

# Voya Global Perspectives

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As of April 17, 2015

## Investment Weekly

### Commentary and Statistics

- What looked like a decent week in the equity markets was derailed by Friday's global selloff. Heightened concerns over a Greek default combined with news that China had tightened restrictions on margin lending to send investors in search of safe havens. The interest rate on the benchmark ten-year Treasury drifted lower over the week, while yield on ten-year German bunds set a series of all-time lows and settled at about 0.08%.
- Company releases thus far have done little to shake expectations of the first decline in S&P 500 year-over-year earnings since third quarter 2012. Of the 56 S&P 500 companies that have reported first quarter 2015 results, 77% have beaten earnings expectations while 46% have beaten revenue expectations. The blended earnings growth rate for the fourth quarter stands at -4.1%, according to FactSet, slightly better than the -4.7% expected when the quarter ended. Goldman Sachs, UnitedHealth and Netflix impressed this week, while Advanced Micro Devices, Schlumberger and Bank of America were among the disappointments.
- Consumer prices increased in March for the second straight month, as both core and headline inflation was up 0.3% from February. The year-over-year increase in core prices stood at 1.8%, just shy of the Fed's 2% target.
- Retail sales rebounded in March after three months of contraction, rising 0.9%. April sentiment data from the University of Michigan provide hope this thaw can continue, as the index rose to its second highest level since 2007 in its preliminary reading.
- Industrial production fell in March to cap off a 1% decline for the quarter, the first since second quarter 2009. Capacity utilization also fell and remains below its long-run average.

Index Prices (\$)		
Index	4/17/2015	12/31/2014
Dow Jones Industrial Average	17,826.30	17,823.07
S&P 500 Index	2,081.18	2,058.90

Returns (%)				
U.S. Market Indexes Returns	One Week	MTD	YTD	One Year
Dow Jones Industrial Average	-1.24	0.38	0.75	11.17
S&P 500 Index	-0.98	0.71	1.67	13.89
Russell 2000 Index	-1.00	-0.04	4.28	11.47
Russell MidCap Index	-1.09	0.19	4.15	15.36
Barclays U.S. Aggregate Index	0.44	0.48	2.09	5.84
Barclays High Yield Bond Index	0.23	1.08	3.63	2.77
United States 20-Year Treasury Bond	1.47	0.88	5.11	23.03
S&P/LSTA Senior Loan Index	0.20	0.57	2.42	2.46

S&P 500 Sector Returns	One Week	MTD	YTD	One Year
Consumer Discretionary	-1.85	-0.14	4.66	19.88
Consumer Staples	-1.06	0.61	1.60	15.44
Energy	2.14	5.68	2.66	-9.71
Financials	-0.48	0.11	-1.95	12.46
Health Care	-0.99	0.87	7.46	30.72
Industrials	-2.20	0.36	-0.50	8.09
Materials	-0.10	1.63	2.63	6.17
Technology	-1.54	-0.15	0.42	19.50
Telecom	-1.00	1.19	2.75	2.52
Utilities	-1.24	-0.67	-5.81	8.04

U.S. Returns by Style					
One Week (%)		Year to Date (%)		One Year (%)	
Large Value	Large Growth	Large Value	Large Growth	Large Value	Large Growth
-0.6	-1.3	0.2	4.2	10.4	17.6
Mid Value	Mid Growth	Mid Value	Mid Growth	Mid Value	Mid Growth
-1.0	-1.2	2.2	5.9	12.1	18.4
Small Value	Small Growth	Small Value	Small Growth	Small Value	Small Growth
-1.0	-1.0	1.4	7.1	5.7	17.4

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	1.03	0.78	-1.15	-3.62
MSCI EAFE Index	-0.22	2.68	7.81	2.03
MSCI United Kingdom Index	0.86	4.33	3.34	-2.78
MSCI Europe ex-U.K. Index	-1.39	1.20	6.96	-2.71
MSCI Japan Index	0.96	3.68	14.41	19.24
MSCI AC Asia ex-Japan Index	1.24	7.45	12.71	16.42
MSCI Emerging Markets Index	0.83	7.10	9.54	6.19
JPM EMBI+ Emerging Markets Bond Index	-0.17	1.80	3.89	4.51
NAREIT Global Real Estate Index	-0.36	0.67	4.75	13.29

Source: FactSet

- Chinese GDP growth slowed to 7% in the first quarter, the slowest rate of quarterly expansion since 2009. Separate data for March showed industrial production growing at its weakest pace in six years while retail sales came in at ten-year lows.
- Lack of progress in negotiations between Greece and its creditors has increased the risk of a Greek default and/or exit from the euro zone. Yield on Greek ten-year debt surged to a two-year high around 12.5%, while two-year debt now pays a rate of more than 26%.

Bond Rates (%) as of:	4/17/2015	4/10/2015	12/31/2014	4/17/2014
U.S. Federal Funds Target Rate	0.25	0.25	0.25	0.25
U.S. Two-Year Treasury Yield	0.50	0.56	0.69	0.40
U.S. Ten-Year Treasury Yield	1.85	1.95	2.17	2.71
High Yield (Merrill U.S. Corporates)	5.71	5.72	6.19	5.54

Commodity Prices as of:	4/17/2015	4/10/2015	12/31/2014	4/17/2014
Gold (USD/oz)	1203.10	1204.60	1184.10	1293.90
Crude Oil (USD/bbl)	55.74	51.64	53.27	104.30
Gasoline (USD/gal)	2.60	2.62	2.45	3.81
Copper (NYM \$/lbs)	2.78	2.75	2.84	3.07

Exchange Rates as of:	4/17/2015	4/10/2015	12/31/2014	4/17/2014
\$ per €	1.08	1.06	1.21	1.38
\$ per £	1.50	1.47	1.56	1.68
¥ per \$	119.07	120.21	119.90	102.27

## 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, April 20	Tuesday, April 21	Wednesday, April 22	Thursday, April 23	Friday, April 24
Chicago Fed Ntl Activity (Mar) U.S.	Leading and Coincident Indexes (Feb) Japan  Trade Balance (Mar) Japan  Leading Economic Index (Apr) China	BOE Minutes released U.K.  FHFA House Prices (Feb) U.S.  Consumer Confidence (Apr) Euro Zone  Existing-Home Sales (Mar) U.S.  Manufacturing PMI (Apr) China	Various PMIs (Apr) Euro Zone  Retail Sales (Mar) U.K.  Manufacturing PMI (Apr) U.S.  New-Home Sales (Mar) U.S.  Kansas City Fed Mnfg (Apr) U.S.	Durable and Capital Goods Orders (Mar) U.S.

Source: Bloomberg

## Earnings Announcements

Monday, April 20	Tuesday, April 21	Wednesday, April 22	Thursday, April 23	Friday, April 24
Checkpoint Halliburton Hasbro IBM Morgan Stanley Royal Caribbean Steel Dynamics SunTrust Banks	Baker-Hughes Chipotle DuPont Harley-Davidson Kimberly Clark Lockheed Martin Under Armour Verizon Yahoo! Yum! Brands	Abbott Labs AT&T Boeing Coca Cola DR Horton EBay Facebook McDonald's Owens Corning Qualcomm	3M BB&T Caterpillar Dow Chemical Eli Lilly General Motors PepsiCo Raytheon Starbucks Union Pacific	Aarons American Airlines Biogen Cabot Oil & Gas Interpublic Group Lear Tyco Xerox

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<sup>SM</sup>

\$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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