

Monthly Mutual Fund Industry Flows: July 2008

Continuing stock market volatility, on the heels of an 8% decline in the S&P 500 index in June, and rising economic anxiety, led US investors to net redeem an estimated \$20 billion from stock funds in July.

Fund Industry Overview (Excluding VAs)					
	Net New Flows \$B			Assets \$B 7/08	Asset Wtd.
	Jun'08	Jul'08	Ytd-7/08		Return % Jul'08
U.S. Equity	8.5	-11.7	-7.1	3,904	-1.87
Int'l/Global Equity	-2.1	-5.1	24.8	1,732	-3.20
Hybrid/Allocation	-1.4	-3.4	-9.9	366	-1.27
Equity/Balanced	5.1	-20.2	7.8	6,002	--
Taxable Bond	3.3	4.7	71.4	1,293	-0.48
Tax-Free Bond	2.3	2.0	18.9	475	0.00
Bonds	5.6	6.7	90.4	1,768	--
Total Long Term	10.7	-13.5	98.2	7,770	--
Taxable Money Mkt	-65.0	72.4	266.9	2,913	0.18
Tax-Free Money Mkt	-7.7	2.7	31.8	507	0.12
Money Market	-72.7	75.1	298.7	3,420	--
Total Industry	-62.0	61.6	396.9	11,190	--

Source: Strategic Insight Simfund MF

Equity fund net outflows totaled an estimated \$20 billion during July. US equity programs net redeemed \$15 billion, while international equity funds saw \$5 billion flow out on a net basis during July. So far in 2008, NAV losses for international equity funds have exceeded declines among US equity funds, and August's US Dollar rebound has contributed to this reversal of performance trends in place since 2003.

Bond funds achieved a net inflow volume of \$6.7 billion in July, nearly half of which came within inflation-indexed bond funds.

Steady flows into **asset-allocation funds-of-funds** persisted (especially into target-date FoFs), with net inflows of nearly \$3 billion in July.

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