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Municipal Finance Law Since 1971

Muni Funds See Record Inflows in 2019.

Investors' appetite for municipal bonds soared last year, helping push already low muni yields even lower.

Municipal-bond funds saw record inflows in 2019, as investors poured a massive net \$105.5 billion into muni open-end mutual funds and exchange-traded funds during the year. That amount dwarfed the annual gains of each of the past 25 years, including the group's previous boom year of 2009, which brought in roughly \$75 billion.

Demand remained high throughout the year, as muni funds saw 12 straight months of net inflows over \$5 billion, and by midyear had gathered 10 times the assets that flowed into those strategies in all of 2018.

Roughly 90% of 2019's flows went into actively managed mutual funds, yet a substantial \$8.7 billion went to passive strategies, mainly muni ETFs, which have continued to gain prominence since they first arrived on the scene in 2000.

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