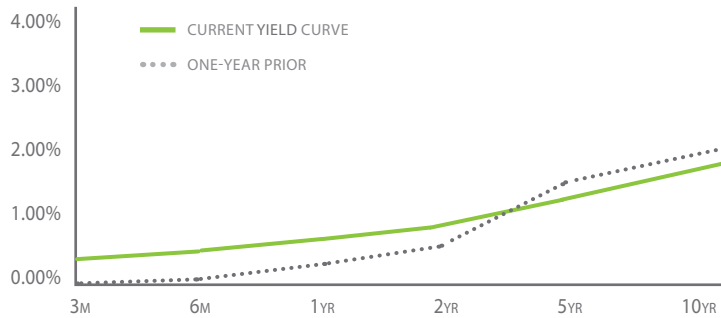


PRUDENT MAN ADVISORS MARKET UPDATE

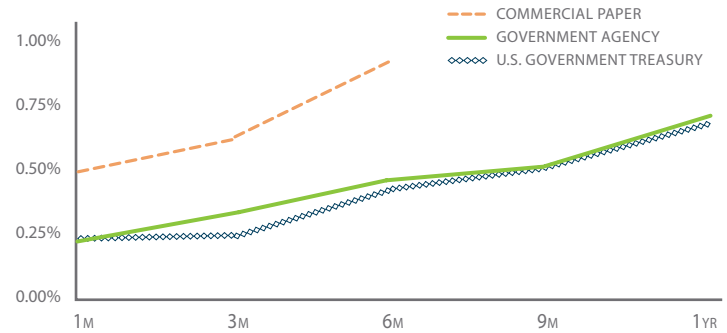
APRIL 2016

Historical Yield Curve



Source: Bloomberg Finance L.P. 4/1/16

Indicative Rates



Source: Bloomberg Finance L.P. 4/1/16

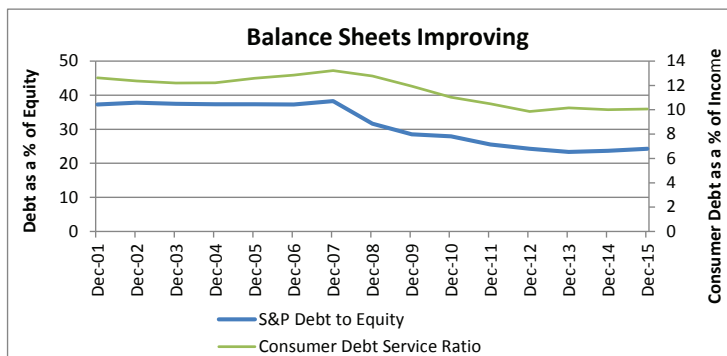
Rates do not reflect transaction fees.

FEATURED ECONOMIC INDICATOR

Market Recovery Fades Recession Fears

Stock prices started the year on a very weak note and some market participants believed this indicated a rising risk of recession this year. With most major U.S. indexes now positive year-to-date, such fears appear unfounded. We believe that healthy balance sheets for both large companies and U.S. consumers indicate that the domestic economy remains on firm ground. Certainly risks remain related to low commodity prices and pressure on manufacturing caused by a strong dollar. The market will be watching first quarter earnings reports closely in the coming weeks, but improving balance sheets should provide a cushion against external risks.

Source: Financial Times, Prudent Man Advisors



Source: Bloomberg

RECENT NEWS

Yellen Stresses Gradual Approach

In a speech on March 29, Federal Reserve Chairwoman Janet Yellen stressed the need for the central bank to "proceed cautiously" in raising interest rates. She provided a list of conditions the Fed will be watching as she more clearly defined what she means by data dependence. The Fed is focused on foreign developments, the inflation outlook, strength of the dollar, commodity prices and the housing sector. Particular emphasis was placed on subdued inflation expectations. The yield on the policy-sensitive two-year Treasury fell as she spoke.

Source: Bloomberg, Financial Times, Wall Street Journal

U.S. Economic Indicators

Event	Event Date	Period	Survey	Actual	Prior / Revised (R)
Core CPI (YoY)	03/16/16	FEB	2.2%	2.3%	2.2%
Chicago Fed National Activity Index	03/21/16	FEB	0.25	-0.29	0.41 (R)
Existing Home Sales	03/21/16	FEB	5.31M	5.08M	5.47M
New Home Sales	03/23/16	FEB	510K	512K	502K (R)
Durable Goods Orders Ex. Transportation (MoM)	03/24/16	FEB	-0.3%	-1.0%	1.2% (R)
GDP Annualized (QoQ)	03/25/16	4Q T	1.0%	1.4%	1.0%
Consumer Confidence	03/29/16	MAR	94.0	96.2	94.0 (R)
Change in Nonfarm Payrolls	04/01/16	MAR	205K	215K	245K
Unemployment Rate	04/01/16	MAR	4.9%	5.0%	4.9%

Source: Bloomberg Finance L.P. 4/1/16

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