

Monthly Mutual Fund Industry Flows: June 2008

Despite rising worries about the US economy, the financial sector, and inflation, long-term mutual funds experienced aggregate positive inflows in June—investors deposited nearly \$10 billion into stock and bond funds over the month.

Fund Industry Overview (Excluding VAs)					
	Net New Flows \$B			Assets \$B 6/08	Asset Wtd.
	May'08	June'08	Ytd-6/08		Return % June'08
U.S. Equity	4.1	8.6	4.5	3,992	-7.25
Int'l/Global Equity	13.3	-3.1	28.9	1,796	-8.08
Hybrid/Allocation	-0.1	-1.3	-6.4	375	-5.55
Equity/Balanced	17.3	4.2	27.0	6,163	--
Taxable Bond	11.1	3.2	66.6	1,296	-0.66
Tax-Free Bond	5.7	2.4	17.2	475	-1.17
Bonds	16.8	5.6	83.8	1,772	--
Total Long Term	34.1	9.8	110.8	7,935	--
Taxable Money Mkt	19.7	-66.7	178.9	2,795	0.18
Tax-Free Money Mkt	22.8	-8.1	29.0	501	0.12
Money Market	42.5	-74.8	207.9	3,296	--
Total Industry	76.6	-65.0	318.7	11,231	--

Source: Strategic Insight Simfund MF

Equity fund net inflows totaled an estimated \$4.2 billion during June. Despite the 8.4% decline in the S&P 500 Index over the month, investors sustained the long-term, buy-and-hold strategies that have provided a stable foundation to the mutual fund industry.

Bond funds captured some \$5.6 billion in June. Nearly 60% of the flows went into taxable bond funds. Money market funds experienced net redemptions of \$75 billion in June, but cash has been flowing back into them in the first half of July.

Steady flows into **asset-allocation funds-of-funds** persisted, with net inflows of \$4.7 billion in June; of that, \$4.3 billion, or 90%, went into target-date funds.

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