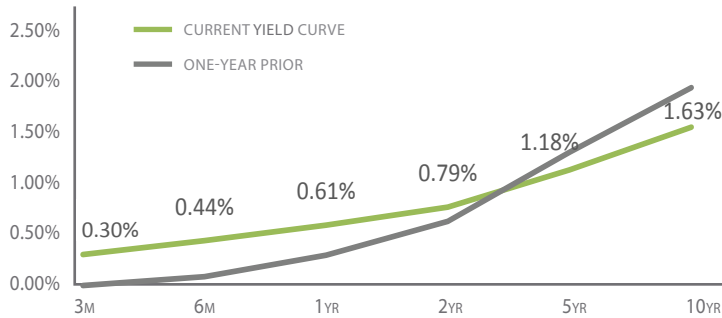


PRUDENT MAN ADVISORS MARKET UPDATE

OCTOBER 2016

Historical Yield Curve



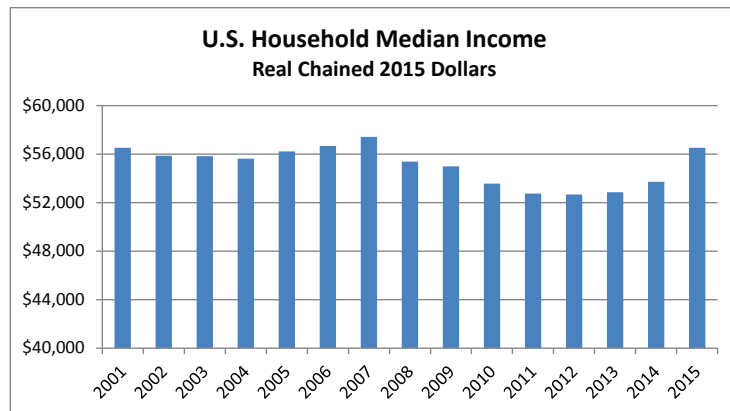
Source: Bloomberg Finance L.P. 10/3/16

FEATURED ECONOMIC INDICATOR

Household Income Improves, Methodology Changes

The U.S. Census Bureau reported in September that real median household income increased by 5.2% in 2015. This is the first annual increase in real median household income since 2007 and the largest increase on record. Income increases in recent years were small and failed to keep pace with inflation. Growth in 2015 was strong; however, real median household income in 2015 remained 1.6% lower than the pre-crisis peak in 2007. Furthermore, changes to the survey in 2013 and 2014 may have contributed to the sudden growth. Higher employment also likely contributed to income growth.

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



Source: Bloomberg

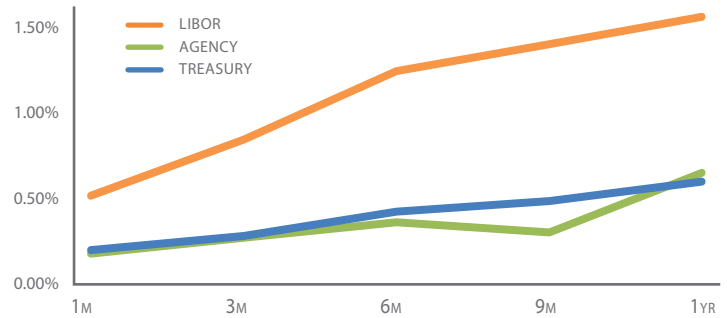
RECENT NEWS

Wells Fargo CEO Under Pressure

In September, Wells Fargo was fined \$185 million by US regulators for opening as many as 2 million unlawful accounts. The ensuing weeks have brought political scrutiny against the bank and its Chairman and CEO, John Stumpf. Wells Fargo's board agreed to strip Stumpf of \$41 million in past compensation while politicians from across the country have called for actions ranging from his termination to breaking up the bank. Wells Fargo remains fundamentally strong despite this news. While certain actions by management may negatively impact future earnings, we do not believe these events materially impact the high credit quality of Wells Fargo.

Source: www.federalreserve.gov, Bloomberg, Prudent Man Advisors, Inc.

Indicative Rates



Source: Bloomberg Finance L.P. 10/3/16

Rates do not reflect transaction fees.

U.S. Economic Indicators

Event	Event Date		Survey	Actual	Prior / Revised (R)
Consumer Price Index (YoY)	09/16/16	AUG	1.0%	1.1%	0.8%
Core CPI (YoY)	09/16/16	AUG	2.2%	2.3%	2.2%
Chicago Fed National Activity Index	09/22/16	AUG	0.15	-0.55	0.24 (R)
Existing Home Sales	09/22/16	AUG	5.45m	5.33m	5.38m (R)
Consumer Confidence	09/27/16	SEP	99.0	104.1	101.8 (R)
Durable Goods Orders Ex. Transportation (MoM)	09/28/16	AUG	-0.5%	-0.4%	1.1% (R)
ISM Manufacturing	10/03/16	SEP	50.4	51.5	49.4
Change in Nonfarm Payrolls	10/07/16		170K	--	126K
Unemployment Rate	10/07/16	SEP	4.9%	--	4.9%

Source: Bloomberg Finance L.P. 10/3/16

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