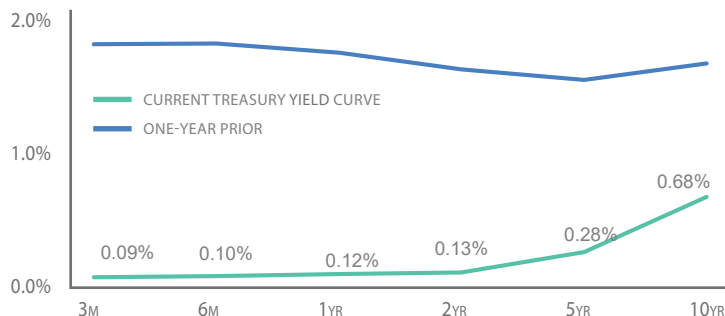
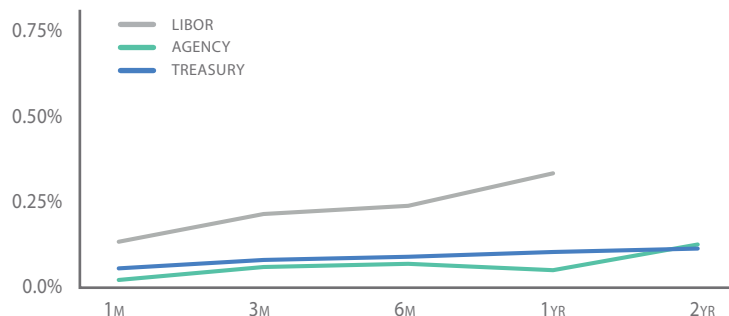


Historical Treasury Yield Curve



Source: Bloomberg Finance L.P. 9/30/20

Market Yields



Source: Bloomberg Finance L.P. 9/30/20

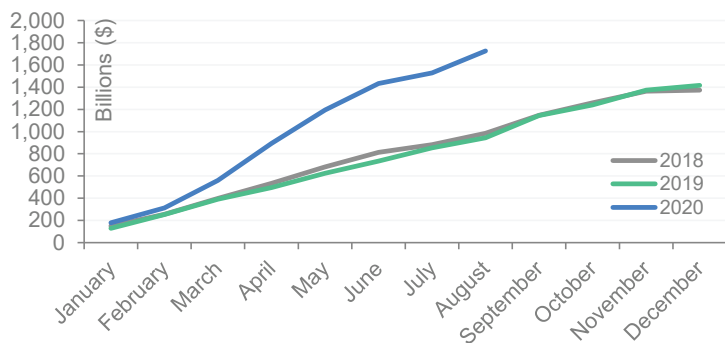
FEATURED MARKET DATA

Corporate Bond Issuance Surges

U.S. companies issued more debt through the first 8 months of 2020 than in all of 2019 and total outstanding debt sits at record highs. A recent Moody's report focused on the lengthening maturities of newly issued debt at historically low yields and concluded this enhances financial flexibility. However, the same report also noted that the recent debt issuance boom limits future borrowing. As prudent investors, we believe strong balance sheet management is crucial to maintaining healthy credit quality. Indeed, terming out debt is preferred over more volatile short-term debt, but capital structure also requires sufficient equity. Higher leverage may reduce companies' future ability to borrow which could have negative impacts on company balance sheets as well as economic growth.

Sources: Moody's Analytics, PMA Asset Management, www.sifma.org

CORPORATE DEBT ISSUANCE



Source: Bloomberg

RECENT NEWS

Stock Volatility Rises

U.S. stocks were broadly lower in September with notable weakness in the large-cap technology sector, which had been a strong performer this year. Nonetheless, the S&P 500 reported an 8.5% gain in the 3rd quarter despite a loss of nearly 4% in September. Meanwhile, the VIX, a measure of stock market volatility also increased in September. Volatility is expected to remain high through the Fall and the risk of a disputed U.S. presidential election has caused a spike in VIX futures around the November vote.

Source: Bloomberg

U.S. Economic Indicators

Event	Event Date	Period	Survey	Actual	Prior / Revised (R)
Consumer Price Index (YoY)	09/11/20	AUG	1.2%	1.3%	1.0%
Core CPI (YoY)	09/11/20	AUG	1.6%	1.7%	1.6%
Retail Sales Ex. Auto (MoM)	09/16/20	AUG	1.0%	0.7%	1.9%
Existing Home Sales	09/22/20	AUG	6.00m	6.00m	5.86m
S&P Case Shiller 20-City Home Price Index (YoY)	09/29/20	JUL	3.60%	3.95%	3.46%
Consumer Confidence	09/29/20	SEP	90.0	101.8	84.8
ISM Manufacturing	10/01/20	SEP	56.5	55.4	56.0
Change in Nonfarm Payrolls	10/02/20	SEP	859K	661K	1,489K (R)
Unemployment Rate	10/02/20	SEP	8.2%	7.9%	8.4%

Source: Bloomberg Finance L.P. 10/2/20. Glossary terms on page 2.

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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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