

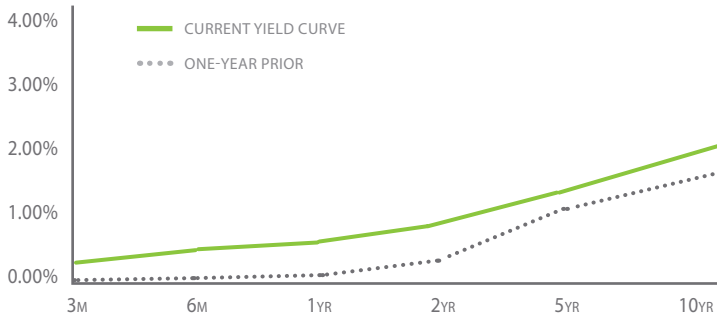


MN TRUST MARKET UPDATE

Prepared by Prudent Man Advisors, Inc.

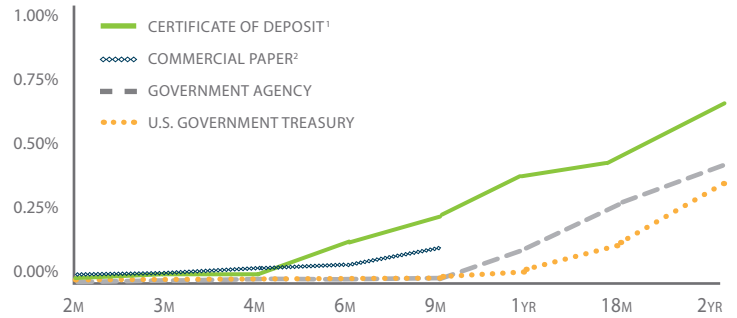
FEBRUARY 2016

Historical Yield Curve



Source: Bloomberg Finance L.P., 2/1/16

Indicative Rates



¹ Average of top ten banks; ² General Electric Capital Corp.

Source: PMA Financial Network, Inc., Bloomberg Finance L.P., 2/1/16

FEATURED ECONOMIC INDICATOR

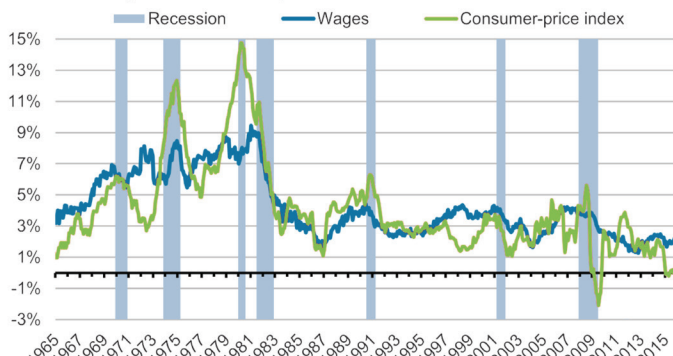
Wage Growth Exceeds Inflation

The chart below shows that wage growth has trended lower in recent years compared prior decades. It is important to note, however, that inflation has also been low. So while lower wages are contributing less to economic growth, consumers should be feeling healthier the past four years as wage growth exceeded inflation. Wages also expanded faster than inflation during the late 1990s, a period when consumer confidence benefited from this trend.

Source: Wall Street Journal, Bloomberg

Wage Growth and Inflation

Annual change in average hourly earnings of production and nonsupervisory workers and annual change in the consumer-price index



Source: Labor Department, WSJ.com

U.S. Economic Indicators

Event	Event Date	Period	Survey	Actual	Prior / Revised (R)
Consumer Price Index (YoY)	01/20/16	DEC	0.8%	0.7%	0.5%
Core CPI (YoY)	01/20/16	DEC	2.1%	2.1%	2.0%
Chicago Fed National Activity Index	01/22/16	DEC	-0.15	-0.22	-0.36 (R)
Existing Home Sales	01/22/16	DEC	5.20M	5.46M	4.76M (R)
Consumer Confidence	01/26/16	JAN	96.5	98.1	96.3 (R)
GDP Annualized (QoQ)	01/29/16	4Q A	0.8%	0.7%	2.0%
ISM Manufacturing	02/01/16	JAN	48.4	48.2	48.2
Change in Nonfarm Payrolls	02/05/16	JAN	190K	--	292K
Unemployment Rate	02/05/16	JAN	5.0%	--	5.0%

Source: Bloomberg Finance L.P., 2/1/16

RECENT NEWS

Market Volatility Rises

Market volatility has increased since August 2015 when a slowdown in China caused declines in stock prices around the world. Fears around China's growth renewed in 2016 and so too did market volatility as measured by the VIX. Often referred to as the fear index or the fear gauge, the VIX represents one measure of the market's expectation of stock market volatility over the next 30-day period. Positively, volatility so far in 2016 has not reached as high of levels as in August. Volatility may remain elevated as the Federal Reserve considers additional increases in interest rates.

Source: Bloomberg

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