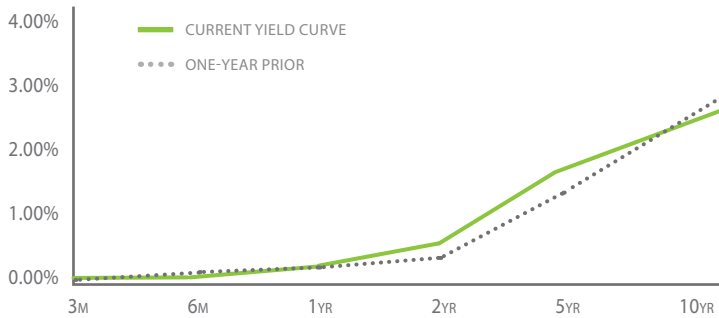


## Historical Yield Curve



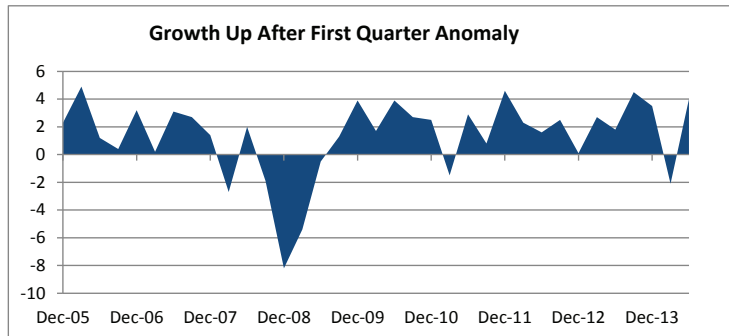
Source: Bloomberg Finance L.P., 8/1/14

## FEATURED ECONOMIC INDICATOR

### Second Quarter GDP Recovers

GDP improved to 4.0% in the second quarter following a weak first quarter when the economy shrank at a 2.1% pace. Second quarter gains were in a wide range of sectors, with business investment up 5.5%, housing up 7.5% and exports up 9.5%. Consumer spending advanced 2.5%. The figure includes spending on total goods which accounted for its highest contribution to GDP since late 2010. Spending on durable goods, part of total goods, was near a five-year high, led by a big jump in auto sales. Trade was a drag on economic growth because imports, which subtract from growth, rose 11.7%. In addition, previous quarters were revised up. Growth in the second half of 2013 now shows an increase in output of 4.0% (up from 3.3% before the revision) and the first quarter decline was adjusted to a smaller decline of -2.1% (compared to -2.9%).

Source: Bureau of Economic Activity, Wall Street Journal



Source: Bloomberg

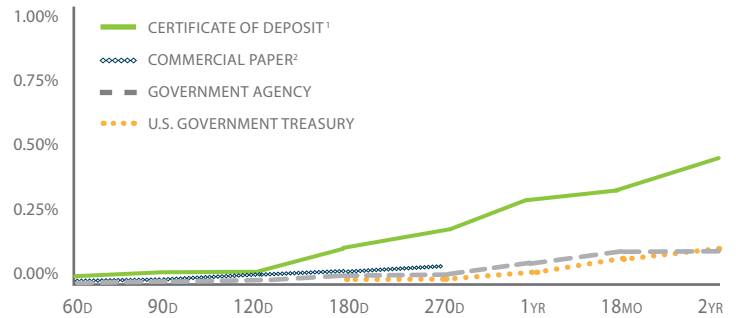
## RECENT NEWS

### Money Market Fund Reform

In July, the Securities and Exchange Commission (SEC) adopted amendments to Rule 2a-7 under the Investment Company Act of 1940, which governs the operation of U.S. money market funds (MMFs). The changes are in addition to reforms adopted by the SEC in 2010 and are intended to address risks faced by the industry during the financial crisis. The amendments make structural and operational reforms that the SEC believes will reduce risks to money market funds and financial markets. The two major changes are the introduction of a floating Net Asset Value (NAV) for institutional prime and municipal MMFs and new fees and gates to provide boards with more tools to address a run on a fund. While local government investment pools (LGIPs) are not directly addressed by the new rules, the impact on LGIPs such as the potential for changes over time to rating agencies' rules for maintaining triple-A ratings is yet to be seen.

Source: www.sec.gov/News/PressRelease, Prudent Man Advisors, Inc.

## Indicative Rates



<sup>1</sup> Average of top ten banks; <sup>2</sup> General Electric Capital Corp.

Source: PMA Financial Network, Inc., Bloomberg Finance L.P., 8/1/14

## U.S. Economic Indicators

Event	Event Date	Period	Survey	Actual	Prior / Revised (R)
Retail Sales Ex. Auto & Gas	07/15/14	JUN	0.5%	0.4%	0.3% (R)
Building Permits	07/17/14	JUN	1035K	963K	1005K (R)
Core CPI (MoM)	07/22/14	JUN	0.3%	0.3%	0.4%
Existing Home Sales	07/22/14	JUN	4.99M	5.04M	4.91M (R)
S&P Case-Shiller Composite-20 (MoM) Seasonally Adj.	07/29/14	MAY	0.30%	-0.31%	0.06% (R)
Consumer Confidence	07/29/14	JUL	85.4	90.9	86.4 (R)
Initial Jobless Claims	07/31/14	JUL 26	300K	302K	279K (R)
Change in Nonfarm Payrolls	08/01/14	JUL	230K	209K	298K
Unemployment Rate	08/01/14	JUL	6.1%	6.2	6.1%

Source: Bloomberg Finance L.P., 8/1/14

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