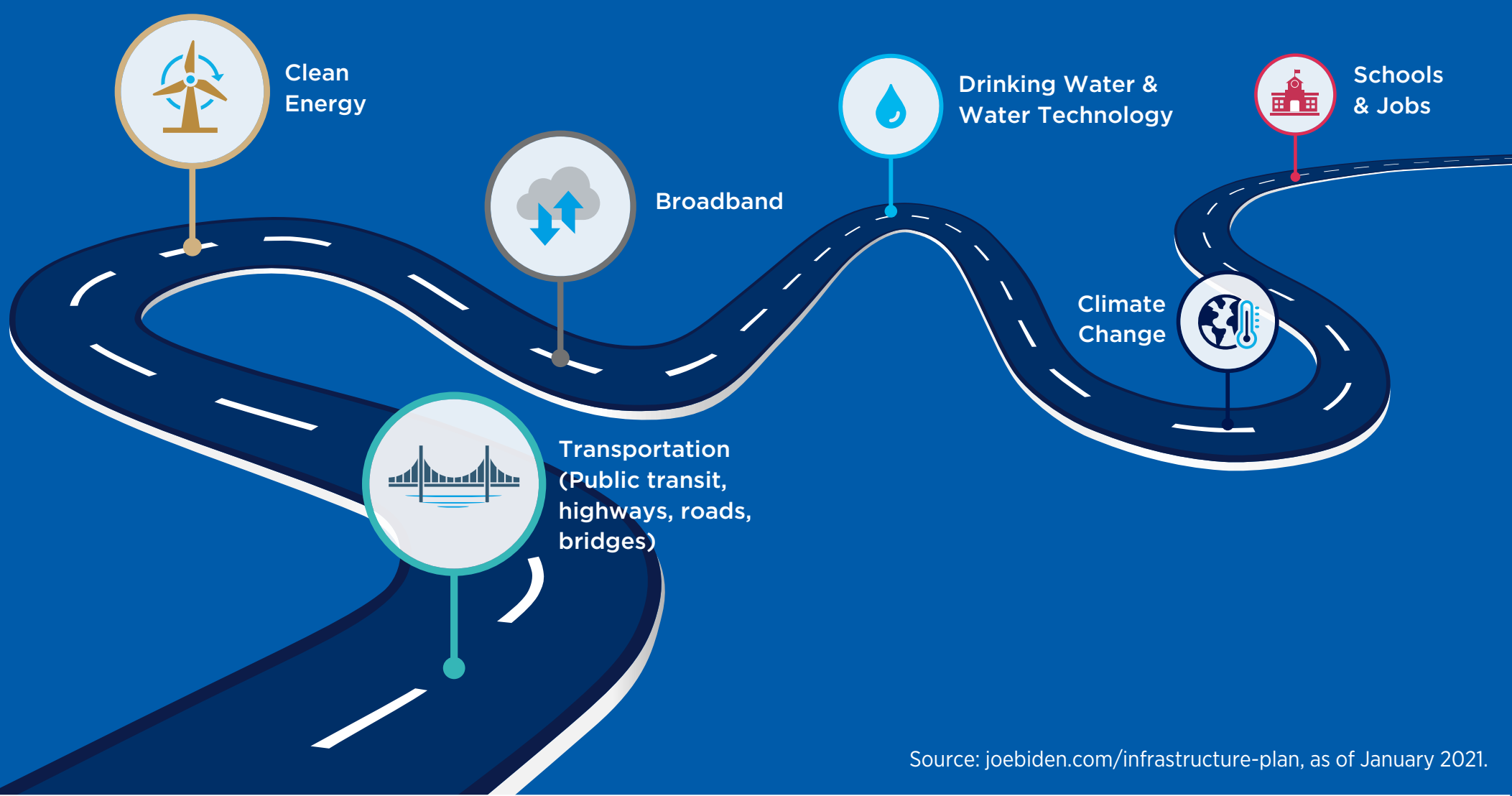


MARKET PERSPECTIVE

US Infrastructure Build-Out: What's the Plan?

We believe US focus on improving infrastructure and prioritizing ESG-related environmental and social improvements bodes well for opportunities within the municipal market.

What are some of the key areas of Biden's proposed \$2-4 trillion "Build Back Better" Plan?

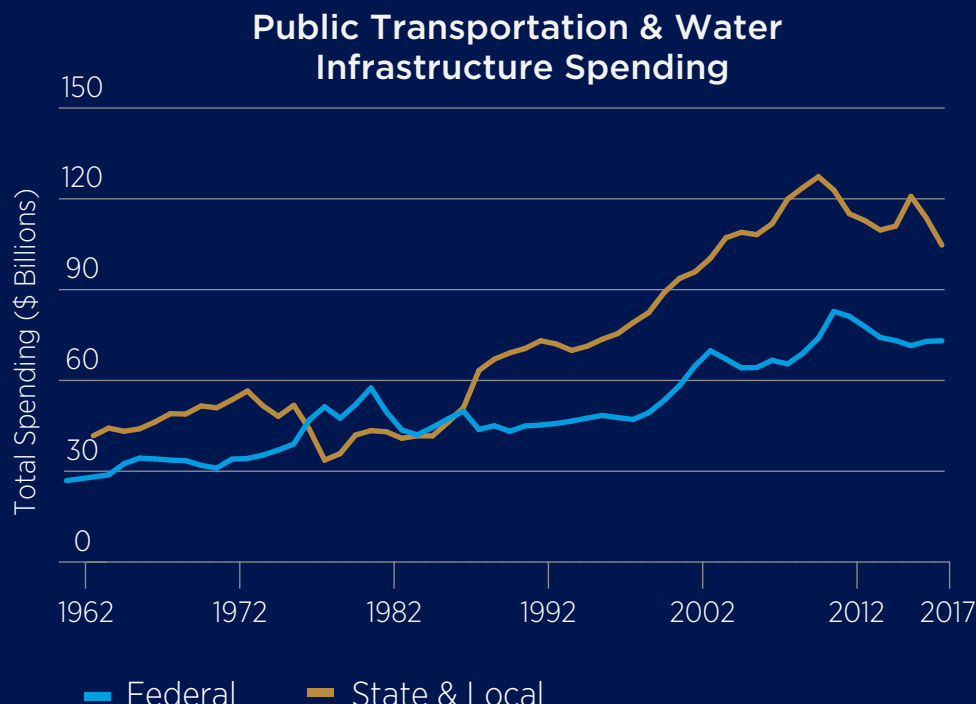


Source: joebiden.com/infrastructure-plan, as of January 2021.

Municipal Bonds have traditionally played a lead role in funding US infrastructure maintenance and development.

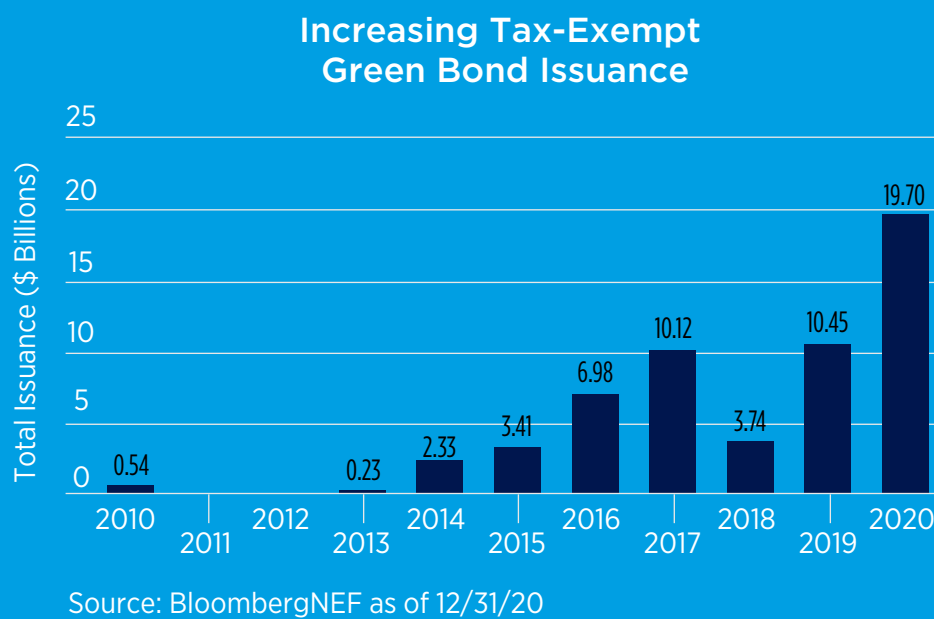
Growth in State Spending

Debt issued by state and local governments has funded almost two-thirds of public transportation and water infrastructure, with the rest funded by corporations and the Federal Government.



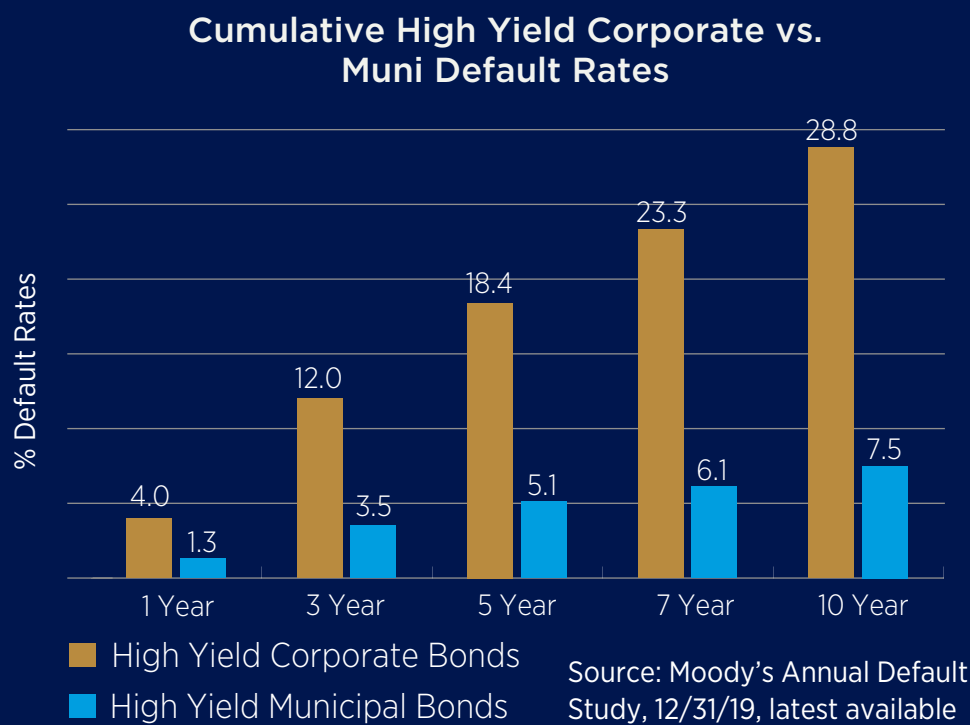
Tax-Exempt Green Bonds

Municipalities have been increasingly 'going green' - issuance of tax-exempt green bonds has grown by more than \$9bn since 2019.



Historical Credit Strength

For over two centuries, municipal bonds have experienced historically low default rates, making the case for municipals as substitutes for, or compliments to, US Treasuries.



An Opportune Time for Municipal Bonds

We expect taxable municipal bonds to experience greater demand, sparked by interest from non-US investors.

We believe a rotation toward sectors receiving fresh capital injections and long-term investment attention could be compelling from a liquidity as well as a fundamental bottom-up analytical point of view.

We expect infrastructure spending on long-term green projects to result in uneven supply distribution among municipal sectors, and a possible extension of average maturities.

Important Information.

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