

## Nuveen Strategic Municipal Opportunities Fund

Marketing communication | Monthly commentary as of 31 Jul 2023

Effective 10 April 2023, Daniel J. Close and Stephen J. Candido were named as portfolio managers of the Fund. Timothy T. Ryan continues to serve as portfolio manager of the Fund.

### Market outlook

The S&P Municipal Bond Index produced its second consecutive month of positive returns, ending July with a return of 0.25%.

Except for a slight flattening of the yield curve between 1 and 6 years, the yield curve ended July pretty much where it began with the slope moving 5 bps flatter due to the short end move.

High yield credit spreads continued their slow grind, moving tighter by 4 bps from 244 bps to 240 bps over the equivalent-maturity AAA bond. Investment grade spreads were stable, with BBB spreads remaining at 99 bps.

The 10-year municipal-to-Treasury ratio moved richer in July and ended the month just under 65%, wider than the low 60% range in April, yet richer than the long-term historical average nearer to 85%. The longer end remains more stable, though moved to 87% from the more historically average 91% where it ended June, a similar level to the beginning of the year.

### Portfolio review

The Fund slightly underperformed the S&P Municipal Bond Index in July. The Fund's longer effective duration than the benchmark was mostly neutral to performance, whereas rating and sector allocation were positive contributors to performance. Selection was a detractor to performance.

### Contributors

- An underweight in bonds maturing in less than 6 years and an overweight in bonds maturing in 17 to 22 years aided performance.
- An overweight in unrated bonds and bonds rated BB, and an underweight in bonds rated AAA and AA, helped performance.
- An overweight in incremental tax and an underweight in multi-family housing bonds aided performance.
- Names that stood out as top contributors included Florida Brightline Rail, Blue Lake Metropolitan District, Oklahoma University Medicine, and Puerto Rico General Obligation bonds.

### Detractors

- An underweight in bonds maturing in 12 to 17 years took away from performance.
- An overweight in industrial development revenue and hospital bonds, and an underweight in state general obligation bonds, hurt performance.
- Names that were large detractors included California Community Center City Anaheim, and Pennsylvania State Economic Development Fairless Hills LLC bonds.

### Average annualized total returns (%)

*Nuveen Strategic Municipal Opportunities Fund*

As of 31 Jul 2023	1 month	2023 YTD	1 year	3 years	5 years	Since inception
Class I	0.23	3.62	-1.59	-0.78	2.32	3.18
S&P Municipal Bond Index	0.25	2.78	0.57	-0.80	1.83	2.13

Performance data shown represents past performance and does not predict or guarantee future results. Investment returns and principal value will fluctuate so that shares redeemed may be worth more or less than their original cost. Current performance may be higher or lower than the performance shown. Total returns for a period of less than one year are cumulative. Returns without sales charges would be lower if the sales charges were included. Returns assume reinvestment of dividends and capital gains. For performance current to the most recent month-end visit [nuveen.com](http://nuveen.com). Performance shown for benchmark since inception is as of the Fund's oldest share class.

Please see page 4 for complete performance information.

### Overall Morningstar Rating™

Category: 190 High Yield Muni funds

CLASS I ★★★★★

Morningstar ratings may vary among share classes and are based on historical risk-adjusted total returns, which are not indicative of future results.

### Morningstar rankings and percentiles

*Morningstar High Yield Muni Category*

	1 year		3 year		5 years	
	Rank	%	Rank	%	Rank	%
Class I	105/197	52	103/190	52	12/176	8

Morningstar ranking/number of funds in category displays the Fund's actual rank within its Morningstar Category based on average annual total return and number of funds in that Category. The returns assume reinvestment of dividends and do not reflect any applicable sales charge. Absent expense limitation, total return would be less. Morningstar percentile rankings are the Fund's total return rank relative to all the funds in the same Morningstar Category, where 1 is the highest percentile rank and 100 is the lowest percentile rank.

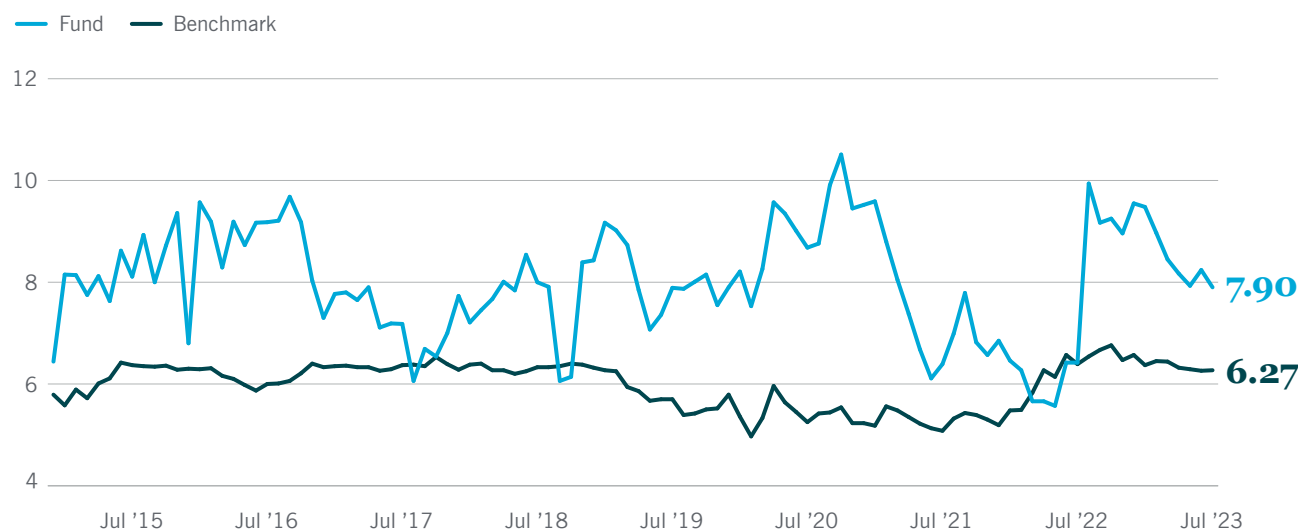
# Nuveen Strategic Municipal Opportunities Fund

As of 31 Jul 2023

## Duration

The long point of the yield curve continues to provide attractive relative value, and we expect this to continue. However, interest rate volatility and its impact will continue to dominate market sentiment. Additionally, given the inversion of the municipal yield curve, the short end also provides solid risk-adjusted yields. The Fund's effective duration is longer than the benchmark, and we anticipate additional income will be beneficial to performance in the case of a slowing economy, or by providing additional income potential to offset volatility. Volatility is likely to continue; however, we believe attractive valuations can provide entry points to the market to lock in income.

### Effective duration (years)

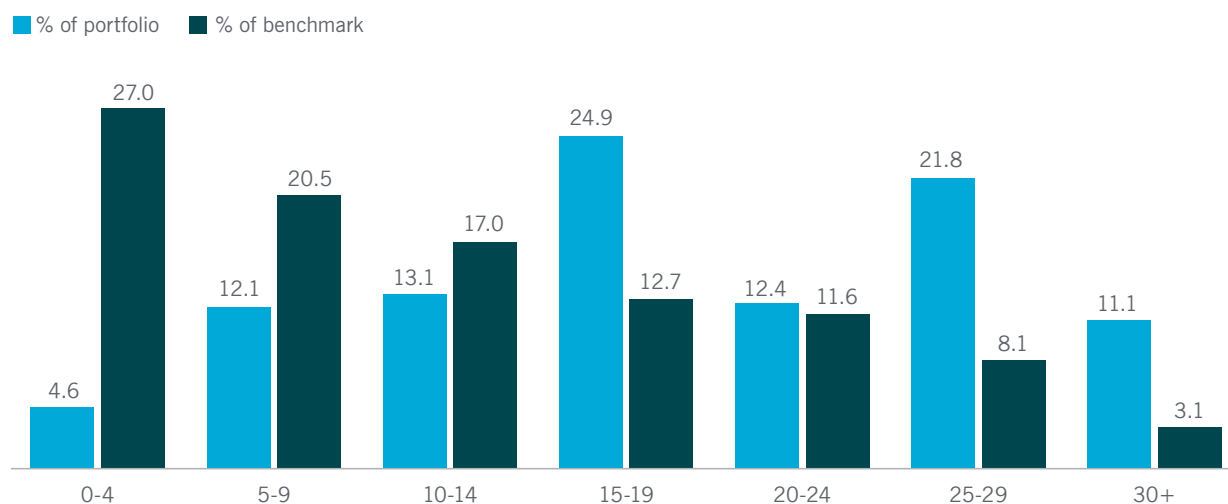


Data from 31 Dec 2014 – 31 Jul 2023, shown monthly. The Fund's benchmark is the S&P Municipal Bond Index.

## Yield curve

Our current yield curve strategy produces a portfolio that is positioned longer on the yield curve than the benchmark in aggregate. Given the inversion of the municipal curve and the relative yield advantage available, we have started using Treasury bills and short duration municipal paper to create a more barbelled approach. We remain cautious on the overall level of interest rates in this market, but longer curve positioning remains relatively attractive.

### Average effective maturity ranges (years)



Data as of 31 Jul 2023. The Fund's benchmark is the S&P Municipal Bond Index.

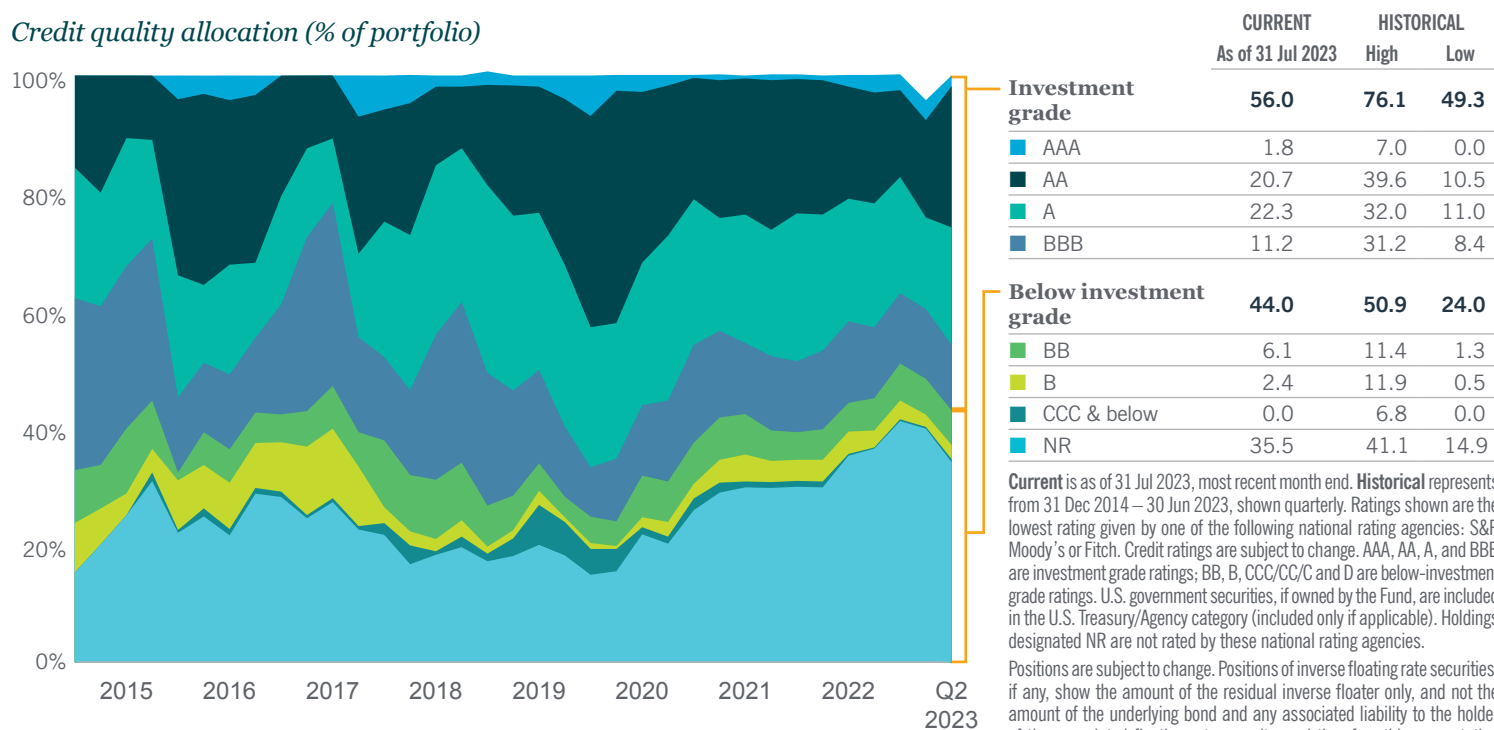
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As of 31 Jul 2023

## Credit quality

The Fund holds an overweight exposure to below investment grade bonds. Municipal fundamentals remain strong; however, along with broader economic expectations, tighter fiscal policies will lead to more constrained revenue projections. Municipals are prepared for a potential economic slowdown given significant federal stimulus and increased revenues over the past few years. We continue to utilize our credit research team to identify names that are well-positioned and have strong economic balance sheets and revenue streams that are less correlated to broader economic activity. New investments continue to focus on issuers with solid financials and revenues that provide attractive positioning and pricing.

Credit quality allocation (% of portfolio)



## Market outlook

The market continues to be focused on economic data points and the Fed's projected response to bring inflation back toward its 2% target. We anticipate this will continue to lead to volatility as economic data rarely provides smooth transitions in response to Fed activity. We believe the Fed is nearing the end of its rate hike cycle, and recent data may result in higher interest rates for longer. This can lead to moments of market uncertainty, which provide attractive investment opportunities and allow us to increase portfolio income. Issuance remained stronger in July than the first half of the year, although we expect supply to remain muted compared to previous years. Competitive absolute yields should continue to drive investors to lock in yield and total return opportunities.

## Portfolio outlook

Our portfolio outlook and investment approach remain consistent, and we believe municipal fundamentals are positioned well. Additional income should be beneficial to performance during 2023; however, market uncertainty will likely continue. Volatility can provide attractive buying opportunities for investors with longer-term investment horizons and can also provide short-term total return opportunities. As tighter economic conditions permeate the municipal market, we continue to look for names that stand out due to strong fundamental positioning and attractive structures in addition to strong income generation and total return potential. We expect municipals to ride strong tailwinds through the rest of the year.

## Top ten sector allocation (%)

	Fund net assets
Tax obligation/limited	23.2
Transportation	17.8
Utilities	13.6
Tax obligation/general	11.4
Health care	11.0
Education and civic organizations	7.9
Industrials	5.3
Long term care	1.5
Housing/multifamily	1.2
Mutual fund	1.1

Positions are subject to change. Positions of inverse floating rate securities, if any, show the amount of the residual inverse floater only, and not the amount of the underlying bond and any associated liability to the holder of the associated floating rate security, and therefore this presentation may not be fully consistent with generally accepted accounting principles.

For updated municipal market views, please refer to our [municipal bond investing resources](#) at [nuveen.com](#).

# Nuveen Strategic Municipal Opportunities Fund

As of 31 Jul 2023

## Average annualized total returns (%) as of 30 Jun 2023

	Inception date	1 year	3 years	5 years	Since inception	SEC 30-day yield		Expense ratios	
						Sub.	Unsub.	Gross	Net
Class I	16 Dec 14	2.08	-0.37	2.36	3.18	4.10	4.10	0.62	0.62
Class A without sales charge	16 Dec 14	1.96	-0.55	2.17	2.99	3.78	3.78	0.83	0.83
Class A with max. 3.0% sales charge	16 Dec 14	-1.10	-1.55	1.55	2.62	3.78	3.78		
S&P Municipal Bond Index		2.91	-0.42	1.83	2.12				

Performance data shown represents past performance and does not predict or guarantee future results. Investment returns and principal value will fluctuate so that shares redeemed may be worth more or less than their original cost. Current performance may be higher or lower than the performance shown. Total returns for a period of less than one year are cumulative. Returns without sales charges would be lower if the sales charges were included. Returns assume reinvestment of dividends and capital gains. For performance current to the most recent month-end visit [nuveen.com](https://www.nuveen.com).

Class I shares have no sales charge and may be purchased by specified classes of investors.

The SEC 30-day yield is computed under an SEC standardized formula and is based on the maximum offer price per share. Subsidized (Sub.) yields reflect fee waivers in effect. Without such waivers, yields would be reduced. Unsubsidized (Unsub.) yields do not reflect fee waivers in effect.

## Fund description

The Fund is managed using a research-driven strategy that seeks attractive total return and tax-exempt income by capitalizing on opportunities as markets change, with the ability to invest across any credit quality or maturity.

Some income may be subject to state and local taxes and to the federal alternative minimum tax. Capital gains, if any, are subject to tax.

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

## Important information on risk

Mutual fund investing involves risk; principal loss is possible. There is no guarantee the Fund's investment objectives will be achieved. The Fund is subject to **interest rate risk**; as interest rates rise, bond prices fall. **Credit risk** arises from an issuer's ability to make interest and principal payments when due, as well as the prices of bonds declining when an issuer's credit quality is expected to deteriorate. The use of **derivatives** involves substantial financial risks and transaction costs. Investments in below investment grade or **high yield securities** are subject to liquidity risk and heightened credit risk. The Fund's use of **inverse floaters** creates effective leverage. The Fund periodically engages in a significant amount of portfolio leverage and in doing so, assumes a higher 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. These and other risk considerations, such as alternative minimum tax, call, defaulted bond, income, municipal bond market liquidity, municipal lease obligations, other investment companies, political and economic, tax, and zero coupon bonds risks, are described in detail in the Fund's prospectus.

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.

The views and opinions expressed are for informational and educational purposes only as of the date of production/writing and may change without notice at any time based on numerous factors, such as market or other conditions, legal and regulatory developments, additional risks and uncertainties and may not come to pass. This material may contain "forward-looking" information that is not purely historical in nature. Such information may include, among other things, projections, forecasts, estimates of market returns, and proposed or expected portfolio composition. Any changes to assumptions that may have been made in preparing this material could have a material impact on the information presented herein by way of example. **Performance data shown represents past performance and does not predict or guarantee future results.** Investing involves risk; principal loss is possible.

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For the period ended 31 Jul 2023, Morningstar rated this Fund's I shares, for the overall, three-, five-, and 10-year periods (if applicable). The Class I shares received 4, 3 and 4 stars among 190, 190 and

## Portfolio management

**Timothy T. Ryan, CFA** | 40 years industry experience

**Daniel J. Close, CFA** | 25 years industry experience

**Stephen J. Candido, CFA** | 27 years industry experience

176 High Yield Muni Funds, respectively. These ratings are for Class I shares only; other classes may have different performance characteristics. Investment performance reflects applicable fee waivers. Without such waivers, total returns would be reduced and ratings could be lower. For the most current ratings, please visit [nuveen.com](https://www.nuveen.com).

The Morningstar Rating™ for funds, or "star rating", is calculated for managed products (including mutual funds, variable annuity and variable life subaccounts, exchange-traded funds, closed-end funds, and separate accounts) with at least a three-year history. Exchange-traded funds and open-ended mutual funds are considered a single population for comparative purposes. It is calculated based on a Morningstar Risk-Adjusted Return measure that accounts for variation in a managed product's monthly excess performance, placing more emphasis on downward variations and rewarding consistent performance. The top 10% of products in each product category receive 5 stars, the next 22.5% receive 4 stars, the next 35% receive 3 stars, the next 22.5% receive 2 stars, and the bottom 10% receive 1 star. The Overall Morningstar Rating for a managed product is derived from a weighted average of the performance figures associated with its three-, five-, and 10-year (if applicable) Morningstar Rating metrics. The weights are: 100% three-year rating for 36-59 months of total returns, 60% five-year rating/40% three-year rating for 60-119 months of total returns, and 50% 10-year rating/30% five-year rating/20% three-year rating for 120 or more months of total returns. While the 10-year overall star rating formula seems to give the most weight to the 10-year period, the most recent three-year period actually has the greatest impact because it is included in all three rating periods. ©2023 Morningstar, Inc. All Rights Reserved. The information contained herein: (1) is proprietary to Morningstar and/or its content providers; (2) may not be copied or distributed; and (3) is not warranted to be accurate, complete, or timely. Neither Morningstar nor its content providers are responsible for any damages or losses arising from any use of this information.

## 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. A **basis point** is one one-hundredth of one percentage point, or 0.01%. For example, 25 basis points equals 0.25%. **Effective duration** is for a bond with an embedded option when the value is calculated to include the expected change in cash flow caused by the option as interest rates change. This measures the responsiveness of a bond's price to interest rate changes, and illustrates the fact that the embedded option will also affect the bond's price. **S&P Municipal Bond Index** is an unleveraged, market value weighted index designed to measure the performance of the investment grade municipal bond market. **It is not possible to invest directly in an index.**

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**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 or summary prospectus from your financial professional or Nuveen at 800.257.8787 or visit [nuveen.com](https://www.nuveen.com).**

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