

Voya Global Perspectives

Markets. Insights. Opportunities.™

As of January 9, 2015

Investment Weekly

Commentary and Statistics

- Equity markets entered 2015 on a volatile note, posting a series of large gains and losses throughout the first full trading week of the year; despite all the tumult, major domestic indexes ended flattish on the week. Oil prices continued to test new lows during the week, while Treasuries and other safe-haven sovereigns attracted investor interest; yield on the benchmark ten-year Treasury fell below 2% for the first time since October.
- Nonfarm payrolls ended a strong year on a strong note. The economy added 252,000 jobs in December, while results for November and October were restated higher by a total of 50,000; full-year 2014 adds came in just shy of 3 million, the best annual rate since 1999. The unemployment rate shed 20 basis points to reach 5.6%, the lowest level since mid-2008, while the underemployment rate declined an identical amount to hit 11.2%. However, wage growth remained soft, up a below-trend 1.7% year over year in December, and the labor-force participation rate fell back to a 36-year low.
- Minutes from the latest FOMC meeting indicated that policymakers are concerned about wobbly non-U.S. economic conditions and uncertain policy responses, referring to the international situation as “an important source of downside risks to domestic real activity and employment.”
- The trade balance narrowed nearly 8% in November to an 11-month low, as imports of crude oil fell to its lowest point since 1994. U.S. exports also declined on the month, led by sales of commercial airliners.
- Factory orders in November fell for the fourth consecutive month, losing a greater-than-expected 0.7%. Unfilled orders at factories rose 0.4%, however, suggesting underlying strength in the manufacturing sector.

Index Prices (\$)		
Index	01/09/15	12/31/14
Dow Jones Industrial Average	17,737.37	17,823.07
S&P 500 Index	2,044.81	2,058.90

Returns (%)				
U.S. Market Index Returns	One Week	MTD	YTD	One Year
Dow Jones Industrial Average	-0.49	-0.37	-0.37	10.38
S&P 500 Index	-0.61	-0.63	-0.63	13.54
Russell 2000 Index	-1.09	-1.57	-1.57	3.71
Russell MidCap Index	-0.53	-0.51	-0.51	12.79
Barclays U.S. Aggregate Index	0.64	0.87	0.87	6.68
Barclays High Yield Bond Index	0.21	0.23	0.23	2.13
United States 20-Year Treasury Bond	2.65	3.70	3.70	30.54
S&P/LSTA Senior Loan Index	0.08	0.06	0.06	0.55

S&P 500 Sector Returns	One Week	MTD	YTD	One Year
Consumer Discretionary	-1.07	-1.78	-1.78	8.89
Consumer Staples	1.67	1.31	1.31	19.20
Energy	-3.60	-3.18	-3.18	-9.22
Financials	-2.41	-2.33	-2.33	11.39
Health Care	2.29	2.69	2.69	26.30
Industrials	-2.02	-2.17	-2.17	8.37
Materials	-0.53	-0.36	-0.36	8.12
Technology	-0.17	-0.29	-0.29	21.33
Telecom	-0.01	0.52	0.52	6.49
Utilities	-0.17	0.40	0.40	30.56

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	-0.3	-0.8	-0.4	12.8	13.3
Mid Value	Mid Growth	Mid Value	Mid Growth	Mid Value	Mid Growth
-0.5	-0.6	-0.4	-0.6	14.4	11.4
Small Value	Small Growth	Small Value	Small Growth	Small Value	Small Growth
-1.8	-0.4	-2.2	-0.9	3.1	4.3

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	0.09	-0.04	-0.04	0.77
MSCI EAFE Index	-1.86	-2.55	-2.55	-5.79
MSCI United Kingdom Index	-2.17	-3.71	-3.71	-7.42
MSCI Europe ex-U.K. Index	-2.87	-3.51	-3.51	-7.83
MSCI Japan Index	-0.80	-1.05	-1.05	-4.41
MSCI AC Asia ex-Japan Index	-0.03	0.50	0.50	9.00
MSCI Emerging Markets Index	0.81	0.55	0.55	2.77
JPM EMBI+ Emerging Markets Bond Index	-0.51	-0.56	-0.56	4.83
NAREIT Global Real Estate Index	2.17	3.03	3.03	18.63

Source: FactSet

- Wholesale inventories in November rose at the fastest rate in seven months, potentially providing a boost to fourth quarter GDP growth.
- Consumer prices in the euro zone fell 0.2% in December from year-ago levels, driven largely by lower energy prices; core inflation, which excludes volatile inputs like energy, expanded slightly on the month. This contraction, the first since 2009, intensifies pressures on the ECB to announce new steps in its battle against deflation, perhaps including a sovereign bond-buying program, when it meets later this month.

Bond Rates (%) as of:	01/09/15	01/02/15	12/31/14	01/09/14
U.S. Federal Funds Target Rate	0.25	0.25	0.25	0.25
U.S. Two-Year Treasury Yield	0.58	0.67	0.69	0.40
U.S. Ten-Year Treasury Yield	1.97	2.12	2.17	2.96
High Yield (Merrill U.S. Corporates)	6.16	6.20	6.19	5.98

Commodity Prices as of:	01/09/15	01/02/15	12/31/14	01/09/14
Gold (USD/oz)	1216.10	1186.20	1184.10	1229.40
Crude Oil (USD/bbl)	48.36	52.69	53.27	91.66
Gasoline (USD/gal)	2.38	2.44	2.44	3.48
Copper (NYM \$/lbs)	2.79	2.84	2.84	3.35

Exchange Rates as of:	01/09/15	01/02/15	12/31/14	01/09/14
\$ per €	1.18	1.20	1.21	1.36
\$ per £	1.51	1.54	1.56	1.65
¥ per \$	118.87	120.21	119.90	104.79

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, January 12	Tuesday, January 13	Wednesday, January 14	Thursday, January 15	Friday, January 16
Trade Balance (Dec) China	CPI (Dec) U.K.	Industrial Production (Nov) Euro Zone	Trade Balance (Nov) Euro Zone	CPI (Dec) U.S.
Trade Balance (Nov) Japan	NFIB Small Business Optimism (Dec) U.S.	Retail Sales (Dec) U.S.	Empire St. Mnfg (Jan) U.S.	Industrial Production (Dec) U.S.
	JOLTS Job Openings (Nov) U.S.	Fed Beige Book U.S.	PPI (Dec) U.S.	Capacity Utilization (Dec) U.S.
			Philadelphia Fed Outlook (Jan) U.S.	U. of Michigan Sentiment (Jan) U.S.

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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