

Voya Global Perspectives

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As of June 15, 2018

Investment Weekly

Commentary and Statistics

- Global stocks seasawed to mixed results — the major U.S. indexes fell but the NASDAQ and small caps posted gains. Markets got an early lift from AT&T's acquisition of Time-Warner, the Kumbaya moment at the U.S.-North Korea summit and upbeat economic reports. Midweek announcements underscored the divergent policy paths of the major central banks. Fear of a trade war prompted a fallback after the Trump administration announced tariffs on Chinese goods. Oil and gold fell for the week; the 10-year U.S. Treasury yield slipped from 2.96% to 2.93%.
- The University of Michigan's consumer sentiment index rose to 99.3 in June, from 98.0 in May. Strong economic growth, low unemployment and rising wealth buoyed Americans' confidence.
- The NFIB's Small Business Optimism Index rose to 107.8 in May, an all-time high. The Index averaged 98.1 from 1975 until this year.
- U.S. retail sales for May were up 0.8%, the biggest monthly change since last fall. Year-over-year, sales were up 5.9%.
- The Consumer Price Index increased 0.2% for May, following a similar gain for April. U.S. consumer prices rose marginally as gasoline prices slowed their rate of increase. The annual inflation rate increased to 2.8%, its biggest increase in more than six years.
- The ZEW Indicator of Economic Sentiment for the eurozone dipped to -12.6 in June from 2.4 in May, its lowest reading since July 2016. Inflation expectations decreased.
- The Federal Open Market Committee voted to raise interest rates another 0.25% at its June meeting, the second hike this year. The Fed also signaled it might accelerate the pace of rate hikes in response to a strengthening economy. Officials penciled in four rate increases for 2018, up from a projected three at the March FOMC meeting.

Index Prices (\$)		
Index	06/15/18	12/31/17
Dow Jones Industrial Average	25,090.48	24,652.00
S&P 500 Index	2,779.66	2,676.00

Returns (%)				
U.S. Market Indexes Returns	One Week	MTD	YTD	3-Months
Dow Jones Industrial Average	-0.84	2.87	2.62	1.44
S&P 500 Index	0.07	2.84	4.92	1.67
Russell 2000 Index	0.72	3.14	10.26	7.14
Russell MidCap Index	0.25	2.95	4.64	2.62
Bloomberg Barclays U.S. Aggregate Index	0.13	-0.45	-1.94	-0.03
Bloomberg Barclays High Yield Bond Index	0.45	0.98	0.73	1.34
United States 20-Year Treasury Bond	0.64	-1.03	-4.20	0.87
S&P/LSTA Senior Loan Index	0.02	0.26	2.11	0.72

S&P 500 Sector Returns	One Week	MTD	YTD	3-Months
Consumer Discretionary	2.27	6.33	14.44	6.83
Consumer Staples	2.11	4.57	-8.49	-2.61
Energy	-3.08	-1.81	4.14	11.85
Financials	-1.87	1.42	-0.82	-4.39
Health Care	0.86	4.14	4.35	0.51
Industrials	-1.34	1.41	-0.04	-0.99
Materials	-1.34	3.23	-0.30	1.55
Technology	0.51	3.21	14.83	3.89
Telecom	-1.97	1.71	-8.95	-4.03
Utilities	2.63	-2.01	-4.34	0.35
Real Estate	-0.97	0.60	-2.89	2.21

U.S. Returns by Style

One Week (%)		Year to Date (%)		3-Months (%)	
Large Value	Large Growth	Large Value	Large Growth	Large Value	Large Growth
-0.6	0.7	-0.1	10.3	0.0	3.7
Mid Value	Mid Growth	Mid Value	Mid Growth	Mid Value	Mid Growth
-0.3	0.9	0.8	9.5	1.6	3.8
Small Value	Small Growth	Small Value	Small Growth	Small Value	Small Growth
-0.6	1.9	6.7	13.6	6.9	7.3

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	-0.30	-0.70	-1.71	-2.68
MSCI EAFE Index	-0.48	0.80	-0.40	-0.69
MSCI United Kingdom Index	-1.50	-0.62	-0.67	2.91
MSCI Europe ex-U.K. Index	0.27	1.81	-1.11	-1.90
MSCI Japan Index	-0.55	0.80	1.47	-0.59
MSCI AC Asia ex-Japan Index	-1.70	0.22	0.31	-4.37
MSCI Emerging Markets Index	-1.85	-0.46	-2.97	-7.82
JPM EMBI+ Emerging Markets Bond Index	-0.58	-1.14	-5.36	-3.39
FTSE EPRA/NAREIT GRE Index	-0.79	0.61	-0.01	3.19

Source: FactSet

- The European Central Bank announced that it will conclude its bond purchase program by the end of the year, but will keep interest rates at current levels at least through summer 2019. By contrast, the Bank of Japan kept its monetary policy extremely accommodative, noting that inflation in Japan has not come close to the central bank's 2% target.

Bond Rates (%) as of:	06/15/18	06/08/18	12/31/17	03/15/18
U.S. Federal Funds Target Rate	2.00	1.75	1.50	1.50
U.S. Two-Year Treasury Yield	2.56	2.50	1.89	2.29
U.S. Ten-Year Treasury Yield	2.92	2.94	2.41	2.83
U.S. 30-Year Treasury Yield	3.05	3.08	2.74	3.06
High Yield (Merrill U.S. Corporates)	6.33	6.42	5.59	6.12

Commodity Prices as of:	06/15/18	06/08/18	12/31/17	03/15/18
Gold (USD/oz)	1,278.50	1,302.70	1,309.30	1,317.80
Crude Oil (USD/bbl)	65.06	65.74	60.42	61.19
Gasoline (USD/gal)	3.10	3.13	2.66	2.78
Copper (NYM \$/lbs)	3.14	3.29	3.28	3.11

Exchange Rates as of:	06/15/18	06/08/18	12/31/17	03/15/18
\$ per €	1.16	1.18	1.20	1.23
\$ per £	1.33	1.34	1.35	1.39
¥ per \$	110.50	109.36	112.65	106.07

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.

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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, June 18	Tuesday, June 19	Wednesday, June 20	Thursday, June 21	Friday, June 22
NAHB Housing Market Index (Jun) U.S.	Construction Output (Apr) Euro Zone Housing Starts (May) U.S. Building Permits (May) U.S.	Existing Home Sales (May) U.S.	Bank of England Bank Rate U.K. Philadelphia Fed Business Outlook (Jun) U.S. FHFA House Price Index (Apr) U.S. Consumer Confidence (Jun) Euro Zone Nikkei Japan PMI Mfg (Jun) Japan	Markit Eurozone Composite PMI (Jun) Euro Zone Markit U.S. Composite PMI (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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