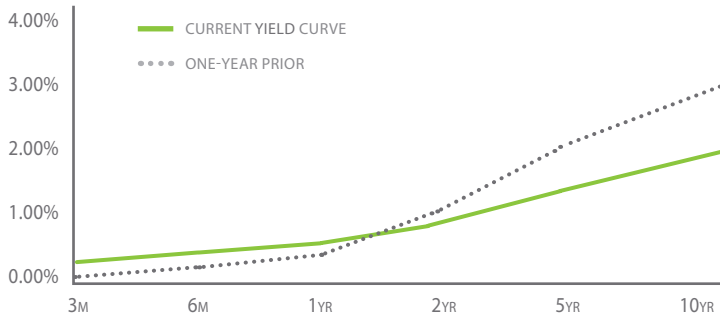
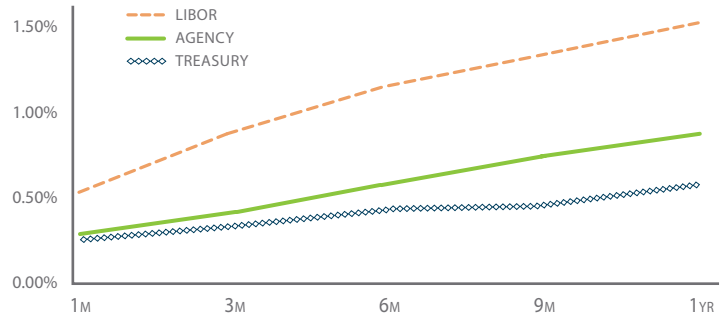


Historical Yield Curve



Source: Bloomberg Finance L.P. 8/5/16

Indicative Rates



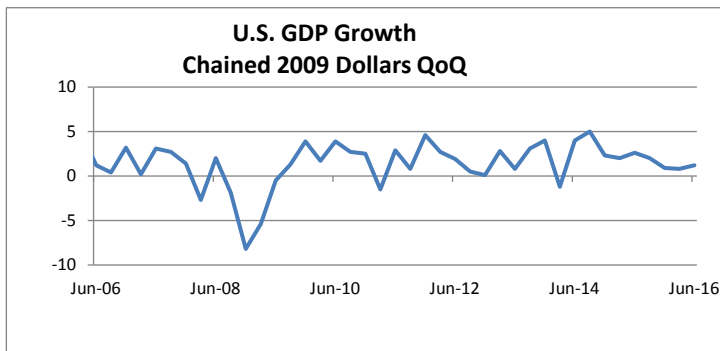
Source: Bloomberg Finance L.P. 8/5/16
Rates do not reflect transaction fees.

FEATURED ECONOMIC INDICATOR

Disappointing U.S. GDP Growth

The U.S. economy experienced its second straight quarter of disappointing GDP growth. Growth was just 1.2%, well below estimates which had called for growth above 2.5%. Inventory drawdowns and declining business investment were the main drivers for the miss. Not everything was bad news, as consumer consumption increased at a 4.2% pace, as households remain confident about income and employment prospects. For the first half of the year, the economy grew at a 1% annual rate, marking it the slowest growth since 2011. Analysts had attributed first quarter GDP growth of 0.8% to a seasonal issue.

Source: Bloomberg, Barclays, Bureau of Economic Analysis, SNL Financial



Source: Bloomberg

U.S. Economic Indicators

Event	Event Date		Survey	Actual	Prior / Revised (R)
Unemployment Rate (%)	07/08/16	Jun	4.80	4.90	4.70
PPI Final Demand MoM (%)	07/14/16	Jun	0.30	0.50	0.40
CPI MoM (%)	07/15/16	Jun	0.30	0.20	0.20
Industrial Production MoM (%)	07/15/16	Jun	0.30	0.60	(0.30)
Univ. of Michigan Consumer Confidence	07/15/16	Jul	93.50	89.50	93.50
Housing Starts (K)	07/19/16	Jun	1,165.00	1,189.00	1,135.00
Consumer Confidence Index	07/26/16	Jul	96.00	97.30	97.40
Federal Funds Target Rate - Upper Bound	07/27/16		0.50	0.50	0.50
GDP Annualized QoQ (%)	07/29/16	2Q	2.50	1.20	1.60

Source: Bloomberg Finance L.P. 8/5/16

RECENT NEWS

Bank of England to Provide Stimulus in the Aftermath of Brexit Vote

The Bank of England's Monetary Policy Committee has agreed to cut its base interest rate by 25 bps to 0.25%. In addition to the rate cut, the BoE expanded its quantitative easing program. The MPC agreed to expand the purchase of U.K. government bonds and made non-financial corporate bonds eligible for purchase. Furthermore, the committee agreed to establish a term funding program allowing banks to borrow money at lower rates, subject to expanded lending. BoE Governor Mark Carney mentioned he is open to further rate cuts, but not to negative interest rates. The expansion of quantitative easing comes as the BoE dramatically cut its forecast for U.K. GDP growth from 2.3% to just 0.7% for 2017.

Source: Barclays, Bloomberg, SNL Financial

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

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