



# Intermediate Municipal Bond Managed Account

## Marketing Communication

### Quarterly Review

#### *Positive Impacts:*

- Sector Decision: The strategy's out-of-benchmark exposure to the hospital sector and overweight allocation in the leasing sector were additive to returns.
- State Decision: Overweight allocation to the states of Florida and Missouri bolstered relative performance during the period.

#### *Negative Impacts:*

- Curve Decision: The strategy's overall yield curve posture hindered relative performance during the quarter. For example, the strategy's underweight exposure to securities in the 4 to 8 year part of the curve proved particularly detrimental to returns.
- Quality Decision: Overall quality positioning was a drag on relative returns during the period. The strategy's underweight allocation to AAA-rated securities restrained relative performance during the quarter.
- Sector Decision: Underweight exposure in the state general obligation (GO), special tax, and water & sewer sectors proved to be a detriment to relative returns, as did security selection in state GO and water & sewer sectors.
- State Decision: The strategy's underweight exposure in the states of New York and California were a drag on relative performance. Security selection in California also detracted from 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

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