

Voya Global Perspectives

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As of June 17, 2016

Investment Weekly

Commentary and Statistics

- Stock prices skidded for a second week as inflation expectations slipped and Brexit worries mounted. Low yields in Germany, Japan and the U.K. continued to push investors into the U.S. markets, driving the ten-year U.S. Treasury yield beneath last week's three-year low. Oil prices fell but mostly recovered by Friday as the U.S. dollar slid. Gold prices continued to gain.
- Brexit hung over central-bank debates this week, with the bank of England (BoE) warning that a withdrawal from the European Union would materially impact growth and inflation, and would likely cause sterling to fall sharply. The BoE held policy steady.
- As expected, the FOMC left policy unchanged, noting in its statement the slower pace of improvement in the U.S. labor market as well as global uncertainties such as Brexit.
- The Bank of Japan also left policy unchanged. Its statement maintained that moderate recovery continued but noted headwinds from a slowdown in emerging economies.
- U.S. retail sales increased 0.5% in May, led by higher spending online and at gas stations. Overall sales grew 2.5% compared to a year earlier.
- Aggregate U.S. housing starts fell 0.3% in May. Starts on single-family homes, about two-thirds of new construction, rose 0.3%. Apartments and condominiums shrank 1.2%.
- Building permits, an indicator of future construction, increased 0.7% to 1.14 million, from a revised 1.13 million in April.
- The New York and Philadelphia manufacturing surveys showed modest headline improvements in June. New orders and shipments turned positive in New York but remained negative in Philadelphia. Manufacturers in both regions, however, expected growth over the next six months.

Index Prices (\$)		
Index	06/17/2016	12/31/2015
Dow Jones Industrial Average	17,675.16	17,425.03
S&P 500 Index	2,071.22	2,043.94

Returns (%)				
U.S. Market Indexes Returns	One Week	MTD	YTD	One Year
Dow Jones Industrial Average	-1.00	-0.50	2.82	1.21
S&P 500 Index	-1.12	-1.11	2.42	0.82
Russell 2000 Index	-1.61	-0.79	1.47	-8.38
Russell MidCap Index	-0.88	-0.75	4.24	-2.63
Barclays U.S. Aggregate Index	0.05	1.04	4.53	5.14
Barclays High Yield Bond Index	-0.79	0.21	8.29	0.52
United States 20-Year Treasury Bond	0.44	4.08	13.27	17.16
S&P/LSTA Senior Loan Index	-0.46	-0.16	5.36	0.54

S&P 500 Sector Returns	One Week	MTD	YTD	One Year
Consumer Discretionary	-0.37	-1.33	0.53	3.30
Consumer Staples	-0.60	2.05	7.17	13.83
Energy	-0.02	0.95	13.48	-8.01
Financials	-1.89	-4.23	-4.08	-7.19
Health Care	-1.98	-1.41	-2.00	-4.65
Industrials	-0.73	0.28	5.71	3.85
Materials	-0.80	1.01	9.53	-3.63
Technology	-1.93	-3.02	-0.58	1.44
Telecom	1.42	4.31	19.10	19.04
Utilities	0.72	3.72	18.73	22.95

U.S. Returns by Style					
One Week (%)		Year to Date (%)		One Year (%)	
Large Value	-0.9	Large Value	4.6	Large Value	-0.7
Large Growth	-1.3	Large Growth	0.3	Large Growth	0.4
Mid Value	-0.7	Mid Value	7.5	Mid Value	-0.3
Mid Growth	-1.1	Mid Growth	1.0	Mid Growth	-5.0
Small Value	-1.3	Small Value	5.4	Small Value	-4.5
Small Growth	-1.9	Small Growth	-2.4	Small Growth	-12.2

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	0.29	2.30	8.30	8.28
MSCI EAFE Index	-2.76	-4.21	-4.93	-11.35
MSCI United Kingdom Index	-1.73	-4.75	-4.19	-15.13
MSCI Europe ex-U.K. Index	-2.78	-4.94	-5.48	-11.22
MSCI Japan Index	-3.36	-3.54	-6.47	-8.55
MSCI AC Asia ex-Japan Index	-2.40	-0.61	-1.04	-14.41
MSCI Emerging Markets Index	-2.05	0.09	2.50	-14.46
JPM EMBI+ Emerging Markets Bond Index	-0.44	1.27	8.27	8.45
NAREIT Global Real Estate Index	-0.82	0.55	5.36	4.87

Source: FactSet

- Industrial production decreased 0.4% in May after rising 0.6% in April. Declines in manufacturing and utilities were slightly offset by a small gain for mining.
- The outlook for the euro zone got a boost from upbeat data releases. Industrial production rose 1.1% in April after a two-month decline. Employment increased by 0.3% in 1Q16 over 4Q15. Annual inflation was -0.1% in May, up from -0.2% in April.
- Industrial production in Japan rose 0.5% in April, from 0.3% in March. Analysts had expected a 0.4% increase.

Bond Rates (%) as of:	06/17/2016	06/10/2016	12/31/2015	06/17/2015
U.S. Federal Funds Target Rate	0.50	0.50	0.50	0.25
U.S. Two-Year Treasury Yield	0.70	0.74	1.06	0.63
U.S. Ten-Year Treasury Yield	1.62	1.64	2.28	2.30
High Yield (Merrill U.S. Corporates)	6.60	6.45	7.24	6.04

Commodity Prices as of:	06/17/2016	06/10/2016	12/31/2015	06/17/2015
Gold (USD/oz)	1,294.80	1,275.90	1,060.20	1,176.80
Crude Oil (USD/bbl)	47.98	49.07	37.04	59.92
Gasoline (USD/gal)	2.52	2.49	2.24	3.03
Copper (NYM \$/lbs)	2.05	2.03	2.13	2.62

Exchange Rates as of:	06/17/2016	06/10/2016	12/31/2015	06/17/2015
\$ per €	1.12	1.13	1.09	1.12
\$ per £	1.43	1.43	1.47	1.57
¥ per \$	104.29	106.91	120.30	124.25

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 20	Tuesday, June 21	Wednesday, June 22	Thursday, June 23	Friday, June 24
Construction Output (Apr) Euro Zone	ZEW Survey Expectations (Jun) Euro Zone	Leading Index (May) China FHFA House Price Index (Apr) U.S. Consumer Confidence (Jun) Euro Zone Existing Home Sales (May) U.S. Mfg PMI (Jun) Japan	Leading & Coincident Indexes (Apr) Japan Composite PMI (Jun) Euro Zone Chicago Fed Nat Activity Index (May) U.S. Mfg PMI (Jun) U.S. New Home Sales (May) U.S. Leading Index (May) U.S.	Durable Goods Orders (May) U.S. U. of Mich. Sentiment (Jun) 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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