



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 underweight exposure and security selection in AAA-rated securities was particularly beneficial to performance.
- **Sector Decision:** The strategy's underweight allocation to the state general obligation (GO) and special tax sectors bolstered performance during the period, as did security selection in the special tax sector.
- **State Decision:** Our underweight in the states of New York and Texas contributed positively to relative performance during the period. Security selection in Texas also proved additive.

Negative Impacts:

- **Sector Decision:** The strategy's out-of-benchmark exposure to the hospital sector as well as its overweight posture in the higher education sector detracted from relative performance during the quarter.
- **State Decision:** Overweight exposures to the states of Florida, Michigan, Missouri, and Ohio proved to be a drag on excess returns during the period. Security selection in Missouri and Michigan detracted as well.

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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