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## **Muni CEFs: Back Up The Truck On NVG And NZF**

### **Summary**

- It's been awhile since I wrote about municipal bond CEFs but considering the collapse they have seen in the last 6 weeks, it seems appropriate.
- When CEFs drop -15% since the beginning-of-the-year and yet only own a leveraged-portfolio of probably the most conservative investments you can own next to treasuries, you have to think "opportunity."
- Yes, higher interest rates and leverage conspire to work against most any fixed-income CEF and most sectors have already lost considerable value, but I don't get the continued selling of muni CEFs now.
- Maybe they're just reacting to the fall-out in other fixed-income sectors, and maybe it's just retail income shareholders getting out of anything bond related, but with municipal bond CEFs at up to -9% discounts and well over 5% market yields now, I think this is overdone.
- 5%+ Federal tax-free yields can translate to over an 8% tax-equivalent yield depending on tax-bracket. And though it may not matter which one you buy, here are a couple of Nuveen muni bond CEFs to consider.

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### **Seeking Alpha**

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