MUNICIPAL MARKET STATISTICS

	12-01-19	11-01-19	12-01-18	12-01-16	12-01-14
10-Year AAA MMD Municipal	1.48	1.49	2.51	2.52	2.08
10-Year US Treasury	1.77	1.70	3.04	2.41	2.17
10-Year Muni vs. Treasury	84%	88%	83%	104%	96%
Open End Fund Flows YTD	$80B	$73B	$3B	$47B	$16B
New Issue Calendar YTD	$378B	$333B	$318B	$425B	$258B

The main story in the municipal market through November was continued elevated supply. The holiday shortened month saw $45B in new issuance, bring YTD totals to $378B. New issue supply through December 1, 2019 exceeds the comparable 2018 period by $60B. Absorption of the additional supply has been aided by continued investor inflows into the municipal market. However, the seasonal nature of the increased calendar presents opportunities for investors, as highlighted below.

LIND CAPITAL PARTNERS CREDIT COMMENTARY

Senior Living: Non-profit senior living facilities often finance new facilities, or re-finance existing facilities, through municipal issuing conduits. Continuing Care Retirement Communities ("CCRCs") are a common type of senior living facility and are comprised of some combination of independent, assisted living, memory care, and skilled nursing units. CCRCs are designed to accommodate our senior population and their health and aging progression. Senior living is a complicated sector which will likely see substantial growth in coming years as the elderly population in the US continues to expand. The complexity of factors that impact the sector permits the generation of high levels of tax-exempt income for investors like LCP. Start-up projects, expansion or repositioning of existing facilities and refinancing of outstanding debt all present unique structural and credit challenges that the LCP credit team thoroughly analyzes prior to investment decisions.

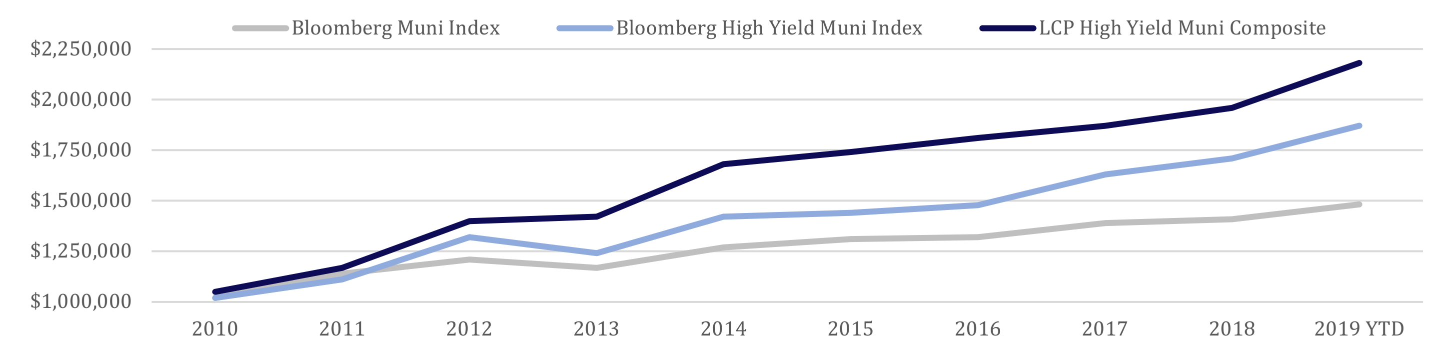
In the Market: In November our credit team approved two specific senior living issues: $206MM Wauwatosa, WI for St. Camillus and $68MM Grand Rapids, Michigan EDA for Clark Retirement Community. While the facilities have different affiliations and mix of residents, the borrowers had much in common. The size differential between the two issues resulted in substantially different pricing.

On November 4th, our forward calendar initially reflected preliminary price talk between 5.00% to 5.25% for both issues. Due to preliminary indications of investor demand, $206MM St. Camillus priced during the week of November 11th with term bonds due in 2054 @ 4.875%. Ultimately, the yield was re-priced lower and sold to buyers @ 4.67%. Why such a substantial re-pricing? The lead underwriter reported that St. Camillus saw **$1.8B** in orders for **$120MM** term bonds. That level of oversubscription is highly unusual, reflecting the tremendous demand created by flows into high yield funds. The following week, the $68MM Clark Retirement Community preliminarily priced with term bonds due in 2054 @ 5.25% and was met with limited investor reception. Over the course of the following 2 weeks the deal was re-priced to higher yields to generate institutional investor interest. Finally, on November 27th, the deal was placed with investors with a maximum term yield @ 6.00%.

What accounts for 130+ bps differential between similar credits in the same sector? LCP attributes much of the price differential to deal size. St. Camillus benefitted from continued inflows to HY funds as well as a $206MM deal size that meets the investment parameters of a wide universe of funds and ETFs. At $68MM, Clark Retirement was too small for the funds and ETFs and struggled to find enough retail buyers. We think the Clark Retirement deal presented investors with a tremendous opportunity to generate high levels of tax-exempt income in the HY Municipal universe. One main investment thesis that underpins LCPs founding, and our HY product, is that a primary focus on $15MM to $125MM deal sizes provides unique investment opportunities. Pre and post-purchase credit analysis allows LCP's PM Team to exploit such market inefficiencies.

Conclusion: As often noted, Q4 brings heavy HY calendars and 2019 is no exception. LCP foresees the heavy supply presenting investment opportunities through the end of December. Please reach out for further detail.

LIND CAPITAL PARTNERS HIGH YIELD MUNICIPAL STRATEGY (THROUGH JUNE 30, 2019)



The chart above shows the increase in value of $1,000,000 invested in the LCP composite at inception 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. Please see additional important disclosures.

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. The borrowers identified and described in this communication are intended to illustrate certain concepts employed by LCP in the management of its High Yield Municipal Strategy. The borrowers identified do not represent all of the securities purchased, sold or recommended for client accounts and certain data, such as the purchase price, may not be indicative of an individual client's actual experience. The reader should not assume that an investment in the securities identified was or will be profitable. LCP's opinion of a borrower's prospects should not be considered a guarantee of future events. Performance information (time-weighted rate of return) pertains to the period ending 9.30.19 and includes realized and unrealized gains and losses; is net of actual advisory fees and transaction costs and is total return, including distributions to Limited Partnership investors where appropriate. 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.