

As of September 19, 2014

## Commentary and Statistics

- U.S. equity markets were solid on the week, with both the S&P 500 and DJIA establishing new all-time highs. Yield on the benchmark ten-year Treasury fell slightly, as investors took advantage of the recent selloff to buy U.S. paper at lower prices.
- Little change resulted from the latest meeting of the Federal Reserve Open Market Committee. Citing significant slack in the job market despite the much-improved unemployment rate, the Fed reiterated that it would keep interest rates near zero for a “considerable time” — a phrase some observers thought may be excised from its rhetoric at this meeting. The central bank also indicated that it would end its asset-purchase program in October if data trends remained intact. Meanwhile, the Fed lowered its forecast for 2015 GDP growth to 2.6–3.0% from 3.0–3.2%.
- Consumer prices fell 0.2% during August, the first monthly decline in nearly 18 months. Core CPI, which strips out food and energy costs, was flat.
- Industrial production slipped 0.1% in August, the first decline in this metric since January; economists had expected a 0.3% gain. Capacity utilization declined 0.3%. Regional surveys of activity were mixed; while the Empire State index of business conditions rose to 2009 levels during July, business activity in the Philadelphia Fed district declined.
- Housing starts declined more than 14% in August, though July’s result was restated to a seven-year high. Building permits also fell in August, by 5.6%. Homebuilder sentiment, however, spiked to a nine-year high in the latest reading.
- To the relief of financial markets, Scottish voters chose to remain part of the United Kingdom. Despite expectations of a close race, “no” won fairly easily, 55% to 45%.

Returns (%)				
Global Market Returns (%)	One Week	MTD	YTD	One Year
Barclays Global Aggregate Bond Index	-0.26	-2.43	2.02	2.30
MSCI EAFE Index	0.04	-1.14	1.76	6.28
MSCI United Kingdom Index	0.97	-1.53	2.67	8.44
MSCI Europe ex-U.K. Index	0.28	-0.17	1.33	8.11
MSCI Japan Index	0.01	-0.21	-0.97	1.48
MSCI AC Asia ex-Japan Index	-1.05	-2.12	9.10	9.87
MSCI Emerging Markets Index	-0.66	-2.95	7.67	5.96
JPM EMBI+ Emerging Markets Bond Index	-0.41	-1.82	7.94	7.71
NAREIT Global Real Estate Index	-1.02	-4.20	9.50	5.36

U.S. Market Indexes Returns				
	One Week	MTD	YTD	One Year
Dow Jones Industrial Average	1.76	1.19	6.00	13.01
S&P 500 Index	1.27	0.46	10.39	19.16
Russell 2000 Index	-1.16	-2.26	-0.55	8.04
Russell MidCap Index	0.25	-0.76	9.72	17.08
Barclays U.S. Aggregate Index	0.17	-0.94	3.83	4.29
Barclays High Yield Bond Index	0.20	-0.87	4.79	8.08
United States 20-Year Treasury Bond	0.97	-3.61	14.63	13.26
S&P/LSTA Senior Loan Index	0.07	-0.27	2.16	3.62

S&P 500 Sector Returns				
	One Week	MTD	YTD	One Year
Consumer Discretionary	0.58	-0.10	3.63	13.41
Consumer Staples	1.49	1.33	7.98	13.15
Energy	0.96	-4.23	6.95	13.16
Financials	1.55	1.66	9.63	17.27
Health Care	2.01	1.97	18.41	27.71
Industrials	1.42	1.32	5.36	16.72
Materials	1.90	0.22	10.81	19.44
Technology	0.52	0.54	15.54	28.58
Telecom	3.40	1.08	8.18	10.70
Utilities	1.49	-0.89	15.08	15.98

### U.S. Returns by Style

One Week (%)		Year to Date (%)		One Year (%)	
Large Value	1.2	Large Value	10.7	Large Value	18.8
Large Growth	0.9	Large Growth	9.6	Large Growth	18.9
Mid Value	0.3	Mid Value	11.2	Mid Value	18.9
Mid Growth	0.2	Mid Growth	8.4	Mid Growth	15.5
Small Value	-1.1	Small Value	-0.3	Small Value	8.8
Small Growth	-1.3	Small Growth	-0.8	Small Growth	7.3

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

Source: FactSet

- European banks borrowed €82 billion from the ECB's first targeted longer-term refinancing operation (TLTRO), far less than the consensus expectation of around €150 billion. Banks from Spain and Italy accounted for more than 45% of the borrowing.
- At nearly \$22 billion, the initial public offering of Chinese e-commerce company Alibaba Group was the largest ever listed in the U.S.

Bond Rates (%) as of:	09/19/2014	09/12/2014	12/31/2013	09/19/2013
U.S. Federal Funds Target Rate	0.25	0.25	0.25	0.25
U.S. Two-Year Treasury Yield	0.57	0.56	0.35	0.33
U.S. Ten-Year Treasury Yield	2.59	2.61	3.01	2.75
High Yield (Merrill U.S. Corporates)	5.60	5.68	6.08	6.29

Commodity Prices as of:	09/19/2014	09/12/2014	12/31/2013	09/19/2013
Gold (USD/oz)	1216.60	1231.50	1202.30	1369.30
Crude Oil (USD/bbl)	91.65	92.27	98.42	105.86
Gasoline (USD/gal)	3.53	3.56	3.47	3.70
Copper (NYM \$/lbs)	3.09	3.10	3.44	3.35

Exchange Rates as of:	09/19/2014	09/12/2014	12/31/2013	09/19/2013
\$ per €	1.28	1.29	1.38	1.35
\$ per £	1.63	1.62	1.66	1.61
¥ per \$	108.99	107.37	105.11	99.48

Source: FactSet

## 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 US 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 22	Tuesday, September 23	Wednesday, September 24	Thursday, September 25	Friday, September 26
<b>Chicago Fed Ntl Activity (Aug)</b> U.S.	<b>Various PMIs (Sep)</b> Euro Zone	<b>New Home Sales (Aug)</b> U.S.	<b>Durable and Capital Goods Orders (Aug)</b> U.S.	<b>GDP (2Q14)</b> U.S.
<b>Consumer Confidence (Sep)</b> Euro Zone	<b>FHFA House Price Index (Jul)</b> U.S.		<b>Composite PMI (Sep)</b> U.S.	<b>Personal Consumption (2Q14)</b> U.S.
<b>Existing Home Sales (Aug)</b> U.S.	<b>Manufacturing PMI (Sep)</b> U.S.		<b>Kansas City Fed Mnfg (Sep)</b> U.S.	<b>U. of Michigan Confidence (Sep)</b> U.S.
<b>Manufacturing PMI (Sep)</b> China	<b>Richmond Fed Mnfg (Sep)</b> U.S.		<b>CPI (Aug)</b> Japan	

Source: Bloomberg

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- Long-term perspective
- Unmatched service

## Our Skills

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- Intensive research
- Expert portfolio construction

## Our Core Capabilities

- Equities
- Fixed Income
- Multi-Asset Strategies and Solutions

**A reliable partner committed to reliable investing**

\$214 Billion AUM\* | Over 850 Employees | Over 200 Investment Professionals

Data is as of 06/30/14.

\* As of June 30, 2014, Voya IM assets of \$214 billion include proprietary insurance general account assets of \$85 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 \$208 billion.

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