
BlackRock Can Blame One Investor for Record Muni ETF Outflow.

- **After-hours trade yanked $163 million from biggest muni ETF**
- **Outflow contrasts with mutual funds, which have seen big gains**

BlackRock Inc. can blame one investor for a record outflow from the largest municipal-bond exchange-traded fund.

The company's $11.5 billion iShares National Muni Bond ETF, which trades off the ticker MUB, saw an outflow of $163.6 million on Wednesday, the most since the fund launched in 2007.

The culprit? One investor who sold 1.5 million shares worth about $163 million in after-hours trading yesterday, accounting for all but a tiny fraction of the big pullback from the fund.

This year hasn't been off to a good start for the BlackRock fund. It has recorded $393 million in outflows so far in 2019, more than any other municipal-bond ETF tracked by Bloomberg.

The identity of the investor hasn't been disclosed. At least 11 firms held more than 1.5 million of the ETFs shares by the end of September, according to regulatory filings compiled by Bloomberg.

The pullback is curious, given that state and local debt is headed for a positive monthly return, and may be more about routine portfolio adjustments than a judgment call about the fund. There are no signs of a larger investor exodus from the $3.8 trillion municipal-bond market, with mutual funds reporting the biggest weekly inflow in a year, according to the Investment Company Institute.

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