

Voya Global Perspectives

Markets. Insights. Opportunities.™

As of December 19, 2014

Investment Weekly

Commentary and Statistics

- Though last week's drubbing extended into the first few days of the new week, equity markets staged a furious comeback after the Fed on Wednesday reiterated it would take a patient approach to its rate hikes. Oil prices continued to decline but showed some stability near a five-year low around the mid-\$50/barrel level. Yield on the benchmark ten-year Treasury approached 2% during the week before rebounding to finish around 2.17%.
- While the Federal Reserve raised the prospect of "beginning to normalize the stance of monetary policy" in its latest statement, it also stressed that it would remain "patient". In her press conference following the statement's release, central bank Chair Yellen offered that a rate hike was unlikely "for at least the next couple of meetings".
- Industrial production rose 1.3% in November, the best performance since 2010; with its 1.1% increase, the manufacturing component of this metric surpassed its pre-recession peak. Capacity utilization jumped to its highest level since 2008 during the month and returned to its 40-year average.
- Consumer prices in November posted the biggest drop in nearly six years, falling 0.3% as oil prices plummeted. On a year-over-year basis, core CPI advanced 1.7%, below the Fed's target inflation of 2%.
- Business conditions in the New York region unexpectedly contracted in December for the first time since January 2013. Activity in the Philadelphia region also cooled this month — November's reading represented a 20-plus-year high — but remained well into positive territory.
- In an unexpected middle of the night move, the Central Bank of Russia jacked its main deposit rate to 17% from 10.5% in an effort to protect the ruble in the face of falling oil prices. The Russian currency has lost

Index Prices (\$)		
Index	12/19/2014	12/31/2013
Dow Jones Industrial Average	17,804.80	16,576.66
S&P 500 Index	2,070.65	1,848.36

Returns (%)				
U.S. Market Index Returns	One Week	MTD	YTD	One Year
Dow Jones Industrial Average	3.08	0.00	9.85	12.61
S&P 500 Index	3.44	0.26	14.28	16.79
Russell 2000 Index	3.80	2.02	4.05	7.65
Russell MidCap Index	3.43	0.19	13.20	16.03
Barclays U.S. Aggregate Index	-0.27	-0.09	5.77	5.65
Barclays High Yield Bond Index	1.08	-2.01	1.86	2.17
United States 20-Year Treasury Bond	-0.28	2.66	26.81	26.03
S&P/LSTA Senior Loan Index	0.23	-1.83	0.56	0.80

S&P 500 Sector Returns	One Week	MTD	YTD	One Year
Consumer Discretionary	1.69	-0.87	7.68	10.13
Consumer Staples	2.13	-0.77	16.29	17.97
Energy	9.74	2.25	-6.17	-4.04
Financials	2.90	1.74	15.12	17.05
Health Care	3.02	1.74	29.22	31.16
Industrials	3.83	-0.09	9.88	12.86
Materials	5.00	-0.27	7.34	10.57
Technology	2.95	-0.99	20.98	24.91
Telecom	3.77	-5.98	3.16	4.87
Utilities	2.85	2.67	27.93	29.63

U.S. Returns by Style					
One Week (%)		Year to Date (%)		One Year (%)	
Large Value	Large Growth	Large Value	Large Growth	Large Value	Large Growth
3.7	3.1	13.8	13.6	16.1	16.5
Mid Value	Mid Growth	Mid Value	Mid Growth	Mid Value	Mid Growth
3.3	3.5	14.5	12.1	17.3	14.9
Small Value	Small Growth	Small Value	Small Growth	Small Value	Small Growth
3.7	3.9	3.0	5.1	6.3	9.0

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	-0.66	-0.57	0.70	0.75
MSCI EAFE Index	0.87	-3.09	-4.14	-0.98
MSCI United Kingdom Index	3.48	-2.73	-5.39	-1.82
MSCI Europe ex-U.K. Index	0.45	-4.02	-4.87	-1.49
MSCI Japan Index	-0.08	-0.82	-3.14	-1.01
MSCI AC Asia ex-Japan Index	-0.51	-3.81	3.23	4.94
MSCI Emerging Markets Index	0.69	-5.92	-3.22	-2.00
JPM EMBI+ Emerging Markets Bond Index	1.62	-3.20	5.17	5.07
NAREIT Global Real Estate Index	0.66	-0.89	14.04	16.07

Source: FactSet

about half its value since the beginning of the year.

- The preliminary euro zone composite purchasing managers' index for December beat expectations, but at 51.7 showed only modest economic expansion.
- With the sale of its remaining stake in Ally Financial, the Treasury Department closed the books on its last major Troubled Asset Relief Program investment. Through TARP, Treasury extended around \$425 billion; it has since recovered more than \$441 billion.

Bond Rates (%) as of:	12/19/2014	12/12/2014	12/31/2013	12/19/2013
U.S. Federal Funds Target Rate	0.25	0.25	0.25	0.25
U.S. Two-Year Treasury Yield	0.65	0.53	0.35	0.34
U.S. Ten-Year Treasury Yield	2.18	2.10	3.01	2.93
High Yield (Merrill U.S. Corporates)	6.28	6.59	6.08	6.05

Commodity Prices as of:	12/19/2014	12/12/2014	12/31/2013	12/19/2013
Gold (USD/oz)	1196.00	1222.50	1202.30	1193.60
Crude Oil (USD/bbl)	57.13	57.81	98.42	99.04
Gasoline (USD/gal)	2.67	2.78	3.47	3.39
Copper (NYM \$/lbs)	2.91	2.95	3.44	3.34

Exchange Rates as of:	12/19/2014	12/12/2014	12/31/2013	12/19/2013
\$ per €	1.23	1.25	1.38	1.37
\$ per £	1.56	1.57	1.66	1.64
¥ per \$	119.43	118.55	105.11	104.23

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, December 22	Tuesday, December 23	Wednesday, December 24	Thursday, December 25	Friday, December 26
Chicago Fed Ntl Activity (Nov) U.S.	GDP (3Q14) U.K.		CPI (Nov) Japan	
Consumer Confidence (Dec) Euro Zone	Durable and Capital Goods Orders (Nov) U.S.		Industrial Production (Nov) Japan	
Existing-Home Sales (Nov) U.S.	GDP (3Q14) U.S.		Markets Closed U.S., others	
	Personal Consumption (3Q14) U.S.			
	FHFA House Price Index (Oct) U.S.			
	U. of Michigan Confidence (Dec) U.S.			
	Richmond Fed Mnfg Index (Dec) U.S.			
	New-Home Sales (Nov) U.S.			
	Personal Income and Spending (Nov) U.S.			

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

Our Promises

- Clients first
- Long-term perspective
- Unmatched service

Our Skills

- Disciplined processes
- Intensive research
- Expert portfolio construction

Our Core Capabilities

- Equities
- Fixed Income
- Multi-Asset Strategies and Solutions

A reliable partner committed to reliable investing

\$213 Billion AUM* | Over 850 Employees | Over 200 Investment Professionals

Data is as of 09/30/14.

* As of September 30, 2014, Voya IM assets of \$213 billion include proprietary insurance general account assets of \$85 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 \$207 billion.

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.

©2014 Voya Investments Distributor, LLC • 230 Park Ave, New York, NY 10169

BBGP-STATISTICS 11208 • 163086

RETIREMENT | INVESTMENTS | INSURANCE

voyainvestments.com

VOYA[™]