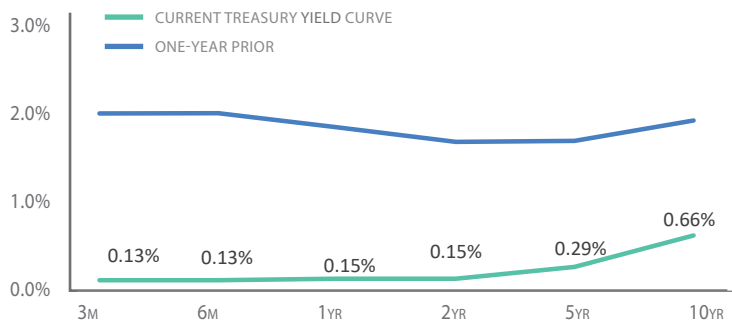
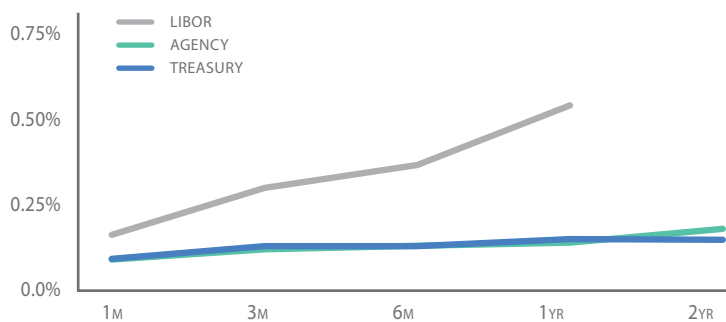


Historical Treasury Yield Curve



Source: Bloomberg Finance L.P. 6/30/20

Indicative Rates



Source: Bloomberg Finance L.P. 6/30/20. Rates do not reflect transaction fees.

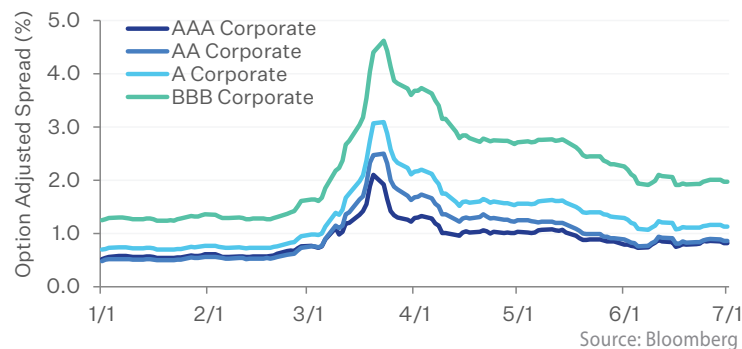
FEATURED MARKET DATA

Corporate Spreads Tighten

Bond markets showed continuing signs of improvement in June as corporate spreads (the difference in yields between corporate bond indices and Treasury yields) declined for investment grade bonds. Equity and bond markets generally continued "risk on" trends as stocks and corporate bond prices rose. We continue to believe this is driven less by fundamentals than by the extraordinary stimulus measures put in place over the past two recessions. We believe fundamentals will become more important and we have seen corporate spreads inch up in the second half of June due in part to growing concerns that markets may be overvalued.

Source: Bloomberg, PMA Asset Management

BLOOMBERG BARCLAYS CORPORATE SPREADS



Source: Bloomberg

U.S. Economic Indicators

Event	Event Date	Period	Survey	Actual	Prior / Revised (R)
Retail Sales Ex. Auto (MoM)	06/16/20	MAY	8.4%	17.7%	-14.7% (R)
Existing Home Sales (MoM)	06/22/20	MAY	-5.6%	-9.7%	-17.8%
Markit US Services PMI	06/23/20	JUN	48.0	46.7	37.5
Personal Income	06/26/20	MAY	-6.0%	-4.2%	10.8% (R)
Personal Spending	06/26/20	MAY	9.3%	8.2%	-12.6% (R)
Consumer Confidence	06/30/20	JUN	91.5	98.1	85.9 (R)
ISM Manufacturing	07/01/20	JUN	49.8	52.6	43.1
Change in Nonfarm Payrolls	07/02/20	JUN	3,230K	4,800K	2.7M (R)
Unemployment Rate	07/02/20	JUN	12.5%	11.1%	13.3%

Source: Bloomberg Finance L.P. 7/2/20. Glossary terms on page 2.

RECENT NEWS

Consumer Spending Plummets

On June 16, the Federal Reserve launched a program first announced in March to buy highly rated corporate bonds in the secondary market. Fed officials have said the goal of the buying is to maintain liquidity in the market for corporate debt, so that issuers are able to access capital following a deep market disruption in March due to the pandemic. To avoid criticism that it might favor a specific industry, the Fed said it would seek to mimic a broad market index. At a Senate hearing following the program's launch, Fed Chairman Powell was questioned about whether the purchases were still necessary, since the corporate bond market has largely recovered. Powell said the Fed had to follow through on its plan.

Source: Bloomberg, www.fortune.com

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Glossary of Terms

Term	What is it:
Building Permits	Records the number of permits for future housing construction.
Capacity Utilization	Tracks the extent to which capacity is being used in the production of goods and services.
Change in Nonfarm Payrolls	This indicator measures the change in the number of employees on business and government payrolls.
Chicago Fed National Activity Index	A nationwide measure of economic activity and inflation pressures. An index value of zero indicates that the national economy is expanding at its historical trend rate of growth.
Consumer Confidence	Index examines how consumers feel about jobs, the economy and spending.
Consumer Price Index (CPI)	Measures the average change in retail prices over time for a basket consisting of more than 200 categories of assorted goods and services paid directly by consumers.
Core Consumer Price Index (Core CPI)	This measure of CPI excludes food and energy costs.
Durable Goods Orders	A measure of new orders placed with domestic manufacturers for durable goods, which are items that last three years or more.
Existing Home Sales	Measures monthly sales of previously owned single-family homes.
GDP Annualized QoQ	Measures the annualized quarterly growth of the final market value of all goods and services produced within a country. GDP is the foremost report on how fast or slow the economy is growing.
Housing Starts	Records the number of new housing units started during a period.
Index of Leading Economic Indicators (LEI)	An index designed to predict the direction of the economy.
Initial Jobless Claims	Tracks new filings for unemployment insurance benefits.
ISM Manufacturing	Measures manufacturing activity based on a monthly survey of purchasing managers.
MBA Mortgage Applications	The Mortgage Bankers Association's weekly mortgage application survey includes home loan application activity for conventional and government loans for home purchases and refinances.
Mortgage Delinquencies	A measure of the percent of total conventional and government loans which are at least one payment past due, but not in the process of foreclosure.
Personal Consumption Expenditure (PCE)	The Federal Reserve's preferred measure of inflation tracks overall price changes for goods and services. Core PCE excludes food and energy.
Personal Income and Spending	Index records the income Americans receive, how much they spend, and what they save.
Retail Sales	Tracks the sale of new and used goods for personal or household consumption.
Retail Sales Ex. Auto	Retail sales excluding motor vehicles and parts.
S&P Case-Shiller Home Price Index	Tracks the value of single-family housing within the U.S. There are multiple indexes including the 20-City Composite.
Unemployment Rate	The U-3 unemployment rates tracks the percentage of the civilian workforce that is unemployed.

Source: Bloomberg, The Secrets of Economic Indicators by Bernard Baumohl; PMA Asset Management, LLC

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