

Bond Case Briefs

Municipal Finance Law Since 1971

Exploiting Inefficiencies in the Muni Market with Active Management.

While municipal bonds have always been known for investor benefits such as tax-free income and diversification, the muni market has cheapened amid 2022's heightened volatility – making now an opportune time to invest.

In the upcoming webcast, [Exploiting Inefficiencies in the Muni Market with Active Management](#), James Conn, Senior Vice President, Portfolio Manager, Franklin Templeton, will discuss with Franklin Templeton, one of the industry's largest active muni managers, how they seek out the best opportunities and exploit inefficiencies in the complex muni market.

Franklin Templeton offers the actively managed Franklin Liberty Intermediate Municipal Opportunities ETF (NYSEArca: FLMI) and the Franklin Liberty Municipal Green Bond ETF (NYSE Arca: FLMB) to help ETF investors better access the municipal debt markets.

The Franklin Liberty Intermediate Municipal Opportunities ETF invests in municipal securities with a maturity of three to 10 years and may include debt of any rating, including those below investment grade and defaulted securities. The fund won't focus on any single state and will not invest more than 15% of assets of a single state.

The Franklin Liberty Municipal Green Bond ETF was recently renamed on May 3 – FLMB was previously known as the Franklin Liberty Municipal Bond ETF. The new strategic direction will hold at least 80% of its net assets in municipal green bonds. The ETF will provide exposure to municipal securities that intend to use bond proceeds for projects and programs that promote environmental sustainability.

Franklin Templeton made the changes to capitalize on the increase in demand for sustainable investment funds, with U.S.-listed ESG funds and ETFs expected to reach \$41 trillion in assets by the end of 2022. Money held in sustainable mutual funds and ESG-focused ETFs rose globally by 53% last year to \$2.7 trillion, with a net \$596 billion flowing into these investments. ESG-related assets account for one in three dollars managed globally.

ETF TRENDS

by MAX CHEN

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