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Vanguard Plans Two More Muni ETFs as Competition Heats Up.

- **Issuers' new muni ETF offerings set a record in 2024**
- **Vanguard, BlackRock have the two dominant funds in the class**

Vanguard Group Inc. is planning to launch two new municipal-bond exchange-traded fund offerings after tripling its lineup of products catering to state and local-government debt investors last year.

The Vanguard New York Tax-Exempt Bond ETF, which is expected to trade under the ticker MUNY, will focus on investment-grade New York debt. The fund will appeal to residents of the high-tax state of New York who are drawn to the tax-free interest paid by municipalities there. The investing giant also filed to register the Vanguard Long-Term Tax-Exempt Bond ETF, or VTEL, which will provide exposure to longer duration municipal bonds.

While muni-tied products make up just $146 billion in assets, a sliver of the more than $10 trillion US ETF market, issuers are competing to offer new products in a bid to draw in investors in an increasingly competitive space. Wall Street money managers launched over two dozen new muni ETFs in 2024, a record.

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