



# CAPITAL ADVISORS

## Managed Municipal Bond Strategy

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| <b>Objective:</b>   | Capital Preservation | <b>Process:</b>        | Fundamental          |
| <b>Asset Class:</b> | Fixed Income         | <b>Implementation:</b> | Individual Bonds     |
| <b>Holdings:</b>    | 5-25                 | <b>Style Box:</b>      | Inv. Grade Municipal |
| <b>Inception:</b>   | June 1978            | <b>Structure:</b>      | SMA                  |

### **Description:**

Capital Advisors' Managed Municipal Bond Strategy utilizes individual bonds to construct fixed income portfolios for one of three client priorities: Liquidity, Income, or an Aggregate of the two. The strategy invests in municipal bonds rated investment-grade by the major ratings agencies, including state-specific municipal bonds for residents of states with an income tax. We seek to manage risk in this strategy through diversity of issuers, laddered maturity structures, and yield curve optimization within each of the three client priorities.

### **Process:**

We combine credit research with yield curve optimization to maximize income from the municipal markets within the boundaries of a priority to preserve capital. We seek to customize portfolios with attractively priced bonds at the time each security is purchased. Our fixed income portfolios utilize investment-grade securities almost exclusively, although we may include high-yield or non-rated securities in some Aggregate and Income portfolios.

### **Role in Portfolio:**

Our fixed income strategies are customized according to three broad priorities – Liquidity, Income or Aggregate. A Liquidity portfolio invests exclusively in investment grade quality securities and short-term maturities to achieve stability of principal and ready access to capital. An Income portfolio extends further out on the yield curve and includes a broader range of credit quality to generate a higher level of income. The Aggregate approach incorporates elements of the Liquidity and Income designs for a “core” exposure to the fixed income asset class.

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