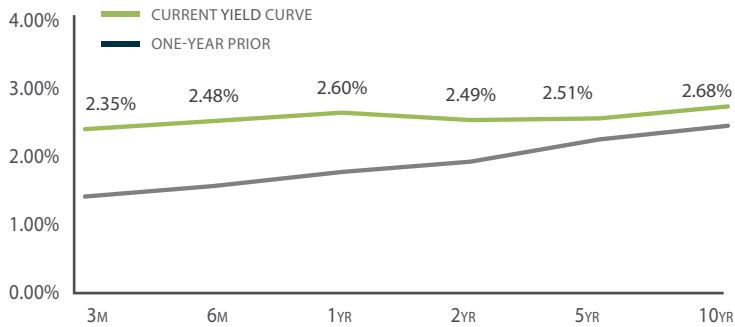


## Historical Yield Curve



Source: Bloomberg Finance L.P. 1/2/19

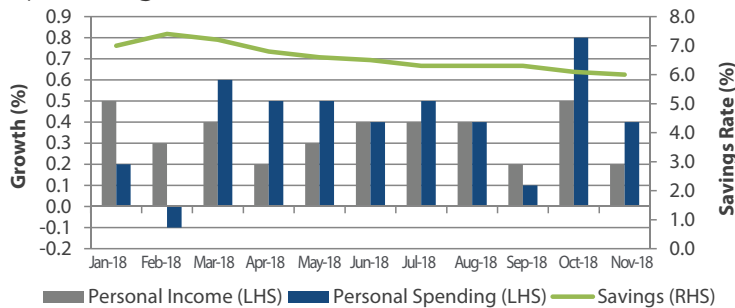
## FEATURED MARKET DATA

### Strong Consumer Spending Reflects Confidence

Consumer spending rose strongly in November, led by durable goods such as trucks and appliances. Consumer outlays are on pace for the best quarter of growth in four years. Growth in spending has been trending above income in 2018. This has resulted in the personal savings rate falling to 6.0%, the lowest monthly rate since March 2013. Strong spending and modest saving suggests consumers were confident in the middle of the holiday shopping season.

Source: Wall Street Journal. [www.bea.gov](http://www.bea.gov)

### Spending Remains Robust



Source: Bloomberg

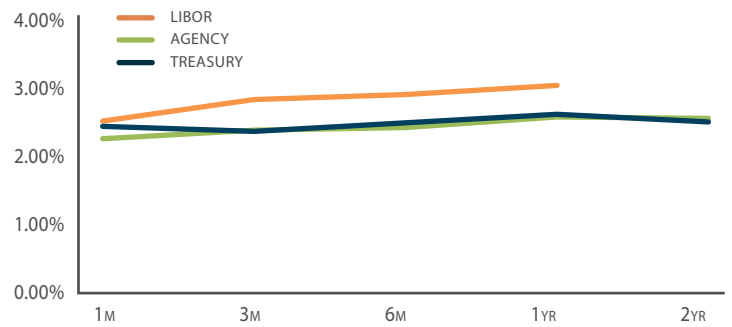
## RECENT NEWS

### Fed Signals Fewer Rate Hikes

The Federal Reserve signaled it could slow the pace of rate increases in 2019 as it increased rates for the ninth time since December 2015 to a range of 2.25-2.50%. Meanwhile, Federal Reserve officials reduced the median forecast for rate increases in 2019 to two from three in the face of a slowing global economy and increased market volatility. The Fed also edged down its projection of the neutral interest rate to 2.75%. This theoretical rate, which neither boosts nor suppresses growth, has been increasingly debated by economists and market participants in recent months. Markets reacted negatively to the Fed's announcement as markets were looking for the Fed to signal a pause in rate hikes. Days after the Fed's announcement, Federal Reserve Bank of New York President John Williams said, "We are listening very carefully to what's happening in the markets" and reiterated that the Fed is "data dependent and will adjust our views" based on the outlook.

Source: Wall Street Journal

## Indicative Rates



Source: Bloomberg Finance L.P. 1/2/19

Rates do not reflect transaction fees.

## U.S. Economic Indicators

Event	Event Date	Period	Survey	Actual	Prior / Revised (R)
CPI (YoY)	12/12/18	NOV	2.2%	2.2%	2.5%
Core CPI (YoY)	12/12/18	NOV	2.2%	2.2%	2.1%
Retail Sales Ex. Auto & Gas	12/14/18	NOV	0.2%	0.2%	1.0% (R)
PCE (YoY)	12/21/18	NOV	1.8%	1.8%	2.0%
Core PCE (YoY)	12/21/18	NOV	1.9%	1.9%	1.8%
Chicago Fed National Activity Index	12/24/18	NOV	0.20	0.22	0.00 (R)
Consumer Confidence	12/27/18	DEC	133.5	128.1	136.4 (R)
Change in Nonfarm Payrolls	01/04/19	DEC	180K	--	155K
Unemployment Rate	01/04/19	DEC	3.7%	--	3.7%

Source: Bloomberg Finance L.P. 1/2/19

## Contact Information

### COURTNEY SOESBE

Vice President, Senior  
Relationship Manager

Tel: 630.657.6421  
[csoesbe@pmanetwork.com](mailto:csoesbe@pmanetwork.com)

### ERIK STOLTZ

Institutional Investment  
Sales Manager

Tel: 630.657.6434  
[estoltz@pmanetwork.com](mailto:estoltz@pmanetwork.com)

This document was prepared by Prudent Man Advisors, Inc. 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 or 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, Inc. PMA Securities, Inc. is a broker-dealer and municipal advisor registered with the SEC and MSRB, and is a member of FINRA and SIPC. Prudent Man Advisors, Inc., 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, Inc. PMA Financial Network, Inc., PMA Securities, Inc. and Prudent Man Advisors (collectively "PMA") are under common ownership.

Securities and public finance services offered through PMA Securities, Inc. are available in CA, CO, FL, GA, IL, IN, IA, KS, MI, MN, MO, NE, 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 may be done only after client suitability is reviewed and determined. All investments mentioned herein may have varying levels of risk, and may 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.