LIND CAPITAL PARTNERS

April 2022

MUNICIPAL MARKET STATISTICS

	04-01-22	03-01-22	04-01-21	04-01-19	04-01-17
10-Year AAA BVAL Municipal	2.24%	1.59%	1.06%	1.87%	2.27%
10-Year US Treasury	2.31%	1.83%	1.74%	2.41%	2.39%
10-Year Muni vs. Treasury	97%	87%	61%	77%	95%
IG Fund Flows YTD	($16.7B)	($5.4B)	$26.8B	$14.0B	($5.9B)
HY Fund Flows YTD	($5.2B)	($2.8B)	$5.3B	$4.4B	$1.8B
IG (LMBITR) Total Return YTD	(6.41%)	(3.09%)	(0.35%)	2.90%	1.56%
HY (LMHYTR) Total Return YTD	(6.66%)	(3.02%)	2.11%	3.83%	4.06%
New Issue Calendar YTD	$93B	$57B	$102B	$76B	$86B

LIND CAPITAL PARTNERS MARKET COMMENTARY

It has been a tough quarter across most, if not all, asset classes with a sea of red just about everywhere. The municipal market was not immune to negative performance as the Federal Reserve finally embarked on the long-expected tightening and rising oil prices exacerbated inflation fears. AAA municipal rates have risen 108 bps to 155 bps, depending on tenor (see Figure 1) since the beginning of the year. Not surprisingly, the return profile for both the IG and HY municipal indices is negative for the quarter, roughly (6.50%). Most open end mutual funds are down an additional 100 bps to 200 bps, likely due to the utilization of leverage in a rising interest rate environment.

Figure 1.	2 Year	5 Year	10 Year	30 Year
1/1/22	0.23%	0.57%	1.04%	1.48%
4/1/22	1.78%	2.02%	2.24%	2.56%
Change	155 bps	144 bps	120 bps	108 bps

Contributing to negative municipal market performance were negative fund flows throughout the quarter. Through Q1, retail investors have withdrawn $22B from municipal funds and ETFs. To date, the liquidation process has been orderly as it appears fund managers were maintaining high cash levels and a sufficient supply of higher quality bonds to meet redemptions. It is worth noting that overall fund quality deteriorates as portfolio managers shed their highest quality assets to meet retail investor redemptions. Should fund flows remain negative, which we fully expect, high yield portfolio managers may struggle to provide investor liquidity without additional highly "liquid" assets available to raise cash. We believe further dislocation is likely with corresponding opportunity for investors with cash. In our view, unlike March 2020, this sell-off is driven by rate concerns, not credit.

LIND CAPITAL PARTNERS HIGH YIELD MARKET COMMENTARY

As mentioned above, the current high yield sell-off is not credit driven. In fact, credit continues to *improve* in LCP target sectors. Many of the credit concerns over the last two years have been pandemic related. As we have eclipsed the 2-year anniversary of the COVID-19 pandemic, we think it is valuable to evaluate our initial views, recap how our target sectors have fared, and provide updated credit views (both optimism and concerns). Broadly, LCP target sectors successfully weathered the storm over the last 24 months. Almost every credit we cover benefited from federal aid in some capacity, through PPP loans or direct stimulus. Multiple waves of COVID outbreaks presented challenges, but vaccine distribution and loosened social restrictions allowed the U.S. economy to re-open, and, for many borrowers, business has returned to a semblance of "normal." While COVID may still bring unpleasant surprises, it feels as though the worst may be behind us. This gives us confidence that high yield credit will continue to improve as the economy expands. New credit concerns have emerged, primarily cost and labor inflation. A primary area of focus will be on how well borrowers can contain, or pass through, higher costs to preserve margin.

Senior Living - At the onset of the pandemic, our primary concerns were contagion risk and liquidity. The types of senior living operators LCP covers (mainly CCRCs vs. stand-alone assisted living or skilled nursing) controlled the contagion *very* well and protected their vulnerable residents. We give credit to strong management teams and successful vaccine distribution. Mandatory shutdowns and visitor restrictions were difficult for both resident well-being and marketing to new residents. Since re-opening, occupancies have largely recovered, but some still lag pre-pandemic levels…especially in skilled nursing. Looking ahead, occupancy still has room to improve but the main challenge will be labor shortages and wage inflation. Senior living operators can pass through some of these costs through monthly fee adjustments and increasing entrance fees. So far, residents have been amenable to increases above the 3% "normal" increase.

Healthcare & Hospitals - Hospitals and healthcare facilities have been the frontline throughout the pandemic, which has directly affected credit. Attention and resources have been focused on treating COVID patients, and elective procedures were delayed during each outbreak wave. The delays hurt revenue and profitability. However, hospitals were also primary recipients of substantial federal aid, and relied on that aid to make it through the worst of COVID. There may be significant upside in the healthcare sector as facilities return to more routine business. However, labor issues (shortages, wages, and burnout) will be challenging.

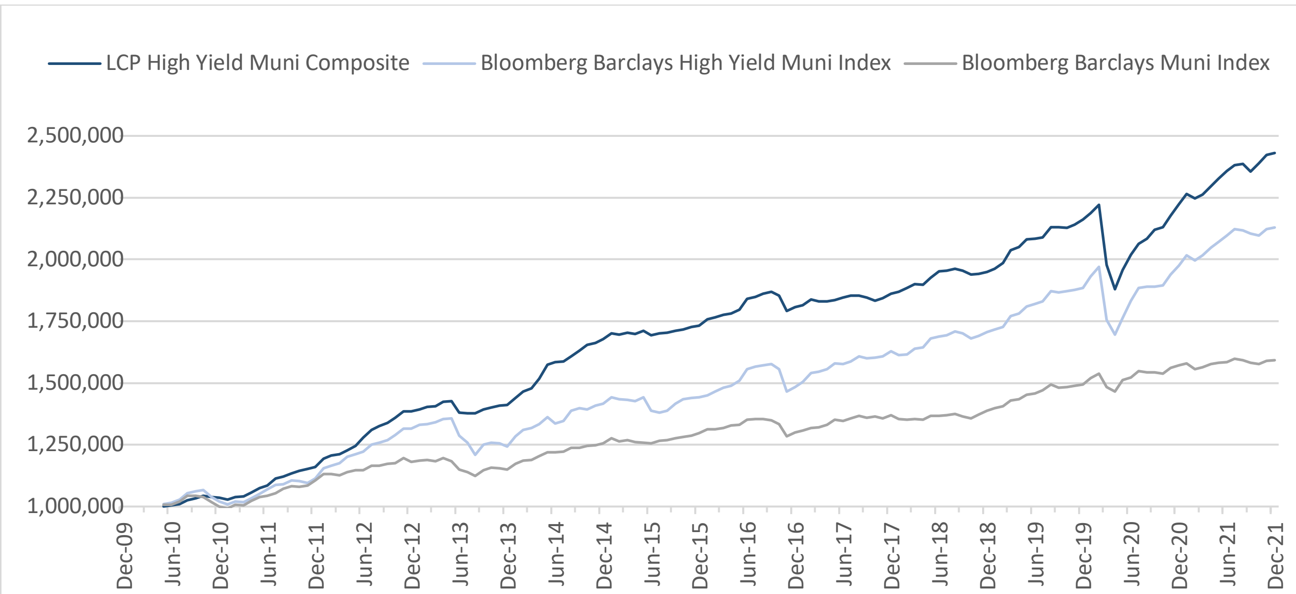
Higher Education - LCP's primary concern for Higher Ed during COVID was the impact on enrollment. There were draconian industry forecasts calling for 10-15% annual enrollment declines. While institutions implemented a wide range of policies (in-person, remote, hybrid, mandate vs. not mandate vaccines, etc.), it quickly became apparent that enrollment was not affected as dramatically as predicted. LCP borrowers saw stable enrollment, with some even improving. LCP selectively increased allocation to Higher Ed throughout 2020-2021, focusing on institutions with strong liquidity and endowment support. Colleges and universities were also beneficiaries of federal aid. Going forward, college and universities still face challenging long-term demographic trends (especially small, underendowed, liberal arts colleges without a niche). LCP's experience further emphasized the importance of endowment strength and liquidity sources during times of stress. We also view non-traditional higher education models favorably. We will continue to add selectively to this sector.

Charter Schools - LCP held a favorable view on Charter Schools as COVID hit. We were not concerned with enrollment, but did see some risk in state & local funding if budgets were stressed. Charter Schools have perhaps been our top performing credits throughout the pandemic, and LCP has increased allocation to the sector. The "essential service" nature of public education was validated, especially with working parents scrambling to provide childcare and maintain employment. Charter Schools displayed a huge advantage over traditional public schools: flexibility. They were able to adapt and accommodate the needs of their families and communities very effectively, through in-person, virtual, or hybrid learning, without fighting with school boards and teachers' unions. Almost all of LCP covered credits increased enrollment, and state and local funding was stable (or increased). We continue to view the sector favorably. Credit challenges that could arise are labor, and any federal policy that adversely affects school choice or charter funding.

Economic Development - COVID impacts to Economic Development projects were highly variable due to the project-specific nature of the sector. We saw risk in sales-tax backed projects. However, the sharp rebound in the economy supported these deals. The booming housing market bolstered property-tax backed deals. Many project-based credits were also able to benefit directly or indirectly from PPP loans. The one area hit the hardest, hospitality, has been slow to recover and many industry sources do not expect a return to pre-pandemic levels until 2023-24. Overall, LCP views the Economic Development sector as attractive in an expanding economy. New issuance is robust and will provide the high yield market with interesting new financings. We anticipate to selectively increase allocation in this sector.

Milestone: *As of December 2021, LCP celebrated its 11th consecutive year of annual, positive total return. While always confident that our disciplined approach to the high yield municipal market was sound, we are grateful to see our investment thesis confirmed over an extended period.*

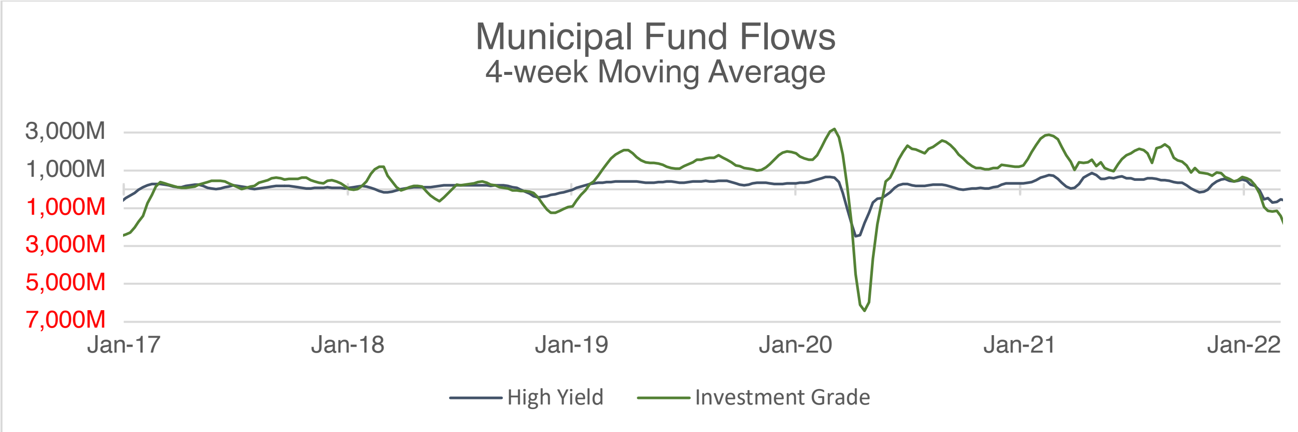
LIND CAPITAL PARTNERS HIGH YIELD MUNICIPAL STRATEGY (THROUGH DECEMBER 31, 2021)

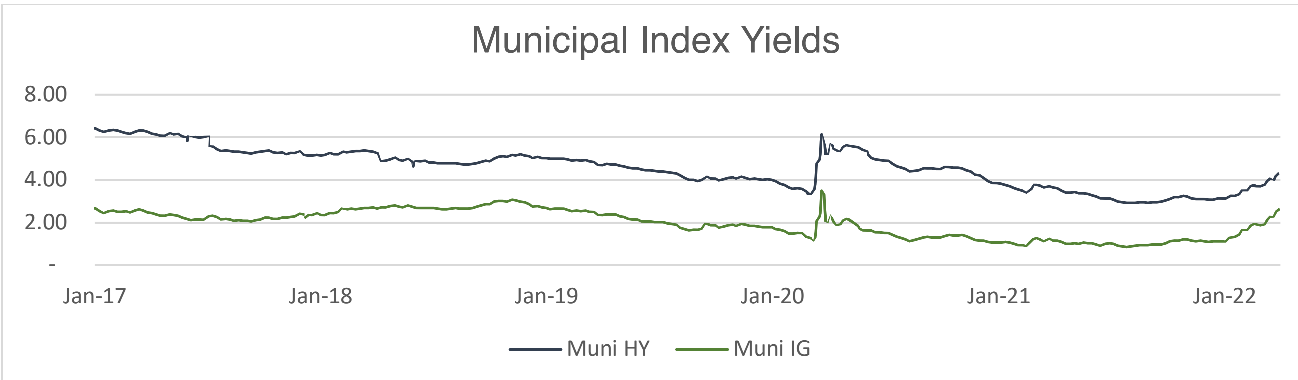


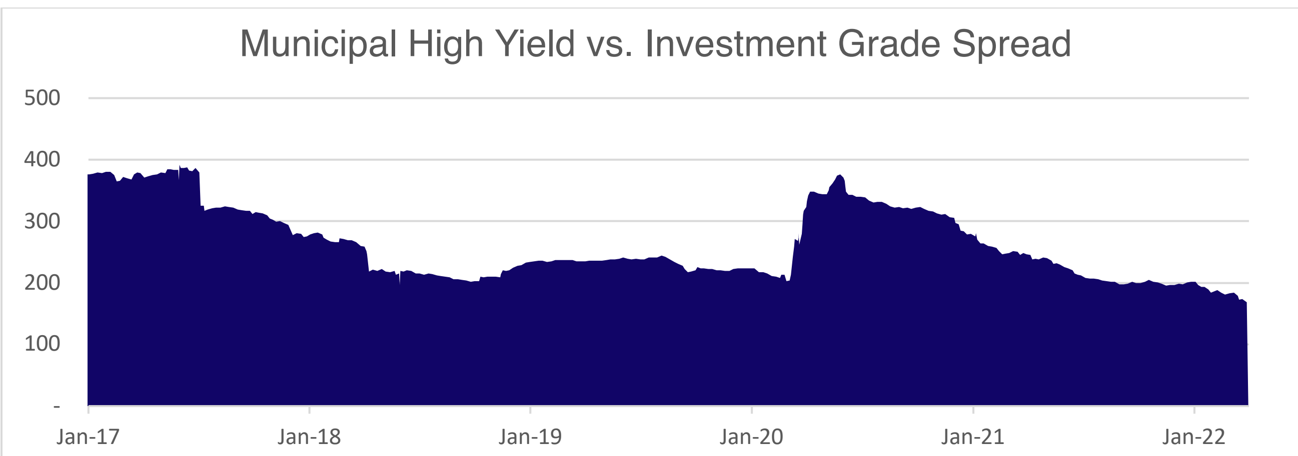
The chart above shows the increase in value of $1,000,000 invested in the LCP composite at inception (net of management fees and expenses) vs. the benchmark, the Bloomberg High Yield Muni (LMHYTR) as well as the Bloomberg Muni (LMBITR) indices (it is not possible to invest in either Bloomberg Index). Please contact us with questions regarding credit profile, returns, taxable equivalent yields or further portfolio information. Past performance is not indicative of future results.

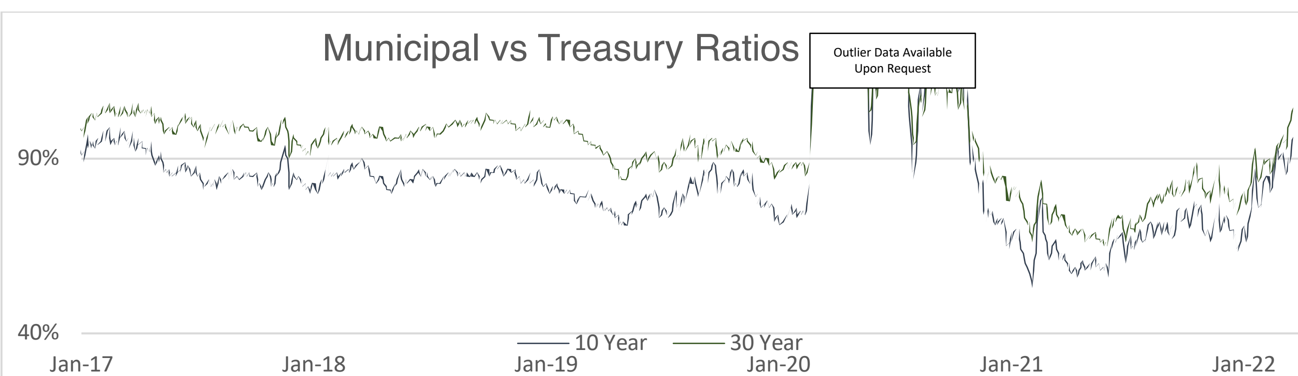
DISCLOSURE

Past performance is not indicative of future results. An investment in the Lind Capital Partners Municipal High Yield strategy is not suitable for all investors. Investing involves risk, and municipal instruments can be affected by adverse political and economic conditions. The material contained herein is provided for informational purposes only and is not financial advice, should not be construed as an offer to buy, hold, or sell any security or to invest in the strategy, and may contain information from third party sources Lind Capital Partners, LLC (LCP) believes to be accurate. Any offer for investment in the LCP limited partnership vehicle will be made exclusively to qualified investors on a private placement basis, and only by means of a private placement memorandum, which contains detailed information concerning investment terms. LCP is an investment adviser registered with the U.S. Securities and Exchange Commission. Registration as an investment advisor does not imply a certain level of skill or training. Performance information (time-weighted rate of return) is provided for the LCP High Yield Muni Composite (Inception May 1, 2010) which is comprised of all fully discretionary accounts managed in the LCP High Yield Muni Strategy. Performance returns include realized and unrealized gains and losses; are calculated total return, net of actual advisory fees and transaction costs, including distributions to Limited Partnership investors where appropriate. Refer to LCP's Form ADV Part 2A for additional information related to advisory fees and services. This document is publicly available and upon request by contacting: Info@LindCaptialPartners.com. Performance measured by Cortland Capital Services, Clearwater Analytics, NAV Consulting, ICE Data Services and Bloomberg. Opinions expressed are those of LCP and should not be considered a forecast of future events or a guarantee of future results. Opinions and estimates offered constitute our judgment as of the date set forth above and are subject to change without notice, as are statements of financial market trends, which are based on current market conditions. All material presented is compiled from sources believed to be reliable, but no guarantee is given as to its accuracy









Sources: Refinitiv and Bloomberg LP