Core Plus Municipal ETF Strategy

Performance Commentary | Third Quarter 2026

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CORE PLUS MUNICIPAL ALLOCATION PERFORMANCE

In the third quarter, the municipal market shifted from having strong summer technical support to a pronounced September repricing. After benefiting from reinvestment demand and steady fund inflows earlier in the third quarter, market conditions weakened as record issuance, declining redemption proceeds, Treasury volatility, and accelerating tax-loss harvesting increased selling pressure.

The strategy posted a negative return for the quarter but outperformed the municipal bond index, as losses were broad-based across municipal sectors. A shorter duration profile relative to the market helped limit downside.

Quarter Highlights

Contributors

- All Segments Negative on the Quarter

Detractors

- Core IG Munis

Notable Portfolio Adjustments During the Quarter

- Reduced duration of the strategy and increased high yield exposure

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