

# Voya Global Perspectives

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As of May 5, 2017

## Investment Weekly

### Commentary and Statistics

- U.S. equities crept up with the Nasdaq, Dow Jones and S&P 500 all finishing the week slightly higher. This marked the third consecutive week of gains for the S&P 500. Oil and gold dove over the period hitting a five-month and one-month low, respectively. The 10-year U.S. Treasury yield closed at approximately 2.35%.
- Congress passed a \$1.1 trillion bill in a deal to avert a partial government shutdown and extend funding through the end of September.
- The Federal Open Market Committee (FOMC) noted that economic activity has slowed since the last meeting, but added that the labor market continues to strengthen. The committee sees the slowdown as temporary. It also said that while consumer spending appears to have slowed, the fundamentals that have underpinned continued growth in consumption remain in place.
- Unemployment fell 4.4% in April to achieve its lowest rate since May 2007 with nonfarm payrolls rising by 211,000. Initial jobless claims fell to 238,000 in the latest week, better than the 248,000 consensus and down 19,000 from the prior week.
- A weaker than expected Institute for Supply Management (ISM) manufacturing index for April came in at 54.8, down from 57.2 in March and below the 56.5 consensus estimate. New orders fell to 57.5 from 64.5, while employment fell to 52.0 from 58.9. The report noted respondent commentary generally reflected stable to growing business conditions.
- The ISM services headline reading came in at 57.5 for April, better than the 55.8 consensus estimate and up from 55.2 in March. New orders rose to 63.2 from 58.9 in the prior month, with only 8% of respondents reporting lower orders.

Index Prices (\$)		
Index	05/05/17	12/31/16
Dow Jones Industrial Average	21,006.94	19,762.60
S&P 500 Index	2,399.29	2,238.83

Returns (%)				
U.S. Market Indexes Returns	One Week	MTD	YTD	3-Months
Dow Jones Industrial Average	0.33	0.33	7.06	5.28
S&P 500 Index	0.66	0.66	7.86	4.96
Russell 2000 Index	-0.22	-0.22	3.36	1.74
Russell MidCap Index	0.40	0.40	6.38	2.98
Bloomberg Barclays U.S. Aggregate Index	-0.23	-0.23	1.36	1.34
Bloomberg Barclays High Yield Bond Index	-0.10	-0.10	3.78	1.89
United States 20-Year Treasury Bond	-0.69	2.66	2.78	2.83
S&P/LSTA Senior Loan Index	0.08	0.08	1.27	1.00

S&P 500 Sector Returns	One Week	MTD	YTD	3-Months
Consumer Discretionary	0.11	0.11	11.21	7.07
Consumer Staples	0.09	0.09	7.55	5.02
Energy	-0.69	-0.69	-10.00	-7.29
Financials	1.29	1.29	2.97	1.02
Health Care	0.61	0.61	10.72	6.68
Industrials	0.92	0.92	7.39	5.49
Materials	0.71	0.71	8.10	3.08
Technology	1.39	1.39	17.02	10.42
Telecom	-1.18	-1.18	-8.24	-4.40
Utilities	0.13	0.13	7.36	6.70

#### U.S. Returns by Style

One Week (%)		Year to Date (%)		3-Months (%)	
Large Value	Large Growth	Large Value	Large Growth	Large Value	Large Growth
0.3	0.9	3.4	12.4	1.7	7.8
Mid Value	Mid Growth	Mid Value	Mid Growth	Mid Value	Mid Growth
0.0	0.9	4.0	9.4	1.3	5.1
Small Value	Small Growth	Small Value	Small Growth	Small Value	Small Growth
-0.5	0.0	-0.2	7.3	-0.8	4.5

**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	3-Months
Bloomberg Barclays Global Aggregate Bond Index	-0.13	-0.13	2.78	1.72
MSCI EAFE Index	1.86	1.86	12.25	8.46
MSCI United Kingdom Index	1.44	1.44	8.79	6.75
MSCI Europe ex-U.K. Index	3.75	3.75	17.52	13.56
MSCI Japan Index	0.22	0.22	5.97	2.50
MSCI AC Asia ex-Japan Index	0.20	0.20	16.12	8.79
MSCI Emerging Markets Index	0.08	0.08	14.04	6.98
JPM EMBI+ Emerging Markets Bond Index	-0.24	-0.24	5.34	3.12
FTSE EPRA/NAREIT GRE Index	-0.18	-0.18	4.53	2.95

Source: FactSet

- The final Markit manufacturing purchasing manager's index (PMI) fell to 52.8 in April from 53.3 in March, which was the slowest rate of growth in seven months. The report noted signs of slowing growth most evident in the consumer sector.
- Personal spending for March came in flat, weaker than the 0.2% gain expected and compared to a flat February reading as well. This came as personal income rose 0.2% for March, a bit weaker than the 0.3% increase expected and compared to the 0.3% gain seen in February.

Bond Rates (%) as of:	05/05/17	04/28/17	12/31/16	02/03/17
U.S. Federal Funds Target Rate	1.00	1.00	0.75	0.75
U.S. Two-Year Treasury Yield	1.31	1.26	1.20	1.21
U.S. Ten-Year Treasury Yield	2.35	2.28	2.43	2.49
High Yield (Merrill U.S. Corporates)	5.51	5.39	5.72	5.59

Commodity Prices as of:	05/05/17	04/28/17	12/31/16	02/03/17
Gold (USD/oz)	1,226.90	1,268.30	1,151.70	1,220.80
Crude Oil (USD/bbl)	46.22	49.33	53.72	53.83
Gasoline (USD/gal)	2.58	2.61	2.43	2.45
Copper (NYM \$/lbs)	2.52	2.60	2.50	2.61

Exchange Rates as of:	05/05/17	04/28/17	12/31/16	02/03/17
\$ per €	1.10	1.09	1.05	1.08
\$ per £	1.30	1.29	1.24	1.25
¥ per \$	112.64	111.47	116.64	112.39

## 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 8	Tuesday, May 9	Wednesday, May 10	Thursday, May 11	Friday, May 12
<b>Sentix Investor Confidence (May)</b> Euro Zone	<b>NFIB Small Business Optimism (Apr)</b> U.S.	<b>MBA Mortgage Applications (May 5)</b> U.S.	<b>Industrial Production YoY (Mar)</b> U.K.	<b>CPI YoY (Apr F)</b> Germany
<b>Labor Market Conditions Index Change (Apr)</b> U.S.	<b>JOLTS Job Openings (Mar)</b> U.S.	<b>Import Price Index YoY (Apr)</b> U.S.	<b>Initial Jobless Claims (May 6)</b> U.S.	<b>CPI YoY (Apr)</b> U.S.
	<b>CPI YoY (Apr)</b> China	<b>Export Price Index YoY (Apr)</b> U.S.	<b>Continuing Claims (Apr 29)</b> U.S.	<b>Retail Sales Advance MoM (Apr)</b> U.S.
				<b>U. of Mich. Sentiment (May P)</b> 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 \$219 billion in assets for investors.<sup>1</sup>

**82%** of our assets outperformed their benchmark or peer median on a 3-year basis.<sup>2</sup>

**87%** of our assets outperformed their benchmark or peer median on a 5-year basis.<sup>2</sup>

**86%** 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 03/31/17, Voya IM assets of \$219 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 \$213 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 03/31/17. 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 03/31/17. 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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