

ACACIA'S MUNICIPAL MARKET UPDATE



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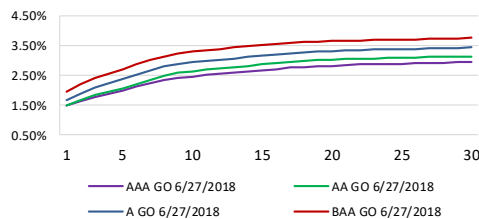
MARKET COMMENTARY

- From Monday to Monday, the 10-year AAA MMD benchmark remained unchanged at 2.48%, while the 30-year AAA MMD fell 3 basis points to 2.96%.
- The municipal bond volume for the week of June 25th is approximately \$6.0 billion of long-term bonds, consisting of \$4.7 billion in negotiated deals and \$1.3 billion in competitive sales.
 - The current new issue supply is down approximately 18.4% from the supply level this time last year.
- Municipal bond funds saw inflows of \$646 million in the week ended June 20th, following inflows of \$449.6 million in the week prior.
- Markets have been slightly volatile with the President's recent threat to impose a 20% tax on imported vehicles.
- This week's economic indicators consist of New Home Sales, Durable Goods Orders, Pending Home Sales, Jobless Claims, and GDP.

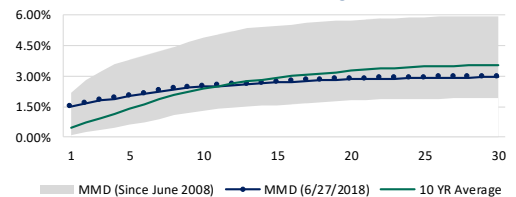
MUNICIPAL MARKET TRENDS

Term	Tax-Exempt				Taxable			Swap Rates			
	AAA	AA	A	BAA	Term	UST	AAA	Term	LIBOR	SIFMA	SIFMA/LIBOR
1 Yr	1.48%	1.50%	1.68%	1.95%	1 Yr	2.307%	2.42%	1 Mo/1 Wk	2.094%	1.510%	72.111%
2 Yr	1.64%	1.67%	1.89%	2.19%	2 Yr	2.520%	2.63%	3 Mo	2.334%	-	-
3 Yr	1.79%	1.84%	2.09%	2.41%	3 Yr	2.608%	2.74%	6 Mo	2.501%	-	-
4 Yr	1.89%	1.96%	2.24%	2.56%	5 Yr	2.728%	2.97%	1 Yr	2.605%	1.619%	62.150%
5 Yr	2.00%	2.08%	2.39%	2.71%	7 Yr	2.810%	3.12%	5 Yr	2.873%	2.002%	69.683%
10 Yr	2.47%	2.04%	2.95%	3.30%	10 Yr	2.847%	3.40%	10 Yr	2.915%	2.185%	74.957%
30 Yr	2.95%	3.15%	3.44%	3.76%	30 Yr	2.980%	3.80%	30 Yr	2.919%	2.401%	82.254%

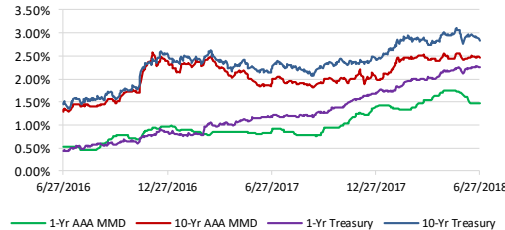
MMD Yield Curves



AAA MMD Yield Range



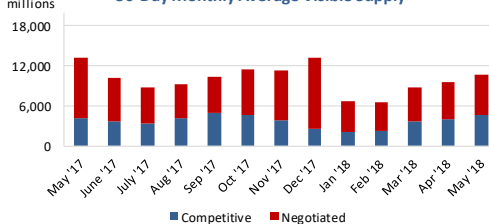
AAA MMD vs UST



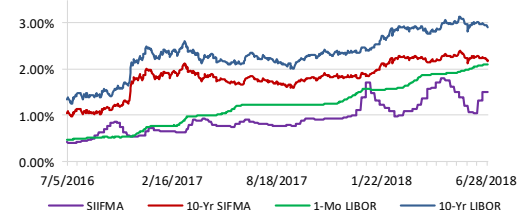
Ratio of AAA MMD vs UST



30-Day Monthly Average Visible Supply



SIFMA vs LIBOR



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