

Voya Global Perspectives

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As of December 26, 2014

Investment Weekly

Commentary and Statistics

- The post-FOMC comeback by the equity markets continued last week, sending the DJIA and S&P 500 back to new record highs in time for Christmas. Notably, the DJIA eclipsed 18,000 for the first time, having rallied more than 1,000 points in only five trading days. The dollar continued to strengthen against the euro and the yen, while yield on the benchmark ten-year U.S. Treasury moved higher.
- In its third estimate of third quarter GDP growth, the Commerce Department reported an expansion of 5.0%, well ahead of the previous 3.9% estimate and the fastest quarterly rate of growth in 11 years. The revision was driven by better than initially reported expansions in consumer spending (3.2% vs. 2.2%) and business investment (8.9% vs. 7.1%). Inventories were also revised higher.
- Personal income moved 0.4% higher during November, while real disposable income, which adjusts for taxes and inflation, rose 0.5%. Personal spending jumped 0.6% during the month, driven in part by a 4% decline in energy costs. Falling energy costs have also led to improved consumer attitudes; the final reading on consumer sentiment for December by the University of Michigan came in at a nearly eight-year high.
- The price index for personal consumption expenditures, the Fed's preferred inflation metric, fell 0.2% from October to November and is up only 1.2% from a year ago. This reflects the 31st consecutive month that inflation fell short of the Fed's 2% target.
- Durable goods orders unexpectedly declined in November, falling 0.7% in the face of expectations of a 3% gain. Core capital goods also lagged, dropping 1.3%.
- New-home sales fell 1.6% in November to a four-month low, surprising analysts expecting a gain. Existing-home sales

Index Prices (\$)		
Index	12/26/2014	12/31/2013
Dow Jones Industrial Average	18,053.71	16,576.66
S&P 500 Index	2,088.77	1,848.36

Returns (%)				
U.S. Market Indexes Returns	One Week	MTD	YTD	One Year
Dow Jones Industrial Average	1.43	1.43	11.42	12.10
S&P 500 Index	0.90	1.17	15.30	15.74
Russell 2000 Index	1.64	3.69	5.75	5.89
Russell MidCap Index	1.09	1.29	14.43	15.01
Barclays U.S. Aggregate Index	-0.19	-0.27	5.58	5.66
Barclays High Yield Bond Index	0.48	-1.55	2.35	2.49
United States 20-Year Treasury Bond	-0.67	1.97	25.96	25.58
S&P/LSTA Senior Loan Index	0.31	-1.52	0.87	0.97

S&P 500 Sector Returns	One Week	MTD	YTD	One Year
Consumer Discretionary	1.92	1.04	9.75	10.25
Consumer Staples	1.72	0.94	18.30	18.92
Energy	-0.61	1.63	-6.75	-6.19
Financials	1.02	2.78	16.30	16.57
Health Care	-1.95	-0.24	26.70	26.77
Industrials	1.43	1.34	11.45	11.85
Materials	0.90	0.63	8.30	9.00
Technology	1.68	0.67	23.02	23.53
Telecom	1.87	-4.22	5.09	5.09
Utilities	3.69	6.46	32.65	33.71

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	0.9	14.9	14.7	15.3	15.1
Mid Value	Mid Growth	Mid Value	Mid Growth	Mid Value	Mid Growth
1.2	0.9	16.0	13.1	16.5	13.7
Small Value	Small Growth	Small Value	Small Growth	Small Value	Small Growth
1.9	1.4	4.9	6.6	5.0	6.8

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	One Year
Barclays Global Aggregate Bond Index	-0.38	-0.95	0.32	0.57
MSCI EAFE Index	0.47	-2.64	-3.69	-2.13
MSCI United Kingdom Index	0.52	-2.23	-4.90	-3.32
MSCI Europe ex-U.K. Index	0.32	-3.72	-4.56	-2.72
MSCI Japan Index	0.51	-0.32	-2.65	-1.43
MSCI AC Asia ex-Japan Index	0.85	-2.99	4.11	5.16
MSCI Emerging Markets Index	0.88	-5.10	-2.37	-1.43
JPM EMBI+ Emerging Markets Bond Index	0.33	-2.88	5.51	5.33
NAREIT Global Real Estate Index	1.12	0.21	15.31	16.17

Source: FactSet

were even weaker during the month, losing 6.1% in the weakest showing since May. Meanwhile, the Federal Housing Finance Agency reported that house prices rose only 0.6% in October.

- U.K. GDP for the third quarter was revised lower, to 2.6% from an earlier estimate of 3%, as business investment contracted. Meanwhile, the country posted a record current account deficit of 6% of GDP in the quarter.

Bond Rates (%) as of:	12/26/2014	12/19/2014	12/31/2013	12/26/2013
U.S. Federal Funds Target Rate	0.25	0.25	0.25	0.25
U.S. Two-Year Treasury Yield	0.75	0.65	0.35	0.38
U.S. Ten-Year Treasury Yield	2.25	2.18	3.01	2.99
High Yield (Merrill U.S. Corporates)	6.19	6.28	6.08	6.05

Commodity Prices as of:	12/26/2014	12/19/2014	12/31/2013	12/26/2013
Gold (USD/oz)	1195.30	1196.00	1202.30	1212.30
Crude Oil (USD/bbl)	54.73	57.13	98.42	99.55
Gasoline (USD/gal)	2.54	2.67	3.47	3.42
Copper (NYM \$/lbs)	2.84	2.91	3.44	3.45

Exchange Rates as of:	12/26/2014	12/19/2014	12/31/2013	12/26/2013
\$ per €	1.22	1.23	1.38	1.37
\$ per £	1.56	1.56	1.66	1.64
¥ per \$	120.46	119.43	105.11	104.70

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, December 29	Tuesday, December 30	Wednesday, December 31	Thursday, January 1	Friday, January 2
Dallas Fed Mnfg Activity (Dec) U.S.	Case-Shiller House Prices (Oct) U.S. Consumer Confidence (Dec) U.S. Manufacturing PMI (Dec) China	ISM Milwaukee (Dec) U.S. Chicago PMI (Dec) U.S. Pending Home Sales (Nov) U.S.		Manufacturing PMI (Dec) Euro Zone Manufacturing PMI (Dec) U.S. Construction Spending (Nov) U.S. ISM Mnfg and Prices Paid (Dec) U.S. Non-manufacturing PMI (Dec) China

Source: Bloomberg

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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.

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