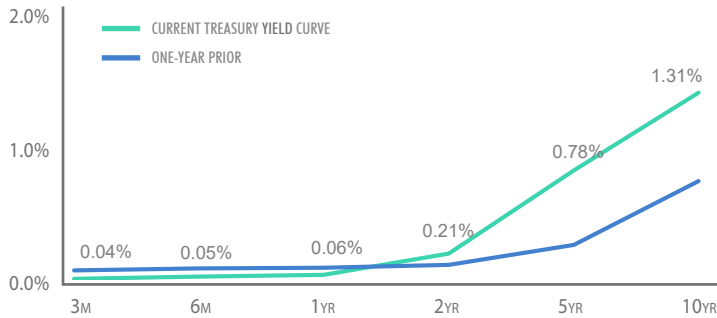




SD FIT MARKET UPDATE

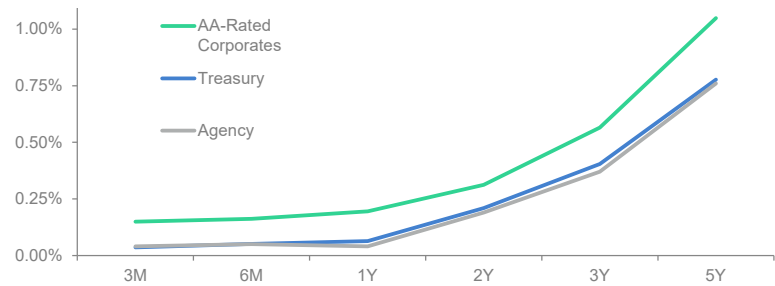
SEPTEMBER 2021

Historical Treasury Yield Curve



Source: Bloomberg Finance L.P. 8/31/21

Market Yields



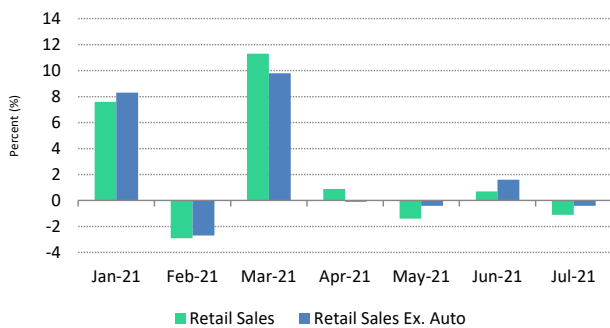
Source: Bloomberg Finance L.P. 8/31/21

FEATURED MARKET DATA

Retail Sales Lower in July

U.S. retail sales, a gauge for consumer spending fell 1.1% in July following an upwardly revised 0.7% increase in June. Underlying data suggests that consumers are beginning to curb spending on goods in favor of services following the reopening of the economy. Sales dropped across various categories including autos, clothing, sporting goods, and furniture. Excluding autos, sales dropped 0.4% in July. Economists forecast consumer spending to grow at an annualized 4.5% pace during the third quarter, a sharp decline from the robust 11.8% rate seen in the second quarter. Looking ahead, the emergence of the COVID-19 delta variant poses a risk to economic growth and could curb demand for services such as tourism and entertainment.

Source: Bloomberg, www.census.gov/retail



Source: Bloomberg

RECENT NEWS

Stocks Reach New Highs

Major U.S. equity indices were higher in August, with the S&P logging its seventh straight monthly gain while setting twelve new record-high closes. The path of least resistance was clearly to the upside for the month, with the "buy-the-dip" and "there-is-no-alternative" mantras still in play. However, there are some signs this strong run could stall or reverse. U.S. consumer sentiment as measured by the University of Michigan fell to its lowest level in a decade and may have been influenced by a resurgence in the pandemic. In addition, while reflation trades dominated the first half of 2021, defensive stocks like healthcare and utilities have outperformed sectors such as materials, emerging markets and value stocks in recent weeks.

Source: Bloomberg, Reuters

U.S. Economic Indicators

Event	Event Date	Period	Survey	Actual	Prior / Revised (R)
CPI (MoM)	08/11/21	JUL	0.5%	0.5%	0.9%
CPI (YoY)	08/11/21	JUL	5.3%	5.4%	5.4%
Retail Sales Ex. Auto (MoM)	08/17/21	JUL	0.2%	-0.4%	1.6% (R)
Chicago Fed National Activity Index	08/23/21	JUL	0.12	0.53	-0.01 (R)
Core PCE (YoY)	08/27/21	JUL	3.6%	3.6%	3.6% (R)
S&P Case Shiller 20-City Home Price Index (YoY)	08/31/21	JUN	18.60%	19.08%	17.14% (R)
Consumer Confidence	08/31/21	AUG	123.0	113.8	125.1 (R)
Change in Nonfarm Payrolls	09/03/21	AUG	748K	-	943K (R)
Unemployment Rate	09/03/21	AUG	5.2%	-	5.4%

Source: Bloomberg Finance L.P. 9/2/21. Glossary terms on following page.

Contact Information

KENT JOHNSON

Senior Vice President, Director-
Minnesota Office
763.497.1490 Ext. 1300
kjohnson@pmanetwork.com

ANGIE STILLWELL

Senior Portfolio Advisor
612.509.2562
astillwell@pmanetwork.com

PMA Financial Network, LLC
5298 Kyler Ave. NE | 2nd Floor | Albertville, MN 55301

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.