



# Intermediate (5 Year) Municipal Bond Managed Account

## Quarterly Review

### *Positive Impacts:*

- **Curve Decision:** The strategy's overall yield curve posture was beneficial to relative performance during the quarter. In particular, underweight exposure to maturities between 4 and 8 years bolstered excess returns.
- **Quality Decision:** Overall quality positioning improved relative returns during the period. The strategy's overweight exposure and security selection in AA-rated securities was particularly beneficial to performance.
- **Sector Decision:** The strategy's underweight allocation to the state general obligation (GO) sector bolstered performance during the period, especially given a lower average duration in the sector relative to the benchmark as the muni market sold off. Additionally, an overweight allocation and security selection in the local general obligation sector bolstered performance during the period.
- **State Decision:** Our underweight posture and lower duration exposure in the states of California and New York contributed to relative performance during the period. Underweight allocations to Texas and Maryland benefited returns as well.

### *Negative Impacts:*

- **Curve Decision:** The strategy's overweight in the 8 to 10 year portion of the curve proved detrimental to returns during the quarter.

### *Strategy*

- Focus on security selection with solid credit fundamentals.
- Target a neutral duration posture.
- Focus on revenue bond spread sectors to help enhance yield.

## Important Disclosure

***Key Risks: Credit Risk, Issuer Risk, Interest Rate Risk, Liquidity Risk, Derivatives Risk, Currency Risk, Leverage Risk, Counterparty Risk, Non-US Securities Risk, Prepayment Risk, Extension Risk and Management Risk.***

***There is no guarantee that the investment objective will be realized or that the strategy will generate positive or excess return.***

***Any investment that has the possibility for profits also has the possibility of losses, including the loss of principal. Market conditions are extremely fluid and change frequently.***

***Past performance is no guarantee of future results.***

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