

Voya Global Perspectives

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As of May 22, 2015

Investment Weekly

Commentary and Statistics

- A quiet week in the equity markets ahead of the long Memorial Day weekend saw the S&P 500 and Nasdaq set new record highs. Yield on the benchmark ten-year Treasury edged higher during the week, closing above 2.2%. Crude oil saw its nine-week winning streak snapped, posting a small loss.
- With first quarter earnings season all but complete, S&P 500 companies beat expectations to salvage positive year-over-year growth. With only a handful of companies left to report, the blended earnings growth rate for the first quarter stands at 0.3%, according to FactSet; while this is well ahead of the -4.7% expected as the quarter drew to a close, it represents the weakest growth since third quarter 2012. Revenue in the first quarter declined 2.9% year over year, the worst performance since third quarter 2009.
- In comments before a local chamber of commerce, Fed Chair Yellen said the central bank was on track to raise the federal funds rate target at some point this year. However, she emphasized that the normalization process would be slow and cautious — perhaps taking “several years” — as the labor market has not yet fully healed and inflation remains sluggish. Minutes from the most-recent FOMC meeting, released this week, also suggested the Fed was poised to act in 2015.
- Core consumer prices rose a better-than-expected 0.3% in April from March, or 1.8% from a year earlier. Headline inflation was more contained, rising 0.1% month to month and declining 0.2% year over year.
- Existing-home sales slipped in April, losing more than 3% as supply remains constrained. Tight supply also contributed to the 8.9% annualized increase in home prices for the month. Homebuilders are

Index Prices (\$)		
Index	5/22/2015	12/31/2014
Dow Jones Industrial Average	18,232.02	17,823.07
S&P 500 Index	2,126.06	2,058.90

Returns (%)				
U.S. Market Indexes Returns	One Week	MTD	YTD	One Year
Dow Jones Industrial Average	-0.18	2.34	3.27	12.81
S&P 500 Index	0.21	2.14	4.10	14.64
Russell 2000 Index	0.69	2.72	4.42	13.90
Russell MidCap Index	0.38	2.26	5.34	15.32
Barclays U.S. Aggregate Index	-0.48	-0.85	0.38	2.89
Barclays High Yield Bond Index	-0.01	0.13	3.90	2.10
United States 20-Year Treasury Bond	-1.38	-4.49	-3.89	10.28
S&P/LSTA Senior Loan Index	0.00	0.04	2.63	1.86

S&P 500 Sector Returns	One Week	MTD	YTD	One Year
Consumer Discretionary	0.47	2.14	7.00	21.09
Consumer Staples	-1.12	1.73	1.96	14.32
Energy	-0.69	-2.77	0.74	-12.88
Financials	0.53	2.86	0.94	15.11
Health Care	0.94	4.54	9.87	29.03
Industrials	-0.30	2.22	1.33	9.10
Materials	-0.73	1.44	5.60	7.69
Technology	0.62	2.80	5.80	22.23
Telecom	0.09	-1.41	5.98	4.24
Utilities	0.55	0.80	-4.85	10.37

U.S. Returns by Style

One Week (%)		Year to Date (%)		One Year (%)	
Large Value	Large Growth	Large Value	Large Growth	Large Value	Large Growth
0.2	0.3	2.1	6.9	11.3	18.0
Mid Value	Mid Growth	Mid Value	Mid Growth	Mid Value	Mid Growth
0.4	0.3	3.6	6.9	12.5	18.0
Small Value	Small Growth	Small Value	Small Growth	Small Value	Small Growth
0.2	1.2	1.2	7.6	7.6	20.4

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	-1.71	-1.58	-2.44	-5.44
MSCI EAFE Index	-0.59	1.45	10.95	3.03
MSCI United Kingdom Index	-0.74	2.16	8.20	-2.18
MSCI Europe ex-U.K. Index	-0.68	1.75	11.19	-0.64
MSCI Japan Index	0.69	1.80	16.31	19.98
MSCI AC Asia ex-Japan Index	0.77	-0.35	12.10	13.06
MSCI Emerging Markets Index	-0.49	-0.84	9.25	2.40
JPM EMBI+ Emerging Markets Bond Index	0.04	-0.10	3.97	2.45
NAREIT Global Real Estate Index	-1.35	0.00	4.09	10.06

Source: FactSet

acting to remedy that; housing starts spiked more than 20% in April, the biggest percentage increase in almost 24 years, while permits climbed in excess of 10%.

- The Conference Board's index of leading economic indicators rose 0.7% in April, the biggest gain since July 2014. In addition, March's reading was revised higher.
- Japan reported first quarter GDP growth of 2.4%, the fastest rate of expansion in a year. Economists had forecast growth of only 1.5%.

Bond Rates (%) as of:	5/22/2015	5/15/2015	12/31/2014	5/22/2014
U.S. Federal Funds Target Rate	0.25	0.25	0.25	0.25
U.S. Two-Year Treasury Yield	0.63	0.54	0.69	0.35
U.S. Ten-Year Treasury Yield	2.23	2.14	2.17	2.56
High Yield (Merrill U.S. Corporates)	5.75	5.73	6.19	5.33

Commodity Prices as of:	5/22/2015	5/15/2015	12/31/2014	5/22/2014
Gold (USD/oz)	1204.00	1225.30	1184.10	1295.00
Crude Oil (USD/bbl)	59.72	59.69	53.27	103.74
Gasoline (USD/gal)	3.04	3.00	2.45	3.82
Copper (NYM \$/lbs)	2.83	2.95	2.84	3.15

Exchange Rates as of:	5/22/2015	5/15/2015	12/31/2014	5/22/2014
\$ per €	1.10	1.14	1.21	1.37
\$ per £	1.55	1.58	1.56	1.69
¥ per \$	121.45	119.30	119.90	101.67

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, May 25	Tuesday, May 26	Wednesday, May 27	Thursday, May 28	Friday, May 29
Markets Closed U.S.	Durable and Capital Goods Orders (Apr) U.S. FHFA House Price Index (Mar) U.S. Case-Shiller Home Prices (Mar) U.S. New-Home Sales (Apr) U.S. Richmond Fed Mnfg (May) U.S. Dallas Fed Mnfg (May) U.S. Industrial Profits (Apr) China	Leading Index (Apr) China Composite PMI (May) U.S.	Various Confidence Indicators (May) Euro Zone Pending-Home Sales (Apr) U.S. CPI (Apr) Japan Industrial Production (Apr) Japan	GDP (1Q15) U.K. GDP (1Q15) U.S. Personal Consumption (1Q15) U.S. ISM Milwaukee (May) U.S. Chicago PMI (May) U.S. U. of Michigan Sentiment (May) 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

\$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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