

Nuveen Dynamic Municipal Opportunities Fund (NDMO)

Marketing communication | As of 30 Sep 2024

- The Fund outperformed the benchmark S&P Municipal Yield Index during the quarter.
- Interest rates fell in the quarter as the Federal Reserve's (Fed) much-anticipated first interest rate cut materialized in September. Shorter maturity yields fell by more than longer maturity yields, normalizing the Treasury yield curve after a two-year inversion. Municipal bonds participated in the rally and the municipal yield curve also steepened, driving positive performance in the quarter.
- The Fund's relative outperformance was driven by strong sector positioning and credit selection, which offset the drag from the Fund's lower exposure to high yield bonds relative to the benchmark index.

Portfolio review

There were no material changes to the Fund's overall positioning. The Fund maintained its longer duration profile relative to the index, which helped support its income earnings capability. The Fund was not looking to actively extend

duration, but did seek opportunities to increase its high yield exposure, although new issuance in the high yield market was rather subdued for most of the quarter.

Contributors

The Fund's sector positioning and credit selection drove positive relative performance. From a sector standpoint, the largest contributors were an overweight and credit selection in the incremental tax sector, overweight allocations in appropriation debt and other transportation, and credit selection in hospitals, single-family housing, other utilities, water and sewer, state general obligations and airports.

The top individual contributors included Catholic Health Systems in New York, Florida high-speed rail system Brightline and Southeast Energy. Holdings in workforce housing bonds were notable contributors, as they rallied from weak levels as interest rates fell. Several tax increment bonds, including issues for Canyons Metropolitan District (Colorado), Aurora Highlands (Colorado) and Albuquerque Winrock Town Center (New Mexico), and a Washington D.C. income tax-backed bond also performed well for the Fund.

Additionally, the Fund's strategic use of inverse floating-rate securities leverage benefited from the steeper municipal yield curve, accruing to both the income and total return of the Fund.

Detractors

Compared to the S&P Municipal Yield Index's approximately 70% weighting in below investment grade bonds, the Fund holds a relative underweight at its current weighting of 50% in below investment grade and non-rated bonds. This structural underweight detracted from relative performance versus the benchmark in this quarter when high yield bonds outperformed.

A few weaker performing holdings that detracted from performance included Puerto Rico Electric Power Authority, known as PREPA, whose bond prices have retraced from recent highs following a bondholder-friendly court ruling. Velocity Metropolitan District (Colorado) struggled despite tax increment bonds generally performing well in the quarter. Discovery High School, a Florida charter school, also detracted.

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Average annualized total returns (%)

	Inception date	QTD	1 year	3 years	Since inception
Share price	26 Aug 20	5.56	22.62	-4.45	-0.34
NAV	26 Aug 20	4.12	20.30	-3.73	-0.15

Performance data shown represents past performance and does not predict or guarantee future results. Current performance may be higher or lower than the data shown. NAV returns are net of fund expenses, and assume reinvestment of distributions.

Distribution information

Current Distribution (Monthly)	\$0.0620
Distribution Rate on NAV	6.53%
Distribution Rate on Market Price	6.64%

Distribution sources may include net investment income, realized gains and return of capital. If a distribution includes anything other than net investment income, the Fund provides a notice of the best estimate of its distribution sources at that time which may be viewed at [nuveen.com/CEFDistributions](https://www.nuveen.com/CEFDistributions). These estimates may not match the final tax characterization (for the full year's distributions) contained in shareholders' 1099-DIV forms after the end of the year. You should not draw any conclusions about a fund's past or future investment performance from its current distribution rate.

Credit quality (%)

	% of portfolio
U.S. Guaranteed	0.2%
AAA	2.1%
AA	16.0%
A	19.4%
BBB	10.8%
BB	8.1%
B	2.7%
CCC	0.9%
CC	0.3%
Not Rated	39.5%

Ratings shown are the lowest rating given by one of the following national rating agencies: S&P, Moody's or Fitch. Credit ratings are subject to change. AAA, AA, A, and BBB are investment grade ratings; BB, B, CCC/CC/C and D are below-investment grade ratings. Holdings designated NR are not rated by these national rating agencies.

All characteristics as a percentage of the fund's managed assets (total assets of the fund, minus the sum of its accrued liabilities other than fund liabilities incurred for the express purpose of creating leverage). Holdings and ratings are subject to change. Totals may not add up to 100% due to rounding.

Fund description

The Fund seeks total return through income exempt from regular federal income taxes and capital appreciation. The Fund invests primarily in municipal securities, the income on which is exempt from regular U.S. federal income tax.¹ The Fund may invest in municipal securities of any maturity and credit quality, without limit in below investment grade municipal securities rated BB+/Ba1 or lower at the time of investment or unrated but judged to be of comparable quality, and without limit in municipal securities that generate income subject to the U.S. federal alternative minimum tax ("AMT Bonds"). No more than 20% of Managed Assets can be in taxable debt obligations, including taxable municipal securities, and no more than 10% of Managed Assets can be in defaulted securities or securities of issuers in bankruptcy or insolvency proceedings at the time of investment.

Portfolio management

Nuveen Asset Management, LLC is the subadvisor to the Fund and an affiliate of Nuveen, LLC.

For more information contact: 800.752.8700 or visit [nuveen.com](https://www.nuveen.com)

Important information on risk

Investing in closed-end funds involves risk; principal loss is possible. There is no guarantee the Fund's investment objectives will be achieved. Closed-end fund shares may frequently trade at a discount or premium to their net asset value. The values of **municipal securities** held by the Fund may be adversely affected by local political and economic conditions and developments. **Debt or fixed income securities** such as those municipal securities held by the Fund, are subject to market risk, credit risk, interest rate risk, liquidity risk and income risk. As interest rates rise, bond prices fall. **Lower quality municipal securities** may be more likely to fail to make timely interest or principal payments. **Leverage** increases return volatility and magnifies the Fund's potential return and its risks; there is no guarantee a fund's leverage strategy will be successful. These and other risk considerations such as **inverse floater risk, derivatives risk and tax risk** are described in

more detail in the Shareholder Update section of the Fund's annual report at www.nuveen.com/NDMO-annual-report.

Distribution Rate at market price and NAV is calculated by annualizing the most recent declared regular distribution and dividing by the fund's market price or NAV, respectively. Special distributions, including special capital gains distributions, are not included in the calculation.

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. Investment decisions should be made based on an investor's objectives and circumstances and in consultation with his or her financial professional.

Glossary

S&P Municipal Yield Index is a market value-weighted index that is structured so that 70% 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.**

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