

Voya Global Perspectives

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As of September 2, 2016

Investment Weekly

Commentary and Statistics

- U.S. equity market indexes were slightly higher leading into the holiday weekend with the Dow, S&P 500 and Nasdaq posting gains. Internationally, the Stoxx Europe 600 and U.K. FTSE 100 gained; Asian markets were mixed. This activity followed a lukewarm jobs report and a week of speculation over the next Federal Reserve rate hike. Oil dropped for the period and gold was relatively flat. The ten-year U.S. Treasury yield was unchanged from the previous week.
- The August unemployment rate measured 4.9%, the same number reported in July. Nonfarm payrolls increased by 151,000, in contrast to the 180,000 projected by economists.
- U.S. consumer spending was up 0.3% in July compared to June 2016, marking the fourth consecutive month of gains. Consumer confidence improved significantly, with the Conference Board's index rising to 101.1, compared to 96.7 in July.
- The National Association of Realtors' pending home sales index increased to 111.3 in July, a seasonally adjusted 1.3% increase. This was 1.4% higher than the July 2015 number.
- August auto sales disappointed after the prior month's strength, estimated at 16.9 million units, below July's 17.9 million.
- The August ISM manufacturing index unexpectedly contracted, falling to 49.4 from 52.6 in July. The Chicago Business Barometer decreased 4.3 points in July to 51.5, down from June's 55.8 reading. The U.S. manufacturing purchasing manager's index (PMI) dropped to 52.1 in August after reading 52.9 in July.
- The euro area July unemployment rate was 10.1%, its lowest in over five years. The August consumer price estimate for the area came in at 0.8% compared to the forecast of 0.9%.

Index Prices (\$)		
Index	09/02/2016	12/31/2015
Dow Jones Industrial Average	18,491.96	17,425.03
S&P 500 Index	2,179.98	2,043.94

Returns (%)				
U.S. Market Indexes Returns	One Week	MTD	YTD	One Year
Dow Jones Industrial Average	0.61	0.50	8.19	16.16
S&P 500 Index	0.56	0.42	8.27	14.36
Russell 2000 Index	1.15	0.97	11.30	10.92
Russell MidCap Index	0.84	0.69	10.80	12.12
Barclays U.S. Aggregate Index	0.17	-0.15	5.70	5.83
Barclays High Yield Bond Index	0.08	0.01	14.36	9.13
United States 20-Year Treasury Bond	0.49	-0.77	16.61	17.42
S&P/LSTA Senior Loan Index	0.29	0.11	7.97	4.47

S&P 500 Sector Returns	One Week	MTD	YTD	One Year
Consumer Discretionary	-0.07	0.34	4.31	10.23
Consumer Staples	0.96	0.72	9.93	19.84
Energy	-0.49	0.64	15.91	11.48
Financials	2.03	0.08	4.32	9.50
Health Care	-0.56	-0.15	1.73	5.55
Industrials	0.42	0.47	11.51	18.82
Materials	0.97	1.16	14.17	18.09
Technology	0.65	0.72	10.62	20.53
Telecom	1.00	0.57	19.64	25.51
Utilities	0.94	0.82	16.62	24.62

U.S. Returns by Style

One Week (%)		Year to Date (%)		One Year (%)	
Large Value	Large Growth	Large Value	Large Growth	Large Value	Large Growth
1.0	0.3	10.7	6.2	15.3	11.9
Mid Value	Mid Growth	Mid Value	Mid Growth	Mid Value	Mid Growth
1.0	0.6	14.0	7.7	15.6	8.7
Small Value	Small Growth	Small Value	Small Growth	Small Value	Small Growth
1.1	1.2	15.5	7.2	16.6	5.5

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	One Year
Barclays Global Aggregate Bond Index	-1.19	-0.22	9.01	8.44
MSCI EAFE Index	0.48	1.46	2.39	4.66
MSCI United Kingdom Index	1.66	3.39	3.22	2.64
MSCI Europe ex-U.K. Index	0.56	1.72	1.35	1.71
MSCI Japan Index	0.76	0.18	1.30	7.40
MSCI AC Asia ex-Japan Index	0.26	0.35	11.37	16.55
MSCI Emerging Markets Index	-0.10	0.75	15.70	16.20
JPM EMBI+ Emerging Markets Bond Index	-0.19	-0.12	14.52	15.23
NAREIT Global Real Estate Index	0.31	0.56	12.49	20.83

Source: FactSet

- The European Commission economic sentiment indicator dropped to 103.5 in August from 104.5 in July. The business climate indicator also decreased 0.36 points to settle at 0.02.
- Mortgage approvals in the U.K. touched an 18-month low with 60,912 new mortgages approved in July down from 64,152 in June.
- China's manufacturing PMI came in at 50.4 in July, the highest reading in nearly two years. Retail sales in Japan fell for the fifth straight month and posted a July year-on-year decrease of 0.2%.

Bond Rates (%) as of:	09/02/2016	08/26/2016	12/31/2015	09/02/2015
U.S. Federal Funds Target Rate	0.50	0.50	0.50	0.25
U.S. Two-Year Treasury Yield	0.80	0.85	1.06	0.72
U.S. Ten-Year Treasury Yield	1.60	1.64	2.28	2.19
High Yield (Merrill U.S. Corporates)	5.55	5.56	7.24	6.59

Commodity Prices as of:	09/02/2016	08/26/2016	12/31/2015	09/02/2015
Gold (USD/oz)	1,326.70	1,325.90	1,060.20	1,133.60
Crude Oil (USD/bbl)	44.44	47.64	37.04	46.25
Gasoline (USD/gal)	2.34	2.31	2.24	2.73
Copper (NYM \$/lbs)	2.07	2.08	2.13	2.33

Exchange Rates as of:	09/02/2016	08/26/2016	12/31/2015	09/02/2015
\$ per €	1.12	1.13	1.09	1.12
\$ per £	1.33	1.32	1.47	1.53
¥ per \$	104.16	100.51	120.30	120.17

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, September 5	Tuesday, September 6	Wednesday, September 7	Thursday, September 8	Friday, September 9
Markit Eurozone Composite PMI (Aug) Euro Zone	Markit Eurozone Retail PMI (Aug) Euro Zone GDP SA QoQ (2Q) Euro Zone GDP SA YoY (2Q) Euro Zone Markit US Services PMI (Aug) U.S.	Halifax House Prices MoM (Aug) U.K. Industrial Production YoY (Jul) U.K. Manufacturing Production YoY (Jul) U.K. JOLTS Job Openings (Jul) U.S. RICS House Price Balance (Aug) U.K. Exports YoY (Aug) China Imports YoY (Aug) China	Initial Jobless Claims (Sep) U.S. Continuing Claims (Aug) U.S. CPI YoY (Aug) China	No Data

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 i/n 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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