

Voya Global Perspectives

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As of January 23, 2015

Investment Weekly

Commentary and Statistics

- In a period dominated by news that the ECB was launching a larger-than-expected QE program in March, domestic equity markets delivered their first positive week of 2015 while many bourses in Europe and Asia were sharply higher. Oil continued to trend lower, with West Texas Intermediate crude prices closing at a six-year low.
- Earnings season continues to be sluggish. Of the 90 S&P 500 companies that have reported fourth quarter 2014 results, 79% have beaten earnings expectations while 54% have beaten revenue expectations. The blended earnings growth rate for the fourth quarter stands at 0.25%, according to FactSet, down from 0.6% a week ago and 1.7% when the quarter ended. Netflix, Union Pacific and UnitedHealth impressed this week, while IBM, McDonald's and UPS were among the disappointments.
- Existing-home sales rose 2.4% in December, but fell 3.1% for full-year 2014. Housing starts delivered a solid 4.4% jump to end the year, though building permits declined 1.9%. The NAHB housing market index fell slightly in January, while the FHFA metric on national home prices grew 0.8% in its November reading.
- The European Central Bank announced a much-anticipated and larger-than-expected bond-buying program. Beginning in March, the ECB will buy €60 billion per month in assets that include government bonds, debt issued by European institutions and private-sector bonds. And although the program is intended to run through September 2016, Draghi indicated that purchases could extend indefinitely should inflation lag. In response to the announcement, the euro slid to its lowest point versus the dollar in 11 years.
- Denmark cut its main interest rate twice last week in an effort to tamp down pressure on its krone in light of the ECB's new bond-buying plan; the deposit rate in the country now stands at -0.35%. Canada

| Index Prices (\$) | | |
|------------------------------|------------|------------|
| Index | 01/23/2015 | 12/31/2014 |
| Dow Jones Industrial Average | 17,672.60 | 17,823.07 |
| S&P 500 Index | 2,051.82 | 2,058.90 |

| Returns (%) | | | | |
|-------------------------------------|----------|-------|-------|----------|
| U.S. Market Index Returns | One Week | MTD | YTD | One Year |
| Dow Jones Industrial Average | 0.96 | -0.65 | -0.65 | 11.67 |
| S&P 500 Index | 1.62 | -0.26 | -0.26 | 14.53 |
| Russell 2000 Index | 1.05 | -1.28 | -1.28 | 2.75 |
| Russell MidCap Index | 1.75 | 0.18 | 0.18 | 13.32 |
| Barclays U.S. Aggregate Index | 0.14 | 1.50 | 1.50 | 6.42 |
| Barclays High Yield Bond Index | 0.40 | 0.32 | 0.32 | 1.68 |
| United States 20-Year Treasury Bond | 0.74 | 6.74 | 6.74 | 29.82 |
| S&P/LSTA Senior Loan Index | 0.15 | 0.27 | 0.27 | 0.52 |

| S&P 500 Sector Returns | One Week | MTD | YTD | One Year |
|------------------------|----------|-------|-------|----------|
| Consumer Discretionary | 1.71 | -1.77 | -1.77 | 11.24 |
| Consumer Staples | 0.80 | 2.44 | 2.44 | 22.06 |
| Energy | 1.60 | -3.11 | -3.11 | -7.98 |
| Financials | 1.23 | -3.77 | -3.77 | 12.10 |
| Health Care | 0.83 | 3.76 | 3.76 | 26.57 |
| Industrials | 2.36 | -1.15 | -1.15 | 10.58 |
| Materials | 0.77 | -0.69 | -0.69 | 8.73 |
| Technology | 3.11 | 0.26 | 0.26 | 19.91 |
| Telecom | -1.12 | 1.28 | 1.28 | 6.67 |
| Utilities | 1.11 | 4.17 | 4.17 | 32.84 |

| U.S. Returns by Style | | | | | |
|-----------------------|--------------|------------------|--------------|--------------|--------------|
| One Week (%) | | Year to Date (%) | | One Year (%) | |
| Large Value | Large Growth | Large Value | Large Growth | Large Value | Large Growth |
| 1.2 | 2.1 | -0.9 | 0.6 | 13.7 | 14.2 |
| Mid Value | Mid Growth | Mid Value | Mid Growth | Mid Value | Mid Growth |
| 1.2 | 2.2 | 0.2 | 0.2 | 14.6 | 12.2 |
| Small Value | Small Growth | Small Value | Small Growth | Small Value | Small Growth |
| 0.7 | 1.4 | -1.9 | -0.6 | 2.5 | 3.1 |

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 | -0.53 | -0.51 | -0.51 | -0.80 |
| MSCI EAFE Index | 2.64 | 0.75 | 0.75 | -3.83 |
| MSCI United Kingdom Index | 3.60 | 0.29 | 0.29 | -5.80 |
| MSCI Europe ex-U.K. Index | 2.60 | 0.79 | 0.79 | -5.64 |
| MSCI Japan Index | 2.77 | 1.53 | 1.53 | -2.16 |
| MSCI AC Asia ex-Japan Index | 3.18 | 4.17 | 4.17 | 12.75 |
| MSCI Emerging Markets Index | 3.50 | 3.65 | 3.65 | 5.81 |
| JPM EMBI+ Emerging Markets Bond Index | 0.83 | 0.35 | 0.35 | 6.02 |
| NAREIT Global Real Estate Index | 1.19 | 6.19 | 6.19 | 20.71 |

Source: FactSet

also cut a key rate, for the first time since 2010, as it deals with the impact of lower oil prices.

- China's GDP growth slowed to 7.3% in the fourth quarter, bringing the full-year expansion to 7.4%. Annual GDP growth in the country had not fallen short of 7.5% since 1990. Separately, stock on the Shanghai exchange plunged nearly 8% on Monday as regulators looked to tighten oversight of margin accounts.

| Bond Rates (%) as of: | 01/23/2015 | 01/16/2015 | 12/31/2014 | 01/23/2014 |
|--------------------------------------|------------|------------|------------|------------|
| U.S. Federal Funds Target Rate | 0.25 | 0.25 | 0.25 | 0.25 |
| U.S. Two-Year Treasury Yield | 0.51 | 0.48 | 0.69 | 0.33 |
| U.S. Ten-Year Treasury Yield | 1.82 | 1.82 | 2.17 | 2.77 |
| High Yield (Merrill U.S. Corporates) | 6.09 | 6.19 | 6.19 | 5.86 |

| Commodity Prices as of: | 01/23/2015 | 01/16/2015 | 12/31/2014 | 01/23/2014 |
|-------------------------|------------|------------|------------|------------|
| Gold (USD/oz) | 1292.60 | 1276.90 | 1184.10 | 1262.30 |
| Crude Oil (USD/bbl) | 45.59 | 48.69 | 53.27 | 97.32 |
| Gasoline (USD/gal) | 2.20 | 2.29 | 2.44 | 3.41 |
| Copper (NYM \$/lbs) | 2.54 | 2.65 | 2.84 | 3.32 |

| Exchange Rates as of: | 01/23/2015 | 01/16/2015 | 12/31/2014 | 01/23/2014 |
|-----------------------|------------|------------|------------|------------|
| \$ per € | 1.12 | 1.15 | 1.21 | 1.37 |
| \$ per £ | 1.50 | 1.51 | 1.56 | 1.66 |
| ¥ per \$ | 117.83 | 117.63 | 119.90 | 103.67 |

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 26 | Tuesday, January 27 | Wednesday, January 28 | Thursday, January 29 | Friday, January 30 |
|-------------------------------|--|----------------------------------|--|--|
| Dallas Fed Mnfg (Jan) U.S. | Leading Index (Dec) China | FOMC Policy Announcement U.S. | Various Confidence Indicators (Jan) Euro Zone | Unemployment Rate (Dec) Euro Zone |
| | GDP (4Q14) U.K. | | Pending Home Sales (Dec) U.S. | CPI (Jan) Euro Zone |
| | Durable and Capital Goods Orders (Dec) U.S. | | CPI (Dec) Japan | GDP (4Q14) U.S. |
| | Case-Shiller Index (Nov) U.S. | | Industrial Production (Dec) Japan | Personal Consumption (4Q14) U.S. |
| | Composite PMI (Jan) U.S. | | | ISM Milwaukee (Jan) U.S. |
| | New-Home Sales (Dec) U.S. | | | Chicago PMI (Jan) U.S. |
| | Consumer Confidence (Jan) U.S. | | | U. of Michigan Sentiment (Jan) U.S. |
| | Richmond Fed Mnfg (Jan) U.S. | | | |

Source: Bloomberg

Earnings Announcements

| Monday, January 26 | Tuesday, January 27 | Wednesday, January 28 | Thursday, January 29 | Friday, January 30 |
|--|---|--|---|---|
| Crane DR Horton Graco Microsoft Rambus Seagate Technology | 3M American Airlines Apple AT&T Bristol-Myers Caterpillar Corning DuPont Lockheed Martin Yahoo | Ameriprise Financial Boeing Brinker International Cabot Facebook Hess International Paper Praxair St. Jude Medical Tractor Supply | Amazon.com Baxter International Colgate Palmolive ConocoPhillips Dow Chemical JetBlue Northrup Grumman Raytheon Time Warner Cable Visa | Chevron Eli Lilly Ingersoll Rand Mastercard Mattel Newell Rubbermaid Tyco Tyson Foods Weyerhaeuser Xerox |

Source: Morningstar

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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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