



# Intermediate (5 Year) Municipal Bond Managed Account

## Quarterly Review

### *Positive Impacts:*

- Sector Decision: Out-of-benchmark allocation to the hospital sector proved additive during the 4th quarter.
- State Decision: Our underweight posture and security selection in the District of Colombia contributed to relative performance during the period.

### *Negative Impacts:*

- Curve Decision: Overall yield curve posture was a drag on relative performance during the quarter. In particular, underweight exposure to maturities between 1 and 10 years was detrimental to excess returns.
- Quality Decision: Overall quality positioning restrained relative returns during the period. In particular, underweight exposure and security selection in AAA and AA-rated securities proved to be a drag on performance.
- Sector Decision: Overweight exposure and security selection within the local general obligation (GO) sector limited relative performance during the period.
- State Decision: Underweight allocations to the states of New York, Texas, and Connecticut were a drag on relative returns in Q4, as was security selection in Texas.

### *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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