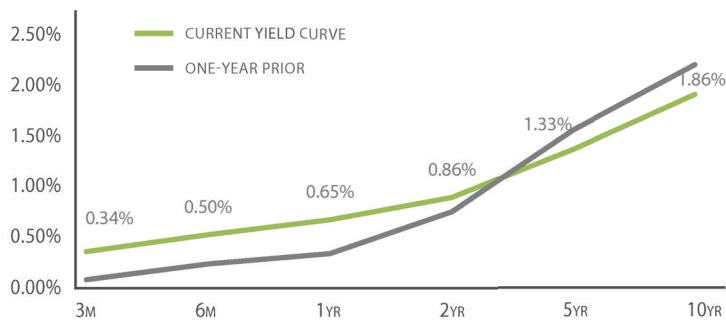


PRUDENT MAN ADVISORS MARKET UPDATE

NOVEMBER 2016

Historical Yield Curve



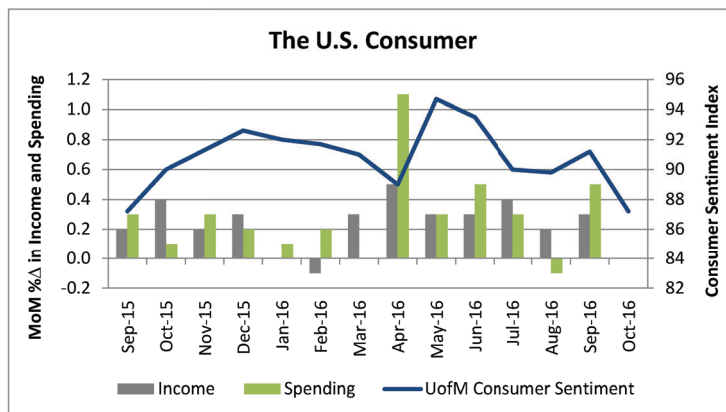
Source: Bloomberg Finance L.P. 11/1/16

FEATURED ECONOMIC INDICATOR

Consumer Spending Rose in September

Consumer spending rose 0.5% in September along with higher consumer sentiment as incomes gained 0.3%. A dip in the University of Michigan's consumer sentiment index in October, matching a two year low, may mean the increase in September was short-lived. Uncertainty generated by the U.S. presidential election could be one factor weighing on consumer confidence. Monday's report on personal income and spending followed a report on Friday of 3rd quarter consumption, which surprised to the downside on a downward revision to August real spending to -0.2%.

Source: Bureau of Economic Analysis, Wall Street Journal, Bloomberg



Source: Bloomberg

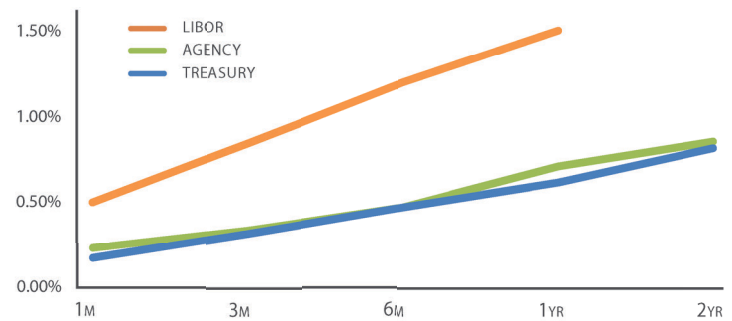
RECENT NEWS

What Does Big 3Q GDP Number Mean?

The U.S. economy posted its strongest quarterly growth in two years. However, consumer spending was half the pace of the prior quarter and business investment was lower. The higher growth was accounted for by positive contributions from inventories and net exports. Excluding inventories and trade, final domestic demand growth actually decelerated from the 2nd quarter. Trends in consumer sentiment and durable goods orders suggest lower 4th quarter growth. Even though the underlying numbers were weaker than headline GDP growth of 2.9%, we believe the Fed remains on track for a December rate hike.

Source: Bureau of Economic Analysis, Wall Street Journal

Indicative Rates



Source: Bloomberg Finance L.P. 11/1/16

Rates do not reflect transaction fees.

U.S. Economic Indicators

Event	Event Date		Survey	Actual	Prior / Revised (R)
Retail Sales Ex. Auto (MoM)	10/14/16	SEP	0.5%	0.5%	-0.2% (R)
Consumer Price Index (YoY)	10/18/16	SEP	1.5%	1.5%	1.1%
Core CPI (YoY)	10/18/16	SEP	2.3%	2.2%	2.3%
Existing Home Sales	10/20/16	SEP	5.35m	5.47m	5.30m (R)
Chicago Fed National Activity Index	10/24/16	SEP	-0.13	-0.14	-0.72 (R)
Durable Goods Orders Ex. Transportation (MoM)	10/27/16	SEP	0.2%	0.2%	0.1% (R)
ISM Manufacturing	11/01/16	OCT	51.7	51.9	51.5
Change in Nonfarm Payrolls	11/04/16		175K	--	156K
Unemployment Rate	11/04/16	OCT	4.9%	--	5.0%

Source: Bloomberg Finance L.P. 11/1/16

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.