



Medium (10 Year) Municipal Bond Managed Account

Quarterly Review

Positive Impacts:

- **Curve Decision:** The overweight to securities with maturities from 8 to 12 years was additive in the fourth quarter.

Negative Impacts:

- **Curve Decision:** The overall yield curve posture was a drag on relative performance during the quarter. In particular, underweight exposure to maturities between 6-8 and 12-17 years was detrimental to excess returns.
- **Quality Decision:** Overall quality positioning limited performance during the period. In particular, underweight exposure and security selection in the AA and AAA-rated tranches were detrimental to performance.
- **Sector Decision:** Security selection within the local general obligation (GO) sector hindered excess returns during the period.
- **State Decision:** The composite's security selection and underweight allocations in the states of New York and California limited relative performance in Q4, as did 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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