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16Rock, Pine River lead muni bond fund pack

Former BlackRock CIO calls 'crucial moment' for municipal funding

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Municipal bond funds managed by [16Rock Asset Management](#) and [Pine River Capital Management](#) outperformed peers and the broader hedge fund market in November off the back of Fed signals and structural conditions.

The [16Rock Municipal Opportunities Fund](#) gained 10.4% in November, putting the fund up 6.4% for the year and the [Pine River Municipal Master Fund](#) was up 5.5% last month, reaching 15% YTD.

Main trackers of municipal bond performance all rose with a more dovish stance from the US Federal Reserve. The Bloomberg municipal tax-exempt, taxable, and high-yield indices advanced 6.4%, 5%, and 7.6% in November respectively but are all relatively flat for the year.

16Rock CIO, former [BlackRock](#) pro James Pruskowski, said that US inflation, bold Federal Reserve policies, geopolitical risks, and fiscal challenges came together as a “crucial moment” presenting opportunities for municipal bond managers.

“Supply and demand dynamics triggered a surge in municipal rates, credit, and treasury ratios, serving as a catalyst for dedicated managers with flexible capital across various market segments,” he said.

“Amid Washington’s gridlock, rare harmony exists in the willingness and capability of US state governments. The long-end of the municipal bond curve and crucial infrastructure sectors like water and sewer and school districts present significant value for generating uncorrelated outcomes.”

Pine River declined to comment on its performance. Other funds in the municipal bonds space also performed well against With Intelligence's main fixed income/credit index, which is up around 6% for the year after returning just over 2% last month.

The KStone Distressed Muni Fund is up 7.7% YTD after ticking down 0.1% in November, and the Tower Bay Municipal Bond Opportunity Fund is up 6.3% for the year following a 1.5% gain in November.

Tower Bay did not respond for comment and KStone was unavailable.