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A Roadmap For Muni Investors On Public-Private Infrastructure Partnerships.

- For municipal bond investors, the private sector's increasing role in financing public transportation projects may provide an opportunity.
- Also known as P3s, these partnerships are increasingly using muni bonds as a cornerstone of their capital structures.
- Here's a primer on how P3s work and how the muni bonds used to finance these projects could potentially offer yield and diversification opportunities.

The increasing role of the private sector in financing public transportation projects may provide an investment opportunity for municipal bond investors. In fact, President-elect Donald Trump has called for $1 trillion investment in infrastructure, much of which will depend on public-private investment for funding. Below is a review of these types of infrastructure projects, known as private-public partnerships (P3s), which have been a response to chronic funding shortages at the governmental level, and which are increasingly using municipal bonds as a cornerstone of their capital structures. These types of municipal bonds may offer incremental yield and portfolio diversification for municipal bond portfolios.

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Wells Fargo Asset Management

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