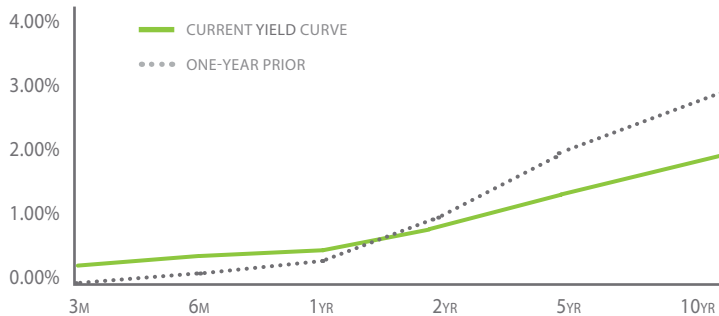


PRUDENT MAN ADVISORS MARKET UPDATE

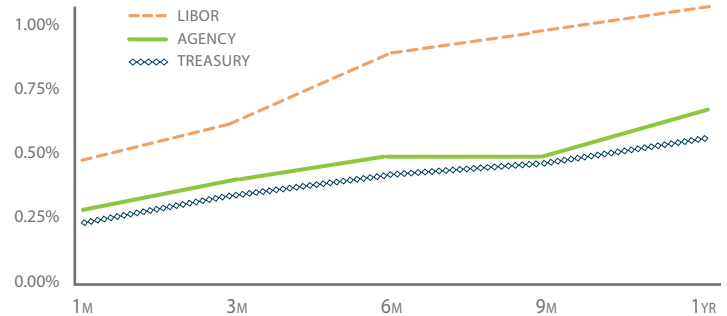
JULY 2016

Historical Yield Curve



Source: Bloomberg Finance L.P. 7/1/16

Indicative Rates



Source: Bloomberg Finance L.P. 7/1/16

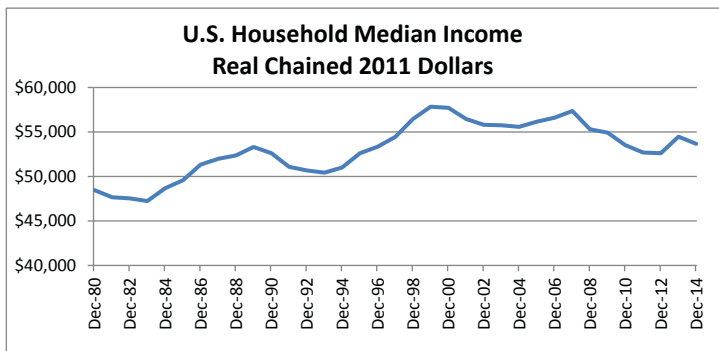
Rates do not reflect transaction fees.

FEATURED ECONOMIC INDICATOR

Income Inequality Grows Frustration

U.S. Household Median Income has fallen, after adjusting for inflation, since its peak in 1999 according to a Census Bureau report. Much of this decline has occurred since 2008, a period marked by underwhelming growth that has done little to improve living standards for a large portion of Americans. "Anyone wondering why people in this country are feeling so ornery need look no further than this report," said Lawrence Mishel, president of the Economic Policy Institute, a left-leaning think tank. Low incomes may be contributing to populist political movements as anti-establishment views are taking hold across the globe.

Source: U.S. Census Bureau, Wall Street Journal



Source: Bloomberg

RECENT NEWS

Brexit Vote Surprises Markets

Markets reacted sharply as the British people voted to leave the European Union last week. International stock indexes fell in the first two days of trading following the vote. At the same time, a flight to quality sent U.S. Treasury yields to near record lows in intra-day trading. Treasury yields remain well below their levels just before the vote. Equity indexes have recovered to varying degrees. In the U.S., where the direct impact from Brexit is expected to be less pronounced than for some European countries, the S&P 500 index is less than 1% below its closing price on June 23rd.

Source: Bloomberg, Moody's Analytics, Wall Street Journal

U.S. Economic Indicators

Event	Event Date	Period	Survey	Actual	Prior / Revised (R)
Consumer Price Index (YoY)	06/16/16	MAY	1.1%	1.0%	1.1%
Core CPI (YoY)	06/16/16	MAY	2.2%	2.2%	2.1%
Existing Home Sales	06/22/16	MAY	5.55m	5.53m	5.43m (R)
Chicago Fed National Activity Index	06/23/16	MAY	0.11	-0.51	0.05 (R)
S&P Case-Shiller Composite Home Price Index (YoY)	06/28/16	APR	5.41%	5.44%	5.48% (R)
Consumer Confidence	06/28/16	JUN	93.5	98.0	92.4 (R)
ISM Manufacturing	07/01/16	JUN	51.3	53.2	51.3
Change in Nonfarm Payrolls	07/08/16	JUN	170K	--	25K
Unemployment Rate	07/08/16	JUN	4.8%	--	4.7%

Source: Bloomberg Finance L.P., 7/1/16

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

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 of 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.