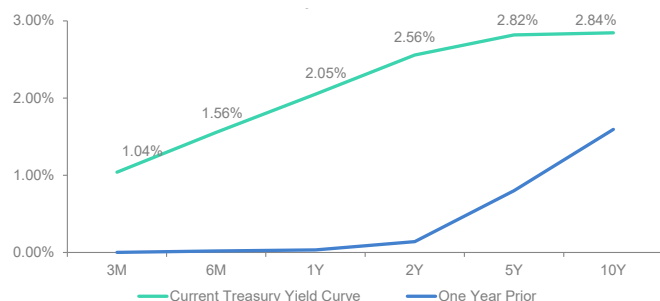


Historical Treasury Yield Curve



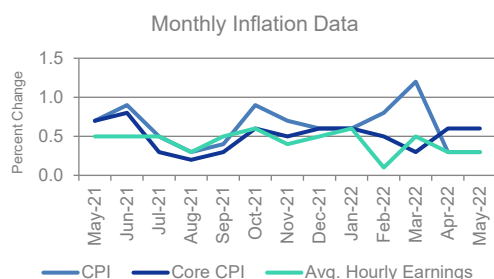
Source: Bloomberg Finance L.P. 5/31/22

FEATURED MARKET DATA

Past Peak Inflation?

Headline CPI declined to 8.3% in April from 8.5% in March as energy prices eased. This helped fuel expectations that inflation has peaked. Inflation breakevens, a forward-looking measure of inflation, have mostly declined since peaking in March. The picture is less clear as we analyze monthly inflation data. On the positive side, month-over-month CPI has been lower the past two months at 0.3% compared to growth as high as 1.2% in March. Average hourly earnings growth of 0.3% in April and May was also viewed positively. Conversely, Core CPI, which excludes more volatile food and energy costs, remained elevated at 0.6% the past two months. Meanwhile, energy prices have risen in May placing upward pressure on headline inflation data.

Sources: Bloomberg



Source: Bloomberg

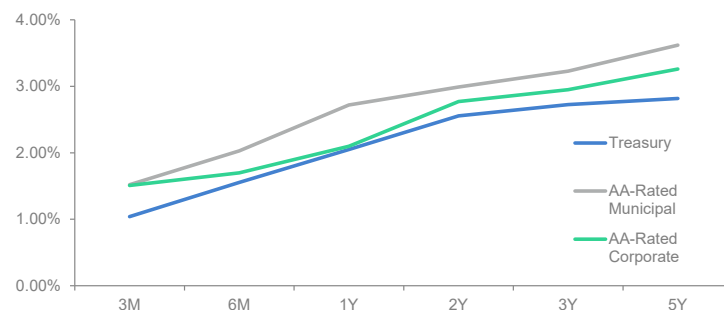
RECENT NEWS

Management Talking Inflation

While operating margins have held up relatively well for S&P 500 companies despite inflation reaching a 40-year high during the first quarter, sentiment is turning negative. A Bloomberg analysis of 1Q earnings calls showed management teams of S&P 500 companies mentioned "inflation" more than five times per call on average. Moreover, management answers to analyst questions have progressively become less optimistic since 2Q21. Forecasts imply six of nine S&P 500 sectors will post operating margin declines year-over-year in 2Q. Forward earnings forecasts revisions are trending lower for the remainder of 2022, reflecting expectations for high inflation to reduce margins.

Source: Bloomberg

Market Yields



Source: Bloomberg Finance L.P. 5/31/22

U.S. Economic Indicators

Event	Event Date	Period	Survey	Actual	Prior / Revised (R)
Retail Sales Ex. Auto (MoM)	05/17/22	APR	0.4%	0.6%	2.1% (R)
Chicago Fed National Activity Index	05/23/22	APR	0.50	0.47	0.36 (R)
New Home Sales	05/24/22	APR	748K	591K	709K (R)
Pending Home Sales (MoM)	05/26/22	APR	-2.1%	-3.9%	-1.6% (R)
S&P Case Shiller 20-City Home Price Index (MoM)	05/31/22	MAR	1.90%	2.42%	2.39%
Consumer Confidence	05/31/22	MAY	103.6	106.4	108.6 (R)
ISM Manufacturing	06/01/22	MAY	54.5	56.1	55.4
Change in Nonfarm Payrolls	06/03/22	MAY	325K	-	428K
Unemployment Rate	06/03/22	MAY	3.5%	-	3.6%

Source: Bloomberg Finance L.P. 5/31/22. Glossary terms on following page.

Contact Information

JOHN H. HUBER, CFA

Senior Vice President, Chief Investment Officer

PMA Asset Management, LLC
2135 CityGate Lane, 7th Floor
Naperville, IL 60563

Tel: 630.657.6510

Email: jhuber@pmanetwork.com

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

This document was prepared by PMA Asset Management, LLC for clients of the firm and its affiliated PMA entities, as defined below. It is being provided for informational and/or educational purposes only without regard to any particular user's investment objectives, financial situation or means. The content of this document is not to be construed as a recommendation, solicitation or offer to buy or sell any security, financial product or instrument, or to participate in any particular trading strategy in any jurisdiction in which such an offer or solicitation, or trading strategy would be illegal. Nor does it constitute any legal, tax, accounting or investment advice of services regarding the suitability or profitability of any security or investment. Although the information contained in this document has been obtained from third-party sources believed to be reliable, PMA cannot guarantee the accuracy or completeness of such information. It is understood that PMA is not responsible for any errors or omissions in the content in this document and the information is being provided to you on an "as is" basis without warranties or representations of any kind.

Securities, public finance services and institutional brokerage services are offered through PMA Securities, LLC PMA Securities, LLC is a broker-dealer and municipal advisor registered with the SEC and MSRB, and is a member of FINRA and SIPC. PMA Asset Management, LLC, an SEC registered investment adviser, provides investment advisory services to local government investment pools and separate accounts. All other products and services are provided by PMA Financial Network, LLC PMA Financial Network, LLC, PMA Securities, LLC and PMA Asset Management, LLC (collectively "PMA") are under common ownership.

Securities and public finance services offered through PMA Securities, LLC are available in CA, CO, FL, IL, IN, IA, MI, MN, MO, NE, NY, OH, OK, PA, SD, TX and WI. This document is not an offer of services available in any state other than those listed above, has been prepared for informational and educational purposes and does not constitute a solicitation to purchase or sell securities, which June be done only after client suitability is reviewed and determined. All investments mentioned herein June have varying levels of risk, and June not be suitable for every investor. PMA and its employees do not offer tax or legal advice. Individuals and organizations should consult with their own tax and/or legal advisors before making any tax or legal related investment decisions. Additional information is available upon request.