

Nuveen Dynamic Municipal Opportunities Fund (NDMO)

Marketing communication | As of 30 Jun 2025

- The Fund slightly underperformed the benchmark S&P Municipal Yield Index during the quarter.
- Municipal bonds ended the second quarter with flat performance. Although the broader fixed income market recovered more quickly from the April tariff-related selloff, municipal bonds were under pressure from elevated supply issuance and concerns about tax policy risks. The municipal yield curve steepened sharply, as long-maturity yields rose while short-maturity yields fell, causing long-maturity municipal bonds to underperform. High yield municipal bonds, which lagged investment grade in the post-April recovery, had negative performance for the quarter.
- Compared to the benchmark index, the Fund had a shorter duration profile and underweight to high yield bonds, which muted some of its relative underperformance, while favorable sector allocation and credit selection contributed positively to relative performance.

Portfolio review

The Fund sought to modestly reduce its duration exposure by de-emphasizing the long end (30-year) of the yield curve and focusing new purchases on the intermediate range (20- to 25-year maturities), where market demand and liquidity have been more favorable while still offering incrementally higher yields. Leverage ratios remained stable over the quarter. The Fund continued to invest in relative value opportunities in

investment grade municipal credit by selectively reducing positions ahead of new issuance and reinvesting the proceeds into large issuance deals priced to attract investors. As credit fundamentals have remained strong, the Fund held its exposure to below investment grade and non-rated bonds steady.

Contributors

The Fund's underweight to below investment grade and non-rated bonds versus the benchmark was advantageous to relative performance in the quarter, as high yield underperformed investment grade bonds. Although the Fund currently holds more than 50% of the portfolio in high yield bonds, the benchmark weighting is closer to 70%.

Sector allocation overall was beneficial to relative performance due to overweights to outperforming sectors, including single-family housing, incremental tax, transportation (toll roads and airports), and appropriation. Underweights to weaker performing sectors such as multi-family housing, life care and tobacco also aided relative results.

Looking at individual credits, the strongest performing positions were generally bonds with intermediate maturity and higher coupon structures, which were less sensitive to the interest rate movements during the quarter.

Detractors

The Fund's longer duration positioning detracted from relative performance. While this positioning helps drive the Fund's objective of seeking total return from tax-exempt income and has served the Fund well over the long term, the April selloff and unfavorable technicals were headwinds during the quarter.

Not surprisingly, long-maturity bonds, including zero coupon Puerto Rico COFINA (sales tax revenue bonds), a Colorado land-secured bond due in 2050 and a California multi-family housing bond due in 2054, were among the weakest performing individual holdings. Another detractor was Brightline, which the Fund has continued to reduce its exposure to, whose bond prices declined in the quarter on concerns about ridership and revenue.

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Average annualized total returns (%)

	Inception date	QTD	1 year	3 years	Since inception
Share price	26 Aug 20	-0.02	0.07	4.20	-1.38
NAV	26 Aug 20	-1.24	0.28	3.00	-0.90

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	7.14%
Distribution Rate on Market Price	7.39%

Distributions are currently estimated to include the following amounts from sources other than net investment income: 0% capital gains and 36% return of capital. If a distribution is estimated to include anything other than net investment income, the Fund provides a Section 19(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) or within the Fund's literature section under 19(a) notices. 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. The distribution rate should not be confused with yield or performance.

Credit quality (%)

	% of portfolio
U.S. Guaranteed	0.1%
AAA	0.7%
AA	12.9%
A	16.8%
BBB	12.7%
BB	8.5%
B	3.0%
Not Rated	45.3%

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 subadviser 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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