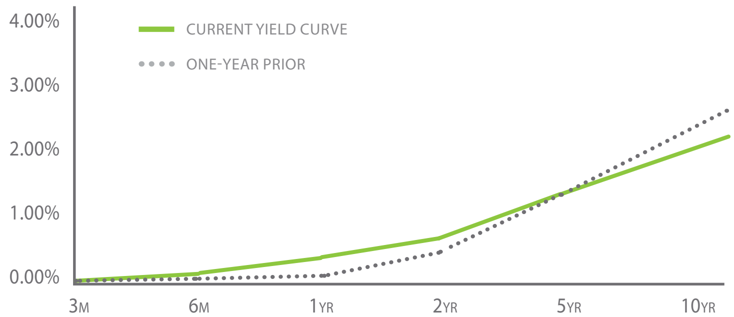
PRUDENT MAN ADVISORS MARKET UPDATE

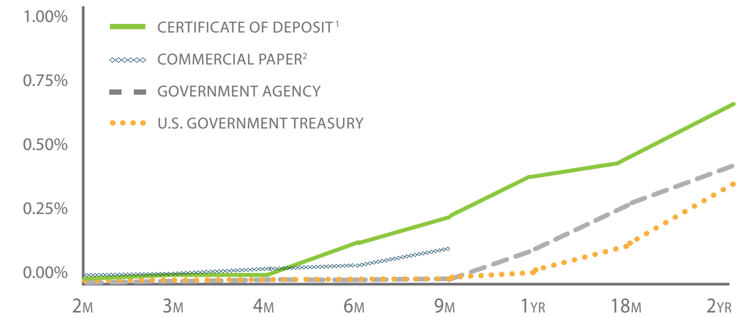
NOVEMBER 2015

Historical Yield Curve



Source: Bloomberg Finance L.P., 11/2/15

Indicative Rates



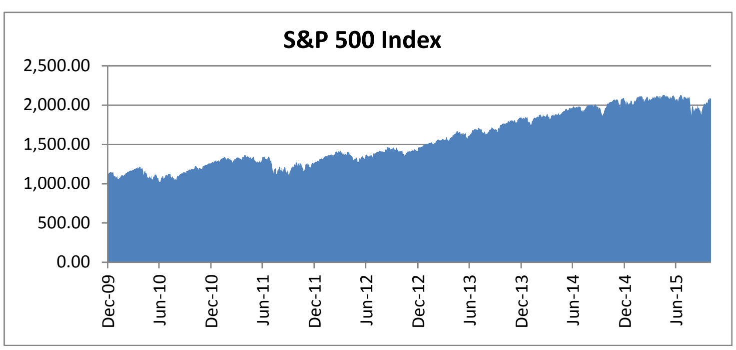
[1] Average of top ten banks; [2] General Electric Capital Corp.
Source: PMA Financial Network, Inc., Bloomberg Finance L.P., 11/2/15

FEATURED ECONOMIC INDICATOR

What Has Quantitative Easing Achieved?

Low interest rates achieved in part through the Fed's Quantitative Easing programs have produced desired results as well as unintended consequences. As shown here, the S&P 500 Index has rallied since 2010. But price increases might not reflect the kind of growth the Fed is seeking. Investment grade companies have taken advantage of the low interest rate environment to issue more than a trillion dollars of bonds so far in 2015 on top of the $5 trillion in the previous five years. Meanwhile, companies in the S&P 500 Index have bought back $2.5 trillion of their own stock and paid $1.5 trillion in dividends over this same time. Price increases built on such shareholder friendly activities may be resulting in asset bubbles.

Source: Bloomberg, S&P Dow Jones Indices



Source: Bloomberg

U.S. Economic Indicators

Event	Event Date	Period	Survey	Actual	Prior / Revised (R)
Consumer Price Index (YoY)	10/15/15	SEP	-0.1%	0.0%	0.2%
Core CPI (YoY)	10/15/15	SEP	1.8%	1.9%	1.8%
Durable Goods Orders Ex. Transportation (MoM)	10/27/15	SEP	0.0%	-0.4%	-0.9% (R)
Consumer Confidence	10/27/15	OCT	102.9	97.6	102.6 (R)
GDP Annualized (QoQ)	09/25/15	3Q A	1.6%	1.5%	3.9%
ISM Manufacturing	11/02/15	OCT	50.0	50.1	50.2
Change in Nonfarm Payrolls	11/06/15	OCT	185K	--	142K
Unemployment Rate	11/06/15	OCT	5.0%	--	5.1%
Underemployment Rate	11/06/15	OCT	9.9%	--	10.0%

Source: Bloomberg Finance L.P., 11/2/15

RECENT NEWS

Fed Attempts to Adjust Market Expectations

The October Fed Statement was an attempt by the Federal Reserve to reawaken the market to the possibility of a December rate increase. The Fed added a key line that specifically mentions the "next meeting" in reference to its determination of whether economic progress would justify a rate increase. The market interpreted the statement as more hawkish than previous statements as the Fed also struck out language from the September statement which warned that global financial and economic developments could hold back U.S. activity and inflation. Suggestions from European Central Bank President Mario Draghi that it may further ease policy in December and further stimulus by People's Bank of China may be easing concerns at the Fed about global market weakness.

Source: Wall Street Journal, Financial Times

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