One Year (%)	
Large Value	Large Growth	Large Value	Large Growth	Large Value	Large Growth
0.0	-0.4	5.5	1.7	0.0	1.6
Mid Value	Mid Growth	Mid Value	Mid Growth	Mid Value	Mid Growth
-0.1	-0.5	8.2	2.1	0.5	-3.9
Small Value	Small Growth	Small Value	Small Growth	Small Value	Small Growth
0.4	-0.4	6.8	-0.5	-3.4	-10.1

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	0.34	2.00	7.99	8.13
MSCI EAFE Index	-1.72	-1.49	-2.23	-10.36
MSCI United Kingdom Index	-2.56	-3.07	-2.50	-14.52
MSCI Europe ex-U.K. Index	-2.55	-2.22	-2.78	-11.40
MSCI Japan Index	-0.70	-0.18	-3.22	-6.36
MSCI AC Asia ex-Japan Index	1.25	1.84	1.39	-12.72
MSCI Emerging Markets Index	1.05	2.19	4.65	-13.36
JPM EMBI+ Emerging Markets Bond Index	0.70	1.73	8.76	8.94
NAREIT Global Real Estate Index	0.15	1.38	6.23	6.00

Source: FactSet

- Euro zone corporate bond yields fell to twelve-month lows as the European Central Bank began its purchase program. Anticipation of the program has boosted Europe's credit markets since the ECB announced it in March.
- China's foreign exchange reserves shrank by \$27.9 billion to \$3.2 trillion in May, pressured by a rising U.S. dollar. As reserves fell, China's high debt and low growth heightened the risk of capital outflows.

Bond Rates (%) as of:	06/10/2016	06/03/2016	12/31/2015	06/10/2015
U.S. Federal Funds Target Rate	0.50	0.50	0.50	0.25
U.S. Two-Year Treasury Yield	0.74	0.79	1.06	0.72
U.S. Ten-Year Treasury Yield	1.64	1.70	2.28	2.48
High Yield (Merrill U.S. Corporates)	6.45	6.52	7.24	6.01

Commodity Prices as of:	06/10/2016	06/03/2016	12/31/2015	06/10/2015
Gold (USD/oz)	1,275.90	1,242.90	1,060.20	1,186.60
Crude Oil (USD/bbl)	49.07	48.62	37.04	61.43
Gasoline (USD/gal)	2.49	2.46	2.24	3.01
Copper (NYM \$/lbs)	2.03	2.11	2.13	2.77

Exchange Rates as of:	06/10/2016	06/03/2016	12/31/2015	06/10/2015
\$ per €	1.13	1.13	1.09	1.13
\$ per £	1.43	1.45	1.47	1.55
¥ per \$	106.91	106.76	120.30	122.68

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, June 13	Tuesday, June 14	Wednesday, June 15	Thursday, June 16	Friday, June 17
None	Industrial Production (Apr) Japan Industrial Production (Apr) Euro Zone Employment (1Q16) Euro Zone NFIB Small Business Optimism (May) U.S. Retail Sales (May) U.S.	Employment Change (Apr) U.K. PPI Final Demand (May) U.S. Empire Manufacturing (Jun) U.S. Industrial Production (May) U.S. FOMC Rate Decision U.S.	BOJ Monetary Policy Statement Japan CPI (May) Euro Zone BoE Bank Rate & Asset Purchase Target U.K. Phila. Fed Business Outlook (Jun) U.S. CPI (May) U.S. NAHB Housing Market Index (Jun) U.S.	Housing Starts (May) U.S. Building Permits (May) 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.¹

82% of our assets outperformed their benchmark on a 5-year basis.^{2a}

72% of our assets outperformed their benchmark on a 10-year basis.^{2a}

86% of the time our portfolios outperformed their benchmark on a rolling 3-year basis.^{2b}

Past performance does not guarantee future results.

¹ 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.

² 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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