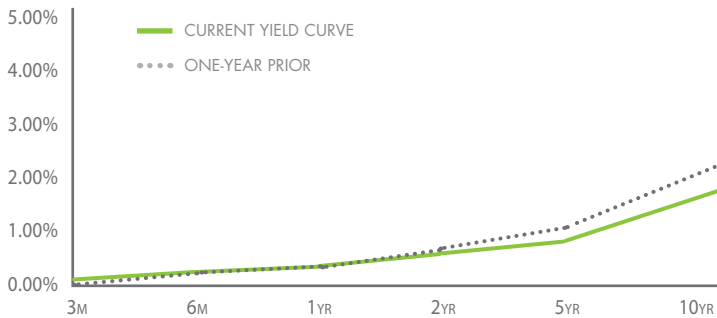




Historical Yield Curve



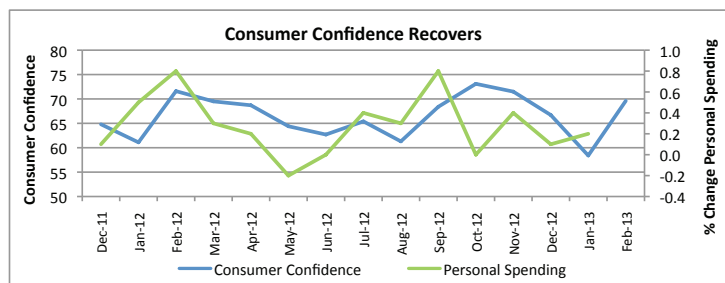
Source: Bloomberg Finance L.P., 3/1/13

FEATURED ECONOMIC INDICATOR

Consumer Confidence

Consumer Confidence rebounded in February after declines the past three months related to fiscal cliff uncertainty and higher payroll taxes. The February increase reflected increases in both the Present Situation Index and The Expectations Index. Consumer Confidence remains relatively low, but Lynn Franco at The Conference Board said "Looking ahead, consumers are cautiously optimistic about the outlook for business and labor market conditions." Changes in confidence could affect how much consumers spend. Household spending rose 0.2% in January, even as incomes dropped 3.6%. Job gains and rising property values are likely contributing to increased confidence and higher spending.

Source: The Conference Board, Bloomberg



Source: Bloomberg

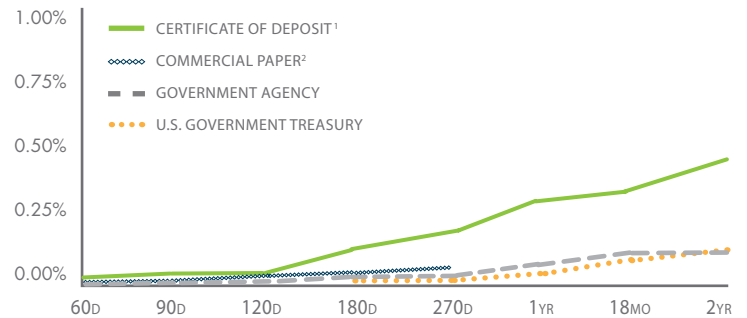
RECENT NEWS

Sequester's Effects

Automatic spending cuts are set to begin March 1 as government leaders remain at an impasse. The cuts this year total \$85 billion and represent a 2.4% cut from a \$3.55 trillion federal budget. Medicare, Social Security, Medicaid and interest on federal debt, which together represented over half of the 2012 federal budget, will not be affected aside from a 2% cut in the payments Medicare makes to hospitals and doctors. The stock market, meanwhile, was rising in the last week of February as markets appear to be downplaying the sequester's effects. The Congressional Budget Office's new forecast, which includes spending cuts and sunseting tax provisions, sees U.S. GDP growing just 1.4% this year and unemployment remaining above 7.5% through next year. CBO director Douglas Elmendorf said that if not for recent increases in payroll and income taxes and spending restraint, the economy would likely grow closer to 3% this year. But he said failure to restrain future deficits would hurt the economy in the long run

Source: 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., 3/1/13

U.S. Economic Indicators

Event	Event Date	Period	Survey	Actual	Prior / Revised (R)
S&P Case-Shiller Composite-20 (YoY)	02/26/13	DEC	6.62%	6.84%	5.44% (R)
Durable Goods Orders Ex. Transportation (MoM)	02/27/13	JAN	0.2%	1.9%	1.0% (R)
GDP (QoQ)	02/28/13	4Q S	0.5%	0.1%	0.1% (R)
Personal Income	03/01/13	JAN	-2.4%	-3.6%	2.6%
Personal Spending	03/01/13	JAN	0.2%	0.2%	0.1% (R)
ISM Manufacturing	03/01/13	FEB	52.5	54.2	53.1
Initial Jobless Claims	03/07/13	MAR 2	355K	-	344K
Change in Nonfarm Payrolls	03/08/13	FEB	155K	-	157K
Unemployment Rate	03/08/13	FEB	7.9%	-	7.9%

Source: Bloomberg Finance L.P., 3/1/13

Contact Information

LAURA A. PAULI

Senior Vice President, Business and Relationship Management

PMA Financial Network, Inc.
2135 CityGate Lane, 7th Floor
Naperville, IL 60563

Tel: 630.657.6436

Fax: 630.718.8701

Email: lpauli@pmanetwork.com

This Market Update was prepared for PMA Financial Network, Inc., PMA Securities, Inc. and Prudent Man Advisors, Inc. (hereinafter "PMA") clients. 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 Market Update 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. 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 available upon request.