

# Voya Global Perspectives

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As of April 28, 2017

## Investment Weekly

### Commentary and Statistics

- U.S. equities finished the week higher with the Nasdaq, Dow Jones and S&P 500 all posting gains. The S&P 500 experienced its strongest one-day gain since March 1. Oil and gold both ended the week lower. The 10-year U.S. Treasury yield closed at approximately 2.28%.
- With 58% of S&P 500 companies having reported first quarter results, 77% have beaten earnings expectations while 68% have beaten sales expectations. According to FactSet, the first quarter blended earnings growth rate estimate for the S&P 500 is 12.5%. If 12.5% is the actual growth rate for the quarter, it will mark the highest year-over-year earnings growth for the index since Q3 2011. Hasbro, Whole Foods and McDonald's impressed this week; Kindred Healthcare, AK Steel and Barrick Gold Corporation were among the disappointments.
- The Trump administration released the outlines of its tax-reform plan. As expected, the release was light on details, though National Economic Director Gary Cohn said that the specifics were being worked out in "very robust discussion" with the House and Senate. The plan largely matches up with what has been discussed recently in the press: a simplified income-tax system with 10%/25%/35% brackets, a doubling of the standard deduction and 15% business tax rate that could apply to smaller businesses as well as large corporations.
- Gross domestic product (GDP) grew at a 0.7% pace in the first quarter following a 2.1% expansion in the fourth quarter of last year. The result represented the slowest pace of growth in three years.
- March CPI fell to 2.4% year-over-year from 2.7%; core CPI fell to 2% from 2.2%; core PPI dropped to 1.6% from 1.8%. Sluggish real wage growth and moderating inflation argues against the Federal Reserve hiking rates more than twice more in 2017.

Index Prices (\$)		
Index	04/28/17	12/31/16
Dow Jones Industrial Average	20,940.51	19,762.60
S&P 500 Index	2,384.20	2,238.83

Returns (%)				
U.S. Market Indexes Returns	One Week	MTD	YTD	3-Months
Dow Jones Industrial Average	1.91	1.45	6.71	4.84
S&P 500 Index	1.53	1.03	7.16	4.44
Russell 2000 Index	1.50	1.10	3.59	2.52
Russell MidCap Index	0.90	0.77	5.96	3.01
Bloomberg Barclays U.S. Aggregate Index	-0.16	0.77	1.59	1.53
Bloomberg Barclays High Yield Bond Index	0.66	1.15	3.89	2.33
United States 20-Year Treasury Bond	-0.94	1.57	3.00	2.83
S&P/LSTA Senior Loan Index	0.12	0.39	1.18	0.78

S&P 500 Sector Returns	One Week	MTD	YTD	3-Months
Consumer Discretionary	2.07	2.44	11.09	6.20
Consumer Staples	0.33	1.03	7.45	6.15
Energy	0.11	-2.89	-9.38	-7.72
Financials	1.62	-0.84	1.66	0.03
Health Care	2.43	1.54	10.04	8.69
Industrials	1.27	1.76	6.40	3.15
Materials	1.77	1.39	7.33	0.86
Technology	2.63	2.52	15.41	8.97
Telecom	-1.47	-3.31	-7.15	-5.10
Utilities	-0.09	0.78	7.23	7.68

#### U.S. Returns by Style

One Week (%)		Year to Date (%)		3-Months (%)	
Large Value	Large Growth	Large Value	Large Growth	Large Value	Large Growth
0.9	2.0	3.1	11.4	1.7	7.1
Mid Value	Mid Growth	Mid Value	Mid Growth	Mid Value	Mid Growth
0.4	1.5	4.0	8.5	1.7	4.6
Small Value	Small Growth	Small Value	Small Growth	Small Value	Small Growth
1.0	2.1	0.3	7.3	-0.1	5.3

**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	0.02	1.13	2.91	2.54
MSCI EAFE Index	3.12	2.62	10.20	6.52
MSCI United Kingdom Index	2.51	2.08	7.24	4.90
MSCI Europe ex-U.K. Index	5.21	4.26	13.27	9.81
MSCI Japan Index	0.57	1.05	5.74	2.14
MSCI AC Asia ex-Japan Index	1.98	2.18	15.88	8.66
MSCI Emerging Markets Index	1.74	2.21	13.95	7.24
JPM EMBI+ Emerging Markets Bond Index	0.33	1.63	5.60	4.11
FTSE EPRA/NAREIT GRE Index	-1.36	1.28	4.72	3.99

Source: FactSet

- April's Chicago PMI came in at 58.3, better than March's 57.7 level and consensus for 56.4. The release noted optimism has risen for three consecutive months and said new orders are nearing a three-year high.
- The University of Michigan consumer sentiment reading came in at 97.0 for April in its final reading. This was below the prior reading of 98.0.

Bond Rates (%) as of:	04/28/17	04/21/17	12/31/16	01/27/17
U.S. Federal Funds Target Rate	1.00	1.00	0.75	0.75
U.S. Two-Year Treasury Yield	1.26	1.19	1.20	1.22
U.S. Ten-Year Treasury Yield	2.28	2.24	2.43	2.48
High Yield (Merrill U.S. Corporates)	5.39	5.56	5.72	5.54

Commodity Prices as of:	04/28/17	04/21/17	12/31/16	01/27/17
Gold (USD/oz)	1,268.30	1,289.10	1,151.70	1,188.40
Crude Oil (USD/bbl)	49.33	49.62	53.72	53.17
Gasoline (USD/gal)	2.61	2.60	2.43	2.47
Copper (NYM \$/lbs)	2.60	2.54	2.50	2.68

Exchange Rates as of:	04/28/17	04/21/17	12/31/16	01/27/17
\$ per €	1.09	1.07	1.05	1.07
\$ per £	1.29	1.28	1.24	1.25
¥ per \$	111.47	109.09	116.64	115.06

## 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, May 1	Tuesday, May 2	Wednesday, May 3	Thursday, May 4	Friday, May 5
<b>Personal Income (Mar)</b> U.S.  <b>Markit US Manufacturing PMI (Apr F)</b> U.S.  <b>ISM Manufacturing (Apr)</b> U.S.	No Data	<b>MBA Mortgage Applications (Apr 28)</b> U.S.  <b>FOMC Rate Decision (May 3)</b> U.S.	<b>Markit Germany Services PMI (Apr F)</b> Germany  <b>Markit Eurozone Services PMI (Apr F)</b> Euro Zone  <b>Nonfarm Productivity (1Q P)</b> U.S.  <b>Initial Jobless Claims (Apr 29)</b> U.S.  <b>Continuing Claims (Apr 22)</b> U.S.  <b>Durable Goods Orders (Mar F)</b> U.S.	<b>Unemployment Rate (Apr)</b> U.S.  <b>Average Hourly Earnings YoY (Apr)</b> U.S.  <b>Consumer Credit (Mar)</b> U.S.  <b>Halifax House Prices MoM (Apr)</b> U.K.

Source: Bloomberg

## Earnings Announcements

Monday, May 1	Tuesday, May 2	Wednesday, May 3	Thursday, May 4	Friday, May 5
<b>AmeriGas</b> <b>Cabot</b> <b>Noble Energy</b>	<b>1-800 Flowers.com</b> <b>Apple</b> <b>Charter</b> <b>CVS</b> <b>GoDaddy</b>	<b>Avis</b> <b>Clorox</b> <b>Estee Lauder</b> <b>Murphy Oil</b> <b>Omega Healthcare</b>	<b>AMC Networks</b> <b>Avon</b> <b>Marathon Oil</b> <b>Monster Beverage</b> <b>Motorola</b>	<b>Cigna</b> <b>Moody's</b> <b>MSG Networks</b>

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 \$217 billion in assets for investors.<sup>1</sup>

**85%** of our assets outperformed their benchmark or peer median on a 3-year basis.<sup>2</sup>

**85%** of our assets outperformed their benchmark or peer median on a 5-year basis.<sup>2</sup>

**85%** of the time our portfolios outperformed their benchmark on a rolling 3-year basis.<sup>3</sup>

### Past performance does not guarantee future results.

<sup>1</sup> 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. <sup>2</sup> 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. <sup>3</sup> 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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