

Monthly Mutual Fund Industry Flows: May 2008

Although the economic outlook and credit conditions remain uncertain, US mutual fund investors deposited a total of more than \$75 billion into US mutual funds in May, as stock, bond, and money-market funds all experienced aggregate positive inflows.

Fund Industry Overview (Excluding VAs)					
	Net New Flows \$B			Assets \$B 5/08	Asset Wtd. Return %
	Apr'08	May'08	Ytd- 5/08		May'08
U.S. Equity	9.6	4.0	-4.3	4,314	2.58
Int'l/Global Equity	13.1	13.3	32.2	1,959	1.67
Hybrid/Allocation	-0.7	-0.1	-5.1	399	0.99
Equity/Balanced	22.1	17.2	22.8	6,672	--
Taxable Bond	14.2	10.5	62.9	1,304	-0.37
Tax-Free Bond	3.7	5.7	14.8	479	0.68
Bonds	17.9	16.2	77.7	1,783	--
Total Long Term	40.0	33.4	100.5	8,455	--
Taxable Money Mkt	-34.4	19.5	245.7	2,856	0.19
Tax-Free Money Mkt	-8.2	22.8	37.1	509	0.15
Money Market	-42.6	42.3	282.8	3,364	--
Total Industry	-2.6	75.7	383.3	11,819	--

Source: Strategic Insight Simfund MF

Equity fund net inflows totaled an estimated \$17 billion during May. Investors continued to seek international diversification for their portfolios—about three-quarters of May's equity fund flows went into programs investing internationally or globally.

Bond funds captured an estimated \$16 billion in total in May: PIMCO/Allianz Global, Vanguard, and Franklin Templeton led in net flows in this area, capturing half the month's net new contributions between them

Steady flows into **asset-allocation funds-of-funds** persisted, with net inflows of \$6.8 billion in May (two-thirds of which went into target-date funds). Year-to-date, funds-of-funds have brought in nearly \$36 billion.

* * *

Now in its 22nd year, Strategic Insight is a well-respected research firm for the mutual fund and wealth management industry, providing clients with in-depth studies, consultation, and electronic decision support systems. SI clients are responsible for about 90% of all U.S. mutual fund assets. Strategic Insight also helps over 70 of the world's largest asset managers expand in Europe and Asia. For more information, visit our home at www.sionline.com.