

Monthly Mutual Fund Industry Flows: April 2008

Against a backdrop of lingering economic anxiety, April experienced positive inflows into both stock and bond mutual funds, and seasonal withdrawals out of money market funds (for annual income tax payments).

Fund Industry Overview (Excluding VAs)					
	Net New Flows \$B			Assets \$B 4/08	Asset Wtd. Return %
	Mar'08	Apr'08	Ytd- 4/08		Apr'08
U.S. Equity	-1.8	11.0	-8.5	4,188	5.21
Int'l/Global Equity	-1.5	13.1	18.9	1,919	5.31
Hybrid/Allocation	-1.3	-0.4	-4.7	396	3.61
Equity/Balanced	-4.6	23.7	5.7	6,503	--
Taxable Bond	8.3	14.1	52.3	1,301	0.51
Tax-Free Bond	1.8	3.7	9.0	471	1.12
Bonds	10.0	17.7	61.3	1,771	--
Total Long Term	5.5	41.4	67.0	8,274	--
Taxable Money Mkt	28.5	-34.4	225.8	2,827	0.20
Tax-Free Money Mkt	19.5	-8.4	14.1	485	0.15
Money Market	48.0	-42.8	239.9	3,312	--
Total Industry	53.4	-1.4	306.9	11,587	--

Source: Strategic Insight Simfund MF

Equity fund net inflows reached an estimated \$24 billion during April. More than half of the month's equity fund flows went into international or global investing programs. U.S. stock market gains in April sparked improved flows into domestic equity funds.

Bond funds captured nearly \$18 billion in April. Most of these flows went to taxable bond funds. Tax-free bond funds benefited from about \$4 billion in inflows during April. (The just-announced Supreme Court ruling upholding the tax exemption that states and localities give to in-state municipal bonds should boost demand for single-state muni bond funds.)

Flows into **asset-allocation funds-of-funds** continued at a steady clip, totaling \$7.3 billion in April; some two-thirds of those flows, or \$4.9 billion, went to target-date retirement funds. Year-to-date, all funds-of-funds have brought in nearly \$29 billion.

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