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Why Active ETFs Are Winning the Municipal Bond Race.

Thanks to higher yields and rising uncertainty in the equity markets, investors have once again started to consider bonds for their portfolios. Leading the way has been the municipal bond market. Interest in new fund launches and fund flows into muni ETFs has surged over the last year as investors look to realize lower taxes and high-income potential. But not all muni ETFs are the same. And investors may be leaving some returns on the table if they choose a passive ETF for their muni exposure.

Active is the way to go.

That’s according to a new report by Goldman Sachs. It turns out that active ETFs are the best vehicle for muni bond exposure. Thanks to several benefits inherent to active management, investors can achieve better outcomes in an active muni ETF than by simply holding the index. For investors, the choice is clear: active ETFs for muni bonds.

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