

# 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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**Past performance is no guarantee of future results.**

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**VOYA**<sup>®</sup>

# Voya Global Perspectives

Markets. Insights. Opportunities.™

As of February 6, 2015

## Investment Weekly

### Commentary and Statistics

- After an abysmal January, U.S. equity markets began February with a surge. Even after a Greek downgrade sparked a modest Friday selloff, both the S&P 500 and DJIA gained more than 3% during the week. A four-day Treasury selloff sent yield on the benchmark ten-year to 1.94%. Oil prices posted their biggest one-week gain since 2011, with the U.S. benchmark closing around \$52/barrel.
- Fourth quarter earnings picked up a bit more last week. Of the 323 S&P 500 companies that have reported fourth quarter 2014 results, 78% have beaten earnings expectations while 59% have beaten revenue expectations. The blended earnings growth rate for the fourth quarter stands at 3.0%, according to FactSet, up from 2.1% a week ago. LinkedIn, Twitter and Disney impressed this week, while UPS, Pandora and Ralph Lauren were among the disappointments.
- Nonfarm payrolls continued to impress in January. The U.S. added 257,000 jobs last month, while additions in November and December brings the 3-month total to over 1 million jobs, a rate not seen in 17 years. Even wage growth impressed last month, growing 0.5% for the biggest monthly gain in more than six years. The unemployment rate ticked up to 5.7%, however, as the labor-force participation rate expanded.
- Personal spending fell 0.3% in December, the first decline in 20 months, though personal income grew a better-than-expected 0.3%. Personal consumption expenditures, an inflation metric favored by the Fed, rose only 0.7% over the last year.
- The U.S. trade deficit unexpectedly spiked 17% during December to its widest point since late-November 2012. Notably, oil imports skyrocketed more than 30%, likely due to market speculation. The trade data will likely drag down fourth quarter GDP growth when the second estimate is issued.

Index Prices (\$)		
Index	2/06/2015	12/31/2014
Dow Jones Industrial Average	17,824.29	17,823.07
S&P 500 Index	2,055.47	2,058.90

Returns (%)				
U.S. Market Index Returns	One Week	MTD	YTD	One Year
Dow Jones Industrial Average	3.89	3.89	0.30	16.72
S&P 500 Index	3.12	3.12	0.02	18.29
Russell 2000 Index	3.46	3.46	0.13	10.64
Russell MidCap Index	2.81	2.81	1.21	17.48
Barclays U.S. Aggregate Index	-1.00	-1.00	1.07	5.62
Barclays High Yield Bond Index	0.98	0.98	1.65	3.35
United States 20-Year Treasury Bond	-4.59	-4.59	4.27	26.56
S&P/LSTA Senior Loan Index	0.50	0.50	0.69	1.16

S&P 500 Sector Returns	One Week	MTD	YTD	One Year
Consumer Discretionary	4.24	4.24	1.06	17.01
Consumer Staples	2.22	2.22	1.09	24.27
Energy	5.59	5.59	0.52	-0.64
Financials	4.94	4.94	-2.31	16.90
Health Care	0.76	0.76	2.00	28.04
Industrials	3.04	3.04	-0.70	15.10
Materials	4.69	4.69	2.71	14.94
Technology	2.64	2.64	-1.31	21.98
Telecom	6.95	6.95	5.76	16.11
Utilities	-3.64	-3.64	-1.35	25.00

U.S. Returns by Style					
One Week (%)		Year to Date (%)		One Year (%)	
Large Value	Large Growth	Large Value	Large Growth	Large Value	Large Growth
3.5	2.8	-0.7	1.2	17.3	18.4
Mid Value	Mid Growth	Mid Value	Mid Growth	Mid Value	Mid Growth
2.6	3.0	1.2	1.3	18.8	16.3
Small Value	Small Growth	Small Value	Small Growth	Small Value	Small Growth
3.8	3.1	-0.5	0.8	10.1	11.3

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	-0.61	-0.61	-0.76	-1.47
MSCI EAFE Index	1.66	1.66	2.16	1.97
MSCI United Kingdom Index	3.28	3.28	2.23	1.02
MSCI Europe ex-U.K. Index	1.86	1.86	2.36	-1.21
MSCI Japan Index	-0.97	-0.97	1.35	6.30
MSCI AC Asia ex-Japan Index	0.86	0.86	3.39	16.51
MSCI Emerging Markets Index	1.80	1.80	2.42	8.26
JPM EMBI+ Emerging Markets Bond Index	0.58	0.58	0.93	6.71
NAREIT Global Real Estate Index	0.25	0.25	4.70	21.01

Source: FactSet

- The standoff between the ECB and new Greek leadership escalated as the central bank announced it would no longer accept Greek bonds as collateral for loans. Subsequently, Standard & Poor's downgraded Greek debt one notch and maintained a negative outlook.
- The People's Bank of China reduced banks' reserve requirement ratios by 50 basis points. Meanwhile, the latest reading on the country's service sector — which accounts for nearly 50% of GDP — showed that growth slowed to the lowest level in six months during January.

Bond Rates (%) as of:	2/06/2015	1/30/2015	12/31/2014	2/06/2014
U.S. Federal Funds Target Rate	0.25	0.25	0.25	0.25
U.S. Two-Year Treasury Yield	0.64	0.09	0.69	0.33
U.S. Ten-Year Treasury Yield	1.94	1.68	2.17	2.70
High Yield (Merrill U.S. Corporates)	5.81	6.00	6.19	6.01

Commodity Prices as of:	2/06/2015	1/30/2015	12/31/2014	2/06/2014
Gold (USD/oz)	1234.60	1279.20	1184.10	1257.20
Crude Oil (USD/bbl)	51.69	48.24	53.27	97.84
Gasoline (USD/gal)	2.18	2.17	2.44	3.39
Copper (NYM \$/lbs)	2.60	2.53	2.84	3.26

Exchange Rates as of:	2/06/2015	1/30/2015	12/31/2014	2/06/2014
\$ per €	1.13	1.13	1.21	1.36
\$ per £	1.53	1.50	1.56	1.63
¥ per \$	119.02	117.47	119.90	101.86

## 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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## Economic Release Calendar

Monday, February 9	Tuesday, February 10	Wednesday, February 11	Thursday, February 12	Friday, February 13
Trade Balance (Dec) Japan	Industrial Production (Dec) U.K.		Industrial Production (Dec) Euro Zone	Trade Balance (Dec) Euro Zone
Investor Confidence (Feb) Euro Zone	NFIB Small Business Optimism (Jan) U.S.		Retail Sales (Jan) U.S.	GDP (4Q14) Euro Zone
CPI (Jan) China	Wholesale Inventories and Sales (Dec) U.S.		Leading Economic Index (Jan) China	U. of Michigan Sentiment (Feb) U.S.
	JOLTS Job Openings (Dec) U.S.			

Source: Bloomberg

## Earnings Announcements

Monday, February 9	Tuesday, February 10	Wednesday, February 11	Thursday, February 12	Friday, February 13
Cascade Microtech Computer Science Diamond Offshore Dun & Bradstreet Hasbro Loews Masco	Coca Cola CVS Health Dean Foods Monster Worldwide PG&E Spirit Airlines Starwood Hotels Wausau Paper Western Union Wyndham Worldwide	AOL Lorillard MetLife Mondelez Nvidia Pepsico Skechers Tesla Motors Time Warner Whole Foods	Avon Borg Warner Cabelas CBS Diebold Kellogg Manchester United Regal Entertainment Vonage Zynga	Calpine DTE Energy Exelon ITT Red Robin Gourmet Smucker VF Corp.

Source: Morningstar

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