

# The Municipal Securities Rulemaking Board (MSRB) Rule G-15



STERLING  
CAPITAL

## MSRB RULE G-15

- Approved by SEC
- Goes into effect May 14, 2018
- Purpose: to increase transparency and bring reporting standards closer to equity trades
- Requires broker dealers to disclose the compensation or mark-up they receive when buying and selling certain municipal bonds for retail clients
- This new rule primarily applies to same-day, offsetting principal trades for retail clients
- Includes commissions and transaction costs

## WHAT DOES THIS MEAN FOR INVESTORS?

- Investors' trade confirmation statements must include bond pricing details such as
  - Reference Price (what was charged to the dealer)
  - Client Price
  - The difference between what is charged to the client and the dealer
- Clients must be notified when multiple bond transactions are completed in a day

## STERLING CAN HELP

With over \$34 billion in fixed income assets under management and a 24 member fixed income team with 19 years' average experience (as of 12.31.2017), Sterling Capital offers a robust line-up of both taxable and tax-free fixed income separately managed account solutions. Benefits include:

Low Cost	Transparency	Liquidity
<ul style="list-style-type: none"><li>• Reduced cost due to lower management fees than many others</li><li>• Seek best execution at all times – no mark-ups</li><li>• Utilize automated trading platforms</li><li>• Extensive dealer network</li></ul>	<ul style="list-style-type: none"><li>• Real time access to portfolio holdings and trade activity</li><li>• Understand sector and security exposures</li></ul>	<ul style="list-style-type: none"><li>• Focus on more liquid sectors and securities</li><li>• Greater liquidity improves pricing, enables rebalancing, and reduces transaction costs</li></ul>
Operational Efficiency	Impact	Customization
<ul style="list-style-type: none"><li>• Simplified transition when hiring or removing managers</li><li>• In-kind transfer of securities</li></ul>	<ul style="list-style-type: none"><li>• Never pay taxes on capital gains that you didn't generate</li><li>• Not subject to the potentially adverse impact of mutual fund inflows and outflows</li></ul>	<ul style="list-style-type: none"><li>• Legacy low-basis holdings</li><li>• Social concerns</li><li>• Tax-loss harvesting</li></ul>

*Please note: The opinions contained in the preceding commentary reflect those of Sterling Capital Management LLC. The stated opinions are for general information only and not meant to be predictions or an offer of individual or personalized investment advice. They are not intended as an offer or solicitation with respect to the purchase or sale of any security. This information and these opinions are subject to change without notice. Any type of investing involves risk and there are no guarantees. Sterling Capital Management does not assume liability for any loss which may result from the reliance by any person upon such information or opinions.*