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Active Bond ETFs Continue to See Record Inflows This Year.

More inflows into active bond ETFs during the month of June is following the overall trend of higher inflows since the start of the year. That said, it's an ideal time to get core exposure with the added flexibility of active management with a pair of Vanguard ETFs.

"Investors are shovelling cash into exchange traded funds that invest in a handpicked array of bonds, with record inflows since January that are pushing the industry towards its first \$1tn annual haul," the Financial Times reported. "Actively managed fixed-income ETFs took in \$7bn in June and have garnered \$41bn over the first half of 2024, surpassing 2023's record of \$33bn for the entire year, according to data from State Street Global Advisors, the third-largest US ETF issuer."

Yield is certainly a prime catalyst for the increased demand for bonds as investors are clamoring to lock in yields now before central banks start to cut interest rates. Additionally, active funds have been more competitive in terms of pricing compared to their passive counterparts.

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