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Muni ETFs Grow Fast as Yield-Starved Investors Seek Cheap Funds.

- **Funds see record inflows topping \$19 billion this year**
- **Citigroup analysts say ETFs' holdings could climb 40% in 2022**

Exchange-traded funds for municipal bonds are growing so fast that they're giving more established products for retail investors, like closed-end mutual funds, a run for their money.

This year, muni ETFs have seen record inflows, bringing total holdings to \$83 billion. That's not far off the \$98 billion of assets that muni closed-end funds had at the end of the third quarter.

And the growth isn't over. Citigroup Inc. analysts led by Vikram Rai said in a report this month that muni ETFs could see their holdings jump by another 40% in 2022. The draw for investors is the cheaper management fees, which average around 0.18% for the top funds, about a third of the level for open-end mutual funds, the analysts wrote.

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