Weekly Update | March 13, 2017

Voya Global Perspectives

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As of March 10, 2017

Investment Weekly

Commentary and Statistics

- U.S. equities finished the week flat while new jobs data paved the way for a Federal Reserve rate hike. The S&P 500, Nasdaq and Dow Jones all experienced a slight loss. Oil took a dive hitting its lowest point since December 2016. Gold also dropped as expectations of a rate rise continue to grow. The 10-year U.S. Treasury yield closed at approximately 2.58%.
- February nonfarm payrolls rose a seasonally adjusted 235,000, beating the 200,000 consensus. Construction jobs rose 58,000, the biggest gain since March 2007. The manufacturing industry added 28,000 positions, the most in three years. The retail sector shed 26,000 jobs, its greatest loss since late 2012.
- The unemployment rate fell to 4.7%, in line with expectations. The labor force participation rate ticked up again. Average hourly earnings rose 0.2% month-to-month, slightly weaker than the 0.3% gain expected. However, the year-over-year rate was still in line with expectations posting a 2.8% gain. The average workweek came in at 34.4 hours, unchanged and matching the consensus.
- ADP reported that private payrolls increased 298,000 in February, well ahead of the 189,000 consensus and following an upwardly revised 261,000 rise in January. The February data was the strongest reading since March 2006 and (according to Bespoke) the largest beat relative to expectations since December 2011.
- Crude oil settled at its lowest point since December 2016. The cause appeared to be the release of higher-than-expected U.S. inventory numbers. The Energy Information Administration (EIA) reported a crude oil build of 8.2M barrels, above consensus for 6.6M and representing the ninth straight week of inventory growth.
- U.S. new orders for manufactured goods increased 1.2% month-over-month in January following a December rise of 1.3% and beating the 1% consensus.

Index Prices ($)

Index	03/10/17	12/31/16
Dow Jones Industrial Average	20,902.98	19,762.60
S&P 500 Index	2,372.60	2,238.83

Returns (%)

U.S. Market Indexes Returns	One Week	MTD	YTD	3-Months
Dow Jones Industrial Average	-0.40	0.53	6.38	6.44
S&P 500 Index	-0.40	0.45	6.42	5.56
Russell 2000 Index	-2.04	-1.50	0.80	-1.31
Russell MidCap Index	-1.25	-0.85	4.42	2.45
Bloomberg Barclays U.S. Aggregate Index	-0.56	-1.21	-0.35	0.14
Bloomberg Barclays High Yield Bond Index	-1.23	-1.10	1.80	2.34
United States 20-Year Treasury Bond	-1.63	-3.63	-1.69	0.16
S&P/LSTA Senior Loan Index	-0.07	0.11	0.96	1.67

S&P 500 Sector Returns	One Week	MTD	YTD	3-Months
Consumer Discretionary	-0.16	0.50	6.79	3.68
Consumer Staples	-0.08	-0.03	6.65	6.91
Energy	-2.58	-1.78	-7.39	-8.08
Financials	-0.64	1.14	6.65	4.93
Health Care	0.19	1.40	10.35	10.92
Industrials	-0.76	-0.01	5.28	3.10
Materials	-1.15	-0.43	4.89	1.88
Technology	0.55	1.54	11.46	10.65
Telecom	-0.29	0.29	-2.57	1.50
Utilities	-1.06	-1.58	4.91	7.31

U.S. Returns by Style

One Week (%)		Year to Date (%)		3-Months (%)	
Large Value -1.0	Large Growth -0.1	Large Value 4.1	Large Growth 8.5	Large Value 3.2	Large Growth 7.5
Mid Value -1.9	Mid Growth -0.5	Mid Value 3.0	Mid Growth 6.3	Mid Value 1.0	Mid Growth 4.3
Small Value -2.7	Small Growth -1.3	Small Value -1.8	Small Growth 3.7	Small Value -3.6	Small Growth 1.2

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	3-Months
Bloomberg Barclays Global Aggregate Bond Index	-0.47	-1.68	-0.10	0.07
MSCI EAFE Index	0.42	0.74	5.16	5.63
MSCI United Kingdom Index	-1.13	-1.13	2.17	3.12
MSCI Europe ex-U.K. Index	0.93	2.23	5.62	8.01
MSCI Japan Index	0.51	-0.27	4.61	2.61
MSCI AC Asia ex-Japan Index	0.26	-0.62	9.12	6.01
MSCI Emerging Markets Index	-0.50	-1.04	7.59	6.03
JPM EMBI+ Emerging Markets Bond Index	-0.87	-1.07	2.43	3.22
FTSE EPRA/NAREIT GRE Index	-2.46	-3.76	0.49	0.82

Source: FactSet

Transportation equipment orders shot up 6.2% supported by a 62.2% increase in defense aircraft and a 69.8% jump in civilian aircraft.

- China experienced its worst export decline since 2009 posting a 2016 drop of 7.7% year-to-year. Imports were down 5.5%
- The UK Royal Institution of Chartered Surveyors (RICS) house price balance for February came in at 24%, in line with expectations of 23%.

Bond Rates (%) as of:	03/10/17	03/03/17	12/31/16	12/09/16
U.S. Federal Funds Target Rate	0.75	0.75	0.75	0.50
U.S. Two-Year Treasury Yield	1.36	1.31	1.20	1.13
U.S. Ten-Year Treasury Yield	2.58	2.49	2.43	2.46
High Yield (Merrill U.S. Corporates)	5.83	5.47	5.72	5.79

Commodity Prices as of:	03/10/17	03/03/17	12/31/16	12/09/16
Gold (USD/oz)	1,201.40	1,226.50	1,151.70	1,161.90
Crude Oil (USD/bbl)	48.49	53.33	53.72	51.50
Gasoline (USD/gal)	2.50	2.48	2.43	2.36
Copper (NYM $/lbs)	2.59	2.69	2.50	2.64

Exchange Rates as of:	03/10/17	03/03/17	12/31/16	12/09/16
$ per €	1.07	1.06	1.05	1.05
$ per £	1.22	1.23	1.24	1.26
¥ per $	114.96	114.50	116.64	115.19

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.

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, March 13	Tuesday, March 14	Wednesday, March 15	Thursday, March 16	Friday, March 17
Labor Market Conditions Index Change (Feb) U.S. **Industrial Production YTD YoY (Feb)** China	**NFIB Small Business Optimism (Feb)** U.S.	**Jobless Claims Change (Feb)** U.K. **Employment YoY (4Q)** Euro Zone **MBA Mortgage Applications (Mar 10)** U.S. **CPI YoY (Feb)** U.S. **FOMC Rate Decision (Upper Bound) (Mar 15)** U.S.	**CPI YoY (Feb F)** Euro Zone **Bank of England Bank Rate (Mar 16)** U.K. **Housing Starts (Feb)** U.S. **Initial Jobless Claims (Mar 11)** U.S. **Continuing Claims (Mar 4)** U.S. **JOLTS Job Openings (Jan)** U.S.	**Industrial Production MoM (Feb)** U.S.

Source: Bloomberg

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 $217 billion in assets for investors.[1]

85% of our assets outperformed their benchmark or peer median on a 3-year basis.[2]

85% of our assets outperformed their benchmark or peer median on a 5-year basis.[2]

85% of the time our portfolios outperformed their benchmark on a rolling 3-year basis.[3]

Past performance does not guarantee future results.

[1] As of 12/31/16, Voya IM assets of $217 billion include proprietary insurance general account assets of $89 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 $211 billion. [2] Metrics 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 12/31/16. If terminated and other accounts had been included, results may have differed from that shown. [3] Metrics are based on observations of rolling 3-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 12/31/16. 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.

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Past performance is no guarantee of future results.

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