SESSION FOUR, PART 1

Market Dynamics & Pricing Concepts

BETSY KIEHN
Managing Director, Head of Municipal Capital Markets
Stifel

MATT RUDROFF, CFA, CPA
Director
PFM Financial Advisors LLC

Overview

- Bond Pricing Basics
- Financing Team Dynamics
- Issuer Participation in Pricing Negotiations
- Week of Pricing
- Market Factors Affecting Bond Pricing
- Structural, Credit, and State/Industry Specific Factors Affecting Bond Pricing

BOND PRICING BASICS

Bond Pricing – Desk Speak Vocab

Bump	Lower yield, higher dollar price.	Cut	Higher yield, lower dollar price.
Cheap	Yields higher (dollar price lower) than reasonable for specific credit.	Rich	Opposite of cheap. Yields lower (dollar price higher) than reasonable for specific credit.
Rally	Decreasing yields in market.	Selling Off	Opposite of rally. Increasing yields in market.
Benchmark	A tool used by issuers, investors and other financial professionals to describe the market, and to compare performance.	Spreads	Delta between the benchmark and a specific bond yield. For example, quoted as spread to "AAA" BVAL index.
Tightening	Delta of spreads diminishing between the benchmark and credit categories	Widening	Opposite of tightening. Delta of spreads increasing between the benchmark and credit categories.
Over-Subscribed	Number of orders exceeds the bonds available for a certain maturity	Underwriting/ Inventory	Underwriter takes in unsold bonds

WHAT IS A BENCHMARK?

What is a Benchmark?

- A method of measuring the value of a section of the bond market
- A tool used by issuers, investors and other financial professionals to describe the market, and to compare the rate of return on specific securities
- A tool that allows performance to be compared relative to a point in the market, accounting for differences in couponing, call feature, and credit.
- A metric that should track the same spot in the market, so that performance can be measured across time and different market environments

Taxable Benchmarks

- **Taxable Municipal Bonds, and Corporate Bonds use US Treasuries as a Benchmark**

4) Actives | 5) Bills | 6) Notes | 7) TIPS | 8) Strips | 9) Sprds | 10) Curves | 11) FRN | 12) Bfly | 13) WI

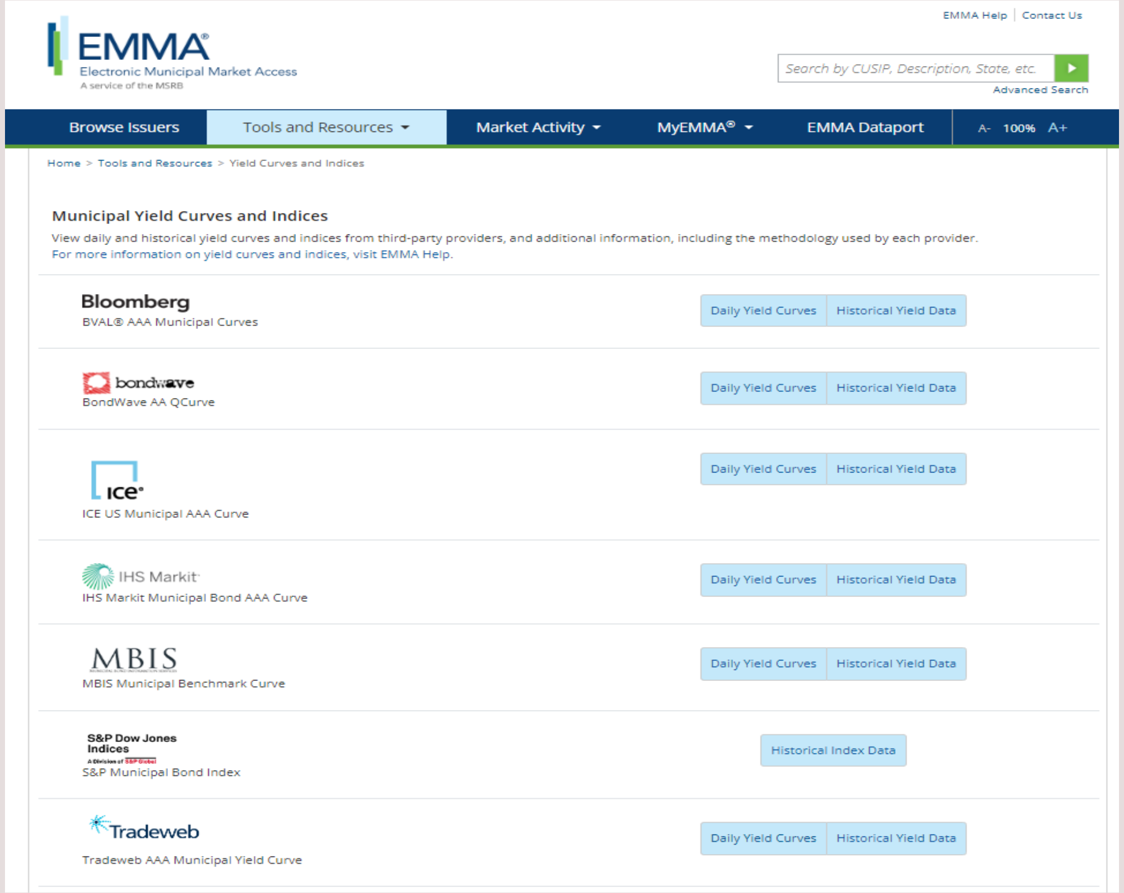
31) 09/01/26	3.623 / 3.610	3.683 / 3.670
32) 09/17/26	3.642 / 3.628	3.709 / 3.694
33) 09/29/26	3.683 / 3.670	3.755 / 3.742
34) 11/05/26	3.725 / 3.705	3.813 / 3.792
35) 12/01/26	3.771 / 3.760	3.871 / 3.860
36) 02/04/27	3.832 / 3.823	3.962 / 3.952
37) 08/05/27	3.875 / 3.859	4.048 / 4.031
Notes & Bonds		
38) 4 528	99-21 / 21+	4.195 / 4.186
39) 4⅛ 628	99-27¾ / 28⅛	4.197 / 4.190
40) 4¼ 728 2YR	100-03⅜ / 03+	4.194 / 4.192
41) 3⅞ 529	99-01¾ / 02¼	4.237 / 4.231
42) 4⅛ 629	99-21¾ / 22¼	4.243 / 4.238
43) 4⅛ 729 3YR	99-21+ / 21¾	4.244 / 4.241
44) 4⅛ 531	99-04¼ / 05	4.325 / 4.320
45) 4⅛ 631	99-03+ / 04¼	4.328 / 4.322
46) 4⅜ 731 5YR	100-06¾ / 07	4.327 / 4.326
47) 4¼ 633	98-24+ / 25¼	4.459 / 4.455
48) 4⅜ 733 7YR	99-15¼ / 15+	4.463 / 4.462
49) 4 N35	95-16 / 17	4.601 / 4.596
50) 4⅛ 236	96-09+ / 10	4.609 / 4.607
51) 4⅜ 536 10YR	98-03+ / 04+	4.617 / 4.613
52) 4⅝ 246	93-08 / 09	5.178 / 5.176
53) 5 546 20YR	97-27+ / 29	5.174 / 5.170

Notes & Bonds			
54) 4⅝ N55		91-17+ / 19	5.189 / 5.186
55) 4¾ 256		93-16 / 17	5.182 / 5.180
56) 5 556 30YR		97-09+ / 11+	5.179 / 5.174
TIPS			
57) 1¼ 431		96-04 / 96-05¼	2.122 / 2.113
58) 2⅜ 736		99-27¾ / 99-29+	2.390 / 2.384
59) 2⅜ 256		88-12+ / 88-16¼	2.968 / 2.962
Curve Trades			
60) 2yr vs 5yr		13.182 / 13.564	-1.392
61) 2yr vs 10yr		41.883 / 42.495	-1.524
62) 5yr vs 10yr		28.525 / 29.106	-0.132
63) 10yr vs 30yr		55.762 / 56.590	+0.988
Other Markets			
64) US Long(CBT)	16:58 d	110-01	+0-30
65) 10yr Fut (CBT)	16:58 d	108-29	+0-15+
66) 5Yr Fut(CBT)	16:58 d	106-17¼	+0-10
67) Dow Jones Ind	16:42	54085.879	+907.469
68) S&P 500 Ind	16:42 d	7736.520	+136.020
69) NYM WTI Crd	16:58 d	75.210	-5.130
70) Gold	17:00	4077.865	-0.120
71) Global Agg	08/03	499.100	+1.552
72) US Agg	08/03	2338.154	+5.563
73) US Treasury	08/03	2418.532	+4.070

Source: Bloomberg as of 8/4/2026

Tax-Exempt Benchmarks

- The Tax-Exempt Municipal Market does not have a tradeable benchmark such as US Treasuries, however there are several benchmarks publicly available on the MSRB Emma website.



Source: Emma.MSRB.Org as of 8/4/2026

Tax-Exempt Benchmarks (Continued)

- **The "MMD Curve" historically has been most widely used benchmark in the municipal market**
  - MMD Curve refers to the AAA-rated G.O. Curve
  - Municipal market's "risk-free" rate proxy
  - MMD represents the current market rate for various maturities, assuming a 5% coupon and a 10-year par call
  - MMD is produced by Refinitiv (TM3), an independent third-party market observer

- **The BVAL AAA Callable Curve offers an alternative benchmark that continues to gain interest from municipal market participants**
  - BVAL AAA Callable Curve refers to the AAA-rated G.O. Curve
  - Municipal market's "risk-free" rate proxy
  - BVAL AAA Callable Curve represents the current market rate for various maturities, assuming a 5% coupon and a 10-year par call
  - BVAL AAA Callable Curve is produced by Bloomberg, an independent third-party market observer

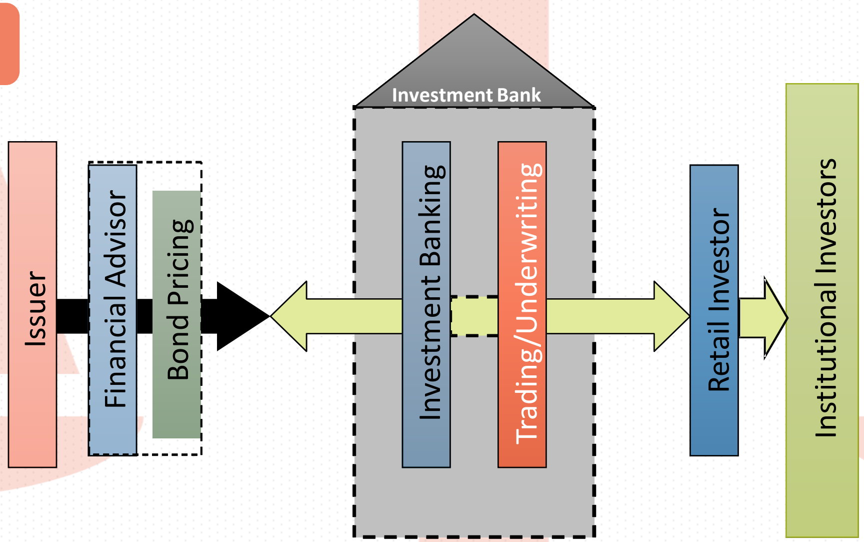
FINANCING TEAM DYNAMICS

Financing Team Dynamics

MSRB Rule G-17 excerpt: "The Underwriters have a duty to purchase the Bonds from the Issuer at a fair and reasonable price, but must balance that duty with their duty to sell the Bonds to Investors at prices that are fair and reasonable."

Issuer Objectives

- ✓ High Price/Low Interest Rate
- ✓ High Optionality
  - Callable
  - Couponing
- ✓ Optimal Security Structure/High Issuer Flexibility (Benefit vs. Cost)
  - Pledge
  - Covenants
  - Reserves
  - Insurance



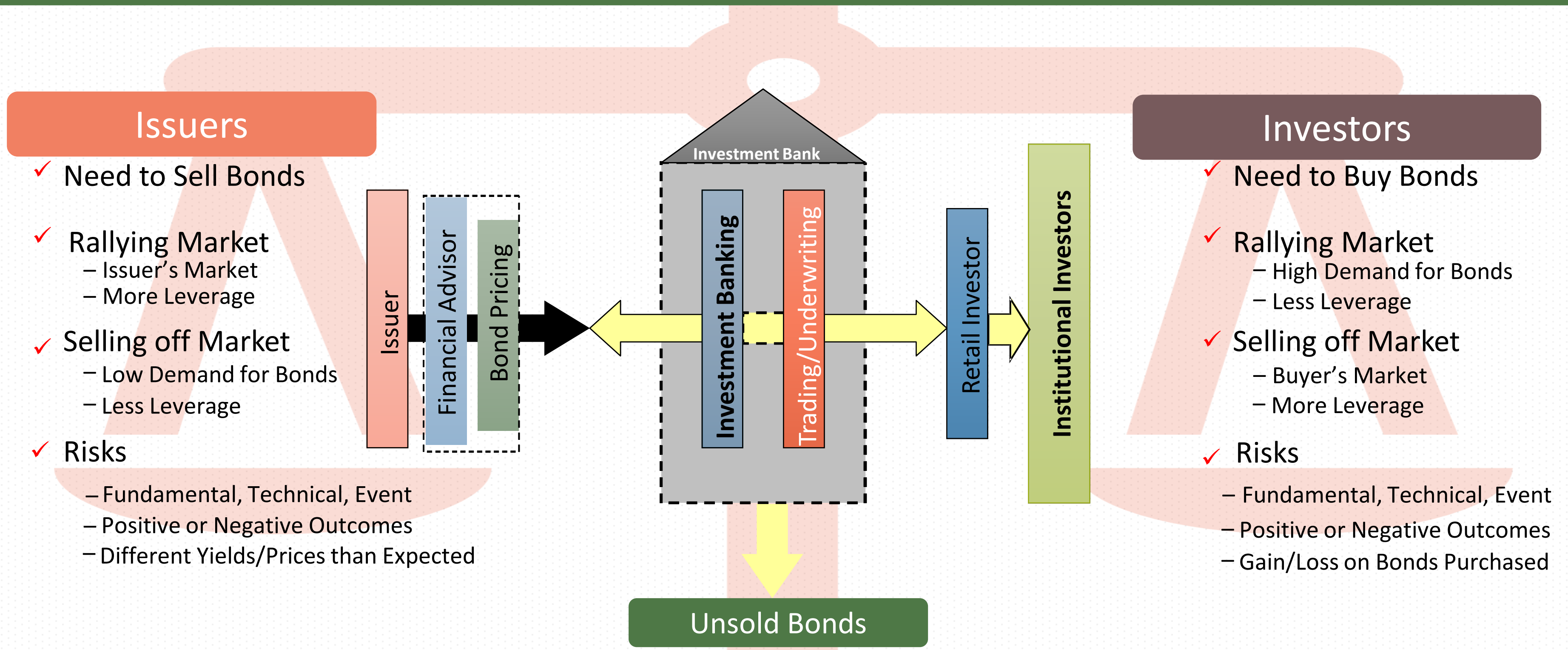
Investor Objectives

- ✓ Low Price/High Interest Rate
- ✓ Low Optionality
  - Non -Callable
  - Couponing
- ✓ Low Risk/Low Issuer Flexibility
  - Pledge
  - Covenants
  - Reserves
  - Insurance

Source: Interpretive Notice Concerning the Application of MSRF Rule G-17; https://www.msrb.org

Navigating Risk In the Markets

Managing the duty to purchase and sell bonds at a fair and reasonable price is inherently more difficult when greater market risk is present.



- **Bonds may be put into underwriter's inventory if an appropriate price is not readily available/determinable**
- **At this point, the Underwriter becomes the initial buyer and is subject to investor risks**
- **Underwriter's appetite and ability to purchase the bonds into inventory depends on the type of market and risks present.**
- **Adjustments to initial price/yields may be needed in order to protect against various risks, for example:**
  - **Interest Rate Risk that may affect the ability to sell bonds at the price put into inventory**
  - **Inventory levels: unsold par underwritten at acceptable total both within the current transaction and across transactions**

ISSUER PARTICIPATION IN NEGOTIATED TRANSACTIONS

Issuer Perspective: Pricing Takeaways

- Know Your Objectives
- Financing Team Selection
- Bond Sale Timing: Control what you can control
- Get Educated: Understand the team dynamic and factors
- Voice Your Opinion

Critical Steps for Success

- An integrated, sequenced financing approach designed to achieve successful pricing results and deliver the lowest cost of borrowing

Step 1
Credit Strategy

Step 2
Bond Structure

Step 3
Disclosure

Step 4
Marketing & Execution

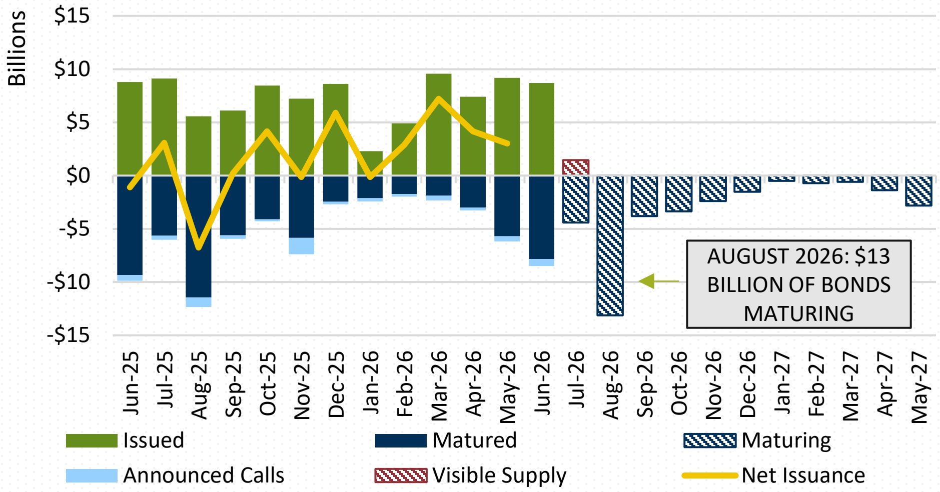
WEEK OF PRICING OVERVIEW

Market Timing Considerations

- **Supply Conditions:** Elevated issuance (+4.3% YoY; ~$580–600B expected in 2026) reinforces the importance of monitoring the State calendar and positioning ahead of large, high-profile deals.
- **Macro Events:** Be mindful of Federal Reserve meetings and key economic data releases that can drive volatility.
- **Timing:** Early week or early month pricing can be advantageous, especially during heavy supply, as SMAs often have the most cash to deploy.
- **Market Tone & Volatility:** Assess real-time demand, fund flows, and secondary market conditions to optimize entry timing; In current market, headline risks are driving volatility.
- **<u>Stay Nimble</u>:** Maintain a flexible pricing window within the District's timeline so we can accelerate or pause to capture the most favorable demand backdrop.

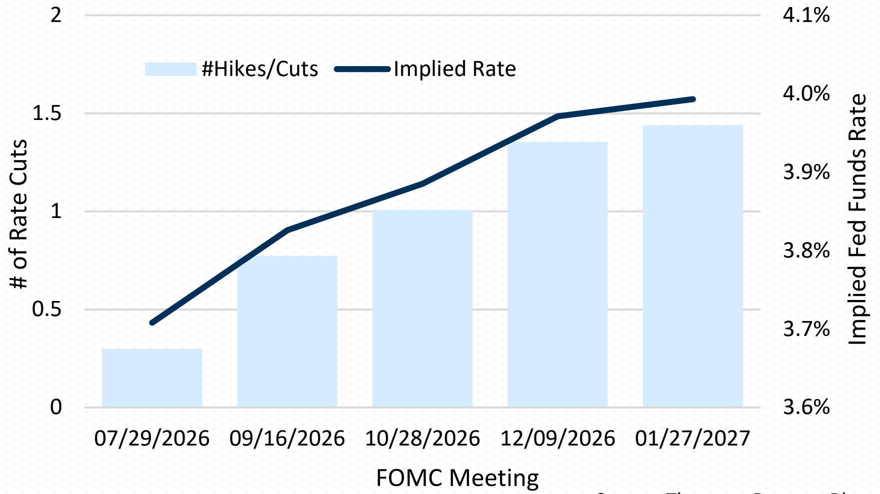
Key Fed /Economic Events & Resulting 10-Year UST Movements

California Municipal Bond Net Issuance
Monthly bond issuance vs. bond redemptions/maturing



Source: Bloomberg

Investor Expectations for Rate Cuts



Source: Thomson Reuters, Bloomberg

Day Before Pricing

Financial Advisor's Independent scale

- FA presents to the client a technical pricing analysis that includes an independent target scale

Underwriter's Market Update

- Underwriter provides market updates, comparative bond sales, and their proposed scale

Pre-Marketing Period

- Issuer and FA negotiate scale Pre-Marketing scale with underwriter
- Issuer signs off on pre-marketing scale for underwriter to talk to investors about specific levels

Day of Pricing

Pre-Pricing Period

- Early morning (typically 6am-7am) call to review scale
- FA and UW take the tone of the market
- Issuer signs off on any agreed upon changes

Order Period

- Underwriter takes orders from investors
- Financing team monitors market conditions

Post-Order Period

- Issuer & FA look to negotiate lower yields where possible
- Issuer, FA, and underwriter decide on final adjusted yields as needed
- Issuer signs Bond Purchase Agreement

Retail Order Period

What is a Retail Order Period?

- An order period designated and open to orders only "Retail" investor accounts
- Typically occurs 1 day prior to Institutional Order Period

What is a Retail Account?

- Individuals – True "Mom and Pop" retail
- Professional Retail - Separately Managed Accounts (SMA's)

When Can a Retail Order Period Make Sense?

- State with a strong retail presence with the ability to drive price
- Larger transaction
- Retail friendly structure
- Retail friendly credit

Considerations During a Retail Order Period?

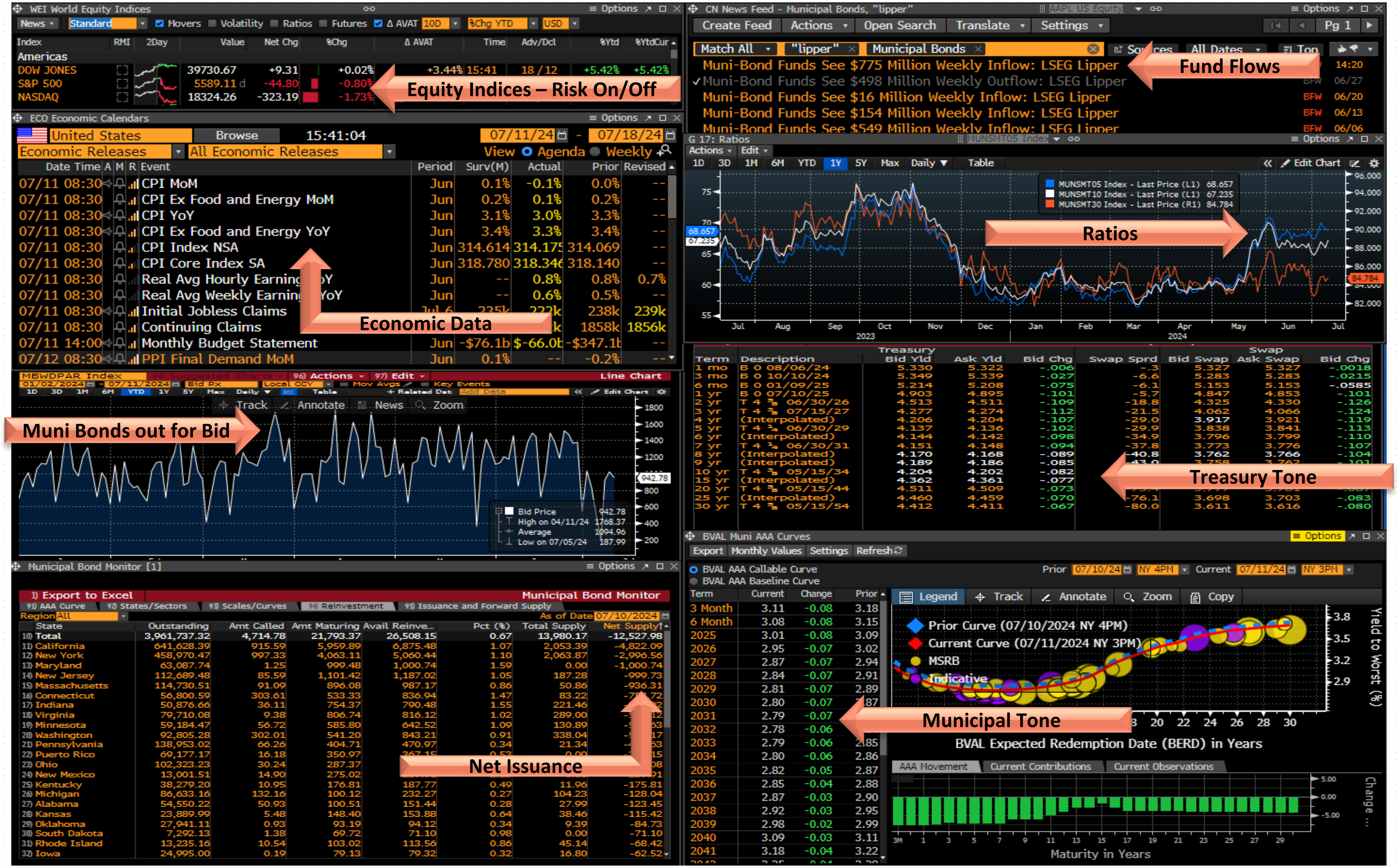
- Ensure Bonds are available for Institutional Investors (50% Rule and/or hold back maturities)
- Maintain flexibility to accelerate transaction
- Strong Reception can help drive Institutional Pricing; Weak Reception can detract

Alternatives to a Specific Retail Order Period?

- During the normal Institutional Order Period:
  - Give "Individual" Retail First Priority
  - Maintain equal priority for Professional Retail and Institutional Accounts

MARKET FACTORS AFFECTING BOND PRICING

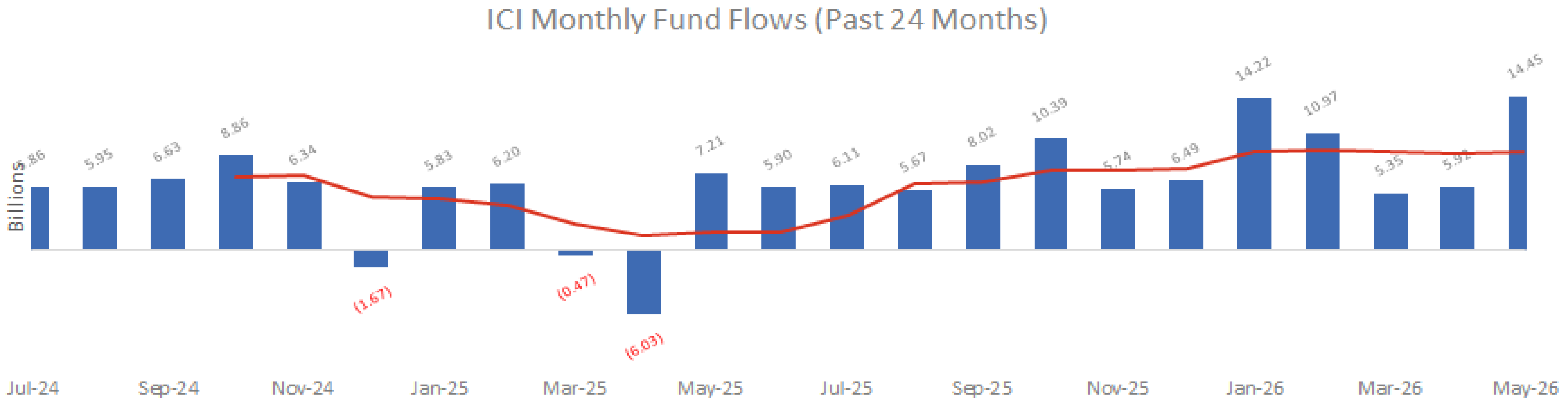
Day of Pricing Market Dynamics

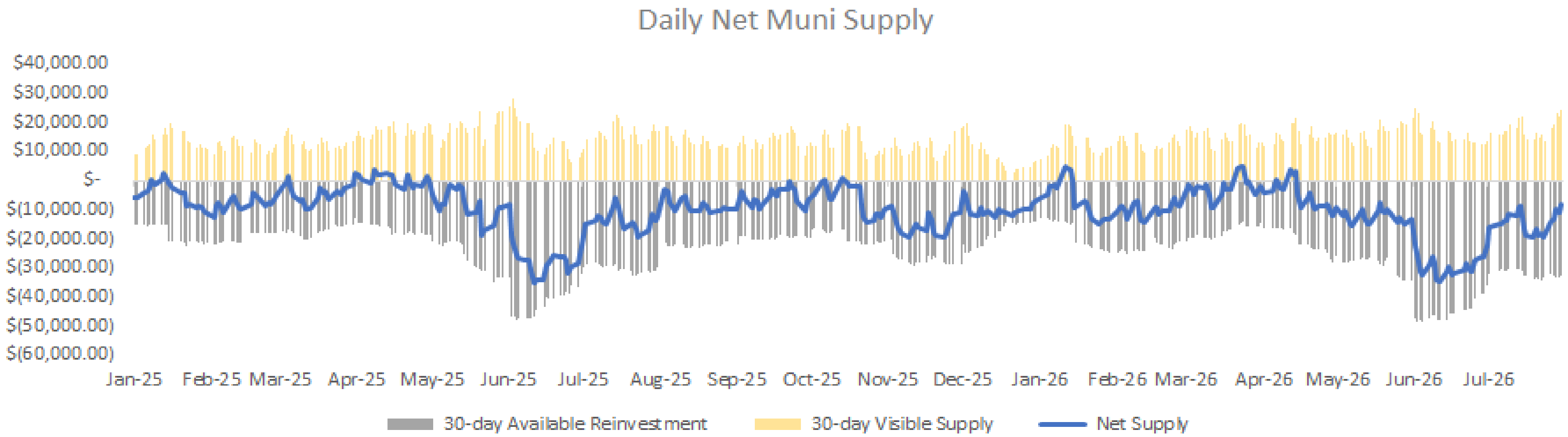


Source: Bloomberg as of 7/11/2024

Municipal Fund Flows and Net Supply

- **Supply and Demand Dynamics can heavily affect credit spreads**





Source: Bloomberg as of 8/4/2026

Supply Calendar

Week of 08/03/2026 Supply Calendar

Par ($000s	Issuer	Stat	Sector	Security Type	Ratings (M/S/F)	Sale Type	Tax Statu	Type	Structure	# Maturiti	Lead Manager
1,500,000	City of New York	NY	General Obligation	No	-/-/-	Negotiated	T-E	Bond	2028 to 2052	23	RBC
1,320,085	Henry Ford Health System	MI	Hospital	No	A2/-/A+	Negotiated	T-E	Bond	2027 to 2056	20	J.P. Morgan
1,109,825	Colorado Health Facilities Authority	CO	Health Care - Other	Yes	Aa1/AA+/-	Negotiated	T-E	Bond	2030 to 2046	8	RBC
793,490	Black Belt Energy Gas	AL	Gas	No	A2/-/-	Negotiated	T-E	Bond	2033 to 2033	1	Goldman Sachs
663,010	City of Austin	TX	Civic & Convention Centers	No	Var/Var/-	Negotiated	T-E	Bond	2029 to 2061	21	BofA
613,720	New Jersey Economic Development Authority	NJ	Health Care - Other	Yes	-/-/-	Negotiated	T-E	Bond	2031 to 2057	4	KeyBanc
514,525	CPS Energy	TX	Electric & Public Power	No	Aa3/A+/AA-	Negotiated	T-E	Put	2056 to 6(p)	1	J.P. Morgan
482,565	City of San Antonio Electric and Gas Systems	TX	Gas	No	Aa2/AA-/AA-	Negotiated	T-E	Bond	2027 to 2062	22	J.P. Morgan
447,100	Lower Colorado River Authority	TX	lectric & Public Power, Power - Othe	No	A1/A+/A+	Negotiated	T-E	Bond	2028 to 2056	23	Wells Fargo
428,145	Oklahoma Water Resources Board	OK	Water	No	-/AAA/AAA	Negotiated	T-E	Bond	2027 to 2056	18	BOK Financial
408,780	City and County of San Francisco	CA	Combined Utilities	No	Aa2/AA/-	Negotiated	T-E	Bond	2026 to 2042	17	J.P. Morgan
406,270	Public Utilities Commission of the City and County of San Fran	CA	Combined Utilities	No	Aa2/AA/-	Negotiated	Tax	Bond	2031 to 2031	1	Morgan Stanley
357,120	Tampa Bay Water Authority	FL	Water	No	Aa1/AA/-	Negotiated	T-E	Bond	2032 to 2055	16	J.P. Morgan
349,915	South Carolina Public Service Authority	SC	Combined Utilities	No	A3/A/A	Negotiated	T-E	Bond	2026 to 2041	16	Barclays
299,175	Town of Oyster Bay	NY	Gen Purpose/Pub Impt	No	-/-/-	Competitive	T-E	Note	2027 to 2027	1	-
298,500	Texas Public Finance Authority	TX	Gen Purpose/Pub Impt	No	-/AAA/AAA	Negotiated	Tax	Bond	2026 to 2045	17	Morgan Stanley
295,325	Virginia Polytechnic Institute and State University	VA	Higher Education	No	Aa1/AA+/-	Negotiated	T-E	Bond	2027 to 2056	22	Morgan Stanley
288,305	Polk County School Board	FL	Schools	No	A1/-/-	Negotiated	T-E	Bond	2027 to 2043	17	Raymond James
285,155	Richardson Independent School District	TX	Schools	No	Aaa (Aaa)/AAA (AA+)/	Negotiated	T-E	Bond	2027 to 2051	25	Piper Sandler
256,285	Los Angeles County Public Works Financing Authority	CA	Miscellaneous	No	-/AA+/AA+	Negotiated	T-E	Bond	2026 to 2045	20	BofA
253,705	University of Cincinnati	OH	Universities	No	Aa3/AA-/-	Negotiated	T-E	Bond	2027 to 2056	22	J.P. Morgan
252,855	Port of Seattle	WA	Seaports/Marine Terminals	No	Var/Var/Var	Negotiated	T-E	Bond	2027 to 2040	14	Siebert Williams
227,940	Eastern Municipal Water District	CA	Combined Utilities	No	-/AAA/AAA	Negotiated	T-E	Bond	2027 to 2042	16	J.P. Morgan
218,750	South Carolina Public Service Authority	SC	Combined Utilities	No	A3/A/A	Negotiated	Tax	Bond	2026 to 2034	9	Barclays
217,090	Leander Independent School District	TX	Schools	No	-/AA/AA+	Negotiated	T-E	Bond	2027 to 2056	30	J.P. Morgan
215,000	Maryland Community Development Administration	MD	Housing - Other	Yes	Aa1/-/AA+	Negotiated	Tax	Bond	2027 to 2056	16	BofA
196,670	James City County Economic Development Authority	VA	Gen Purpose/Pub Impt	No	Aa1*/AA+*/AA+*	Competitive	T-E	Bond	2027 to 2046	20	-
164,375	Celina Independent School District	TX	Schools	No	Aaa (Aa3)/AAA (AA-)/	Negotiated	T-E	Bond	2029 to 2056	24	Stephens
150,000	Los Angeles Department of Water & Power	CA	Water/Sewer/Gas	No	Aa3*/-/AA-*	Competitive	T-E	Bond	2041 to 2046	6	-

Week of 08/03/2026 California Supply Calendar

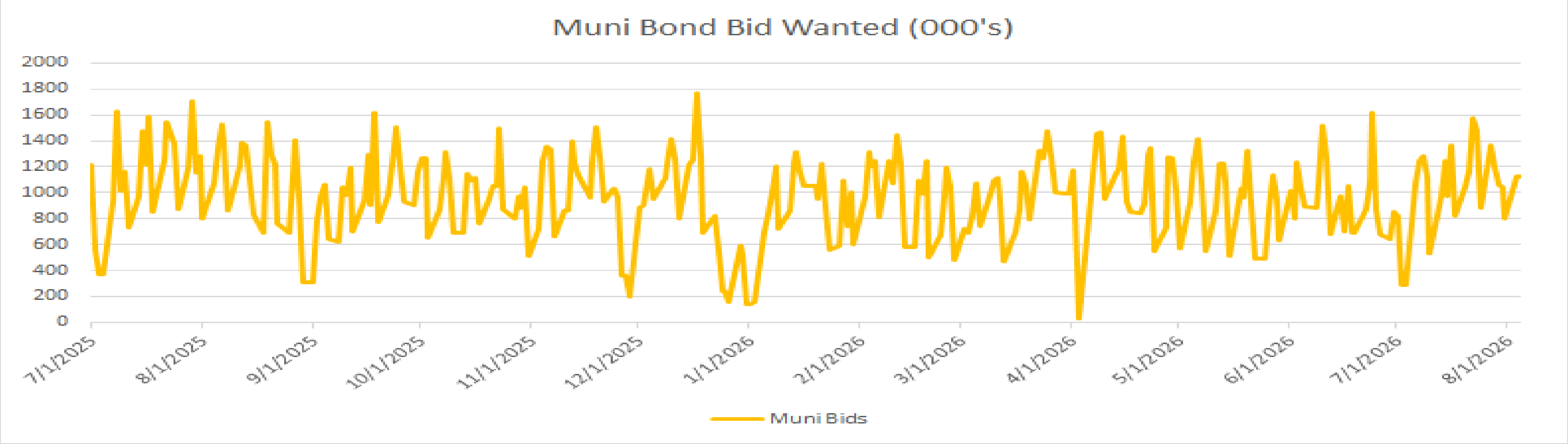
Par ($000s)	Issuer	State	Sector	Security Type	Ratings (M/S/F)	Sale Type	Tax Status	Type	Structure	# Maturities	Lead Manager
408,780	City and County of San Francisco	CA	Combined Utilities	No	Aa2/AA/-	Negotiated	T-E	Bond	2026 to 2042	17	J.P. Morgan
406,270	Public Utilities Commission of the City and County of San Fran	CA	Combined Utilities	No	Aa2/AA/-	Negotiated	Tax	Bond	2031 to 2031	1	Morgan Stanley
256,285	Los Angeles County Public Works Financing Authority	CA	Miscellaneous	No	-/AA+/AA+	Negotiated	T-E	Bond	2026 to 2045	20	BofA
227,940	Eastern Municipal Water District	CA	Combined Utilities	No	-/AAA/AAA	Negotiated	T-E	Bond	2027 to 2042	16	J.P. Morgan
150,000	Los Angeles Department of Water & Power	CA	Water/Sewer/Gas	No	Aa3*/-/AA-*	Competitive	T-E	Bond	2041 to 2046	6	-
125,000	Los Angeles Department of Water & Power	CA	Water/Sewer/Gas	No	Aa3*/-/AA-*	Competitive	T-E	Bond	2031 to 2035	5	-
125,000	Los Angeles Department of Water & Power	CA	Water/Sewer/Gas	No	Aa3*/-/AA-*	Competitive	T-E	Bond	2048 to 2056	5	-
89,770	Grossmont Union High School District	CA	Schools	No	Aa2/-/AAA	Negotiated	T-E	Bond	2027 to 2042	16	Raymond James
83,860	Modesto Irrigation District	CA	Combined Utilities	No	-/A+/AA-	Negotiated	T-E	Bond	2027 to 2040	14	Goldman Sachs
83,640	Irvine Ranch Water District	CA	Water	No	-/AAA/AAA	Negotiated	T-E	Bond	2027 to 2046	20	Goldman Sachs

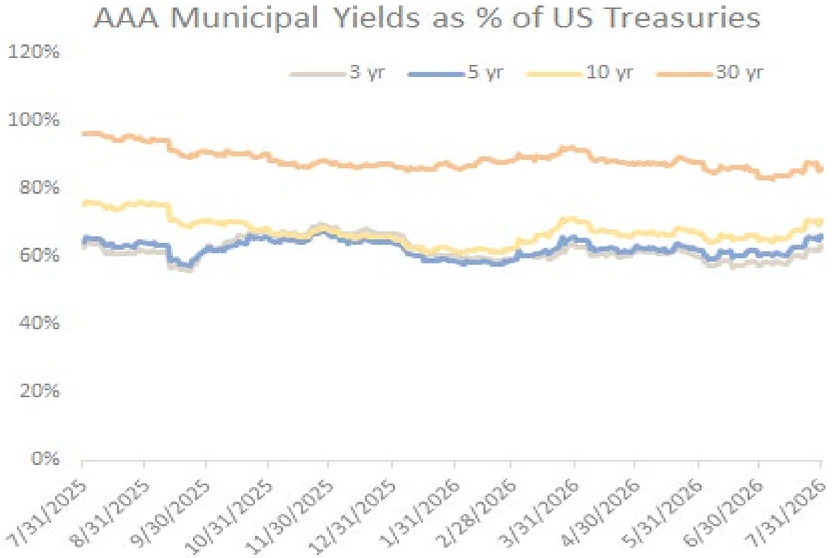
Source: S&P Global as of 8/3/2026

- Total Primary Market Supply on a given week can affect Investor demand
- State and Industry supply are also factors

Bonds out for Bid and Municipal/ Treasury Ratios

- Secondary Market Supply during times of heavy selling can pressure primary issuance
- The Relative Value of Tax-Exempt Bonds compared to their Taxable Counterparts is a consistent driver of demand





Treasury Ratio (Cheap/Rich) Past 12 Months				
	30 yr	10 yr	5 yr	3 yr
Current	85.9%	70.5%	65.9%	62.7%
High	96.4%	76.1%	67.6%	69.7%
Average	88.6%	67.6%	62.4%	62.0%
Low	82.5%	61.2%	57.4%	56.0%

Treasury Ratio (Cheap/Rich) Past 5 Years				
	30 yr	10 yr	5 yr	3 yr
Current	85.9%	70.5%	65.9%	62.7%
High	110.6%	104.3%	94.4%	90.0%
Average	89.7%	71.2%	65.3%	62.9%
Low	74.9%	56.8%	45.0%	32.8%

Source: Bloomberg & treasury.gov 8/4/2026

Economic Calendar

SEPTEMBER ECONOMIC CALENDAR				
MON	**TUES**	**WED**	**THU**	**FRI**
Aug 31 10:30 AM Dallas Fed Manf. Activity	**Sep 1** 9:45 AM S&P Global US Manufacturing PMI 10:00 AM ISM Indicators 10:00 AM Construction Spending 10:00 AM JOLTS Job Openings 10:00 AM JOLTS Quits Level 10:00 AM JOLTS Quits Rate 10:00 AM JOLTS Layoffs Level 10:00 AM JOLTS Layoffs Rate 10:30 AM Dallas Fed Services Activity 10:30 AM Omdia Total Vehicle Sales	**Sep 2** 7:00 AM MBA Mortgage Applications 8:15 AM ADP Employment Change 10:00 AM Factory Orders 10:00 AM Durable Goods 10:00 AM Capital Goods 2:00 PM Fed Releases Beige Book	**Sep 3** 5:30 AM Challenger Job Cuts YoY 5:30 AM Challenger Job Cuts Total 8:30 AM Trade Balance 8:30 AM Imports MoM 8:30 AM Exports MoM 8:30 AM Nonfarm Productivity 8:30 AM Unit Labor Costs 8:30 AM Initial Jobless Claims 10:00 AM ISM Indicators 8:30 AM Continuing Claims 9:45 AM S&P Global US Services PMI 9:45 AM S&P Global US Composite PMI	**Sep 4** 8:30 AM Payrolls 8:30 AM Nonfarm Payrolls 3-Mo Avg Chg 8:30 AM Avg Hourly Earnings 8:30 AM Avg Weekly Hours All Employees 8:30 AM Unemployment Rate 8:30 AM Labor Force Participation Rate 8:30 AM Underemployment Rate
Sep 7 12:00 AM **Labor Day**	**Sep 8** 6:00 AM NFIB Small Business Optimism 11:00 AM NY Fed 1-Yr Inflation Expectations 3:00 PM Consumer Credit	**Sep 9** 7:00 AM MBA Mortgage Applications 8:15 AM ADP Weekly Employment Change	**Sep 10** 8:30 AM Initial Jobless Claims 8:30 AM Initial Claims 4-Wk Moving Avg 8:30 AM Continuing Claims 8:30 AM Producer Price Index 10:00 AM Existing Home Sales 10:00 AM Wholesale Inventories MoM 10:00 AM Wholesale Trade Sales MoM	**Sep 11** 8:30 AM Consumer Price Index 8:30 AM Core CPI MoM 8:30 AM Core CPI YoY 8:30 AM Core CPI Index SA 8:30 AM Real Avg Earnings 10:00 AM Michigan Sentiment 12:00 PM Household Change in Net Worth 2:00 PM Federal Budget Balance
Sep 14	**Sep 15** 8:15 AM ADP Weekly Employment Change 8:30 AM Empire Manufacturing	**Sep 16** 7:00 AM MBA Mortgage Applications 8:30 AM New York Fed Services Business Activity 8:30 AM Import Index 8:30 AM Retail Sales 8:30 AM Export Index 10:00 AM NAHB Housing Market Index 10:00 AM Business Inventories 2:00 PM FOMC Rate Decision	**Sep 17** 8:30 AM Philly Fed Busi. Outlook 8:30 AM Initial Jobless Claims 8:30 AM Initial Claims 4-Wk Moving Avg 8:30 AM Continuing Claims 8:30 AM Housing Starts 8:30 AM Building Permits 10:00 AM Pending Home Sales	**Sep 18** 9:15 AM Industrial Production 9:15 AM Manufacturing Production MoM 9:15 AM Capacity Utilization 10:00 AM Leading Index
Sep 21 8:30 AM Chicago Fed Nat Activity Index	**Sep 22** 8:15 AM ADP Weekly Employment Change 8:30 AM Philadelphia Fed Non-Manufacturing 10:00 AM Richmond Fed Manufact. Index 10:00 AM Richmond Fed Business Conditions	**Sep 23** 7:00 AM MBA Mortgage Applications 9:45 AM S&P Global US Manufacturing PMI 9:45 AM S&P Global US Services PMI 9:45 AM S&P Global US Composite PMI	**Sep 24** 8:30 AM Current Account Balance 8:30 AM Initial Jobless Claims 8:30 AM Initial Claims 4-Wk Moving Avg 8:30 AM Continuing Claims 10:00 AM New Home Sales 11:00 AM Kansas City Fed Manf. Activity 11:00 AM Building Permits	**Sep 25** 8:30 AM Durable Goods 8:30 AM Capital Goods 10:00 AM Michigan Sentiment 11:00 AM Kansas City Fed Services Activity
Sep 28 10:30 AM Dallas Fed Manf. Activity	**Sep 29** 9:00 AM FHFA House Price Index 9:00 AM S&P Cotality CS 20-City MoM SA 9:00 AM S&P Cotality CS 20-City YoY NSA 9:00 AM S&P Cotality CS US HPI YoY NSA 10:00 AM GDP Indicators 10:00 AM JOLTS Job Openings 10:00 AM JOLTS Job Openings Rate	**Sep 30** 7:00 AM MBA Mortgage Applications 8:15 AM ADP Employment Change 8:30 AM PCE Price Index MoM 8:30 AM PCE Price Index YoY 8:30 AM Retail Sales 8:30 AM Core PCE Price Index MoM 8:30 AM GDP Indicators	**Oct 1** 5:30 AM Challenger Job Cuts YoY 5:30 AM Challenger Job Cuts Total 8:30 AM Initial Jobless Claims 8:30 AM Initial Claims 4-Wk Moving Avg 8:30 AM Continuing Claims 9:45 AM S&P Global US Manufacturing PMI 10:00 AM ISM Indicators	**Oct 2** 8:30 AM Payrolls 8:30 AM Nonfarm Payrolls 3-Mo Avg Chg 8:30 AM Avg Hourly Earnings 8:30 AM Avg Weekly Hours All Employees 8:30 AM Unemployment Rate 8:30 AM Labor Force Participation Rate 8:30 AM Underemployment Rate

Source: Bloomberg as of 8/5/2026

- **Economic Data can move Bond Market Yields**
- **Certain Economic Events can cause greater volatility (Positive or Negative)**

Treasury and Equity Tone

Index	RMI	2Day	Value	Net Chg	%Chg	Δ AVAT	Time	Adv/Dcl	%Ytd	%YtdCur
1) Americas										
11) DOW JONES			54085.88	+907.47	+1.71%	+9.70%	16:20 c	25 / 5	+12.53%	+12.53%
12) S&P 500			7736.52 d	+136.02	+1.79%	+13.49%	16:09 c	360 / 140	+13.02%	+13.02%
13) NASDAQ			26584.99	+671.09	+2.59%	+13.57%	16:24 c	2296 / 909	+14.38%	+14.38%

		Treasury					Swap			
Term	Description	Bid Yld	Mid Yld	Ask Yld	Bid Chg	Bid Swap Sprd	Bid Swap	Mid Swap	Ask Swap	Bid Chg
1) 1 mo	B 09/01/26	3.681	3.677	3.672	-0.011	-3.4	3.648	3.650	3.652	-0.003
2) 3 mo	B 11/05/26	3.809	3.800	3.792	-0.018	-6.1	3.748	3.750	3.751	-0.011
3) 6 mo	B 02/04/27	3.961	3.957	3.953	-0.030	-8.7	3.874	3.876	3.879	-0.019
4) 1 yr	B 07/08/27	3.996	3.992	3.988	-0.045	2.9	4.025	4.027	4.029	-0.034
5) 2 yr	T 4 1/4 07/31/28	4.194	4.193	4.192	-0.046	-14.6	4.048	4.049	4.051	-0.048
6) 3 yr	T 4 1/8 07/15/29	4.241	4.240	4.238	-0.057	-20.8	4.033	4.035	4.036	-0.056
7) 4 yr	(Interpolated)	4.284	4.283	4.282	-0.061	-25.2	4.032	4.033	4.034	-0.060
8) 5 yr	T 4 3/8 07/31/31	4.324	4.323	4.322	-0.065	-27.9	4.045	4.046	4.047	-0.063
9) 6 yr	(Interpolated)	4.393	4.392	4.391	-0.067	-32.3	4.070	4.072	4.073	-0.064
10) 7 yr	T 4 3/8 07/31/33	4.460	4.460	4.459	-0.069	-35.9	4.101	4.103	4.104	-0.064
11) 8 yr	(Interpolated)	4.515	4.515	4.514	-0.068	-38.1	4.134	4.135	4.137	-0.064
12) 9 yr	(Interpolated)	4.570	4.569	4.568	-0.067	-40.1	4.169	4.170	4.171	-0.064
13) 10 yr	T 4 3/8 05/15/36	4.613	4.612	4.611	-0.067	-40.7	4.205	4.206	4.208	-0.063
14) 15 yr	(Interpolated)	4.901	4.900	4.899	-0.068	-52.8	4.374	4.375	4.377	-0.063
15) 20 yr	T 5 05/15/46	5.166	5.165	5.163	-0.069	-71.1	4.455	4.456	4.458	-0.061
16) 25 yr	(Interpolated)	5.169	5.167	5.166	-0.064	-71.1	4.457	4.459	4.460	-0.059
17) 30 yr	T 5 05/15/56	5.171	5.170	5.169	-0.059	-74.9	4.422	4.424	4.425	-0.058

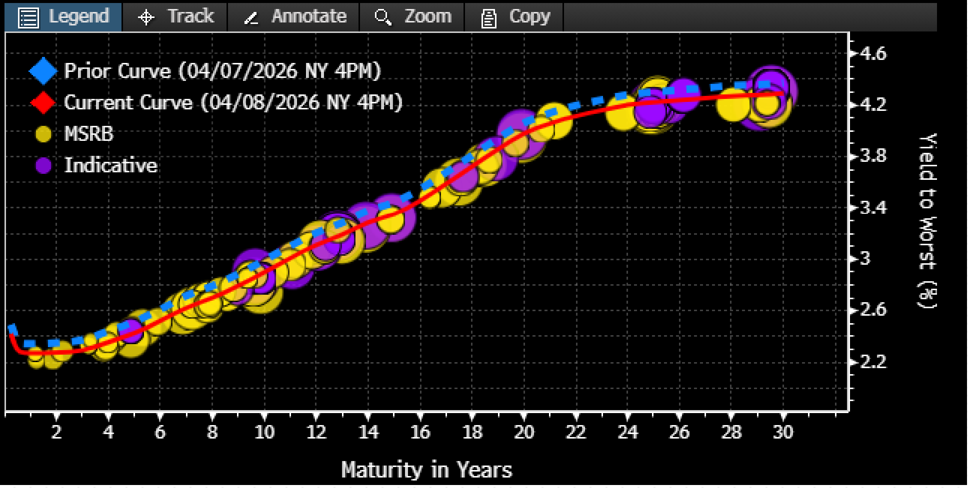
Source: Bloomberg as of 8/4/2026

- **Where is Investor Cash being put to work, and what does it say about Market Sentiment? – Stocks (risk on) or Bonds (risk off)**
- **Treasury Market – "Green on the Screen" = Positive Tone in Broader Fixed Income Markets**

Municipal Tone

BVAL AAA Callable Curve   Prior 04/07/26 NY 4PM   Current 04/08/26 NY 4PM   Show Chart   Residualized Yield
BVAL AAA Baseline Curve   Show Details

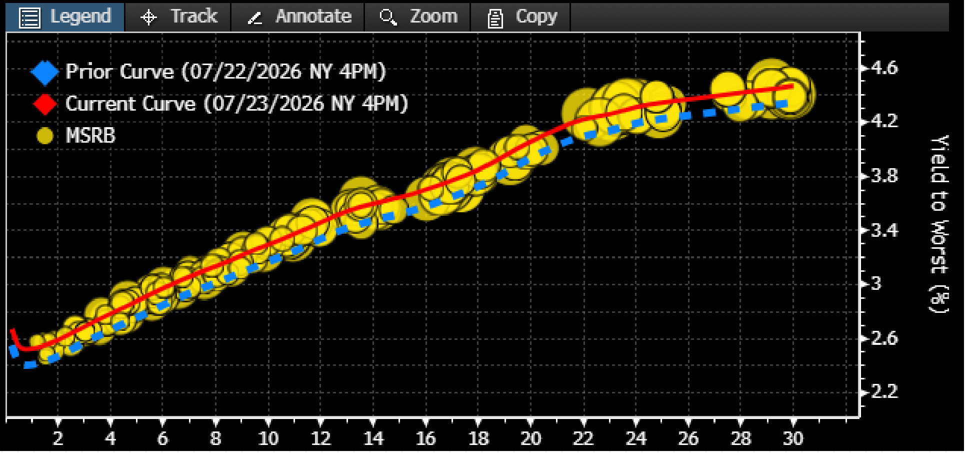
Term	Current	Change	Prior
1) 3 Month	2.42	-0.07	2.49
2) 6 Month	2.28	-0.07	2.35
3) 2027	2.27	-0.07	2.34
4) 2028	2.27	-0.08	2.35
5) 2029	2.29	-0.08	2.37
6) 2030	2.36	-0.09	2.44
7) 2031	2.42	-0.09	2.51
8) 2032	2.52	-0.09	2.61
9) 2033	2.63	-0.09	2.72
10) 2034	2.70	-0.09	2.79
11) 2035	2.79	-0.09	2.88
12) 2036	2.90	-0.09	2.99
13) 2037	3.01	-0.09	3.10
14) 2038	3.12	-0.09	3.21
15) 2039	3.19	-0.09	3.28



- In a **Rallying** Market, Benchmark Yields are decreasing.
- Tone is Positive
- Spreads to the Benchmark can **Tighten**

BVAL AAA Callable Curve   Prior 07/22/26 NY 4PM   Current 07/23/26 NY 4PM   Show Chart   Residualized Yield
BVAL AAA Baseline Curve   Show Details

Term	Current	Change	Prior
1) 3 Month	2.67	+0.12	2.55
2) 6 Month	2.53	+0.12	2.41
3) 2027	2.52	+0.12	2.40
4) 2028	2.58	+0.12	2.46
5) 2029	2.69	+0.12	2.57
6) 2030	2.78	+0.12	2.66
7) 2031	2.88	+0.12	2.76
8) 2032	2.97	+0.12	2.85
9) 2033	3.06	+0.13	2.94
10) 2034	3.13	+0.13	3.01
11) 2035	3.22	+0.13	3.09
12) 2036	3.30	+0.13	3.17
13) 2037	3.37	+0.13	3.24
14) 2038	3.46	+0.12	3.34



- In a Market that is **Selling Off**, Benchmark Yields are increasing
- Tone is Negative
- Spreads to Benchmark can **Widen**

Source: Bloomberg as of 4/8/2026 and 7/23/2026

STRUCTURAL, CREDIT, AND STATE/INDUSTRY SPECIFIC FACTORS AFFECTING BOND PRICING

Spreads – The Basis of Negotiation

California Water District (Aa1/AAA) - Series 2024A Pricing Worksheet

Year	Term	Avg Life	Principal	Coupon	PFM 5% CPN / 9.7 yr PC Scale Re-Offer Yield	Yield to Call	Yield to Maturity	Price	Spread to 8/4/2026 Interpolated BVAL AAA	Benchmark 8/4/2026 Interpolated BVAL AAA
4/1/2027	0.6		$ 3,380,000	5.000%	2.36%			101.668	-12 bps	2.48%
4/1/2028	1.6		$ 3,020,000	5.000%	2.40%			104.157	-12 bps	2.52%
4/1/2029	2.6		$ 3,170,000	5.000%	2.50%			106.349	-12 bps	2.62%
4/1/2030	3.6		$ 3,330,000	5.000%	2.60%			108.284	-12 bps	2.72%
4/1/2031	4.6		$ 7,930,000	5.000%	2.70%			109.967	-12 bps	2.82%
4/1/2032	5.6		$ 8,335,000	5.000%	2.82%			111.293	-10 bps	2.92%
4/1/2033	6.6		$ 8,345,000	5.000%	2.91%			112.535	-9 bps	3.00%
4/1/2034	7.6		$ 8,350,000	5.000%	3.00%			113.563	-8 bps	3.08%
4/1/2035	8.6		$ 8,900,000	5.000%	3.10%			114.303	-6 bps	3.16%
4/1/2036	9.6		$ 8,925,000	5.000%	3.18%			115.007	-6 bps	3.24%
4/1/2037	10.6		$ 9,000,000	5.000%	3.31%		3.43%	113.848	-0 bps	3.31%
4/1/2038	11.6		$ 7,500,000	5.000%	3.42%		3.63%	112.879	1 bps	3.41%
4/1/2039	12.6		$ 5,155,000	5.000%	3.53%		3.80%	111.920	3 bps	3.50%
4/1/2040	13.6		$ 5,415,000	5.000%	3.62%		3.94%	111.143	6 bps	3.56%
4/1/2041	14.6		$ 5,685,000	5.000%	3.68%		4.03%	110.628	7 bps	3.61%
4/1/2042	15.6		$ 5,975,000	5.000%	3.75%		4.12%	110.031	9 bps	3.66%
4/1/2043	16.6		$ 6,270,000	5.000%	3.83%		4.21%	109.353	10 bps	3.73%
4/1/2044	17.6		$ 6,585,000	5.000%	3.89%		4.28%	108.848	9 bps	3.80%
4/1/2045	18.6		$ 6,915,000	5.000%	3.93%		4.33%	108.513	4 bps	3.89%
4/1/2046	19.6		$ 7,260,000	5.000%	3.99%		4.39%	108.013	-1 bps	4.00%

Total Par $ 129,445,000
Avg Life 10.7 years
PV01 $ 100,074

Call Date: 4/1/2036

= +

Source: Bloomberg as of 8/5/2026

- **Pricing Negotiations begin with determining the Spread to the Benchmark for each Maturity**
- **The Market Standard base case is a 5% CPN, 10 Year Par Call Scale**
- **Spread + Benchmark Yield = Re-Offer Yield**
- **Yield on pricing wires is quoted as the Yield to Worst to the Investor**
- **Premium Bonds are quoted as a Yield to Call Date**
- **Discount Bonds are quoted as a Yield to Maturity**
- **Focus of the exercise in Part II will be on a 5% Premium Bond Scale**

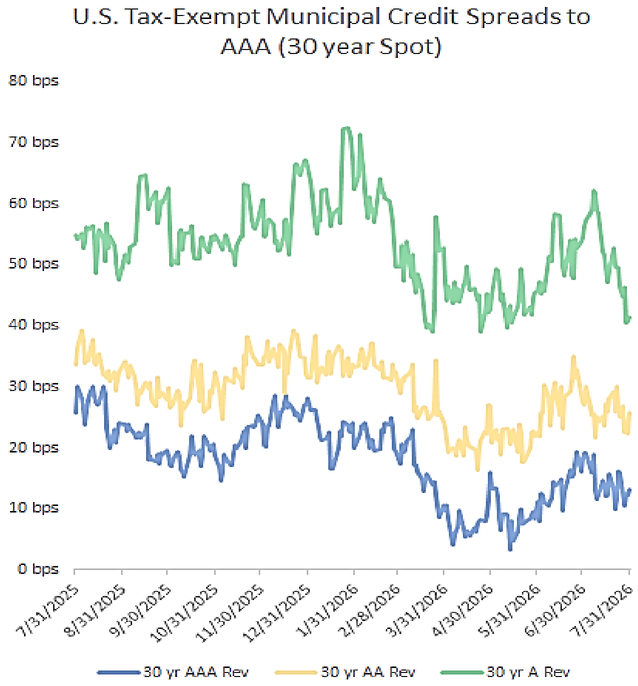
Factors Effecting Credit Spreads

Rating Impact to Credit Spreads

Issuer:	Trnasportation Issuer - Senior Lien					Trnasportation Issuer - Subordinate Lien				
Series:	Senior Revenue Refunding Bonds, Series 2026A					Subordinate Revenue Refunding Bonds Series 2026B				
Security:	Airports/Revenue					Airports/Revenue				
Sale Type:	Tax Exempt (Negotiated)					Tax Exempt (Negotiated)				
Par Amount:	$45,905,000					$49,955,000				
Sale Date:	6/8/2026					6/8/2026				
Last Call Date:	7/1/2036 @ 100 (10.1 Yrs)					7/1/2036 @ 100 (10.1 Yrs)				
Underlying Ratings:	A2/A+/-					A3/A/-				
Insured Ratings:	-/-/-					-/-/-				
Maturity Year (TSY)	Par (M)	Price	Coupon	Yield	BVAL Sprd	Par (M)	Price	Coupon	Yield	BVAL Sprd
<1										
1										
2										
3										
4										
5										
6										
7										
8										
9										
10						1,805	$116.51	5.000%	3.070%	15 bps
11										
12						3,925	$114.75	5.000%	3.260%	17 bps
13						14,050	$113.29	5.000%	3.420%	26 bps
14	7,225	$113.29	5.000%	3.420%	23 bps	14,730	$112.56	5.000%	3.500%	31 bps
15	38,680	$112.74	5.000%	3.480%	24 bps	15,445	$111.94	5.000%	3.570%	33 bps

Source: Bloomberg and Ipreo as of 8/5/2026

- **Different Ratings result in a greater perceived level of Credit Risk**
- **Credit Spreads will be different depending on the rating.**
- **Lower Ratings = Higher Credit Spread**
- **Higher Ratings = Lower Credit Spread**



Couponing Impact to Credit Spreads

Issuer:	California School District
Series:	General Obligation Bonds Election of 2024, Series A
Security:	Primary & Secondary Education/Ult G.O.
Sale Type:	Tax Exempt (Negotiated)
Par Amount:	$68,000,000
Sale Date:	7/23/2026
Last Call Date:	8/1/2036 @ 100 (10.1 Yrs)
Underlying Ratings:	Aa3/-/-
Insured Ratings:	-/-/-

Maturity Year (TSY)	Par (M)	Price	Coupon	Yield	BVAL Sprd
<1					
1	6,500	$102.46	5.000%	2.460%	-7 bps
2	3,800	$104.73	5.000%	2.540%	-5 bps
3	3,650	$106.76	5.000%	2.630%	-7 bps
4					
5					
6					
7					
8					
9					
10					
11					
12	950	$111.83	5.000%	3.580%	11 bps
13	1,150	$110.95	5.000%	3.680%	13 bps
14	1,250	$110.51	5.000%	3.730%	13 bps
15	1,500	$109.98	5.000%	3.790%	15 bps
16	1,750	$109.37	5.000%	3.860%	16 bps
17	2,000	$97.00	4.000%	4.250%	47 bps
18	2,250	$97.46	4.125%	4.330%	48 bps
19	2,500	$98.08	4.250%	4.400%	44 bps
20	2,750	$106.39	5.000%	4.210%	14 bps
21	3,000	$105.55	5.000%	4.310%	15 bps
22	3,250	$104.89	5.000%	4.390%	16 bps
23					
24					
25	11,350	$104.48	5.000%	4.440%	9 bps
26					
27					
28					
29	20,350	$103.50	5.000%	4.560%	12 bps

Source: Bloomberg and Ipreo as of 8/5/2026

- **Different Coupons will result in different spreads**
- **The Lower the Coupon, the Lower the cash flow an Investor receives, and the <u>higher</u> spread/yield the investor will require**
- **The Higher the Coupon, the higher the cash flow an Investor receives, and the <u>lower</u> the spread/yield the investor will require**
- **Issuers will need to evaluate with their Financial Advisor the various tradeoffs as they are presented with different coupon options.**

Coupon University

Year	Term	5% Coupon	Price	Spread to Benchmark	Lower Coupon	Price	Spread to Benchmark	Spread Difference
2041	14.7	5.000%	110.067	15 bps	4.000%	98.437	50 bps	35 bps
2046	19.7	5.000%	106.438	14 bps	4.250%	97.228	39 bps	25 bps
2056	29.7	5.000%	103.523	12 bps	4.500%	97.461	22 bps	10 bps

Lower Coupon vs 5% Coupon

Maturity	Call	Coupon	YTC	YTM	Price
2041	10yr	5.000%	3.790%	4.100%	110.067
	10yr	4.000%	4.190%	4.140%	98.437
			40 bps	4 bps	$11.63
2046	10yr	5.000%	4.210%	4.510%	106.438
	10yr	4.250%	4.600%	4.460%	97.228
			39 bps	-5 bps	$9.21
2056	10yr	5.000%	4.560%	4.770%	103.523
	10yr	4.500%	4.820%	4.660%	97.461
			26 bps	-11 bps	$6.06

Call Date Effects on Credit Spreads

Issuer:	State Issuer
Series:	General Obligation Refunding Bonds
Security:	Gen Purpose/Pub Impt/Ult G.O.
Sale Type:	Tax Exempt (Negotiated)
Par Amount:	$1,004,750,000
Sale Date:	3/11/2026
Last Call Date:	4/1/2036 @ 100 (10 Yrs)
Underlying Ratings:	Aa2/AA-/AA
Insured Ratings:	-/-/-

Maturity Year (TSY)	Par (M)	Price	Coupon	Yield	BVAL Sprd
<1	74,805	$101.51	5.000%	2.140%	-2 bps
1	66,275	$104.23	5.000%	2.180%	2 bps
2					
3	152,620	$109.29	5.000%	2.250%	4 bps
4					
5	36,055	$113.67	5.000%	2.350%	3 bps
6	38,690	$115.18	5.000%	2.470%	6 bps
7					
8	35,605	$117.76	5.000%	2.660%	11 bps
9	90,335	$118.57	5.00% 6PC	2.770%	10 bps
10					
11					
12					
13	235,770	$108.85	5.00% 6PC	3.240%	13 bps
	44,975	$114.51	5.00% 10PC	3.290%	18 bps
14					
15	36,970	$103.34	4.00% 10PC	3.600%	26 bps

Source: Bloomberg and Ipreo as of 8/5/2026

- **Different Call Dates may have different spreads**
- **Depending on the rate environment, the spread on a shorter call may be higher or lower than the spread on a standard 10 Year par Call redemption.**
- **Rising Rate Environment – Shorter call dates tend to have wider spreads**
- **Low-Rate Environment (2020/2021) – Shorter call dates tended to have tighter spreads**
- **Currently, spreads are relatively similar between shorter calls and standard 10-year par calls**

Industry Effect on Spreads

Issuer:	Joint Powers Financing Authority (CA)	County Financing Authority (CA)
Series:	Wastewater Revenue Bonds, 2026 (Green Bonds)	Lease Revenue Bonds, Series 2026A
Security:	Water & Sewer/Revenue	Gen Purpose/Pub Impt/Revenue
Sale Type:	Tax Exempt (Negotiated)	Tax Exempt (Negotiated)
Underwriter:		
Financial Advisor		
Par Amount:	$36,450,000	$25,620,000
Sale Date:	3/11/2026	3/10/2026
Last Call Date:	11/1/2036 @ 100 (11 Yrs)	5/1/2036 @ 100 (10.2 Yrs)
Underlying Ratings:	-/A+/-	-/A+/-
Insured Ratings:	-/-/- (Ins)	-/-/- (Ins)

Maturity Year (TSY)	Par (M)	Price	Coupon	Yield	BVAL Sprd	Par (M)	Price	Coupon	Yield	BVAL Sprd
<1										
1										
2						410	$105.12	5.000%	2.480%	33 bps
3						430	$107.65	5.000%	2.420%	*26 bps
4	655	$111.86	5.00% 4PC	2.270%	*1 bps	450	$109.84	5.000%	2.460%	*26 bps
5	685	$113.88	5.00% 4PC	2.340%	*2 bps	475	$111.84	5.000%	2.510%	*26 bps
6	720	$115.45	5.00% 4PC	2.450%	*4 bps	495	$113.39	5.000%	2.610%	*30 bps
7	760	$117.28	5.000%	2.490%	*1 bps	520	$114.83	5.000%	2.690%	*29 bps
8	800	$118.05	5.000%	2.640%	*8 bps	550	$115.99	5.000%	2.780%	*32 bps
9	840	$118.78	5.000%	2.760%	*8 bps	575	$116.77	5.000%	2.890%	*33 bps
10	880	$119.35	5.00% 4PC	2.870%	*7 bps	605	$117.40	5.000%	2.990%	*31 bps
11	930	$118.44	5.00% 11PC	2.960%	*5 bps	635	$115.99	5.000%	3.140%	*34 bps
12	975	$117.05	5.00% 11PC	3.100%	*9 bps	665	$114.49	5.000%	3.300%	*39 bps
13	1,025	$115.39	5.00% 11PC	3.270%	*15 bps	700	$113.21	5.000%	3.440%	*43 bps
14	1,080	$115.10	5.00% 11PC	3.300%	*7 bps	735	$112.48	5.000%	3.520%	*39 bps
15	1,135	$114.14	5.00% 11PC	3.400%	*5 bps	770	$111.67	5.000%	3.610%	*37 bps
16	1,190	$112.90	5.00% 11PC	3.530%	*4 bps	810	$110.60	5.000%	3.730%	*36 bps
17	1,255	$111.50	5.00% 11PC	3.680%	*5 bps	850	$109.37	5.000%	3.870%	*35 bps
18	1,315	$110.20	5.00% 11PC	3.820%	*6 bps	890	$108.15	5.000%	4.010%	*35 bps
19	1,385	$108.75	5.00% 11PC	3.980%	*9 bps	935	$106.86	5.000%	4.160%	*36 bps
20	1,455	$107.85	5.00% 11PC	4.080%	*10 bps	985	$105.93	5.000%	4.270%	*35 bps
21										
22										
23										
24										
25	8,480	$104.95	5.00% 11PC	4.410%	*23 bps	5,730	$105.70	5.250%	4.540%	*39 bps
26										
27										
28										
29										
30	10,885	$101.21	5.00% 4PC	4.630%	*39 bps	7,405	$104.62	5.250%	4.670%	*45 bps

Source: Bloomberg and Ipreo as of 8/6/2026

- **Different Industries may require different credit spreads to gain investor attention.**
- **Perceived Credit risk within an industry, scarcity/surplus of supply in an industry, and will determine the appropriate credit spread.**
- **Scarcity within certain types of credits can additionally drive greater spread compression compared to industries that are susceptible to heavy issuance.**

State Specific Effects on Credit Spreads

Issuer:	Texas Aa1/Aaa (Enhanced) School District					California Aa2 School District				
Series:	School Building and Refunding Bonds, Series 2026 (Permanent School Fund Guarantee Program)					General Obligation Bonds Election of 2016, Series 2026				
Security:	Primary & Secondary Education/Ult G.O.					Primary & Secondary Education/Ult G.O.				
Sale Type:	Tax Exempt (Negotiated)					Tax Exempt (Negotiated)				
Par Amount:	$227,875,000					$100,080,000				
Sale Date:	6/2/2026					6/2/2026				
Last Call Date:	8/15/2035 @ 100 (9.4 Yrs)					8/1/2036 @ 100 (10.3 Yrs)				
Underlying Ratings:	Aa1/-/AA+					Aa2/-/-				
Insured Ratings:	Aaa/-/AAA					-/-/-				
Maturity Year (TSY)	Par (M)	Price	Coupon	Yield	BVAL Sprd	Par (M)	Price	Coupon	Yield	BVAL Sprd
<1										
1	7,045	$102.83	5.000%	2.460%	8 bps	425	$102.99	5.000%	2.240%	-15 bps
2	7,855	$105.07	5.000%	2.550%	16 bps	3,800	$105.55	5.000%	2.280%	-11 bps
3	17,150	$107.12	5.000%	2.620%	21 bps	1,615	$107.85	5.000%	2.360%	-5 bps
4	14,990	$108.95	5.000%	2.700%	23 bps	2,600	$109.98	5.000%	2.430%	-4 bps
5	13,930	$110.61	5.000%	2.770%	24 bps	2,150	$112.01	5.000%	2.480%	-5 bps
6	11,040	$111.79	5.000%	2.890%	29 bps	2,230	$113.70	5.000%	2.560%	-4 bps
7	18,345	$113.17	5.000%	2.940%	27 bps	2,590	$115.47	5.000%	2.600%	-7 bps
8	19,255	$114.58	5.000%	2.970%	23 bps	2,990	$116.71	5.000%	2.690%	-5 bps
9	20,210	$115.53	5.000%	3.040%	21 bps	3,415	$118.10	5.000%	2.740%	-9 bps
10	6,335	$114.50	5.000%	3.160%	23 bps	3,870	$119.05	5.000%	2.820%	-11 bps
11	11,640	$113.65	5.000%	3.260%	24 bps	4,360	$117.60	5.000%	2.970%	-5 bps
12	7,120	$112.64	5.000%	3.380%	27 bps	4,890	$116.65	5.000%	3.070%	-4 bps
13	2,605	$111.81	5.000%	3.480%	30 bps	6,410	$115.15	5.000%	3.230%	5 bps
14	2,735	$111.23	5.000%	3.550%	32 bps	7,095	$114.69	5.000%	3.280%	5 bps
15	2,875	$110.90	5.000%	3.590%	30 bps	8,105	$114.32	5.000%	3.320%	3 bps
16	3,015	$110.00	5.000%	3.700%	31 bps	10,385	$113.40	5.000%	3.420%	3 bps
17	3,165	$109.35	5.000%	3.780%	28 bps	11,375	$112.40	5.000%	3.530%	3 bps
18	3,325	$108.54	5.000%	3.880%	25 bps	12,435	$111.86	5.000%	3.590%	-4 bps
19	3,490	$107.90	5.000%	3.960%	20 bps	9,340	$99.47	4.000%	4.040%	28 bps
20	3,665	$107.11	5.000%	4.060%	18 bps					
21	3,850	$105.94	5.000%	4.210%	25 bps					
22	4,040	$105.24	5.000%	4.300%	27 bps					
23	4,245	$104.93	5.000%	4.340%	26 bps					
24	4,455	$104.78	5.000%	4.360%	23 bps					
25	4,680	$104.62	5.000%	4.380%	23 bps					

Source: Bloomberg and Ipreo as of 8/5/2026

- State specific factors will cause credit spreads to differ across states
- State Income Tax Rates derive a different relative value of the tax exemption, depending on the state
- Supply/Demand dynamics in various states will additionally affect credit spreads

Deal Size, Block Size, and Term

California School District (Aa2)				
General Obligation Bonds Election of 2016, Series 2026				
Primary & Secondary Education/Ult G.O. Tax Exempt (Negotiated) Underwriter				
$100,080,000 6/2/2026 8/1/2036 @ 100 (10.3 Yrs)				
Aa2/-/- -/-/-				
Par (M)	**Price**	**Coupon**	**Yield**	**BVAL Sprd**
425	$102.99	5.000%	2.240%	-15 bps
3,800	$105.55	5.000%	2.280%	-11 bps
1,615	$107.85	5.000%	2.360%	-5 bps
2,600	$109.98	5.000%	2.430%	-4 bps
2,150	$112.01	5.000%	2.480%	-5 bps
2,230	$113.70	5.000%	2.560%	-4 bps
2,590	$115.47	5.000%	2.600%	-7 bps
2,990	$116.71	5.000%	2.690%	-5 bps
3,415	$118.10	5.000%	2.740%	-9 bps
3,870	$119.05	5.000%	2.820%	-11 bps
4,360	$117.60	5.000%	2.970%	-5 bps
4,890	$116.65	5.000%	3.070%	-4 bps
6,410	$115.15	5.000%	3.230%	5 bps
7,095	$114.69	5.000%	3.280%	5 bps
8,105	$114.32	5.000%	3.320%	3 bps
10,385	$113.40	5.000%	3.420%	3 bps
11,375	$112.40	5.000%	3.530%	3 bps
12,435	$111.86	5.000%	3.590%	-4 bps
9,340	$99.47	4.000%	4.040%	28 bps

California School District (AA+)				
Refunding General Obligation Bonds, 2026				
Primary & Secondary Education/Ult G.O. Tax Exempt (Negotiated) Underwriter				
$5,365,000 6/1/2026 8/1/2036 @ 100 (10.3 Yrs)				
-/AA+/- -/-/-				
Par (M)	**Price**	**Coupon**	**Yield**	**BVAL Sprd**
100	$100.31	5.000%	2.500%	-7 bps
115	$102.91	5.000%	2.360%	-6 bps
130	$105.42	5.000%	2.370%	-5 bps
150	$107.69	5.000%	2.430%	0 bps
170	$109.74	5.000%	2.500%	0 bps
190	$111.54	5.000%	2.580%	3 bps
215	$113.20	5.000%	2.650%	2 bps
235	$114.81	5.000%	2.700%	0 bps
260	$116.12	5.000%	2.770%	0 bps
290	$117.17	5.000%	2.850%	-2 bps
320	$117.83	5.000%	2.950%	-2 bps
350	$116.68	5.000%	3.070%	1 bps
380	$115.74	5.000%	3.170%	2 bps
420	$114.81	5.000%	3.270%	5 bps
455	$114.43	5.000%	3.310%	4 bps
490	$113.79	5.000%	3.380%	5 bps
535	$113.06	5.000%	3.460%	2 bps
560	$112.24	5.000%	3.550%	0 bps

Source: Bloomberg and Ipreo as of 8/5/2026

- **Deal Size and Maturity Block size can affect the liquidity of Municipal Bonds**
- **Larger transactions will generally command greater attention from investors; however at a certain level there can also be a size concession.**
- **Institutional size maturities can result in a lower credit spread;**
- **Longer Maturities generally will have a greater credit risk, and thus a greater spread/yield, than shorter maturities**
- **Different Types of Investors may also focus on different maturity terms.**

QUESTIONS?

BETSY KIEHN
Managing Director, Head of Municipal Capital Markets
Stifel

MATT RUDROFF, CFA, CPA
Director
PFM Financial Advisors LLC