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Municipal Finance Law Since 1971

Buy These 3 Municipal Bond Funds for Steady Returns.

Municipal bonds, or “muni bonds,” comprises debt securities issued by various states, cities, counties and other governmental entities to raise money to build roads, schools and a host of other projects for the public good. These municipal securities regularly pay interest payments, usually semi-annually, and pay the original investment or principal amount at the time of maturity. Interest paid on such bonds is generally exempted from federal taxes making them especially attractive to people in higher income tax brackets.

Thus, risk-averse investors looking to earn a regular tax-free income may consider municipal bonds mutual funds. These mutual funds are believed to provide regular income while protecting the capital invested. While mutual funds from this category seek to provide dividends more frequently than other bonds, they offer greater stability than those primarily focusing on equity and alternative securities.

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Zacks Equity Research

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