nuveen
A TIAA Company

Interval Fund

Municipal - National

Nuveen Enhanced High Yield Municipal Bond Fund

Marketing communication | As of 31 Dec 2025

- **The Fund underperformed the benchmark S&P Municipal Yield Index for the quarter.**
- **Against a backdrop of Federal Reserve interest rate cuts and resilient, though likely distorted, economic indicators, performance was positive for the Fund and the municipal market broadly. Elevated supply continued to be met with strong demand, although tax-loss selling accelerated into year-end, as is seasonally typical. Notably, investors were beginning to recognize the attractiveness of longer duration municipals. Credit spreads remained stable and municipal yield moves were muted overall.**
- **The Fund's performance relative to the benchmark was mainly driven by sector allocation and credit selection effects, where exposure to Brightline's underperformance offset positive contributions elsewhere.**

Market review

Positive fourth quarter performance, along with third quarter gains, drove municipal bonds back into positive territory for the full year 2025. The S&P Municipal Bond Index returned 1.55% in the fourth quarter, and the below investment grade universe, as represented by the S&P Municipal Yield Index, returned 1.74%.

In the fourth quarter, 10-year AAA municipal yields fell 16 basis points (bps), while the 10-year Treasury yield rose 2 bps. The municipal yield curve remained steep during the quarter, although performance was uneven across the yield curve, peaking near 17-year maturities. 20-year AAA municipal yields declined 7 bps while 1-year AAA municipal yields were 8 bps higher.

The Municipal-to-Treasury yield ratios have historically been a barometer of relative value in the municipal market. We anticipate short Municipal-to-Treasury ratios will hover in the 65%–70% range to align with federal tax rates, whereas longer bond ratios will be closer to 90%, which provides even more substantial after-tax yield for investors.

2025 issuance of $550 billion was 15% higher than in 2024. On the demand side, flows totaled $23 billion through November 2025, including $12 billion into long and intermediate open-end funds.

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Portfolio review

The Fund underperformed the benchmark S&P Municipal Yield Index for the quarter. Despite the relative underperformance, we note that the yield contribution to the Fund's total return has continued to grow versus the index. This is the result of the continued purchase of higher-yielding bonds along with lower borrowing costs due to lower prevailing short-term interest rates. In the fourth quarter, we saw the benefit of leverage-adjusted yield returns for the Fund, which we expect to continue in the year ahead.

The main drivers of relative performance in the quarter were sector allocation and credit selection. From a sector perspective, positive contributions came from overweights to land secured and charter school bonds, which performed well, and underweights to industrial development revenue, tobacco and Puerto Rico bonds, sectors which underperformed. However, underweight allocations to health care (both senior living and hospitals) and to multifamily housing detracted from relative performance, although our credit selection within health care outperformed.

Credit selection showed mixed results. Certain bonds issued for Florida high-speed passenger rail Brightline experienced negative price adjustments before year-end. Although the Fund has continued to reduce its exposure to Brightline, including participation in a partial redemption and exchange of Brightline West bonds, the Fund's overall exposure was a material detractor.

Partially offsetting the negative impact of Brightline were a diverse group of strong performing credits.

Land development bonds for Windler, Colorado and Transport Metropolitan District in Colorado were standouts, as were hotel revenue bonds for Stanley Hotel in Colorado and a hotel and convention center in Conroe, Texas. Two distressed situations – Serenity at Larkspur, which are California workforce housing bonds, and Buckingham Senior Living in Texas – saw their bond prices appreciate on progress in their workouts. An Arkansas charter school private placement bond also contributed positively.

The Fund's credit ratings allocations and duration/yield curve positioning had a negligible impact on performance during the quarter given stable credit spreads and muted yield movements in the municipal market.

Portfolio positioning

During the quarter, the Fund worked to increase its cash position in anticipation of potentially large investor tax-loss redemptions during the Fund's redemption window – which did not materialize – as well as in expectation of mutual fund tax-loss selling in the market in December. As a result, the Fund was well positioned to be a buyer in December, which allowed the Fund to buy several unique high yield bonds in the secondary market. By year-end, the Fund was fully invested. Selling activity prioritized low book yield, lower coupon positions, consistent with our strategy to position the Fund for higher yield returns going forward.

Outlook

After an extended period of underperformance relative to other fixed income assets, municipal bonds appear poised for an inflection. The Federal Reserve rate cuts are expected to drive a significant rotation out of cash toward other higher-yielding assets, and positive fund flows have historically supported positive performance for municipals. Supply forecasts suggest elevated issuance again in 2026, which supports attractive valuations and offers ample investment opportunity – dynamics that reward disciplined analysis and active management. The steepness of the municipal bond yield curve currently offers attractive yield pickup for extending duration, particularly compared to the Treasury curve. While moderating economic growth and declining federal support are likely to drive an increase in downgrades in certain sectors, overall municipal credit fundamentals look resilient thanks to record reserve levels for most municipal borrowers and sector- and credit-specific features that offer defensiveness during downturns.

The Fund is well positioned to continue to benefit from a larger contribution to its income from the use of leverage as borrowing costs are expected to remain low, as well as capture spread compression across credits and sectors with wider spread dispersion.

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For more information visit nuveen.com

Important information on risk

Investing in interval funds involves risk; principal loss is possible. There is no guarantee the Fund's investment objectives will be achieved. Debt or fixed income securities such as those held by the Fund, are subject to market risk, credit risk, interest rate risk, call risk, tax risk, political and economic risk, and income risk. As interest rates rise, bond prices fall. Credit risk refers to an issuers ability to make interest and principal payments when due. The Fund concentrates in non-investment grade and unrated bonds, as well as special situations municipal securities, with long maturities and durations which carry heightened credit risk, liquidity risk, and potential for default. In addition, the Fund oftentimes utilizes a significant amount of leverage and in doing so, assumes a high level of risk in pursuit of its objectives. Leverage involves the risk that the Fund could lose more than its original investment and also increases the Fund's exposure to volatility, interest rate risk and credit risk. An interval fund is a non-diversified, closed-end management investment company that continuously offers its common shares. An interval fund is not intended to be a complete investment program and, due to the uncertainty inherent in all investments, there can be no assurance that the fund will achieve its investment objectives. An interval fund's performance and the value of its investments will vary in response to changes in interest rates, inflation, the financial condition of a security's issuer, ratings on a security, perceptions of the issuer, and other market factors. Common shares at any point in time may be worth less than your original investment, even after taking into account the reinvestment of fund dividends and distributions. These and other risk considerations are described in more detail on the Fund's web page at www.nuveen.com/HYIF.

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Certain information was obtained from third party sources, which we believe to be reliable but not guaranteed for accuracy or completeness. Clients should consult their financial professionals regarding any unknown terms or concepts.

Glossary

Average effective maturity is the weighted average of the effective maturity dates of the fixed-income securities in the Fund's holdings. A bond's effective maturity takes into account the possibility that it may be called by the issuer before its stated maturity date. In this case, the bond trades as though it had a shorter maturity than its stated maturity. **Leverage adjusted effective duration** is the Fund's average effective duration adjusted for the impact of the Fund's utilization of leverage in the form of senior securities as defined by Section 18 of the Investment Company Act of 1940. Funds that utilize leverage in the form of senior securities will have a leverage adjusted effective duration that is longer than its baseline effective duration. **Leverage** is created whenever a fund has investment exposure (both reward and/or risk) equivalent to more than 100% of the investment capital. **Yield curve** is a graph or "curve" that depicts the yields of bonds of varying maturities, from short-term to long-term. The graph shows the relationship between short-and long-term interest rates. Long-term rates are typically higher than shortterm rates. When short-term rates are higher than long term rates, this is called an "inverted" yield curve. **S&P Municipal Yield Index** is structured so that 70% of the market value of the index consists of bonds that are either not rated or are rated below investment grade, 20% are rated BBB/Baa, and 10% are rated single A. **It is not possible to invest directly in an index.**

Before investing, carefully consider fund investment objectives, risks, charges and expenses. For this and other information that should be read carefully,please request a prospectus, and if available, a summary prospectus, from your financial professional or Nuveen at 800.257.8787 or visit nuveen.com.

The Fund features portfolio management by Nuveen Asset Management, LLC, an affiliate of Nuveen, LLC. Nuveen Securities, LLC, member FINRA and SIPC.