

# Voya Global Perspectives

Markets. Insights. Opportunities.®

As of May 27, 2016

## Investment Weekly

### Commentary and Statistics

- U.S. stocks had one of their strongest weeks in months; the technology sector turned up as economic data and continued hawkish Fed speak reinforced market sentiments. Global stocks also gained, with only the Shanghai index faltering. Gold prices fell, oil prices rose and the ten-year U.S. Treasury yield was unchanged at 1.85%.
- U.S. consumer sentiment reached its highest level of 11 months in May. The final reading for the U. of Michigan index was revised to 94.7 from April's reading of 89.0; the improved outlook was boosted by cheap gasoline, low interest rates and a rebound in stocks.
- Jobless claims fell more than expected, dropping to 268,000 from 278,000 and below the 275,000 consensus estimate. The four-week moving average increased to 278,500 from 275,500.
- New home sales delivered an impressive upside surprise in April, rising 16.6% to 619,000, the highest level since January 2008 and well ahead of the 523,000 expected. It was the largest monthly percentage increase since January 1992.
- Pending home sales rose 5.1% in April, the highest level in a decade and well ahead of expectations for a 0.7% rise. The index is now up 4.6% from April 2015, the 20th consecutive month of year-over-year gains.
- First quarter U.S. GDP growth was revised up to 0.8%, less of a slowdown than originally thought but below the 0.9% expected but up from 0.5% previously.
- U.S. manufacturing activity continued to fall in May, as new orders expanded at the slowest rate so far this year. The index has declined since reaching a high of 58 in August 2014.

Index Prices (\$)		
Index	05/27/2016	12/31/2015
Dow Jones Industrial Average	17,873.22	17,425.03
S&P 500 Index	2,099.06	2,043.94

Returns (%)				
U.S. Market Indexes Returns	One Week	MTD	YTD	One Year
Dow Jones Industrial Average	2.15	0.95	3.81	1.06
S&P 500 Index	2.32	1.89	3.67	1.06
Russell 2000 Index	3.47	1.87	1.89	-6.90
Russell MidCap Index	2.37	1.48	4.86	-2.74
Barclays U.S. Aggregate Index	0.15	-0.03	3.40	3.14
Barclays High Yield Bond Index	0.77	0.48	7.91	-0.88
United States 20-Year Treasury Bond	0.02	0.63	8.59	8.71
S&P/LSTA Senior Loan Index	0.38	0.56	5.47	-0.08

S&P 500 Sector Returns	One Week	MTD	YTD	One Year
Consumer Discretionary	2.13	0.21	1.95	4.84
Consumer Staples	1.56	1.27	5.54	10.51
Energy	1.50	-0.01	13.06	-9.96
Financials	2.65	2.38	0.51	-1.96
Health Care	2.19	2.05	-0.74	-3.58
Industrials	1.60	-0.46	5.44	1.92
Materials	1.99	0.23	9.00	-4.91
Technology	3.64	5.47	2.38	2.11
Telecom	1.68	-0.47	13.61	10.46
Utilities	1.23	0.94	13.84	14.08

#### U.S. Returns by Style

One Week (%)		Year to Date (%)		One Year (%)	
Large Value	Large Growth	Large Value	Large Growth	Large Value	Large Growth
2.2	2.4	5.5	1.8	-0.4	0.7
Mid Value	Mid Growth	Mid Value	Mid Growth	Mid Value	Mid Growth
2.3	2.5	7.7	2.1	-1.0	-4.6
Small Value	Small Growth	Small Value	Small Growth	Small Value	Small Growth
3.0	4.0	5.5	-1.6	-3.6	-10.2

**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	0.21	-1.17	6.05	5.84
MSCI EAFE Index	2.24	-0.74	-0.71	-9.97
MSCI United Kingdom Index	2.56	0.61	1.68	-12.10
MSCI Europe ex-U.K. Index	3.01	0.06	-0.16	-9.19
MSCI Japan Index	1.03	-2.34	-4.31	-8.69
MSCI AC Asia ex-Japan Index	3.50	-1.72	-0.84	-18.61
MSCI Emerging Markets Index	2.97	-3.64	2.48	-18.47
JPM EMBI+ Emerging Markets Bond Index	0.25	-0.26	6.95	4.51
NAREIT Global Real Estate Index	1.89	-2.45	3.16	4.31

Source: FactSet

- Headline durable goods orders beat expectations in April, rising 3.4% from an upwardly revised 1.9% March gain. By contrast, core durable orders, a proxy for business investment, fell 0.8%, the third straight monthly decline.
- Composite PMI for the Euro zone's manufacturing and services sectors disappointed, slipping to a 16-month low in May and reinforcing worries that the robust growth of the first quarter would prove temporary.
- China's leading economic index increased 0.1% in April; the coincident index increased 0.3%. Both gauges have made uneven progress since last October.

Bond Rates (%) as of:	05/27/2016	05/20/2016	12/31/2015	05/27/2015
U.S. Federal Funds Target Rate	0.50	0.50	0.50	0.25
U.S. Two-Year Treasury Yield	0.89	0.89	1.06	0.63
U.S. Ten-Year Treasury Yield	1.84	1.85	2.28	2.14
High Yield (Merrill U.S. Corporates)	6.50	6.59	7.24	5.73

Commodity Prices as of:	05/27/2016	05/20/2016	12/31/2015	05/27/2015
Gold (USD/oz)	1,213.80	1,252.90	1,060.20	1,185.60
Crude Oil (USD/bbl)	49.33	48.41	37.04	57.51
Gasoline (USD/gal)	2.44	2.39	2.24	3.05
Copper (NYM \$/lbs)	2.11	2.06	2.13	2.82

Exchange Rates as of:	05/27/2016	05/20/2016	12/31/2015	05/27/2015
\$ per €	1.11	1.12	1.09	1.09
\$ per £	1.46	1.45	1.47	1.53
¥ per \$	109.86	110.46	120.30	123.78

## 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, May 30	Tuesday, May 31	Wednesday, June 1	Thursday, June 2	Friday, June 3
<b>OECD Economic Outlook</b> Euro Zone	<b>Unemployment Rate (Apr)</b> Euro Zone	<b>Wards Domestic Vehicle Sales (May)</b> U.S.	<b>PPI (Apr)</b> Euro Zone	<b>Composite PMI (May)</b> Euro Zone
<b>Consumer Confidence (May)</b> Euro Zone	<b>Core PCE (Apr)</b> U.S.	<b>Mfng PMI (May)</b> Euro Zone	<b>ECB Main Refinancing Rate</b> Euro Zone	<b>Retail Sales (Apr)</b> Euro Zone
<b>Industrial Production (Apr)</b> Japan	<b>S&amp;P/Case-Shiller U.S. HPI (Mar)</b> U.S.	<b>Mfng PMI (May)</b> U.S.	<b>ECB Deposit Facility Rate</b> Euro Zone	<b>Change in Nonfarm Payrolls (May)</b> U.S.
	<b>Chicago PMI (May)</b> U.S.	<b>Construction Spending (Apr)</b> U.S.	<b>ECB Marginal Lending Facility</b> Euro Zone	<b>Unemployment Rate (May)</b> U.S.
	<b>Nonmfng PMI (May)</b> China	<b>Federal Reserve Beige Book</b> U.S.	<b>Composite PMI (May)</b> China	<b>Factory Orders (Apr)</b> 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.<sup>1</sup>

**82%** of our assets outperformed their benchmark on a 5-year basis.<sup>2a</sup>

**72%** of our assets outperformed their benchmark on a 10-year basis.<sup>2a</sup>

**86%** of the time our portfolios outperformed their benchmark on a rolling 3-year basis.<sup>2b</sup>

### Past performance does not guarantee future results.

<sup>1</sup> 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.

<sup>2</sup> 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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