

Voya Global Perspectives

Markets. Insights. Opportunities.™

As of January 2, 2015

Investment Weekly

Commentary and Statistics

- Equity markets finished 2014 on a quiet note, easing slightly off all-time highs but remaining comfortably in the black for the year. The DJIA has delivered six consecutive positive years, while the S&P 500 capped off its third. Yield on the benchmark ten-year U.S. Treasury finished the year around 2.2%, well below its end-2013 near 3%. The dollar ended 2014 near 11-year highs against a basket of major currencies. Oil prices, meanwhile, continued to weaken into year-end, leveling near five-year lows as it lost about half its value in the second half of 2014.
- The Case-Shiller index of home prices in October showed slowing growth for the tenth consecutive month, as prices gained 4.6%. Pending-home sales in November rose 0.8% from the previous month and more than 4% compared to November 2013.
- The latest Chicago PMI report indicated that manufacturing in the Midwest continued to expand in December, if at a slower rate. Meanwhile, a reading from ISM also showed slower growth in the Milwaukee region.
- Consumer confidence increased in December, according to the Conference Board, thanks to a positive assessment of current economic and labor market conditions.
- Greece has re-emerged as a market concern, as political upheaval has raised the specter of a “grexit” once again. With its Parliament failing to choose a president, the country must hold general elections in January; early polls indicate a lead for a left-wing, anti-bailout party that has drawn support with promises to cancel austerity programs and demand debt relief. The yield on ten-year Greek closed 2104 near 10% in response to the discord.
- Economic sluggishness persists in China, as the final HSBC purchasing managers’

Index Prices (\$)		
Index	01/02/2015	12/31/2014
Dow Jones Industrial Average	17,832.99	17,823.07
S&P 500 Index	2,058.20	2,058.90

Returns (%)				
U.S. Market Index Returns	One Week	MTD	YTD	One Year
Dow Jones Industrial Average	-1.14	0.12	0.12	11.06
S&P 500 Index	-1.42	-0.02	-0.02	14.66
Russell 2000 Index	-1.30	-0.49	-0.49	5.55
Russell MidCap Index	-1.05	0.01	0.01	14.33
Barclays U.S. Aggregate Index	0.60	0.23	0.23	6.13
Barclays High Yield Bond Index	0.12	0.02	0.02	2.36
United States 20-Year Treasury Bond	2.24	1.02	1.02	28.26
S&P/LSTA Senior Loan Index	0.11	-0.01	-0.01	0.92

S&P 500 Sector Returns	One Week	MTD	YTD	One Year
Consumer Discretionary	-0.79	-0.72	-0.72	9.44
Consumer Staples	-2.31	-0.35	-0.35	16.84
Energy	-0.69	0.43	0.43	-6.16
Financials	-0.87	0.08	0.08	15.86
Health Care	-0.69	0.39	0.39	26.53
Industrials	-1.60	-0.15	-0.15	11.09
Materials	-1.11	0.18	0.18	7.87
Technology	-2.48	-0.12	-0.12	21.23
Telecom	-1.48	0.53	0.53	4.14
Utilities	-2.21	0.57	0.57	31.75

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	-1.5	0.1	-0.1	14.6	13.9
Mid Value	Mid Growth	Mid Value	Mid Growth	Mid Value	Mid Growth
-0.9	-1.2	0.1	-0.1	16.1	12.8
Small Value	Small Growth	Small Value	Small Growth	Small Value	Small Growth
-1.1	-1.5	-0.4	-0.6	5.0	6.2

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	0.13	-0.13	-0.13	0.69
MSCI EAFE Index	-1.52	-0.70	-0.70	-4.11
MSCI United Kingdom Index	-2.04	-1.57	-1.57	-5.66
MSCI Europe ex-U.K. Index	-1.99	-0.66	-0.66	-4.67
MSCI Japan Index	-1.36	-0.26	-0.26	-4.04
MSCI AC Asia ex-Japan Index	1.49	0.52	0.52	6.55
MSCI Emerging Markets Index	0.31	-0.25	-0.25	-0.90
JPM EMBI+ Emerging Markets Bond Index	-0.03	-0.04	-0.04	5.54
NAREIT Global Real Estate Index	0.33	0.84	0.84	16.17

Source: FactSet

index showed a small contraction in manufacturing activity during December.

- Lithuania on January 1 became the 19th member of the euro zone, as the euro replaced the litas as the country's currency.

Bond Rates (%) as of:	01/02/15	12/26/14	12/31/14	01/02/14
U.S. Federal Funds Target Rate	0.25	0.25	0.25	0.25
U.S. Two-Year Treasury Yield	0.67	0.75	0.69	0.36
U.S. Ten-Year Treasury Yield	2.12	2.25	2.17	2.99
High Yield (Merrill U.S. Corporates)	6.20	6.19	6.19	6.06

Commodity Prices as of:	01/02/15	12/26/14	12/31/14	01/02/14
Gold (USD/oz)	1186.20	1195.30	1184.10	1225.20
Crude Oil (USD/bbl)	52.69	54.73	53.27	95.44
Gasoline (USD/gal)	2.44	2.54	2.44	3.47
Copper (NYM \$/lbs)	2.84	2.84	2.84	3.43

Exchange Rates as of:	01/02/15	12/26/14	12/31/14	01/02/14
\$ per €	1.20	1.22	1.21	1.37
\$ per £	1.54	1.56	1.56	1.64
¥ per \$	120.21	120.46	119.90	105.03

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 5	Tuesday, January 6	Wednesday, January 7	Thursday, January 8	Friday, January 9
Vehicle Sales (Dec) U.S.	Various PMIs (Dec) Euro Zone	Unemployment Rate (Nov) Euro Zone	Various Confidence Indicators (Dec) Euro Zone	Coincident and Leading Indexes (Nov) Japan
Composite PMI (Dec) China	Composite PMI (Dec) U.S.	CPI (Dec) Euro Zone	BOE Policy Announcement U.K.	Trade Balance (Nov) U.K.
	ISM New York (Dec) U.S.	ADP Employment Change (Dec) U.S.	CPI (Dec) China	Industrial Production (Nov) U.K.
	Factory Orders (Nov) U.S.	Trade Balance (Nov) U.S.		Unemployment Rate (Dec) U.S.
	ISM Non-Mnfg Composite (Dec) U.S.	Fed Minutes Released U.S.		Wholesale Inventories and Sales (Nov) U.S.
		Trade Balance (Dec) China		

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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