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Muni Managers Launch Record ETFs to Build on $142 Billion Market.

- **Firms launched 27 muni ETFs to capitalize on growth in arena**
- **Many muni-bond ETFs have less than $50 million of assets**

Wall Street's biggest money managers are zeroing in on a $142 billion segment of the municipal-bond market.

There have been 27 muni exchange-traded fund launches this year, marking an annual record as firms like PGIM and Rockefeller Asset Management muscle into the space. That momentum represents a longer-term bet on ETFs that cater to state and local-government debt investors, given it can take years for the products to garner substantive inflows.

"If they're currently in the mutual fund business, they need to have a presence in the ETF market," said Patrick Luby, a strategist at CreditSights Inc. The launches are indicative of the direction asset managers see the market going, he said. "Where is the muni puck going to be in three or five or 10 years? It's going toward the ETF."

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