

## Nuveen Dynamic Municipal Opportunities Fund (NDMO)

As of 30 Sep 2021

The Fund underperformed the benchmark S&P Municipal Bond Index during the quarter.

The Fund's longer duration and yield curve positioning was the main detractor from relative performance as longer bonds underperformed and the yield curve steepened.

Security selection overall also detracted from relative performance.

### Portfolio review

Municipal yields rose over the quarter, with most of the move occurring toward the end of the period. Yields on the long end of the yield curve increased more than the short end, steepening the yield curve. Although credit spreads widened slightly in September, they were somewhat tighter over the full quarter. In this environment, municipal bond performance was rather flat for the quarter. The Fund's overall positioning remained relatively stable. We didn't actively extend duration, in some cases selling long bonds to buy intermediate maturities, but the Fund remained longer duration than the benchmark. The Fund maintained its strategic allocation to higher yielding, lower rated credits. We looked to sell high yield securities that appeared overvalued while still investing in attractive new opportunities. The Fund also sold down taxable municipal bonds that performed well.

### CONTRIBUTORS

The largest positive contributing holdings in the quarter included Puerto Rico general obligation (GO) bonds, which benefited from positive news regarding Puerto Rico's debt restructuring. Brightline, one of the Fund's largest holdings, was another top contributor. Despite being shuttered during the pandemic, the Florida high-speed train has continued to build out new stops and upgrade its service offerings, and is expected to resume passenger service in November. Positions in State of California taxable municipal bonds and a Phoenix Rental Car Facility credit also performed well, and both were sold prior to the end of the quarter.

### DETRACTORS

Duration positioning was the largest driver of relative underperformance. The Fund maintained its long duration profile and overweight to longer maturity bonds, where yields on offer remained incrementally higher. However, as longer bonds underperformed in this quarter, the Fund's yield curve and duration positioning was disadvantageous. The strategic use of inverse floaters also had a negative impact, although they enabled the Fund to invest in longer maturity bonds that have supported the Fund's income earnings and total return.

Security selection, in aggregate, was also a drag on relative returns. Holdings in Big River Steel detracted, as industrial development revenue bonds declined during the quarter due to their greater economic sensitivity. Buckeye Tobacco was another underperformer for the Fund. Large benchmark high yield names, such as Buckeye Tobacco, have tended to sell off in past periods of market softening, and this technical selling pressure was evident during the third quarter. A few health care holdings also lagged, despite strong performance in the sector overall.

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## Average annualized total returns (%)

	Inception date	QTD	1 year	Since inception
Share price	26 Aug 20	-3.81	13.03	11.83
NAV	26 Aug 20	-1.13	11.41	10.36

Past performance is no guarantee of 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)	\$0.0765
Distribution Rate on NAV	5.82%
Distribution Rate on Market Price	5.74%

**Managed Distribution:** Historical distribution sources have included 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](http://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.

The funds regular monthly distributions may be subject to federal and/or state and local taxes and may be re-characterized as ordinary income. Any re-characterization will be reported in shareholders' 1099-DIV forms after the end of the year. Income exempt from federal income tax may be subject to state and local taxes and the alternative minimum tax. Capital gains, if any, will be subject to capital gains tax.

## Credit quality (%)

	Fund net assets
AAA	4.4%
AA	26.6%
A	14.4%
BBB	12.0%
BB	4.6%
B	3.4%
CCC	0.9%
D	0.6%
Not Rated	33.2%

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. U.S. government securities, if owned by the Fund, are included in the U.S. Treasury/Agency category (included only if applicable). Holdings designated NR are not rated by these national rating agencies.

## 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.<sup>1</sup> 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](http://nuveen.com)

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### Glossary

**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.**

## A word on risk

Investing 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 on the Fund's web page at [www.nuveen.com/NDMO](http://www.nuveen.com/NDMO)

Nuveen Securities, LLC, member FINRA and SIPC.