

Morningstar DirectSM Asset Flows Commentary: United States

Morningstar Manager Research 15 September 2016

Data through August 31, 2016
U.S. Mutual Funds and Exchange-
Traded Products

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Slowdown in Both Markets and Flows in August

August was a slow month, with markets relatively flat and no dramatic movement in flows. Both the S&P 500 and the MSCI EAFE returned a barely-there 0.1% for the month. U.S. equity funds continued to bleed cash on the active side. Passive U.S.-equity funds continued to attract investor money, although August's estimated inflow of \$16.4 billion was only half as large as the \$33.8 billion they received in July.

The international-equity story is painted in pretty much the same broad strokes: outflows from active and inflows to passive. Although, when digging deeper into the numbers, an important detail comes to light: The total international-equity flow for August consists of an estimated \$7.3 billion outflow from developed markets and a \$6.2 billion inflow to emerging markets.

Taxable- and municipal-bond funds continued to accumulate flows, reflecting investors' preference for a steady income stream and hinting that most investors are not that worried about rising interest rates. Commodity funds saw a trend reversal in August with a \$1.0 billion outflow on the passive side.

Estimated Net Flows*	Active			Passive		
	Aug 2016	1 Year	Assets \$Bil	Aug 2016	1 Year	Assets \$Bil
U.S. Equity	(25,399)	(221,753)	3,561	16,409	174,818	2,740
Sector Equity	(1,952)	(22,078)	397	5,021	13,902	389
International Equity	(7,377)	(45,146)	1,466	6,352	73,166	892
Allocation	(2,851)	(55,886)	1,162	668	2,776	61
Taxable Bond	12,578	(16,706)	2,318	15,191	142,175	899
Municipal Bond	6,780	57,352	660	601	6,502	27
Alternative	(395)	(259)	171	613	7,481	48
Commodities	611	1,132	24	(1,040)	16,512	74
All Long Term	(18,007)	(303,344)	9,760	43,815	437,332	5,130
Money Market	(5,176)	18,041	2,674			

*Includes liquidated and merged funds.

Source: Morningstar Direct Asset Flows.

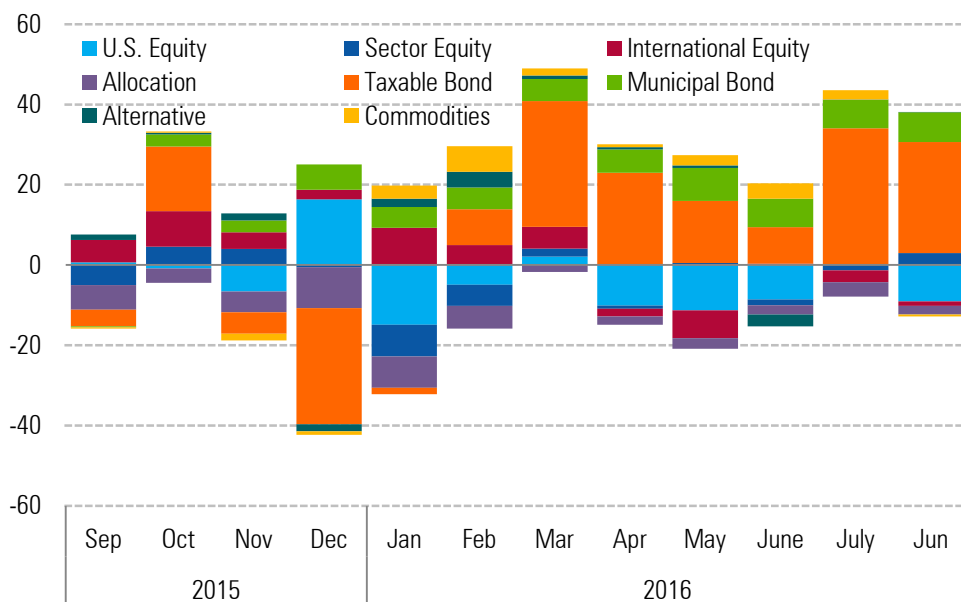
Total (Active and Passive)

Estimated Net Flows \$Mil	Aug-16	1 Year	Assets \$Bil
U.S. Equity	(8,990)	(46,936)	6,301
Sector Equity	3,070	(8,175)	786
International Equity	(1,026)	28,020	2,357
Allocation	(2,183)	(53,110)	1,224
Taxable Bond	27,769	125,468	3,217
Municipal Bond	7,380	63,854	687
Alternative	217	7,222	219
Commodities	(429)	17,645	98
All Long Term	25,808	133,989	14,890
Money Market	(5,176)	18,041	2,674

Source: Morningstar Direct Asset Flows.

After international equity was the favorite at the beginning of last year, the picture changed and investors have now been set on fixed income for the past seven months. This may seem counterintuitive since bond prices fall when interest rates rise, but: 1) Nobody knows for sure if and when interest rates will rise; 2) Bonds will keep paying income even if they fall in value; and 3) Strong flows clearly indicate that investors value 2) and don't seem to care that much about 1). Besides,

Exhibit 1. Category Group Flows During the Past 12 Months (\$ Billion)



Source: Morningstar Direct Asset Flows.

Investors Can't Get Enough of Bonds

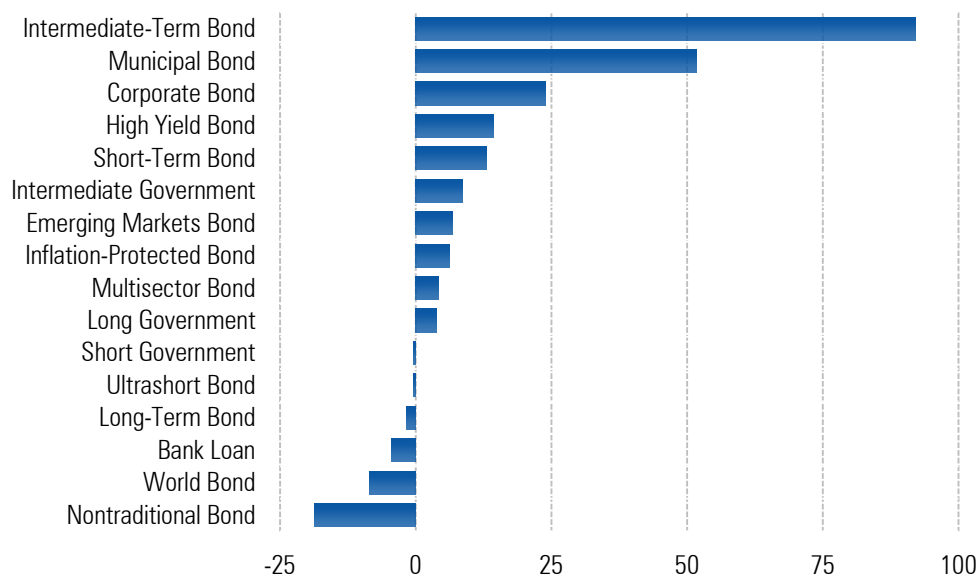
Everyone would have probably scoffed at such an absurd concept only a short while ago, but negative yields for government bonds are now a bleak reality. Germany's and Japan's 10-year sovereign yields have been negative for months. Our fixed-income team noted that German and French corporate bonds were also issued with negative yields in August.

As opposed to the meager yields, bond performance has been solid (and even in double-digit territory year-to-date) across all categories. However, going forward these returns will most likely be difficult to repeat.

	Return (%)
	2016 YTD
International bonds	16.7
Long-term corp bonds	14.9
Emerging-market bonds	14.6
High-yield bonds	14.3
Long-term govt bonds	12.5
Bank loans	6.8
Aggregate bonds	5.9
Municipal bonds	4.5
Intermediate-term govt bonds	4.2
Short-term bonds	2.0

Source: Morningstar Direct.

Exhibit 2. Fixed-Income Flows by Morningstar Category Year to Date (\$ Billion)



Source: Morningstar Direct Asset Flows.

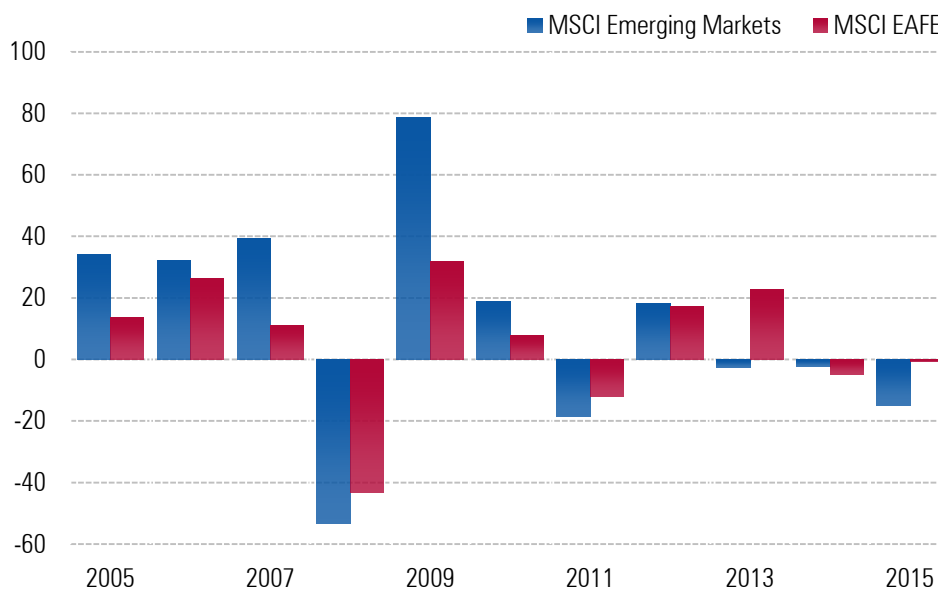
Emerging Markets Are Making a Comeback

Emerging markets were a hot topic at last week’s [Morningstar ETF Conference](#) in Chicago. Industry experts discussed factors driving the rally, such as stronger currencies, diminishing worries about China, and demographics (younger populations equal more potential to drive growth going forward).

	Return (%)
2016 YTD	
S&P 500	7.8
MSCI EAFE	0.5
MSCI Emerging Markets	14.5

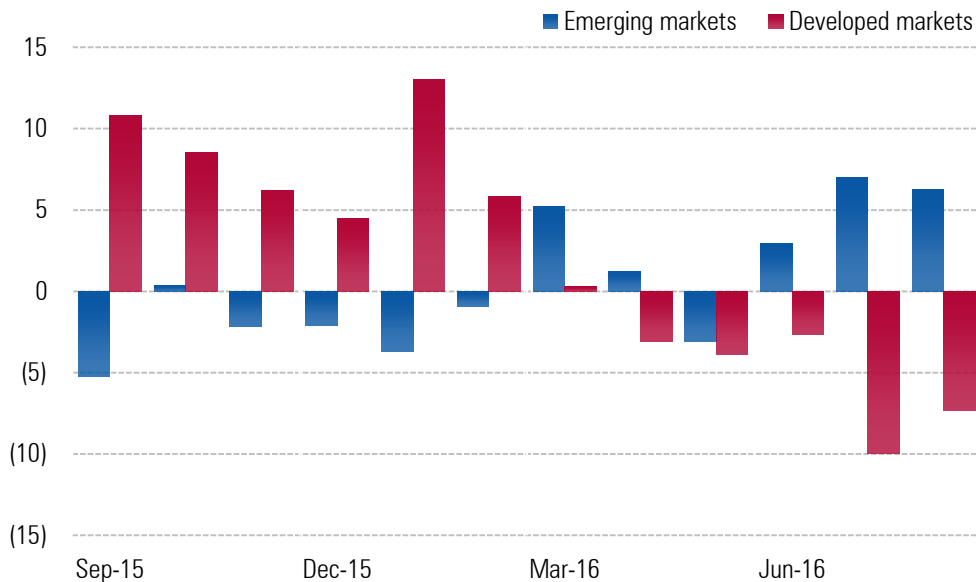
With these returns, there is little wonder that the diversified-emerging-markets category has been showing up consistently on the top-flowing list for the past few months. Investors should remain cautious, however, because emerging markets carry unique risks and returns can be much more volatile than those of developed markets. Shocks that cause drops in developed-market returns tend to amplify and hit emerging markets much harder. To the point:

Exhibit 3. Emerging- and Developed-Markets Annual Returns (%)



Source: Morningstar Direct Asset Flows.

Exhibit 4. Emerging- and Developed-Markets Flows During the Past 12 Months (\$ Billion)



Source: Morningstar Direct Asset Flows.

The main beneficiary of these flows has been iShares, with three ETFs in the top five with the largest flows in the category year to date:

Estimated Net Flows, \$Mil

Morningstar Category: Diversified Emerging Markets

	Year to Date	August 2016
iShares MSCI Emerging Markets	6,729	2,196
iShares Core MSCI Emerging Markets	4,829	1,157
Vanguard Emerging Markets Stock Idx Fund	3,166	1,430
DFA Emerging Markets Core Equity Fund	1,959	89
iShares Edge MSCI Min Vol Emerging Mkts	1,351	166

Another trend we have observed recently is the growing popularity of minimum-volatility ETFs: iShares MSCI Emerging Markets Minimum Volatility EEMV above, for example. My colleague Patty Oey, who covers this fund, explains: “EEMV tracks an index that is designed to provide a less-volatile exposure to emerging-markets equities relative to a market-cap-weighted index. Although EEMV is a minimum-volatility strategy, it is still risky. Investors in emerging markets are negatively affected when the U.S. dollar strengthens against emerging-markets currencies. EEMV, like most funds that invest in international equities, does not hedge its foreign-currency exposure. During the past three years, declines in emerging-markets currencies, particularly the Brazilian real and the South African dollar, have been a drag on this fund's performance.”

Top- and Bottom-Flowing Morningstar Categories

Estimated Net Flows* \$Mil	Active		Assets \$Bil	Passive		Assets \$Bil
	Aug 2016	1 Year		Aug 2016	1 Year	
Leading						
Intermediate-Term Bond	5,005	40,860	814	7,205	65,383	432
Diversified Emerging Mkts	19	(10,157)	217	5,456	24,282	175
Corporate Bond	1,590	9,039	83	2,403	18,632	65
Large Blend	(5,711)	(56,584)	695	9,136	107,740	1,739
Short-Term Bond	1,832	4,230	267	1,503	9,312	85
Lagging						
Large Growth	(13,076)	(73,617)	1,166	1,278	5,718	177
World Allocation	(2,782)	(36,994)	305	4	(51)	0
Europe Stock	(394)	(1,940)	14	(1,764)	(13,273)	47
World Stock	(1,858)	(15,581)	366	(120)	1,514	25
Mid-Cap Growth	(1,856)	(20,724)	241	232	(289)	25

*Excludes money market.

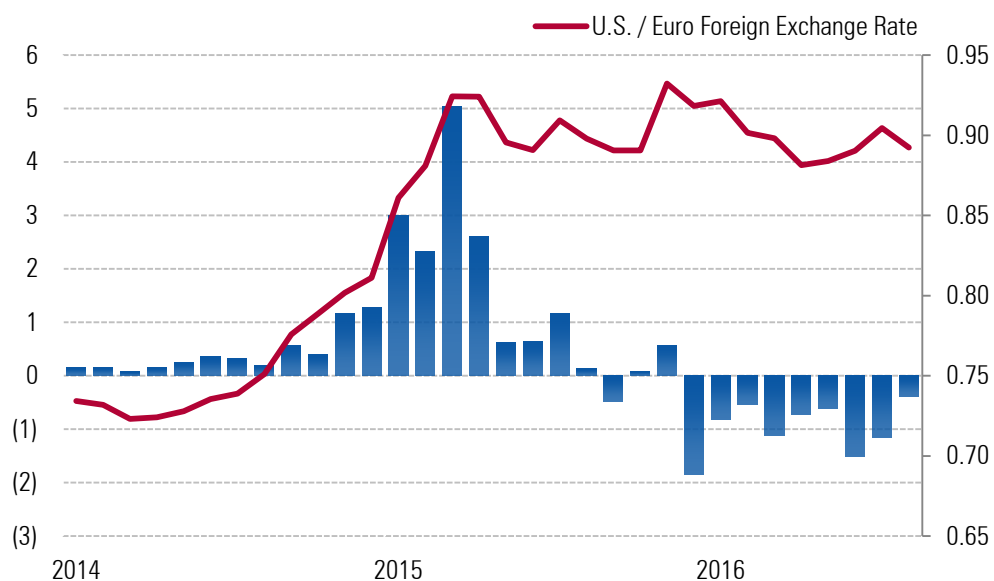
Source: Morningstar Direct Asset Flows.

The top Morningstar Category remained unchanged from last month: intermediate bond. Investors' preference for intermediate-bond funds is easy to understand, because short-term bonds don't yield enough and long-term ones have higher interest-rate risk.

The bottom five categories were also little changed from last month, with large growth, world allocation, and Europe stock sustaining the largest outflows. The once-loved WisdomTree Europe Hedged Equity HEDJ now has one of the worst outflows in the Europe-stock category, right next to its Deutsche counterpart, DBEU:

Estimated Net Flows, \$Mil

Morningstar Category	Fund	August 2016
Europe Stock	iShares MSCI Eurozone	-543
Europe Stock	Deutsche X-trackers MSCI Europe Hedgd Eq	-397
Europe Stock	WisdomTree Europe Hedged Equity Fund	-391

Exhibit 5. Monthly Flows into HEDJ and the Exchange Rate (\$ Billion)

Source: Morningstar Direct Asset Flows.

Top 10 U.S. Fund Families

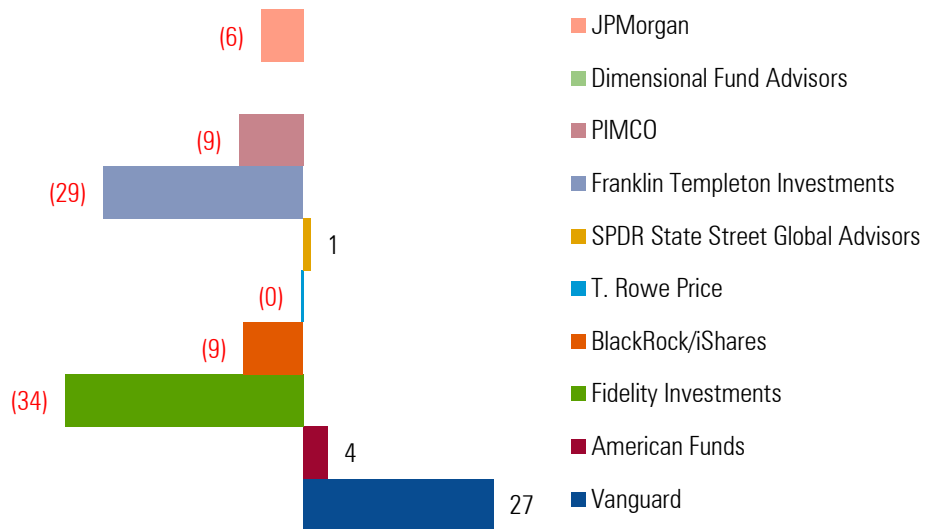
Estimated Net Flows \$Mil	Active			Passive		
	Aug 2016	1 Year	Assets \$Bil	Aug 2016	1 Year	Assets \$Bil
Vanguard	3,241	30,340	853	20,693	223,161	2,433
American Funds	(1,472)	1,328	1,254			
Fidelity Investments	(5,217)	(40,090)	1,000	3,343	25,450	236
BlackRock/iShares	(1,438)	(12,055)	212	11,347	121,988	944
T. Rowe Price	720	(1,495)	472	74	(98)	30
SPDR State Street Global Advisors	139	1,996	4	2,014	26,354	458
Franklin Templeton Investments	(4,121)	(46,162)	388			
PIMCO	(517)	(32,734)	302	(44)	(208)	4
Dimensional Fund Advisors				1,347	21,215	299
JPMorgan	(540)	(3,299)	271	84	70	6

Source: Morningstar Direct Asset Flows.

Fidelity's Outflows Tempered by Inflows to its Passive Offerings

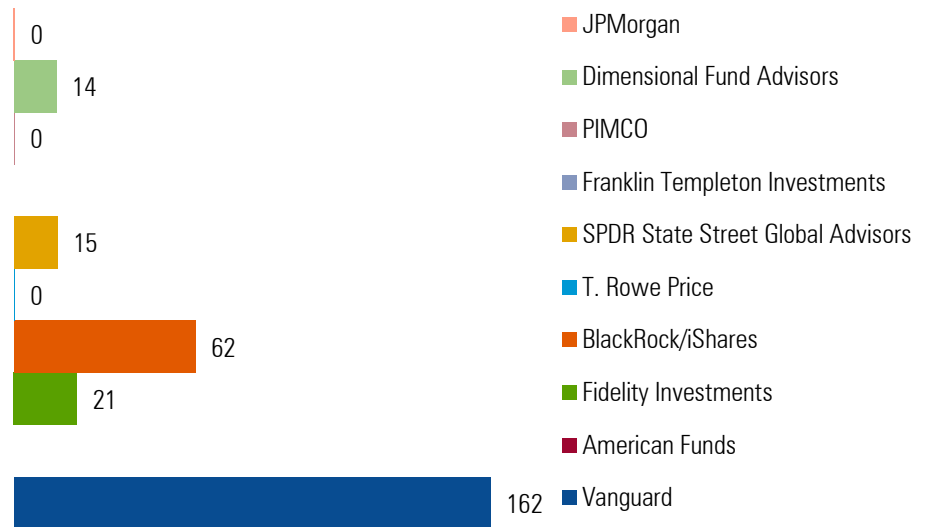
Fidelity continued to receive inflows to its passive products after lowering fees two months ago, a strategy appearing to produce results so far. However, the company still experienced a \$5.2 billion outflow on the active side.

Exhibit 6. Year-to-Date Flows by Fund Family, Active



Source: Morningstar Direct Asset Flows.

Exhibit 7. Year-to-Date Flows by Fund Family, Passive



Source: Morningstar Direct Asset Flows.

After giving Vanguard a run for its money in July, BlackRock/iShares and State Street still enjoyed positive passive flows in August, but much smaller than last month.

T. Rowe Price joined Vanguard and State Street in positive territory on the active side; all other active providers experienced outflows. American Funds, which had been doing well at the beginning of the year, suffered its third monthly outflow.

Top-Flowing Active and Passive Funds

Estimated Net Flows \$Mil	Aug 2016	1 Year	Assets	Assets
			Aug 2016 \$Mil	Aug 2015 \$Mil
Active Funds				
PIMCO Income Fund	1,402	12,343	64,495	49,214
Baird Aggregate Bond	897	3,464	9,916	5,981
PIMCO Investment Grade Corporate Bond	790	3,450	10,640	6,604
Vanguard Intermediate-Term Tax-Exempt	786	6,851	53,058	43,777
American Funds American Balanced Fund	745	8,449	97,250	79,889
Passive Funds				
Vanguard Total Stock Market Index Fund	4,621	39,146	464,580	380,548
Vanguard 500 Index Fund	2,978	25,167	255,675	204,637
iShares MSCI Emerging Markets	2,196	8,169	30,850	21,001
Vanguard Total Bond Market Index Fund	2,098	20,352	173,669	144,843
Vanguard Total Bond Market II Index Fund	1,911	14,983	107,897	87,275

Source: Morningstar Direct Asset Flows.

For the first time since I can remember, PIMCO saw two of its funds on the top-flowing list in August. Moreover, there was no sign of PIMCO Total Return PTTRX on the bottom-flowing list (PIMCO Short-Term Fund PTSHX, however, did make an appearance). PIMCO is steadily making its way back into the taxable-bond-flows game, a game with larger and larger flows every month nowadays.

The top-flowing passive funds were mostly unchanged since last month, with the notable exception of SPDR S&P 500 ETF SPY. After a surprisingly high \$11.1 billion inflow in July, SPY only attracted \$0.6 billion in August, which is more in line with the general trend of investors moving away from the U.S. market. Last month's inflow could have indicated that active managers were temporarily placing assets in SPY before reallocating to other asset classes. But this doesn't seem to be the case, since we haven't seen major withdrawals this month.

Despite sustained outflows from the allocation category group, American Funds American Balanced ABALX was back in the top-flowing five in August (after being absent in July) because of its consistent performance (fifth percentile ranking in its category in the past year).

Bottom-Flowing Active and Passive Funds

Estimated Net Flows \$Mil	Aug 2016	1 Year	Assets Aug 2016 \$Mil	Assets Aug 2015 \$Mil
Active Funds				
Fidelity® Series All-Sector Equity Fund	(2,412)	(3,519)	7,519	10,083
Templeton Global Bond Fund	(1,670)	(16,659)	43,868	61,026
PIMCO Short Term Fund	(1,131)	(4,083)	10,210	14,097
Fidelity® Contrafund® Fund	(1,107)	(4,132)	108,512	106,264
American Funds Growth Fund of Amer	(978)	(7,493)	145,615	140,799
Passive Funds				
Vanguard Instl Total Stock Market Index	(2,035)	(4,173)	38,988	38,797
SPDR® Gold Shares	(1,091)	10,473	39,690	24,900
WisdomTree Japan Hedged Equity Fund	(999)	(7,139)	6,978	16,878
iShares 20+ Year Treasury Bond	(571)	1,345	7,946	5,473
iShares MSCI Eurozone	(543)	(1,019)	8,294	10,189

Source: Morningstar Direct Asset Flows.

WisdomTree can't catch a break. Not only is its WisdomTree Europe Hedged Equity HEDJ in dire straits, but now its WisdomTree Japan Hedged Equity DXJ shows up on the bottom-flowing list, as well. It seems investors are as quick to jump off the currency-hedging bandwagon as they were to get on last year.

After positive (and sometimes quite large) flows every month this year, SPDR Gold Shares GLD showed up on the bottom-flowing list in August following a drop in gold prices. The steady flows to gold funds had some investors worried about the beginning of a flight to safety, but the month-to-month volatility contradicts that hypothesis. There is probably a combination of two reasons driving the flows: price chasing and, let's say, baby steps to safety instead of a flight to safety. The fact that investors were willing to get out so quickly when the price dropped shows they are more focused on the former than on the latter.

Note: The figures in this report were compiled on Sep. 13, 2016, and reflect only the funds that had reported net assets by that date. The figures in both the commentary and the extended tables are survivorship-bias-free.

This report includes both mutual funds and exchange-traded funds, but not funds of funds unless specifically stated.

Important methodology note: Morningstar computes flows using the approach that is standard in the industry: Estimated net flow is the change in assets not explained by the performance of the fund. Our method assumes that flows occur uniformly over the course of the month. Adjustments for mergers are performed automatically. When liquidated funds are included, the final assets of the fund are counted as outflows. Reinvested dividends are not counted as inflows. We use fund-level reinvestment rates to improve accuracy in this respect. We make ad hoc adjustments for unusual corporate actions such as reverse share splits, and we overwrite our estimates with actual flows if managers are willing to provide the data to us. Please click [here](#) for a full explanation of our methodology.



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Fund Flows

Monthly Market Summary: US Open-end & ETF ex MM ex FoF Including merged and liquidated funds

Effective Date
08-31-2016

Morningstar Categories Ranked by Current TNA (\$Mil)

Rank	Name	Estimated Net Flow (\$mil)				Total Net Assets (\$bil)				Total Return	
		1-Mo	QTD	YTD	1-Yr	08-2016	Mkt Sh %	08-2015	Mkt Sh %	1-Mo	YTD
1	Large Blend	3,427	16,892	38,699	51,160	2,433	16.34	2,147	15.40	0.18	14.04
2	Large Growth	(11,798)	(23,249)	(73,153)	(67,899)	1,343	9.02	1,330	9.54	(0.40)	7.22
3	Intermediate-Term Bond	12,210	27,107	92,113	106,243	1,246	8.37	1,083	7.77	0.06	11.66
4	Large Value	1,037	2,288	9,479	5,941	1,056	7.09	955	6.85	0.80	19.06
5	Foreign Large Blend	311	1,972	42,712	70,133	827	5.56	758	5.44	0.39	4.33
6	Allocation--50% to 70% Equity	(255)	(882)	(875)	(1,862)	482	3.24	447	3.21	0.54	14.42
7	Diversified Emerging Mkts	5,475	11,976	18,368	14,128	393	2.64	342	2.45	2.91	26.18
8	World Stock	(1,978)	(3,517)	(12,295)	(14,066)	391	2.63	389	2.79	0.03	14.29
9	Short-Term Bond	3,335	6,019	12,992	13,542	352	2.36	333	2.39	0.05	4.95
10	Mid-Cap Blend	801	1,548	(4,142)	(243)	349	2.34	327	2.34	0.79	16.67
11	Foreign Large Growth	(1,151)	(3,652)	(4,700)	(3,041)	320	2.15	330	2.37	(0.90)	4.39
12	World Allocation	(2,778)	(5,933)	(23,291)	(37,045)	306	2.05	327	2.35	(0.23)	15.59
13	High Yield Bond	1,872	7,160	14,411	6,624	303	2.03	288	2.06	3.49	21.19
14	Small Blend	1,158	2,499	304	1,989	296	1.99	273	1.96	2.41	19.93
15	Mid-Cap Growth	(1,624)	(3,902)	(17,657)	(21,013)	266	1.79	285	2.04	(0.06)	10.34
16	Mid-Cap Value	(839)	(2,161)	(2,738)	(4,564)	233	1.57	228	1.63	1.07	22.71
17	World Bond	(886)	(2,120)	(8,585)	(12,326)	211	1.42	214	1.53	0.44	16.19
18	Allocation--30% to 50% Equity	689	1,211	123	(5,083)	207	1.39	200	1.44	0.64	17.17
19	Multisector Bond	1,427	2,433	4,175	(1,922)	194	1.30	188	1.35	1.82	15.71
20	Muni National Interm	2,382	4,655	20,905	28,575	193	1.30	155	1.11	0.27	7.66
21	Small Growth	(1,053)	(2,458)	(9,897)	(14,333)	192	1.29	201	1.44	2.23	13.98
22	Real Estate	1,603	3,837	8,458	9,873	162	1.09	126	0.90	(5.55)	26.04
23	Health	(1,053)	(1,977)	(15,316)	(20,125)	156	1.05	190	1.36	(6.34)	(12.87)
24	Corporate Bond	3,993	8,523	23,907	27,671	148	1.00	113	0.81	0.47	17.21
25	Foreign Large Value	(550)	(370)	1,171	(1,635)	145	0.97	148	1.06	1.47	6.55
26	Small Value	(96)	(252)	2,590	2,093	132	0.89	120	0.86	3.07	26.45
27	Muni National Short	1,566	3,172	5,720	5,440	127	0.85	119	0.85	(0.04)	2.36
28	Allocation--70% to 85% Equity	(62)	(207)	(238)	(1,140)	124	0.83	113	0.81	0.54	18.17
29	Inflation-Protected Bond	1,260	3,188	6,228	6,067	121	0.81	104	0.74	(0.62)	11.20
30	Intermediate Government	876	2,148	8,554	8,890	117	0.78	106	0.76	(0.60)	6.95
31	Nontraditional Bond	(1,298)	(3,660)	(18,593)	(27,974)	106	0.71	134	0.96	2.13	7.22
32	Bank Loan	846	1,707	(4,509)	(15,673)	99	0.67	114	0.82	1.24	12.16
33	High Yield Muni	1,163	2,350	10,272	13,307	95	0.64	75	0.54	0.77	12.54
34	Muni National Long	891	1,660	5,728	6,083	94	0.63	83	0.60	0.38	11.67
35	Ultrashort Bond	1,114	470	(375)	(709)	87	0.58	85	0.61	0.26	1.96

Fund Flows

Monthly Market Summary: US Open-end & ETF ex MM ex FoF Including merged and liquidated funds

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Morningstar Categories Ranked by Current TNA (\$Mil)

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		1-Mo	QTD	YTD	1-Yr	08-2016	Mkt Sh %	08-2015	Mkt Sh %	1-Mo	YTD
36	Technology	1,124	(326)	(7,317)	(1,599)	85	0.57	77	0.55	5.03	18.39
37	Emerging Markets Bond	2,291	6,924	7,755	5,126	65	0.43	54	0.38	2.80	25.34
38	Europe Stock	(2,158)	(6,893)	(20,057)	(15,212)	61	0.41	81	0.58	0.83	(2.55)
39	Commodities Precious Metals	(581)	937	16,239	14,418	59	0.40	38	0.27	(8.65)	46.84
40	Global Real Estate	37	(257)	(1,870)	(3,377)	58	0.39	55	0.39	(3.47)	18.91
41	Short Government	19	257	(324)	(1,144)	57	0.38	58	0.42	(0.28)	2.12
42	Multialternative	(745)	(1,001)	(1,010)	4,908	55	0.37	52	0.37	(0.46)	4.53
43	Equity Energy	396	(558)	2,920	4,975	50	0.34	43	0.31	5.21	28.32
44	Preferred Stock	1,835	3,499	8,988	11,911	45	0.30	31	0.23	1.75	14.85
45	Energy Limited Partnership	908	945	3,824	4,715	43	0.29	43	0.31	2.30	35.99
46	Financial	803	383	(6,533)	(4,490)	40	0.27	43	0.31	8.65	7.17
47	Muni California Long	385	718	2,391	2,896	40	0.27	34	0.25	0.70	11.15
48	Natural Resources	(154)	273	467	(1,070)	37	0.25	35	0.25	(0.32)	37.04
49	Utilities	(1,044)	(1,261)	3,762	1,575	36	0.24	31	0.22	(10.22)	26.74
50	Foreign Small/Mid Growth	(143)	(590)	(1,062)	88	36	0.24	35	0.25	1.48	(0.01)
51	Long-Short Equity	(466)	(1,470)	(4,605)	(7,597)	34	0.23	42	0.30	0.26	2.75
52	Managed Futures	947	2,005	9,366	11,856	34	0.23	22	0.16	(3.13)	(3.27)
53	Long Government	(1,261)	(1,878)	3,779	5,244	33	0.22	24	0.17	(1.82)	30.39
54	Tactical Allocation	164	311	(743)	(1,345)	33	0.22	33	0.24	(0.97)	8.45
55	Commodities Broad Basket	412	942	3,830	1,733	32	0.21	33	0.23	(1.53)	10.98
56	Japan Stock	(1,133)	(2,201)	(10,446)	(10,303)	31	0.21	44	0.32	(0.47)	(4.23)
57	Miscellaneous Region	(134)	(1,136)	(2,772)	(4,318)	31	0.21	35	0.25	—	—
58	Foreign Small/Mid Blend	(193)	(585)	109	696	30	0.20	29	0.21	(0.09)	5.61
59	Equity Precious Metals	1,329	1,884	4,518	4,206	29	0.20	14	0.10	(26.60)	179.78
60	Muni California Intermediate	423	800	3,042	4,109	26	0.17	21	0.15	0.44	8.17
61	Consumer Cyclical	(375)	(401)	(5,309)	(3,485)	25	0.17	28	0.20	(1.27)	5.27
62	Foreign Small/Mid Value	(196)	(353)	(453)	(130)	25	0.17	24	0.17	0.15	7.70
63	Pacific/Asia ex-Japan Stk	371	738	(123)	(3,522)	23	0.16	25	0.18	4.08	19.81
64	Muni Single State Long	183	322	1,135	1,136	23	0.16	21	0.15	0.20	4.30
65	Market Neutral	(37)	(291)	(406)	(2,413)	23	0.15	26	0.18	(0.64)	0.42
66	Consumer Defensive	(682)	(942)	951	1,815	23	0.15	18	0.13	(2.07)	17.32
67	Long-Term Bond	(196)	(704)	(1,614)	(1,899)	22	0.15	21	0.15	(0.37)	30.97
68	Allocation--85%+ Equity	(240)	(550)	(1,413)	(2,012)	20	0.14	21	0.15	0.56	12.13
69	Muni New York Long	48	118	383	167	20	0.13	19	0.13	0.59	10.51
70	Industrials	739	727	882	322	18	0.12	16	0.11	1.27	19.72

Fund Flows

Monthly Market Summary: US Open-end & ETF ex MM ex FoF Including merged and liquidated funds

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Morningstar Categories Ranked by Current TNA (\$Mil)

Rank	Name	Estimated Net Flow (\$mil)				Total Net Assets (\$bil)				Total Return	
		1-Mo	QTD	YTD	1-Yr	08-2016	Mkt Sh %	08-2015	Mkt Sh %	1-Mo	YTD
71	Trading--Leveraged Equity	45	(1,660)	(5,023)	(4,347)	17	0.11	18	0.13	—	—
72	Convertibles	350	97	(2,047)	(3,541)	16	0.11	20	0.14	1.45	12.25
73	China Region	85	62	(3,507)	(4,855)	16	0.10	20	0.14	9.88	4.66
74	Infrastructure	(164)	(335)	(1,227)	(2,359)	14	0.10	16	0.11	(3.19)	28.06
75	Diversified Pacific/Asia	76	140	(670)	(773)	14	0.09	13	0.10	0.39	14.37
76	Muni Single State Interm	80	167	685	681	13	0.09	13	0.09	0.09	3.44
77	Trading--Inverse Equity	787	2,424	7,003	7,435	13	0.08	9	0.07	—	—
78	Option Writing	(204)	(415)	(426)	(291)	11	0.08	11	0.08	0.42	6.57
79	Muni New York Intermediate	50	106	710	987	11	0.08	10	0.07	0.35	7.82
80	Emerging-Markets Local-Currency Bond	284	542	(1,044)	(4,126)	11	0.08	15	0.11	0.30	21.86
81	Muni Single State Short	49	82	(638)	(927)	11	0.07	11	0.08	0.02	2.23
82	Allocation--15% to 30% Equity	39	(21)	(147)	(286)	11	0.07	11	0.08	(0.37)	7.38
83	Muni Pennsylvania	30	47	231	234	10	0.06	9	0.06	0.18	4.34
84	India Equity	122	199	(38)	(419)	10	0.06	9	0.07	4.78	22.02
85	Communications	(382)	(237)	696	1,109	8	0.06	6	0.04	(4.95)	18.79
86	Long-Short Credit	22	(599)	(2,627)	(3,826)	8	0.05	12	0.09	1.01	3.25
87	Muni Massachusetts	63	114	408	459	7	0.05	7	0.05	0.07	3.84
88	Multicurrency	128	47	(1,199)	(2,863)	7	0.05	10	0.07	0.98	5.22
89	Latin America Stock	174	201	975	1,337	7	0.05	4	0.03	0.47	78.85
90	Muni New Jersey	24	44	76	(39)	7	0.05	6	0.05	0.30	5.00
91	Muni Ohio	32	66	287	318	5	0.04	5	0.03	0.09	4.16
92	Commodities Energy	(299)	(127)	(105)	1,380	5	0.04	6	0.04	2.97	3.43
93	Muni Minnesota	47	86	354	428	5	0.03	4	0.03	0.09	3.64
94	Target-Date 2030	(14)	84	103	(202)	5	0.03	5	0.03	0.08	8.64
95	Target-Date 2020	(25)	31	62	(362)	4	0.03	5	0.03	0.58	7.55
96	Volatility	194	741	3,173	2,987	4	0.03	4	0.03	—	—
97	Trading--Inverse Debt	(55)	54	(29)	(472)	4	0.02	6	0.04	—	—
98	Target-Date 2025	(6)	51	197	65	4	0.02	3	0.02	(2.05)	9.82
99	Target-Date 2040	(19)	31	40	(155)	4	0.02	3	0.02	0.81	9.05
100	Trading--Leveraged Commodities	(289)	572	536	2,190	3	0.02	3	0.03	—	—
101	Bear Market	(179)	(304)	111	(597)	3	0.02	4	0.03	(3.79)	(20.26)
102	Miscellaneous Sector	(17)	(22)	(112)	(209)	3	0.02	3	0.02	—	—
103	Target-Date 2035	(20)	28	187	119	2	0.02	2	0.01	(2.27)	9.84
104	Target-Date 2050	5	15	93	56	2	0.01	2	0.01	(2.62)	10.06
105	Commodities Agriculture	19	44	228	74	2	0.01	1	0.01	(2.68)	1.99

Fund Flows

Monthly Market Summary: US Open-end & ETF ex MM ex FoF Including merged and liquidated funds

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Morningstar Categories Ranked by Current TNA (\$Mil)

Rank	Name	Estimated Net Flow (\$mil)				Total Net Assets (\$bil)				Total Return	
		1-Mo	QTD	YTD	1-Yr	08-2016	Mkt Sh %	08-2015	Mkt Sh %	1-Mo	YTD
106	Target-Date Retirement	1	14	(24)	(69)	1	0.01	1	0.01	0.29	6.43
107	Target-Date 2045	(7)	18	118	70	1	0.01	1	0.01	(2.50)	9.73
108	Single Currency	(118)	(13)	(55)	110	1	0.01	1	0.01	—	—
109	Trading--Inverse Commodities	209	138	650	383	1	0.01	1	0.01	—	—
110	Trading--Miscellaneous	9	68	(47)	(223)	1	0.01	1	0.01	—	—
111	Target-Date 2015	(16)	(40)	(101)	(249)	1	0.00	1	0.01	(1.69)	9.58
112	Trading--Leveraged Debt	(38)	(4)	(21)	(144)	1	0.00	1	0.00	—	—
113	Target-Date 2055	14	25	119	132	0	0.00	0	0.00	2.19	17.48
114	Target-Date 2000-2010	(6)	(46)	(97)	(215)	0	0.00	1	0.00	1.49	7.41
115	Commodities Industrial Metals	19	84	77	42	0	0.00	0	0.00	—	—
116	Target-Date 2060+	1	12	15	15	0	0.00	0	0.00	0.32	5.93
117	Commodities Miscellaneous	0	0	(1)	0	0	0.00	0	0.00	1.07	(50.68)
Top 10		12,563	40,156	123,897	177,076	8,872	59.59	8,111	58.15	—	—
All		25,791	61,475	136,786	134,144	14,889	100.00	13,947	100.00	—	—

Top Fund Families Ranked by Current TNA (\$Mil)

Rank	Name	Estimated Net Flow (\$mil)				Assets Under Management (\$bil)			
		1-Mo	QTD	YTD	1-Yr	08-2016	Mkt Sh %	08-2015	Mkt Sh %
1	Vanguard	23,935	47,085	189,182	253,501	3,286	22.07	2,790	20.00
2	American Funds	(1,472)	(3,272)	3,562	1,328	1,254	8.42	1,156	8.29
3	Fidelity Investments	(1,874)	(5,505)	(12,574)	(14,640)	1,237	8.30	1,181	8.47
4	iShares	11,028	30,729	57,214	114,801	923	6.20	763	5.47
5	T. Rowe Price	794	(45)	(166)	(1,593)	501	3.37	461	3.31
6	SPDR State Street Global Advisors	2,154	13,124	15,922	28,350	462	3.10	396	2.84
7	Franklin Templeton Investments	(4,121)	(7,886)	(28,527)	(46,059)	388	2.61	416	2.99
8	Pimco	(562)	(1,497)	(8,987)	(32,942)	307	2.06	327	2.34
9	Dimensional Fund Advisors	1,347	1,552	14,432	21,215	299	2.01	261	1.87
10	JPMorgan	(456)	(1,196)	(5,661)	(3,229)	277	1.86	270	1.93
11	BlackRock	(1,118)	(2,004)	(3,989)	(4,867)	233	1.56	230	1.65
12	MFS	582	709	1,987	1,581	190	1.28	174	1.25
13	Dodge & Cox	(1,548)	(2,667)	(6,259)	(11,186)	180	1.21	184	1.32
14	OppenheimerFunds	(780)	(2,041)	(7,158)	(11,699)	180	1.21	182	1.30
15	Invesco	94	3,774	3,172	707	152	1.02	142	1.02

Fund Flows

Monthly Market Summary: US Open-end & ETF ex MM ex FoF Including merged and liquidated funds

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Top Fund Families Ranked by Current TNA (\$Mil)

Rank	Name	Estimated Net Flow (\$mil)				Assets Under Management (\$bil)			
		1-Mo	QTD	YTD	1-Yr	08-2016	Mkt Sh %	08-2015	Mkt Sh %
16	Columbia	(388)	(664)	(4,886)	(9,077)	147	0.99	149	1.07
17	Jackson National	266	495	604	3,340	132	0.89	122	0.87
18	John Hancock	(564)	(890)	(2,369)	1,474	127	0.85	120	0.86
19	Principal Funds	469	715	954	1,096	120	0.81	112	0.80
20	Lord Abbett	1,038	1,903	3,058	(168)	106	0.72	102	0.73
21	Janus	(272)	(840)	(1,539)	(2,911)	106	0.71	104	0.74
22	American Century Investments	21	43	285	(508)	106	0.71	98	0.70
23	Wells Fargo Funds	(389)	(1,685)	(5,737)	(10,324)	102	0.69	107	0.77
24	AXA Equitable	(457)	(881)	(3,483)	(4,607)	99	0.67	98	0.70
25	PowerShares	1,592	5,743	3,145	6,112	99	0.67	86	0.62
26	TIAA-CREF Asset Management	521	913	4,703	6,875	98	0.66	85	0.61
27	Legg Mason	590	963	396	224	95	0.64	90	0.65
28	Hartford Mutual Funds	(44)	(413)	(2,457)	(2,600)	93	0.62	91	0.65
29	SEI	9	(108)	420	1,454	92	0.62	85	0.61
30	Metropolitan West Funds	382	1,166	7,010	9,352	89	0.60	76	0.55
31	Goldman Sachs	(599)	(769)	(7,768)	(11,681)	83	0.56	93	0.67
32	Voya	(773)	(1,206)	(4,755)	(7,342)	83	0.56	84	0.60
33	Prudential Investments	411	888	2,175	1,546	82	0.55	78	0.56
34	DoubleLine	682	1,471	11,044	15,759	76	0.51	58	0.41
35	Harbor	(954)	(2,181)	(4,788)	(7,050)	74	0.50	80	0.57
36	First Eagle	75	170	(1,111)	(3,957)	73	0.49	70	0.50
37	Nuveen	667	1,387	5,143	6,234	70	0.47	60	0.43
38	Eaton Vance	77	266	1,572	(682)	68	0.46	65	0.47
39	Oakmark	(1,687)	(4,100)	(9,864)	(12,430)	67	0.45	78	0.56
40	Federated	236	932	1,950	1,045	67	0.45	63	0.45
41	AllianceBernstein	506	633	2,884	2,139	67	0.45	60	0.43
42	Putnam	(471)	(1,025)	(6,163)	(9,214)	64	0.43	72	0.52
43	USAA	(9)	(64)	(980)	(1,125)	60	0.40	57	0.41
44	Schwab Funds	(221)	(528)	(1,258)	(770)	59	0.40	55	0.40
45	Dreyfus	(195)	(323)	(233)	(3,306)	59	0.40	59	0.42
46	GMO	(1,947)	(3,309)	(10,826)	(15,856)	57	0.39	70	0.50
47	MainStay	(502)	(1,892)	(5,409)	(8,171)	57	0.38	63	0.45
48	Natixis Funds	(353)	(1,096)	(4,079)	(7,060)	54	0.36	60	0.43
49	Schwab ETFs	1,103	2,484	9,396	14,971	52	0.35	34	0.24
50	Northern Funds	58	(206)	(565)	(1,480)	50	0.34	50	0.36

Fund Flows

Monthly Market Summary: US Open-end & ETF ex MM ex FoF Including merged and liquidated funds

Effective Date
08-31-2016

Top Fund Families Ranked by Current TNA (\$Mil)

Rank	Name	Estimated Net Flow (\$mil)				Assets Under Management (\$bil)			
		1-Mo	QTD	YTD	1-Yr	08-2016	Mkt Sh %	08-2015	Mkt Sh %
Top 10		30,772	73,088	224,398	320,732	8,933	60.00	8,021	57.51
Top 50		26,878	68,849	188,620	246,573	12,803	85.99	11,770	84.39
Other		(1,087)	(6,553)	(46,377)	(102,485)	2,087	14.01	2,113	15.15
All		25,791	62,297	142,243	144,088	14,889	100.00	13,882	99.54

Fund Flows

Monthly Market Summary: US Open-end & ETF ex MM ex FoF Including merged and liquidated funds

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Asset Classes

Name	Estimated Net Flow (\$mil)				Assets Under Management (\$bil)			
	1-Mo	QTD	YTD	1-Yr	08-2016	Mkt Sh %	08-2015	Mkt Sh %
US Equity	(8,989)	(8,795)	(56,515)	(46,870)	6,301	42.32	5,865	42.05
Sector Equity	3,070	1,733	(11,206)	(8,124)	786	5.28	743	5.33
International Equity	(1,022)	(4,009)	7,213	28,105	2,357	15.83	2,286	16.39
Allocation	(2,183)	(5,749)	(27,918)	(53,110)	1,224	8.22	1,197	8.58
Taxable Bond	27,720	61,617	147,858	125,545	3,217	21.60	2,963	21.25
Municipal Bond	7,416	14,509	51,691	63,854	687	4.62	591	4.24
Alternative	209	290	5,392	7,096	219	1.47	223	1.60
Commodities	(429)	1,880	20,270	17,647	98	0.66	78	0.56
All Long Term	25,791	61,475	136,786	134,144	14,889	100.00	13,947	100.00

Morningstar Ratings

Name	Estimated Net Flow (\$mil)				Total Net Assets (\$bil)			
	1-Mo	QTD	YTD	1-Yr	08-2016	Mkt Sh %	08-2015	Mkt Sh %
★★★★★	29,664	53,477	183,240	241,228	3,108	20.88	2,638	18.92
★★★★	10,756	32,664	79,436	111,434	5,582	37.49	5,106	36.61
★★★	(12,723)	(21,094)	(84,039)	(131,392)	4,398	29.54	4,331	31.05
★★	(8,201)	(17,101)	(89,440)	(131,408)	1,158	7.78	1,254	8.99
★	(1,526)	(3,867)	(23,521)	(40,960)	193	1.30	230	1.65
Not Rated	7,822	17,396	71,110	85,243	450	3.02	388	2.79
Total	25,791	61,475	136,786	134,144	14,889	100.00	13,947	100.00