



# 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, as did underweight allocation and security selection in AAA-rated securities.
- **Sector Decision:** The strategy's underweight allocation to the state general obligation (GO) and special tax sectors bolstered performance during the period. Overweight exposure to the local GO sector also benefited excess returns.
- **State Decision:** Our underweight posture and security selection in the states of California, New York, and Texas contributed to relative performance during the quarter.

### *Negative Impacts:*

- **Sector Decision:** The strategy's out-of-benchmark exposure to the hospital sector detracted from relative performance.

### *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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