

Voya Global Perspectives

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As of October 7, 2016

Investment Weekly

Commentary and Statistics

- U.S. equity markets finished the week lower after a modest, below-consensus jobs report. The Dow, Nasdaq and S&P 500 all lost ground. The British pound fell more than 4% as post-Brexit risk to the U.K. continues to be assessed. Oil finished the week higher as investors continue to consider OPEC's ability to control production. Gold was down for the week and the 10-year U.S. Treasury yield concluded the period at approximately 1.7%.
- September job gains totaled 156,000 while the unemployment rose slightly to 5%. These and other reports seemed to bring market consensus more in tune with the idea of a December rate hike, helped in part by recent hawkish Fed speak. Fed funds futures now suggest a greater than 60% chance of a hike by year-end.
- Vitor Constancio, vice president of the European Central Bank (ECB), stated that March 2017 is not necessarily the final date for quantitative easing and noted that the governing council would provide proper guidance about the future of the asset-purchase program before then.
- The ISM manufacturing index returned to expansion in September, coming in at 51.5, ahead of consensus and August's contractionary 49.4 reading. New orders jumped to 55.1 from August's 49.1 level, while the production index rose to 52.8 from last month's 49.6. The employment index remained in contraction but was better than last month's 48.3 reading. The price index remained unchanged at 53.
- September's nonmanufacturing ISM came in at 57.1, well ahead of consensus for 53.0 and hitting its highest level since October 2015. This follows directly on August's 51.4 level, which was the lowest reading since February 2010.

Index Prices (\$)		
Index	10/07/2016	12/31/2015
Dow Jones Industrial Average	18,240.49	17,425.03
S&P 500 Index	2,153.74	2,043.94

Returns (%)				
U.S. Market Indexes Returns	One Week	MTD	YTD	3-Months
Dow Jones Industrial Average	-0.31	-0.31	6.88	2.58
S&P 500 Index	-0.60	-0.60	7.19	3.20
Russell 2000 Index	-1.18	-1.18	10.15	7.94
Russell MidCap Index	-1.36	-1.36	8.76	3.35
Barclays U.S. Aggregate Index	-0.51	-0.51	5.26	-0.72
Barclays High Yield Bond Index	0.45	0.45	15.63	5.04
United States 20-Year Treasury Bond	-2.46	-2.46	12.64	-5.77
S&P/LSTA Senior Loan Index	0.26	0.26	8.77	2.84

S&P 500 Sector Returns	One Week	MTD	YTD	3-Months
Consumer Discretionary	-0.34	-0.34	3.29	1.09
Consumer Staples	-1.71	-1.71	5.71	-4.40
Energy	-0.01	-0.01	18.71	4.25
Financials	1.62	1.62	3.04	7.91
Health Care	-0.24	-0.24	1.12	-0.79
Industrials	-1.41	-1.41	9.31	2.44
Materials	-1.81	-1.81	9.43	3.02
Technology	-0.06	-0.06	12.44	12.54
Telecom	-2.77	-2.77	14.59	-7.83
Utilities	-3.81	-3.81	11.70	-8.66

U.S. Returns by Style

One Week (%)		Year to Date (%)		3-Months (%)	
Large Value	Large Growth	Large Value	Large Growth	Large Value	Large Growth
-0.5	-0.9	9.5	5.1	3.6	2.9
Mid Value	Mid Growth	Mid Value	Mid Growth	Mid Value	Mid Growth
-1.4	-1.3	12.1	5.4	3.9	2.8
Small Value	Small Growth	Small Value	Small Growth	Small Value	Small Growth
-1.2	-1.2	14.1	6.2	8.4	7.5

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
Barclays Global Aggregate Bond Index	-1.37	-1.37	8.35	-1.21
MSCI EAFE Index	-0.77	-0.77	1.42	7.36
MSCI United Kingdom Index	-1.96	-1.96	-1.12	4.91
MSCI Europe ex-U.K. Index	-1.09	-1.09	-0.64	7.50
MSCI Japan Index	0.27	0.27	3.16	8.95
MSCI AC Asia ex-Japan Index	1.12	1.12	14.07	11.59
MSCI Emerging Markets Index	1.29	1.29	17.86	11.42
JPM EMBI+ Emerging Markets Bond Index	-0.30	-0.30	14.69	2.33
NAREIT Global Real Estate Index	-4.53	-4.53	5.99	-2.08

Source: FactSet

- Euro zone manufacturing PMI rose to 52.6 in September, its highest reading in three months, up from 51.7 in August. From 2007 until 2016, it has averaged about 50.0. U.K. manufacturing PMI rose to 55.4 in September from 53.4 in August.
- U.K. housing prices decreasing 0.1% in the three months leading to September compared with the three months leading to June. Mortgage applications in the United States rose 2.9% in the week ended September 30th 2016 compared to the prior period.

Bond Rates (%) as of:	10/07/2016	09/30/2016	12/31/2015	07/07/2016
U.S. Federal Funds Target Rate	0.50	0.50	0.50	0.50
U.S. Two-Year Treasury Yield	0.85	0.77	1.06	0.59
U.S. Ten-Year Treasury Yield	1.74	1.61	2.28	1.39
High Yield (Merrill U.S. Corporates)	5.52	5.55	7.24	6.21

Commodity Prices as of:	10/07/2016	09/30/2016	12/31/2015	07/07/2016
Gold (USD/oz)	1,251.90	1,317.10	1,060.20	1,362.10
Crude Oil (USD/bbl)	49.81	48.24	37.04	45.14
Gasoline (USD/gal)	2.38	2.35	2.23	2.47
Copper (NYM \$/lbs)	2.16	2.20	2.13	2.12

Exchange Rates as of:	10/07/2016	09/30/2016	12/31/2015	07/07/2016
\$ per €	1.12	1.12	1.09	1.11
\$ per £	1.25	1.30	1.47	1.29
¥ per \$	103.13	101.27	120.30	100.78

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, October 10	Tuesday, October 11	Wednesday, October 12	Thursday, October 13	Friday, October 14
Trade Balance (Aug) Euro Zone Sentix Investor Confidence (Oct) Euro Zone BoP Current Account Balance (Aug) Japan	Monthly Budget Statement (Sep) U.S.	Industrial Production SA MoM (Aug) Euro Zone FOMC Meeting Minutes (Sep 21) U.S. RICS House Price Balance (Sep) U.K. Trade Balance (Sep) China	Import Price Index YoY (Sep) U.S. Initial Jobless Claims (Oct) U.S. Continuing Claims (Oct) U.S. Bloomberg Consumer Comfort (Oct) U.S.	Bank of England Credit Conditions & Bank Liabilities Surveys U.K. Retail Sales Advance MoM (Sep) U.S. U. of Mich. Current Conditions (Oct) U.S.

Source: Bloomberg

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Voya Investment Management

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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 \$218 billion in assets for investors.¹

Equity | Fixed Income | Multi-Asset Strategies & Solutions

86% of our assets outperformed their benchmark or peer median on a 5-year basis.²

73% of our assets outperformed their benchmark or peer median on a 10-year basis.²

86% 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 06/30/16, Voya IM assets of \$218 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 \$204 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 06/30/16. 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.

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 06/30/16. 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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