

# Voya Global Perspectives

Markets. Insights. Opportunities.®

As of June 5, 2015

## Investment Weekly

### Commentary and Statistics

- The U.S. economy generated 280,000 new jobs in May, a much stronger than expected result. Investors interpreted the strong job growth to imply that the Federal Reserve might begin raising interest rates sooner than expected, which sent bond prices down and caused yields to spike upward. The widely watched ten-year U.S. Treasury yield started the week at 2.1% and rose to 2.4% by Friday, the highest it had been since last October.
- Equity investors hung back awaiting the Friday jobs report, concerned that higher interest rates could divert investment flows from stocks into bonds. The job report dampened investor sentiment; major markets in the United States, Europe and Asia were down for the week. Gold prices fell but oil prices rose.
- The unemployment rate rose slightly in May from 5.4% to 5.5%. The increase resulted from an influx of job seekers, encouraged by improving labor conditions. The surge in hiring boosted wages to a year-over-year increase of 2.3%, the highest rate since mid-2013. This suggested demand for new hires was beginning to pressure companies to pay more to attract workers.
- Personal income rose 0.4% in April, ahead of expectations for a 0.3% increase. Wages and salaries only increased 0.2% and personal spending was flat; taken together, these factors pushed the savings rate up to 5.6% from 5.2% in March.
- Headline PCE was unchanged in April, leaving the year-over-year increase at just 0.1%, the smallest since October 2009. The core PCE price index, the Fed's preferred inflation measure, increased 0.1% m/m for a third straight month. This left it up just 1.2% y/y, down from the 1.3% rate that has prevailed since December. This was below consensus expectations for a 1.4% increase and still well below the Fed's 2.0% target.

Index Prices (\$)		
Index	6/05/2015	12/31/2014
Dow Jones Industrial Average	17,849.46	17,823.07
S&P 500 Index	2,092.83	2,058.90

Returns (%)				
U.S. Market Indexes Returns	One Week	MTD	YTD	One Year
Dow Jones Industrial Average	-0.85	-0.85	1.19	8.52
S&P 500 Index	-0.65	-0.65	2.56	10.07
Russell 2000 Index	1.18	1.18	5.20	10.71
Russell MidCap Index	-0.33	-0.33	4.17	10.52
Barclays U.S. Aggregate Index	-1.35	-1.35	-0.37	2.12
Barclays High Yield Bond Index	-0.75	-0.75	3.29	1.07
United States 20-Year Treasury Bond	-4.56	-4.56	-5.66	8.22
S&P/LSTA Senior Loan Index	-0.22	-0.22	2.39	1.35

S&P 500 Sector Returns	One Week	MTD	YTD	One Year
Consumer Discretionary	0.29	0.29	6.45	16.83
Consumer Staples	-2.48	-2.48	-1.44	8.31
Energy	-0.91	-0.91	-2.22	-16.67
Financials	0.82	0.82	0.74	11.40
Health Care	-0.84	-0.84	8.94	25.21
Industrials	0.07	0.07	-0.47	4.18
Materials	-1.17	-1.17	3.37	2.62
Technology	-0.90	-0.90	4.35	16.80
Telecom	-2.36	-2.36	3.11	1.80
Utilities	-4.08	-4.08	-8.84	2.36

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	-0.5	0.8	5.3	7.1	13.2
Mid Value	Mid Growth	Mid Value	Mid Growth	Mid Value	Mid Growth
-0.8	0.1	2.3	6.0	7.4	13.4
Small Value	Small Growth	Small Value	Small Growth	Small Value	Small Growth
0.8	1.5	1.5	8.9	4.1	17.6

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	-1.25	-1.25	-3.86	-6.72
MSCI EAFE Index	-1.71	-1.71	7.08	-2.06
MSCI United Kingdom Index	-2.59	-2.59	3.06	-6.33
MSCI Europe ex-U.K. Index	-0.84	-0.84	7.46	-5.41
MSCI Japan Index	-1.83	-1.83	13.63	12.08
MSCI AC Asia ex-Japan Index	-1.76	-1.76	7.64	7.80
MSCI Emerging Markets Index	-2.08	-2.08	3.58	-2.51
JPM EMBI+ Emerging Markets Bond Index	-1.49	-1.49	1.97	-0.58
NAREIT Global Real Estate Index	-2.44	-2.44	-0.36	2.56

Source: FactSet

- Greek Prime Minister Alexis Tsipras disparaged the conditions set by international creditors for fresh aid, calling them “irrational” and an “unpleasant surprise,” but said a final deal is closer than ever.
- Only days after being reelected, FIFA president Sepp Blatter announced his resignation in the wake of a bribery investigation.

Bond Rates (%) as of:	6/05/2015	5/29/2015	12/31/2014	6/05/2014
U.S. Federal Funds Target Rate	0.25	0.25	0.25	0.25
U.S. Two-Year Treasury Yield	0.70	0.58	0.69	0.38
U.S. Ten-Year Treasury Yield	2.40	2.09	2.17	2.58
High Yield (Merrill U.S. Corporates)	5.94	5.72	6.19	5.34

Commodity Prices as of:	6/05/2015	5/29/2015	12/31/2014	6/05/2014
Gold (USD/oz)	1168.10	1189.80	1184.10	1253.30
Crude Oil (USD/bbl)	59.13	60.30	53.27	102.48
Gasoline (USD/gal)	3.04	3.05	2.45	3.83
Copper (NYM \$/lbs)	2.72	2.76	2.84	3.09

Exchange Rates as of:	6/05/2015	5/29/2015	12/31/2014	6/05/2014
\$ per €	1.11	1.10	1.21	1.36
\$ per £	1.52	1.53	1.56	1.68
¥ per \$	125.65	124.10	119.90	102.48

## 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, June 8	Tuesday, June 9	Wednesday, June 10	Thursday, June 11	Friday, June 12
<b>Investor Confidence (Jun)</b> Euro Zone	<b>Trade Balance (Apr)</b> U.K.	<b>Industrial Production (Apr)</b> U.K.	<b>Retail Sales (May)</b> China	<b>Industrial Production (Apr)</b> Japan
<b>CPI (May)</b> China	<b>NFIB Small Business Optimism (May)</b> U.S.		<b>Industrial Production (May)</b> China	<b>Industrial Production (Apr)</b> Euro Zone
	<b>Wholesale Inventories and Sales (Apr)</b> U.S.		<b>Retail Sales (May)</b> U.S.	<b>PPI (May)</b> U.S.
	<b>JOLTS Job Openings (Apr)</b> U.S.		<b>Business Inventories (Apr)</b> U.S.	<b>U of Michigan Sentiment (Jun)</b> U.S.
			<b>Household Net Worth (1Q15)</b> 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<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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