

# Core Plus Municipal ETF Strategy

## Performance Commentary | Second Quarter 2026

### CORE PLUS MUNICIPAL ALLOCATION PERFORMANCE

The municipal bond market delivered a strong rebound during the second quarter of 2026 as elevated yields, supportive technical conditions, and resilient investor demand offset concerns surrounding record issuance, geopolitical uncertainty, and slowing economic growth. Following the significant repricing experienced during the first quarter, municipal investors were presented with one of the most attractive entry points in several years. As rates stabilized and reinvestment demand accelerated, municipal bonds recovered much of their earlier weakness and generated favorable risk-adjusted returns.

On the quarter, the strategy produced strong total returns as municipal bonds recovered along with equities and taxable fixed income. We continue to harvest yield from diversified sources, with a particular focus on non-core municipal and traditional bond sectors.

#### Quarter Highlights

##### Contributors

- Both IG/High Yield Municipals

##### Detractors

- All Segments Positive on the Quarter

##### Notable Portfolio Adjustments During the Quarter

- Rotated from core to long maturity municipals

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