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[First Eagle Targets Higher Yields in Muni Fund That Limits Exits.](#)

- **Three asset managers opened muni interval funds in past year**
- **Funds give investors access to illiquid assets for higher fees**

First Eagle Investments plans to launch a product investing in higher-yielding municipal bonds with a twist: investor withdrawals are limited to a few times per year.

The Tactical Municipal Opportunities Fund will invest at least 75% of its assets in bonds rated BBB or lower as well as unrated debt. The First Eagle interval fund may also target as much of 25% of assets in “special situations” municipal securities, debt of issuers that are in default, bankruptcy or other financial distress, according to a Dec. 31 preliminary [prospectus](#) filed with the US Securities and Exchange Commission.

In First Eagle’s bid to expand its reach under star money manager, John Miller, it joins a boomlet of similar offerings. Assets in interval funds have ballooned almost 40% per year over the past decade, according to Morningstar Inc. Investment firms, pressured by competition from exchange-traded funds, are wooing investors with the allure of outsized returns to the higher-fee products.

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By Martin Z Braun

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