



Medium (10 Year) Municipal Bond Managed Account

Quarterly Review

Positive Impacts:

- **Curve Decision:** The strategy's overall yield curve posture was additive to relative performance during the quarter. Underweight exposure to maturities between 6-10 years was particularly beneficial to excess returns.
- **Quality Decision:** Overall quality positioning improved performance during the period. In particular, overweight exposure and security selection in the AA-rated tranche contributed positively 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.
- **State Decision:** Our underweight posture and security selection in the states of California and New York contributed to relative performance during the period.

Negative Impacts:

- **Sector Decision:** An overweight to the electric power sector hindered performance during the first quarter.
- **State Decision:** The strategy's overweight allocations in the states of Florida, Utah, Colorado, and Arizona were a drag on performance during the period.

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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