

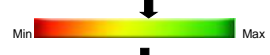

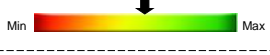

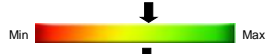

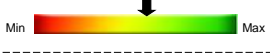

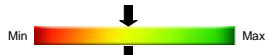
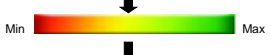

Trading Desk Commentary

It's all about the Fed. In the policy driven macro environment in which the US economy continues to reside, speculation surrounding Fed sentiment continues to take precedence. Next week's meeting, the 2, 5 and 7 year auctions, and additional and potentially impactful economic releases will make for a very engaging week. On the heels of what has been continued softer economic numbers, several Fed governors spoke out this week stating they were not afraid to delay tightening. Greece tensions eased early this week as negotiating parties realized compromise will be necessary to move past the current stalemate. This caused German yields to tick higher, and the 10-year bund ended the week at 15bps. Crude Oil also crept up under the radar to end the week at \$57 per barrel. Even at this price, cheap oil and a strong dollar are putting pressures on manufacturers. We continue to monitor the EU situation closely and will be watching for Fed direction in the coming week.

Tax day has come and gone, and, as anticipated, muni fund flows reversed course and turned positive. Last week municipal funds saw inflows of \$530 million, up from \$486 million of outflows the prior week. The calendar this week was heavy and generally well received. The State of California sold \$1 billion GO bonds (Aa3/A+/A+) competitively in three separate tranches. All three deals were priced aggressively as the state continues to realize spread tightening following Governor Jerry Brown's state-wide fiscal turnaround. After postponing last week due to recent downgrades, the Chicago Board of Education (A-/BBB+) deal was placed this week amidst continued negative press surrounding the Board and the City of Chicago as a whole. Spreads on the transaction came especially wide: a 6% coupon in 2035 was priced to yield 5.38%, which is 270 basis points over the AAA MMD Index.

The calendar next week will give the secondary market some much needed attention. A paltry \$4.23 billion is scheduled to price, roughly half of the weekly volume we have seen over the past two months. The Bond Buyer 30 Day Visible Supply also has declined recently. The most recent print is \$6.88 billion, the lowest visible supply number that we have seen for the entire year. The light calendar coupled with the low visible supply will force managers with cash to focus on finding value in the secondary market.

Caprin Strategy Summary

Name	Target Duration Position	Target Maturity Range	Highlights
Short Maturity Muni			Prefer Hlth, Hsg, Pwr to G.O.'s for Yield
Low Duration Taxable			Prefer Corporates and Taxable Munis
Intermediate Muni			Prefer Hlth, Hsg, Pwr to G.O.'s for Yield
Intermediate Taxable			Prefer Corporates and Taxable Munis
Tactical Muni ETF			Overweight to CA
Core Plus ETF			Slight Overweight to Corporates
Tactical Opportunity ETF			Neutral Munis to Taxables

Market Overview

Muni Rates	Current Wk	Yld Change	Prior Wk	Muni to UST
2 Year	0.51	0.00	0.51	93%
5 Year	1.25	0.03	1.22	92%
10 Year	2.00	0.06	1.94	103%
30 Year	2.90	0.07	2.83	110%

UST Rates	Current Wk	Yld Change	Prior Wk
2 Year	0.55	0.04	0.51
5 Year	1.36	0.05	1.30
10 Year	1.93	0.07	1.86
30 Year	2.63	0.11	2.52

	Current Wk	Prior Wk
Weekly Municipal Supply (\$ Bln)		
Negotiated	\$2.90	\$5.65
Competitive	\$1.30	\$2.38
TOTAL	\$4.20	\$8.03

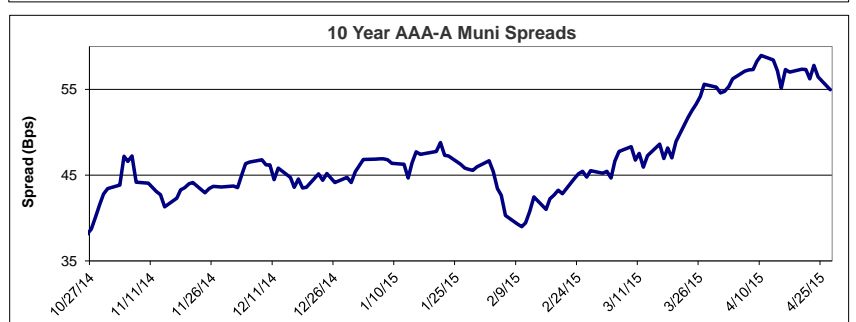
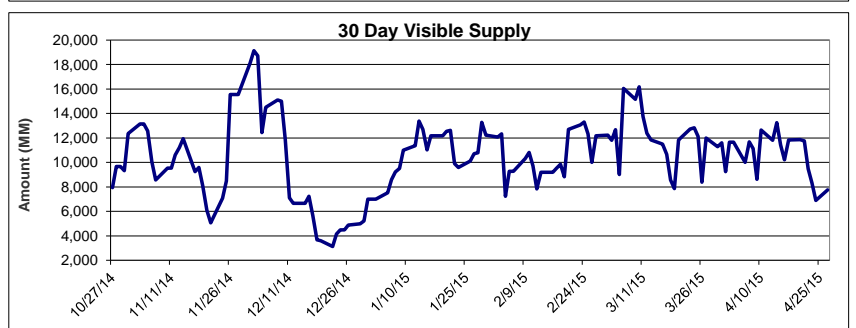
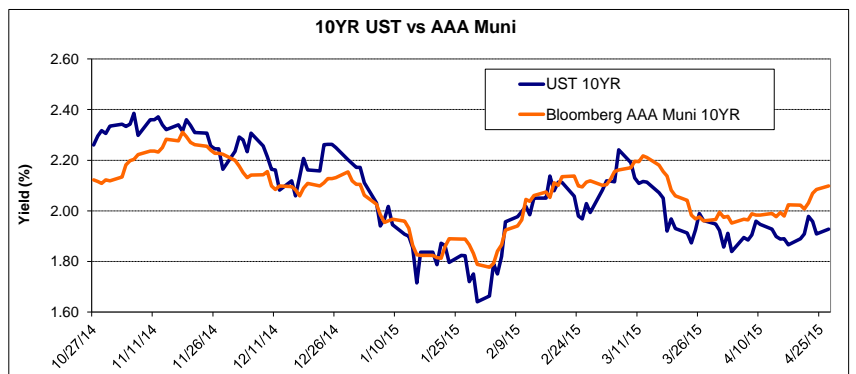
Municipal 30 Day Visible Supply (\$ Bln)	\$7.75	\$11.83
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Bloomberg Muni PICK Offerings (\$ Bln)	\$14.53	\$13.95
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Bond Buyer 20 Municipal G.O. Index	3.52%	3.45%
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Select Economic Releases

Date	Event	Period	Survey	Prior
4/28	S&P/Case-Shiller US HPI MoM	Feb	--	0.57%
4/28	Consumer Confidence Index	Apr	102.5	101.3
4/29	MBA Mortgage Applications	4/24	--	2.30%
4/29	GDP Annualized QoQ	1Q A	1.00%	2.20%
4/29	Core PCE QoQ	1Q A	1.00%	1.10%
4/29	FOMC Rate Decision	4/29	0.00%	0.00%
4/30	PCE Core YoY	Mar	1.40%	1.40%
4/30	Initial Jobless Claims	4/25	290K	295K
4/30	Continuing Claims	4/18	2283K	2325K
5/1	ISM Manufacturing	Apr	52	51.5
5/1	U. of Mich. Sentiment	Apr F	96	95.9



Explanation of Key Measures :

Weekly Municipal Supply - The total dollar volume of municipal securities expected to be offered during the upcoming week, broken down by deal type. This helps gauge near term supply and momentum along with the 30 day visible figure.

30 Day Visible Supply - The total dollar volume of municipal securities expected to be offered over the next 30 days. The visible supply, which is compiled and published by The Bond Buyer, indicates the near-term activity in the municipal market.

Bloomberg PICK Offerings - The total dollar amount of offerings listed on Bloomberg's dealer offerings system. The figure helps gauge secondary supply in the market.

AAA-A Muni Spreads - The difference in yield, as expressed in basis points (.01%), between the Bloomberg BVAL AAA 10 Year Benchmark Muni Index and the BVAL A Revenue 10 Year Muni Index.

Bond Buyer 20 G.O. Index - Index published weekly representing the average yield of 20 G.O. bonds with 20 year maturities, rated AA2 by Moody's.

Sources: Weekly municipal supply figures, and municipal rates are produced by Thompson Reuter (Municipal Market Data). 30 day visible figures are obtained through The MuniCenter, and produced by The Bond Buyer. The 20 G.O. index yield is obtained through Bloomberg, and produced by The Bond Buyer. Pick offerings par value, UST supply, economic releases, and UST rates are obtained through Bloomberg Professional Service. Information obtained from these sources is believed to be reliable but is not guaranteed.

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