

# BlackRock Expands Active ETF Lineup with Two Muni Offerings

**NEW YORK, March 18, 2021** – BlackRock is bringing together two of its leading franchises to launch two actively managed municipal bond exchanged traded funds (ETFs). Leveraging iShares' expertise in operating active fixed income ETFs and BlackRock's Municipal Bond Group to manage the portfolios, the firm is launching the BlackRock High Yield Muni Income Bond ETF and BlackRock Intermediate Muni Income Bond ETF. The funds are designed to provide clients with exposure to the high yield and intermediate municipal bond markets. Since the funds are transparent active ETFs, investors can see the daily reporting of holdings they are accustomed to with index-based ETFs.

- The **BlackRock High Yield Muni Income Bond ETF (CBOE BZX: HYMU)** primarily seeks to maximize tax-free current income and secondarily seeks to maximize capital appreciation with a portfolio composed principally of high yield and other income-generating U.S. municipal bonds. Portfolio Managers: Kevin Maloney, Michael Perilli and James Mauro.
- The **BlackRock Intermediate Muni Income Bond ETF (NYSE ARCA: INMU)** seeks to maximize tax-free current income. Portfolio Managers: Phillip Soccio, Christian Romaglino and James Mauro.

## Alpha Seeking Expertise Accessible Through ETFs

The funds – which leverage the full capabilities of BlackRock's investment platform – will draw on BlackRock's global perspective with local market expertise as well as the municipal platform's depth, size, and scale. The portfolio managers will take advantage of the flexibility that active management provides to optimize tax-free current income, while managing appropriate levels of interest rate and credit risk, allowing the funds to be managed through periods of volatility and seek to maximize current income.

Led by Peter Hayes, BlackRock's highly regarded municipal platform consists of more than 55 investment professionals with an average of 21 years of investment experience and over \$164 billion in managed assets across mutual funds, closed-end funds, separately managed accounts, and ETFs<sup>1</sup>.

"We strive to offer investors a complete suite of municipal bond choices to pursue their tax advantaged investment goals. Through product innovation and utilizing the breadth of our municipal bond platform, these active ETFs will help enhance the income choices for our clients," said **Peter Hayes, Chief Investment Officer and Head of BlackRock's Municipal Bond Group**. "Actively managing these new ETFs allows us to capitalize on opportunities while also avoiding challenged areas, which can be especially important when investing in the municipal space."

BlackRock's suite of alpha-seeking actively managed ETFs will now be comprised of nine funds, representing more than \$10 billion AUM<sup>2</sup>.

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<sup>1</sup> BlackRock as of 12/31/20

<sup>2</sup> BlackRock as of 3/10/21

The addition of these funds complements BlackRock's index municipal ETF suite which is comprised of 12 funds and \$29 billion AUM and includes the flagship iShares® National Muni Bond ETF (ticker: MUB), the largest municipal bond ETF in the industry<sup>3</sup>.

“The expansion of our municipal bond franchise into the active ETF market represents an important milestone for our firm,” said Chad Slawner, Head of U.S. iShares Product. “Bringing one of our most prominent investment teams into the ETF ecosystem through an active transparent structure is another example of our commitment to innovation. These new funds complement our line-up of index-based solutions and actively managed mutual funds.”

### **About BlackRock's Actively Managed ETFs**

BlackRock's lineup of actively managed ETFs already includes:

- BlackRock U.S. Equity Factor Rotation ETF (DYNF)
- BlackRock Future Tech ETF (BTEK)
- BlackRock Future Health ETF (BMED)
- BlackRock Future Innovators ETF (BFTR)
- BlackRock Short Maturity Municipal Bond ETF (MEAR)
- BlackRock Short Maturity Bond ETF (NEAR)
- BlackRock Ultra Short-Term Bond ETF (ICSH)

### **About BlackRock**

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**Carefully consider the Funds' investment objectives, risk factors, and charges and expenses before investing. This and other information can be found in the Funds' prospectuses or, if available, the summary prospectuses which may be obtained by visiting [www.iShares.com](http://www.iShares.com) or [www.blackrock.com](http://www.blackrock.com). Read the prospectus carefully before investing.**

**Investing involves risk, including possible loss of principal.**

The BlackRock funds are actively managed and do not seek to replicate the performance of a specified index. Actively managed funds may have higher portfolio turnover than index funds. The iShares funds are not actively managed and will not attempt to take defensive positions under any market conditions, including declining markets.

Fixed income risks include interest-rate and credit risk. Typically, when interest rates rise, there is a corresponding decline in bond values. Credit risk refers to the possibility that the bond issuer will not be able to make principal and interest payments. Non-investment-grade debt securities (high-yield/junk bonds) may be subject to greater market fluctuations, risk of default or loss of income and principal than

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<sup>3</sup> BlackRock as of 3/15/21 based on AUM of \$21.0bn.

higher-rated securities. There may be less information on the financial condition of municipal issuers than for public corporations. The market for municipal bonds may be less liquid than for taxable bonds. Some investors may be subject to federal or state income taxes or the Alternative Minimum Tax (AMT). Capital gains distributions, if any, are taxable.

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