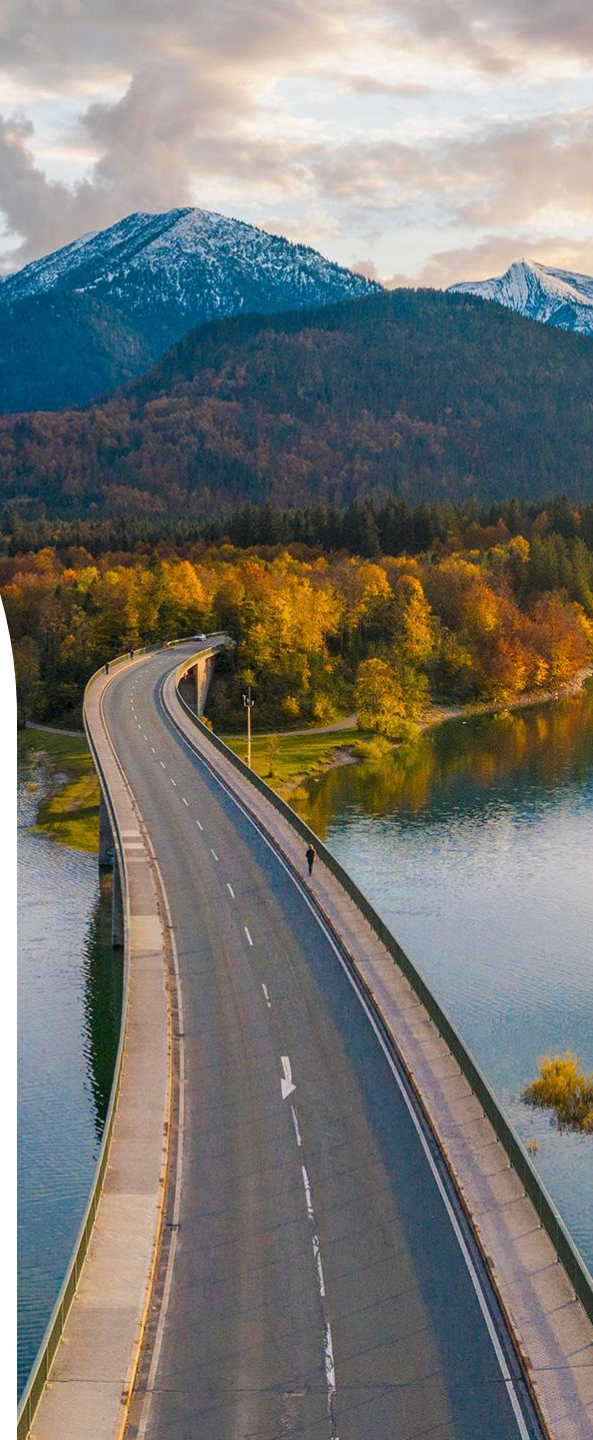




Muni Market Watch

December 31, 2025



Technicals



Municipal market supply conditions remained elevated, nevertheless, healthy demand effectively offset the impact.

Fundamentals



Muni fundamentals remain stable as default expectations remain low. Fundamentals remain stable; however, slower economic growth will limit growth in revenues across many sectors, in particular tax revenues.

Valuations

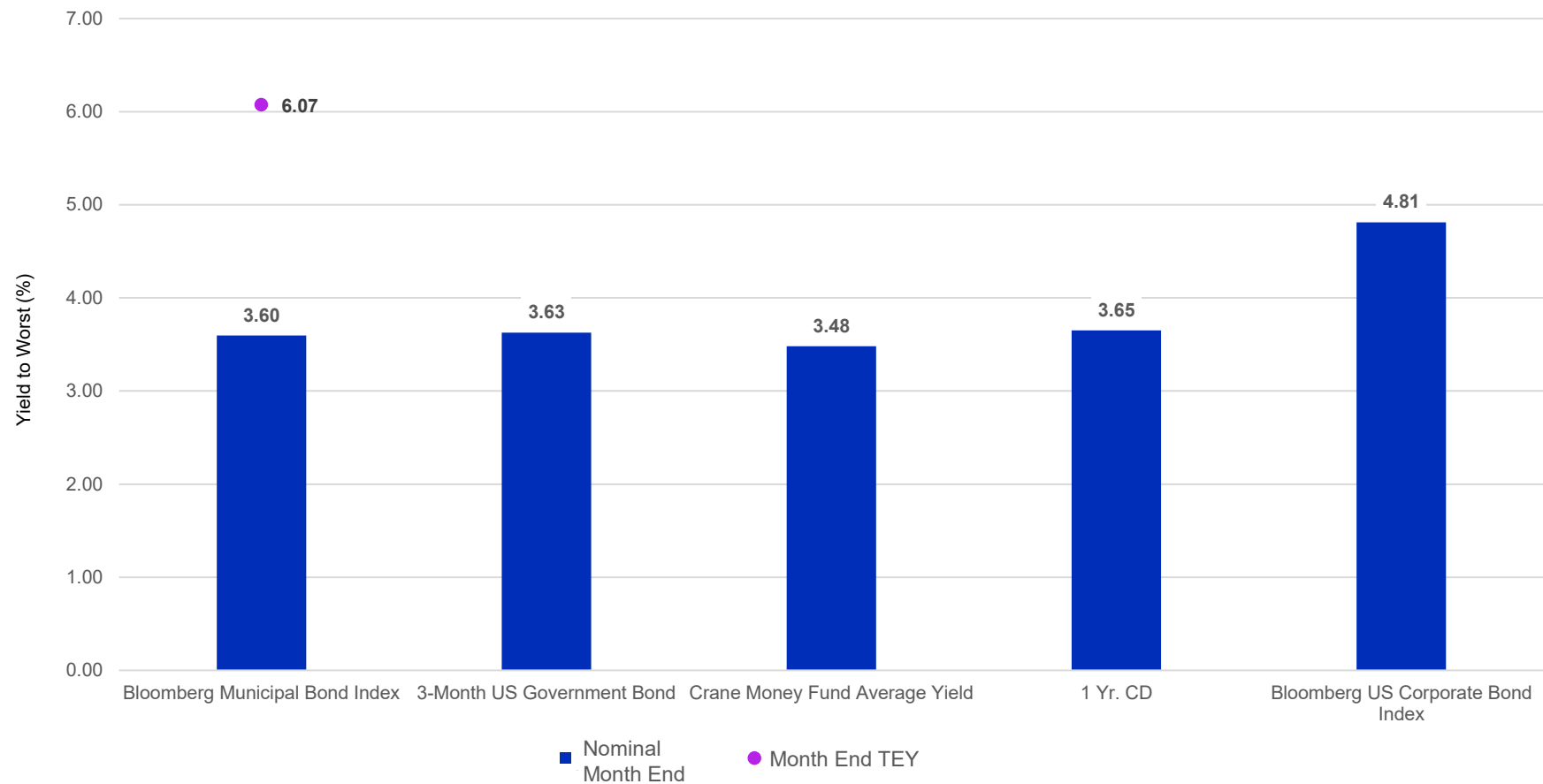


Valuations remain attractive, given that municipal bonds have generally lagged other fixed-income sectors YTD, especially in the longer-term maturities.

Taxable equivalent yield spread over taxable bond offerings

Municipal Taxable Equivalent Yield (TEY) vs. Taxable Alternatives

12/31/2025

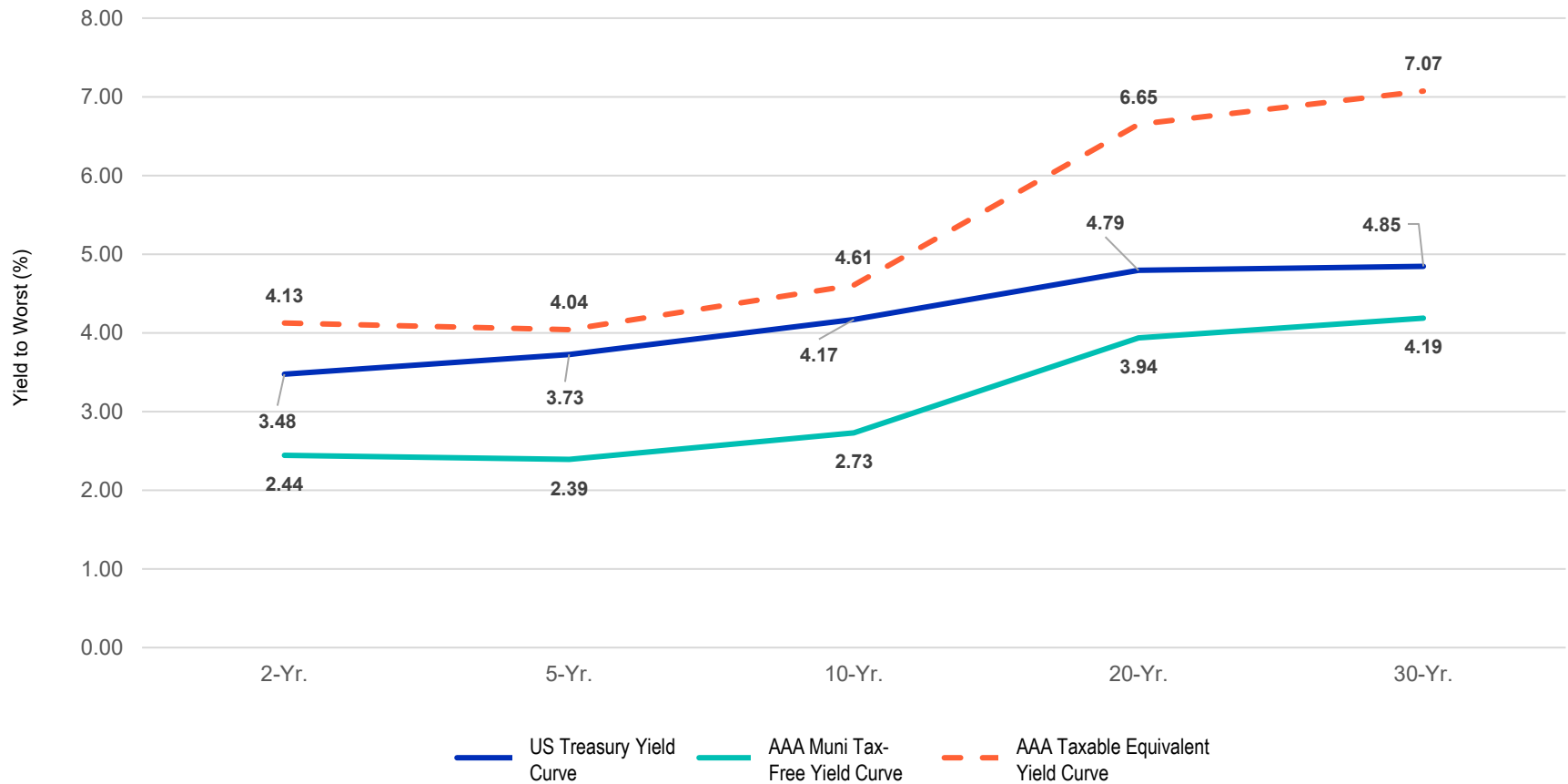


Source: Bloomberg as of 12/31/2025.

Taking a long-term view

AAA Muni Curve vs. US Treasury Curve vs. AAA Muni Taxable Equivalent Yields

12/31/2025



Source: Bloomberg as of 12/31/2025.

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Yields are attractive relative to historical averages

Bloomberg Municipal Index Historical Yield 12/31/2025



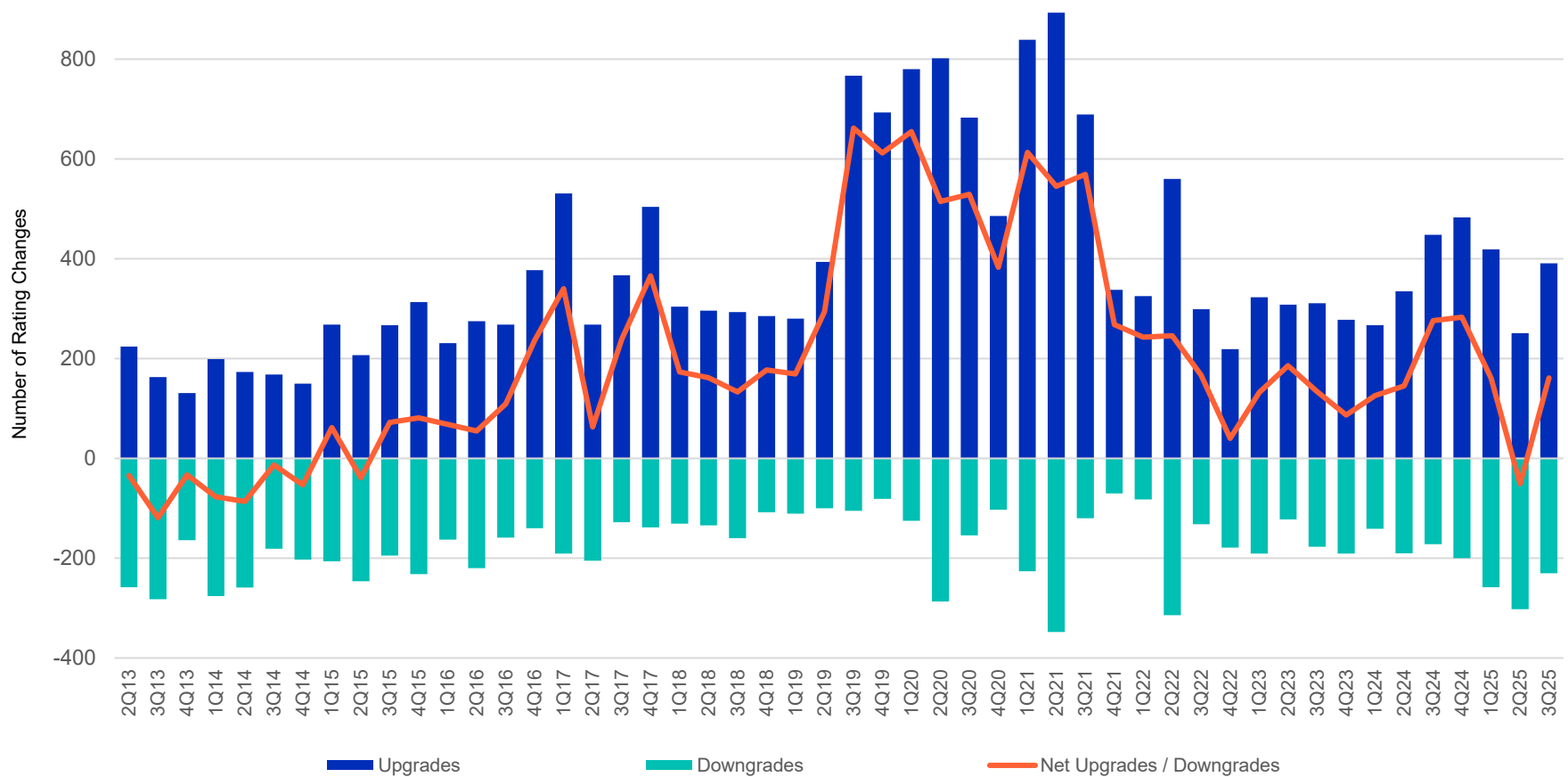
Source: Bloomberg as of 12/31/2025.

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Seeing past the headline risk: Fundamentals remain strong

Moody's and S&P Ratings Upgrades vs. Downgrades

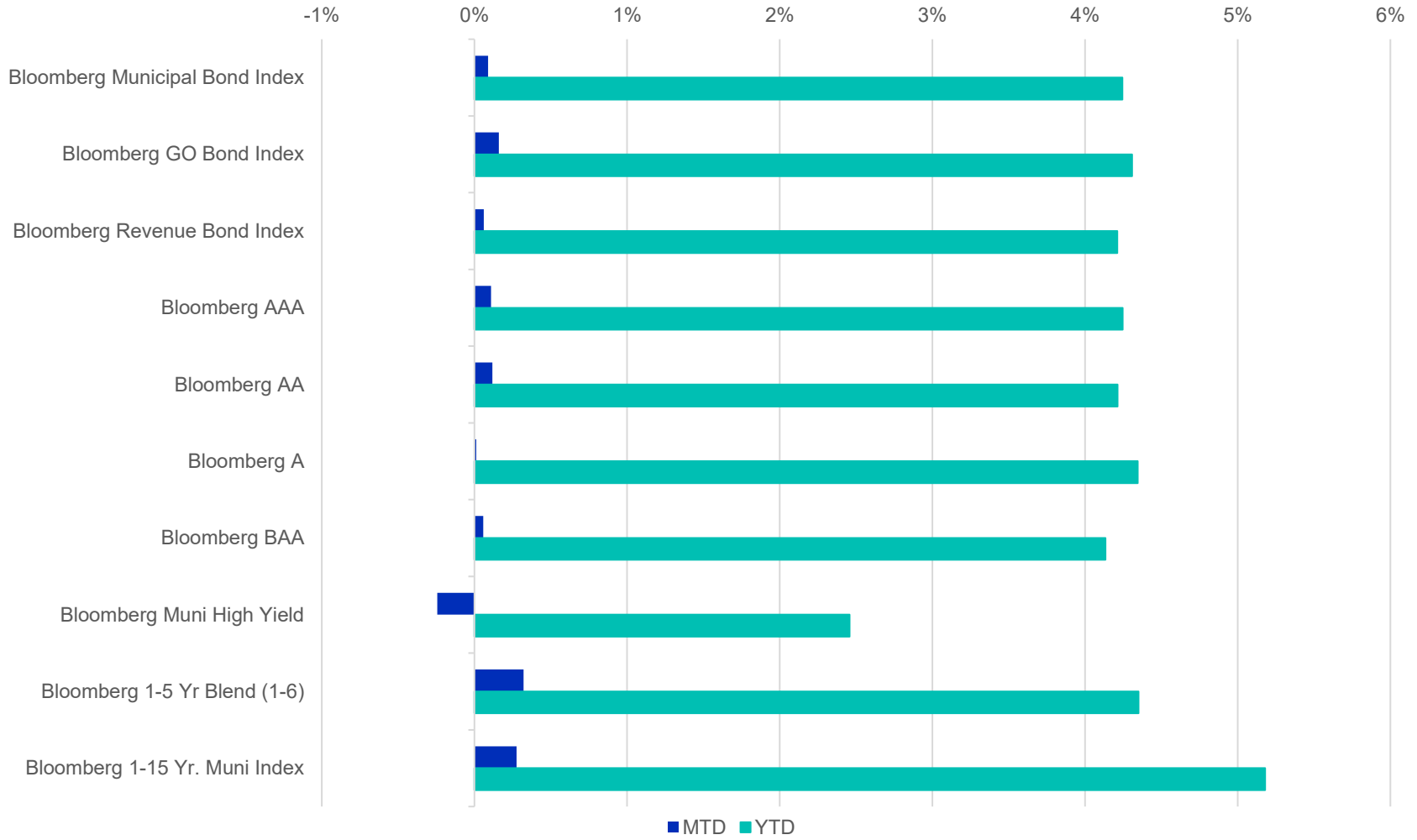
12/31/2025



Sources: S&P and Moody's as of 12/31/2025.

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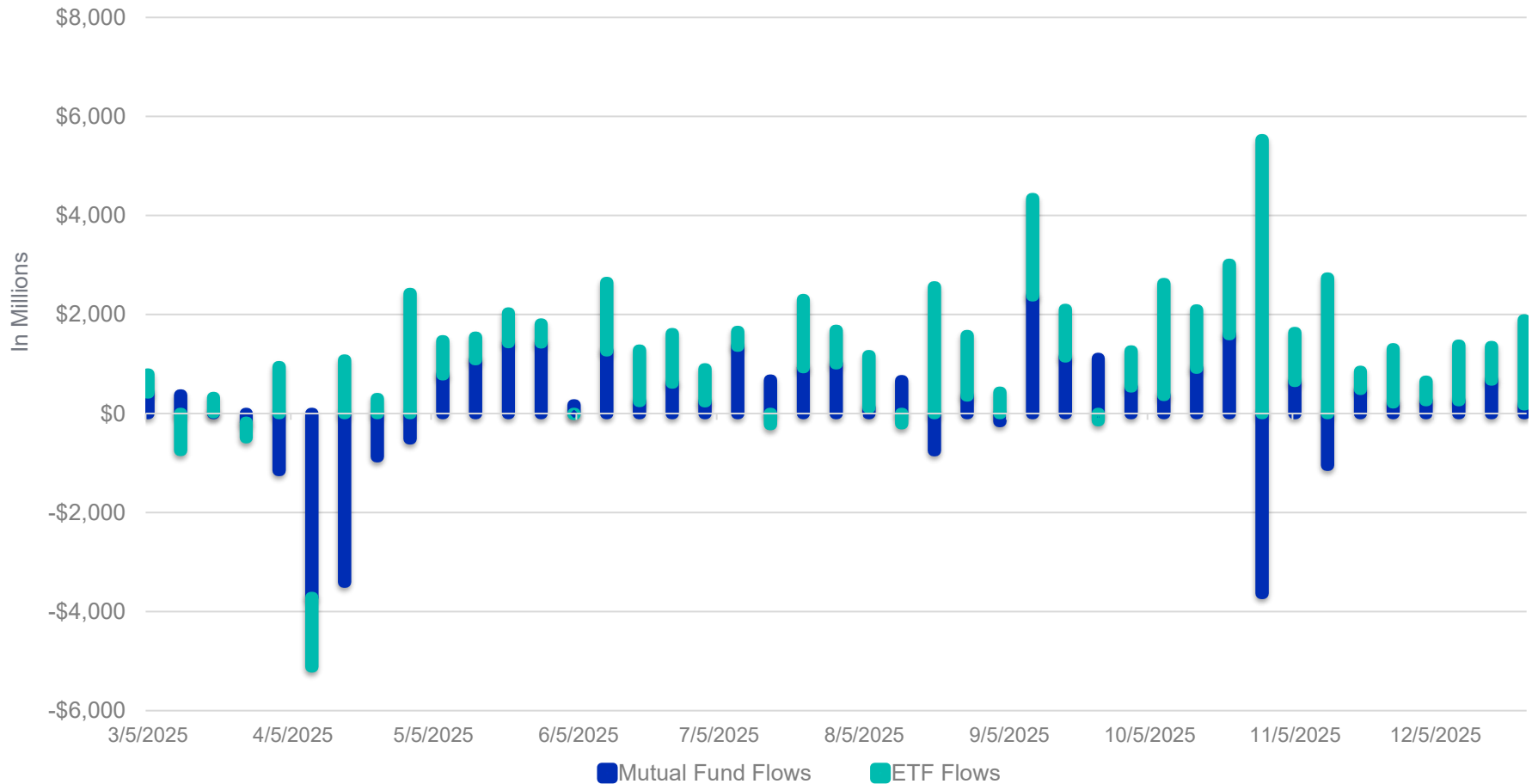
Index returns



Source: Bloomberg as of 12/31/2025.

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Muni ETF and mutual fund weekly flows (ICI)



Source: Bloomberg as of 12/31/2025.

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Municipal to US Treasury ratios



Source: Bloomberg as of 12/31/2025.

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Municipal bond ETF launches

Active vs. passive



| Active ETF Launches by Category | 2025 | 2024 |
|--------------------------------------|-----------|-----------|
| US Fund High Yield Muni | 5 | 2 |
| US Fund Muni California Intermediate | | 2 |
| US Fund Muni California Long | | 1 |
| US Fund Muni National Intermediate | 7 | 7 |
| US Fund Muni National Short | 3 | 3 |
| US Fund Muni New York Intermediate | | 1 |
| US Fund Muni New York Long | 2 | 1 |
| US Fund Muni Target Maturity | 5 | 5 |
| US Fund Massachusetts | 1 | |
| Grand Total | 23 | 22 |

| Passive ETF Launches by Category | 2025 | 2024 |
|--------------------------------------|----------|----------|
| US Fund High Yield Muni | | |
| US Fund Muni California Intermediate | | 1 |
| US Fund Muni California Long | 3 | |
| US Fund Muni National Intermediate | 2 | 1 |
| US Fund Muni National Short | 1 | |
| US Fund Muni New York Intermediate | 1 | |
| US Fund Muni New York Long | | |
| US Fund Muni Target Maturity | 2 | 2 |
| US Fund Massachusetts | | |
| Grand Total | 9 | 4 |

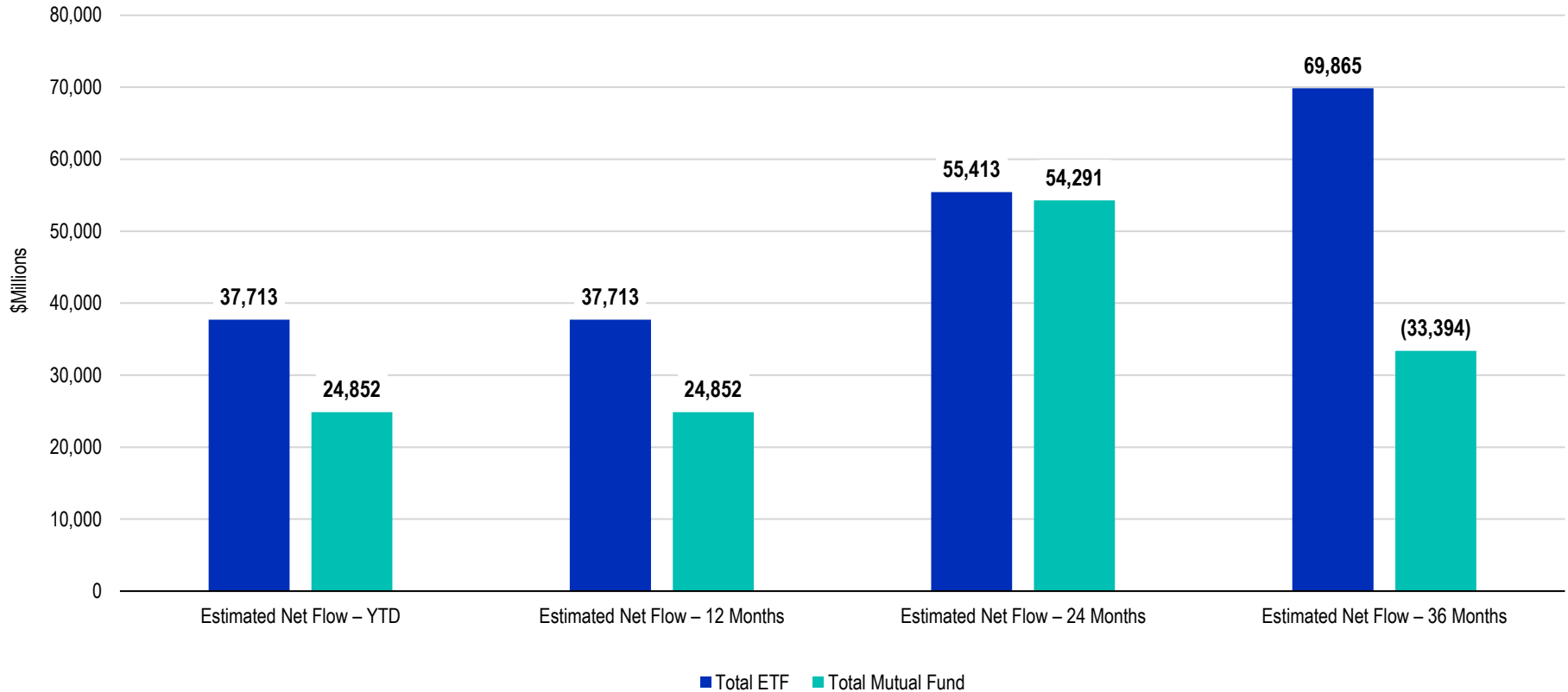
Source: Morningstar. Data as of 12/31/2025.

Municipal bond open-ended fund flows

ETFs vs. mutual funds

Net Flows

12/31/2025



WHAT ARE THE RISKS?

All investments involve risks, including possible loss of principal. Fixed income securities involve interest rate, credit, inflation and reinvestment risks, and possible loss of principal. As interest rates rise, the value of fixed income securities falls. **Liquidity risk** exists when securities or other investments become more difficult to sell, or are unable to be sold, at the price at which they have been valued. **Active management** does not ensure gains or protect against market declines. Portfolios focused on a **single state** are subject to greater risk of adverse economic and regulatory changes than a geographically diversified portfolio.

ETFs trade like stocks, fluctuate in market value and may trade at prices above or below their net asset value. Brokerage commissions and ETF expenses will reduce returns. ETF shares may be bought or sold throughout the day at their market price, not their Net Asset Value (NAV), on the exchange on which they are listed. Shares of ETFs are tradable on secondary markets and may trade either at a premium or a discount to their NAV on the secondary market. Retail investors buy and sell shares of ETFs at market price (not NAV) in the secondary market throughout the trading day. These shares are not individually available for purchase or redemption directly from the ETF.

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