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▶ Winners in the muni market vary each year

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018 YTD	
Total return by maturity (%)	Short (1-3 years)	4.89	4.32	1.40	2.15	1.18	1.03	0.74	0.77	0.23	1.11	0.88
	Intermediate (3-15 years)	2.27	9.46	3.14	9.63	5.15	-1.24	6.96	3.06	-0.05	4.76	-0.26
	Long (22+ years)	-14.68	23.43	1.12	14.88	11.26	-6.01	15.39	4.52	0.88	8.19	-1.13
Total return by credit quality (%)	AAA	1.61	9.06	2.03	8.75	4.52	-1.61	6.34	2.73	-0.17	4.45	-0.77
	AA	-0.76	11.72	2.05	10.28	6.23	-2.12	8.22	3.16	0.05	4.96	-0.51
	A	-5.97	15.87	2.23	12.53	8.16	-2.56	10.52	3.71	0.85	6.16	-0.26
	BAA	-21.33	26.09	3.75	11.84	9.80	-7.17	14.47	4.25	0.35	8.74	0.61
	High Yield	-27.01	32.73	7.80	9.25	18.14	-5.51	13.84	1.81	2.99	9.69	4.45

Highest return
Lowest return

Source: Bloomberg Barclays, Columbia Threadneedle Investments, as of 09/30/18.

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Duration risk and credit risk are the primary drivers of income and total return in the muni bond market. These factors may outperform at different stages of the economic cycle.

Allocating across maturity and quality spectrums could uncover more opportunities. Shorter duration, high-quality municipal securities could offer stability during periods of heightened volatility. But longer and lower quality bonds could provide a significant yield advantage that bolsters total return potential. Blending these exposures with a core allocation to bonds of targeted maturities and qualities may smooth the ride for investors.

Maturity periods and credit qualities are represented by applicable Bloomberg Barclays Municipal Bond Indices. The Bloomberg Barclays Municipal Bond Index is an unmanaged index that is considered representative of the broad market for investment-grade, tax-exempt bonds with a maturity of at least one year. **It is not possible to invest directly in an index.** Credit ratings are subjective opinions of the credit rating agency and not statements of fact, may become stale and are subject to change. Investment products offered through Columbia Management Investment Distributors, Inc., member FINRA. Advisory services provided by Columbia Management Investment Advisers, LLC. Columbia Threadneedle Investments (Columbia Threadneedle) is the global brand name of the Columbia and Threadneedle group of companies. © 2018 Columbia Management Investment Advisers, LLC. All rights reserved.