

Voya Global Perspectives

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As of June 3, 2016

Investment Weekly

Commentary and Statistics

- U.S. stocks wobbled unevenly through a volatile, holiday-shortened week that culminated with a dismal jobs report on Friday. The report sent the dollar and government bond yields plummeting; the ten-year U.S. Treasury dropped about 15 basis points. Oil prices fell and gold prices jumped. Brexit fears worsened the woes of European bourses, whereas Asia finished mixed.
- The U.S. economy added only 38,000 jobs in May, the fewest since September 2010. Average job gains over the last three months slowed sharply to 116,000, far below the 219,000 average of the prior 12 months. The downside surprise dimmed prospects for an interest rate increase at the FOMC's June meeting.
- Unemployment fell to 4.7% in May, from 5.0% in April, as fewer people looked for work. Labor force participation fell for a second straight month. Still, personal income increased 0.4% in April; wages and salaries rose 0.5%.
- Consumer spending surged 1% in April, the highest rate of increase since August 2009. Spending on durables increased 2.3% while spending on services was up 0.6%.
- The core PCE price index, the Fed's preferred inflation gauge, increased 0.2% in April after a 0.1% gain in March. The year-over-year rate remained unchanged at 1.6%, below the Fed's 2.0% target.
- The trend of regional manufacturing disappointments persisted as Chicago PMI contracted for May. Inventories fell for a seventh straight month, reaching their lowest level since November 2009.
- By contrast, May's ISM manufacturing survey marked its third straight month of expansion after five months of contraction.
- The U.S. trade gap widened 5.8% in April; muted import and export levels reflected the realities of weak global demand and slow economic growth.

Index Prices (\$)		
Index	06/03/2016	12/31/2015
Dow Jones Industrial Average	17,807.06	17,425.03
S&P 500 Index	2,099.13	2,043.94

Returns (%)				
U.S. Market Indexes Returns	One Week	MTD	YTD	One Year
Dow Jones Industrial Average	-0.30	0.15	3.49	1.15
S&P 500 Index	0.04	0.13	3.71	1.50
Russell 2000 Index	1.20	0.82	3.12	-6.56
Russell MidCap Index	0.60	0.44	5.49	-1.89
Barclays U.S. Aggregate Index	0.67	0.61	4.09	4.89
Barclays High Yield Bond Index	0.16	0.03	8.09	-0.51
United States 20-Year Treasury Bond	2.45	2.22	11.25	15.99
S&P/LSTA Senior Loan Index	0.08	0.02	5.55	0.17

S&P 500 Sector Returns	One Week	MTD	YTD	One Year
Consumer Discretionary	-0.19	-0.13	1.75	4.25
Consumer Staples	1.09	1.60	6.70	12.93
Energy	-1.02	-0.45	11.91	-10.25
Financials	-1.24	-0.90	-0.74	-3.19
Health Care	1.51	1.37	0.77	-1.82
Industrials	0.15	0.17	5.60	2.35
Materials	1.07	1.60	10.17	-3.98
Technology	-0.68	-0.80	1.68	2.05
Telecom	0.57	0.07	14.26	11.54
Utilities	2.56	1.99	16.75	20.05

U.S. Returns by Style					
One Week (%)		Year to Date (%)		One Year (%)	
Large Value	0.0	Large Value	5.5	Large Value	-0.2
Large Growth	0.3	Large Growth	2.0	Large Growth	1.3
Mid Value	0.6	Mid Value	8.4	Mid Value	0.1
Mid Growth	0.6	Mid Growth	2.6	Mid Growth	-3.9
Small Value	0.8	Small Value	6.3	Small Value	-3.6
Small Growth	1.6	Small Growth	0.0	Small Growth	-9.5

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	1.49	1.66	7.63	7.54
MSCI EAFE Index	0.19	0.24	-0.51	-9.91
MSCI United Kingdom Index	-1.59	-0.52	0.06	-12.50
MSCI Europe ex-U.K. Index	-0.08	0.34	-0.24	-10.15
MSCI Japan Index	1.85	0.52	-2.54	-7.14
MSCI AC Asia ex-Japan Index	0.99	0.58	0.14	-16.05
MSCI Emerging Markets Index	1.06	1.13	3.56	-15.72
JPM EMBI+ Emerging Markets Bond Index	0.98	1.02	8.00	6.49
NAREIT Global Real Estate Index	-2.73	-1.73	0.35	-4.02

Source: FactSet

- Euro zone unemployment was 10.2% in April, unchanged from March and the lowest level since August 2011. Confidence in the euro zone hit a four-month high in May, boosted by consumer spending and a recovering financial services sector.
- As expected, the European Central Bank left rates unchanged at its policy meeting. The refinance rate remains at 0.0% and the deposit rate at -0.4%. The bank announced that corporate bond purchases will start on June 8.

Bond Rates (%) as of:	06/03/2016	05/27/2016	12/31/2015	06/03/2015
U.S. Federal Funds Target Rate	0.50	0.50	0.50	0.25
U.S. Two-Year Treasury Yield	0.79	0.89	1.06	0.66
U.S. Ten-Year Treasury Yield	1.70	1.84	2.28	2.37
High Yield (Merrill U.S. Corporates)	6.52	6.50	7.24	5.81

Commodity Prices as of:	06/03/2016	05/27/2016	12/31/2015	06/03/2015
Gold (USD/oz)	1242.90	1213.80	1060.20	1184.90
Crude Oil (USD/bbl)	48.62	49.33	37.04	59.64
Gasoline (USD/gal)	2.46	2.44	2.24	3.04
Copper (NYM \$/lbs)	2.11	2.11	2.13	2.75

Exchange Rates as of:	06/03/2016	05/27/2016	12/31/2015	06/03/2015
\$ per €	1.13	1.11	1.09	1.13
\$ per £	1.45	1.46	1.47	1.53
¥ per \$	106.76	109.86	120.30	124.15

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 6	Tuesday, June 7	Wednesday, June 8	Thursday, June 9	Friday, June 10
Retail PMI (May) Euro Zone	Foreign Reserves (May) China	Industrial Production (Apr) U.K.	Wholesale Inventories (Apr) U.S.	Construction Output (Apr) U.K.
Investor Confidence (Jun) Euro Zone	Leading & Coincident Indexes (Apr) Japan	NIESR GDP Estimate (May) U.K.	Household Change in Net Worth (1Q16) U.S.	U. of Mich. Sentiment (Jun) U.S.
	Halifax House Prices (May) U.K.	JOLTS Job Openings (Apr) U.S.	PPI (May) Japan	Monthly Budget Statement (May) U.S.
	GDP (1Q16) Euro Zone	RICS House Price Balance (May) U.K.		
	GDP (1Q16) Japan	CPI (May) China		

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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