

Voya Global Perspectives

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As of January 16, 2015

Investment Weekly

Commentary and Statistics

- The equity markets' early-2015 struggles continued, as the big three indexes delivered a third consecutive week of losses despite an impressive Friday rally. Oil continued to trend lower, with West Texas Intermediate crude prices approaching lows not seen since the financial crisis, though a Friday report from the International Energy Agency reducing its non-OPEC supply forecast sparked a small rebound. Yield on the benchmark ten-year Treasury fell below 1.7% during the week, the lowest since May 2013, while 30-year yields established new record lows near 2.35%.
- Earnings season has gotten off to a sluggish start, with some noteworthy shortfalls in the financial sector. Of the 37 S&P 500 companies that have reported fourth quarter 2014 results, 84% have beaten earnings expectations while 60% have beaten revenue expectations. The blended earnings growth rate for the fourth quarter stands at 0.6%, according to FactSet, down from 1.7% when the quarter ended. Intel, Lennar and Wells Fargo impressed this week, while Bank of America, Citigroup and JPMorgan were among the disappointments.
- The consumer price index rose 0.8% year-over-year in December, the smallest annual increase since 2009, driven by the plunge in energy costs. Core consumer prices, which exclude volatile components like energy and food, rose 1.6%.
- Driven by steady job gains and swooning gas prices, the University of Michigan's first consumer sentiment reading of 2015 spiked to an 11-year high. Despite strong confidence trends, retail sales in December disappointed, declining 0.9% from the previous month; excluding gas and auto sales, this number improves only slightly, to an 0.3% decline.
- Switzerland stunned markets by discontinuing a 1.20 francs/euro cap it had

Index Prices (\$)		
Index	1/16/2015	12/31/2014
Dow Jones Industrial Average	17,511.57	17,823.07
S&P 500 Index	2,019.42	2,058.90

Returns (%)				
U.S. Market Index Returns	One Week	MTD	YTD	One Year
Dow Jones Industrial Average	-1.23	-1.59	-1.59	9.17
S&P 500 Index	-1.22	-1.85	-1.85	11.66
Russell 2000 Index	-0.75	-2.30	-2.30	1.62
Russell MidCap Index	-1.03	-1.54	-1.54	10.86
Barclays U.S. Aggregate Index	0.48	1.35	1.35	6.57
Barclays High Yield Bond Index	-0.31	-0.08	-0.08	1.39
United States 20-Year Treasury Bond	2.18	5.96	5.96	30.98
S&P/LSTA Senior Loan Index	0.06	0.12	0.12	0.48

S&P 500 Sector Returns	One Week	MTD	YTD	One Year
Consumer Discretionary	-1.67	-3.43	-3.43	8.19
Consumer Staples	0.31	1.63	1.63	19.43
Energy	-1.50	-4.63	-4.63	-9.75
Financials	-2.67	-4.94	-4.94	8.70
Health Care	0.22	2.91	2.91	25.28
Industrials	-1.29	-3.43	-3.43	6.50
Materials	-1.10	-1.45	-1.45	5.70
Technology	-2.48	-2.76	-2.76	15.80
Telecom	1.90	2.43	2.43	6.84
Utilities	2.62	3.02	3.02	32.60

U.S. Returns by Style

One Week (%)		Year to Date (%)		One Year (%)	
Large Value	Large Growth	Large Value	Large Growth	Large Value	Large Growth
-1.3	-1.1	-2.1	-1.5	11.0	11.2
Mid Value	Mid Growth	Mid Value	Mid Growth	Mid Value	Mid Growth
-0.6	-1.4	-1.0	-2.0	12.9	9.1
Small Value	Small Growth	Small Value	Small Growth	Small Value	Small Growth
-0.4	-1.1	-2.6	-2.0	2.0	1.4

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	0.06	0.02	0.02	0.26
MSCI EAFE Index	0.73	-1.84	-1.84	-6.29
MSCI United Kingdom Index	0.54	-3.19	-3.19	-8.00
MSCI Europe ex-U.K. Index	1.81	-1.76	-1.76	-8.25
MSCI Japan Index	-0.16	-1.21	-1.21	-4.84
MSCI AC Asia ex-Japan Index	0.45	0.95	0.95	8.39
MSCI Emerging Markets Index	-0.40	0.15	0.15	1.13
JPM EMBI+ Emerging Markets Bond Index	0.09	-0.47	-0.47	4.30
NAREIT Global Real Estate Index	1.85	4.94	4.94	19.51

Source: FactSet

established in September 2011 to defend its exporters in the face of a withering euro zone economy. The announcement sparked a sharp rally in the franc and a selloff of Swiss equity markets.

- An opinion published by the European Court of Justice has approved ECB government bond buying in principal, with some caveats, easing the way for the central bank to launch some form of quantitative easing. The ECB next meets on January 22.

Bond Rates (%) as of:	01/16/2015	01/09/2015	12/31/2014	01/16/2014
U.S. Federal Funds Target Rate	0.25	0.25	0.25	0.25
U.S. Two-Year Treasury Yield	0.48	0.58	0.69	0.36
U.S. Ten-Year Treasury Yield	1.82	1.97	2.17	2.85
High Yield (Merrill U.S. Corporates)	6.19	6.16	6.19	5.86

Commodity Prices as of:	01/16/2015	01/09/2015	12/31/2014	01/16/2014
Gold (USD/oz)	1276.90	1216.10	1184.10	1240.20
Crude Oil (USD/bbl)	48.69	48.36	53.27	93.96
Gasoline (USD/gal)	2.29	2.38	2.44	3.45
Copper (NYM \$/lbs)	2.65	2.79	2.84	3.39

Exchange Rates as of:	01/16/2015	01/09/2015	12/31/2014	01/16/2014
\$ per €	1.15	1.18	1.21	1.36
\$ per £	1.51	1.51	1.56	1.63
¥ per \$	117.63	118.87	119.90	104.24

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 19	Tuesday, January 20	Wednesday, January 21	Thursday, January 22	Friday, January 23
Industrial Production (Dec) China	NAHB Housing Market Index (Jan) U.S.	Leading and Coincident Indexes (Nov) Japan	ECB Policy Announcement Euro Zone	Various PMIs (Jan) Euro Zone
GDP (4Q14) China	BOJ Policy Announcement Japan	BOE Meeting Minutes U.K.	FHFA House Price Index (Nov) U.S.	Chicago Fed Ntl Activity (Dec) U.S.
		Building Permits (Dec) U.S.	Consumer Confidence (Jan) Euro Zone	Manufacturing PMI (Jan) U.S.
		Housing Starts (Dec) U.S.	Kansas City Fed Mnfg Activity (Jan) U.S.	Existing Home Sales (Dec) U.S.
			Manufacturing PMI (Jan) China	Leading Index (Dec) U.S.

Source: Bloomberg

Earnings Announcements

Monday, January 19	Tuesday, January 20	Wednesday, January 21	Thursday, January 22	Friday, January 23
	Baker Hughes Delta Airlines Halliburton IBM Morgan Stanley Netflix	American Express Discover Financial Services eBay Sandisk TD Ameritrade UnitedHealth US Bancorp Xilinx	BB&T Capital One ETrade Johnson Controls Southwest Airlines Starbucks Travelers Union Pacific	Bank of New York Mellon General Electric Honeywell Kansas City Southern Kimberly Clark State Street

Source: Wall Street Journal

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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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