



MUNI MARKET HIGHLIGHTS

- Impressive performance in April for tax-exempt municipal bonds.
- Geopolitical uncertainties drove investor flows to fixed income.
- Technical drivers should improve over the coming months, providing an attractive entry point for tax-exempt investors.

MARKET OBSERVATIONS & STRATEGY

The bear steepener we observed in March reversed course in April. As the technical backdrop improved, investor demand to lock in attractive yields further out the curve took root in April. The result was one of the strongest April's for tax-exempts in recent memory. Adding fuel to the tax-exempt rally was investors opting for 'risk-off' trades given the uncertainty with the Iran conflict.

We mentioned in our last monthly update, the significant backup in rates should revive investor flows into our market, which came to fruition. The yield curve remains particularly steep in the belly. We view the belly 5-15-year area as especially attractive, both from a total return perspective and in terms of roll-down opportunities.

The new issue market continues to provide alpha opportunities for tax-exempt bonds. Through April, new supply is \$187 billion, up 2% on a year-over-year basis. Coming off a record supply year in 2025, the new supply through April is impressive.

AAA benchmark curve changes for the month of April.*

| Tenor | AAA Curve 3/31/2026 | AAA Curve 4/30/2026 | Change bps |
|-------------|------------------------|------------------------|---------------|
| 2026 (1yr) | 2.40 | 2.44 | 4 |
| 2027 (2yr) | 2.41 | 2.43 | 2 |
| 2028 (3yr) | 2.44 | 2.43 | (1) |
| 2029 (4yr) | 2.52 | 2.45 | (4) |
| 2030 (5yr) | 2.60 | 2.53 | (7) |
| 2032 (7yr) | 2.81 | 2.70 | (11) |
| 2035 (10yr) | 3.08 | 2.96 | (12) |
| 2040 (15yr) | 3.58 | 3.41 | (17) |
| 2045 (20yr) | 4.18 | 4.03 | (15) |
| 2050 (25yr) | 4.42 | 4.27 | (15) |
| 2055 (30yr) | 4.50 | 4.35 | (15) |

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

NATIONAL

- Indiana Fin Auth Education RV (Depauw Univ) – 5.00% 2036 @ **4.12%** Baa1 (+100 to AAA)
- Dodge County NE Sch Dist GO – 4.00% 2035 @ **3.46%** (BAM) AA (+60 to AAA)
- Austin TX Airport System RV – 5.00% 2032 @ **3.33%** A1 (+75 to AAA)

CA

- Barstow CA Measure I Trans COP – 5.00% 2039 @ **3.44%** (AGM) AA (+30 to AAA)
- Los Angeles CA Dept Water & Power RV- 5.00% 2037 (BAM) **3.53%** AA (+33 to AAA)
- Perris CA High Sch Dist Spl Tax – 5.00% 2038 @ **3.43%** (AGM) AA (+18 to AAA)

GENTER PORTFOLIO STATS AS OF 05/05/26*

- Municipal Quality Intermediate - California: **Yield** 3.17%, **Duration** 3.71
- Municipal Quality Intermediate - National **Yield** 3.38%, **Duration** 3.77
- Average credit quality in both strategies: **AA-**