

# Voya Global Perspectives

Markets. Insights. Opportunities.®

As of November 11, 2016

## Investment Weekly

### Commentary and Statistics

- In Brexit-like fashion, Donald Trump won the presidential election in a landslide. The Dow shook off its initial plunge to have the best week in five years while the S&P500 and NASDAQ each gained over 3%. Oil lost ground as expectations of a production halt lessened and gold dropped to a four-week low. The 10-year U.S. Treasury yield closed at approximately 2.2%.
- With 91% of S&P 500 companies having reported first quarter results, 71% have beaten earnings expectations while 55% have beaten sales expectations. According to FactSet, the third quarter blended earnings growth rate for the S&P 500 is 2.9%. If the index reports growth in earnings for the quarter, it will mark the first time the index has seen year-over-year growth in earnings since Q1 2015. Biogen, Priceline and Kohl's impressed this week while Twitter, SunPower Corp. and Hertz Rental Car were among the disappointments.
- Republican nominee Donald Trump won more than the required 270 Electoral College votes needed to become president-elect. At the moment, this will likely cause indigestion in financial markets, as a Republican win was largely unanticipated by many of the mainstream media and polls.
- The preliminary University of Michigan consumer sentiment reading for November came in at 91.6, ahead of the 87.5 consensus and up from 87.2 in October. The survey claims that the rise was driven by an improved outlook for the U.S. economy.
- According to the JOLTS report, there were approximately 5.49M job openings across the U.S. in September, little changed from 5.45M in August but above the 5.40M consensus expectation. The September job openings rate was 3.7% vs 3.6% in August.

Index Prices (\$)		
Index	11/11/2016	12/31/2015
Dow Jones Industrial Average	18,847.66	17,425.03
S&P 500 Index	2,164.45	2,043.94

Returns (%)				
U.S. Market Indexes Returns	One Week	MTD	YTD	3-Months
Dow Jones Industrial Average	5.52	4.07	10.70	1.89
S&P 500 Index	3.87	1.92	7.90	-0.46
Russell 2000 Index	10.27	7.71	14.34	4.71
Russell MidCap Index	4.12	2.09	8.99	-1.19
Barclays U.S. Aggregate Index	-1.48	-1.32	3.60	-1.88
Barclays High Yield Bond Index	-0.09	-0.93	14.48	1.04
United States 20-Year Treasury Bond	-6.14	-5.78	4.12	-10.59
S&P/LSTA Senior Loan Index	0.05	-0.32	8.92	1.41

S&P 500 Sector Returns	One Week	MTD	YTD	3-Months
Consumer Discretionary	4.00	2.06	3.30	-2.40
Consumer Staples	-2.11	-4.31	2.11	-7.22
Energy	2.58	1.53	17.03	1.93
Financials	11.36	9.83	13.93	12.21
Health Care	5.92	4.61	-0.88	-5.58
Industrials	8.07	6.68	15.90	4.18
Materials	3.72	2.98	12.32	-1.09
Technology	1.45	-1.34	10.94	1.17
Telecom	-0.10	-2.34	7.65	-13.52
Utilities	-3.93	-6.82	9.15	-8.69

#### U.S. Returns by Style

One Week (%)		Year to Date (%)		3-Months (%)	
Large Value	Large Growth	Large Value	Large Growth	Large Value	Large Growth
4.8	3.0	11.6	4.5	1.4	-2.3
Mid Value	Mid Growth	Mid Value	Mid Growth	Mid Value	Mid Growth
4.3	4.0	13.3	4.6	0.0	-2.6
Small Value	Small Growth	Small Value	Small Growth	Small Value	Small Growth
10.7	9.9	21.0	7.9	7.1	2.3

**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
Barclays Global Aggregate Bond Index	-2.58	-1.57	5.12	-4.34
MSCI EAFE Index	0.11	-1.46	-1.34	-3.41
MSCI United Kingdom Index	1.10	0.04	-4.30	-5.04
MSCI Europe ex-U.K. Index	-0.13	-1.91	-3.88	-4.84
MSCI Japan Index	-0.63	-2.20	1.93	0.24
MSCI AC Asia ex-Japan Index	-2.15	-3.78	6.90	-3.58
MSCI Emerging Markets Index	-3.51	-6.16	9.46	-6.04
JPM EMBI+ Emerging Markets Bond Index	-2.17	-2.39	10.65	-2.97
NAREIT Global Real Estate Index	-2.18	-4.25	0.59	-11.17

Source: FactSet

- China's trade surplus was lower than expected, largely due to export weakness. The October 2016 trade surplus was \$49.1B, compared to \$61.3B a year earlier and below the \$51.7B forecast. Exports were down 7.7% year-over-year, worse than the forecasted 6% decline. Imports fell 1.4% year-over-year, compared to an expected 1% drop.
- There was notable improvement in European investing sentiment with the Sentix Investor Confidence index rising from 8.5 in October to 13.1 in November, far above the forecasted 9.0.

Bond Rates (%) as of:	11/11/2016	11/04/2016	12/31/2015	08/11/2016
U.S. Federal Funds Target Rate	0.50	0.50	0.50	0.50
U.S. Two-Year Treasury Yield	0.94	0.80	1.06	0.75
U.S. Ten-Year Treasury Yield	2.17	1.78	2.28	1.57
High Yield (Merrill U.S. Corporates)	5.94	5.89	7.24	5.66

Commodity Prices as of:	11/11/2016	11/04/2016	12/31/2015	08/11/2016
Gold (USD/oz)	1,224.30	1,304.50	1,060.20	1,350.00
Crude Oil (USD/bbl)	43.41	44.07	37.04	43.49
Gasoline (USD/gal)	2.39	2.38	2.23	2.28
Copper (NYM \$/lbs)	2.51	2.26	2.13	2.19

Exchange Rates as of:	11/11/2016	11/04/2016	12/31/2015	08/11/2016
\$ per €	1.09	1.11	1.09	1.12
\$ per £	1.26	1.25	1.47	1.30
¥ per \$	106.60	103.02	120.30	101.33

## 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.

This commentary has been prepared by Voya Investment Management for informational purposes. Nothing contained herein should be construed as (i) an offer to sell or solicitation of an offer to buy any security or (ii) a recommendation as to the advisability of investing in, purchasing or selling any security. Any opinions expressed herein reflect our judgment and are subject to change. Certain of the statements contained herein are statements of future expectations and other forward-looking statements that are based on management's current views and assumptions and involve known and unknown risks and uncertainties that could cause actual results, performance or events to differ materially from those expressed or implied in such statements. Actual results, performance or events may differ materially from those in such statements due to, without limitation, (1) general economic conditions, (2) performance of financial markets, (3) changes in laws and regulations and (4) changes in the policies of governments and/or regulatory authorities. The opinions, views and information expressed in this commentary regarding holdings are subject to change without notice. The information provided regarding holdings is not a recommendation to buy or sell any security. Fund holdings are fluid and are subject to daily change based on market conditions and other factors.

**Past performance is no guarantee of future results.**

## Economic Release Calendar

Monday, November 14	Tuesday, November 15	Wednesday, November 16	Thursday, November 17	Friday, November 18
No Data	<b>CPI YoY (Oct)</b> U.K.  <b>Retail Price Index (Oct)</b> U.K.  <b>General Government Debt (Sep)</b> Euro Zone  <b>ZEW Survey Expectations (Nov)</b> Euro Zone  <b>ZEW Survey Expectations (Nov)</b> U.K.  <b>Empire Manufacturing (Nov)</b> U.S.  <b>Import Price Index YoY (Oct)</b> U.S.	<b>Employment Change 3M/3M (Sep)</b> U.K.  <b>Industrial Production MoM (Oct)</b> U.S.	<b>Employment Change (Sep)</b> U.K.  <b>Industrial Production (Oct)</b> U.S.  <b>CPI YoY (Oct)</b> Euro Zone  <b>Housing Starts MoM (Oct)</b> U.S.  <b>CPI MoM (Oct)</b> U.S.  <b>CPI YoY (Oct)</b> U.S.  <b>Continuing Claims (Nov 5)</b> U.S.  <b>Philadelphia Fed Business Outlook (Nov)</b> U.S.	No Data

Source: Bloomberg

## Earnings Announcements

Monday, November 14	Tuesday, November 15	Wednesday, November 16	Thursday, November 17	Friday, November 18
<b>Amplify Snack Brands</b> <b>National Steel Company</b>	<b>Dick's Sporting Goods</b> <b>Home Depot</b> <b>Teva Pharmaceutical Industries</b> <b>Vodafone</b>	<b>Lowe's Companies</b> <b>Target</b>	<b>Best Buy</b> <b>Gap</b> <b>Staples</b> <b>Wal-Mart Stores</b>	<b>Abercrombie</b> <b>Foot Locker</b>

Source: Bloomberg

This commentary has been prepared by Voya Investment Management for informational purposes. Nothing contained herein should be construed as (i) an offer to sell or solicitation of an offer to buy any security or (ii) a recommendation as to the advisability of investing in, purchasing or selling any security. Any opinions expressed herein reflect our judgment and are subject to change. Certain of the statements contained herein are statements of future expectations and other forward-looking statements that are based on management's current views and assumptions and involve known and unknown risks and uncertainties that could cause actual results, performance or events to differ materially from those expressed or implied in such statements. Actual results, performance or events may differ materially from those in such statements due to, without limitation, (1) general economic conditions, (2) performance of financial markets, (3) changes in laws and regulations and (4) changes in the policies of governments and/or regulatory authorities. The opinions, views and information expressed in this commentary regarding holdings are subject to change without notice. The information provided regarding holdings is not a recommendation to buy or sell any security. Fund holdings are fluid and are subject to daily change based on market conditions and other factors.

**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 \$221 billion in assets for investors.<sup>1</sup>

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

**83%** of our assets outperformed their benchmark on a 5-year basis.<sup>3</sup>

**85%** of the time our portfolios outperformed their benchmark on a rolling 3-year basis.<sup>4</sup>

### Past performance does not guarantee future results.

<sup>1</sup> As of 09/30/16, Voya IM assets of \$221 billion include proprietary insurance general account assets of \$93 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 \$208 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 09/30/16. If terminated and other accounts had been included, results may have differed from that shown. <sup>3</sup> Above benchmark metrics are 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 remain open as of 09/30/16. If terminated and other non-discretionary and special purpose accounts had been included, results may have differed from that shown. <sup>4</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 09/30/16. 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.

**A reliable partner committed to reliable investing<sup>®</sup>**

This commentary has been prepared by Voya Investment Management for informational purposes. Nothing contained herein should be construed as (i) an offer to sell or solicitation of an offer to buy any security or (ii) a recommendation as to the advisability of investing in, purchasing or selling any security. Any opinions expressed herein reflect our judgment and are subject to change. Certain of the statements contained herein are statements of future expectations and other forward-looking statements that are based on management's current views and assumptions and involve known and unknown risks and uncertainties that could cause actual results, performance or events to differ materially from those expressed or implied in such statements. Actual results, performance or events may differ materially from those in such statements due to, without limitation, (1) general economic conditions, (2) performance of financial markets, (3) changes in laws and regulations and (4) changes in the policies of governments and/or regulatory authorities. The opinions, views and information expressed in this commentary regarding holdings are subject to change without notice. The information provided regarding holdings is not a recommendation to buy or sell any security. Fund holdings are fluid and are subject to daily change based on market conditions and other factors.

**Past performance is no guarantee of future results.**

©2016 Voya Investments Distributor, LLC • 230 Park Ave, New York, NY 10169 • All rights reserved.  
BBGP-STATISTICS IM1114-29086-1017 • 163086

PLAN | INVEST | PROTECT

voyainvestments.com

**VOYA**<sup>®</sup>