

# Voya Global Perspectives

Markets. Insights. Opportunities.™

As of December 5, 2014

## Investment Weekly

### Commentary and Statistics

- Equity markets continued their winning ways last week, as generally positive economic data flow was punctuated by a blockbuster jobs report on Friday. The DJIA and S&P 500 both closed at record highs, while yield on the benchmark ten-year Treasury moved higher to finish around 2.3%. Crude oil prices continued to struggle, ending the week at a five-year low.
- Nonfarm payrolls in November saw their best month in nearly three years, with 321,000 new jobs added; economists had expected a number closer to 220,000. September and October results were restated higher by a combined 44,000 jobs. Wage growth even suggested signs of life in November, ticking up 0.4% from October and 2.1% on a year-over-year basis. The unemployment rate was unchanged at 5.8%, while the labor-participation rate also held steady near historical lows, at 62.8%.
- The National Retail Federation estimated that retail sales fell a disappointing 11% year-over-year over the four-day Thanksgiving weekend. However, the trade group still expects 4.1% growth for the entire holiday season, suggesting sales may have been pulled forward by earlier than usual promotional activity by retailers.
- U.S. manufacturing in November was little changed from October, with the ISM factory index holding near to three-year highs. Meanwhile, the gauge of the country's service sector rose more than expected to fall just short of a post-recession high.
- The trade deficit narrowed 0.4% in October, less than expected. Exports increased 1.2% during the month despite the slowing global economy. Imports increased nearly 1% to a new record high even as oil imports fell to 2009 levels.
- The latest Beige Book of economic activity showed that businesses across

Index Prices (\$)		
Index	12/05/2014	12/31/2013
Dow Jones Industrial Average	17,958.79	16,576.66
S&P 500 Index	2,075.37	1,848.36

Returns (%)				
U.S. Market Index Returns	One Week	MTD	YTD	One Year
Dow Jones Industrial Average	0.78	0.78	10.70	16.15
S&P 500 Index	0.42	0.42	14.45	18.67
Russell 2000 Index	0.81	0.81	2.81	6.72
Russell MidCap Index	0.05	0.05	13.03	17.32
Barclays U.S. Aggregate Index	-0.53	-0.53	5.30	5.26
Barclays High Yield Bond Index	-0.97	-0.97	2.95	3.54
United States 20-Year Treasury Bond	-0.87	-0.87	22.46	22.13
S&P/LSTA Senior Loan Index	-0.54	-0.54	1.88	2.27

S&P 500 Sector Returns	One Week	MTD	YTD	One Year
Consumer Discretionary	-0.36	-0.36	8.24	12.53
Consumer Staples	-0.88	-0.88	16.16	18.30
Energy	1.26	1.26	-7.09	-3.77
Financials	1.81	1.81	15.20	19.84
Health Care	1.73	1.73	29.21	32.10
Industrials	0.49	0.49	10.51	16.98
Materials	1.24	1.24	8.96	15.97
Technology	-0.45	-0.45	21.64	26.73
Telecom	-3.86	-3.86	5.48	7.22
Utilities	-0.35	-0.35	24.16	25.62

U.S. Returns by Style					
One Week (%)		Year to Date (%)		One Year (%)	
Large Value	Large Growth	Large Value	Large Growth	Large Value	Large Growth
0.9	-0.2	13.8	14.0	18.0	18.4
Mid Value	Mid Growth	Mid Value	Mid Growth	Mid Value	Mid Growth
0.3	-0.2	14.3	12.0	18.4	16.5
Small Value	Small Growth	Small Value	Small Growth	Small Value	Small Growth
0.7	0.9	2.2	3.4	6.0	7.5

**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	-1.17	-1.17	0.10	-0.09
MSCI EAFE Index	-0.40	-0.40	-1.48	2.82
MSCI United Kingdom Index	-0.17	-0.17	-2.90	2.39
MSCI Europe ex-U.K. Index	-0.43	-0.43	-1.30	4.01
MSCI Japan Index	0.24	0.24	-2.10	0.83
MSCI AC Asia ex-Japan Index	-0.74	-0.74	6.53	6.33
MSCI Emerging Markets Index	-1.88	-1.88	0.94	1.46
JPM EMBI+ Emerging Markets Bond Index	-1.22	-1.22	7.31	8.70
NAREIT Global Real Estate Index	-0.71	-0.71	14.25	15.50

Source: FactSet

the Federal Reserve's 12 districts were mostly "optimistic" about the economy's prospects, citing improvements in consumer and business spending as well as employment gains.

- The European Central Bank opted for rhetoric instead of action following its latest policy meeting, leaving rates and its various stimulus programs unchanged. Draghi reiterated that the bank remained committed to keeping inflation in check — "We don't tolerate prolonged deviations from our mandate," he said — and intimated that a large-scale effort to boost prices and the economy may be looming.

Bond Rates (%) as of:	12/05/2014	11/28/2014	12/31/2013	12/05/2013
U.S. Federal Funds Target Rate	0.25	0.25	0.25	0.25
U.S. Two-Year Treasury Yield	0.65	0.49	0.35	0.30
U.S. Ten-Year Treasury Yield	2.30	2.19	3.01	2.86
High Yield (Merrill U.S. Corporates)	6.10	5.82	6.08	6.09

Commodity Prices as of:	12/05/2014	11/28/2014	12/31/2013	12/05/2013
Gold (USD/oz)	1190.40	1175.50	1202.30	1231.90
Crude Oil (USD/bbl)	65.84	66.15	98.42	97.38
Gasoline (USD/gal)	2.86	2.90	3.47	3.40
Copper (NYM \$/lbs)	2.93	2.86	3.44	3.26

Exchange Rates as of:	12/05/2014	11/28/2014	12/31/2013	12/05/2013
\$ per €	1.23	1.25	1.38	1.37
\$ per £	1.56	1.57	1.66	1.63
¥ per \$	121.42	118.69	105.11	102.05

## 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 8	Tuesday, December 9	Wednesday, December 10	Thursday, December 11	Friday, December 12
<b>Investor Confidence (Dec)</b> Euro Zone	<b>Industrial Production (Oct)</b> U.K.	<b>Trade Balance (Oct)</b> U.K.	<b>ECB Monthly Report</b> Euro Zone	<b>Industrial Production (Nov)</b> China
	<b>NFIB Small Business Optimism (Nov)</b> U.S.		<b>Retail Sales (Nov)</b> U.S.	<b>Industrial Production (Oct)</b> Euro Zone
	<b>JOLTS Job Openings (Oct)</b> U.S.		<b>Business Inventories (Oct)</b> U.S.	<b>PPI (Nov)</b> U.S.
	<b>Wholesale Inventories and Sales (Oct)</b> U.S.		<b>Household Net Worth (3Q14)</b> U.S.	<b>U. of Michigan Confidence (Dec)</b> U.S.
	<b>CPI and PPI (Nov)</b> China		<b>Industrial Production MoM</b> Japan	

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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