

ACACIA'S MUNICIPAL MARKET UPDATE



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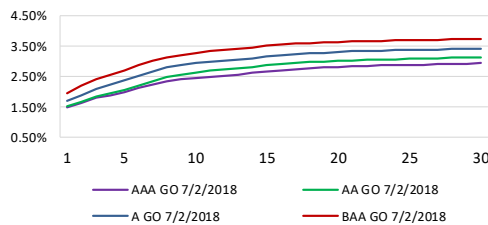
MARKET COMMENTARY

- From Monday to Monday, the 10-year AAA MMD benchmark fell 2 basis points to 2.46%, while the 30-year AAA MMD also fell 2 basis points to 2.94%.
- The municipal bond volume for the week of July 2nd is light due to the holiday week, with only \$74 million in competitive sales.
 - The current new issue supply is down approximately 19.3% from the supply level this time last year.
- Municipal bond funds saw inflows of \$421.4 million in the week ended June 27th, following inflows of \$646 million in the week prior.
- Last week, the Supreme Court ruled in opposition to public unions, which could effect long-term credit for local governments.
- This week's economic indicators consist of Jobless Claims and the June FOMC meeting minutes.

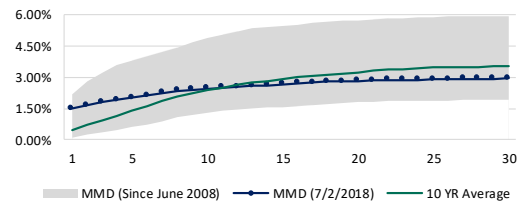
MUNICIPAL MARKET TRENDS

Term	Tax-Exempt				Taxable			Swap Rates			
	AAA	AA	A	BAA	Term	UST	AAA	Term	LIBOR	SIFMA	SIFMA/LIBOR
1 Yr	1.50%	1.52%	1.70%	1.97%	1 Yr	2.309%	2.43%	1 Mo/1 Wk	2.100%	1.510%	71.905%
2 Yr	1.65%	1.68%	1.90%	2.20%	2 Yr	2.532%	2.68%	3 Mo	2.343%	-	-
3 Yr	1.80%	1.85%	2.10%	2.42%	3 Yr	2.622%	2.79%	6 Mo	2.510%	-	-
4 Yr	1.90%	1.97%	2.25%	2.57%	5 Yr	2.728%	3.02%	1 Yr	2.605%	1.620%	62.188%
5 Yr	2.00%	2.08%	2.39%	2.71%	7 Yr	2.802%	3.16%	5 Yr	2.878%	1.998%	69.423%
10 Yr	2.46%	2.04%	2.94%	3.29%	10 Yr	2.838%	3.44%	10 Yr	2.914%	2.178%	74.743%
30 Yr	2.94%	3.14%	3.43%	3.75%	30 Yr	2.966%	3.82%	30 Yr	2.912%	2.395%	82.246%

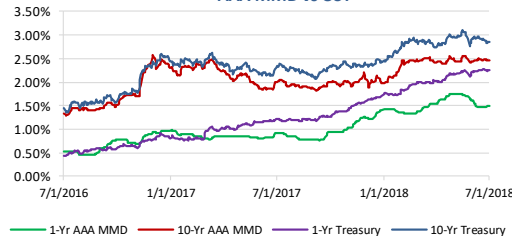
MMD Yield Curves



AAA MMD Yield Range



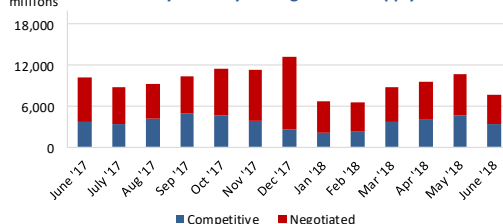
AAA MMD vs UST



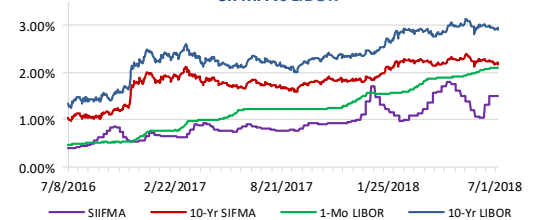
Ratio of AAA MMD vs UST



30-Day Monthly Average Visible Supply



SIFMA vs LIBOR



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