

Voya Global Perspectives

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As of August 14, 2015

Investment Weekly

Commentary and Statistics

- U.S. stocks traded sharply down midweek as China devalued its currency, a downdraft intensified by speculation about the timing of the first Fed rate hike in almost ten years. Still, positive U.S. economic news prompted a rebound of the Dow, S&P 500 and Nasdaq for the week. In tandem with stocks, the yield on the ten-year U.S. Treasury fell sharply before finishing the week more or less where it started. Gold rose for the week, and oil fell.
- China unexpectedly devalued the yuan on Monday, triggering its biggest one-day drop in two decades. The People's Bank of China called it a one-time adjustment, but two more devaluations followed on Tuesday and Wednesday, leaving the currency down more than 3%. Chinese officials tried to ease concerns, saying there was no economic basis for continued depreciation and emphasizing that economic growth in the country was relatively high. However, July data on retail sales, industrial production and fixed asset investment all missed expectations.
- The August reading of the University of Michigan's consumer sentiment index was the second lowest this year, edging slightly below July. The Small Business Optimism Index produced by the National Federation of Independent Business rose slightly for July, recovering about a third of its June decline but remaining below its long-term average.
- Retail sales were largely in line with expectations during July, rising 0.6% after June's flat reading (which had been restated from a previous -0.3%). Autos gained after declining the prior month. Business inventories posted their largest gain since January 2013, but sales did not rise as much.

Index Prices (\$)		
Index	8/14/2015	12/31/2014
Dow Jones Industrial Average	17,477.40	17,823.07
S&P 500 Index	2,091.54	2,058.90

Returns (%)				
U.S. Market Indexes Returns	One Week	MTD	YTD	One Year
Dow Jones Industrial Average	0.65	-1.10	-0.40	7.12
S&P 500 Index	0.73	-0.45	2.88	9.18
Russell 2000 Index	0.52	-2.04	1.43	7.45
Russell MidCap Index	1.06	-0.01	3.10	8.72
Barclays U.S. Aggregate Index	-0.14	-0.08	0.51	1.98
Barclays High Yield Bond Index	-0.57	-1.37	0.53	-1.91
United States 20-Year Treasury Bond	-0.26	1.69	-0.06	9.39
S&P/LSTA Senior Loan Index	-0.30	-0.61	0.77	-0.08

S&P 500 Sector Returns	One Week	MTD	YTD	One Year
Consumer Discretionary	0.12	-2.28	9.40	18.43
Consumer Staples	0.05	-0.14	4.55	15.52
Energy	3.50	-0.11	-12.07	-25.25
Financials	0.32	0.30	3.05	13.35
Health Care	0.09	-1.54	10.90	23.52
Industrials	1.29	0.30	-2.58	4.80
Materials	1.14	-0.50	-5.02	-6.47
Technology	0.68	-0.32	3.44	11.14
Telecom	0.99	-0.28	2.85	0.04
Utilities	2.66	3.66	-1.79	12.97

U.S. Returns by Style

One Week (%)		Year to Date (%)		One Year (%)	
Large Value	Large Growth	Large Value	Large Growth	Large Value	Large Growth
1.0	0.5	-0.3	6.6	5.0	13.2
Mid Value	Mid Growth	Mid Value	Mid Growth	Mid Value	Mid Growth
1.3	0.8	0.8	5.3	5.6	11.7
Small Value	Small Growth	Small Value	Small Growth	Small Value	Small Growth
1.2	-0.1	-3.1	5.9	1.4	13.6

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	0.42	0.02	-2.84	-6.64
MSCI EAFE Index	-1.35	-1.88	6.04	-0.46
MSCI United Kingdom Index	-1.14	-1.58	2.15	-5.70
MSCI Europe ex-U.K. Index	-1.23	-1.98	7.14	1.18
MSCI Japan Index	-1.11	-0.40	13.87	9.41
MSCI AC Asia ex-Japan Index	-2.56	-3.69	-4.71	-9.69
MSCI Emerging Markets Index	-2.31	-4.06	-7.87	-17.22
JPM EMBI+ Emerging Markets Bond Index	-0.23	-0.80	1.36	-2.02
NAREIT Global Real Estate Index	0.43	0.34	0.80	2.19

Source: FactSet

- The JOLTS report for June showed job openings remaining near record highs; according to some economists, the labor market demonstrated enough strength to warrant an interest-rate hike in September.
- U.S. producer prices moderated in July, a sign of waning inflation pressure. Nonfarm productivity increased at a moderate annual rate during 2Q15; unit labor costs increased at a rate consistent with the previous three quarters.
- Berkshire Hathaway announced its biggest acquisition ever, a deal to acquire Precision Castparts Corp. for \$37 billion.

Bond Rates (%) as of:	8/14/2015	8/07/2015	12/31/2014	8/14/2014
U.S. Federal Funds Target Rate	0.25	0.25	0.25	0.25
U.S. Two-Year Treasury Yield	0.73	0.72	0.69	0.41
U.S. Ten-Year Treasury Yield	2.20	2.17	2.17	2.40
High Yield (Merrill U.S. Corporates)	6.51	6.41	6.19	5.43

Commodity Prices as of:	8/14/2015	8/07/2015	12/31/2014	8/14/2014
Gold (USD/oz)	1112.70	1094.10	1184.10	1315.70
Crude Oil (USD/bbl)	42.50	43.87	53.27	95.58
Gasoline (USD/gal)	2.89	2.97	2.45	3.63
Copper (NYM \$/lbs)	2.36	2.34	2.84	3.09

Exchange Rates as of:	8/14/2015	8/07/2015	12/31/2014	8/14/2014
\$ per €	1.11	1.09	1.21	1.34
\$ per £	1.56	1.55	1.56	1.67
¥ per \$	124.30	124.31	119.90	102.44

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, August 17	Tuesday, August 18	Wednesday, August 19	Thursday, August 20	Friday, August 21
Trade Balance (Jun) Euro Zone	CPI (Jul) U.K.	Leading and Coincident Indexes (Jun) Japan	Retail Sales (Jul) U.K.	Consumer Confidence (Aug) Euro Zone
Empire State Mnfg (Aug) U.S.	Housing Starts (Jul) U.S.	CPI (Jul) U.S.	Existing-Home Sales (Jul) U.S.	
NAHB Housing Market Index (Aug) U.S.	Building Permits (Jul) U.S.	Avg Weekly Earnings (Jul) U.S.	Philadelphia Fed Outlook (Aug) U.S.	
	Trade Balance (Jul) Japan	Fed Minutes Released U.S.	Leading Index (Jul) 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 investingSM

\$213 Billion AUM* | Over 900 Employees | Over 200 Investment Professionals

* Data as of June 30, 2015. Voya IM assets of \$213 billion include proprietary insurance general account assets of \$86 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 \$206 billion.

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