

# Municipal Bond Separately Managed Accounts at Morgan Stanley

Nuveen is one of the largest providers of municipal bond separately managed accounts,<sup>1</sup> offering access to the expertise of a leading portfolio management team with the flexibility to customize institutional-quality strategies.

## MUNICIPAL SEPARATELY MANAGED ACCOUNT STRATEGIES

Nuveen offers actively managed, institutional-quality strategies across the maturity/duration spectrum, with the ability to customize for both national and state portfolios.

Available at Morgan Stanley in Select UMA and CES:\*

	Limited Maturity Municipal	Intermediate High-Quality Municipal	Long-Term Municipal	Municipal Total Return** <sup>3</sup>
<b>Benchmark</b>	Bloomberg Intermediate/Short (1-10) Municipal Bond Index	Bloomberg 3-15 Year Blend Municipal Bond Index	Bloomberg Municipal Bond Index	Bloomberg Municipal Bond Index
<b>Number of positions<sup>2</sup></b>	8-15	8-15	8-15	N/A
<b>Average duration target (years)</b>	2-5	5-6.5	7-11	5-9
<b>Average maturity target (years)</b>	3-7	7-10	17-22	10-20
<b>Average credit quality target</b>	AA	AA	AA	A
<b>Average annual turnover (%)</b>	15-40	15-40	15-40	15-40

\* Minimum initial investment of \$150,000 for Select UMA and \$1,000,000 for CES.

\*\*On Morgan Stanley Focus List.

### Customized Municipal Fixed Income

Customization options are available:

- State
- Credit quality
- Distributions
- Tax awareness
- Maturity
- Responsible investing
- Security transition<sup>4</sup>
- Duration
- Sector

Please see next page for endnotes and disclosures.

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## LADDERED PORTFOLIOS<sup>5</sup>

Laddered managed account portfolios are built to provide tax-efficient current income from a portfolio of municipal bonds that will typically be held to maturity or sold as they reach the portfolio's minimum maturity.

Available at Morgan Stanley in Select UMA and CES:

	<b>1 – 7 Year Municipal Ladder</b>	<b>1 – 10 Year Municipal Ladder</b>	<b>1 – 15 Year Municipal Ladder</b>	<b>5 – 15 Year Municipal Ladder</b>	<b>10 – 25 Year Municipal Ladder</b>
<b>Benchmark</b>	Bloomberg Managed Money Short Term Index	Bloomberg Managed Money Short/Intermediate (1-10 Year) Index	Bloomberg Managed Money Intermediate (1-17 Year) Index	Bloomberg Managed Money Intermediate (1-17 Year) Index	Bloomberg Managed Money Long Index
<b>Number of positions<sup>2</sup></b>	8-15	8-15	8-15	8-15	8-15
<b>Maturity range (years)</b>	1-7	1-10	1-15	5-15	10-25
<b>Credit quality range</b>	AAA to A	AAA to A	AAA to A	AAA to A	AAA to A
<b>Average credit quality target</b>	AA	AA	AA	AA	AA
<b>Maximum position exposure (at time of purchase)</b>	15%	15%	15%	15%	15%
<b>Minimum initial investment:</b>					
<b>Select UMA</b>	\$250K	\$250K	\$250K	\$250K	\$250K
<b>CES</b>	\$1M	\$1M	\$1M	\$1M	\$1M

For more information, contact your Nuveen Advisor Consultant team at 800.221.9271.

### Endnotes

- Source: Cerulli Associates, The Cerulli Report, U.S. Managed Accounts 2023. Data as of 31 Dec 2022, updated annually; most recent data available. All asset manager data based on total assets, which includes proprietary program assets, but does not include model separate accounts.
- Concentration in a small number of holdings may increase risk exposure. A \$250,000 account in these strategies can typically hold 8-15 or 8-16 individual bonds, depending on the strategy, under normal circumstances. The number of bonds may vary and may be greater or fewer based on factors such as account size, client transactions and market conditions. Accordingly, one or more individual bonds may each represent greater than 10% of the account. A decline in value of any one or more individual bonds may have a material impact on the account value.
- Municipal Total Return will hold shares in a specialized, registered investment portfolio (Municipal Total Return Managed Accounts Portfolio) that is offered only to Nuveen separately managed accounts and is not offered or promoted directly. There are special risks associated with investments in high yield bonds, hedging activities and the potential use of leverage. Municipal Total Return may include lower rated municipal bonds, commonly referred to as "high yield" or "junk" bonds, which are considered to be speculative, the credit and investment risk is heightened for the portfolio. The use of derivatives presents risks different from, and possibly greater than, the risks associated with investing directly in traditional securities. Among the risks presented are market risk, credit risk, management risk and liquidity risk. The use of derivatives can lead to losses because of adverse movements in the price or value of the underlying asset, index or rate, which may be magnified by certain features of the derivatives.
- Securities transition allows clients to fund an SMA through transfer of municipal bonds in lieu of funding with cash. Transferred securities are either held or gradually transitioned out of the portfolio in a tax-sensitive manner.

5 Please note that the Municipal Ladders portfolios may not lend themselves to certain types of customizations, including but not limited to: sector restrictions, requests to replace individual bonds and certain client trading such as tax sales. These strategies do not utilize the opportunistic and more active trading approach found in certain other Nuveen municipal bond strategies. The laddered bonds will typically be held to maturity in the absence of material credit events, contributions/withdrawals and calls. Initially, Nuveen will purchase individual bonds that are given equal weight, with differing maturities across the specified strategy maturity range. The maturity range is typically segmented into 1-2 year ranges ("rungs") in which Nuveen will purchase bonds creating a "ladder" of individual bonds. It will be approximately 6-12 rungs for the 1-10 years. As bonds mature (or are called) and cash is generated in the account, Nuveen will purchase additional bonds in the longest available rung within the strategy's bond maturity range.

This material is not intended to be a recommendation or investment advice, does not constitute a solicitation to buy, sell or hold a security or an investment strategy, and is not provided in a fiduciary capacity. The information provided does not take into account the specific objectives or circumstances of any particular investor, or suggest any specific course of action. Financial professionals should independently evaluate the risks associated with products or services and exercise independent judgment with respect to their clients.

### Important information on risk

All investments carry a certain degree of risk, including possible loss of principal, and there is no assurance that an investment will provide positive performance over any period of time. An investment in any municipal portfolio should be made with an understanding of the risks involved in investing in municipal bonds, such as interest rate risk, credit risk and market risk, including the possible loss of principal. The value of the portfolio will fluctuate based on the value of the underlying securities. Clients should contact their tax professional regarding the appropriateness of tax-exempt investments in their portfolio. If sold prior to maturity, municipal securities are subject to gain/losses based on the level of interest rates, market conditions and the credit quality of the issuer. Income may be subject to the alternative minimum tax (AMT) and/or state and local taxes, based on state of residence. Income from municipal bonds held by a portfolio could be declared taxable because of unfavorable changes in tax laws, adverse interpretations by the Internal Revenue Service or state tax authorities, or noncompliant conduct of a bond issuer.

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