



GENTER
CAPITAL MANAGEMENT

Muni Market Update

October 2025

MUNI MARKET HIGHLIGHTS

- September produced the best monthly tax-exempt returns in two years.
- The AAA benchmark curve experienced a bull flattener for the period.
- Solid technical factors remain intact for the fourth quarter.

MARKET OBSERVATIONS & STRATEGY

The tax-exempt curve reversed its steepening trend in September. Maturities in the 5-to-30-year range experienced a strong rally for the month. Leading up to this month, the 7-15-year area of the curve had been underperforming versus shorter maturities. We have been adding to the 7-to-15-year parts of the curve during the steepening taking advantage of curve roll opportunities. The rally in September should add nicely to year-to-date portfolio returns.

The new issue market continues to provide excellent opportunities for alpha in the municipal bond market. Like last year, our new issue participation year-to-date has been strong. Favorable technical factors are in play as cash flow generated from maturities, calls, and coupon payments in the fourth quarter remain strong. The reinvestment of cash flows should be supportive of new issue supply and should sustain the bull market in tax-exempts.

AAA benchmark curve changes for the month of September.*

	AAA Curve 9/2/2025	AAA Curve 10/1/2025	Change bps
2026 (1yr)	2.19	2.30	11
2027 (2yr)	2.21	2.26	5
2028 (3yr)	2.22	2.24	2
2029 (4yr)	2.26	2.26	0
2030 (5yr)	2.37	2.31	(6)
2032 (7yr)	2.72	2.53	(19)
2035 (10yr)	3.20	2.92	(28)
2040 (15yr)	3.92	3.58	(34)
2045 (20yr)	4.37	4.00	(37)
2050 (25yr)	4.57	4.19	(38)
2055 (30yr)	4.65	4.28	(37)

HIGHLIGHTED NEW ISSUE PURCHASES IN SEPTEMBER (SPREADS QUOTED AS OF TRADE DATE TO AAA)

NATIONAL

- Indiana Housing RV – 2.75% 2027 (2yr) AA1 @ **2.75% (+74bp)**
- Louisiana Pub Fin Auth RV – LSU 5% 2038 (13yr) AA AGM @ **3.78% (+61)**
- Colorado Educational Auth RV – swallows charter 5% 2045 (20yr) AA BAM @ **4.63% (+75)**

CA

- California Muni Finance Auth solid waste RV- 3.375% 2028 (3yr) A- **3.375% (+137bp)**

GENTER PORTFOLIO STATS AS OF 10/2/25*

- Municipal Quality Intermediate - California: **YTW 2.98%, Duration 3.72**
- Municipal Quality Intermediate - National **YTW 3.27%, Duration 3.73**
- Average credit quality in both strategies: **AA-**