

# Voya Global Perspectives

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As of July 2, 2015

## Investment Weekly

### Commentary and Statistics

- It was another choppy — if abbreviated — week for equity markets, which ended mostly down. The S&P 500 delivered its biggest weekly loss in three months, unable to rebound from Monday's Greece-inspired selloff. Yield on the benchmark ten-year U.S. Treasury pulled back from recent highs as investors sought safe havens in advance of Sunday's Greek referendum.
- Nonfarm payrolls for June came in at 223,000, which was slightly below expectations; more concerning, however, were downward revisions to April and May that totaled 60,000. Also troubling was a 30 bp decline in the labor participation rate to its lowest level since 1977, though this did help drag down the unemployment rate to 5.3%. Wage growth, meanwhile, stagnated from the previous month and is up only 2% from a year ago.
- Manufacturing activity, as measured by the Institute for Supply Management, moved higher in June to match its 2015 high.
- The Case-Shiller index of home prices rose 4.9% year-over-year in April, a slight slowdown from March and short of expectations. Pending home sales, on the other hand, spiked in May to the highest level since 2006, suggesting prices may continue to be biased higher.
- The situation in Greece continued to churn without a resolution in sight. On June 30, Greece's existing bailout package expired and as a result it missed a €1.55 billion payment due to the International Monetary Fund, putting the country into "arrears". Banks remain closed, with ATM withdrawals limited to €60 per day, as Greeks prepare to head to the polls for a July 5 referendum on the latest bailout proposal.

Index Prices (\$)		
Index	7/02/2015	12/31/2014
Dow Jones Industrial Average	17,730.11	17,823.07
S&P 500 Index	2,076.78	2,058.90

Returns (%)				
U.S. Market Indexes Returns	One Week	MTD	YTD	One Year
Dow Jones Industrial Average	-1.17	0.65	0.69	6.33
S&P 500 Index	-1.14	0.69	1.93	6.76
Russell 2000 Index	-2.45	-0.45	4.29	4.67
Russell MidCap Index	-1.40	0.49	2.85	6.24
Barclays U.S. Aggregate Index	0.41	-0.21	-0.31	2.28
Barclays High Yield Bond Index	-0.15	0.25	2.79	-0.18
United States 20-Year Treasury Bond	1.09	-1.50	-6.68	7.76
S&P/LSTA Senior Loan Index	-0.13	0.11	1.87	0.31

S&P 500 Sector Returns	One Week	MTD	YTD	One Year
Consumer Discretionary	-0.84	0.95	7.83	15.27
Consumer Staples	-0.52	1.14	0.36	9.49
Energy	-1.98	-0.88	-5.52	-23.17
Financials	-1.08	0.96	0.59	8.90
Health Care	-1.38	0.56	10.17	21.90
Industrials	-1.46	0.33	-2.74	1.41
Materials	-1.74	0.30	0.80	-1.80
Technology	-1.21	0.83	1.60	10.21
Telecom	-1.08	0.83	4.02	1.37
Utilities	1.15	1.96	-8.93	3.09

#### U.S. Returns by Style

One Week (%)		Year to Date (%)		One Year (%)	
Large Value	Large Growth	Large Value	Large Growth	Large Value	Large Growth
-1.3	-1.0	-0.1	4.7	3.6	9.8
Mid Value	Mid Growth	Mid Value	Mid Growth	Mid Value	Mid Growth
-1.3	-1.5	1.0	4.6	3.8	8.5
Small Value	Small Growth	Small Value	Small Growth	Small Value	Small Growth
-2.7	-2.2	0.5	8.1	-0.6	10.0

**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

Global Market Returns (%)	One Week	MTD	YTD	One Year
Barclays Global Aggregate Bond Index	0.06	-0.56	-3.62	-7.01
MSCI EAFE Index	-2.76	0.78	6.70	-3.96
MSCI United Kingdom Index	-3.30	0.93	2.97	-8.74
MSCI Europe ex-U.K. Index	-3.71	0.71	6.08	-6.52
MSCI Japan Index	-1.07	0.37	14.21	7.88
MSCI AC Asia ex-Japan Index	-1.59	0.20	5.80	2.92
MSCI Emerging Markets Index	-1.40	-0.01	3.10	-5.78
JPM EMBI+ Emerging Markets Bond Index	0.20	0.32	2.09	-1.08
NAREIT Global Real Estate Index	-0.54	0.86	-1.07	1.62

Source: FactSet

- The governor of Puerto Rico declared the island's \$72 billion in debt "not payable". Some have warned that Puerto Rico may run out of cash within a month, potentially resulting in a government shutdown and other emergency provisions.
- Chinese official manufacturing PMI in June was unchanged from May, while the metric published by HSBC showed the sector still in contraction. While the central bank surprised markets last weekend with cuts in both interest rates and reserve requirements for banks, the latest disappointing data has some observers clamoring for more.

Bond Rates (%) as of:	7/02/2015	6/26/2015	12/31/2014	7/03/2014
U.S. Federal Funds Target Rate	0.25	0.25	0.25	0.25
U.S. Two-Year Treasury Yield	0.63	0.70	0.69	0.51
U.S. Ten-Year Treasury Yield	2.39	2.48	2.17	2.65
High Yield (Merrill U.S. Corporates)	6.11	6.04	6.19	5.20

Commodity Prices as of:	7/02/2015	6/26/2015	12/31/2014	7/03/2014
Gold (USD/oz)	1163.50	1173.20	1184.10	1320.60
Crude Oil (USD/bbl)	56.93	59.63	53.27	104.06
Gasoline (USD/gal)	3.00	3.00	2.45	3.76
Copper (NYM \$/lbs)	2.63	2.65	2.84	3.27

Exchange Rates as of:	7/02/2015	6/26/2015	12/31/2014	7/03/2014
\$ per €	1.11	1.11	1.21	1.36
\$ per £	1.56	1.57	1.56	1.71
¥ per \$	123.07	123.96	119.90	102.20

## 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, July 6	Tuesday, July 7	Wednesday, July 8	Thursday, July 9	Friday, July 10
<b>Leading and Coincident Indexes (May)</b> Japan	<b>Industrial Production (May)</b> U.K.	<b>Fed Minutes Released</b> U.S.	<b>BOE Policy Announcement</b> U.K.	<b>Trade Balance (May)</b> U.K.
<b>Investor Confidence (Jul)</b> Euro Zone	<b>Trade Balance (May)</b> U.S.	<b>CPI (Jun)</b> China		<b>Wholesale Inventories and Sales (May)</b> U.S.
<b>Composite PMI (Jun)</b> U.S.	<b>JOLTS Job Openings (May)</b> U.S.			
<b>ISM Non-Mnfg Composite (Jun)</b> U.S.	<b>Trade Balance (May)</b> Japan			

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>

\$218 Billion AUM\* | Over 900 Employees | Over 200 Investment Professionals

\* Data as of March 31, 2015. Voya IM assets of \$218 billion include proprietary insurance general account assets of \$89 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 \$209 billion.

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