

# Nuveen Dynamic Municipal Opportunities Fund (NDMO)

**Marketing communication** | As of 31 Mar 2025

- The Fund underperformed the benchmark S&P Municipal Yield Index during the quarter.
- Municipal bonds ended the quarter with muted performance overall after a weak March offset stronger performance in January and February. Technical factors—including strong municipal supply and seasonal tax-related selling—contributed to a significant dislocation from Treasury bonds while rate volatility was accelerated by concerns that trade/tariff and other policies could dampen economic growth and increase inflation. Municipal yields rose, except for the shortest maturities, steepening the yield curve. Despite the flight to quality in the quarter, municipal bonds lower down the credit spectrum generally outperformed due to their higher yields.
- The Fund's relative underperformance was primarily due to its lower weighting below investment grade bonds compared to the benchmark weighting in a period when high yield bonds outperformed. Despite this structural headwind to relative performance, the Fund's sector and security selection were positive contributors.

## Portfolio review

The Fund's duration remained modestly long versus the benchmark and its below investment grade exposure remained stable. 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. The Fund continued to look for opportunities in the high yield market, but supply remains subdued and allotments have been small.

## Contributors

Sector and security selection were favorable to the Fund's relative performance this quarter. An overweight to the incremental tax sector, which was one of the strongest performing sectors, was a strong contributor. Positions in Florida high-speed rail Brightline, a land-secured bond for Velocity Metropolitan District 5 in Colorado and a bank-backed gas prepay bond for Southeast Energy were among the top individual contributors to relative performance.

Duration positioning had a negligible effect on relative performance this quarter.

## Detractors

The Fund's relative underperformance was mainly attributable to its lower weighting in below investment grade bonds than the benchmark S&P Municipal Yield Index, which holds 70% in bonds rated BB and below. In the quarter, high yield bonds outperformed investment grade bonds, helped by their higher yield returns offsetting the fall in bond prices.

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## Average annualized total returns (%)

	Inception date	QTD	1 year	3 years	Since inception
Share price	26 Aug 20	4.23	0.99	-0.71	-1.45
NAV	26 Aug 20	-0.15	2.99	-0.62	-0.68

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	6.93%
Distribution Rate on Market Price	7.25%

Distributions are currently estimated to include the following amounts from sources other than net investment income: 0% capital gains and 33% 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	0.2%
AAA	1.0%
AA	14.0%
A	19.0%
BBB	13.7%
BB	7.6%
B	2.9%
Not Rated	41.8%

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.<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 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](https://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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