

Voya Global Perspectives

Markets. Insights. Opportunities.®

As of October 28, 2016

Investment Weekly

Commentary and Statistics

- It was a mixed week for U.S. equity indexes with the Dow Jones slightly rising while the Nasdaq and S&P 500 both posted a modest loss. The 10-year U.S. Treasury yield closed at approximately 1.85%. Oil prices dropped for the period and gold was up.
- With 58% of S&P 500 companies having reported first quarter results, 74% have beaten earnings expectations while 58% have beaten sales expectations. According to FactSet, the third quarter blended earnings growth rate for the S&P 500 is 1.6%. 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. T-Mobile, Proctor & Gamble and Cheesecake Factory impressed this week; Time Warner, Nielsen and Nokia were among the disappointments.
- Another week of Fed speak and political uncertainty was concluded with advance estimate third quarter U.S. gross domestic product (GDP) data, which increased at an annual rate of 2.9%. This compares to 1.4% during the second quarter.
- Preliminary U.S. manufacturing and services PMI data were both up for the month of October. The U.S. Manufacturing PMI rose from 51.5 to 53.2, while the U.S. Services PMI expanded at the fastest pace for 11 months.
- New U.S. home sales also posted gains increasing 3.1% in September compared to August. July remains the best month for home sales since 2007. The National Association of Realtors reported that its pending home sales index rose 1.5% in August.
- The Chicago Fed National Activity Index's three-month moving average dropped to -0.21 in September from -0.14 in August. This suggests that economic growth remains somewhat below its historical trend and that inflationary pressure from economic activity over the next year should remain subdued.

Index Prices (\$)		
Index	10/28/2016	12/31/2015
Dow Jones Industrial Average	18,161.19	17,425.03
S&P 500 Index	2,126.41	2,043.94

Returns (%)				
U.S. Market Indexes Returns	One Week	MTD	YTD	3-Months
Dow Jones Industrial Average	0.09	-0.69	6.47	-0.97
S&P 500 Index	-0.67	-1.81	5.88	-1.49
Russell 2000 Index	-2.49	-5.06	5.83	-2.09
Russell MidCap Index	-1.37	-3.50	6.40	-3.22
Barclays U.S. Aggregate Index	-0.50	-0.84	4.90	-0.75
Barclays High Yield Bond Index	-0.47	0.65	15.86	3.33
United States 20-Year Treasury Bond	-2.14	-4.82	9.91	-6.59
S&P/LSTA Senior Loan Index	0.08	0.71	9.26	2.04

S&P 500 Sector Returns	One Week	MTD	YTD	3-Months
Consumer Discretionary	-1.95	-2.48	1.07	-3.90
Consumer Staples	0.99	-0.99	6.49	-2.47
Energy	-1.15	-1.78	16.61	3.15
Financials	0.61	2.40	3.84	3.25
Health Care	-2.78	-6.01	-4.72	-9.34
Industrials	0.18	-2.19	8.44	-1.77
Materials	-0.76	-2.20	9.00	-3.94
Technology	-0.15	-0.05	12.44	4.69
Telecom	-0.61	-6.43	10.28	-11.38
Utilities	0.91	-1.10	14.85	-5.63

U.S. Returns by Style					
One Week (%)		Year to Date (%)		3-Months (%)	
Large Value	-0.3	Large Value	8.1	Large Value	-0.9
Large Growth	-1.2	Large Growth	3.6	Large Growth	-2.3
Mid Value	-1.1	Mid Value	10.5	Mid Value	-2.1
Mid Growth	-1.7	Mid Growth	2.2	Mid Growth	-4.5
Small Value	-1.9	Small Value	11.3	Small Value	-0.2
Small Growth	-3.0	Small Growth	0.5	Small Growth	-3.9

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	-0.79	-3.02	6.54	-2.10
MSCI EAFE Index	-0.38	-2.05	0.11	1.14
MSCI United Kingdom Index	-0.73	-5.06	-4.25	-2.74
MSCI Europe ex-U.K. Index	-0.22	-2.16	-1.71	0.76
MSCI Japan Index	0.37	0.89	3.79	6.65
MSCI AC Asia ex-Japan Index	-1.06	-1.36	11.28	2.79
MSCI Emerging Markets Index	-0.84	0.07	16.44	3.71
JPM EMBI+ Emerging Markets Bond Index	-1.05	-1.41	13.41	0.80
NAREIT Global Real Estate Index	-2.50	-6.49	3.82	-8.26

Source: FactSet

- U.S. initial claims for unemployment for the week ended October 22 came in at 258,000. A number under 300,000 ordinarily implies a strong job market. This was the 86th week that initial jobless claims were in that range.
- Industrial profits in China slowed to a 7.7% gain in September following a 19.5% August surge.

Bond Rates (%) as of:	10/28/2016	10/21/2016	12/31/2015	07/28/2016
U.S. Federal Funds Target Rate	0.50	0.50	0.50	0.50
U.S. Two-Year Treasury Yield	0.86	0.83	1.06	0.72
U.S. Ten-Year Treasury Yield	1.85	1.74	2.28	1.51
High Yield (Merrill U.S. Corporates)	5.59	5.42	7.24	5.86

Commodity Prices as of:	10/28/2016	10/21/2016	12/31/2015	07/28/2016
Gold (USD/oz)	1,276.80	1,267.70	1,060.20	1,332.30
Crude Oil (USD/bbl)	48.70	50.85	37.04	41.14
Gasoline (USD/gal)	2.39	2.38	2.23	2.34
Copper (NYM \$/lbs)	2.19	2.08	2.13	2.21

Exchange Rates as of:	10/28/2016	10/21/2016	12/31/2015	07/28/2016
\$ per €	1.09	1.09	1.09	1.11
\$ per £	1.21	1.22	1.47	1.31
¥ per \$	105.41	103.83	120.30	104.84

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 31	Tuesday, November 1	Wednesday, November 2	Thursday, November 3	Friday, November 4
Mortgage Approvals (Sep) U.K. Personal Spending (Sep) U.S.	Markit US Manufacturing PMI (Oct) U.S. Wards Total Vehicle Sales (Oct) U.S.	Consumer Confidence Index (Oct) Japan	Nonfarm Productivity (3Q P) U.S. Continuing Claims (Oct 22) U.S. Markit US Services PMI (Oct) U.S. Factory Orders (Sep) U.S. Durable Goods Orders (Sep) U.S.	Markit Eurozone Services PMI (Oct) Euro Zone Trade Balance (Sep) U.S. Unemployment Rate (Oct) U.S. Labor Force Participation Rate (Oct) U.S. Underemployment Rate (Oct) U.S.

Source: Bloomberg

Earnings Announcements

Monday, October 31	Tuesday, November 1	Wednesday, November 2	Thursday, November 3	Friday, November 4
Anadarko Petroleum Loews Omega Healthcare	Fidelity Gilead Sciences Kellogg Company Pfizer Zillow Group	Alibaba Group Avis Clorox Estee Lauder Voya	AMC Networks Avon CBS Motorola Starbucks	NRG Energy Shutterstock

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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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