LIND CAPITAL PARTNERS

July 2022

MUNICIPAL MARKET STATISTICS

	07-01-22	06-01-22	07-01-21	07-01-19	07-01-17
10-Year AAA BVAL Municipal	2.73%	2.48%	0.98%	1.80%	2.03%
10-Year US Treasury	2.98%	2.85%	1.47%	2.03%	2.31%
10-Year Muni vs. Treasury	92%	87%	67%	79%	88%
IG Fund Flows YTD	($63.0B)	($48.7B)	$46.1B	$31.3B	($1.8B)
HY Fund Flows YTD	($12.9B)	($10.6B)	$13.9B	$9.4B	$3.7B
IG (LMBITR) Total Return YTD	(9.25%)	(7.47%)	1.08%	5.10%	3.57%
HY (LMHYTR) Total Return YTD	(12.18%)	(8.86%)	6.12%	6.86%	6.13%
New Issue Calendar YTD	$196B	$172B	$219B	$186B	$188B

LIND CAPITAL PARTNERS MARKET COMMENTARY

What May giveth, June taketh away. Positive municipal market performance at the end of May was erased in June, with the 20-30 year part of the curve giving back most of the prior month's gains. Negative fund flows accelerated and market liquidity evaporated resulting in negative performance for the month. Performance in the municipal market (IG and HY) has been the worst first 6 months in the past 20+ years. Investors can take some solace in significantly outperforming most equity markets and both IG and HY corporate bond indices. The outlook going forward is more constructive with technical factors offering the prospect of market stability. New issue supply is expected to slow and reinvestment from July 1st coupons, calls and maturities to provide significant demand.

Interestingly, the mismatch between liquidity provided to investors versus the liquidity profile of underlying assets in municipal bond fund portfolios and ETFs (a founding principle of our firm) is being reported with greater frequency in the financial press. An article in the Wall Street Journal "*Municipal Bonds Increasingly Held by Funds Instead of Individuals" (June 28, 2022)* highlighted the record flight of capital out of municipal mutual and exchange-traded funds through mid-June ($80B) that "can force fund managers to sell bonds at unappealing prices to drum up cash for investors". To meet daily retail investor redemptions, fund managers often have to sell the highest rated or most liquid bonds at distressed prices due to the inherent liquidty mismatch. Long-term fund investors bear the cost of this structural flaw. The increased institutional participation in the ETF world only serves to exacerbate market price volatility.

LIND CAPITAL PARTNERS HIGH YIELD MARKET COMMENTARY

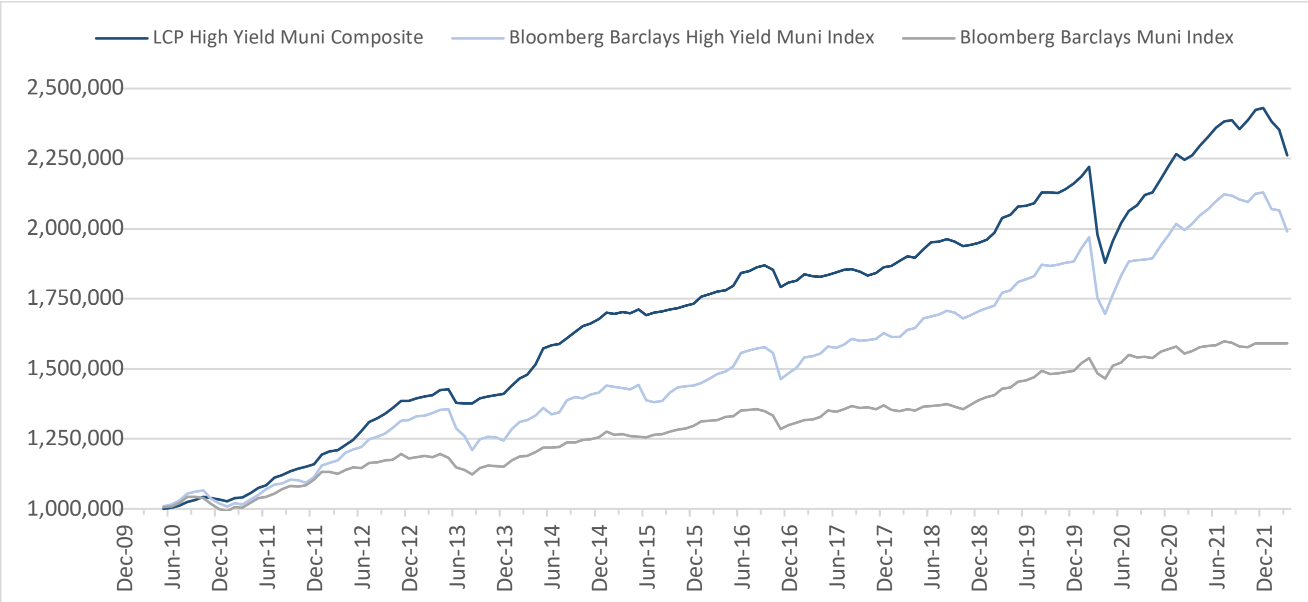
The high yield municipal market was not immune from the challenges facing the investment grade market. Negative fund flows accelerated resulting in a liquidity challenged market. A number of new non-rated issues had to be postponed and moved to day-to-day status waiting for market liquidity to improve. Issues that were successfully placed had offer significant price concessions from original price talk. Benchmark HY credits (e.g. Buckeye Tobacco and Puerto Rico) traded 60+ bps cheaper in June than in May. Non-benchmark, smaller issuer bonds were resigned to trading by appointment, if at all.

As we have noted before, the market selloff has been rate, not credit driven. We broadly view the credit environment today as better than any time since the onset of COVID. All markets have been driven by concerns over the path and timing of future rate hikes, implications for inflation as well as the possibility of a future recession. This uncertainty has resulted in tremendous market volatility across all asset classes, including the municipal market. The good news out of the recent market dislocation is the new rate environment long-term investors are presented with today. We are now finding new investment opportunities in our target revenue bond sectors with tax-exempt yields between 6.00% and 7.00%, or 10.00% to 12.00% taxable equivalent for investors in the maximum federal tax bracket. Taxable equivalent returns well in excess of traditional equity return expectations (8.00%+) are now firmly in low double digits. We think investors concerned about the prospects for the equities markets should consider re-allocating to our market to diminish equity exposure and still achieve their equity return expectations.

The ability to generate high after-tax returns with signifcant income generation over a long-term time horizon is compelling for long-term investors willing to endure inevitable price volatility. As we have noted repeatedly in meetings with clients and prospects, the high yield municipal market is now offering investors a degree of certainty in an uncertain world.

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.*

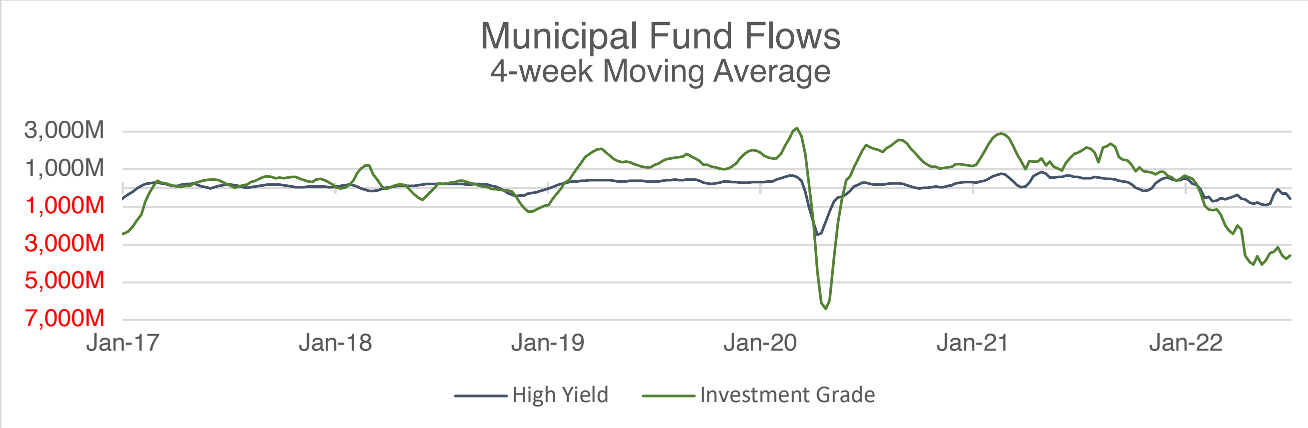
LIND CAPITAL PARTNERS HIGH YIELD MUNICIPAL STRATEGY (THROUGH MARCH 31, 2021)

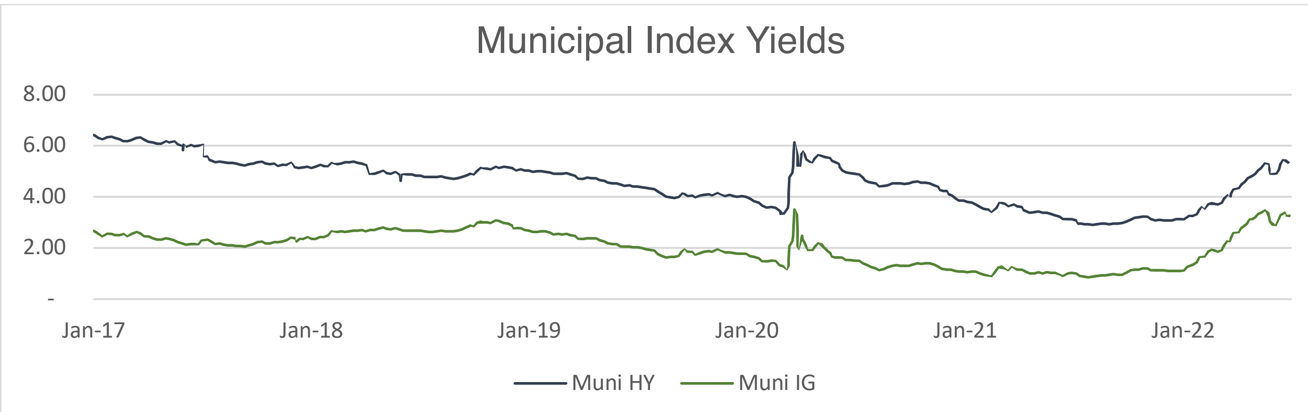


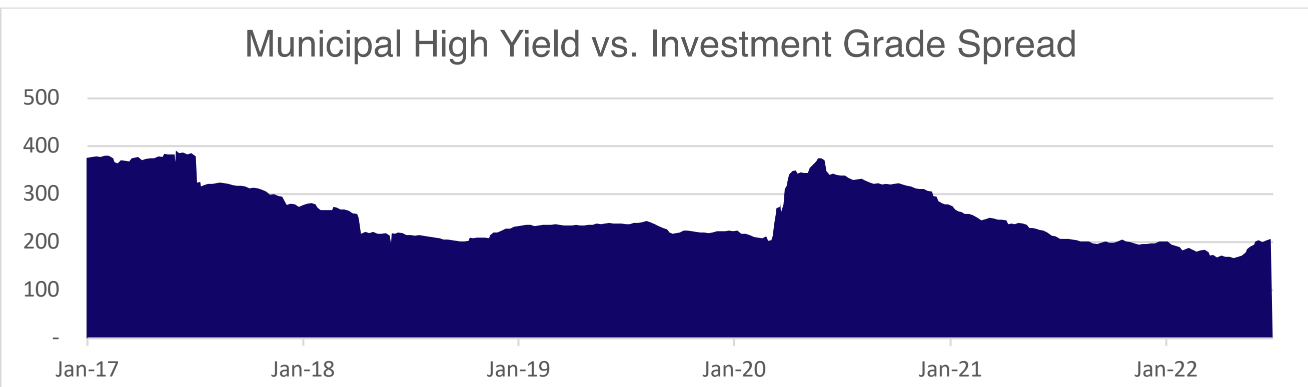
The chart above shows the increase in value of $1,000,000 invested in the LCP composite at inception (net of management fees and expenses) vs. the benchmark, the Bloomberg High Yield Muni (LMHYTR) as well as the Bloomberg Muni (LMBITR) indices (it is not possible to invest in either Bloomberg Index). 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