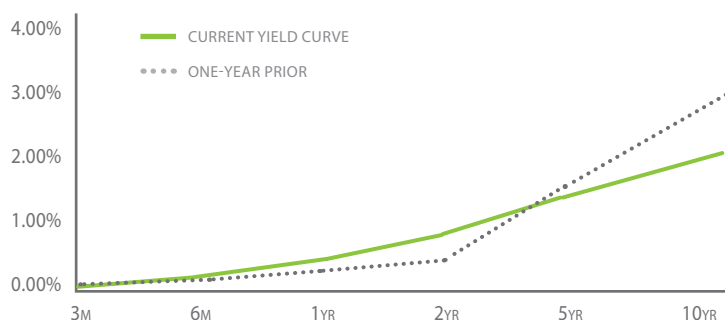


PRUDENT MAN ADVISORS MARKET UPDATE

JANUARY 2015

Historical Yield Curve



Source: Bloomberg Finance L.P., 1/2/15

MARKET RETURNS

Strong Bond Returns in 2014

Declining interest rates aided bond returns in 2014. Credit spreads widened slightly through December 15, 2014, but the market continues to price in little credit risk as credit spreads remain low by historical standards. Low interest rates across the market and tight credit spreads will make repeating 2014's strong bond returns difficult. Equity returns were good though December 15, 2014, especially in the technology-heavy NASDAQ.

Source: Morningstar, Bloomberg

SECTOR / INDEX	OAS SPREAD (BPS)	YTD OAS SPREAD CHANGE (BPS)	YTD TOTAL RETURN*
BONDS			
Total Market	48	3	5.97
Financial	117	8	6.16
Industrial	140	26	7.60
Utility	119	-6	11.45
EQUITY			
S&P 500	N/A	N/A	13.68
Dow Jones Industrial	N/A	N/A	10.04
NASDAQ	N/A	N/A	14.83

*Equity returns include dividends reinvested into the index. As of 12/31/14. Source: Barclays, Bloomberg

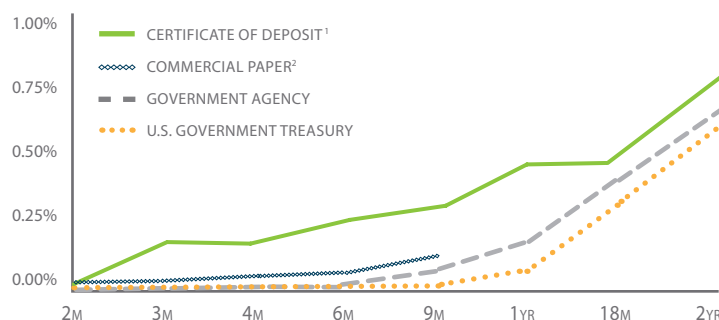
RECENT NEWS

What A Lower Price For Oil Means

Oil prices were pushed down in the 4th quarter of 2014 by heavy supply and falling demand. These trends seem unlikely to reverse quickly and could have significant effects on the world economy. Generally, lower oil prices are good for the consumer and should help increase demand for products and thereby help grow GDP. It could be a bumpy ride for some oil producers and related companies though. In the U.S., lower oil prices could result in job losses in some sectors of the oil industry. Because oil is used in the manufacturing and transportation of many products, lower oil prices could have a deflationary effect. Low oil prices have the ability to further the recent trends of expanding economic growth and low inflation.

Source: Morningstar, Bloomberg

Indicative Rates



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

Source: PMA Financial Network, Inc., Bloomberg Finance L.P., 1/2/15

U.S. Economic Indicators

Event	Event Date		Survey	Actual	Prior / Revised (R)
Consumer Price Index (YoY)	12/17/14	NOV	1.4%	1.3%	1.7%
Chicago Fed National Activity Index	12/22/14	NOV	0.25	0.73	0.31 (R)
Durable Goods Orders Ex. Transportation (MoM)	12/23/14	NOV	1.0%	-0.4%	-1.0% (R)
GDP Annualized (QoQ)	12/23/14	3Q T	4.3%	5.0%	3.9%
New Home Sales	12/23/14	NOV	460K	438K	445K (R)
S&P Case-Shiller Composite-20 (YoY)	12/30/14	OCT	4.40%	4.50%	4.82% (R)
Initial Jobless Claims	01/08/15	JAN 3	290K	-	298K
Change in Nonfarm Payrolls	01/09/15	DEC	240K	-	321K
Unemployment Rate	01/09/15	DEC	5.7%	-	5.8%

Source: Bloomberg Finance L.P., 1/2/15

Contact Information

JOHN H. HUBER, CFA

Senior Vice President, Chief Investment Officer

Prudent Man Advisors, Inc.
2135 CityGate Lane, 7th Floor
Naperville, IL 60563

Tel: 630.657.6510

Fax: 630.718.8701

Email: jhuber@pmanetwork.com

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