Intermediate Municipal Bond Managed Account

MARKETING COMMUNICATION

Quarterly Review

Positive Impacts:

- Curve Decision: The strategy's overall yield curve posture modestly bolstered relative performance during the quarter. The strategy's underweight exposure to securities in the 8 to 10 year part of the curve proved particularly beneficial to returns.
- Quality Decision: Overall quality positioning positively contributed to relative returns during the period. In particular, the strategy's overweight allocation to AA-rated securities improved relative performance during the quarter.
- Sector Decision: The strategy's underweight exposure and yield curve positioning in the state general obligation (GO) sector was additive to returns.
- State Decision: Underweight allocation to the states of California and New York positively contributed to relative performance during the period.

Negative Impacts:

- Sector Decision: Out-of-benchmark exposure to the hospital sector proved to be a detriment to relative returns.
- State Decision: Underweight exposure to the state of Texas contributed negatively to performance over the quarter, as did security selection and yield curve positioning in Missouri.

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

Investing involves risk, including possible loss of principal. Municipal markets *may be volatile and can be significantly affected by adverse tax, legislative or political changes and the financial condition of the issuers of municipal securities.* ***Fixed-income securities*** *may be susceptible to general movements in the bond market and are subject to credit and interest rate risks.* ***Credit risk*** *arises from an issuer's ability to make interest and principal payments when due, as well as the prices of bonds declining when an issuer's credit quality is expected to deteriorate.* ***Interest rate risk*** *occurs when interest rates rise causing bond prices to fall. The issuer of a debt security may be able to repay principal prior to the security's maturity, known as* ***prepayment (call) risk****, because of an improvement in its credit quality or falling interest rates. In this event, this principal may have to be reinvested in securities with lower interest rates than the original securities, reducing the potential for income.*

Past performance is no guarantee of future results.

There is no guarantee that the investment objective will be realized or that the strategy will generate positive or excess return.

Market conditions are extremely fluid and change frequently.

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