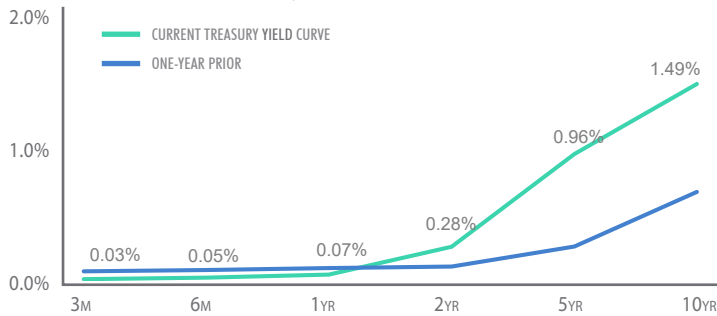


Historical Treasury Yield Curve



Source: Bloomberg Finance L.P. 9/30/21

Market Yields



Source: Bloomberg Finance L.P. 9/30/21

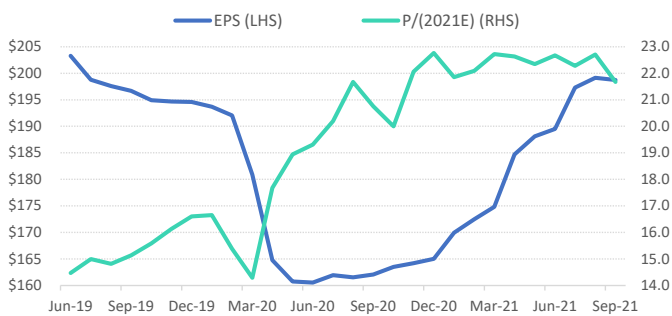
FEATURED MARKET DATA

Stock Valuations Level

U.S. equities fell in September with the S&P 500 index posting its first decline (-4.7%) since January (-1.0%). Factors that contributed to the weak performance included concerns around Fed tapering, the complex legislative environment, persistent supply constraints, rising energy costs and concerns about a potential default of Chinese property giant Evergrande. These dynamics also drove stagflation worries, a pickup in company profit warnings and concerns for weakness in third quarter earnings. That said, corporate earnings remain solid. According to FactSet, second quarter company earnings reported in July and August were mostly positive with the S&P 500 earnings up more than 90% year-over-year, near record levels. In terms of valuation, stocks on the S&P 500 index are now trading at a multiple of 22 times forward earnings, above the 20-year average of 16 times forward earnings.

Source: FactSet

Estimates for 2021 S&P 500 Earnings Over Time



Source: Bloomberg

U.S. Economic Indicators

Event	Event Date	Period	Survey	Actual	Prior / Revised (R)
Consumer Price Index (MoM)	09/14/21	AUG	0.4%	0.3%	0.5%
Consumer Price Index (YoY)	09/14/21	AUG	5.3%	5.3%	5.4%
Retail Sales Ex. Auto (MoM)	09/16/21	AUG	0.0%	2.0%	-1.4% (R)
Chicago Fed National Activity Index	09/23/21	AUG	0.50	0.29	0.75 (R)
Personal Income	10/01/21	AUG	0.2%	0.2%	1.1%
Personal Spending	10/01/21	AUG	0.7%	0.8%	0.3%
Core PCE (YoY)	10/01/21	AUG	3.5%	3.6%	3.6%
Change in Nonfarm Payrolls	10/08/21	SEP	500K	-	235K
Unemployment Rate	10/08/21	SEP	5.1%	-	5.2%

Source: Bloomberg Finance L.P. 9/30/21. Glossary terms on following page.

RECENT NEWS

Fed Turns Slightly Hawkish

If the Fed sounded less dovish at its June meeting, it is fair to call the tone in September slightly hawkish. The Fed all but confirmed its plans to begin tapering its balance sheet in November. In addition, the median forecast for the Fed Funds rate showed a possible rate hike in 2022 and a rate near 1.00% by the end of 2023. The September meeting provided the first look at 2024 projections and additional rate hikes were projected. The Fed also updated its projections for GDP growth, employment and inflation. In line with other economists' projections, the Fed sees lower growth in 2021 compared to its June forecast. More notably, the Fed raised inflation projections for 2021-2023 and expects inflation to remain above 2.0% through 2024.

Source: PMA Asset Management, www.federalreserve.gov

JOHN H. HUBER, CFA

Senior Vice President, Chief Investment Officer

PMA Asset Management, LLC

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, 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.