

### About MacKay Municipal Managers

Not all municipal managers are created equal. Our municipal bond strategies are managed by the experienced professionals at MacKay Municipal Managers, the minds behind munis. MacKay Municipal Managers is a recognized leader in active municipal bond investing and is entrusted with approximately \$49 billion in assets, as of 12/31/19. The Team manages many highly rated, award-winning municipal bond solutions, available in multiple structures, including actively managed mutual funds and exchange traded funds.

For more information, including regular updates and insights about the municipal markets, visit [muni360.com](http://muni360.com).

### Insights from MacKay Municipal Managers: An update on market volatility and COVID-19

*In response to recent developments surrounding the coronavirus (COVID-19), MacKay Municipal Managers is sharing some points for your review:*

- Reflecting on our [2020 Top Five Insights](#) published in January, MacKay Municipal Managers' thesis remains unchanged.
- In 2019, on the heels of record industry inflows, declining rates, and tighter spreads, the team opportunistically sold weaker structures across our platform amidst high demand, increased credit quality amidst tighter spreads, and we continue to maintain ample liquidity.
- As similar technicals continued in January, 2020, magnified by the recent "risk-off" trade, our defensive posture (while remaining active) is intact and we believe we are well-positioned.
- Active management remains paramount. In a landscape of historically tight spreads and lower yields, incremental alpha delivered through deep credit and spread analysis can distinguish managers relative to passive approaches.

We believe security selection and bond structure drive performance.

- We believe [liquidity management](#) is always a critical aspect of the municipal investment process, particularly in this recent cycle. Our market is comprised of ~70% individual investors where emotion and behavioral finance coupled with the lack of liquidity can lead to opportunities to navigate while buying the dips.
  - In terms of credit surveillance, MacKay Municipal Managers is monitoring all sectors of the market, as always, with a close eye on those that may have greater impact related to coronavirus – For example, transportation, ports, hotels generating excise taxes, etc.
- Further on credit and consistent with our insights, strategic underweight exposure is likely to drive outperformance in the high yield municipal market. Quality high yield investments will be key as cracks appear.

MacKay Municipal Managers will continue to actively monitor developments.

This material contains the opinions of the MacKay Municipal Managers™ team of MacKay Shields LLC but not necessarily those of MacKay Shields LLC. The opinions expressed herein are subject to change without notice. This material is distributed for informational purposes only. Forecasts, estimates, and opinions contained herein should not be considered as investment advice or a recommendation of any particular security, strategy or investment product. Information contained herein has been obtained from sources believed to be reliable, but not guaranteed. Any forward-looking statements speak only as of the date they are made and MacKay Shields assumes no duty and does not undertake to update forward-looking statements. No part of this document may be reproduced in any form, or referred to in any other publication, without express written permission of MacKay Shields LLC. ©2020, MacKay Shields LLC. All rights reserved.

MacKay Municipal Managers and MMM are trademarks of MacKay Shields LLC.

MacKay Shields LLC is a wholly owned subsidiary of New York Life Investment Management Holdings LLC, which is wholly owned by New York Life Insurance Company.



#### For more information

800-624-6782

[nylinvestments.com/funds](https://nylinvestments.com/funds)

"New York Life Investments" is both a service mark, and the common trade name, of certain investment advisors affiliated with New York Life Insurance Company. Securities are distributed by NYLIFE Distributors LLC, 30 Hudson Street, Jersey City, NJ 07302. NYLIFE Distributors LLC is a Member FINRA/SIPC.

© 2020 New York Life Investment Management LLC. All rights reserved.

Not FDIC/NCUA Insured	Not a Deposit	May Lose Value	No Bank Guarantee	Not Insured by Any Government Agency
-----------------------	---------------	----------------	-------------------	--------------------------------------