



# Intermediate (5 Year) Municipal Bond Managed Account

## Management Team

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## Objective

Seeks to provide capital stability, tax-free income, and low to moderate interest rate volatility

*Income exempt from federal tax may be subject to state or local tax. A portion of the fund's income may be subject to the federal alternative minimum tax. Income or fund distributions attributable to capital gains are usually subject to both state and federal taxes.*

## Benchmark

Bloomberg Managed Money  
Short/Intermediate Bond Index

*Duration and Maturity for equity securities are deemed to be zero.*

*Diversification does not ensure a profit or guarantee against a loss.*

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*The comparison benchmark is the Bloomberg Managed Money Short Intermediate Bond Index. Prior to 10/1/2017 the benchmark was the Bloomberg 5 Year Municipal Bond Index. The change in benchmark was made to better align the benchmark with the composite in order to more precisely attribute performance, in particular to more closely match the maturity structure of a laddered index. The benchmark returns shown are not covered by independent verification and have not been recalculated by the independent verifier.*

## Highlights

- The Municipal Bond team follows a disciplined, research-driven, risk-managed process to seek attractive relative value within the investment grade municipal universe
- Portfolio managers and credit research analysts select securities based on a rigorous internal quantitative and qualitative review. Security selection seeks to exploit sector, state and individual security relative value opportunities
- Interest rate risk is managed by targeting duration exposure within close proximity to the benchmark
- The maturity structure is actively adjusted relative to the benchmark to take advantage of current and anticipated changes to the shape of the yield curve
- Tax implications, including tax loss harvesting, can play an integral role in the relative value analysis conducted to evaluate investment alternatives
- Typical Portfolio Construction
  - Typical range of maturities: 1 – 10 Years
  - Typical average duration: 4.25 – 4.75 Years
  - Credit Quality: Investment Grade, Average AA+
  - Sectors: Core Municipal

### Facts

Strategy inception	5/1/94
Composite inception	1/1/05
Strategy assets	\$1,806.0M
Composite assets	\$1,124.3M

### Portfolio Characteristics

	Composite	Index
Average maturity	5.18 yrs	5.08 yrs
Average duration	4.50 yrs	4.46 yrs
Average acquisition yield	2.74%	-
Average yield	2.56%	2.43%
Average credit quality	AA2	AA2

## Composite Performance (%)

	CUMULATIVE RETURN	
	3 MO	YTD
<b>GROSS</b>	5.88	3.99
<b>NET WRAP FEE</b>	5.50	2.46
<b>BENCHMARK</b>	6.50	4.48

AVERAGE ANNUALIZED RETURN				
1 YEAR	3 YEAR	5 YEAR	10 YEAR	SINCE INCEPTION
3.99	-0.54	1.67	1.90	2.83
2.46	-2.01	-0.11	-0.50	0.39
4.48	-0.46	1.80	1.91	2.92

## Composite Period Performance (%)

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
<b>GROSS</b>	3.99	-5.36	-0.03	4.32	5.82	1.37	3.07	-0.07	2.46	3.87
<b>NET WRAP FEE</b>	2.46	-6.76	-1.51	2.78	2.83	-1.62	0.03	-3.03	-0.56	0.81
<b>BENCHMARK</b>	4.48	-5.43	-0.17	4.79	5.78	1.43	3.51	-0.39	2.43	3.19

**Performance data shown represents past performance and is no guarantee of future results. Current performance may be lower or higher than quoted.** Returns are shown in US dollars and are annualized for one and multi-year periods. Gross returns are net of trading costs. Net of total wrap fee results reflect the deduction of an annual fee of 1.50%.

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

*Average Yield is Yield to Worst.*



ASSET ALLOCATION (%)			SECTOR DISTRIBUTION (%)			TOP TEN STATE POSITIONS (%)		
	Composite	Index		Composite	Index		Composite	Index
Revenue bonds	53.8	40.1	Local GO	24.3	21.5	California	14.9	20.7
General obligation bonds	31.8	44.9	Education	12.2	8.4	New York	9.7	18.7
Other	11.7	15.0	Water & Sewer	11.3	10.0	Texas	8.6	9.4
Cash & Equivalents	2.4	-	Leasing	10.6	8.1	Florida	8.0	2.5
			Special Tax	9.8	13.6	Ohio	4.5	2.4
			State GO	7.4	23.4	Washington	4.1	4.2
			Hospital	7.1	-	Michigan	3.6	0.8
			Transportation	6.5	8.5	Colorado	3.4	1.8
			Electric	6.1	4.6	Indiana	3.1	0.7
			Prerefunded	1.9	1.4	Missouri	2.9	0.8
			Other	0.4	0.5			

  

CREDIT QUALITY (%)			MATURITY DISTRIBUTION (%)			DURATION DISTRIBUTION (%)		
	Composite	Index		Composite	Index		Composite	Index
US Treasurys	-	-	0 to 2 Yrs.	14.8	10.8	0 to 2 Yrs.	18.1	12.9
AAA	27.6	37.4	2 to 4 Yrs.	19.7	21.7	2 to 4 Yrs.	27.8	25.2
AA	63.1	62.6	4 to 6 Yrs.	18.8	22.8	4 to 6 Yrs.	19.8	38.8
A	6.8	-	6 to 8 Yrs.	13.3	22.8	6 to 8 Yrs.	29.4	23.0
BAA	0.1	-	8 to 10 Yrs.	22.4	21.9	8 to 10 Yrs.	4.8	0.1
BA	-	-	10 to 15 Yrs.	10.9	-			
B	-	-						
CAA & Lower	-	-						
Not Rated	-	-						
Cash & Equivalents	2.4	-						

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**KEY RISKS:** Credit Risk, Issuer Risk, Interest Rate Risk, Liquidity Risk, Prepayment Risk and Extension Risk. Investing involves risk including possible loss of principal.

*Due to rounding, Sector, Credit Quality, Duration and Maturity distribution totals may not equal 100%. Credit Quality reflects the highest credit rating assigned to individual holdings of the composite among Moody's, S&P or Fitch; ratings are subject to change. Cash & Equivalents may include unsettled trades, fees and/or derivatives. Asset Allocation, "Other" includes sector not represented by General Obligation bonds, Revenue bonds, or Cash & equivalents. Sector Distribution, "Other" generally includes cash and sectors that are not included in the top 10 sectors by market weight. 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 carry one or more of the following risks: credit, interest rate (as interest rates rise bond prices usually fall), inflation and liquidity.*

*Effective 9/30/2019, the Intermediate Municipal SMA composite name was changed to Intermediate (5 Year) Municipal Bond Managed Account composite. The Composite includes all discretionary Managed Accounts (Wrap/Bundled Fee) managed by Loomis Sayles with guidelines prescribing investment in primarily U.S. Dollar denominated municipal bonds with target duration of 3 to 6 years and has a benchmark of the Bloomberg Managed Money Short/Intermediate Bond Index or similar index which reflect the Composite investment strategy and duration target. The Composite inception date is February 1, 2005. The composite was created in 2005. For additional information on this and other Loomis Sayles strategies, please visit our website at [www.loomisayles.com](http://www.loomisayles.com).*

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