

# Voya Global Perspectives™ | Investment Weekly

Markets. Insights. Opportunities.

As of September 5, 2014

## Commentary and Statistics

- U.S. equity markets finished flattish in what was an up-and-down week for stocks, as investors digested news out of Europe on both the policy and geopolitical fronts. Data flow on the home front, meanwhile, was mostly strong, with the notable exception of the latest nonfarm payrolls report.
- August's jobs report was a disappointment, coming in at only 142,000 new jobs added, well below the consensus estimate of 225,000 and the 200,000-plus we've seen each of the previous six months. In addition, employment gains for July and June were revised down by a combined 28,000. While the unemployment rate ticked down to 6.1%, it was driven by a decline in the labor force participation rate, which returned to late-1970s lows. Wage growth remained muted, rising only 0.2% month over month, supporting the Fed's position that significant slack remains in the labor market.
- The Fed's Beige Book of regional economic activity showed solid, if not particularly enthralling expansion for the summer, with all districts reporting growth that was either moderate, modest or improving.
- Factory orders spiked 10.5% in July, driven by transportation goods. Though this represented the biggest one-month advance on record, it fell short of the consensus estimate of an 11% increase. Separately, the Institute for Supply Management reported that its index of factory activity reached the highest level since early 2011 during August, while Markit's nationwide manufacturing PMI hit April 2010 highs.
- After a robust August, auto sales are now running at their fastest annualized pace since 2006.
- The European Central Bank surprised markets by taking decisive action in the

Returns (%)				
Global Market Returns (%)	One Week	MTD	YTD	One Year
Barclays Global Aggregate Bond Index	-1.02	-1.02	3.49	6.45
MSCI EAFE Index	0.10	0.10	3.04	14.56
MSCI United Kingdom Index	-1.19	-1.19	3.02	13.71
MSCI Europe ex-U.K. Index	0.55	0.55	2.06	17.58
MSCI Japan Index	0.35	0.35	-0.41	7.45
MSCI AC Asia ex-Japan Index	0.66	0.66	12.19	19.86
MSCI Emerging Markets Index	0.87	0.87	11.92	18.98
JPM EMBI+ Emerging Markets Bond Index	-0.34	-0.34	9.57	14.46
NAREIT Global Real Estate Index	0.66	0.66	15.06	20.07

U.S. Market Indexes Returns				
	One Week	MTD	YTD	One Year
Dow Jones Industrial Average	0.26	0.26	5.04	17.33
S&P 500 Index	0.24	0.24	10.15	23.84
Russell 2000 Index	-0.35	-0.35	1.40	15.23
Russell MidCap Index	0.32	0.32	10.91	23.83
Barclays U.S. Aggregate Index	-0.46	-0.46	4.32	6.33
Barclays High Yield Bond Index	-0.45	-0.45	5.23	10.15
United States 20-Year Treasury Bond	-2.62	-2.62	15.80	16.18
S&P/LSTA Senior Loan Index	-0.04	-0.04	2.39	4.33

S&P 500 Sector Returns				
	One Week	MTD	YTD	One Year
Consumer Discretionary	0.69	0.69	4.45	19.75
Consumer Staples	0.91	0.91	7.53	17.91
Energy	-1.54	-1.54	9.95	19.60
Financials	0.46	0.46	8.34	20.61
Health Care	0.51	0.51	16.71	30.11
Industrials	0.55	0.55	4.56	23.23
Materials	0.21	0.21	10.81	25.81
Technology	-0.02	-0.02	14.90	32.05
Telecom	0.38	0.38	7.44	14.29
Utilities	0.80	0.80	17.04	23.57

### U.S. Returns by Style

One Week (%)		Year to Date (%)		One Year (%)	
Large Value	Large Growth	Large Value	Large Growth	Large Value	Large Growth
0.3	0.2	10.7	9.7	23.2	24.6
Mid Value	Mid Growth	Mid Value	Mid Growth	Mid Value	Mid Growth
0.2	0.5	12.7	9.4	25.9	22.0
Small Value	Small Growth	Small Value	Small Growth	Small Value	Small Growth
-0.2	-0.5	2.0	0.8	16.3	14.2

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

face of stagnant economic growth and troublingly low inflation levels. The ECB cut by ten basis points three key rates: its benchmark lending rate (to 0.05%), bank deposit rate (to -0.10%) and its marginal lending facility (to 0.30%). It also announced that in October it would begin to buy asset-backed securities and bundled loans directly from banks. European stock and bond markets rallied on the news, while the euro fell sharply against the dollar.

Bond Rates (%) as of:	09/05/2014	08/29/2014	12/31/2013	09/05/2013
U.S. Federal Funds Target Rate	0.25	0.25	0.25	0.25
U.S. Two-Year Treasury Yield	0.51	0.49	0.35	0.51
U.S. Ten-Year Treasury Yield	2.46	2.34	3.01	2.98
High Yield (Merrill U.S. Corporates)	5.49	5.31	6.08	6.63

Commodity Prices as of:	09/05/2014	08/29/2014	12/31/2013	09/05/2013
Gold (USD/oz)	1267.30	1287.40	1202.30	1373.00
Crude Oil (USD/bbl)	93.29	95.96	98.42	108.37
Gasoline (USD/gal)	3.56	3.57	3.47	3.68
Copper (NYM \$/lbs)	3.16	3.14	3.44	3.24

Exchange Rates as of:	09/05/2014	08/29/2014	12/31/2013	09/05/2013
\$ per €	1.30	1.32	1.38	1.31
\$ per £	1.63	1.66	1.66	1.56
¥ per \$	104.89	103.89	105.11	100.04

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 22 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 68 industries.

Nothing contained herein should be construed as (i) an offer to sell or solicitation of an offer to buy any security or (ii) a recommendation as to the advisability of investing in, purchasing or selling any security. Any opinions expressed herein reflect our judgment and are subject to change. Certain of the statements contained herein are statements of future expectations and other forward-looking statements that are based on management's current views and assumptions and involve known and unknown risks and uncertainties that could cause actual results, performance or events to differ materially from those expressed or implied in such statements. Actual results, performance or events may differ materially from those in such statements due to, without limitation, (1) general economic conditions, (2) performance of financial markets, (3) interest rate levels, (4) increasing levels of loan defaults, (5) changes in laws and regulations and (6) changes in the policies of governments and/or regulatory authorities.

Past performance is no guarantee of future results.

## Economic Release Calendar

Monday, September 8	Tuesday, September 9	Wednesday, September 10	Thursday, September 11	Friday, September 12
<b>Investor Confidence (Sep)</b> Euro Zone	<b>Trade Balance (Jul)</b> U.K.	<b>Wholesale Inventories (Jul)</b> U.S.	<b>ECB Monthly Report</b> Euro Zone	<b>Industrial Production (Jul)</b> Japan
	<b>Industrial Production (Jul)</b> U.K.	<b>Wholesale Sales (Jul)</b> U.S.		<b>Industrial Production (Jul)</b> Euro Zone
	<b>Small Business Optimism (Aug)</b> U.S.	<b>PPI and CPI (Aug)</b> China		<b>Retail Sales (Aug)</b> U.S.
				<b>U. of Michigan Confidence (Sep)</b> U.S.
				<b>Business Inventories (Jul)</b> U.S.

Source: Bloomberg

Nothing contained herein should be construed as (i) an offer to sell or solicitation of an offer to buy any security or (ii) a recommendation as to the advisability of investing in, purchasing or selling any security. Any opinions expressed herein reflect our judgment and are subject to change. Certain of the statements contained herein are statements of future expectations and other forward-looking statements that are based on management's current views and assumptions and involve known and unknown risks and uncertainties that could cause actual results, performance or events to differ materially from those expressed or implied in such statements. Actual results, performance or events may differ materially from those in such statements due to, without limitation, (1) general economic conditions, (2) performance of financial markets, (3) interest rate levels, (4) increasing levels of loan defaults, (5) changes in laws and regulations and (6) changes in the policies of governments and/or regulatory authorities.

**Past performance is no guarantee of future results.**

# 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**

\$213 Billion AUM\* | Over 850 Employees | Over 200 Investment Professionals

Data is as of 03/31/14.

\*Voya Investment Management ("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 \$207 billion.

Nothing contained herein should be construed as (i) an offer to sell or solicitation of an offer to buy any security or (ii) a recommendation as to the advisability of investing in, purchasing or selling any security. Any opinions expressed herein reflect our judgment and are subject to change. Certain of the statements contained herein are statements of future expectations and other forward-looking statements that are based on management's current views and assumptions and involve known and unknown risks and uncertainties that could cause actual results, performance or events to differ materially from those expressed or implied in such statements. Actual results, performance or events may differ materially from those in such statements due to, without limitation, (1) general economic conditions, (2) performance of financial markets, (3) interest rate levels, (4) increasing levels of loan defaults, (5) changes in laws and regulations and (6) changes in the policies of governments and/or regulatory authorities.

**Past performance is no guarantee of future results.**

©2014 Voya Investments Distributor, LLC • 230 Park Ave, New York, NY 10169  
BBGP-STATISTICS 090814 • 10451 • 163086

RETIREMENT | INVESTMENTS | INSURANCE

[voyainvestments.com](http://voyainvestments.com)

**VOYA**<sup>™</sup>