



INVESTMENTS

Muni 360

The comprehensive view of the municipal bond market.

Report updated: February 2026



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The minds behind munis.

Top 5 Municipal Bond Market Insights for 2026

Discipline Drives Differentiated Results in 2026

From MacKay Municipal Managers™

The minds behind munis

We believe that the municipal market enters 2026 from a position of relative stability. Credit fundamentals remain generally solid, defaults have historically been limited, and income levels are attractive relative to recent history.

Yet beneath this calm surface, the drivers of performance are changing in important ways. The broad-based supports that helped lift most municipal bonds in recent years are being replaced by a market that is more differentiated, more technical, and less forgiving of imprecision.

As the extraordinary federal aid that once eased budget pressures and muted fiscal trade-offs recedes into history, policy outcomes are likely to diverge more meaningfully across states and local governments.

These forces increase the gap between issuers with durable, predictable revenue streams and those more reliant on discretionary budget decisions.

Technical forces are reinforcing this shift. Investor demand has become increasingly concentrated in passive and rules-based strategies that favor a narrow set of maturities and bond types, often without regard to valuation. This concentration has left some areas of the market crowded and fully priced, while others remain overlooked and under-owned. In 2026, where bonds sit on the curve — and whether investors have the flexibility to reach less trafficked segments — will matter as much as the overall direction of interest rates.

At the same time, dispersion is widening across return outcomes. Yield alone is no

longer a sufficient guide to performance, particularly in lower-quality segments of the market. As individual credit stories begin to matter more, disciplined security selection, liquidity awareness, and downside risk management become essential components of return generation rather than secondary considerations.

Taken together, these shifts suggest that broad, one-size-fits-all exposure may be less effective in 2026. Market conditions are likely to place greater emphasis on selectivity across credit, maturity, structure, and strategy. Investors who emphasize resilience, flexibility, and disciplined risk management may be better positioned to navigate a market in which opportunities remain, but may be unevenly distributed.

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Top Five Municipal Bond Market Insights for 2026

1

ESSENTIAL SERVICE MUNIS LEAD IN 2026, PROVING REVENUE RESILIENCE

Investment grade essential-service revenue- backed bonds, supported by secured or dedicated revenue streams, appear well positioned to outperform their tax-backed equivalents in 2026. Their credit strength is driven less by political decision-making and more by stable, diversified cash flows and strong debt service coverage tied to non-discretionary demand. As fiscal tightening and political churn raise questions around GO flexibility, these revenue sectors may increasingly serve as relative safe havens within the municipal market.

Political shifts—highlighted by 36 gubernatorial elections—add a secondary layer of uncertainty. Platforms centered on expanded social spending or broader policy ambitions may further pressure operating budgets already challenged by reduced federal inflows. While this political noise will not affect all issuers equally, it is likely to widen dispersion and create pockets of mispricing across the GO market.

Diminishing federal support is becoming a defining factor for the municipal market in 2026, creating downstream volatility for many state and local governments. As federal aid—pandemic- related or otherwise—recedes, budget pressures intensify, leaving governments with fewer resources to manage rising costs, fund social programs, and maintain financial flexibility. These strains fall most heavily on general obligation (GO) credits in our view, where policymakers must navigate competing priorities within increasingly constrained budgets.

2

INVESTMENT GRADE CURVE POSITIONING DRIVES RETURNS IN 2026

In 2025, the municipal yield curve normalized from significant steepening (Source: Bloomberg), leaving the 12-22 year segment particularly attractive. Regardless of where interest rates ultimately move, we believe the best relative value in Investment Grade municipals resides in this area. In our observation, persistent demand from SMA and passive strategies has compressed valuations from 10 years and in on the curve, pushing investors toward the outer limits of their comfort zones in search of incremental yield.

However, the structural constraints of these investment vehicles ultimately cap their ability to extend further, leaving the most compelling relative value firmly in the hands of flexible, unconstrained managers operating in less crowded portions of the curve.

The structure of the Investment Grade municipal curve remains one of the most important return drivers for 2026. New issuance patterns should concentrate in shorter and intermediate maturities as issuers seek to capitalize on rich valuations created by SMA and ETF demand. This technical imbalance reinforces valuation compression in the front and belly of the curve and further supports deliberate positioning in the longer end, where superior valuation, favorable rolldown potential, and improved forward return characteristics create a meaningful performance advantage.

3

DISPERSION OF HIGH YIELD MUNI FUND RETURNS PUTS ONUS ON CREDIT SELECTION VS. INCOME

Yield isn't everything in High Yield. For those solely focused on the "yield" portion of total returns, it is important to note that income is only one leg of the total return stool, and yield alone is an insufficient guide—particularly as dispersion across high yield fund returns, already evident in 2025, is poised to widen further in 2026. Idiosyncratic credit risks are increasingly driving outcomes and putting price appreciation at risk, especially as several high-profile credit events approach key inflection points. In this environment, capital preservation, volatility management, and the avoidance of permanent impairment are just as critical as income generation.

Emphasizing liquidity, transparency, and proactive downside risk management—while avoiding the more esoteric risks embedded in lower-quality or project-finance-driven credits—allows investors to capture incremental spread without assuming disproportionate volatility. Success in 2026 will depend on disciplined credit research, proactive surveillance, and targeted, thoughtful risk-taking where compensation is clear and measurable.

4

INTERMEDIATE TAXABLE MUNICIPALS ELEVATE MULTI-ASSET PORTFOLIOS

Having outperformed the Bloomberg Aggregate Fixed Income index in 8 of the last 10 years (Source: Bloomberg), we believe intermediate taxable municipals can strengthen the return profiles of "core"-focused fixed income portfolios. For multi-asset allocators, taxable munis provide an under-recognized source of yield, diversification, and credit resilience that historically have weathered volatility shocks across fixed income markets.

We expect these benefits to prove particularly prominent when compared with US corporate bonds in 2026, as an oncoming wave of corporate supply could lead to deteriorating technicals as well as negative ratings migration in that asset class. An allocation to taxable munis, which offer greater credit quality stability and a more favorable supply-demand dynamic, is likely to gird multi-asset portfolios against these potential detractors. Rising international interest should only add to this relief by supporting deeper liquidity and tighter spreads.

5

COMPLEMENT PASSIVE SMA EXPOSURE BY ADDING MORE FLEXIBLE PRODUCTS

Passive SMAs have several structural constraints that prevent them from accessing some of the most attractively priced segments of the municipal market. Not only does this reality represent forgone opportunities and exposure to less attractive positions, but it also leaves demand imbalances that increase the relative value of the securities and tactics that these vehicles pass over. That alpha need not be left uncaptured; adding allocations to managers that have greater flexibility can complete the return picture.

Areas such as AMT bonds, electric and natural-gas prepays, and housing securities remain underrepresented in passive portfolios—not due to credit concerns, but because passive methodologies are not equipped to analyze their structural complexity or variable cash flows. Active managers, by contrast, can target these overlooked areas while also managing positions to proactively capture structural advantages brought by shifting markets.

Source: Bloomberg

Municipal Market Monthly Update

Technical Backdrop

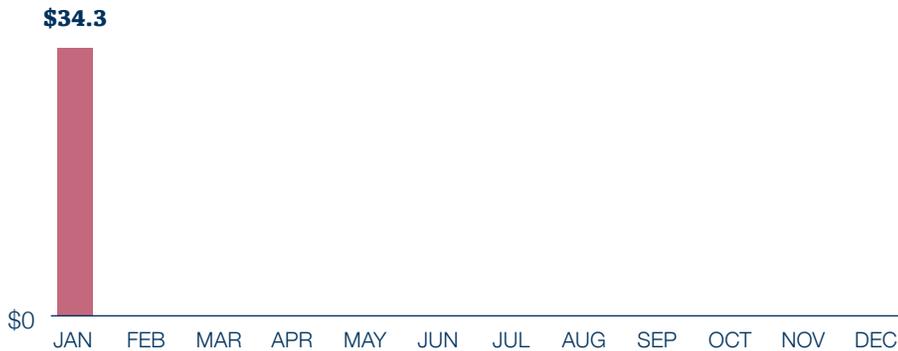
SUPPLY

- Muni issuance in January totaled \$34 billion, down 15% month-over-month and down 8% year-over-year, with net issuance at \$13 billion.
- Year-to-Date gross and net issuance through month-end was +\$34 billion and +\$13 billion, respectively.

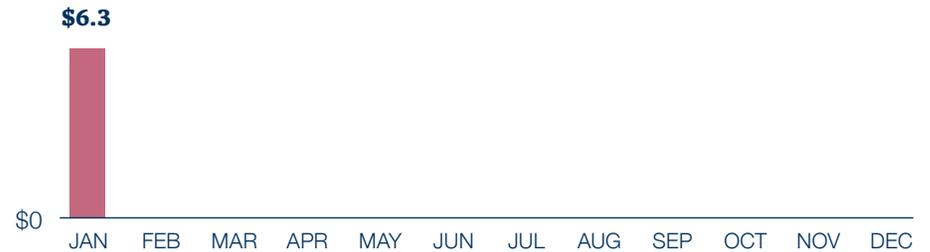
DEMAND

- Muni flows were positive in January, with inflows averaging about \$1.5 billion per week.

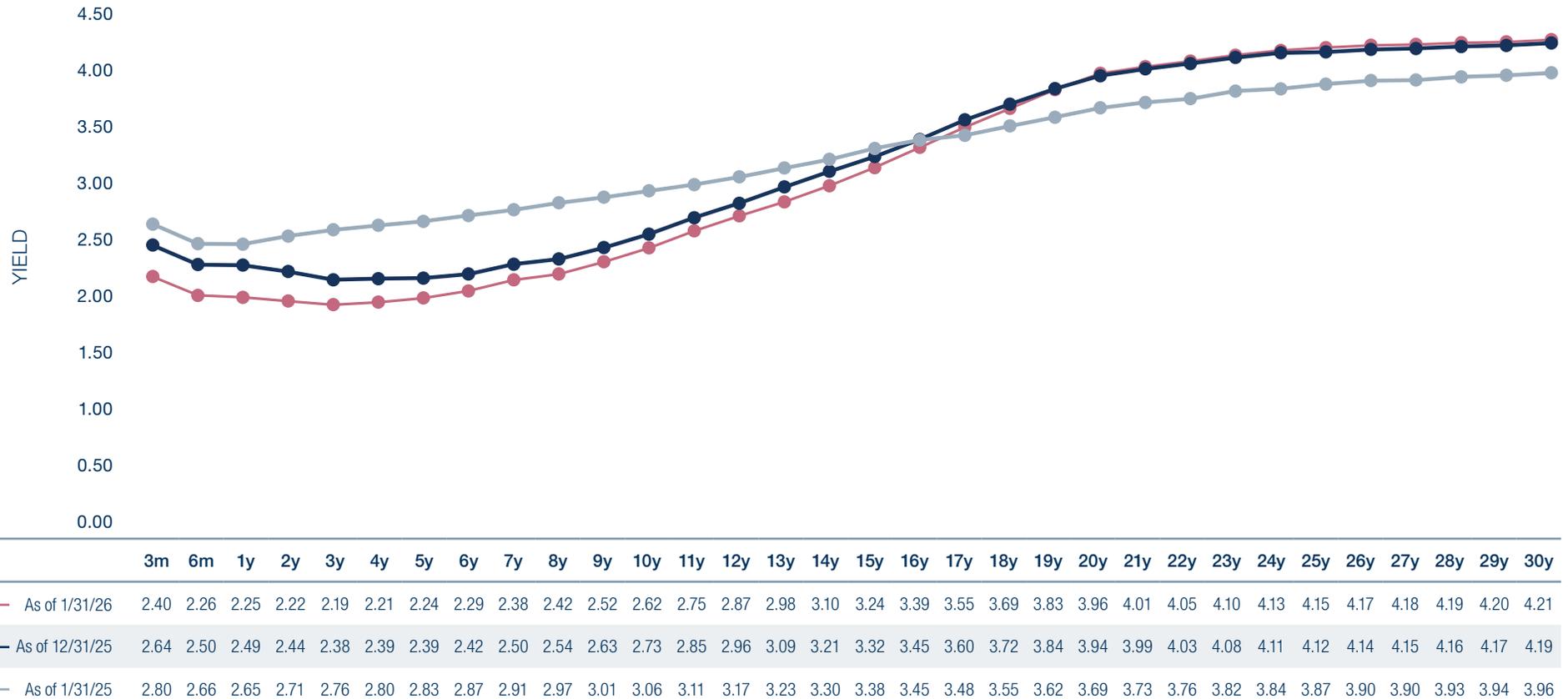
2026 MONTHLY GROSS ISSUANCE (\$B)



2026 MONTHLY MUNICIPAL FUND FLOWS (\$B)



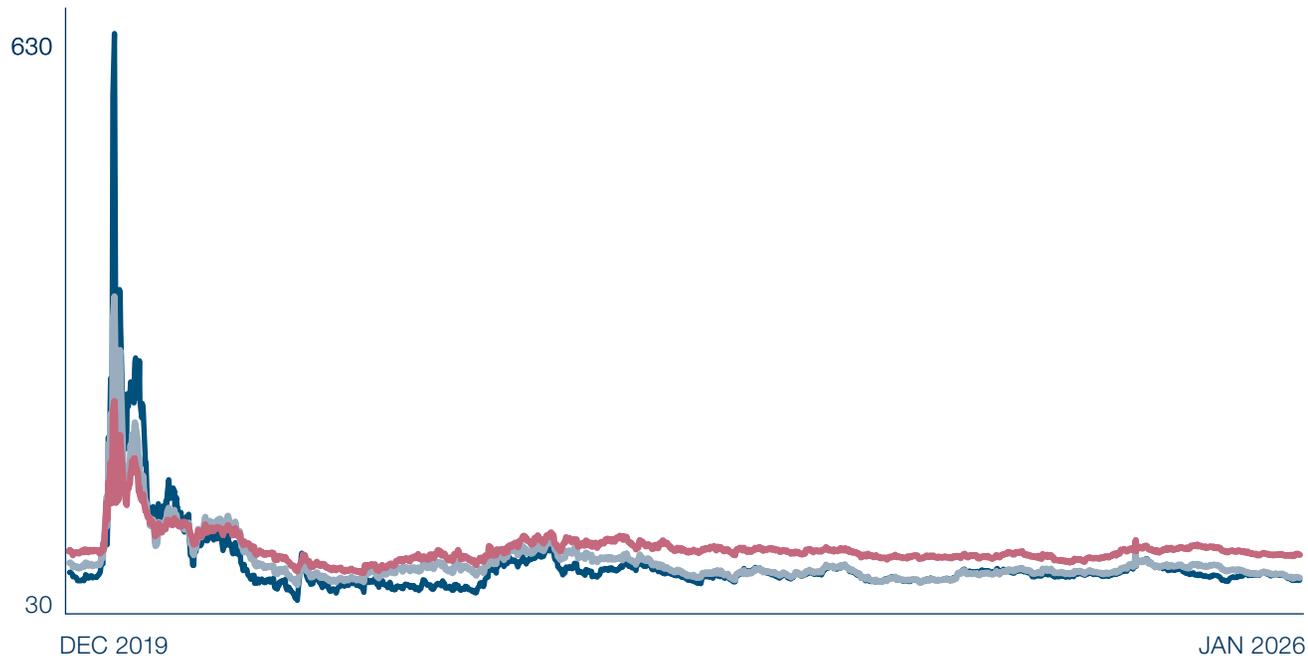
AAA-Rated Municipal Yield Curve (%)



Source: Bloomberg, as of 01/31/26. The yield curve is a visual representation of the yield of AAA-Rated Municipal Bonds at varying maturities. AAA-Rated Municipal Bonds is represented by Bloomberg Municipal AAA Index.

Past performance is not indicative of future results. It is not possible to invest directly in an index.

AAA-Rated Municipal/Treasury Yield Ratio (%)



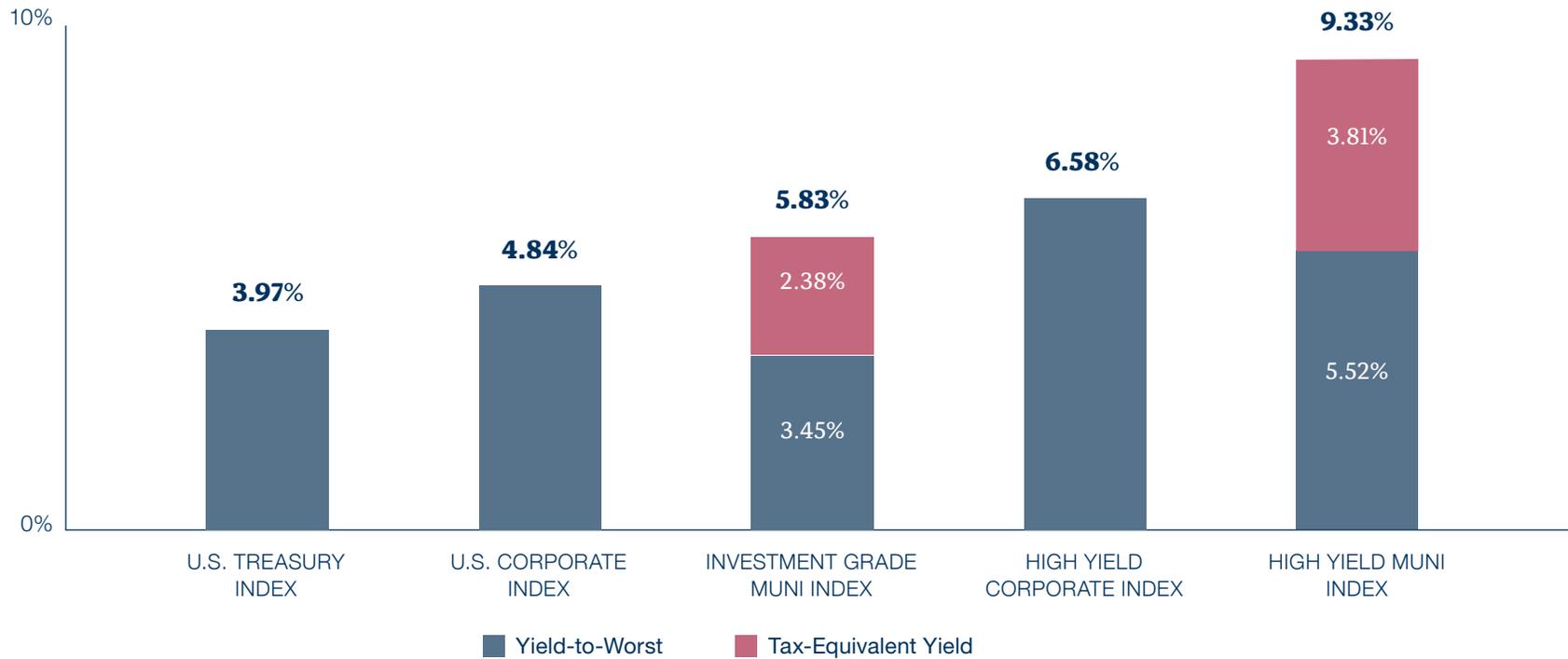
Tenor	Muni/Treasury Ratio	Trailing 5-Yr Median
5-Year	59%	65%
10-Year	62%	69%
30-Year	86%	88%

- 5-Yr Muni/Treasury Ratio
- 10-Yr Muni/Treasury Ratio
- 30-Yr Muni/Treasury Ratio

Source: Bloomberg, as of 01/31/26. The Municipal/Treasury Ratio, M/T ratio or muni-Treasury ratio, as it is more commonly known, is a comparison of the current yield of municipal bonds to U.S. Treasuries. Representative indices: Bloomberg U.S. Treasury Index and Bloomberg U.S. Municipal Index. Treasury Securities are backed

by the full faith and credit of the United States government as to payment of principal and interest if held to maturity. Interest income on these securities is exempt from state and local taxes. Past performance is not indicative of future results. An investment cannot be made in an index.

January 2026 Tax-Equivalent Yields

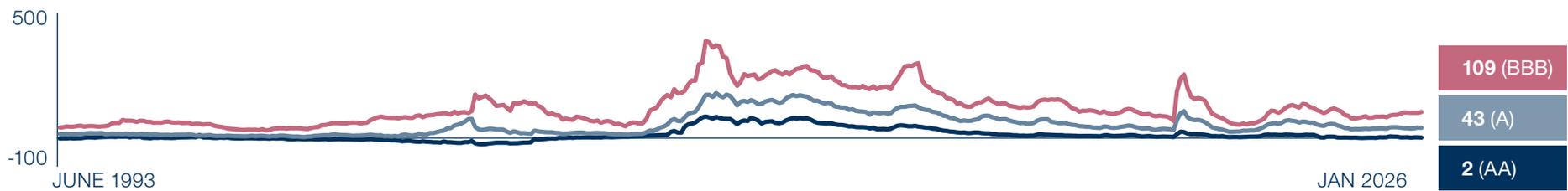


Source: Bloomberg, as of 01/31/26. Representative indices: Bloomberg U.S. Treasury Index, Bloomberg U.S. Corporate Bond Index, Bloomberg U.S. Municipal Index, Bloomberg U.S. High Yield Corporate Index, and Bloomberg High Yield Municipal Index. Assumes 37% federal tax rate and 3.8% net investment income tax.

Yield to worst is computed by using the lower of either the yield to maturity or the yield to call on every possible call date. Past performance is not indicative of future results. An investment cannot be made in an index. Figures may not sum up due to rounding.

Investment Grade Municipal Market Spreads & Performance (as of 01/31/26)

AA-, A-, AND BBB-RATED MUNICIPAL INDEX YIELD SPREADS OVER AAA-RATED MUNICIPAL INDEX YIELD



RETURNS (%) AS OF 01/31/26

	Number Issues	Price Return	Coupon Return	MTD Total Return	Past 3m	Past 6m	Year-to-Date	Past 12m
Municipal Bond Index	64,313	0.57	0.37	0.94	1.26	5.80	0.94	4.70
1 Year (1-2)	3,457	0.19	0.37	0.56	1.17	1.61	0.56	3.50
3 Year (2-4)	6,748	0.40	0.37	0.77	1.38	1.99	0.77	4.37
5 Year (4-6)	6,737	0.61	0.36	0.98	1.49	2.82	0.98	5.38
7 Year (6-8)	6,643	0.72	0.36	1.08	1.48	4.11	1.08	6.02
10 Year (8-12)	13,030	0.82	0.35	1.17	1.69	5.94	1.17	6.28
15 Year (12-17)	12,705	0.94	0.36	1.30	1.94	8.39	1.30	5.97
20 Year (17-22)	7,784	0.63	0.38	1.01	1.03	8.33	1.01	3.89
Long Bond (22+)	7,209	0.11	0.39	0.50	0.30	7.20	0.50	2.38

MTD: Month to Date, Source: Bloomberg, as of 01/31/26. Representative indices: Bloomberg Municipal Index, Bloomberg Municipal 1 Yr 1-2, Bloomberg Municipal 3 Yr 2-4, Bloomberg Municipal 5 Yr 4-6, Bloomberg Municipal 10 Yr

8-12, Bloomberg Municipal 20 Yr 17-22, and Bloomberg Municipal Long 22+ Yr. Past performance is not indicative of future results. An investment cannot be made in an index.

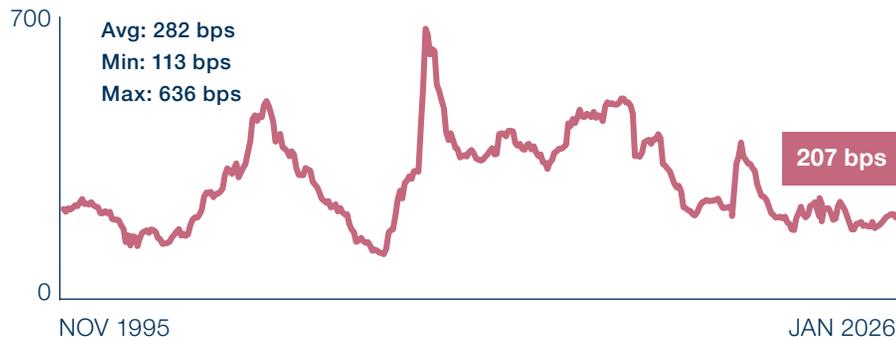
HIGH GRADE MUNICIPALS, RETURNS BY SECTOR

January 2026 (%)	Year-to-Date 2026 (%)
Leasing	1.10
Transportation	1.01
IDR/PCR	0.97
Water & Sewer	0.93
Special Tax	0.91
Hospital	0.90
Housing	0.89
Electric	0.88
Education	0.86
Tobacco	0.84
Resource Recovery	0.47

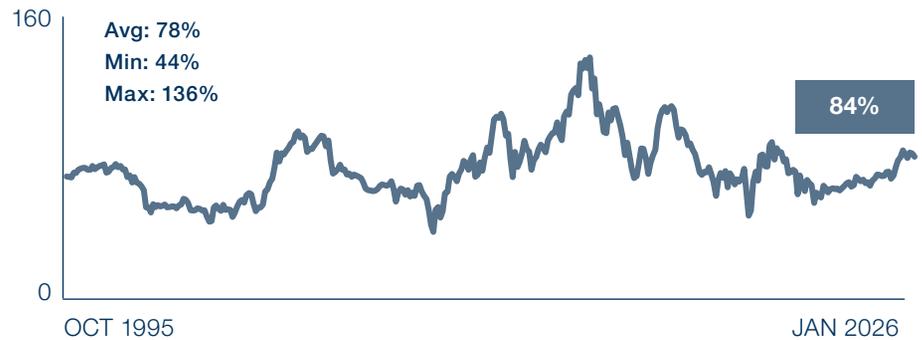
Source: Bloomberg as of 01/31/26. Monthly data. Representative indices: Bloomberg Municipal AAA Index, Bloomberg Municipal AA Index, Bloomberg Municipal A Index, and Bloomberg Municipal BBB Index. Past performance is not indicative of future results. An investment cannot be made in an index.

High Yield Municipal Market Spreads & Performance (as of 01/31/26)

HIGH YIELD MUNICIPAL INDEX YIELDS MINUS INVESTMENT GRADE MUNICIPAL INDEX YIELDS



RATIO OF HIGH YIELD MUNICIPAL INDEX TO CORPORATE HIGH YIELD INDEX YIELD-TO-WORST



RETURNS (%) AS OF 01/31/26

	Number Issues	Price Return	Coupon Return	MTD Total Return	Past 3m	Past 6m	Year-to-Date	Past 12m
High Yield Muni	5,892	0.56	0.41	0.98	1.12	5.39	0.98	2.68
High Yield Muni Ex-Puerto Rico	5,832	0.36	0.43	0.79	0.93	4.97	0.79	2.56
High Yield Muni Puerto Rico	64	1.88	0.30	2.18	2.35	8.05	2.18	3.63

HIGH YIELD MUNICIPALS, RETURNS BY SECTOR

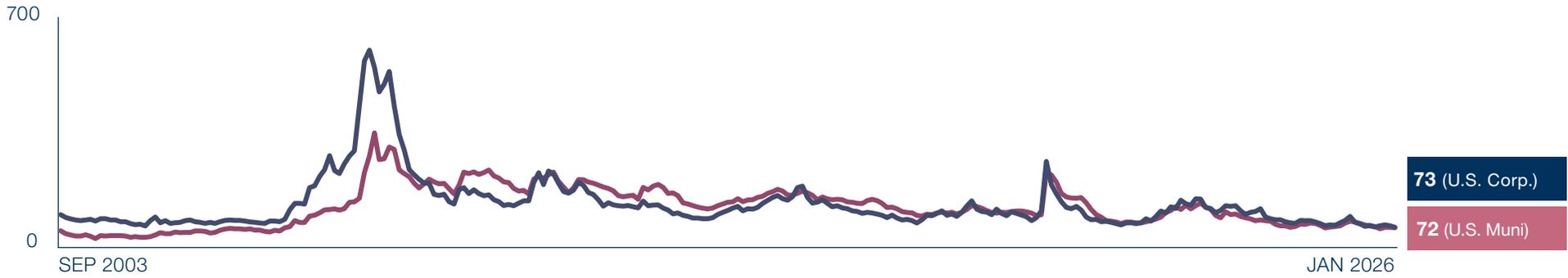
	January 2026 (%)	Year-to-Date 2026 (%)
HY Tobacco	1.61	HY Tobacco 1.61
Water & Sewer	1.36	Water & Sewer 1.36
Special Tax	1.34	Special Tax 1.34
IDR/PCR	1.11	IDR/PCR 1.11
Transportation	1.07	Transportation 1.07
Hospital	0.94	Hospital 0.94
Housing	0.72	Housing 0.72
Leasing	0.54	Leasing 0.54
Electric	0.48	Electric 0.48
Education	0.32	Education 0.32
Resource Recovery	0.00	Resource Recovery 0.00

High Yield Municipal Index Yields Minus Investment Grade Municipal Index Yields chart: Source: Bloomberg, as of 01/31/26. Representative indices: High Yield Municipal Index: Bloomberg High Yield Municipal Index; Investment Grade Municipal Index: Bloomberg Municipal Index. Past performance is not indicative of future results. An investment cannot be made in an index. **Ratio of High Yield Municipal Index to Corporate High Yield Index Yield-to-Worst chart:** Source: Bloomberg, as of 01/31/26. Representative indices: Municipal High Yield Index: Bloomberg High Yield Municipal Index; Corporate High Yield Index: Bloomberg U.S. Corporate High Yield Index. Past performance is not indicative of future results. An investment cannot be made in an index.

cannot be made in an index. **Returns chart:** MTD: Month to Date, Source: Bloomberg, as of 01/31/26. Representative indices: Bloomberg High Yield Municipal Index, Bloomberg High Yield Municipal Ex-Puerto Rico Index, and Bloomberg High Yield Municipal Puerto Rico Index. Past performance is not indicative of future results. An investment cannot be made in an index. **High Yield Municipals, Returns by Sector chart:** Source: Bloomberg, as of 01/31/26. Representative indices: Municipal High Yield Index: Bloomberg High Yield Municipal Index; Corporate High Yield Index: Bloomberg U.S. Corporate High Yield Index. Past performance is not indicative of future results. An investment cannot be made in an index.

Taxable Municipal Market Spreads & Performance

TAXABLE MUNICIPAL INDEX OPTION-ADJUSTED SPREAD VS. U.S. CORPORATE INDEX OPTION-ADJUSTED SPREAD (BPS)



RETURNS (%) AS OF 01/31/26

	Number Issues	Price Return	Coupon Return	MTD Total Return	Past 3m	Past 6m	Year-to-Date	Past 12m
Taxable Muni	8,885	-0.32	0.38	0.05	0.34	4.13	0.05	7.44

Taxable Municipal Market Spreads & Performance chart: Source: Bloomberg as of 01/31/26. Monthly data. Representative indices: Bloomberg Taxable Municipal Index and Bloomberg U.S. Corporate Index. The option-adjusted spread (OAS) is the measurement of the spread of a fixed income security rate and the risk-free rate of return, which is adjusted to take into account an embedded option. Past performance is not indicative of future results. An investment cannot be made in an index. **Returns chart:** MTD: Month to Date, Source: Bloomberg, as of 01/31/26. Representative index: Bloomberg Taxable Municipal Index. Past performance is not indicative of future results. An investment cannot be made in an index. **Taxable Municipals, Returns by Sector chart:** Source: ICE Indices, as of 01/31/26. Representative index: ICE BofA U.S. Taxable Municipal Securities Plus Index (TXBL). Past performance is not indicative of future results. An investment cannot be made in an index.

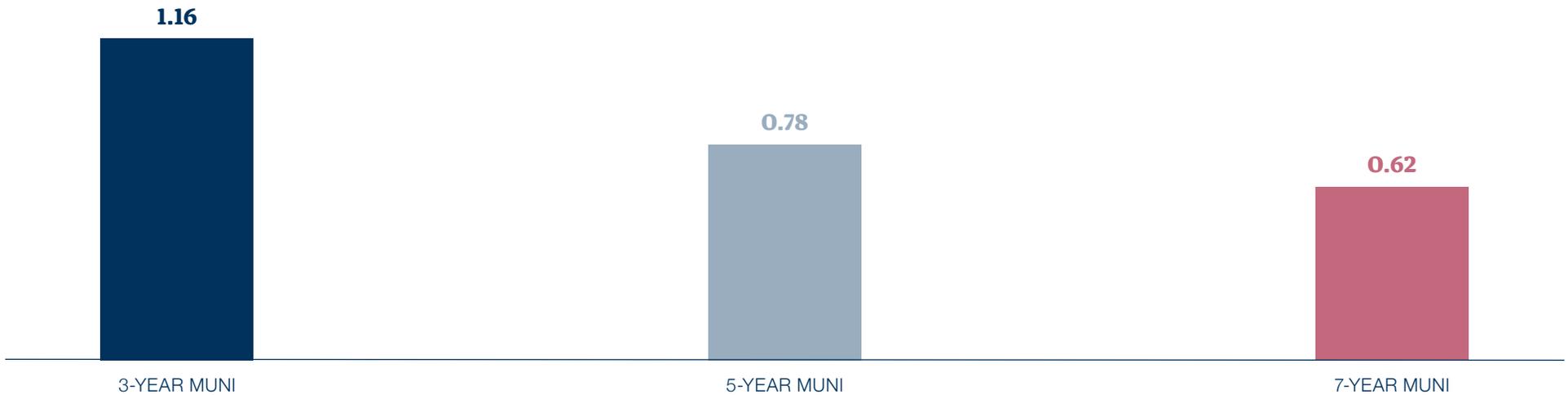
TAXABLE MUNICIPALS, RETURNS BY SECTOR

	January 2026 (%)	YTD 2026 (%)		January 2026 (%)	YTD 2026 (%)
Tobacco	0.75	0.75	Utilities - Other	0.33	0.33
Health	0.62	0.62	Leasing COPS & Appropriations	0.33	0.33
Single Family Housing	0.55	0.55	Education	0.25	0.25
Industrial Development Revenue	0.51	0.51	Water & Sewer	0.24	0.24
Multi-Family Housing	0.51	0.51	Power	0.23	0.23
Transportation	0.46	0.46	Pre-Refunded	0.21	0.21
GO - Local	0.41	0.41	Hospitals	0.17	0.17
Airport	0.40	0.40	ETM	0.14	0.14
Misc	0.40	0.40	Toll & Turnpike	0.14	0.14
Pollution Control	0.37	0.37	GO - State	0.08	0.08
Tax	0.36	0.36			

Short Term Muni Opportunity

Short-term municipal bonds can offer tax-exempt income while helping to manage interest rate risk.

YIELD PER DURATION RATIO



Municipal Index	Yield to Worst	Duration to Worst	Yield per Duration
3-Year Muni	2.75	2.37	1.16
5-Year Muni	2.85	3.67	0.78
7-Year Muni	3.00	4.81	0.62

Source: Bloomberg, Barclays, as of 12/31/25. The Yield per Duration Ratio measures how much yield a bond provides for each unit of interest rate risk. Yield per Duration is calculated by Yield to Worst (YTW) / Duration to Worst (DTW). Yield to Worst (YTW) is the lowest possible yield if the bond is called or matures early. Duration to Worst (DTW) is a measure of a bond's price sensitivity to interest rate changes, assuming the worst-case scenario (i.e., the bond is called or matures early). Navy represents Bloomberg 3-Year Municipal Index, Orange represents Bloomberg 5-Year Municipal Index, and Steel Blue represents Bloomberg 7-Year Municipal Index. Please note that the returns shown are based on past performance. Past performance is not indicative of future results. The current performance of the fund may be higher or lower than the performance data shown. The return on investment and the principal value of the fund will vary, and when shares are sold, they may be worth more or less than their original cost. For the most recent month-end performance data, please visit newyorlifeinvestments.com.

Discipline Drives Differentiated Results in 2026

A new year brings new market dynamics and fresh insight for municipal investors looking to stay ahead in 2026.

In this episode, **Eric Kazatsky** is joined by **Mike Denlinger**, Managing Director and Portfolio Manager at MacKay Municipal Managers, to walk through the team's Top Five Insights for 2026. From the resilience of essential service revenue bonds to the dispersion emerging in high yield, Mike shares what themes and strategies matter most in the current environment.

They break down curve positioning, taxable muni opportunities, and how active flexibility can uncover value where passive strategies fall short. If you're positioning muni portfolios for the year ahead, this conversation is packed with data-backed takeaways.



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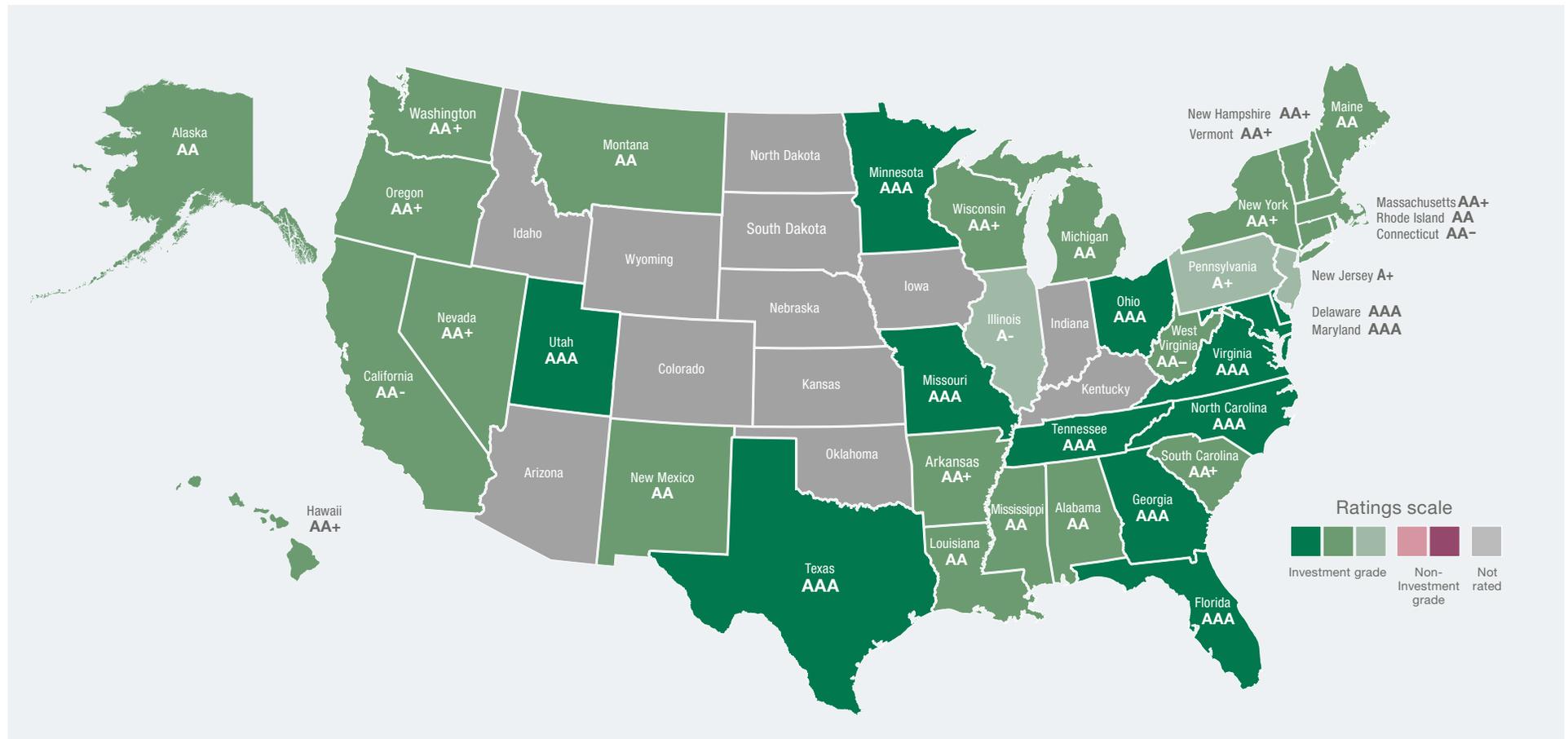


November 2025 State Overviews

State governments began the 2026 fiscal year from a position of broad stability, even as the post-pandemic fiscal expansion has matured into a slower, more normalized growth environment. State revenues for FY 2025 grew modestly on an aggregate basis, with most

states seeing collections rise between 2% and 6%. Although the recent years' moderation compared with the revenue booms post-COVID made for some tight budget negotiations over the summer, state balance sheets remain strong. Rainy Day Funds collectively

hover near record levels, and nearly every state reported increased reserve balances at the close of the fiscal year. The aggregate reserve ratio has therefore appeared to set a new standard, far above pre-pandemic norms, which continues to provide a



November 2025 State Overviews (Continued)

meaningful buffer against economic uncertainty. Consequently, the three major ratings agencies issued 13 state upgrades and only one downgrade in 2025 through November.¹ The comments accompanying the upgrades generally lauded healthy reserves and good economic performance. The overall ratings landscape therefore remains historically strong, with fourteen states holding at least one AAA rating. Thirteen of those states have at least two AAA ratings, which notably puts them on higher standing than the US Government.

Federal policy developments continue to be a key driver of state fiscal planning, as Federal grants account for over 30% of state budgets.² July's passage of the One Big Beautiful Bill Act will fundamentally change the way state budgets are crafted, primarily by limiting Medicaid enrollment. Being that Medicaid benefits are provided by the states with federal subsidy, states have begun planning on how to respond to the new limitations.

It is likely that most state budgets will shrink on both the revenue and expenditure sides as they reduce their Medicaid programs due to the new limitations. While some states may consider ways to support some of the lost benefits on their own, they have so far not shown willingness to create expenses they cannot afford. As a result, the changes in federal rules should not create significant financial stress for the states. In any event, states have until 2027 to make necessary adjustments.

States have also responded to other potential impacts of federal policy, such as reduced infrastructure grants or reductions in emergency assistance from FEMA. The response generally consists of a preference for conservative revenue forecasts and contingency reserves over new spending. Trade and tariff policy and climate-related events during 2025 have reinforced the importance of maintaining flexibility and were prominent topics in many state budget discussions earlier this year.

Looking ahead, a handful of states are entering new eras after the elections of November 5. Both New Jersey and Virginia elected new governors, with New Jersey electing a new Democrat and Virginia switching parties from Republican to Democrat. And elsewhere, voters considered \$120 billion in aggregate bond measures, about 20% less than the total from 2024's on-cycle elections.³ This year's bond elections were dominated by Texas school districts and utility districts, but large-scale infrastructure measures that passed include a multi-billion dollar package for water supply investment in Texas, \$1.9 billion for various public improvements in Columbus, Ohio, and \$950 million for the Vibrant Denver Infrastructure plan.⁴

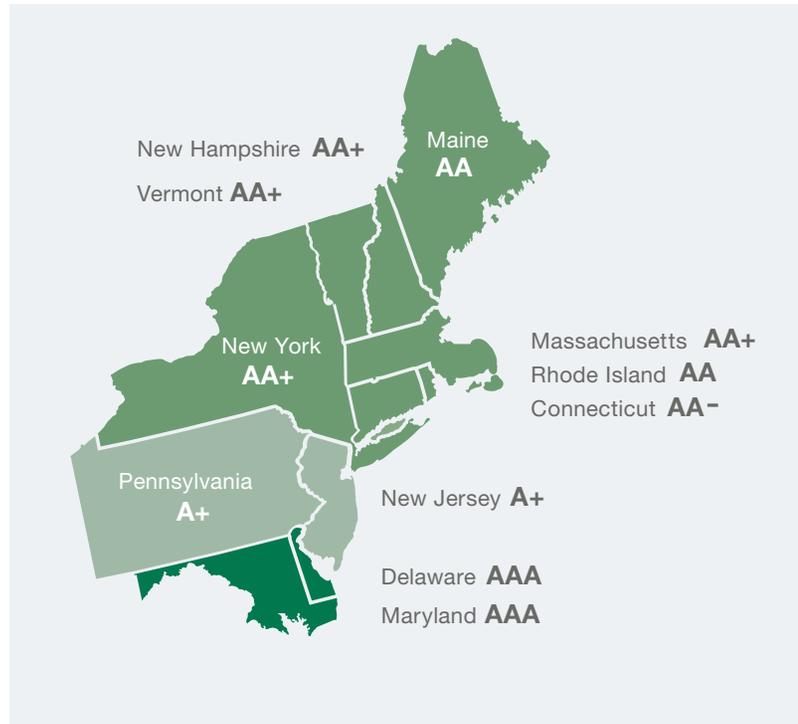
References:

1. Moody's Ratings, S&P Ratings, Fitch Ratings
2. Census Bureau

3. Data from The Bond Buyer
4. Ballotpedia

North

In the Northeast, fiscal 2025 revenues generally improved on the back of personal income and sales taxes, with budgets centered on education, affordability/tax relief and pension paydowns. The region remains active on progressive revenue strategies, like Massachusetts’ “Fair Share” surtax on high earners dedicated to education and transportation.



CONNECTICUT

Connecticut finished fiscal 2025 with General Fund collections up 5.8% to \$26.5 billion, led by a 9.8% surge in personal income tax receipts (\$12.96 billion), while sales and use taxes were essentially flat at +0.9% (\$6.48 billion). The Budget Reserve Fund ended near its statutory cap at \$4.26 billion (+3.7%), which is equal to 18.3% of General Fund spending. Revenue growth remains concentrated in personal income taxes, reflecting the state’s high-income taxpayer profile. Connecticut ended fiscal 2025 with its seventh consecutive operating surplus, with a portion of this year’s surplus supporting the state’s new Early Childhood Education Endowment, which was seeded on July 1 with a \$300 million transfer. While revenues are concentrated on personal income taxes and capital gains, Fitch upgraded the state’s rating to AA citing materially stronger reserves and liquidity. Moody’s upgraded the state to Aa2 from Aa3 with similar rationale.

MASSACHUSETTS

The Commonwealth of Massachusetts fiscal year 2025 collections increased 7.18% to \$43.94 billion as income tax receipts advanced 10.77% (\$26.76 billion) and sales and use taxes grew 3.42% (\$9.72 billion). The Stabilization Fund ended at \$8.23 billion, down 3.5% year-over-year but still about 16% of GF spending, one of the nation’s larger reserve cushions. The voter-approved 4% “Fair Share” surtax on annual income above \$1 million continues to be dedicated to education and transportation. These revenues will help stabilize MBTA operations, supporting operating costs and reserves.

NEW JERSEY

New Jersey revenues rose 6.24% to \$46.85 billion, powered by gross income tax (+10.23% to \$19.82 billion) and sales tax (+3.1% to \$12.33 billion). The Surplus Revenue Fund reported a \$0 balance at fiscal 2025 close, leaving the state relatively exposed to volatility. However, the state’s undesignated fund balance is projected at \$6.75 billion, or almost 12% of appropriations, for the end of fiscal year 2026. While the undesignated fund balance is down at the end of fiscal 2025 (to \$7.79B from \$9.14B), this surplus will allow the state to continue the sound pension contribution practices. Moody’s recently upgraded their issuer rating to Aa3 from A1, citing the state’s ability to maintain a budgetary surplus while providing full actuarial pension contributions. On November 4, Mikie Sherrill (D) won the governorship, succeeding Phil Murphy. Fiscal attention now turns to implementing the Corporate Transit Fee (2.5% surtax on firms with allocated taxable income over \$10 million) and stabilizing NJ TRANSIT finances.

NEW YORK

New York’s collections climbed 10.5% to \$114.12 billion in fiscal 2025, with personal income tax up 13.7% (\$61.2 billion) and sales and use up 2.1% (\$19.1 billion). Statutory rainy-day reserves rose nearly 40% to about \$8.8 billion (roughly 8% of spending), combined with unrestricted funds for “economic uncertainties” totaling about \$12.3B, New York holds \$21.1B in total reserves that creates flexibility as federal aid winds down. The state’s Manhattan congestion pricing program, which finances the New York City MTA capital program, remains involved in federal-state litigation but remains active while the courts decide.

North (Continued)

PENNSYLVANIA

Pennsylvania collections increased 2.1% to \$46.41 billion, paced by personal income tax (+3.4% to \$7.78 billion) and sales and use (+6.2% to \$18.96 billion). The Budget Stabilization

Fund grew to a healthy \$7.49 billion (15.6% of spending). Governor Josh Shapiro signed into law a \$50.1 billion fiscal 2025-26 budget, 134 days past its deadline. The deal will restore the flow of state funding to school districts, county governments, and social service providers. The budget will raise spending by 5% over last year, but is roughly \$1.4 billion

less than what Shapiro called for earlier this year. The state will rely on surplus cash rather than new taxes, as proposals for legalizing and taxing recreational marijuana or regulating and taxing skill games were not included.

State	Ratings (M/S/F) GO Debt Ratings	FY 2025 Collections YoY % Change	Major Revenue Sources YoY % Change	Pension Funded Ratio (FY 24) change vs. FY23	Rainy Day Fund Balance (FY 25) % Change Over FY24	RDF Balances % of GF Spending (FY 2025)
CT	Aa2 / AA- / AA Upgraded by Fitch & Moody's	\$26.5B (+5.8%)	Income Taxes: \$12.96B (+9.8%) Sales & Use Tax: \$6.48B (+0.89%)	63.5% (+5.7%)	\$4.26B (+3.65%)	18.3%
MA	Aa1 / AA+ / AA+	\$43.94B (+7.18%)	Income Taxes: \$26.76B (+10.77%) Sales & Use Tax: \$9.72B (+3.42%)	77.2% (+8.4%)	\$8.23B (-3.48%)	16.0%
NJ	Aa3 / A+ / A+ Upgraded by Moody's	\$46.85B (+6.24%)	Gross Income Tax: \$19.82B (+10.23%) Sales Tax: \$12.33B (+3.1%)	56.6% (+3.1%)	\$7.79B (-14.77%)**	0.0%
NY*	Aa1 / AA+ / AA+	\$114.12B (+10.5%)	Personal Income Tax: \$61.2B (+13.7%) Sales & Use Tax: \$19.1B (+2.1%)	92.8% (+0.8%)	\$8.76B (+39.96%)	8.4%
PA	Aa2 / A+ (Pos) / AA	\$46.41B (+2.1%)	Personal Income Tax: \$7.78B (+3.4%) Sales & Use Tax: \$18.96B (+6.2%)	70.3% (+2.0%)	\$7.49B (+17.52%)	15.6%

*Fiscal year ending March 31.

**Unassigned balance value. The Surplus Revenue Fund (Rainy Day) is \$0.

References:

osc.ct.gov/drs/drsreport/; mass.gov/doc/june-2025-blue-book/;
nj.gov/treasury/news/2025/; tax.ny.gov/research/;

pa.gov/agencies/revenue/resources

State Profiles (as of 12/31/25)



Connecticut

Capitol: **Hartford**

Governor: **Ned Lamont (D)**

Total issuance, as % of market issuance (YTD) ¹	1.59%
# of issuers ²	464
Pension funded ratio (2023) ³	57.8%
State GO ratings⁴	
Moody's	Aa2
S&P	AA-
Fitch	AA
Top marginal rates⁵	
State level	6.99%
Federal and state combined	43.99%
Tax equivalent yields⁶	
2%	3.83%
3%	5.75%
4%	7.66%
5%	9.58%



Delaware

Capitol: **Dover**

Governor: **Matt Meyer (D)**

Total issuance, as % of market issuance (YTD) ¹	0.29%
# of issuers ²	247
Pension funded ratio (2023) ³	87.6%
State GO ratings⁴	
Moody's	Aaa
S&P	AAA
Fitch	AAA
Top marginal rates⁵	
State level	6.60%
Federal and state combined	43.60%
Tax equivalent yields⁶	
2%	3.80%
3%	5.70%
4%	7.60%
5%	9.51%



Maine

Capitol: **Augusta**

Governor: **Janet Mills (D)**

Total issuance, as % of market issuance (YTD) ¹	0.25%
# of issuers ²	371
Pension funded ratio (2023) ³	87.2%
State GO ratings⁴	
Moody's	Aa1
S&P	AA
Fitch	—
Top marginal rates⁵	
State level	7.15%
Federal and state combined	44.15%
Tax equivalent yields⁶	
2%	3.84%
3%	5.76%
4%	7.68%
5%	9.61%

1. Bloomberg, December 2025. 2. Electronic Municipal Market Access (EMMA), December 2025. 3. Equable, January 2024. 4. Bloomberg, December 2025.

5. Tax Foundation, March 2025. 6. Tax equivalent yield assumes the current maximum state and federal income tax rate (for 2024) and the 3.8% Medicare surcharge. Tax treatment of Fund distributions vary; investors should

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State Profiles (as of 12/31/25)



Maryland

Capitol: **Annapolis** Governor: **Wes Moore (D)**

Total issuance, as % of market issuance (YTD) ¹	1.50%
# of issuers ²	474
Pension funded ratio (2023) ³	80.8%
State GO ratings⁴	
Moody's	Aa1
S&P	AAA
Fitch	AAA
Top marginal rates⁵	
State level	5.75%
Federal and state combined	42.75%
Tax equivalent yields⁶	
2%	3.74%
3%	5.61%
4%	7.48%
5%	9.35%



Massachusetts

Capitol: **Boston** Governor: **Maura Healey (D)**

Total issuance, as % of market issuance (YTD) ¹	3.29%
# of issuers ²	926
Pension funded ratio (2023) ³	68.8%
State GO ratings⁴	
Moody's	Aa1
S&P	AA+
Fitch	AA+
Top marginal rates⁵	
State level	9.00%
Federal and state combined	46.00%
Tax equivalent yields⁶	
2%	3.98%
3%	5.98%
4%	7.97%
5%	9.96%



New Hampshire

Capitol: **Concord** Governor: **Kelly Ayotte (R)**

Total issuance, as % of market issuance (YTD) ¹	0.91%
# of issuers ²	312
Pension funded ratio (2023) ³	73.2%
State GO ratings⁴	
Moody's	Aa1
S&P	AA+
Fitch	AA+
Top marginal rates⁵	
State level	0.00%
Federal and state combined	37.00%
Tax equivalent yields⁶	
2%	3.38%
3%	5.07%
4%	6.76%
5%	8.45%

1. Bloomberg, December 2025. 2. Electronic Municipal Market Access (EMMA), December 2025. 3. Equable, January 2024. 4. Bloomberg, December 2025.

5. Tax Foundation, March 2025. 6. Tax equivalent yield assumes the current maximum state and federal income tax rate (for 2024) and the 3.8% Medicare surcharge. Tax treatment of Fund distributions vary; investors should

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State Profiles (as of 12/31/25)



New Jersey

Capitol: **Trenton**

Governor: **Phil Murphy (D)**

Total issuance, as % of market issuance (YTD) ¹	2.78%
# of issuers ²	2,067
Pension funded ratio (2023) ³	53.5%
State GO ratings⁴	
Moody's	Aa3
S&P	A+
Fitch	A+
Top marginal rates⁵	
State level	10.75%
Federal and state combined	47.75%
Tax equivalent yields⁶	
2%	4.13%
3%	6.19%
4%	8.26%
5%	10.32%



New York

Capitol: **Albany**

Governor: **Kathy Hochul (D)**

Total issuance, as % of market issuance (YTD) ¹	12.40%
# of issuers ²	3,744
Pension funded ratio (2023) ³	92.0%
State GO ratings⁴	
Moody's	Aa1
S&P	AA+
Fitch	AA+
Top marginal rates⁵	
State level	10.90%
Federal and state combined	47.90%
Tax equivalent yields⁶	
2%	4.14%
3%	6.21%
4%	8.28%
5%	10.35%



Pennsylvania

Capitol: **Harrisburg**

Governor: **Josh Shapiro (D)**

Total issuance, as % of market issuance (YTD) ¹	2.81%
# of issuers ²	4,366
Pension funded ratio (2023) ³	68.3%
State GO ratings⁴	
Moody's	Aa2
S&P	A+
Fitch	AA
Top marginal rates⁵	
State level	3.07%
Federal and state combined	40.07%
Tax equivalent yields⁶	
2%	3.56%
3%	5.34%
4%	7.13%
5%	8.91%

1. Bloomberg, December 2025. 2. Electronic Municipal Market Access (EMMA), December 2025. 3. Equable, January 2024. 4. Bloomberg, December 2025.

5. Tax Foundation, March 2025. 6. Tax equivalent yield assumes the current maximum state and federal income tax rate (for 2024) and the 3.8% Medicare surcharge. Tax treatment of Fund distributions vary; investors should

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State Profiles (as of 12/31/25)



Rhode Island

Capitol: **Providence** Governor: **Daniel McKee (D)**

Total issuance, as % of market issuance (YTD) ¹	0.34%
# of issuers ²	184
Pension funded ratio (2023) ³	74.6%
State GO ratings⁴	
Moody's	Aa2
S&P	AA
Fitch	AA+
Top marginal rates⁵	
State level	5.99%
Federal and state combined	42.99%
Tax equivalent yields⁵	
2%	3.76%
3%	5.64%
4%	7.52%
5%	9.40%



Vermont

Capitol: **Montpelier** Governor: **Phil Scott (R)**

Total issuance, as % of market issuance (YTD) ¹	0.09%
# of issuers ²	116
Pension funded ratio (2023) ³	63.3%
State GO ratings⁴	
Moody's	Aa1
S&P	AA+
Fitch	AA+
Top marginal rates⁵	
State level	8.75%
Federal and state combined	45.75%
Tax equivalent yields⁵	
2%	3.96%
3%	5.95%
4%	7.93%
5%	9.91%

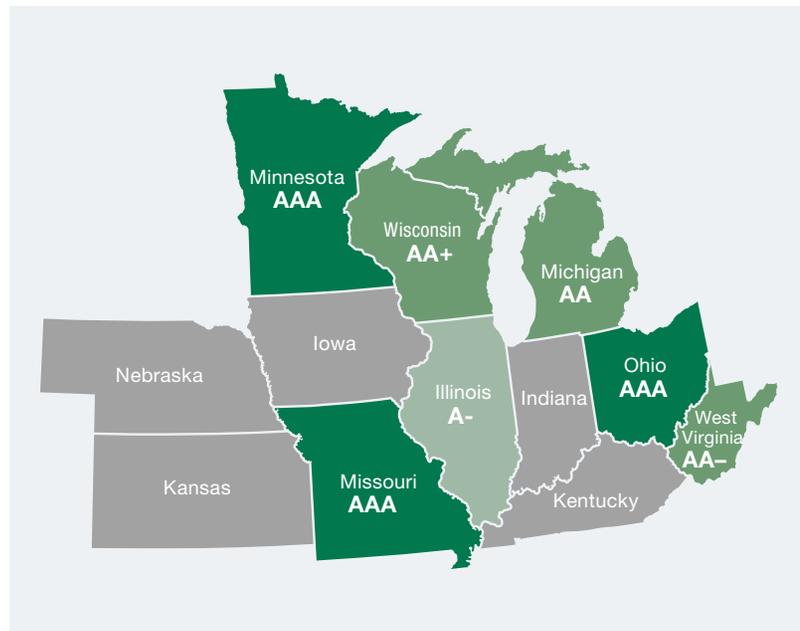
1. Bloomberg, December 2025. 2. Electronic Municipal Market Access (EMMA), December 2025. 3. Equable, January 2024. 4. Bloomberg, December 2025.

5. Tax Foundation, March 2025. 6. Tax equivalent yield assumes the current maximum state and federal income tax rate (for 2024) and the 3.8% Medicare surcharge. Tax treatment of Fund distributions vary; investors should

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Central

In the Midwest, state revenue growth in FY 2025 was solid across the board. While Rainy Day Fund balances are below the recommended mark of 15% of general fund spending for most of the states we highlight, in each of those cases, the balance grew in terms of dollar amount. The trend is clearly positive, as 2025 marks the second consecutive fiscal year in which we can make that statement.



ILLINOIS

Illinois led the region with total general fund collections rising 5.4% to \$47.71 billion, driven largely by a 10.0% jump in individual income tax receipts to over \$28 billion, offsetting a modest 1.0% increase in sales and use taxes. Importantly, the state's Rainy Day Fund also rose 11.7% to \$2.35 billion, equivalent to about 4.3% of general fund spending. This is a smaller savings ratio than Illinois's peers, but the improvement in that fund balance plus the strong revenue performance was enough to earn the state a ratings upgrade from Moody's in October 2025. This was the state's tenth upgrade in five years. Policymakers built on this achievement by instituting new revenue measures and forecasting conservatively in the FY 2026 budget.

KENTUCKY

Kentucky presented some nuance to our overall assessment of the region, as it was the lone state to see one of its main tax items—in their case the individual income tax—decline in FY 2025. The state is working toward eliminating its income tax entirely, and has instituted a mechanism to do so incrementally when budget surpluses reach certain thresholds. The tax rate was lowered halfway through FY 2024, from 4.5% to 4.0%, which contributed to the decline in revenues between FY 2024 and FY 2025. Another tax cut is due to take effect on January 1, 2026, but revenues have been insufficient to allow another cut for 2027. Additionally, Kentucky is in the curious situation of having one of the nation's strongest rainy day reserves (28%) but one of the weakest pension funded ratios (54%).

MICHIGAN

Michigan's increase in individual income tax receipts led the region at 13.8%. This has been a trend for Michigan in recent years, which has helped it chart a course to an extremely solid financial position. Specifically, the state's Rainy Day Fund is now nearly full at 14% of general fund spending, and its pension funds are considered well-funded after a climb of seven percentage points to 80.9%. Governor Whitmer expressed concerns about her state's exposure to tariff increases, as Michigan has a large manufacturing sector. However, tax receipts indicate that it has more than weathered the volatile trade climate.

OHIO

Ohio's tax collections rose 4.6% to \$29.22 billion with robust 9.9% growth in personal income taxes and 3.2% growth in sales taxes. The state's across-the-board AAA ratings likely remain secure, supported by a \$3.92 billion Rainy Day Fund (up 3.6%) equal to 12.7% of spending. Over the summer, the state enacted a budget that slightly limited local governments' ability to levy new property taxes, but this was counteracted in part when voters approved a large statewide bond measure on election day. That measure authorizes the state to issue up to \$2.5 billion in general obligation bonds over ten years to assist local governments with infrastructure projects.

WISCONSIN

Wisconsin's stellar pension funded ratio, which was already over 100%, rose further in FY 2025. In its enacted biennial budget from July, Governor Evers and the legislature negotiated a significant increase over the prior two-year period (12.5%). They used the budget to make significant investments in both K-12 and higher education.

Central (Continued)

State	Ratings (M/S/F) GO Debt Ratings	FY 2025 Collections YoY % Change	Major Revenue Sources YoY % Change	Pension Funded Ratio (FY 24) change vs. FY23	Rainy Day Fund Balance (FY 25) % Change Over FY24	RDF Balances % of GF Spending (FY 2025)
IL	A2 / A- / A- Upgraded by Moody's	\$47.71B (+5.4%)	Individual Income Tax: \$28.17B (+10.0%) Sales & Use Tax: \$10.57B (+1.0%)	51.6% (+0.7%)	\$2.35B (+11.71%)	4.3%
KY	Aa3 / A / AA- Appropriation, cannot issue GO debt	\$15.7B (+0.8%)	Individual Income Tax: \$5.32B (-8.4%) Sales & Use Tax: \$5.82B (+0.3%)	54.1% (+4.0%)	\$4.55B (-13.03%)	28.0%
MI	Aa1 / AA / AA+	\$31.84B (+5.1%)	Individual Income Tax: \$8.73B (+13.8%) Sales & Use Tax: \$13.47B (+0.9%)	80.9% (+7.0%)	\$2.15B (+7.61%)	14.0%
OH	Aaa / AAA / AAA	\$29.22B (+4.6%)	Individual Income Tax: \$10.46B (+9.9%) Sales & Use Tax: \$14.15B (+3.2%)	81.2% (-0.1%)	\$3.92B (+3.56%)	12.7%
WI*	Aa1 / AA+ / AA+	\$22.36B (+4.8%)	Individual Income Tax: \$10.45B (+7.5%) Sales & Use Tax: \$7.83B (+3.2%)	102.1% (+1.9%)	\$1.90B (+5.5%)	8.3%

*Operates on biennial budget; Rainy Day Fund Balances as of FY 2024.

References :

office.illinoiscomptroller.gov/; osbd.ky.gov/; michigan.gov/budget/; obm.ohio.gov/; www.lsc.ohio.gov/assets/; doa.wi.gov/.

State Profiles (as of 12/31/25)



Illinois

Capitol: **Springfield** Governor: **J.B. Pritzker (D)**

Total issuance, as % of market issuance (YTD) ¹	3.35%
# of issuers ²	4,801
Pension funded ratio (2023) ³	50.9%
State GO ratings⁴	
Moody's	A2
S&P	A-
Fitch	A-
Top marginal rates⁵	
State level	4.95%
Federal and state combined	41.95%
Tax equivalent yields⁶	
2%	3.69%
3%	5.53%
4%	7.37%
5%	9.22%



Indiana

Capitol: **Indianapolis** Governor: **Mike Braun (R)**

Total issuance, as % of market issuance (YTD) ¹	1.71%
# of issuers ²	4,215
Pension funded ratio (2023) ³	78.1%
State GO ratings⁴	
Moody's	—
S&P	—
Fitch	—
Top marginal rates⁵	
State level	3.00%
Federal and state combined	40.00%
Tax equivalent yields⁶	
2%	3.56%
3%	5.34%
4%	7.12%
5%	8.90%



Iowa

Capitol: **Des Moines** Governor: **Kim Reynolds (R)**

Total issuance, as % of market issuance (YTD) ¹	0.64%
# of issuers ²	2,643
Pension funded ratio (2023) ³	89.6%
State GO ratings⁴	
Moody's	—
S&P	—
Fitch	—
Top marginal rates⁵	
State level	3.80%
Federal and state combined	40.80%
Tax equivalent yields⁶	
2%	3.61%
3%	5.42%
4%	7.22%
5%	9.03%

1. Bloomberg, December 2025. 2. Electronic Municipal Market Access (EMMA), December 2025. 3. Equable, January 2024. 4. Bloomberg, December 2025.

5. Tax Foundation, March 2025. 6. Tax equivalent yield assumes the current maximum state and federal income tax rate (for 2024) and the 3.8% Medicare surcharge. Tax treatment of Fund distributions vary; investors should

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State Profiles (as of 12/31/25)



Kansas

Capitol: Topeka	Governor: Laura Kelly (D)
Total issuance, as % of market issuance (YTD) ¹	0.68%
# of issuers ²	2,330
Pension funded ratio (2023) ³	76.5%
State GO ratings⁴	
Moody's	—
S&P	—
Fitch	—
Top marginal rates⁵	
State level	5.58%
Federal and state combined	42.58%
Tax equivalent yields⁶	
2%	3.73%
3%	5.59%
4%	7.46%
5%	9.32%



Kentucky

Capitol: Frankfort	Governor: Andy Beshear (D)
Total issuance, as % of market issuance (YTD) ¹	1.41%
# of issuers ²	2,055
Pension funded ratio (2023) ³	50.1%
State GO ratings⁴	
Moody's	—
S&P	—
Fitch	—
Top marginal rates⁵	
State level	4.00%
Federal and state combined	41.00%
Tax equivalent yields⁶	
2%	3.62%
3%	5.43%
4%	7.25%
5%	9.06%



Michigan

Capitol: Lansing	Governor: Gretchen Whitmer (D)
Total issuance, as % of market issuance (YTD) ¹	1.78%
# of issuers ²	3,773
Pension funded ratio (2023) ³	73.9%
State GO ratings⁴	
Moody's	Aa1
S&P	AA
Fitch	AA+
Top marginal rates⁵	
State level	4.25%
Federal and state combined	41.25%
Tax equivalent yields⁶	
2%	3.64%
3%	5.46%
4%	7.28%
5%	9.10%

1. Bloomberg, December 2025. 2. Electronic Municipal Market Access (EMMA), December 2025. 3. Equable, January 2024. 4. Bloomberg, December 2025.

5. Tax Foundation, March 2025. 6. Tax equivalent yield assumes the current maximum state and federal income tax rate (for 2024) and the 3.8% Medicare surcharge. Tax treatment of Fund distributions vary; investors should

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State Profiles (as of 12/31/25)



Minnesota

Capitol: **St. Paul** Governor: **Tim Walz (D)**

Total issuance, as % of market issuance (YTD) ¹	1.11%
# of issuers ²	3,725
Pension funded ratio (2023) ³	75.2%
State GO ratings⁴	
Moody's	Aaa
S&P	AAA
Fitch	AAA
Top marginal rates⁵	
State level	9.85%
Federal and state combined	46.85%
Tax equivalent yields⁶	
2%	4.05%
3%	6.08%
4%	8.11%
5%	10.13%



Missouri

Capitol: **Jefferson City** Governor: **Mike Kehoe (R)**

Total issuance, as % of market issuance (YTD) ¹	1.15%
# of issuers ²	3,792
Pension funded ratio (2023) ³	80.5%
State GO ratings⁴	
Moody's	Aaa
S&P	AAA
Fitch	AAA
Top marginal rates⁵	
State level	4.70%
Federal and state combined	41.70%
Tax equivalent yields⁶	
2%	3.67%
3%	5.50%
4%	7.34%
5%	9.17%



Nebraska

Capitol: **Lincoln** Governor: **Jim Pillen (R)**

Total issuance, as % of market issuance (YTD) ¹	0.64%
# of issuers ²	2,636
Pension funded ratio (2023) ³	98.1%
State GO ratings⁴	
Moody's	—
S&P	—
Fitch	—
Top marginal rates⁵	
State level	5.20%
Federal and state combined	42.20%
Tax equivalent yields⁶	
2%	3.70%
3%	5.56%
4%	7.41%
5%	9.26%

1. Bloomberg, December 2025. 2. Electronic Municipal Market Access (EMMA), December 2025. 3. Equable, January 2024. 4. Bloomberg, December 2025.

5. Tax Foundation, March 2025. 6. Tax equivalent yield assumes the current maximum state and federal income tax rate (for 2024) and the 3.8% Medicare surcharge. Tax treatment of Fund distributions vary; investors should

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State Profiles (as of 12/31/25)



Ohio

Capitol: **Columbus** Governor: **Mike DeWine (R)**

Total issuance, as % of market issuance (YTD) ¹	2.56%
# of issuers ²	3,540
Pension funded ratio (2023) ³	81.3%
State GO ratings⁴	
Moody's	Aaa
S&P	AAA
Fitch	AAA
Top marginal rates⁵	
State level	3.50%
Federal and state combined	40.50%
Tax equivalent yields⁶	
2%	3.59%
3%	5.39%
4%	7.18%
5%	8.98%



West Virginia

Capitol: **Charleston** Governor: **Patrick Morisey (R)**

Total issuance, as % of market issuance (YTD) ¹	0.22%
# of issuers ²	738
Pension funded ratio (2023) ³	93.1%
State GO ratings⁴	
Moody's	Aa2
S&P	AA-
Fitch	AA
Top marginal rates⁵	
State level	4.82%
Federal and state combined	41.82%
Tax equivalent yields⁶	
2%	3.68%
3%	5.52%
4%	7.36%
5%	9.19%



Wisconsin

Capitol: **Madison** Governor: **Tony Evers (D)**

Total issuance, as % of market issuance (YTD) ¹	2.64%
# of issuers ²	3,045
Pension funded ratio (2023) ³	100.2%
State GO ratings⁴	
Moody's	Aa1
S&P	AA+
Fitch	AA+
Top marginal rates⁵	
State level	7.65%
Federal and state combined	44.65%
Tax equivalent yields⁶	
2%	3.88%
3%	5.82%
4%	7.76%
5%	9.70%

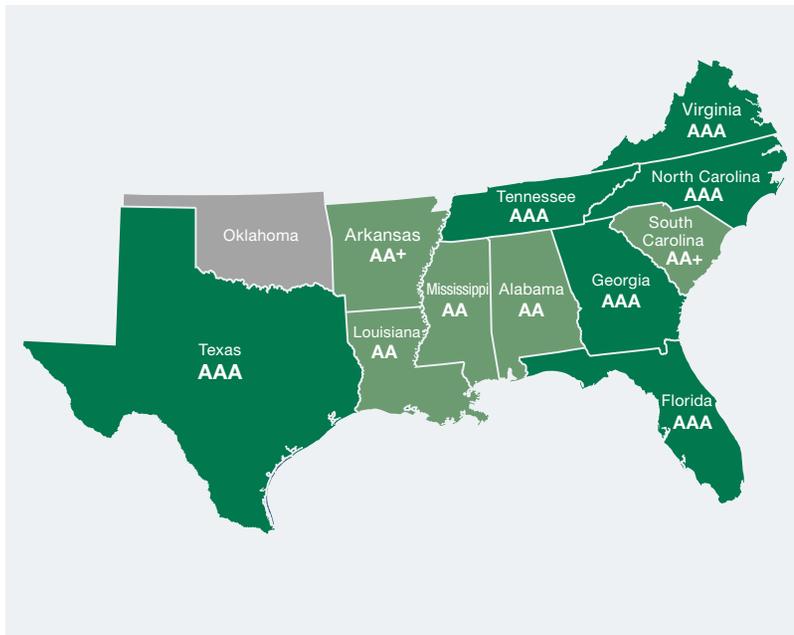
1. Bloomberg, December 2025. 2. Electronic Municipal Market Access (EMMA), December 2025. 3. Equable, January 2024. 4. Bloomberg, December 2025.

5. Tax Foundation, March 2025. 6. Tax equivalent yield assumes the current maximum state and federal income tax rate (for 2024) and the 3.8% Medicare surcharge. Tax treatment of Fund distributions vary; investors should

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South

Across the South, fiscal 2025 results remained positive but moderated from post-pandemic highs, with policy emphasis on tax relief and one-time capital and infrastructure spending. The region's population and employment growth remained supportive of sales-tax bases, but revenue sensitivity to fuel, corporate profits, and high-income taxpayers argue for caution.



FLORIDA

Florida general revenues totaled \$50.41 billion (+2.9%), with sales tax the workhorse (\$36.91 billion, +2.5%) and corporate income tax falling 3.5% to \$5.81 billion. The Budget Stabilization Fund improved to \$4.44 billion (+7.3%), about 7.6% of spending. There will be a 2026 ballot measure to raise the constitutional cap on the Budget Stabilization Fund from 10% to 25% of net general revenues, with required \$750 million annual transfers to build the Fund. On local ballots, Homestead voters rejected a parks and recreation GO bond but approved roadway improvements, while Surfside voters rejected utility undergrounding and a gated community concept but approved several charter amendments, including a 60% voter-approval threshold for certain local spending.

GEORGIA

Georgia's fiscal 2025 tax collections rose 2.0% to \$33.62 billion. Sales and use taxes grew 3.6% (\$18.98 billion) while individual income taxes rose 1.3% (\$16.24 billion) as the state stepped down to a 5.19% flat income tax rate mid-year (effective July 1 and retroactive to Jan 1). Georgia finished fiscal 2025 with total general fund reserves of \$14.5 billion, including its Revenue Shortfall Reserve at \$5.5 billion and about \$9 billion in undesignated surplus. This gives the state flexibility to manage future tax rate reductions and capital expenditures.

LOUISIANA

Louisiana's total collections declined 2.3% to \$12.35 billion as recently enacted tax changes shifted the revenue mix. Individual income (+2.8% to \$4.82 billion) and general sales (+6.0% to \$4.79 billion) advanced while other lines, notably corporate taxes, softened. Rainy-day resources ended around \$1.07 billion (8.6% of spending), offering a meaningful buffer as tax policy changes phase in. The state recently lowered the individual income (flat 3%) and the corporate tax rates (from 7.5% to 5.5%) while relying more heavily on the sales tax base (increased to 5% for five years). On a local level, New Orleans voters will decide three city GO propositions totaling \$510 million on Nov. 15, 2025. The projects will support streets/facilities, drainage/stormwater, and affordable housing. Passage would support an uptick in New Orleans' GO issuance.

TEXAS

Texas general revenue collections reached \$86.08 billion (+2.75%). Sales taxes remained firm at +3.5% (\$43.96 billion), while oil production taxes fell 14.6% (\$5.38 billion). The Economic Stabilization Fund closed at about \$24.8 billion, a record level and roughly the cap, equal to a very strong 28% of state spending. During November's elections, voters approved all 17 statewide constitutional amendments, including raising the standard homestead exemption to \$140,000 (and to \$200,000 for seniors/disabled via a companion measure), providing broad property-tax relief while the state continues to backfill school finance. Additionally, local ballots saw heavy activity across school districts and cities, with over \$90 billion in proposed bond activity.

South (Continued)

State	Ratings (M/S/F) GO Debt Ratings	FY 2025 Collections YoY % Change	Major Revenue Sources YoY % Change	Pension Funded Ratio (FY 24) change vs. FY23	Rainy Day Fund Balance (FY 25) % Change Over FY24	RDF Balances % of GF Spending (FY 2025)
FL	Aaa / AAA / AAA	\$50.41B (+2.9%)	Sales Tax: \$36.91B (+2.5%) Corporate Income Tax: \$5.81B (-3.5%)	83.8% (+2.0%)	\$4.44B (+7.27%)	7.6%
GA	Aaa / AAA / AAA	\$33.62B (+2.0%)	Sales & Use Tax: \$18.98B (+3.6%) Individual Income Tax: \$16.24B (+1.3%)	80.7% (+4.9%)	\$5.47B (+1.5%)	15.0%
LA	Aa2 / AA / AA-	\$12.35B (-2.3%)	Individual Income Tax: \$4.82B (+2.77%) General Sales Tax: \$4.79B (+5.97%)	78.0% (+3.8%)	\$1.07B (+1.23%)	8.6%
TX*	Aaa / AAA / AAA	\$86.08B (+2.75%)	Sales Taxes: \$43.96B (+3.5%) Oil Production Tax: \$5.38B (-14.6%)	82.4% (+5.5%)	\$24.28B (+15.54%)	28.3%

*Fiscal year ending August 31.

References:

edr.state.fl.us/content/revenues/; dor.georgia.gov/; [opb.georgia.gov/
budget-information](http://opb.georgia.gov/budget-information); treasury.la.gov/; comptroller.texas.gov/.

State Profiles (as of 12/31/25)



Alabama

Capitol: **Montgomery** Governor: **Kay Ivey (R)**

Total issuance, as % of market issuance (YTD) ¹	3.09%
# of issuers ²	2,234
Pension funded ratio (2023) ³	71.5%
State GO ratings⁴	
Moody's	Aa1
S&P	AA
Fitch	AA+
Top marginal rates⁵	
State level	5.00%
Federal and state combined	42.00%
Tax equivalent yields⁶	
2%	3.69%
3%	5.54%
4%	7.38%
5%	9.23%



Arkansas

Capitol: **Little Rock** Governor: **Sarah H Sanders (R)**

Total issuance, as % of market issuance (YTD) ¹	0.31%
# of issuers ²	1,616
Pension funded ratio (2023) ³	84.7%
State GO ratings⁴	
Moody's	Aa1
S&P	AA+
Fitch	—
Top marginal rates⁵	
State level	3.90%
Federal and state combined	40.90%
Tax equivalent yields⁶	
2%	3.62%
3%	5.42%
4%	7.23%
5%	9.04%



Florida

Capitol: **Tallahassee** Governor: **Ron DeSantis (R)**

Total issuance, as % of market issuance (YTD) ¹	4.13%
# of issuers ²	4,170
Pension funded ratio (2023) ³	81.8%
State GO ratings⁴	
Moody's	Aaa
S&P	AAA
Fitch	AAA
Top marginal rates⁵	
State level	0.00%
Federal and state combined	37.00%
Tax equivalent yields⁶	
2%	3.38%
3%	5.07%
4%	6.76%
5%	8.45%

1. Bloomberg, December 2025. 2. Electronic Municipal Market Access (EMMA), December 2025. 3. Equable, January 2024. 4. Bloomberg, December 2025.

5. Tax Foundation, March 2025. 6. Tax equivalent yield assumes the current maximum state and federal income tax rate (for 2024) and the 3.8% Medicare surcharge. Tax treatment of Fund distributions vary; investors should

consult a tax advisor with respect to the tax implications of an investment in a Fund that invests in tax-exempt securities.

State Profiles (as of 12/31/25)



Georgia

Capitol: **Atlanta** Governor: **Brian Kemp (R)**

Total issuance, as % of market issuance (YTD) ¹	2.15%
# of issuers ²	2,082
Pension funded ratio (2023) ³	75.8%
State GO ratings⁴	
Moody's	Aaa
S&P	AAA
Fitch	AAA
Top marginal rates⁵	
State level	5.39%
Federal and state combined	42.39%
Tax equivalent yields⁶	
2%	3.72%
3%	5.58%
4%	7.43%
5%	9.29%



Louisiana

Capitol: **Baton Rouge** Governor: **Jeff Landry (R)**

Total issuance, as % of market issuance (YTD) ¹	0.68%
# of issuers ²	1,771
Pension funded ratio (2023) ³	74.2%
State GO ratings⁴	
Moody's	Aa2
S&P	AA
Fitch	AA-
Top marginal rates⁵	
State level	3.00%
Federal and state combined	40.00%
Tax equivalent yields⁶	
2%	3.56%
3%	5.34%
4%	7.12%
5%	8.90%



Mississippi

Capitol: **Jackson** Governor: **Tate Reeves (R)**

Total issuance, as % of market issuance (YTD) ¹	0.17%
# of issuers ²	1,319
Pension funded ratio (2023) ³	66.3%
State GO ratings⁴	
Moody's	Aa2
S&P	AA
Fitch	AA
Top marginal rates⁵	
State level	4.40%
Federal and state combined	41.40%
Tax equivalent yields⁶	
2%	3.65%
3%	5.47%
4%	7.30%
5%	9.12%

1. Bloomberg, December 2025. 2. Electronic Municipal Market Access (EMMA), December 2025. 3. Equable, January 2024. 4. Bloomberg, December 2025.

5. Tax Foundation, March 2025. 6. Tax equivalent yield assumes the current maximum state and federal income tax rate (for 2024) and the 3.8% Medicare surcharge. Tax treatment of Fund distributions vary; investors should

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State Profiles (as of 12/31/25)



North Carolina

Capitol: **Raleigh** Governor: **Josh Stein (D)**

Total issuance, as % of market issuance (YTD) ¹	1.52%
# of issuers ²	1,130
Pension funded ratio (2023) ³	88.6%
State GO ratings⁴	
Moody's	Aaa
S&P	AAA
Fitch	AAA
Top marginal rates⁵	
State level	4.25%
Federal and state combined	41.25%
Tax equivalent yields⁶	
2%	3.64%
3%	5.46%
4%	7.28%
5%	9.10%



Oklahoma

Capitol: **Oklahoma City** Governor: **Kevin Stitt (R)**

Total issuance, as % of market issuance (YTD) ¹	1.06%
# of issuers ²	1,771
Pension funded ratio (2023) ³	80.0%
State GO ratings⁴	
Moody's	—
S&P	—
Fitch	—
Top marginal rates⁵	
State level	4.75%
Federal and state combined	41.75%
Tax equivalent yields⁶	
2%	3.67%
3%	5.51%
4%	7.35%
5%	9.18%



South Carolina

Capitol: **Columbia** Governor: **Henry McMaster (R)**

Total issuance, as % of market issuance (YTD) ¹	1.36%
# of issuers ²	918
Pension funded ratio (2023) ³	59.9%
State GO ratings⁴	
Moody's	Aaa
S&P	AA+
Fitch	AAA
Top marginal rates⁵	
State level	6.20%
Federal and state combined	43.20%
Tax equivalent yields⁶	
2%	3.77%
3%	5.66%
4%	7.55%
5%	9.43%

1. Bloomberg, December 2025. 2. Electronic Municipal Market Access (EMMA), December 2025. 3. Equable, January 2024. 4. Bloomberg, December 2025.

5. Tax Foundation, March 2025. 6. Tax equivalent yield assumes the current maximum state and federal income tax rate (for 2024) and the 3.8% Medicare surcharge. Tax treatment of Fund distributions vary; investors should

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State Profiles (as of 12/31/25)



Tennessee

Capitol: Nashville	Governor: Bill Lee (R)
Total issuance, as % of market issuance (YTD) ¹	0.93%
# of issuers ²	1,396
Pension funded ratio (2023) ³	105.0%
State GO ratings⁴	
Moody's	Aaa
S&P	AAA
Fitch	AAA
Top marginal rates⁵	
State level	0.00%
Federal and state combined	37.00%
Tax equivalent yields⁶	
2%	3.38%
3%	5.07%
4%	6.76%
5%	8.45%



Texas

Capitol: Austin	Governor: Greg Abbott (R)
Total issuance, as % of market issuance (YTD) ¹	13.35%
# of issuers ²	7,489
Pension funded ratio (2023) ³	76.9%
State GO ratings⁴	
Moody's	Aaa
S&P	AAA
Fitch	AAA
Top marginal rates⁵	
State level	0.00%
Federal and state combined	37.00%
Tax equivalent yields⁶	
2%	3.38%
3%	5.07%
4%	6.76%
5%	8.45%



Virginia

Capitol: Richmond	Governor: Abigail Spanberger (D)
Total issuance, as % of market issuance (YTD) ¹	1.33%
# of issuers ²	1,281
Pension funded ratio (2023) ³	85.6%
State GO ratings⁴	
Moody's	Aaa
S&P	AAA
Fitch	AAA
Top marginal rates⁵	
State level	5.75%
Federal and state combined	42.75%
Tax equivalent yields⁶	
2%	3.74%
3%	5.61%
4%	7.48%
5%	9.35%

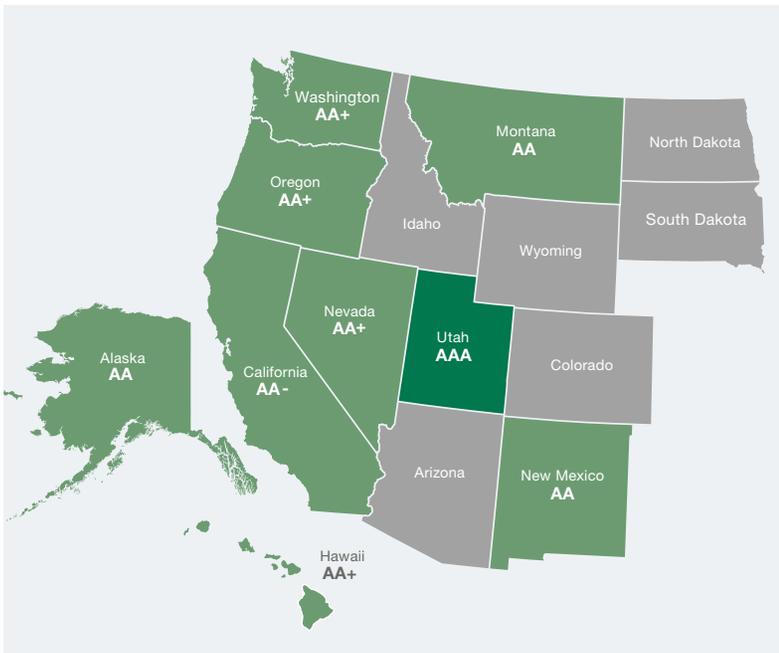
1. Bloomberg, December 2025. 2. Electronic Municipal Market Access (EMMA), December 2025. 3. Equable, January 2024. 4. Bloomberg, December 2025.

5. Tax Foundation, March 2025. 6. Tax equivalent yield assumes the current maximum state and federal income tax rate (for 2024) and the 3.8% Medicare surcharge. Tax treatment of Fund distributions vary; investors should

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West

Across the West, FY 2025 revenues reflected a mix of resilience and recalibration. Continued population growth, consumer spending, and high employment prevailed, but it was tempered in some states by fiscal tightening and revenue normalization following pandemic-era surpluses. Additionally, some notable policy and election developments are shaping the outlook heading into FY 2026.



ARIZONA

Arizona saw an extremely beneficial increase of 13.1% in its FY 2025 individual income tax receipts, after seeing a tax cut-related decrease of 7.5% in the prior year. This volatility of revenue due to the tax cuts has become a challenge for lawmakers, as its nation-leading school voucher program becomes more expensive to fund and its growing population requires infrastructure investment to maintain water supply. As a result of these pressures and the increasing dependence on sales taxes, S&P removed the “Positive” outlook from its AA rating on the state’s appropriation debt, setting the new outlook at “Stable.” However, reserves continue to grow, and the legislature and governor worked in June to pass an on-time budget addressing these pressures with bipartisan support.

CALIFORNIA

California’s “big three” tax line items—individual income, corporate income, and sales taxes—rose by a combined 2.0% in FY 2025. And, importantly, they also beat budgeted estimates by about 1%. These outcomes are important at the moment, because the state is dealing with a multi-year structural budget shortfall. In addressing this shortfall, California has planned another large withdrawal from its Rainy Day Fund, which the non-partisan Legislative Analyst’s Office endorsed as a reasonable tool to help close the budget gaps. In an earlier vote of confidence, Moody’s raised California’s outlook from “Negative” to “Stable” in December 2024, showing their confidence in the state’s financial trajectory despite the reserve draws. California voters also approved Proposition 50 on election day this year, which is a statewide measure that allows the legislature to redraw U.S. House district maps that could affect federal representation and future fiscal dynamics

around federal funding and delegation priorities.

COLORADO

Colorado has rigid state controls about how much income tax it is allowed to retain, collectively referred to as TABOR. This construct was the sole reason for Colorado’s 2.7% decline in income tax revenue, as gross receipts before TABOR refunds showed a steep increase. These TABOR controls have created a tighter budget situation for Colorado, especially because the state was also contending in this budget cycle with a shortfall driven by Medicaid expenses. However, with gross revenues continuing to exceed statutory reserve requirements, lawmakers have tools at their disposal to address these shortfalls from a place of financial stability.

HAWAII

Hawaii has continued to set new records in reserve fund balances, even as the state funds housing, infrastructure, and disaster-related priorities. Its solid revenue performance, where total collections in FY 2025 grew 2.9% from the prior year, puts the state in a healthy position to keep pursuing these investments. The one area of investment that is slightly flagging is that in the pension system, which saw its funded ratio drop by 2.2 percentage points at last measure (FY 2024).

OREGON

Oregon’s revenue surge (+35.1%, with +42.5% in individual income taxes) reflects a strong tax base, but more importantly reflects timing effects around the state’s unique “kicker” rules. It will need to repay much of this gain in tax refunds thanks to those rules, but even amidst several years of kicker-re-

West (Continued)

lated volatility, it has been able to significantly increase its Rainy Day Fund balance. Those reserves now stand at over 17% of general fund spending, which is an extremely healthy level.

UTAH

Utah's fully funded pensions, conservative budgeting practices, and healthy tax collections continue to pay dividends. In its last budget, the state was able to increase tax credits for children and social security payments, while also increasing formula funding for K-12 education.

State	Ratings (M/S/F) GO Debt Ratings	FY 2025 Collections YoY % Change	Major Revenue Sources YoY % Change	Pension Funded Ratio (FY 24) change vs. FY23	Rainy Day Fund Balance (FY 25) % Change Over FY24	RDF Balances % of GF Spending (FY 2025)
AZ	Aa2 / AA / NR Appropriation, cannot issue GO debt	\$16.43B (+6.3%)	Individual Income Tax: \$5.48B (+13.1%) Sales & Use Tax: \$8.15B (+2.7%)	76.3% (+3.1%)	\$1.55B (4.60%)	9.4%
CA	Aa2 / AA- / AA	\$212.39B (+2.5%)	Individual Income Tax: \$126.42B (+4.5%) Sales & Use Tax: \$33.71B (+1.4%)	80.7% (+0.9%)	\$27.50B (-34.02%)	11.9%
CO	Aa2 / AA- / NR Appropriation, cannot issue GO debt	\$17.43B (-2.5%)	Individual Income Tax: \$10.22B (-2.7%) Sales & Use Tax: \$4.76B (+1.4%)	74.5% (+3.1%)	\$2.14B (-32.44%)	11.3%
HI	Aa2 / AA+ / AA	\$10.8B (+2.9%)	Individual Income Tax: \$3.29B (+0.2%) Sales & Use Tax: \$4.63B (+3.3%)	63.2% (-2.2%)	\$1.57B (+3.36%)	13.9%
OR	Aa1/ AA+ / AA+ (Pos)	\$14.55B (+35.1%)	Individual Income Tax: \$13.04B (+42.5%) Corporate Income Tax: \$1.51B (-7.0%)	81.3% (-6.9%)	\$2.92B (+25.26%)	17.3%
UT	Aaa / AAA / AAA	\$12.82B (+4.8%)	Individual Income Tax: \$6.62B (+6.3%) Sales & Use Tax: \$3.48B (+4.0%)	104.2% (-2.8%)	\$1.19B (+0%)	9.3%

References:

azjilbc.gov/mfhs/; sco.ca.gov/; cdor.colorado.gov/; tax.hawaii.gov/; oregon.gov/; treasurer.utah.gov/.

State Profiles (as of 12/31/25)



Alaska

Capitol: **Juneau**

Governor: **Mike Dunleavy (R)**

Total issuance, as % of market issuance (YTD) ¹	0.20%
# of issuers ²	155
Pension funded ratio (2023) ³	76.5%
State GO ratings⁴	
Moody's	Aa2
S&P	AA
Fitch	AA-
Top marginal rates⁵	
State level	0.00%
Federal and state combined	37.00%
Tax equivalent yields⁶	
2%	3.38%
3%	5.07%
4%	6.76%
5%	8.45%



Arizona

Capitol: **Phoenix**

Governor: **Katie Hobbs (D)**

Total issuance, as % of market issuance (YTD) ¹	1.34%
# of issuers ²	1,384
Pension funded ratio (2023) ³	73.2%
State GO ratings⁴	
Moody's	—
S&P	—
Fitch	—
Top marginal rates⁵	
State level	2.50%
Federal and state combined	39.50%
Tax equivalent yields⁶	
2%	3.53%
3%	5.29%
4%	7.05%
5%	8.82%



California

Capitol: **Sacramento**

Governor: **Gavin Newsom (D)**

Total issuance, as % of market issuance (YTD) ¹	14.51%
# of issuers ²	9,406
Pension funded ratio (2023) ³	79.8%
State GO ratings⁴	
Moody's	Aa2
S&P	AA-
Fitch	AA
Top marginal rates⁵	
State level	13.30%
Federal and state combined	50.30%
Tax equivalent yields⁶	
2%	4.36%
3%	6.54%
4%	8.71%
5%	10.89%

1. Bloomberg, December 2025. 2. Electronic Municipal Market Access (EMMA), December 2025. 3. Equable, January 2024. 4. Bloomberg, December 2025.

5. Tax Foundation, March 2025. 6. Tax equivalent yield assumes the current maximum state and federal income tax rate (for 2024) and the 3.8% Medicare surcharge. Tax treatment of Fund distributions vary; investors should

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State Profiles (as of 12/31/25)

 Colorado		 Hawaii		 Idaho	
Capitol: Denver		Capitol: Honolulu		Capitol: Boise	
Governor: Jared Polis (D)		Governor: Josh Green (D)		Governor: Brad Little (R)	
Total issuance, as % of market issuance (YTD) ¹	2.26%	Total issuance, as % of market issuance (YTD) ¹	0.43%	Total issuance, as % of market issuance (YTD) ¹	0.45%
# of issuers ²	3,089	# of issuers ²	71	# of issuers ²	544
Pension funded ratio (2023) ³	71.4%	Pension funded ratio (2023) ³	65.4%	Pension funded ratio (2023) ³	88.9%
State GO ratings⁴		State GO ratings⁴		State GO ratings⁴	
Moody's	—	Moody's	Aa2	Moody's	—
S&P	—	S&P	AA+	S&P	—
Fitch	—	Fitch	AA	Fitch	—
Top marginal rates⁵		Top marginal rates⁵		Top marginal rates⁵	
State level	4.40%	State level	11.00%	State level	5.30%
Federal and state combined	41.40%	Federal and state combined	48.00%	Federal and state combined	42.30%
Tax equivalent yields⁶		Tax equivalent yields⁶		Tax equivalent yields⁶	
2%	3.65%	2%	4.15%	2%	3.71%
3%	5.47%	3%	6.22%	3%	5.57%
4%	7.30%	4%	8.30%	4%	7.42%
5%	9.12%	5%	10.37%	5%	9.28%

1. Bloomberg, December 2025. 2. Electronic Municipal Market Access (EMMA), December 2025. 3. Equable, January 2024. 4. Bloomberg, December 2025.

5. Tax Foundation, March 2025. 6. Tax equivalent yield assumes the current maximum state and federal income tax rate (for 2024) and the 3.8% Medicare surcharge. Tax treatment of Fund distributions vary; investors should

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State Profiles (as of 12/31/25)



Montana

Capitol: **Helena** Governor: **Greg Gianforte (R)**

Total issuance, as % of market issuance (YTD) ¹	0.13%
# of issuers ²	807
Pension funded ratio (2023) ³	73.0%
State GO ratings⁴	
Moody's	Aa1
S&P	AA
Fitch	AA+
Top marginal rates⁵	
State level	5.90%
Federal and state combined	42.90%
Tax equivalent yields⁶	
2%	3.75%
3%	5.63%
4%	7.50%
5%	9.38%



Nevada

Capitol: **Carson City** Governor: **Joe Lombardo (R)**

Total issuance, as % of market issuance (YTD) ¹	0.51%
# of issuers ²	282
Pension funded ratio (2023) ³	81.8%
State GO ratings⁴	
Moody's	Aa1
S&P	AA+
Fitch	AA+
Top marginal rates⁵	
State level	0.00%
Federal and state combined	37.00%
Tax equivalent yields⁶	
2%	3.38%
3%	5.07%
4%	6.76%
5%	8.45%



New Mexico

Capitol: **Santa Fe** Governor: **Michelle Lujan Grisham (D)**

Total issuance, as % of market issuance (YTD) ¹	0.46%
# of issuers ²	666
Pension funded ratio (2023) ³	65.4%
State GO ratings⁴	
Moody's	Aa2
S&P	AA
Fitch	—
Top marginal rates⁵	
State level	5.90%
Federal and state combined	42.90%
Tax equivalent yields⁶	
2%	3.75%
3%	5.63%
4%	7.50%
5%	9.38%

1. Bloomberg, December 2025. 2. Electronic Municipal Market Access (EMMA), December 2025. 3. Equable, January 2024. 4. Bloomberg, December 2025.

5. Tax Foundation, March 2025. 6. Tax equivalent yield assumes the current maximum state and federal income tax rate (for 2024) and the 3.8% Medicare surcharge. Tax treatment of Fund distributions vary; investors should

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State Profiles (as of 12/31/25)

North Dakota

Capitol: **Bismarck** Governor: **Kelly Armstrong (R)**

Total issuance, as % of market issuance (YTD) ¹	0.13%
# of issuers ²	887
Pension funded ratio (2023) ³	67.4%
State GO ratings⁴	
Moody's	—
S&P	—
Fitch	—
Top marginal rates⁵	
State level	2.50%
Federal and state combined	39.50%
Tax equivalent yields⁶	
2%	3.53%
3%	5.29%
4%	7.05%
5%	8.82%

Oregon

Capitol: **Salem** Governor: **Tina Kotek (D)**

Total issuance, as % of market issuance (YTD) ¹	0.94%
# of issuers ²	1,227
Pension funded ratio (2023) ³	88.2%
State GO ratings⁴	
Moody's	Aa1
S&P	AA+
Fitch	AA+
Top marginal rates⁵	
State level	9.90%
Federal and state combined	46.90%
Tax equivalent yields⁶	
2%	4.06%
3%	6.09%
4%	8.11%
5%	10.14%

South Dakota

Capitol: **Pierre** Governor: **Larry Rhoden (R)**

Total issuance, as % of market issuance (YTD) ¹	0.24%
# of issuers ²	597
Pension funded ratio (2023) ³	100.0%
State GO ratings⁴	
Moody's	—
S&P	—
Fitch	—
Top marginal rates⁵	
State level	0.00%
Federal and state combined	37.00%
Tax equivalent yields⁶	
2%	3.38%
3%	5.07%
4%	6.76%
5%	8.45%

1. Bloomberg, December 2025. 2. Electronic Municipal Market Access (EMMA), December 2025. 3. Equable, January 2024. 4. Bloomberg, December 2025.

5. Tax Foundation, March 2025. 6. Tax equivalent yield assumes the current maximum state and federal income tax rate (for 2024) and the 3.8% Medicare surcharge. Tax treatment of Fund distributions vary; investors should

consult a tax advisor with respect to the tax implications of an investment in a Fund that invests in tax-exempt securities.

State Profiles (as of 12/31/25)



Utah

Capitol: **Salt Lake City** Governor: **Spencer Cox (R)**

Total issuance, as % of market issuance (YTD) ¹	1.02%
# of issuers ²	971
Pension funded ratio (2023) ³	107.0%
State GO ratings⁴	
Moody's	Aaa
S&P	AAA
Fitch	AAA
Top marginal rates⁵	
State level	4.55%
Federal and state combined	41.55%
Tax equivalent yields⁶	
2%	3.66%
3%	5.49%
4%	7.32%
5%	9.15%



Washington

Capitol: **Olympia** Governor: **Bob Ferguson (D)**

Total issuance, as % of market issuance (YTD) ¹	2.47%
# of issuers ²	1,864
Pension funded ratio (2023) ³	103.5%
State GO ratings⁴	
Moody's	Aaa
S&P	AA+
Fitch	AA+
Top marginal rates⁵	
State level	7.00%
Federal and state combined	44.00%
Tax equivalent yields⁶	
2%	3.83%
3%	5.75%
4%	7.66%
5%	9.58%



Wyoming

Capitol: **Cheyenne** Governor: **Mark Gordon (R)**

Total issuance, as % of market issuance (YTD) ¹	0.03%
# of issuers ²	313
Pension funded ratio (2023) ³	93.6%
State GO ratings⁴	
Moody's	—
S&P	—
Fitch	—
Top marginal rates⁵	
State level	0.00%
Federal and state combined	37.00%
Tax equivalent yields⁶	
2%	3.38%
3%	5.07%
4%	6.76%
5%	8.45%

1. Bloomberg, December 2025. 2. Electronic Municipal Market Access (EMMA), December 2025. 3. Equable, January 2024. 4. Bloomberg, December 2025.

5. Tax Foundation, March 2025. 6. Tax equivalent yield assumes the current maximum state and federal income tax rate (for 2024) and the 3.8% Medicare surcharge. Tax treatment of Fund distributions vary; investors should

consult a tax advisor with respect to the tax implications of an investment in a Fund that invests in tax-exempt securities.

ABOUT RISK

All investments are subject to market risk and will fluctuate in value.

A portion of a municipal fund's income may be subject to state and local taxes or the Alternative Minimum Tax. Investments in bonds are subject to interest-rate risk and can lose principal value when interest rates rise. Bonds are also subject to credit risk, in which the bond issuer may fail to pay interest and principal in a timely manner. High-yield securities (commonly referred to as "junk bonds") are generally considered speculative because they present a greater risk of loss than higher-quality debt securities and may be subject to greater price volatility. High-yield municipal bonds may be subject to increased liquidity risk, as compared to other high-yield debt securities. Municipal securities risks include the ability of the issuer to repay the obligation, the relative lack of information about certain issuers, and the possibility of future tax and legislative changes, which could affect the market for and value of municipal securities. Such uncertainties could cause increased volatility in the municipal securities market. Securities that are liquid at the time of purchase may subsequently become illiquid, due to events relating to the issuer of the securities, market events, economic conditions, or investor perceptions. The views and opinions expressed herein are solely those of the MacKay Municipal Managers™ team of MacKay Shields and are subject to change.

Neither New York Life Investment Management LLC, nor its affiliates or representatives provide tax, legal or accounting advice. Please contact your own professionals. Bloomberg New York Municipal Bond Index is a market value-weighted index of New York investment-grade, tax-exempt, fixed-rate municipal bonds with maturities of one year or more. Bloomberg California Municipal Bond Index is a market value-weighted index of California investment-grade, tax-exempt, fixed-rate municipal bonds with maturities of one year or more. Bloomberg 3-Year Municipal Bond Index is considered representative of the broad market for investment-grade tax-exempt bonds with a maturity range of 2-4 years. Index results assume the reinvestment of all capital gain and dividend distributions.

DEFINITIONS

Active management is the use of a human element, such as a single manager, co-managers or a team of managers, to actively manage a fund's portfolio. Active management strategies typically have higher fees than passive management. Distribution yield is the ratio of all the distributions a fund paid in the past 12 months divided by the current share price of the fund. Muni Treasury ratio is computed by dividing a given municipal bond's yield by the yield on a comparable maturity Treasury security. The yield ratio curve is an array of ratios for given maturities, typically 1 to 30 years. Alpha measures a fund's risk-adjusted performance and is expressed as an annualized percentage. Credit spread reflects the difference in yield between a treasury and corporate bond of the same maturity. Duration is a measure of the sensitivity of the price of a bond to a change in interest rates. Interest rate risk is the potential that a change in overall interest rates will reduce the value of a bond. Modified Duration is inversely related to the approximate percentage change in price for a given change in yield. Duration-to-Worst is the duration of a bond, computed using the bond's nearest call date or maturity, whichever comes first. This measure ignores future cash flow fluctuations due to embedded optionality. Standard deviation measures how widely dispersed returns have been over a specific period of time. A high standard deviation indicates that the range is wide, implying greater potential for volatility. Spread widening means that the difference between two bonds is increasing. Yield-to-worst is a measure of the lowest possible yield that can be received on a bond that fully operates within the terms of its contract without defaulting. The yield-to-worst metric is used to evaluate the worst-case scenario for yield at the earliest allowable retirement date. Coupon returns refer to the annual interest provided by a bond. Price returns refer to returns generated by investments due to changes in price over a period of time. MTD returns refer to returns generated on monthly basis. Credit ratings: Moody's rates borrowers on a scale from Aaa through C. Aaa through Baa3 represent investment grade, while Ba1 through C represent non-investment grade. Standard & Poor's rates borrowers on a scale from AAA to D. AAA through BBB represent investment grade, while BB through D represent non-investment grade. Fitch rates borrowers on a scale from AAA to D. AAA to BBB represent investment grade, while BB through D represent non-investment grade. Bloomberg U.S. Aggregate Bond Index is a broad-based benchmark that measures the investment-grade, U.S. dollar-denominated, fixed-rate taxable bond market, including Treasuries, government-related and corporate securities, mortgage-backed securities (agency fixed-rate and hybrid adjustable-rate mortgage pass-throughs), asset-backed securities, and commercial mortgage-backed securities. Bloomberg U.S. Corporate High Yield Index represents the universe of fixed rate, non-investment grade debt. Bloomberg Municipal Bond Index is considered representative of the broad market for investment-grade, tax-exempt bonds with a maturity of at least one year. Bonds subject to the alternative minimum tax or with floating or zero coupons are excluded. Bloomberg High Yield Municipal Index is an unmanaged index of municipal bonds with the following characteristics: fixed coupon rate, credit rating of Ba1 or lower or non-rated using the middle rating of Moody's,

S&P, and Fitch, outstanding par value of at least \$3 million, and issued as part of a transaction of at least \$20 million. In addition, the bonds must have a dated-date after December 31, 1990 and must be at least one year from their maturity date. The Bloomberg 5-10 Year Taxable Municipal Bond Index is the 5-10 year component of the Bloomberg Taxable Municipal Bond Index. The Bloomberg Taxable Municipal Bond Index is a rules-based, market-value-weighted index engineered for the long-term taxable bond market. Index results assume the reinvestment of all capital gain and dividend distributions. The Bloomberg U.S. Treasury Index measures the public obligations of the US Treasury with a remaining maturity of one year or more. Must be a US Treasury security. Must have at least \$300 million par amount outstanding. Must be rated investment-grade (Baa3/BBB- or higher) by at least two of the following ratings agencies: Moody's, S&P, Fitch. Must be fixed rate. Must be dollar-denominated and non-convertible. Bloomberg U.S. Corporate Investment Grade Bond Index measures the investment grade, fixed-rate, taxable corporate bond market. It includes USD denominated securities publicly issued by US and non-US industrial, utility and financial issuers. Bloomberg Asset Backed Securities Index is a subset of the Bloomberg U.S. Aggregate Bond Index and tracks asset-backed securities with maturities of at least one year. Bloomberg U.S. MBS Index measures the performance of investment grade fixed-rate mortgage-backed pass-through securities of GNMA, FNMA, and FHLMC. Bloomberg AAA-, AA-, A-, and BBB-Rated Municipal Bond Indices are sub-Indices of the Bloomberg Municipal Bond Index. ICE BofA U.S. Corporate Index tracks the performance of U.S. dollar-denominated investment-grade corporate debt publicly issued in the U.S. domestic market. ICE BofA U.S. Taxable Municipal Securities Plus Index tracks the performance of U.S. dollar denominated taxable municipal debt publicly issued by U.S. states and territories, and their political subdivisions, in the U.S. domestic market. ICE BofA Broad U.S. Taxable Municipal Securities Index tracks the performance of U.S. dollar denominated debt publicly issued by U.S. states and territories, and their political subdivisions, in the U.S. domestic market. The Bloomberg Municipal Baa Index uses a rule-based methodology. A well-defined set of rules has been established to minimize arbitrary exclusion of securities, assure that the issues included have reasonable trading availability, and allow for maintenance of complete market data. This approach ensures that the Baa Municipal Bond Index is consistent, objective, replicable, reliable, and that it is representative of the marketplace. The Bloomberg Municipal Bond Long Term Index is a rules-based, market-value-weighted index engineered for the long-term tax-exempt bond market. To be included in the index, bonds must be rated investment-grade (Baa3/BBB- or higher) by at least two of the following ratings agencies: Moody's, S&P, Fitch. The Bloomberg 1-3 Month U.S. Treasury Bill Index (the "Index") is designed to measure the performance of public obligations of the U.S. Treasury that have a remaining maturity of greater than or equal to 1 month and less than 3 months.

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