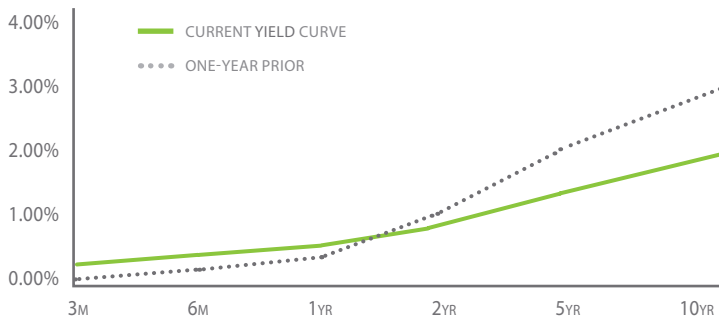
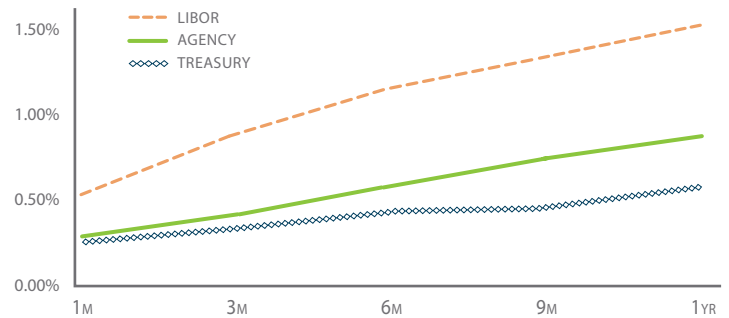


Historical Yield Curve



Source: Bloomberg Finance L.P. 8/5/16

Indicative Rates



Source: Bloomberg Finance L.P. 8/5/16

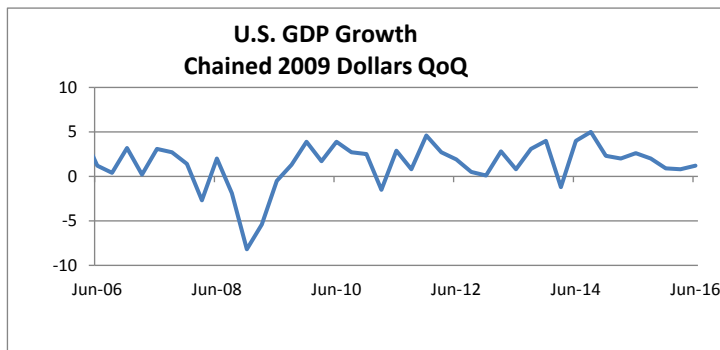
Rates do not reflect transaction fees.

FEATURED ECONOMIC INDICATOR

Disappointing U.S. GDP Growth

The U.S. economy experienced its second straight quarter of disappointing GDP growth. Growth was just 1.2%, well below estimates which had called for growth above 2.5%. Inventory drawdowns and declining business investment were the main drivers for the miss. Not everything was bad news, as consumer consumption increased at a 4.2% pace, as households remain confident about income and employment prospects. For the first half of the year, the economy grew at a 1% annual rate, marking it the slowest growth since 2011. Analysts had attributed first quarter GDP growth of 0.8% to a seasonal issue.

Source: Bloomberg, Barclays, Bureau of Economic Analysis, SNL Financial



Source: Bloomberg

RECENT NEWS

Bank of England to Provide Stimulus in the Aftermath of Brexit Vote

The Bank of England's Monetary Policy Committee has agreed to cut its base interest rate by 25 bps to 0.25%. In addition to the rate cut, the BoE expanded its quantitative easing program. The MPC agreed to expand the purchase of U.K. government bonds and made non-financial corporate bonds eligible for purchase. Furthermore, the committee agreed to establish a term funding program allowing banks to borrow money at lower rates, subject to expanded lending. BoE Governor Mark Carney mentioned he is open to further rate cuts, but not to negative interest rates. The expansion of quantitative easing comes as the BoE dramatically cut its forecast for U.K. GDP growth from 2.3% to just 0.7% for 2017.

Source: Barclays, Bloomberg, SNL Financial

U.S. Economic Indicators

Event	Event Date		Survey	Actual	Prior / Revised (R)
Unemployment Rate (%)	07/08/16	Jun	4.80	4.90	4.70
PPI Final Demand MoM (%)	07/14/16	Jun	0.30	0.50	0.40
CPI MoM (%)	07/15/16	Jun	0.30	0.20	0.20
Industrial Production MoM (%)	07/15/16	Jun	0.30	0.60	(0.30)
Univ. of Michigan Consumer Confidence	07/15/16	Jul	93.50	89.50	93.50
Housing Starts (K)	07/19/16	Jun	1,165.00	1,189.00	1,135.00
Consumer Confidence Index	07/26/16	Jul	96.00	97.30	97.40
Federal Funds Target Rate - Upper Bound	07/27/16		0.50	0.50	0.50
GDP Annualized QoQ (%)	07/29/16	2Q	2.50	1.20	1.60

Source: Bloomberg Finance L.P. 8/5/16

Contact Information

KENT D. JOHNSON

Senior Vice President, Director-Minnesota Office

PMA Securities, Inc.
5301 Kyler Ave. NE, 2nd Floor, 2nd Floor
Albertville, MN 55301

Tel: 763.497.1490 Ext. 1300

Fax: 763.497.1491

Email: kjohnson@pmanetwork.com

This document was prepared by Prudent Man Advisors, Inc. for clients of the firm and its affiliated PMA entities, as defined below. It is being provided for informational and/or educational purposes only without regard to any particular user's investment objectives, financial situation or means. The content of this document is not to be construed as a recommendation, solicitation or offer to buy or sell any security, financial product or instrument, or to participate in any particular trading strategy in any jurisdiction in which such an offer or solicitation, or trading strategy would be illegal. Nor does it constitute any legal, tax, accounting or investment advice or services regarding the suitability or profitability of any security or investment. Although the information contained in this document has been obtained from third-party sources believed to be reliable, PMA cannot guarantee the accuracy or completeness of such information. It is understood that PMA is not responsible for any errors or omissions in the content in this document and the information is being provided to you on an "as is" basis without warranties or representations of any kind.

Securities, public finance services and institutional brokerage services are offered through PMA Securities, Inc. PMA Securities, Inc. is a broker-dealer and municipal advisor registered with the SEC and MSRB, and is a member of FINRA and SIPC. Prudent Man Advisors, Inc., an SEC registered investment adviser, provides investment advisory services to local government investment pools and separate accounts. All other products and services are provided by PMA Financial Network, Inc. PMA Financial Network, Inc., PMA Securities, Inc. and Prudent Man Advisors (collectively "PMA") are under common ownership.

Securities and public finance services offered through PMA Securities, Inc. are available in CA, CO, FL, GA, IL, IN, IA, KS, MI, MN, MO, NE, OH, OK, PA, SD, TX and WI. This document is not an offer of services available in any state other than those listed above, has been prepared for informational and educational purposes and does not constitute a solicitation to purchase or sell securities, which may be done only after client suitability is reviewed and determined. All investments mentioned herein may have varying levels of risk, and may not be suitable for every investor. PMA and its employees do not offer tax or legal advice. Individuals and organizations should consult with their own tax and/or legal advisors before making any tax or legal related investment decisions. Additional information is available upon request.