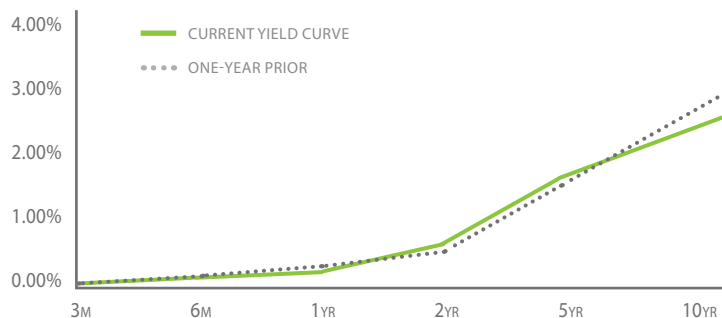


PRUDENT MAN ADVISORS MARKET UPDATE

SEPTEMBER 2014

Historical Yield Curve



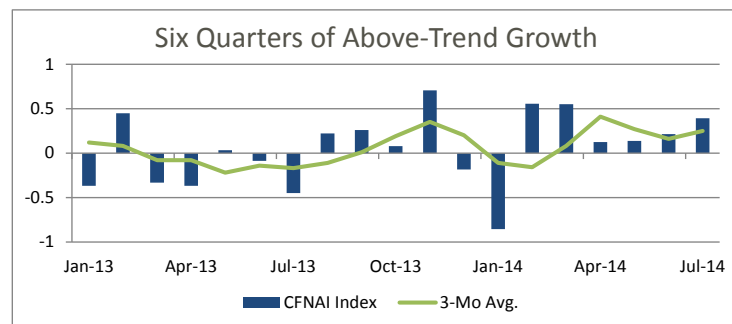
Source: Bloomberg Finance L.P., 9/2/14

FEATURED ECONOMIC INDICATOR

Chicago Fed National Activity Index (CFNAI)

The CFNAI is a weighted average of 85 existing monthly indicators of national economic activity. It is constructed to have an average value of zero and a standard deviation of one. A positive index reading corresponds to growth above trend and a negative index reading corresponds to growth below trend. The 85 economic indicators that are included in the CFNAI are drawn from four broad categories of data: production and income; employment, unemployment, and hours; personal consumption and housing; and sales, orders, and inventories. The index provides a single, summary measure of a factor common to these national economic data. The index has shown above trend growth for six consecutive quarters and the 3-month average has improved over the past two years.

Source: Bloomberg, www.chicagofed.org



Source: Bloomberg

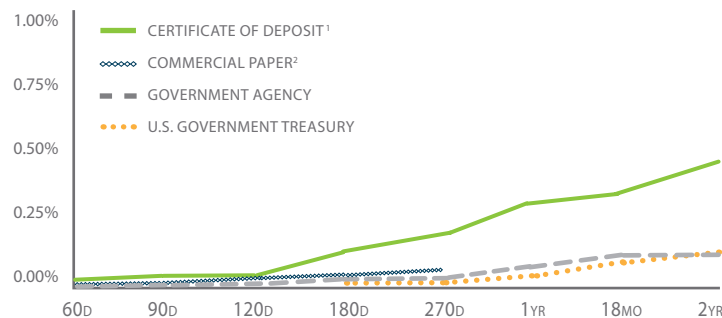
RECENT NEWS

10-Year Treasury Prices Up in August

The Treasury Curve flattened in August as investors generally purchased long-term bonds and sold short-term bonds. This activity pushed yields on the 10-year Treasury down 11 basis points to 2.38% while the 2-year increased by 3 basis points to 0.50%. A shift by the Fed to a more balanced assessment of the amount of slack in the economy affected the short end of the curve. This news, though, was somewhat overshadowed for long-term investors by two themes. First, growing geopolitical problems have resulted in a flight to quality. In addition, remarks by European Central Bank President Mario Draghi expressed concerns in August about low European inflation and investors appeared to price in a bond buying program and potential rate cuts in Europe. Yields on German 10-year bonds are down 20 basis points over the past month. Rising prices on European bonds have appeared to have significant influence on U.S. markets in recent months.

Source: Bloomberg, Financial Times

Indicative Rates



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

Source: PMA Financial Network, Inc., Bloomberg Finance L.P., 9/2/14

U.S. Economic Indicators

Event	Event Date	Period	Survey	Actual	Prior / Revised (R)
Housing Starts	08/19/14	JUL	965K	1093K	945K (R)
Existing Home Sales	08/21/14	JUL	5.02M	5.15M	5.03M (R)
New Home Sales	08/25/14	JUL	430K	412K	422K (R)
S&P Case-Shiller Composite-20 (YoY)	08/26/14	JUN	8.30%	8.10%	9.37% (R)
Personal Income	08/29/14	JUL	0.3%	0.2%	0.4%
Personal Spending	08/29/14	JUL	0.2%	-0.1%	0.4%
Initial Jobless Claims	09/04/14	AUG 30	300K	-	298K
Change in Nonfarm Payrolls	09/05/14	AUG	228K	-	209K
Unemployment Rate	09/05/14	AUG	6.1%	-	6.2%

Source: Bloomberg Finance L.P., 9/2/14

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