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BlackRock Launches High-Yield Municipal Interval Fund.

BlackRock has launched a high-yield municipal interval fund which will be available to its retail wealth clients.

The BlackRock Municipal Credit Alpha Portfolio seeks to provide attractive after-tax total return through income and capital appreciation, by investing in municipal securities.

The fund's institutional share class (MUNEX) is launching with a 5.75 per cent annualised rate on the initial net asset value, payable monthly. MUNEX has approximately \$565m (£437.3m) in managed assets, making it one of the largest municipal interval funds.

"In our view, high yield municipal bonds offer alternative return drivers that complement traditional fixed income portfolios," said Patrick Haskell, head of BlackRock's municipal bond group.

"We think that the interval fund structure is the best way to take advantage of inefficiencies in the high yield market, from both a yield and total return perspective.

"Our expertise in this market, particularly in the event-driven space, provides investors a unique opportunity for high tax-efficient yield and superior total return."

Read more: [BlackRock predicts more performance dispersion in private debt](#)

"The fund's interval structure provides long-term capital, allowing my team to take advantage of bond market volatility and inefficiency," added Ryan McDonald, portfolio manager for MUNEX.

"This enables MUNEX to invest in traditional high yield assets, while also utilizing our deep credit expertise to identify less liquid opportunities and special situations.

"Furthermore, the interval structure allows us to purchase assets when others are compelled to sell, potentially securing higher yields and greater overall returns."

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