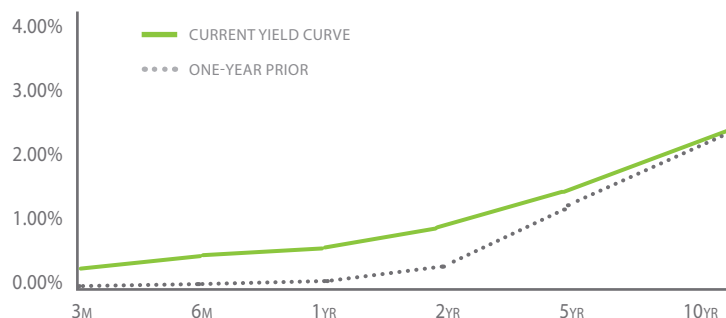


ISDLAF+ MARKET UPDATE

Prepared by Prudent Man Advisors, Inc.

JANUARY 2016

Historical Yield Curve



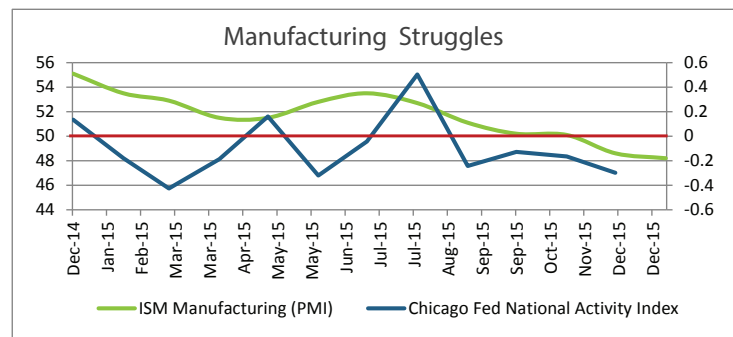
Source: Bloomberg Finance L.P., 1/5/16

FEATURED ECONOMIC INDICATOR

Weakness in Manufacturing Continues

According to the Institute of Supply Management's PMI, economic activity in the manufacturing sector contracted in December for the second consecutive month as the reading fell to 48.2. Orders, production and employment contracted in December. Manufacturers also continue to reduce excessive inventories. Furthermore, it was the sixth consecutive month of decline for the PMI. Other economic indicators have also shown recent decline. Durable Goods Orders Excluding Transportation have declined 3 of the last 4 months and the Chicago Fed National Activity Index has been negative the past 4 months and for most of the year.

Source: Bloomberg, Institute for Supply Management



Source: Bloomberg

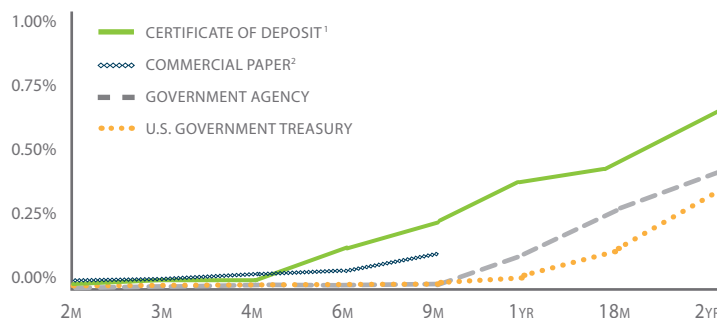
RECENT NEWS

Year Begins with Renewed China Worries

A contraction in Chinese manufacturing activity and a falling currency resulted in a 7% decline in the Shanghai Composite on Monday, January 4, 2016. The plunge triggered a new circuit breaker rule that halted trading for the rest of the day. In addition, a ban on selling of Chinese stocks by large shareholders - a policy imposed at the height of last summer's market selloff - is due to expire at the end of the week. Developments in China increasingly affect other markets. Weakness in the yuan may result in instability in other emerging market countries. Renewed signs of an economic slowdown in China and other international events led to risk aversion in equity markets as European and US indexes followed Chinese markets down on the day.

Source: Financial Times, Wall Street Journal

Indicative Rates



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

Source: PMA Financial Network, Inc., Bloomberg Finance L.P., 1/5/16

U.S. Economic Indicators

Event	Event Date	Period	Survey	Actual	Prior / Revised (R)
Consumer Price Index (YoY)	12/15/15	NOV	0.4%	0.5%	0.2%
Core CPI (YoY)	12/15/15	NOV	2.0%	2.0%	1.9%
Building Permits	12/16/15	NOV	1150K	1289K	1161K (R)
Chicago Fed National Activity Index	12/21/15	NOV	0.10	-0.30	-0.17 (R)
Personal Spending (MoM)	12/22/15	NOV	0.3%	0.3%	0.0% (R)
Durable Goods Orders Ex. Transportation (MoM)	12/23/15	NOV	0.0%	-0.1%	0.5%
Consumer Confidence	12/29/15	DEC	93.5	96.5	92.6 (R)
Change in Nonfarm Payrolls	01/08/16	DEC	197K	--	197K
Unemployment Rate	01/08/16	DEC	5.0%	--	5.0%

Source: Bloomberg Finance L.P., 1/5/16

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