

# Voya Global Perspectives

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As of September 18, 2015

## Investment Weekly

### Commentary and Statistics

- Global stock markets again had a roller coaster week. After early declines, stocks rallied until the FOMC announced that it had decided not to raise interest rates, citing concerns about weak global economic growth and low domestic inflation. As a result European and Asian bourses lost ground, with the notable exception of China. U.S. markets also fell but not enough to erase earlier gains.
- The yield on the ten-year U.S. Treasury dropped from 2.19% to 2.13% on the week. Gold prices rose but oil prices fell.
- The FOMC decision was widely expected, but its dovish tone took markets by surprise. Many economists are now pointing to December as the most likely meeting for liftoff.
- The Empire State Manufacturing Survey declined for a second straight month in September. The general business conditions index remained well below zero. Orders, shipments and inventory levels continued to slip.
- Manufacturing conditions in the Philadelphia region were mixed in September: the indicator for general activity fell into negative territory, but indicators for new orders, shipments and employment remained positive.
- Advance estimates of U.S. retail and food services sales for August were up slightly from July and moderately above August 2014.
- U.S. industrial production fell in August as auto and auto-part output dropped following a robust rise in July. It was the sixth time in eight months that the measure had fallen. Capacity utilization also fell.
- The Conference Board's leading economic index inched up in August following no change in July, suggesting moderate economic growth ahead.

Index Prices (\$)		
Index	9/18/2015	12/31/2014
Dow Jones Industrial Average	16,384.58	17,823.07
S&P 500 Index	1,958.03	2,058.90

Returns (%)				
U.S. Market Indexes Returns	One Week	MTD	YTD	One Year
Dow Jones Industrial Average	-0.24	-0.73	-6.39	-2.75
S&P 500 Index	-0.13	-0.59	-3.46	-0.62
Russell 2000 Index	0.51	0.42	-2.56	1.68
Russell MidCap Index	0.12	-0.28	-2.60	0.20
Barclays U.S. Aggregate Index	0.35	0.56	1.01	3.30
Barclays High Yield Bond Index	-0.55	0.06	0.21	-1.94
United States 20-Year Treasury Bond	0.41	0.39	-1.32	10.89
S&P/LSTA Senior Loan Index	-0.13	0.16	0.61	-0.50

S&P 500 Sector Returns	One Week	MTD	YTD	One Year
Consumer Discretionary	0.38	1.07	5.85	12.14
Consumer Staples	0.82	0.30	-1.19	6.36
Energy	0.32	-4.42	-19.37	-30.48
Financials	-1.41	-2.90	-6.98	-2.60
Health Care	0.76	0.95	4.73	10.97
Industrials	-0.52	-0.08	-8.14	-4.36
Materials	-1.59	-2.91	-12.47	-15.61
Technology	-0.49	0.20	-1.79	1.73
Telecom	-1.46	-2.31	-2.63	-6.31
Utilities	2.53	0.32	-8.23	3.74

U.S. Returns by Style					
One Week (%)		Year to Date (%)		One Year (%)	
Large Value	-0.4	Large Value	-7.8	Large Value	-5.6
Large Growth	0.2	Large Growth	1.7	Large Growth	4.8
Mid Value	0.3	Mid Value	-5.4	Mid Value	-2.7
Mid Growth	-0.1	Mid Growth	0.2	Mid Growth	3.0
Small Value	0.1	Small Value	-7.6	Small Value	-4.3
Small Growth	0.9	Small Growth	2.6	Small Growth	7.8

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	0.70	1.26	-1.52	-2.96
MSCI EAFE Index	0.55	-1.23	-1.09	-7.27
MSCI United Kingdom Index	0.99	-0.95	-4.83	-12.43
MSCI Europe ex-U.K. Index	0.29	-0.82	0.85	-6.79
MSCI Japan Index	-0.66	-3.81	3.58	1.51
MSCI AC Asia ex-Japan Index	3.15	2.69	-8.34	-11.58
MSCI Emerging Markets Index	3.46	1.59	-11.23	-19.24
JPM EMBI+ Emerging Markets Bond Index	1.07	1.11	2.20	0.26
NAREIT Global Real Estate Index	2.33	1.55	-4.44	0.04

Source: FactSet

- Euro zone industrial production was stronger than expected in July, rising thanks to a higher volume of energy, capital and durable consumer goods.
- The U.K. consumer price index remained flat in August following a slight increase in July. The rate of annual inflation fell back to zero, reducing chances of an early interest rate hike by the Bank of England.
- Euro zone inflation flattened to zero in August, raising expectations that the European Central Bank would step up its quantitative easing program.

Bond Rates (%) as of:	9/18/2015	9/11/2015	12/31/2014	9/18/2014
U.S. Federal Funds Target Rate	0.25	0.25	0.25	0.25
U.S. Two-Year Treasury Yield	0.66	0.66	0.69	0.57
U.S. Ten-Year Treasury Yield	2.13	2.19	2.17	2.63
High Yield (Merrill U.S. Corporates)	6.58	6.48	6.19	5.63

Commodity Prices as of:	9/18/2015	9/11/2015	12/31/2014	9/18/2014
Gold (USD/oz)	1137.80	1103.30	1184.10	1226.90
Crude Oil (USD/bbl)	44.68	44.63	53.27	93.07
Gasoline (USD/gal)	2.57	2.65	2.45	3.53
Copper (NYM \$/lbs)	2.40	2.46	2.84	3.09

Exchange Rates as of:	9/18/2015	9/11/2015	12/31/2014	9/18/2014
\$ per €	1.14	1.13	1.21	1.29
\$ per £	1.56	1.54	1.56	1.64
¥ per \$	119.96	120.60	119.90	108.64

## 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, September 21	Tuesday, September 22	Wednesday, September 23	Thursday, September 24	Friday, September 25
<b>Existing Home Sales (Aug)</b> U.S.	<b>FHFA House Price Index (Jul)</b> U.S.	<b>Mnfg PMI (Sep)</b> Euro Zone	<b>Chicago Fed Natl Activity Index (Aug)</b> U.S.	<b>GDP (2Q15)</b> U.S.
	<b>Consumer Confidence (Sep)</b> Euro Zone	<b>Mnfg PMI (Sep)</b> U.S.	<b>Durable Goods Orders (Aug)</b> U.S.	<b>Personal Consumption (2Q15)</b> U.S.
		<b>Mnfg PMI (Sep)</b> Japan	<b>New Home Sales (Aug)</b> U.S.	<b>U. of Mich. Sentiment (Sep)</b> U.S.
			<b>CPI (Aug)</b> Japan	<b>Small Business Confidence (Sep)</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>®</sup>**

\$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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