

Voya Global Perspectives™ | Investment Weekly

Markets. Insights. Opportunities.

As of October 24, 2014

Commentary and Statistics

- Major U.S. averages snapped a four-week losing streak as strong earnings and economic data had investors shaking off concerns about an Ebola case in New York. The S&P 500 delivered its biggest weekly gain since early 2013, while the Nasdaq experienced its strongest week rally since late 2011. After dipping below 2% last week, the yield on the benchmark ten-year U.S. Treasury has rebounded to finish the week around 2.25%.
- Of the 208 S&P 500 companies that have reported third quarter results, 75% have beaten earnings expectations while 6% have beaten revenue expectations. The blended earnings growth rate for the second quarter stands at 5.6%, according to FactSet, up from 5.1% last week. Caterpillar, American Airlines and Apple impressed this week, while Amazon, Eli Lilly and Ford were among the disappointments.
- New-home sales popped to a six-year high in September, while existing-home sales rose to a one-year high. Nationwide home prices, as measured by the Federal Housing Finance Agency, climbed 0.5% from July to August.
- After a flat August, an index of leading economic indicators compiled by the Conference Board rebounded nicely in September, rising 0.8%. Separately, Markit's flash manufacturing PMI pulled back in October but showed the sector continuing to expand.
- Consumer prices ticked up 0.1% in September from August, as increases in the cost of food and housing offset declines in energy. Over the past 12 months, inflation is running at 1.7%, below the Fed's 2% target.
- U.K. GDP rose 0.7% in the third quarter, down from the 0.9% expansion recorded in the second quarter. A slowdown in service sector growth fueled the ease.

Returns (%)				
Global Market Returns (%)	One Week	MTD	YTD	One Year
Barclays Global Aggregate Bond Index	-0.56	0.94	2.59	0.65
MSCI EAFE Index	2.39	-3.61	-4.56	-3.29
MSCI United Kingdom Index	1.20	-4.15	-5.27	-2.02
MSCI Europe ex-U.K. Index	2.16	-4.47	-5.97	-4.00
MSCI Japan Index	4.07	-4.92	-6.21	-5.43
MSCI AC Asia ex-Japan Index	1.86	-0.92	3.97	3.55
MSCI Emerging Markets Index	0.79	-1.99	0.70	-1.83
JPM EMBI+ Emerging Markets Bond Index	0.12	0.80	8.16	6.05
NAREIT Global Real Estate Index	2.74	3.20	10.61	4.87

U.S. Market Indexes Returns	One Week	MTD	YTD	One Year
Dow Jones Industrial Average	2.64	-1.22	3.33	10.88
S&P 500 Index	4.14	-0.29	8.03	14.46
Russell 2000 Index	3.38	1.61	-2.87	1.31
Russell MidCap Index	4.42	0.32	7.21	12.22
Barclays U.S. Aggregate Index	-0.26	1.20	5.34	4.36
Barclays High Yield Bond Index	0.95	1.11	4.63	6.04
United States 20-Year Treasury Bond	-1.39	3.11	20.20	14.43
S&P/LSTA Senior Loan Index	0.59	0.00	1.47	2.72

S&P 500 Sector Returns	One Week	MTD	YTD	One Year
Consumer Discretionary	3.79	-0.49	0.37	7.22
Consumer Staples	2.84	1.81	9.17	12.69
Energy	3.52	-4.90	-1.82	2.52
Financials	3.50	-0.28	7.12	13.26
Health Care	6.57	2.05	19.01	25.77
Industrials	4.29	1.02	3.91	12.58
Materials	3.47	-2.69	5.94	11.59
Technology	4.68	-1.56	12.35	22.43
Telecom	0.66	-2.05	5.26	4.64
Utilities	3.59	5.81	20.57	19.38

U.S. Returns by Style

One Week (%)		Year to Date (%)		One Year (%)	
Large Value	3.9	Large Value	7.7	Large Value	13.5
Mid Value	4.1	Mid Value	9.0	Mid Value	13.5
Small Value	3.0	Small Value	2.6	Small Value	1.6
Large Growth	4.4	Large Growth	7.7	Large Growth	14.3
Mid Growth	4.7	Mid Growth	5.6	Mid Growth	11.1
Small Growth	3.7	Small Growth	-3.1	Small Growth	1.0

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

Source: FactSet

- Chinese GDP growth for the third quarter came in at 7.3%; while this represented the slowest pace in five years and a decline from 7.5% in the second quarter, it beat economists' expectations. And while other metrics — including industrial output, industrial production, fixed-asset investment and retail sales — were robust in their latest readings, new-home prices in China fell on a year-over-year basis in September, the first such decline in nearly two years.

Bond Rates (%) as of:	10/24/2014	10/17/2014	12/31/2013	10/24/2013
U.S. Federal Funds Target Rate	0.25	0.25	0.25	0.25
U.S. Two-Year Treasury Yield	0.39	0.38	0.35	0.31
U.S. Ten-Year Treasury Yield	2.27	2.20	3.01	2.52
High Yield (Merrill U.S. Corporates)	5.61	5.84	6.08	5.96

Commodity Prices as of:	10/24/2014	10/17/2014	12/31/2013	10/24/2013
Gold (USD/oz)	1231.80	1239.00	1202.30	1350.30
Crude Oil (USD/bbl)	81.01	82.75	98.42	97.11
Gasoline (USD/gal)	3.22	3.33	3.47	3.46
Copper (NYM \$/lbs)	3.05	3.00	3.44	3.26

Exchange Rates as of:	10/24/2014	10/17/2014	12/31/2013	10/24/2013
\$ per €	1.27	1.28	1.38	1.38
\$ per £	1.61	1.61	1.66	1.62
¥ per \$	108.17	106.67	105.11	97.38

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.

Nothing contained herein should be construed as (i) an offer to sell or solicitation of an offer to buy any security or (ii) a recommendation as to the advisability of investing in, purchasing or selling any security. Any opinions expressed herein reflect our judgment and are subject to change. Certain of the statements contained herein are statements of future expectations and other forward-looking statements that are based on management's current views and assumptions and involve known and unknown risks and uncertainties that could cause actual results, performance or events to differ materially from those expressed or implied in such statements. Actual results, performance or events may differ materially from those in such statements due to, without limitation, (1) general economic conditions, (2) performance of financial markets, (3) interest rate levels, (4) increasing levels of loan defaults, (5) changes in laws and regulations and (6) changes in the policies of governments and/or regulatory authorities.

Past performance is no guarantee of future results.

Economic Release Calendar

Monday, October 27	Tuesday, October 28	Wednesday, October 29	Thursday, October 30	Friday, October 31
Composite PMI (Oct) U.S. Pending Home Sales (Sep) U.S. Dallas Fed Mnfg (Oct) U.S.	Durable and Capital Goods Orders (Sep) U.S. Case-Shiller Home Prices (Aug) U.S. Richmond Fed Mnfg (Oct) U.S. Industrial Production (Sep) Japan	FOMC Rate Announcement U.S.	Various Confidence Measures (Oct) Euro Zone GDP (3Q14) U.S. Personal Consumption (3Q14) U.S. CPI (Sep) Japan	Unemployment Rate (Sep) Euro Zone CPI (Oct) Euro Zone Personal Income and Spending (Sep) U.S. ISM Milwaukee (Oct) U.S. Chicago PMI (Oct) U.S. U. of Michigan Confidence (Oct) U.S. Manufacturing PMI (Oct) China Leading Index (Sep) China BOJ Policy Announcement Japan

Source: Bloomberg

Earnings Announcements

Monday, October 27	Tuesday, October 28	Wednesday, October 29	Thursday, October 30	Friday, October 31
Amgen Cliffs Natural Crane Franklin Resources Merck Owens & Minor T-Mobile U.S. Twitter	Aflac AH Belo Arch Coal Corning Facebook Gilead Sciences Noble Energy Panera Bread Pfizer Whirlpool	Avis Budget Dreamworks Animation Eaton FMC Goodyear Tire Hershey Hess McGraw Hill Ralph Lauren Southern Co.	Altria Cigna Eastman Chemical Expedia Fluor GoPro Iron Mountain Kellogg LinkedIn National Oilwell	Anheuser-Busch Inbev CBOE Holdings Clorox Exxon Mobil Madison Square Garden Newell Rubbermaid Oshkosh Corp. Weyerhaeuser

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

\$214 Billion AUM* | Over 850 Employees | Over 200 Investment Professionals

Data is as of 06/30/14.

* As of June 30, 2014, Voya IM assets of \$214 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 \$208 billion.

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