

Voya Global Perspectives

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As of October 14, 2016

Investment Weekly

Commentary and Statistics

- Political controversy and interest rate speculation left U.S. equities slightly lower at the end of the week with the Nasdaq, Dow Jones and S&P 500 all losing ground. Oil and gold were both relatively flat for the period. The 10-year U.S. Treasury yield finished up at approximately 1.8%.
- With 7% of S&P 500 companies having reported first quarter results, 76% have beaten earnings expectations while 62% have beaten sales expectations. According to FactSet, the third quarter blended earnings decline stands at -1.8%, a better start than seen in recent quarters. If the index reports negative earnings growth for the quarter, it will mark the first time the index has recorded six consecutive quarters of year-over-year declines in earnings since FactSet began tracking the data in Q3 2008.
- The minutes of the FOMC's September 21 meeting revealed that participants generally agreed economic activity had picked up, making a "reasonable argument" for an immediate rate hike or a continued delay. However, many expressed the view that it would be appropriate to await further evidence of continued progress towards the Committee's objectives.
- Advanced U.S. retail sales rose 0.6% in September compared to August. Auto sales were up 1.1% after declining 0.3% during the same period, respectively.
- U.S. consumer confidence was flat in October according to the Bloomberg Consumer Confidence Index which came in at 42.1 for the month, not far off from September's measurement of 41.4. The Labor Department stated that jobless claims were unchanged week-over-week coming in at 246,000.
- Higher U.S. fuel prices resulted in a slight import cost increase of 0.1% in September following a 0.2% decline in August. Exports costs dropped 0.8% in August and rose 0.3% in September.

Index Prices (\$)		
Index	10/14/2016	12/31/2015
Dow Jones Industrial Average	18,138.38	17,425.03
S&P 500 Index	2,132.98	2,043.94

Returns (%)				
U.S. Market Indexes Returns	One Week	MTD	YTD	3-Months
Dow Jones Industrial Average	-0.56	-0.87	6.28	-1.36
S&P 500 Index	-0.95	-1.55	6.17	-0.90
Russell 2000 Index	-1.94	-3.10	8.01	1.21
Russell MidCap Index	-1.32	-2.66	7.33	-1.46
Barclays U.S. Aggregate Index	-0.16	-0.67	5.08	-0.50
Barclays High Yield Bond Index	0.10	0.55	15.74	3.32
United States 20-Year Treasury Bond	-1.50	-3.92	10.95	-5.20
S&P/LSTA Senior Loan Index	0.18	0.44	8.97	2.25

S&P 500 Sector Returns	One Week	MTD	YTD	3-Months
Consumer Discretionary	-1.14	-1.47	2.11	-2.71
Consumer Staples	0.04	-1.67	5.76	-5.40
Energy	-1.13	-1.14	17.37	-0.35
Financials	-1.01	0.59	2.00	2.07
Health Care	-3.22	-3.45	-2.13	-5.72
Industrials	-0.62	-2.02	8.63	-2.52
Materials	-1.19	-2.98	8.13	-4.02
Technology	-0.59	-0.65	11.77	7.51
Telecom	0.66	-2.13	15.35	-8.55
Utilities	1.34	-2.53	13.19	-7.09

U.S. Returns by Style

One Week (%)		Year to Date (%)		3-Months (%)	
Large Value	Large Growth	Large Value	Large Growth	Large Value	Large Growth
-1.1	-0.9	8.3	4.1	-0.9	-0.7
Mid Value	Mid Growth	Mid Value	Mid Growth	Mid Value	Mid Growth
-1.0	-1.7	11.0	3.7	-1.1	-1.9
Small Value	Small Growth	Small Value	Small Growth	Small Value	Small Growth
-1.3	-2.6	12.6	3.5	1.6	0.8

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	-0.90	-2.25	7.37	-1.35
MSCI EAFE Index	-1.39	-2.15	0.00	1.28
MSCI United Kingdom Index	-2.60	-4.51	-3.69	-2.61
MSCI Europe ex-U.K. Index	-0.95	-2.03	-1.58	1.04
MSCI Japan Index	-1.51	-1.24	1.60	4.55
MSCI AC Asia ex-Japan Index	-2.35	-1.26	11.39	5.10
MSCI Emerging Markets Index	-1.93	-0.66	15.58	4.25
JPM EMBI+ Emerging Markets Bond Index	-0.54	-0.84	14.07	0.91
NAREIT Global Real Estate Index	-0.26	-4.78	5.72	-4.96

Source: FactSet

- The Royal Institution of Chartered Surveyors reported that demand for residential properties in the U.K. rose in September for the first time in seven months.
- Global growth concerns flared as China reported a decrease in its trade surplus, which dropped from approximately \$59.6 billion in September 2015 compared to \$41.99 billion in September 2016. Chinese exports declined 10% year-over-year.

Bond Rates (%) as of:	10/14/2016	10/07/2016	12/31/2015	07/14/2016
U.S. Federal Funds Target Rate	0.50	0.50	0.50	0.50
U.S. Two-Year Treasury Yield	0.84	0.85	1.06	0.68
U.S. Ten-Year Treasury Yield	1.79	1.74	2.28	1.53
High Yield (Merrill U.S. Corporates)	5.53	5.52	7.24	5.81

Commodity Prices as of:	10/14/2016	10/07/2016	12/31/2015	07/14/2016
Gold (USD/oz)	1,255.50	1,251.90	1,060.20	1,332.20
Crude Oil (USD/bbl)	50.35	49.81	37.04	45.68
Gasoline (USD/gal)	2.39	2.38	2.23	2.43
Copper (NYM \$/lbs)	2.10	2.16	2.13	2.24

Exchange Rates as of:	10/14/2016	10/07/2016	12/31/2015	07/14/2016
\$ per €	1.10	1.12	1.09	1.11
\$ per £	1.22	1.25	1.47	1.33
¥ per \$	104.34	103.13	120.30	105.36

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 17	Tuesday, October 18	Wednesday, October 19	Thursday, October 20	Friday, October 21
CPI YoY (Sep) Euro Zone	CPI YoY (Sep) U.K.	Jobless Claims Change (Sep) U.K.	Initial Jobless Claims (Oct 15) U.S.	No Data
Industrial Production MoM (Sep) U.S.	Retail Price Index (Sep) U.K.	Housing Starts MoM (Sep) U.S.	Existing Home Sales MoM (Sep) U.S.	
Bloomberg Economic Expectations (Oct) U.S.	House Price Index YoY (Aug) U.K.		Leading Index (Sep) U.S.	
	CPI YoY (Sep) U.S.			
	NAHB Housing Market Index (Oct) U.S.			
	Industrial Production YoY (Sep) China			
	Retail Sales YoY (Sep) China			

Source: Bloomberg

Earnings Announcements

Monday, October 17	Tuesday, October 18	Wednesday, October 19	Thursday, October 20	Friday, October 21
Bank of America Hasbro Netflix	BlackRock Goldman Sachs Harley-Davidson Johnson & Johnson United Health	Abbott Laboratories American Express eBay Packaging Corporation	Dunkin' Brands Group Microsoft Quest Diagnostics Verizon	Ericsson General Electric McDonalds Moody's

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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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