Muni Market Update

July 2026

MUNI MARKET HIGHLIGHTS

- Tax-exempt new issue supply remains elevated along with demand.
- Geopolitical factors wane in importance.
- Technical factors are supportive for the summer.

MARKET OBSERVATIONS & STRATEGY

Strong investor demand supported both the front end and long end of the tax-exempt curve to close out the quarter. Geopolitical uncertainties have receded, favoring equities or "risk-on" trades. Still, we continue to see robust demand for tax-exempt bonds.

Technical factors look positive for the rest of summer. Cash flow from calls, maturities, and coupon cash flow outweigh visible tax-exempt supply. In terms of supply, tax-exempt issuance for the first half of the year nearly topped $300 billion, which is 5% higher than the first half of 2025, itself a record year.

Our barbell structure performed well in June, as it has done for most of the year. We continue to emphasize the alpha-generating primary market in all our strategies along with curve-roll opportunities.

AAA benchmark curve changes for the month of June.*

Tenor	AAA Curve 06/01/2026	AAA Curve 07/01/2026	Change bps
2026 (1yr)	2.44	2.31	(13)
2027 (2yr)	2.43	2.34	(9)
2028 (3yr)	2.44	2.41	(3)
2029 (4yr)	2.51	2.50	(1)
2030 (5yr)	2.57	2.57	0
2032 (7yr)	2.72	2.71	(1)
2035 (10yr)	2.97	2.91	(6)
2040 (15yr)	3.38	3.23	(15)
2045 (20yr)	3.98	3.75	(23)
2050 (25yr)	4.25	4.04	(21)
2055 (30yr)	4.35	4.15	(20)

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

NATIONAL

- Flushing MI Sch Dist. GO– 4.00% 2042 @ **4.11%** (QSBLF) AA1 (**+84** to AAA)
- Kentucky Pub Energy Gas RV– 5.00% 2034 @ **4.50%** (Nomura) Baa1 (**+178** to AAA)
- Utah Charter Sch RV-GW Academy– 5.00% 2046 @ **4.49%** (CSCE) AA (**+67** to AAA)

CA

- University CA RV – 5.25% 2038 @ **3.26%** AA2 (**+13** to AAA)
- Lake Elsinore CA Spl Tax CFD#2026 - 5.00% 2043 @ **3.81%** (AGM) AA (**+35** to AAA)
- Grass Valley CA Sch Dist. GO – 5.00% 2045 @ **3.94%** (AGM) AA (**+12** to AAA)

GENTER PORTFOLIO STATS AS OF 07/06/26*

- Municipal Quality Intermediate - California: **Yield** 3.06%, **Duration** 3.69
- Municipal Quality Intermediate - National **Yield** 3.26%, **Duration** 3.80
- Average credit quality in both strategies: **AA-**