



Today's Webinar Presentation:

Charter & Private K-12 School Bond Market Webinar With Construction Market Update

August 22, 2024

Presented By:

Adam Buchanan
Director / Head Underwriter
Ziegler Capital Markets
312-596-1510 (Office)
abuchanan@ziegler.com

Scott Rolfs
Managing Director – Group Head
Ziegler Charter School Finance
(414) 978-6576 (Office)
srolfs@ziegler.com

Adam Arndt
President
Catalyst Construction
(414) 333-1044
aarndt@catalystbuilds.com

INTRODUCTION



Adam Arndt
President

-
- President of Catalyst Construction with over 20 years of experience in the Wisconsin construction industry
 - Expertise in all phases of construction, including estimating, scheduling, contract negotiations, and on-site supervision
 - BS in Civil Engineering from the University of Wisconsin Platteville



Scott Rolfs
Managing Director

-
- Managing Director at Ziegler, leading the K-12 & Charter School facilities finance team
 - Overseen financing exceeding \$4.0 billion for non-profit organizations nationwide
 - B.S. in business and economics from Ripon College and a Juris Doctorate from the University of Wisconsin



Adam Buchanan
Director

-
- Head underwriter for Ziegler's Capital Markets desk
 - Led underwriting on \$10 billion in public market transactions and manages Ziegler's municipal ETF market making
 - B.A. in History from Brown University

Headlines Impact Tax-Exempt Interest Rates

The New York Times

'Trump suggests that president should have a 'say' in interest rates'

AP Associated Press

'US hiring fell sharply in July, an unexpected setback for the economy stoking recession fears'

 **CNBC**

'Nonfarm payroll growth revised down by 818,000, Labor Department says'

Bloomberg

'Japan's central bank hikes key rate hours before the Fed'



REUTERS

'No respite for Chinese officials as economy shows new signs of weakness'

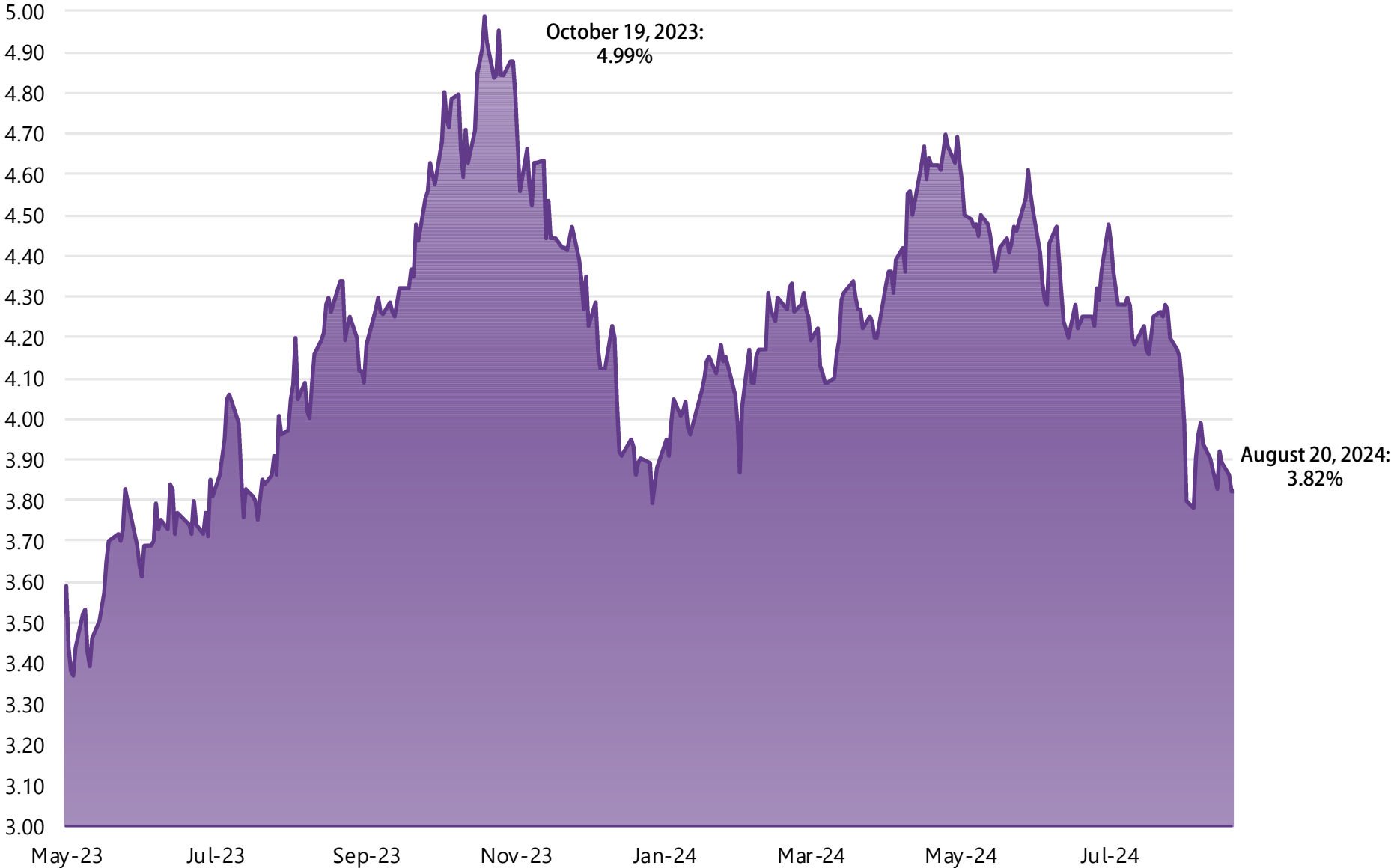


Ziegler

CAPITAL :: INVESTMENTS :: ADVICE

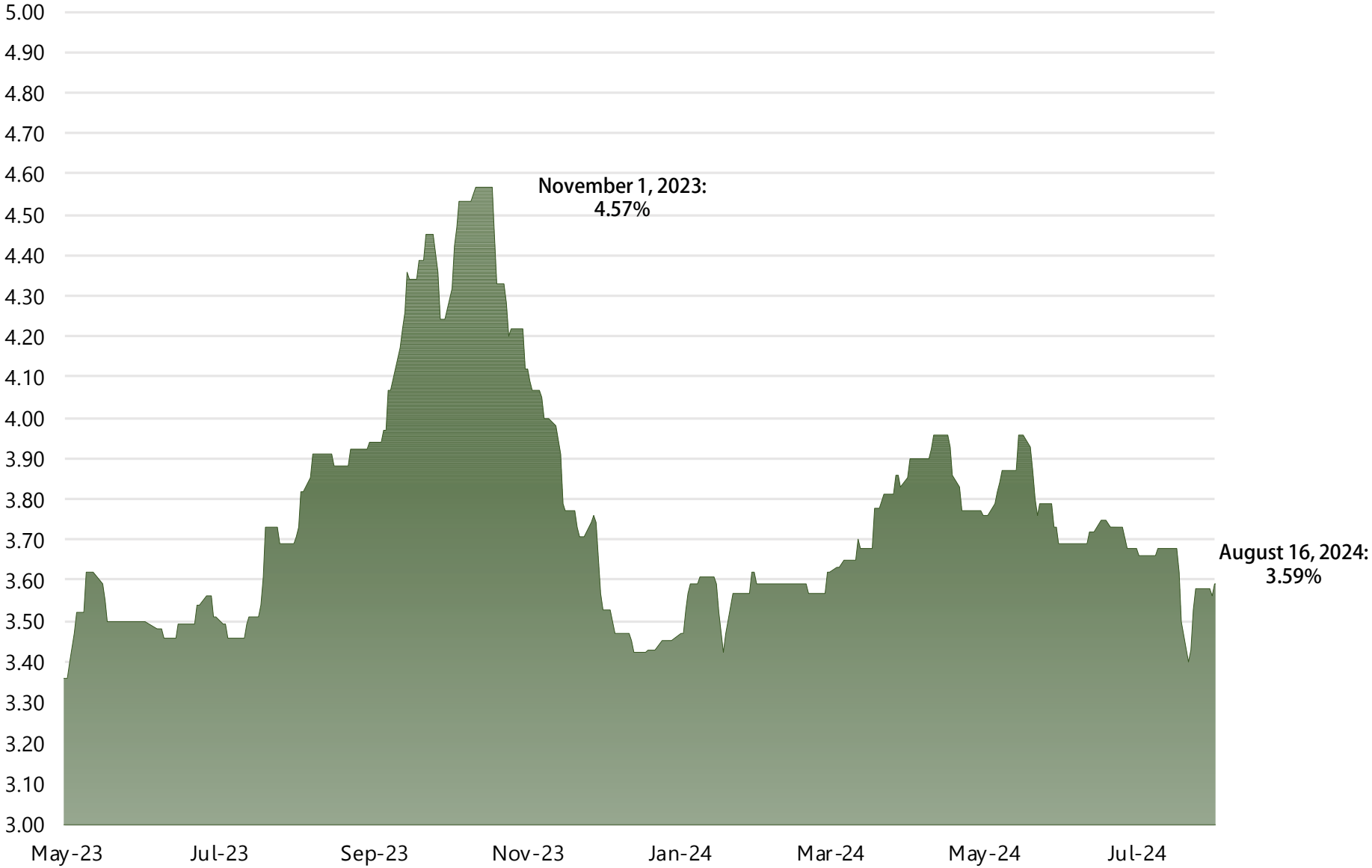
Bond Market Overview & Interest Rate Discussion

10-Year Treasury: Last 12 Months



Source: Federal Reserve

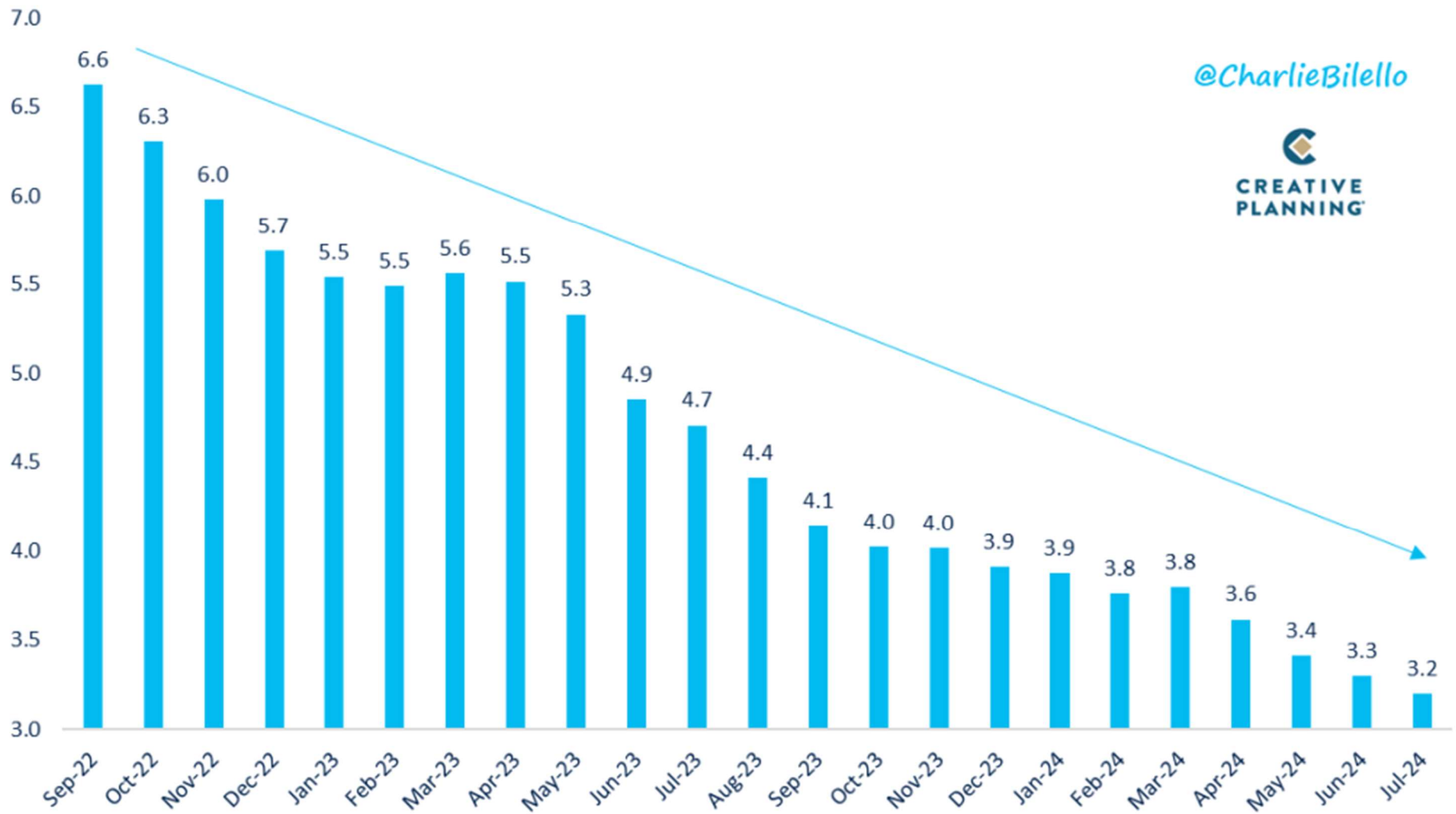
30-Year MMD (Last 12 Months)



Source: Thomson Reuters

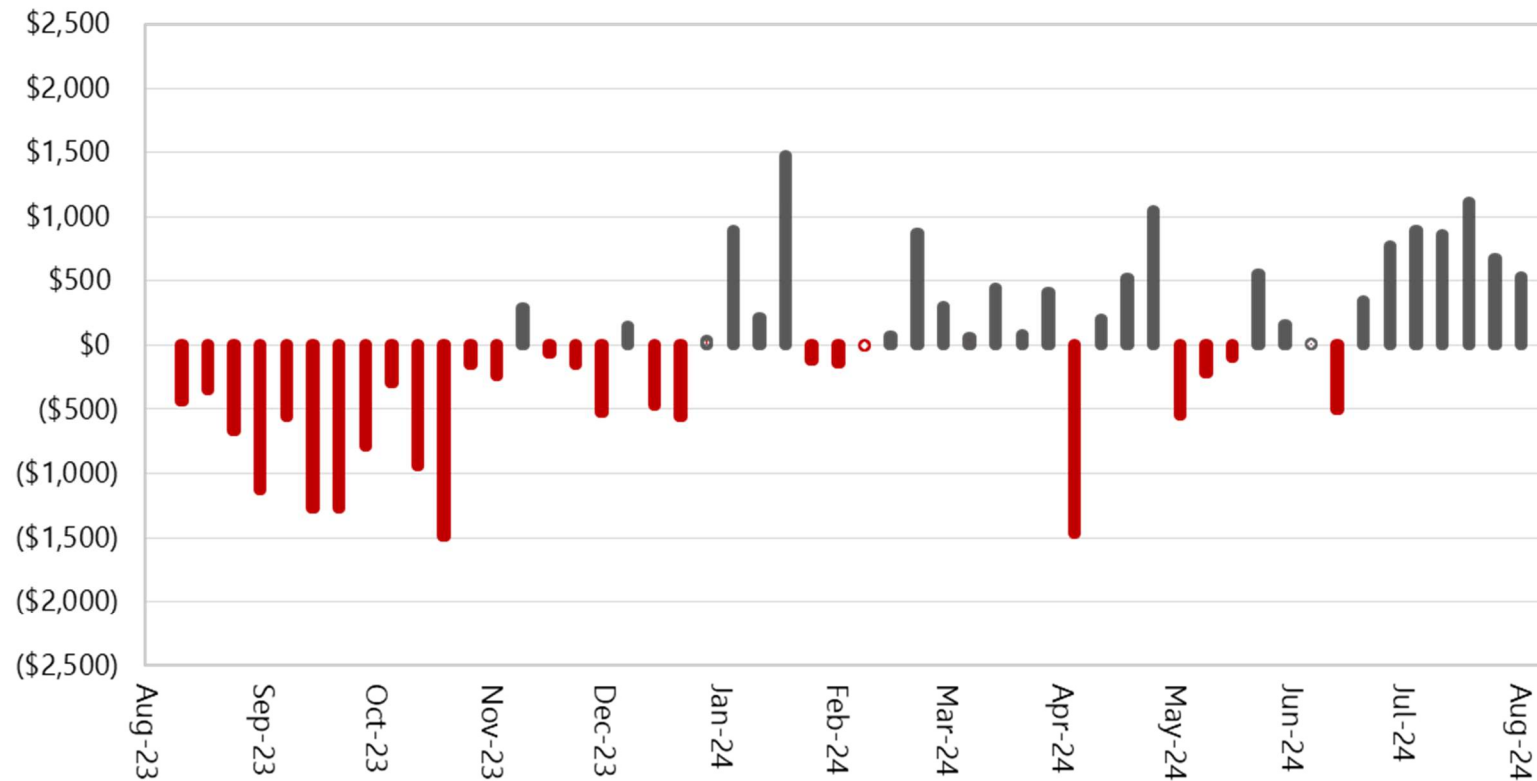
Core CPI (YoY % Change)

U.S. Core CPI (YoY % Change)



Source: LipperFM data service

Municipal Bond Fund Flows



- Muni funds have seen \$1.416 billion net outflows over the past 12 months.
- For the week ending August 16, 2024, municipal bond funds saw \$528.7 million of inflows.
- In 2024, there has been 24 weeks of inflows and 9 week of outflows. In 2023, there were 11 weeks of inflows and 41 weeks of outflows. In 2022, there were 5 week of inflows and 47 weeks of outflows.
- **High-yield funds saw \$230.6 million of inflows. In 2024, high-yield funds have seen 31 weeks of inflows and 2 week of outflows.**
- From a borrower's perspective, fund inflows mean that bond funds have more cash that they need to put to work. This may result in potential investors being more aggressive in terms of pricing and/or covenants.



Ziegler

CAPITAL :: INVESTMENTS :: ADVICE

Bond Market Update

Case Study: Granada Hills Charter High School (CA)

\$26,390,000 Revenue Bonds, Series 2024

Granada Hills Charter (GHC) is a prominent nonprofit public benefit corporation operating as a charter school in California. Established from the former Granada Hills High School, which was originally built by the Los Angeles Unified School District (LAUSD) in 1960, GHC became an independent charter school in 2003 following a staff vote to submit a charter school petition to LAUSD. Today, GHC serves approximately 6,000 students across two campuses in Granada Hills and Northridge, California, offering a comprehensive TK-12 educational program.



The school has undertaken significant construction and modernization projects funded by bond proceeds, including a Phase 3 Modernization Project at the Devonshire Campus. This project involves the demolition of an existing facility and the construction of a new three-story, 35,000 sq. ft. classroom building to accommodate an increase in student enrollment.

These bonds have been rated “BBB Stable” by Standard and Poor’s, reflecting the school’s stable financial standing.

Granada Hills Charter High School (CA) - Pricing Results

- Ziegler structured with serial bonds out to 20-years to provide savings to the School
- Lowest 30-year MMD spread (+73 bps) of any non-state enhanced charter school underwritten so far in 2024*
- Third lowest spread of a "BBB" non-state enhanced charter school ever

MATURITY	BOND TYPE	MMD	COUPON	YIELD	SPREAD
7/1/2025	SERIAL	2.580	5.000	3.080	0.500
7/1/2026	SERIAL	2.520	5.000	3.050	0.530
7/1/2027	SERIAL	2.510	5.000	3.070	0.560
7/1/2028	SERIAL	2.500	5.000	3.090	0.590
7/1/2029	SERIAL	2.480	5.000	3.100	0.620
7/1/2030	SERIAL	2.510	5.000	3.160	0.650
7/1/2031	SERIAL	2.580	5.000	3.240	0.660
7/1/2032	SERIAL	2.660	5.000	3.310	0.650
7/1/2033	SERIAL	2.680	5.000	3.340	0.660
7/1/2034	SERIAL	2.710	5.000	3.390	0.680
7/1/2035	SERIAL	2.770	5.000	3.470	0.700
7/1/2036	SERIAL	2.810	5.000	3.510	0.700
7/1/2037	SERIAL	2.850	5.000	3.560	0.710
7/1/2038	SERIAL	2.890	5.000	3.630	0.740
7/1/2039	SERIAL	2.970	5.000	3.740	0.770
7/1/2040	SERIAL	3.050	5.000	3.850	0.800
7/1/2041	SERIAL	3.140	5.000	3.960	0.820
7/1/2042	SERIAL	3.200	5.000	4.050	0.850
7/1/2043	SERIAL	3.260	5.000	4.120	0.860
7/1/2044	SERIAL	3.310	5.000	4.190	0.880
7/1/2054	TERM	3.590	5.000	4.320	0.730
7/1/2064	TERM	3.690	5.000	4.460	0.770

*Lowest spread through August 20, 2024

Source: Ziegler



Ziegler

CAPITAL :: INVESTMENTS :: ADVICE

Construction Market Update

Q&A with Adam Arndt



Disclaimer

- Ziegler is a privately-held investment bank, capital markets and proprietary investments firm
- A registered broker dealer with SIPC & FINRA
- Ziegler provides its clients with capital raising, strategic advisory services, equity & fixed-income trading and research
- Founded in 1902, Ziegler specializes in the healthcare, senior living and educational sectors as well as general municipal finance

This presentation is designed to provide information regarding the subject matter covered and is intended for informational purposes only with the understanding that the material contained herein does not constitute legal, accounting, tax, or other professional advice. Although information which may be contained in this presentation has been obtained from sources which we believe to be reliable, we do not guarantee that it is accurate or complete and any such information may be subject to change at any time.

This presentation may contain forward-looking statements, which may or may not come to fruition depending on certain circumstances. In addition, please be advised that past financial results do not predict future financial performance. Portions of this presentation may be presented by non-Ziegler individuals whose opinions and information may differ from those of Ziegler, its employees or its representatives.