November Picks Up Where October Left Off

KEY TAKEAWAYS

- Munis Outperform To Kick Off New Month
- Election Overview
- Broader Thoughts on Taxable Munis

Relative Performance[1]

Municipals extended their impressive rally into November, once again outperforming Treasuries across the curve. AAA BVAL yields declined nearly 14 bps in 2s, 10 bps in 5s, 15 bps in 10s, and roughly 11 bps in 30s. Treasuries also rallied, but the move was considerably more muted, with yields falling roughly 7 bps through 10 years and just 4 bps in 30s.[1]

The relative outperformance drove another round of muni-to-Treasury ratio richening. The 2-year ratio declined 2 points to 58.74%, while the 5-year fell 1.2 points to 61.42%. The 10-year ratio richened more than 2 points to 67.31%, moving further below the 70% threshold, while the 30-year ratio declined 1.3 points to 90.31%.[1]

What's particularly interesting is how quickly the market has transitioned from September's historic selloff to a sustained recovery. After October delivered a 3.85% return, its strongest October in at least 25 years, November has started with another meaningful rally. In just a matter of weeks, municipals have gone from offering some of the most attractive relative valuations we've seen in years to reclaiming much of the richness that characterized the market earlier this summer.

The move also reinforces the seasonal technical story we've been discussing. Historically, November through January has been one of the stronger periods for municipal performance, supported by reinvestment demand and potentially lighter issuance. While seasonal patterns don't guarantee returns, the combination of improving demand and a more favorable supply backdrop appears to be providing additional support following September's valuation reset.

From a relative-value perspective, the recovery has been particularly pronounced inside 10 years, where ratios have compressed considerably. The 30-year ratio remains above 90%, leaving the longer end comparatively attractive and reinforcing our preference for finding value beyond the more crowded portions of the curve. [1]

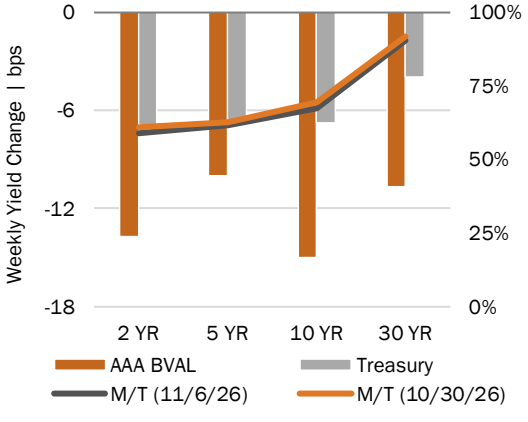
1. Source: Bloomberg

FIGURE 1: INDEX PERFORMANCE

	MTD	YTD	2025
Muni Bond 5-Year	0.57%	1.11%	5.03%
Muni Bond 10-Year	1.09%	0.31%	5.92%
Muni Bond 15-Year	1.00%	-0.56%	5.31%
Muni Long Bond	1.26%	-0.06%	1.95%
Muni Managed Money	0.99%	0.05%	3.94%

Data as of November 6, 2026.
Source: Bloomberg

FIGURE 2: MUNIS OUTPERFORMED



Data as of November 6, 2026. Spot Muni, Spot AAA rates
AAA B VAL: AAA Municipal yield curve
M/T: Municipal/Treasury Yield Ratio - Bloomberg Municipal Bond Index yield / Bloomberg US Treasury Index yield.
Source: Bloomberg

Market Technicals

Last week's elections delivered Democratic control of both chambers of Congress, setting up a divided government when the new Congress convenes in January. For municipal investors, that may not be a bad outcome. Sweeping fiscal legislation becomes harder to pass, while a Democratic Congress could be more inclined to protect federal funding for healthcare, higher education and state and local governments. Of course, divided government still requires compromise, and a change in congressional leadership doesn't automatically undo legislation already on the books.

That's particularly important for healthcare and higher education, two sectors where federal funding has become an increasingly important part of the credit conversation. Changes enacted under 2025's H.R. 1, including Medicaid eligibility requirements scheduled to begin in January 2027, aren't going away simply because Congress changes hands. Issuers have already been preparing for those changes, and so have we in our credit assessments. Still, we believe a more supportive congressional posture could help reduce some of the uncertainty surrounding future funding. That's a modest positive for municipal credit, even if the benefits take time to materialize.

The other question we continue to hear is whether the municipal tax exemption could come back into play. We think that risk remains relatively low. The exemption, including for qualified private activity bonds, survived last year's tax legislation. With divided government making another sweeping tax package less likely, we believe the exemption remains on reasonably solid footing. On rates, the implications are less straightforward. Gridlock could limit new spending initiatives and incremental deficit expansion, but it doesn't solve the existing fiscal problem or guarantee lower Treasury yields. Inflation, Fed policy and economic growth will still have plenty to say about that.

Closer to home, voters also decided 36 gubernatorial races, along with a number of significant mayoral contests and ballot initiatives. This is where municipal credit analysis gets more interesting. Among major state issuers that experienced a change in party control, the transitions were concentrated in highly rated states with considerable financial flexibility. We don't see those changes alone as a reason to materially reassess their credit quality.

At the local level, we've seen continued support for more progressive leadership in several major cities, including Los Angeles and Washington, DC. But political labels don't pay bondholders. Budgets, reserves, revenues and debt service do. So far, we've seen examples of progressive leadership taking a measured approach to fiscal policy, just as we've seen voters make financially pragmatic decisions on important ballot questions.

That's really the point. **An election result isn't a credit event. What elected officials do with their budgets afterward can be.**

For us, the outcome reinforces one of our central themes for 2026: favoring essential-service revenue bonds over tax-backed credits. We believe dedicated revenue streams and non-discretionary demand can provide a degree of insulation from political decisions, while GO credits remain more directly exposed to changes in tax policy, spending priorities and fiscal management.

We view the election outcome as modestly constructive for municipal credit, particularly if it helps preserve funding for healthcare and higher education. But the real work begins after the campaign signs come down, when political promises have to find their way into budgets.

Questions from the Field

Q With taxable municipal yields approaching decade-high levels, should investors be looking beyond traditional corporate bonds for their fixed income allocations?

A We continue to think taxable municipals are one of the more overlooked opportunities in fixed income today.

Most investors hear "municipal bonds" and immediately think tax exemption. But there's an entire taxable municipal market financing essential infrastructure that often gets overlooked in traditional fixed income allocations.

And the income opportunity is getting harder to ignore. As of November 10, the Bloomberg Taxable 5-10 Municipal Bond Index was yielding 5.30%.[1] That's a pretty compelling starting point, particularly when you consider the underlying credit exposure for an uncorrelated segment of fixed income.

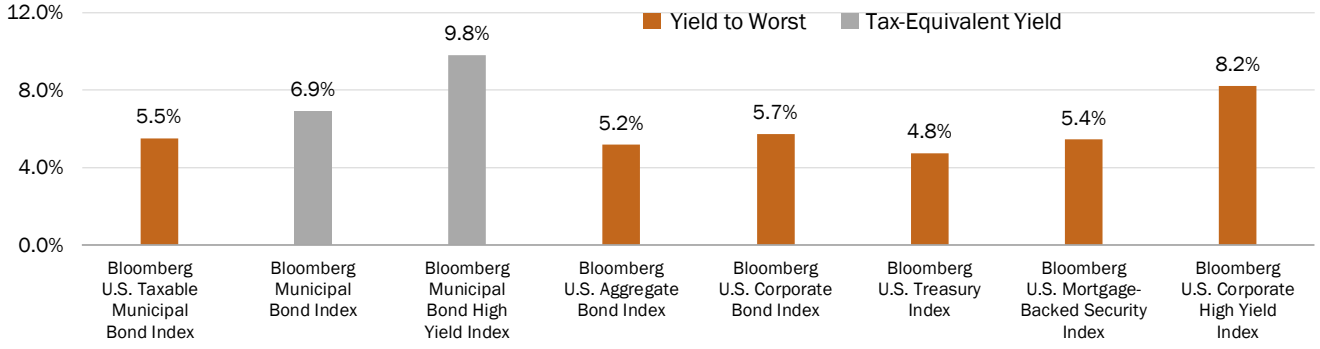
Think about what investors are actually financing. Water systems, electric utilities, airports and transportation infrastructure. These are long-lived assets providing services that people and businesses continue to use regardless of where we are in the economic cycle. That doesn't eliminate credit risk, but it's a very different business model from a corporation whose margins and earnings may come under pressure as borrowing costs rise.

There's also an interesting supply story. While overall municipal issuance is approaching record levels, taxable municipal issuance remains relatively limited[1]. That's an important distinction in a fixed income market where investors are being asked to absorb substantial corporate borrowing.

For us, this is where a strategy like MGOIX, our taxable municipal infrastructure fund, fits into the conversation. We're not suggesting investors abandon corporate bonds. We believe taxable infrastructure can complement traditional core fixed income by introducing a different set of credit exposures, attractive income and opportunities that aren't entirely dependent on the corporate earnings cycle.

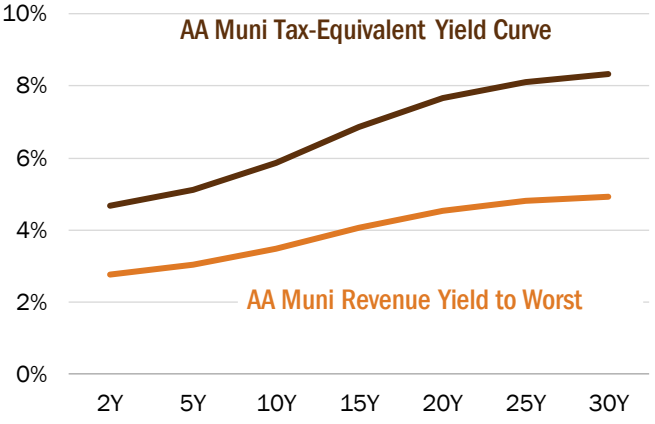
1. Source: Bloomberg

INDEX YIELDS



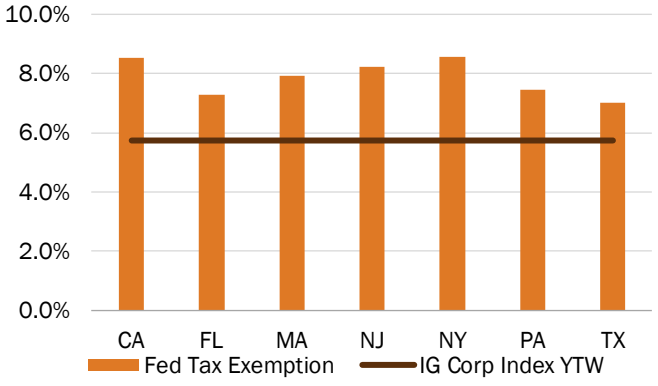
Data as of November 6, 2026
1. Using 40.8% federal tax rate, including 3.8% Net Investment Income Tax.
Source: Bloomberg

AA MUNI TAX-EQUIVALENT YIELD CURVE



Data as of November 6, 2026
1. Using 40.8% federal tax rate, including 3.8% Net Investment Income Tax.
Source: Bloomberg

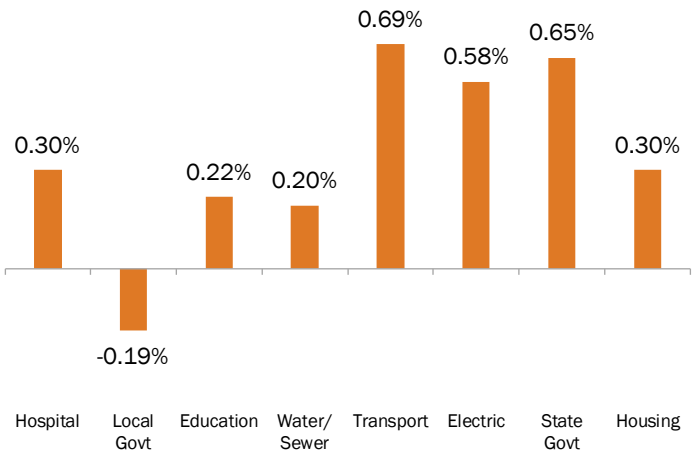
IN-STATE MUNI TAX-EQUIVALENT YTW



Data as of November 6, 2026
1. Using 40.8% federal tax rate, including 3.8% Net Investment Income Tax.
Source: Bloomberg

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YTD TOTAL RETURNS BY SECTOR



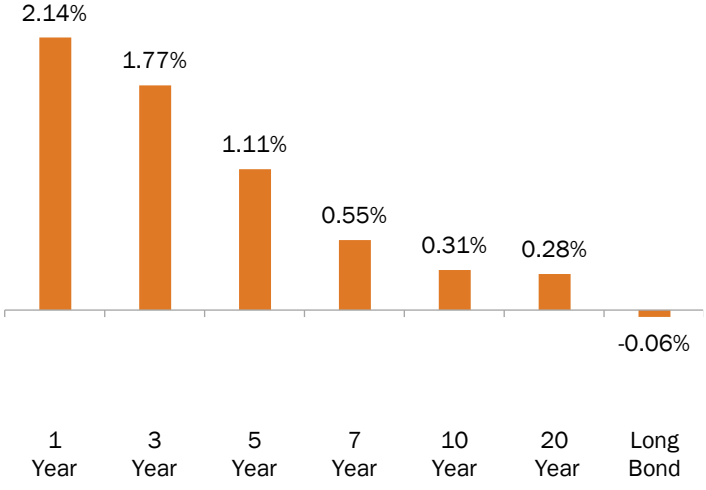
Data as of November 6, 2026
Source: Bloomberg Municipal Bond Index

YTD TOTAL RETURNS BY COUPON



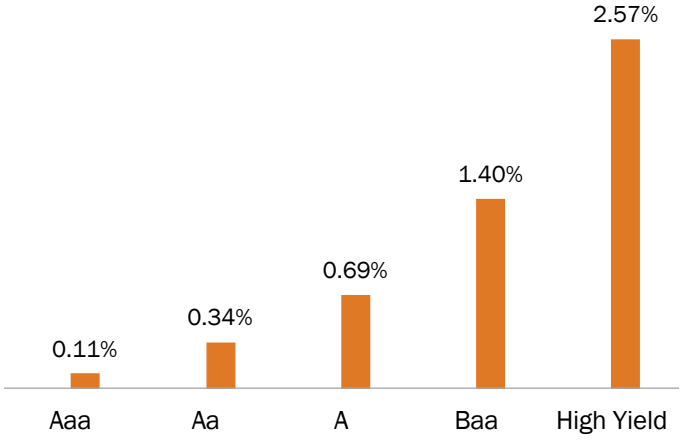
Data as of November 6, 2026
Source: Bloomberg Municipal Bond Index

YTD TOTAL RETURNS BY MATURITY



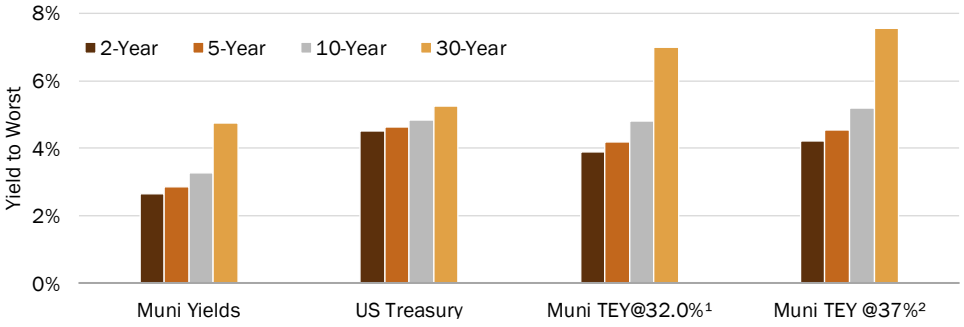
Data as of November 6, 2026
Source: Bloomberg Municipal Bond Index

YTD TOTAL RETURNS BY RATING CATEGORY



Data as of November 6, 2026
Source: Bloomberg Municipal Bond Index

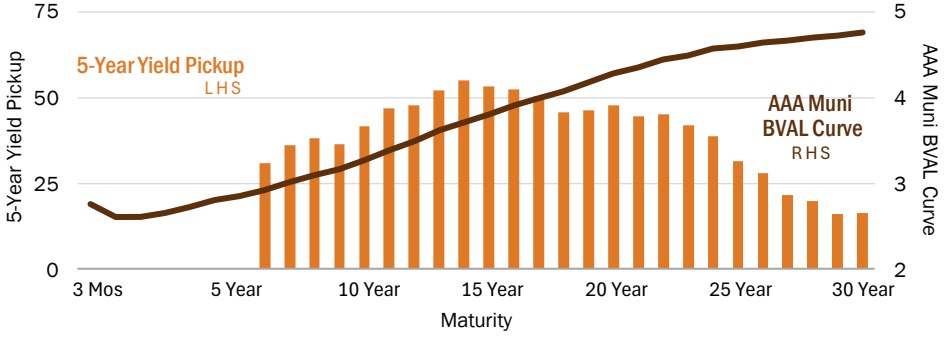
TAX-ADJUSTED YIELDS OF MUNICIPAL BOND INDEX VS US TREASURY INDEX



1. Tax Equivalent Yield is using 32% federal tax rate, including 3.8% Net Investment Income Tax.
2. Tax Equivalent Yield is using 37% federal tax rate, including 3.8% Net Investment Income Tax.
Data as of November 6, 2026.
Source: Bloomberg

On a tax-adjusted basis munis handily lead across tenors

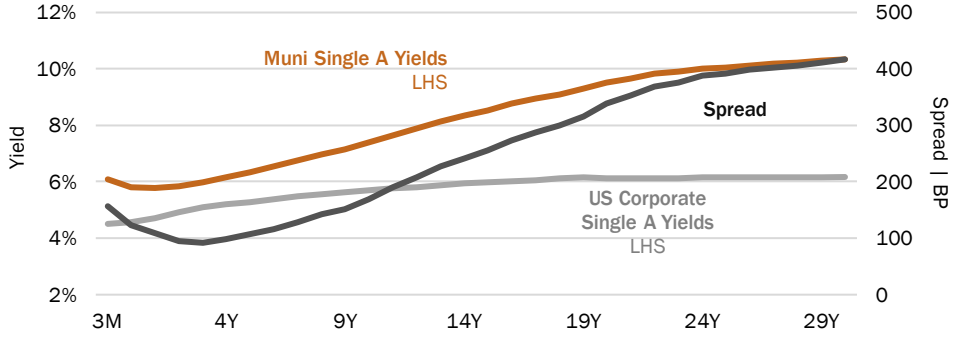
YIELD CURVE STEEPNESS



Data as of November 6, 2026.
Source: Bloomberg

Our relative value lens focus on the area of the curve where steepness benefits returns

MUNI EXCEEDS CORPORATE SPREADS

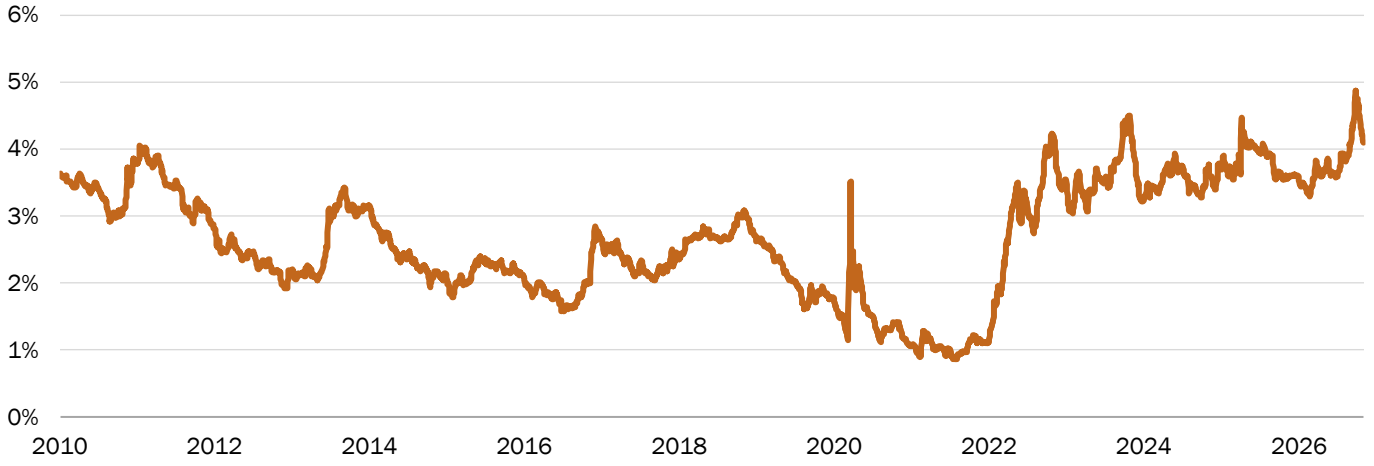


Data as of November 6, 2026.
Muni Single A Yields: Bloomberg Municipal Bond Index; US Corporate Single A Yields: Bloomberg Corporate Bond Index
Source: Bloomberg

Tax equivalent munis continue to exceed corporate spread/yields

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BLOOMBERG MUNICIPAL YIELD-TO-WORST



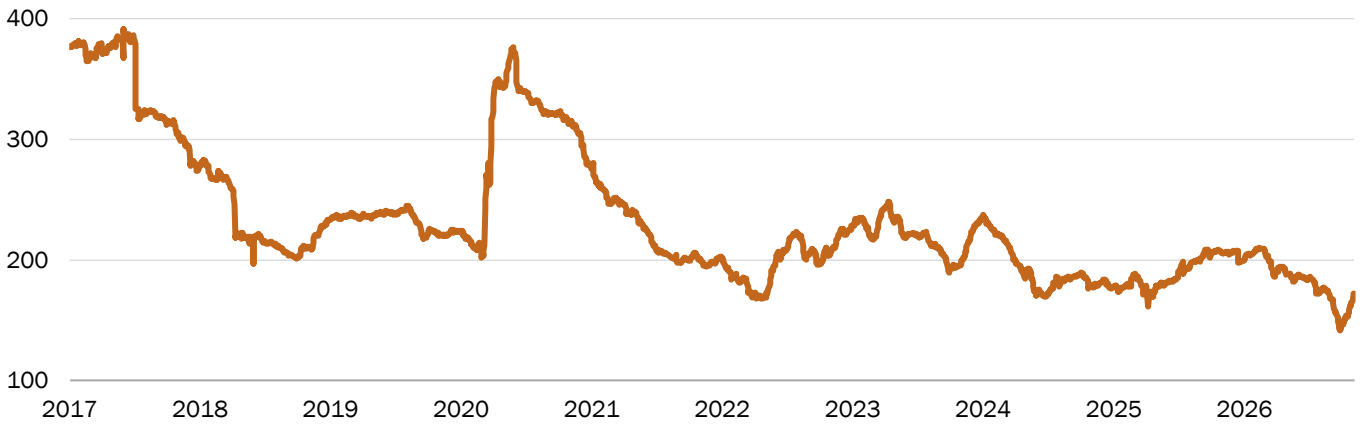
Data as of November 6, 2026
"Post GFC Average" measures the period from 1/1/2010 – 11/6/2026
Source: Bloomberg

MUNI YIELDS

Tenor	11/6/2026	10/30/2026	Change (+/-)
BLOOMBERG AAA MUNI KEY RATE YIELDS			
2 YEAR	2.65%	2.79%	-0.14%
5 YEAR	2.86%	2.96%	-0.10%
10 YEAR	3.27%	3.42%	-0.15%
30 YEAR	4.76%	4.86%	-0.11%
US TREASURY RATE YIELDS			
2 YEAR	4.51%	4.56%	-0.05%
5 YEAR	4.64%	4.71%	-0.07%
10 YEAR	4.86%	4.94%	-0.08%
30 YEAR	5.26%	5.31%	-0.05%
US TREASURY & AAA MUNI CURVE SLOPES[1]			
	2s10s	10s30s	2s30s
US TREASURY CURVE SLOPE	+ 35 bps	+ 40 bps	+ 75 bps
AAA MUNI CURVE SLOPE	+ 62 bps	+ 148 bps	+ 210 bps

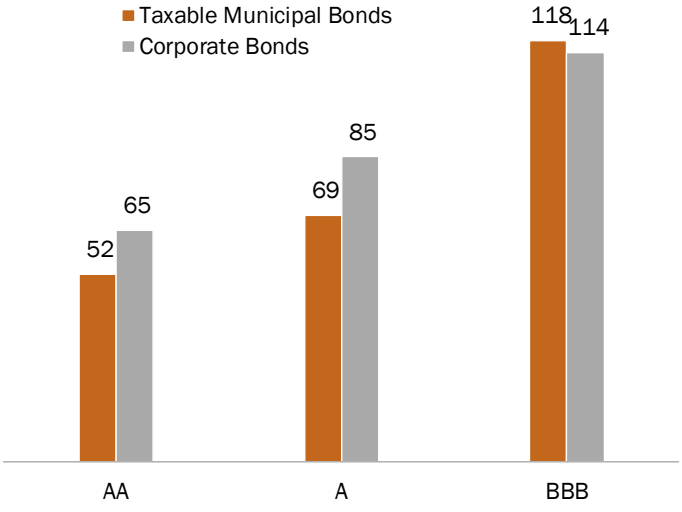
Data as of November 6, 2026
1. 2s10s – is spread between 10yr and 2yr yield; 10s30s – refers to spread between 30yr and 10yr yield; 2s30s – refers to spread between 30yr and 2yr yield
Source: Bloomberg

BLOOMBERG MUNICIPAL HIGH YIELD | AAA YIELD DIFFERENTIAL



Data as of November 6, 2026
Source: Bloomberg

TAXABLE MUNICIPAL AND CORPORATE CREDIT SPREADS



Data as of November 6, 2026
Source: Bloomberg

YIELD DIFFERENTIAL FOR NYL/MACKAY MUNICIPAL PRODUCTS

	Yield to Worst[1]		Change in YTW	TEY 11/6/26	Market Price	Duration to Worst
	11/6/26	6/30/26				
NYLIM MACKAY TAX FREE BOND FUND	4.04	4.45	-0.41	7.46	98.70	6.7
NYLIM MACKAY HIGH YIELD MUNI BOND FUND	4.75	5.36	-0.61	8.62	87.02	9.8
NYLIM MACKAY SHORT TERM MUNI FUND	3.32	3.53	-0.21	5.65	101.39	2.4
NYLIM MACKAY STRATEGIC MUNI ALLOCATION FUND	3.75	4.27	-0.52	7.17	101.04	5.3
NYLIM MACKAY U.S. INFRASTRUCTURE BOND FUND	4.88	5.28	-0.40	--	95.90	5.4
NYLIM MACKAY MUNI ALLOCATION ETF	4.17	4.64	-0.47	7.76	96.54	7.5
NYLIM MACKAY HIGH INCOME ETF	--	5.79	--	9.53	91.25	9.3
NYLIM MACKAY MUNI INSURED ETF	4.13	4.57	-0.44	7.72	98.78	7.3
NYLIM MACKAY MUNI INTERMEDIATE ETF	3.68	4.09	-0.41	6.91	102.54	5.4
NYLIM MACKAY MUNI SHORT DURATION ETF	3.49	3.71	-0.22	6.01	101.26	2.3
NYLIM MACKAY CALIFORNIA MUNI INTERMEDIATE ETF	3.36	3.78	-0.42	6.38	103.89	5.5
NYLIM MACKAY CALIFORNIA MUNI FUND	3.79	4.35	-0.56	7.27	102.07	6.6
NYLIM MACKAY NEW YORK MUNI FUND	4.36	4.75	-0.39	7.86	95.14	8.0
NYLIM MACKAY ARIZONA MUNI FUND	3.45	3.98	-0.53	6.67	100.46	5.3
NYLIM MACKAY COLORADO MUNI FUND	3.63	4.13	-0.50	6.91	102.26	5.3
NYLIM MACKAY OREGON MUNI FUND	3.35	3.86	-0.51	6.46	101.66	5.1
NYLIM MACKAY UTAH MUNI FUND	3.84	4.24	-0.40	7.10	99.81	5.1
NYLIM MACKAY MUNI INCOME OPPORTUNITIES FUND	4.93	5.55	-0.62	9.00	97.32	6.5
NYLIM MACKAY DEFINED TERM MUNI OPPORTUNITIES FUND	4.78	5.99	-1.21	9.90	101.33	6.0

Data as of November 6, 2026
Source: MacKay Shields

Click on the Fund Name to access current information about the fund , which includes the prospectus, investment objectives, performance, risk, and other essential information. Returns represent past performance, which is no guarantee of future results. Current performance may be lower or higher. Investment return and principal value will fluctuate, and shares, when redeemed, may be worth more or less than their original cost. Visit https://www.nylim.com/investment-products for the most recent month-end performance.

1. Yield to Worst (YTW) is the lowest potential yield that can be received on a bond without issuer default, assuming the bond is called, prepaid or otherwise retired at the earliest permitted date. Fund YTW reflects the yield to worst of the securities held in the portfolio. Tax-Equivalent YTW represents the taxable yield required to equal the stated YTW after federal income taxes, assuming a federal income tax rate of [XX.XX%], and will vary based on an investor's tax rate and individual circumstances. State and local taxes are not reflected unless otherwise indicated. YTW and Tax-Equivalent YTW are portfolio characteristics, are not guaranteed, and do not represent a Fund's distribution yield, SEC yield, total return or shareholder return.

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DEFINITION OF TERMS

Option-Adjusted Spread

The option-adjusted spread (OAS) measures the spread between a bond's rate and the risk-free rate, while adjusting for any embedded options like callables or mortgage-backed securities.

Standard Deviation

Standard deviation is a statistical measurement that looks at how far discrete points in a dataset are dispersed from the mean of that set. It is calculated as the square root of the variance.

Tax Equivalent Yield

The tax-equivalent yield is the return a taxable bond needs to equal the yield on a comparable tax-exempt municipal bond. Investors use this calculation to compare the returns between a tax-free investment and a taxable alternative.

Tax Equivalent Yield to Worst

Tax Equivalent YTW is calculated by dividing the tax-exempt yield by one minus the marginal income tax. this is used to compare YTW on a tax-exempt investment to a taxable investment.

DEFINITION OF TERMS (CONT'D)

Volatility
Volatility is a measurement of how varied the returns of a given security or market index are over time. It is often measured from either the standard deviation or variance between those returns. In most cases, the higher the volatility, the riskier the security.

Yield to Worst
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. It is a type of yield that is referenced when a bond has provisions that would allow the issuer to close it out before it matures. YTW helps investors manage risks and may assist them in meeting specific income requirements even in adverse scenarios.

Additional Yield Definition
BVAL AA, A, BBB and BB Yields is calculated by Bloomberg and is representative of the average 2YR spot rate on respective Bloomberg Yield curves of corporate credits with the respective average credit rating that are valued by Bloomberg's valuation service.

INDEX DESCRIPTIONS

Bloomberg U.S. Taxable Municipal Bond Index
The Bloomberg U.S. Taxable Municipal Bond Index is a rules-based, market-value-weighted index engineered for the long-term taxable 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 if all three rate the bond: Moody's, S&P, Fitch. If only two of the three agencies rate the security, the lower rating is used to determine index eligibility. If only one of the three agencies rates a security, the rating must be investment grade. They must have an outstanding par value of at least $7 million and be issued as part of a transaction of at least $75 million. The bonds must be fixed rate and must be at least one year from their maturity date. Remarketed issues (unless converted to fixed rate), bonds with floating rates, and derivatives, are excluded from the benchmark.

Bloomberg Municipal AMT index
The Bloomberg Municipal AMT index refers to a specific Bloomberg municipal bond index that includes bonds subject to the Alternative Minimum Tax (AMT). Unlike most municipal bond indices, which exclude AMT-subject securities, these indices contain bonds that typically offer higher yields to individuals who are subject to the AMT.

Muni IG AMT ex Territories Index
The Muni IG ex. AMT and ex Territories Index is the Bloomberg Municipal Bond Index excluding AMT and US. Territory exposure.

Bloomberg Municipal Bond Index
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 agencies: Moody's, S&P, Fitch. If only two of the three agencies rate the security, the lower rating is used to determine index eligibility. If only one of the three agencies rates a security, the rating must be investment-grade. They must have an outstanding par value of at least $7 million and be issued as part of a transaction of at least $75 million. The bonds must be fixed rate, have a date-date after December 31, 1990, and must be at least one year from their maturity date. Remarketed issues, taxable municipal bonds, bonds with floating rates, and derivatives, are excluded from the benchmark. The index has four main sectors: general obligation bonds, revenue bonds, insured bonds (including all insured bonds with a Aaa/AAA rating), and pre-refunded bonds. Most of the index has historical data to January 1980. In addition, sub-indices have been created based on maturity, state, sector, quality, and revenue source, with inception dates later than January 1980.

Bloomberg 5-Year Muni Index
The Bloomberg 5 Year Municipal Bond Index is a capitalization weighted bond index created by Bloomberg intended to be representative of major municipal bonds of all quality ratings with an average maturity of approximately five years.

Morningstar U.S. Active Fund Muni National Intermediate
The Morningstar U.S. Active Fund Muni National Intermediate category contains mutual funds and exchange-traded funds (ETFs) that primarily invest in investment-grade municipal bonds issued by state and local governments with durations typically ranging between 4.5 and 7 years. Because they are actively managed, the fund managers dynamically adjust credit exposure, interest rate sensitivity, and yield curve positioning rather than tracking a static index.

Morningstar U.S. Passive Fund Muni National Intermediate
The Morningstar U.S. Passive Fund Muni National Intermediate category includes intermediate-term national municipal bond portfolios that invest in tax-exempt debt issued by state and local governments. Passive options and index ETFs in this group track broad municipal indexes to offer low-cost, tax-free income with moderate interest-rate risk.

ADDITIONAL DISCLOSURES

Investments in municipal securities are subject to market, interest-rate, credit and liquidity risks. Bond values generally decline as interest rates rise, and investors may lose money.

Before investing, investors should carefully consider the investment objectives, risks, charges, and expenses of the investment company. This and other important information are contained in the prospectus and, if available, the summary prospectus, which may be obtained by visiting https://dfinview.com/NYLIM or by contacting your financial professional. Investors should read the prospectus and, if available, the summary prospectus carefully before investing.

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