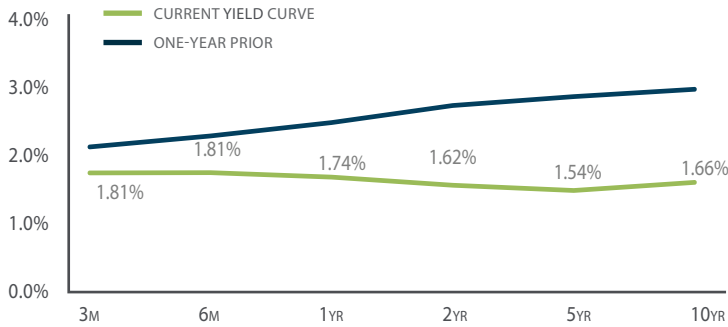


ISDLAF+ MARKET UPDATE

Prepared by Prudent Man Advisors, LLC

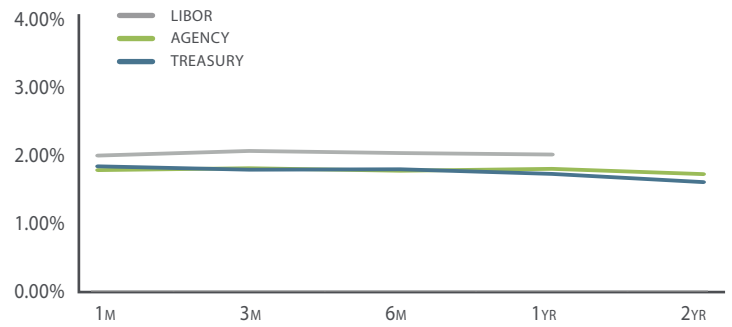
OCTOBER 2019

Historical Yield Curve



Source: Bloomberg Finance L.P. 9/30/19

Indicative Rates



Source: Bloomberg Finance L.P. 9/30/19. Rates do not reflect transaction fees.

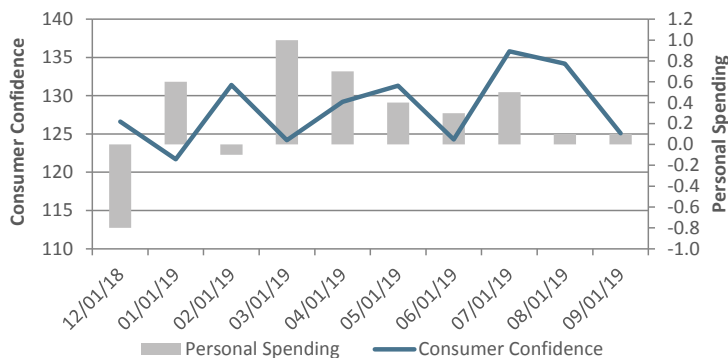
FEATURED MARKET DATA

Consumers Feeling Headwinds

Consumer spending has trended down since March and Consumer Confidence declined in September for the second consecutive month. The decrease in Consumer Confidence reflected decreases in both the Present Situation Index and the Expectations Index. According to the Conference Board who conducts the Consumer Confidence Survey, "The escalation in trade and tariff tensions in late August appears to have rattled consumers." Consumer spending began to trend down ahead of this turn in consumer sentiment and the trend mirrors this year's decline in business investment.

Source: Wall Street Journal, www.conference-board.org

CONSUMER WEAKNESS



Source: Bloomberg

RECENT NEWS

Federal Reserve Boosts Funding Operations

The Federal Reserve added cash to the financial system on September 16 to shore up short-term funding for banks. The move followed a sudden rise in the cost of borrowing in the repurchase agreement, or repo, market as banks were faced with a number of cash needs as they approached quarter-end. The Fed's intervention in the repo market continued through quarter-end and may continue for the remainder of the year. Amongst other cash needs, banks must comply with the Liquidity Coverage Ratio, which requires banks to hold high levels of liquidity to protect against a financial crisis scenario.

Source: Financial Times, Wall Street Journal

U.S. Economic Indicators

Event	Event Date	Period	Survey	Actual	Prior / Revised (R)
Building Permits	09/18/19	AUG	1,300K	1,419K	1,317K
Existing Home Sales	09/19/19	AUG	5.38m	5.49m	5.42m
Consumer Confidence	09/24/19	SEP	133.0	125.1	134.2 (R)
Personal Income	09/27/19	AUG	0.4%	0.4%	0.1%
Personal Spending	09/27/19	AUG	0.3%	0.1%	0.5% (R)
Core PCE (YoY)	09/27/19	AUG	1.8%	1.8%	1.6%
ISM Manufacturing	10/01/19	SEP	50.0	47.8	49.1
Change in Nonfarm Payrolls	10/04/19	SEP	130K	--	130K (R)
Unemployment Rate	10/04/19	SEP	3.7%	--	3.7%

Source: Bloomberg Finance L.P. 10/1/19

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