

# Voya Global Perspectives

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As of March 20, 2015

## Investment Weekly

### Commentary and Statistics

- As expected, the Federal Reserve dropped the “patient” forward guidance language in its policy announcement. Noting that tightening remains unlikely at the April meeting, officials said they want to see further labor market improvement, and be “reasonably confident” of inflation moving toward its 2% target, before lift-off. The statement featured a downgrade of the Fed’s economic assessment.
- After the statement the Dow, NASDAQ and S&P 500 rose in tandem to produce solid gains for the week. The gains put the Dow and NASDAQ into the black for the month. Markets in Europe and Asia posted strong gains as well, particularly Shanghai. The Fed announcement drove down the widely watched ten-year U.S. Treasury yield, which fell below 2%. Gold prices rose in line with stocks, but oil prices continued to fall.
- Softer-than-expected economic data persisted through the week. The March NAHB housing market index fell versus February. Housing starts for February fell sharply from January; it was the biggest sequential decline in four years and the lowest level since January 2014. The drop was not completely unexpected, given cold, snowy weather in the Northeast and Midwest. Many economists lowered their second quarter GDP estimates as a result.
- Permits fared better, rising 3%, but the gain was driven by a jump in the volatile multi-family category; single-family permits fell to a nine-month low. Builder confidence also fell, for a third consecutive monthly decline. Confidence remains above 50, however, indicating that more builders view sales conditions as good rather than poor.
- February industrial production was weaker than expected – the third consecutive monthly decline – and January was revised

Index Prices (\$)		
Index	3/20/2015	12/31/2014
Dow Jones Industrial Average	18,127.65	17,823.07
S&P 500 Index	2,108.10	2,058.90

Returns (%)				
U.S. Market Index Returns	One Week	MTD	YTD	One Year
Dow Jones Industrial Average	2.18	0.11	2.28	13.61
S&P 500 Index	2.67	0.28	2.86	14.93
Russell 2000 Index	2.79	2.77	5.37	7.01
Russell MidCap Index	2.99	1.48	5.43	14.76
Barclays U.S. Aggregate Index	0.79	0.34	1.48	6.03
Barclays High Yield Bond Index	0.04	-0.98	2.08	1.99
United States 20-Year Treasury Bond	3.45	1.81	4.82	26.24
S&P/LSTA Senior Loan Index	-0.16	-0.06	1.58	1.67

S&P 500 Sector Returns	One Week	MTD	YTD	One Year
Consumer Discretionary	2.36	1.34	6.70	17.88
Consumer Staples	1.85	-1.79	1.25	18.35
Energy	3.39	-2.35	-3.28	-9.05
Financials	1.82	1.77	0.29	12.21
Health Care	4.58	3.94	9.76	28.28
Industrials	2.22	-0.35	1.43	12.74
Materials	-0.78	-3.95	1.81	6.07
Technology	2.92	-0.92	3.05	20.16
Telecom	1.58	-1.75	3.56	8.24
Utilities	4.21	0.20	-3.99	16.01

U.S. Returns by Style					
One Week (%)		Year to Date (%)		One Year (%)	
Large Value	Large Growth	Large Value	Large Growth	Large Value	Large Growth
2.4	3.0	0.9	5.9	12.2	17.1
Mid Value	Mid Growth	Mid Value	Mid Growth	Mid Value	Mid Growth
3.1	2.9	3.9	6.8	14.3	15.2
Small Value	Small Growth	Small Value	Small Growth	Small Value	Small Growth
2.6	3.0	2.6	8.1	4.3	9.7

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	1.65	-0.82	-1.78	-3.13
MSCI EAFE Index	4.02	0.35	6.89	4.40
MSCI United Kingdom Index	5.54	-1.90	3.20	0.37
MSCI Europe ex-U.K. Index	4.40	0.14	6.96	-0.55
MSCI Japan Index	2.18	3.16	11.99	19.87
MSCI AC Asia ex-Japan Index	2.18	-0.69	3.74	15.01
MSCI Emerging Markets Index	3.21	-2.00	1.66	6.01
JPM EMBI+ Emerging Markets Bond Index	1.47	-0.29	1.30	5.17
NAREIT Global Real Estate Index	4.23	0.90	5.22	19.83

Source: FactSet

lower. Capacity utilization declined and remains below average.

- In contrast, a leading economic indicators report for February rose slightly, suggesting moderate growth in coming months. The Fed's Philadelphia and Empire State surveys continued to show modest expansion of regional manufacturing.
- Initial jobless claims rose by 1,000 to 292,000 for the week ended March 14. The four-week moving average rose by 2,250 to 304,750.

Bond Rates (%) as of:	3/20/2015	3/13/2015	12/31/2014	3/20/2014
U.S. Federal Funds Target Rate	0.25	0.25	0.25	0.25
U.S. Two-Year Treasury Yield	0.58	0.66	0.69	0.43
U.S. Ten-Year Treasury Yield	1.93	2.11	2.17	2.78
High Yield (Merrill U.S. Corporates)	5.97	5.98	6.19	5.69

Commodity Prices as of:	3/20/2015	3/13/2015	12/31/2014	3/20/2014
Gold (USD/oz)	1184.60	1152.40	1184.10	1330.50
Crude Oil (USD/bbl)	46.57	44.84	53.27	98.90
Gasoline (USD/gal)	2.69	2.74	2.44	3.67
Copper (NYM \$/lbs)	2.78	2.68	2.84	2.98

Exchange Rates as of:	3/20/2015	3/13/2015	12/31/2014	3/20/2014
\$ per €	1.08	1.05	1.21	1.38
\$ per £	1.49	1.48	1.56	1.65
¥ per \$	120.26	121.19	119.90	102.40

## 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, March 23	Tuesday, March 24	Wednesday, March 25	Thursday, March 26	Friday, March 27
Chicago Fed Ntl Activity (Feb) U.S.	Various PMIs (Mar) Euro Zone	Durable and Capital Goods Orders (Feb) U.S.	Retail Sales (Feb) U.K.	GDP (4Q14) U.S.
Existing Home Sales (Feb) U.S.	CPI (Feb) U.K.		Composite PMI (Mar) U.S.	Personal Consumption (4Q14) U.S.
Consumer Confidence (Mar) Euro Zone	CPI (Feb) U.S.		Kansas City Fed Mnfg (Mar) U.S.	U. of Mich. Sentiment (Mar) U.S.
Manufacturing PMI (Mar) China	FHFA House Prices (Jan) U.S.		CPI (Feb) Japan	
Leading Economic Index (Feb) China	Manufacturing PMI (Mar) U.S.			
	New Home Sales (Feb) U.S.			
	Richmond Fed Mnfg (Mar) 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 900 Employees | Over 200 Investment Professionals

\* Data is as of 12/31/14. Voya IM assets of \$213 billion include proprietary insurance general account assets of \$85 billion on a market value basis. Voya IM assets, as reported in Voya Financial SEC filings, include general account assets valued on a statutory book value basis and total approximately \$206 billion.

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