

Monthly Mutual Fund Industry Flows: February 2009

Declines in both stock prices and investor confidence in February led to net outflows from US mutual funds during the month. Bond funds were a bright spot, continuing to garner inflows.

Fund Industry Overview (Excluding VAs)					
	Net New Flows \$B			Assets \$B 2/09	Asset Wtd.
	Jan'09	Feb'09	Ytd-2/09		Return % Feb'09
U.S. Equity	2.9	-13.9	-11.0	2,231	-9.27
Int'l/Global Equity	1.4	-8.1	-6.6	900	-7.61
Hybrid/Allocation	-0.9	-2.8	-3.7	239	-6.89
Equity/Balanced	3.4	-24.8	-21.4	3,370	--
Taxable Bond	17.5	14.0	31.5	1,181	-1.24
Tax-Free Bond	3.8	4.6	8.4	446	0.65
Bonds	21.3	18.6	39.9	1,627	--
Total Long Term	24.7	-6.2	18.5	4,997	--
Taxable Money Mkt	72.2	-32.9	39.4	3,300	0.05
Tax-Free Money Mkt	-4.7	-5.2	-9.9	482	0.03
Money Market	67.5	-38.1	29.5	3,781	--
Total Industry	92.3	-44.3	48.0	8,778	--

Source: Strategic Insight Simfund MF

Reflecting investor steadfastness in the face of economic turmoil and helped by steady deposits into retirement accounts, net redemptions from stock funds in February represented just 0.6% of the assets in such funds (excluding ETFs) at the beginning of the month.

Stock funds had aggregate net outflows (excluding ETFs) of \$25 billion in February, with most coming from US equity funds. Separately, equity ETFs saw net outflows of nearly \$11 billion.

Bond fund net inflows totaled almost \$19 billion in February; this followed a strong January that saw \$21 billion in net inflows. As in January, February saw flows coming in across most broad bond fund categories. **Money market funds** experienced net outflows of \$38 billion, mostly within taxable MMF programs; net outflows from Treasury MMFs persisted, and net inflows into Government/Agency funds and Prime MMFs slowed

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