

Fairmount Weekly Market Update – June 17, 2013

Market Rates

Variable Rate Indexes

	6/14/2013	6/7/2013	Change
SIFMA	0.08	0.08	0.00
67% 1-month LIBOR	0.13	0.13	0.00
67% 3-month LIBOR	0.18	0.19	(0.01)
1-month LIBOR	0.19	0.19	0.00
3-month LIBOR	0.27	0.28	(0.01)

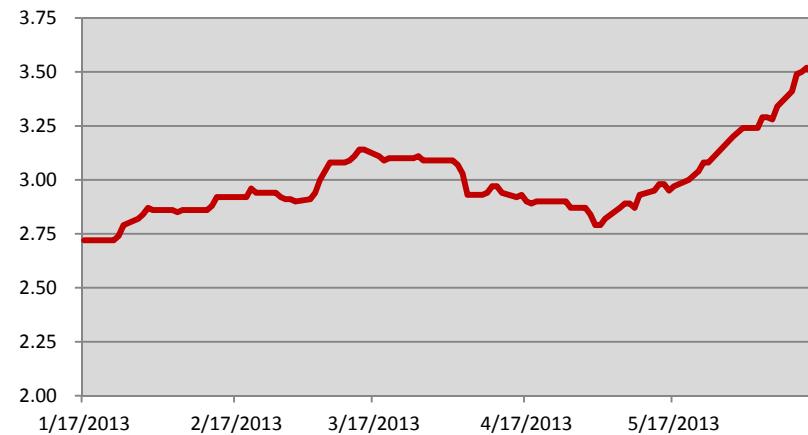
US Treasurys

	6/14/2013	6/7/2013	Change
3M	0.04	0.04	0.00
5Y	1.03	1.09	(0.06)
10Y	2.13	2.17	(0.04)
30Y	3.31	3.33	(0.02)

MMD Aaa GO Yields

	6/14/2013	6/7/2013	Change
2014	0.18	0.20	(0.02)
2018	1.11	1.00	0.11
2023	2.23	2.13	0.10
2028	2.87	2.69	0.18
2033	3.22	3.01	0.21
2038	3.42	3.24	0.18
2043	3.50	3.34	0.16

30Yr MMD



Sources:
MMD from Bond Buyer
All other rates from Bloomberg



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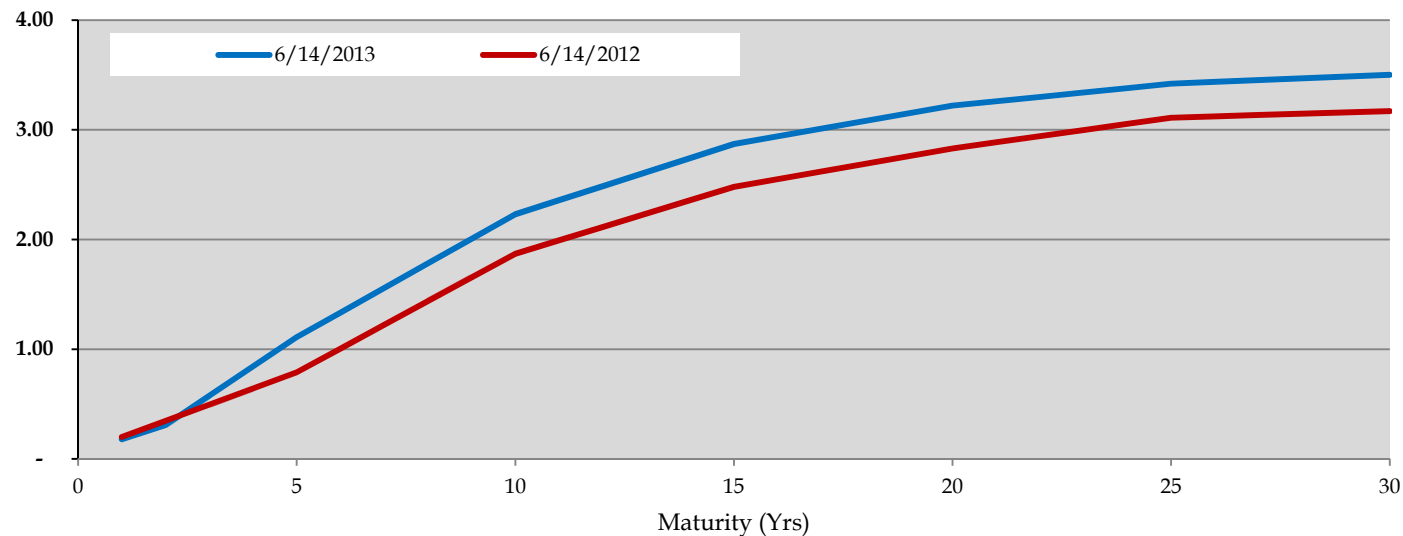
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Municipal Market

The muni market was hit hard last week as yields across the MMD curve shot up by as much as 21 basis points at the 20 year maturity. The MMD Aaa 30-year yield rose 16 bps to 3.50%, levels not seen since January 2012. The 30-year yield has gained about 50 bps over the last month alone and about 100 bps since the all-time low was hit last November. The amount of money being withdrawn from municipal bond funds has jumped in recent weeks, hitting \$1.61 billion for the week of June 12 and \$1.47 billion for the week prior. These are the highest levels of withdrawals seen since the week of Dec. 19, 2012, when \$2.31 billion was withdrawn. The recent bond outflows and rate increases have been driven by improving economic indicators including growth in the job market and signs that the Fed may unwind its asset purchase program sooner than originally planned. The Bond Buyer expects \$6.4 billion to be issued this week compared to \$6.3 billion last week.

MMD Aaa Curve



Source: Bond Buyer



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Recent Fixed Rate Deals

Sale Date	State	Borrower	Amount	Credit Rating Moody's/S&P/Fitch	Insurer/ Support	Senior Manager	Final Yr	Coupon	Yield	Spread over MMD
6/4/2013	AZ	Northern Arizona University	\$75,190,000	A2/A/NR	None	JP Morgan	2043	4.25/5.00	4.38/4.27	1.09/0.98
6/4/2013	WA	Presbyterian Retirement Communities Northwest	\$14,840,000	NR/NR/NR	None	Ziegler	2043	5.25	5.25	1.96
6/5/2013	WY	Memorial Hospital of Sweetwater	\$26,790,000	NR/BBB-/NR	None	Wells Fargo	2037	5.00	4.59	1.45
6/5/2013	MD	Frostburg State University	\$15,350,000	NR/BBB-/NR	None	RBC Capital Mkts	2033	5.00	4.40	1.44
6/5/2013	NY	Nazareth College of Rochester	\$13,905,000	Baa2/BBB+/NR	None	BofA Merrill Lynch	2031	4.375	4.51	1.67
6/5/2013	MN	Country Manor Campus LLC (CCRC)	\$13,445,000	NR/NR/NR	None	Ziegler	2043	5.375	5.50	2.21
6/6/2013	CT	Day Kimball HealthCare	\$30,330,000	NR/NR/NR	None	Piper Jaffray	2043	5.875	5.875	2.60
6/6/2013	GA	Crisp Regional Health	\$16,500,000	A1/NR/NR	None	Edward Jones	2042	4.15	4.15	0.89
6/10/2013	NE	UNMC Cancer Research Center	\$31,205,000	A1/AA/NR	None	Ameritas Investment	2019	4.00	1.76	0.48
6/11/2013	MD	Johns Hopkins University	\$99,625,000	Aa2/AA/AA+	None	Goldman Sachs	2041	4.25	4.30	0.85
6/12/2013	OH	Fairfield Medical Center	\$96,600,000	Baa2/NR/NR	None	PNC Capital Mkts	2043	5.00/5.25	5.18/5.12	1.68/1.62
6/12/2013	NY	Hofstra University	\$66,495,000	A3/A/NR	None	Barclays Capital	2043	4.375	4.50	1.00
6/12/2013	WI	Beaver Dam Community Hospital	\$42,995,000	NR/BBB-/NR	None	Ziegler	2034	5.25	5.30	2.05
6/13/2013	WI	Ascension Health Credit Group	\$100,000,000	Aa2/AA+/AA+	None	Morgan Stanley	2043	4.50/5.00	4.625/4.320	1.105/0.80
6/13/2013	NJ	Rowan University	\$26,880,000	A2/A+/NR	None	Raymond James	2032	5.00	4.04	0.89
6/13/2013	VA	Lynchburg College	\$24,235,000	NR/BBB-/NR	None	Raymond James	2043	5.00	5.00	1.48
6/13/2013	IL	Olivet Nazarene University	\$20,000,000	NR/BBB-/NR	None	George K. Baum	2044	5.00	5.34	1.81
6/14/2013	NJ	Rutgers University	\$692,990,000	Aa3/AA-/AA-	None	Morgan Stanley	2043	5.00	4.20	0.70

Note: Actual MMD is used for maturities that occur at 5 year intervals. All other MMD statistics are interpolated. Underlying ratings appear in parentheses

Source: Bloomberg

If you have any questions regarding this update, please contact:

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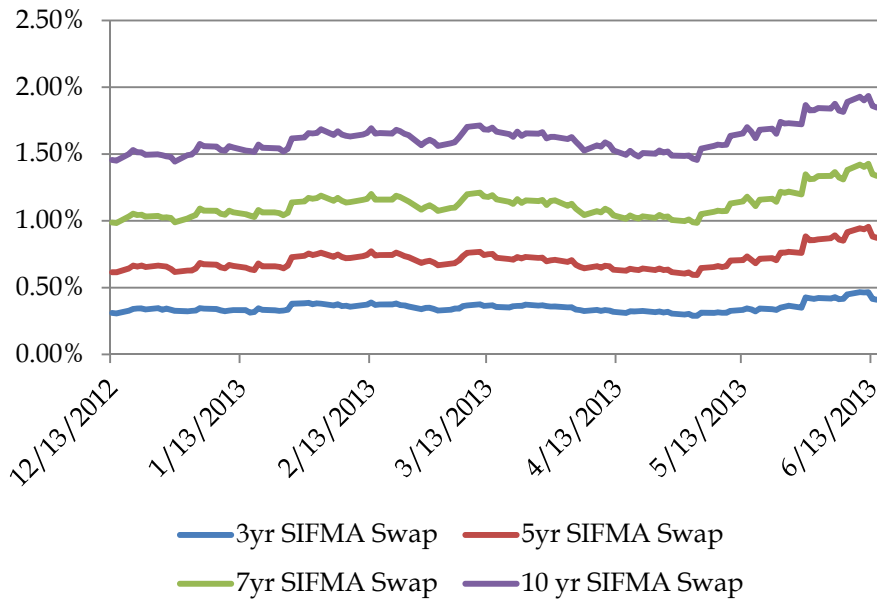
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Swap Rates

	6/14/2013	6/7/2013	Change
3-year SIFMA	0.41	0.45	(0.04)
5-year SIFMA	0.87	0.92	(0.05)
7-year SIFMA	1.34	1.38	(0.04)
10-year SIFMA	1.85	1.89	(0.04)
3-year LIBOR	0.65	0.72	(0.07)
5-year LIBOR	1.22	1.29	(0.07)
7-year LIBOR	1.75	1.81	(0.06)
10-year LIBOR	2.31	2.37	(0.06)

SIFMA Swap Rates



LIBOR Swap Rates

