

August 2010

# Morningstar Direct<sup>SM</sup> Fund Flows Update

U.S. Open-End Funds

**The Great Reallocation?—Maybe** | Kevin McDevitt, Editorial Director

## Investors Continue to Shun U.S. Stocks

Flows into U.S. open-end funds increased slightly in July to \$14.1 billion versus \$13.5 billion in June. But this small change understated the acceleration in this year's underlying themes. Almost universally, outflows picked up in equity and balanced funds; and inflows rose for bond, alternative, and commodity funds.

Nearly \$12.4 billion exited U.S. equity funds last month, despite a strong rebound in share prices. While the average domestic large-blend fund is still down 6.8% overall during the past three months, the category gained 6.8% in July. International-stock fund flows saw less severe outflows of \$565 million overall, but strong flows to emerging markets offset redemptions from foreign large-blend funds.

Interest in bonds continued to pick up steam, with taxable-bond funds adding \$22.3 billion in July. This is a 26.7% gain over June's rate. Results for municipal-bond funds were even more dramatic, with inflows nearly doubling month over month to \$3.9 billion.

These trends suggest that risk aversion continues to be the dominant sentiment, but that makes the continued flows out-of-balanced funds all the more confounding. The moderate-allocation category took the brunt of this development with nearly \$2.1 billion in outflows.

On the other hand, alternative and commodity funds continued their surge. Alternative funds took in about \$1.7 billion, with the long-short and bear-market categories benefitting most. The bear-market category has amassed \$3.2 billion over the past year, despite losses of 24.9% during that time.

<b>Estimated Net Flows</b> \$Mil	July 2010	YTD 2010	2009
U.S. Stock	(12,366)	(28,352)	(25,748)
International Stock	(565)	18,620	25,532
Balanced	(1,753)	5,458	(3,290)
Taxable Bond	22,315	142,232	284,465
Municipal Bond	3,904	23,265	72,123
Alternative	1,660	12,885	14,103
Commodities	923	6,937	10,224
<b>All Long Term</b>	<b>14,119</b>	<b>181,044</b>	<b>377,409</b>
Money Market	4,928	(482,077)	(378,362)

Source: Morningstar Direct Fund Flows

To learn more about Morningstar Direct Fund Flows, visit us at [this link](#). For weekly updates about the fund industry, check [Fund Times](#) on Morningstar.com each Thursday afternoon.

## Embracing Emerging Markets

In taking a closer look at the international-stock flows, there's less evidence of this risk aversion, at least as it's traditionally defined. Most of the recent inflows have targeted diversified emerging-markets equity funds rather than the broader foreign-stock funds (foreign large value, blend, and growth). In July, diversified emerging-markets stock funds took in almost \$2 billion, while the three major foreign-stock categories saw combined outflows of \$624 million.

This isn't a recent trend, either. Over the past 12 months, diversified emerging-markets equity funds have absorbed nearly \$20 billion versus \$25 billion for diversified foreign-stock offerings. While foreign-stock funds have the edge in flows during that period, it's actually a fairly small margin, considering that those three foreign categories have nearly 4 times the assets of the diversified emerging-markets category.

What isn't clear is how much of this move to emerging markets is a structural shift or just performance chasing by investors. After all, emerging-markets stock funds have smoked most competitors over the last decade. The typical fund has delivered nearly 11% annualized over the last 10 years versus -0.8% for the S&P 500 Index.

Plus, the emerging-markets story is now familiar to most investors. BRICs, decoupling, and the "new normal" have been at the center of the debate for at least three years. Many investors now take it for granted that emerging markets will deliver superior growth versus the industrialized countries. Because of their often lower debt-to-gross domestic product ratios, investors may even see emerging markets as safe havens from industrialized countries' indebtedness. It's possible, then, that investors are making strategic re-allocations to emerging markets.

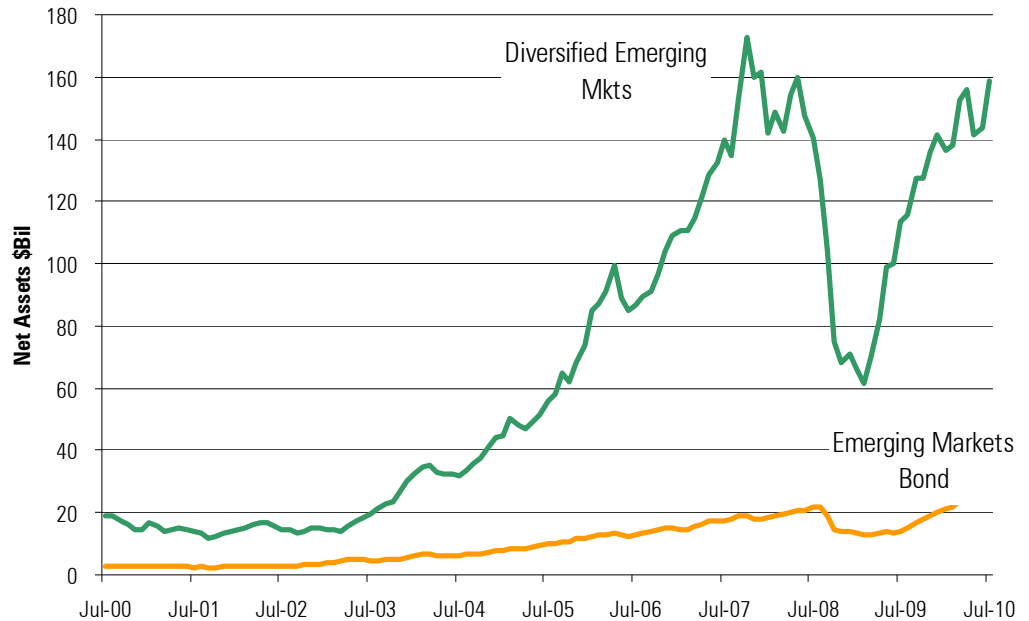
If so, that's a stunning reversal in investor attitudes. A decade ago, on the heels of the S&P 500's dominance, many individual investors questioned the wisdom of investing abroad at all, much less in emerging markets. Those views were reinforced by the Asian crisis and the Russian default in 1998. That year the average emerging-markets equity fund lost 26.3%; assets stood at less than \$14 billion for the entire category.

Compare that with \$161 billion in total assets today, up nearly 41% over the past 12 months alone. This rush of popularity comes despite the category's average 54.4% loss in 2008 during the financial crisis, which was far worse than the S&P 500's 37% drop.

The same trends can be seen with emerging-markets bond funds, but the numbers are smaller. After taking in more than \$1.2 billion in new cash in July, emerging-markets bond-fund assets have more than doubled to \$31 billion over the last year. Again, this is perhaps not that surprising given the group's great returns and relatively high yields. Emerging-markets bond funds have actually had an even better decade than their equity cousins, delivering annualized gains of 11.2% over that time.

What is noteworthy, though, are the relatively large flows into local-currency emerging-markets bond funds. Historically, most emerging-markets bond funds invested almost entirely in dollar-denominated government sovereign bonds. Most fund managers have typically avoided local currency bonds. However, as credit quality has improved, U.S.-based managers have been increasingly willing to buy sovereigns (and even some quasi-sovereign and corporate bonds) in local currencies.

## Diversified Emerging Markets Stock Dwarfs EM Bond



Source: Morningstar Direct Fund Flows

Perhaps out of a desire for dollar diversification, U.S.-based investors have been joining in, too. PIMCO Emerging Local Bond Fund received nearly \$3.6 billion over the past year. That dwarfs the \$400 million collected by its hard-currency sibling, Emerging Markets Bond. Short-duration, local-currency sibling Developing Local Markets has also taken in lots of cash--nearly \$2 billion during the past year. Partly as a result of these recent inflows, Emerging Local Bond Fund and Developing Local Markets are now the categories' two largest offerings.

And this trend is not limited to PIMCO, either. Both Goldman Sachs Local Emerging Markets Debt and Dreyfus Emerging Market Debt Local land in the category's top 10 for one-year inflows. Goldman Sachs Local Emerging Markets has attracted nearly \$1.2 billion during that time. That's quite an achievement, considering that the fund opened its door just 2.5 years ago in February 2008. Indeed, this subcategory of funds hardly existed just four years ago.

## Open-end Fund Family Highlights

**Top 10 Fund Families** ranked by current AUM  
Excludes money markets and funds of funds.

<b>Fund Family</b> 2010 YTD	Total Net Assets (\$Bil)	Market Share %	Estimated Flows (\$Mil)
Vanguard	1,130	15.72	44,837
American Funds	885	12.31	(23,527)
Fidelity Investments	745	10.36	(1,178)
PIMCO Funds	393	5.47	46,047
Franklin Templeton Investments	302	4.21	12,179
T. Rowe Price	231	3.21	9,071
OppenheimerFunds	128	1.78	740
Dodge & Cox	114	1.59	1,894
John Hancock	114	1.59	2,121
BlackRock	113	1.58	7,195

Source: Morningstar Direct Fund Flows

Vanguard and PIMCO continue to be the big winners as investors flood into bond funds. PIMCO took in \$5.9 billion in July, while Vanguard added \$4.9 billion. PIMCO Total Return dominated inflows with \$2 billion, though its monthly take continues to taper off. Monthly flows for the fund peaked at nearly \$6 billion in October 2009 and have been waning ever since.

Sibling PIMCO Unconstrained Bond Fund is continuing to enjoy strong momentum with a \$615 million inflow. Its popularity mirrors that of the multisector-bond category overall. The fund launched just over two years ago in June 2008. It has been a hit with investors, even though its performance has been disappointing so far. It finished near the bottom of the category in 2009 and is close to the bottom decile again this year. But the fund's absolute-return focus and disregard for benchmark weightings appeal to investment advisors and investors who became disenchanted with traditional asset allocation following the financial crisis.

This desire for more unconventional, go-anywhere, absolute-return options also shows in the strong flows to world-allocation fund BlackRock Global Allocation and world-bond offering Eaton Vance Global Macro Absolute Return.

Alternatively, American Funds continues to suffer tremendous outflows, as it watched another \$4.6 billion walk out the door in July. The story for American has been the same for almost two years now. For their part, the firm continues to stick to its knitting, maintaining its fairly conventional fund lineup. Plus, the outflows have come despite that many of American's funds having fared well in recent years and still carry excellent long-term records.

Meanwhile, Vanguard has had the opposite experience. Not surprisingly, its bond funds have enjoyed excellent inflows. But even its equity funds have fared well, especially its passive offerings. Bucking the trend among its domestic-equity peers, Vanguard Total Stock Market Index absorbed \$1.3 billion in new money in July. The same trend shows up among international-stock funds, in which nearly \$700 million was added to passively managed funds, while more than \$1.2 billion was withdrawn from their actively managed peers.

Paradoxically, then, investors seem to be reducing manager risk at the security selection level by adding to passively managed equity funds rather than their actively managed rivals. On the other hand, go-anywhere offerings in categories such as world-allocation and multisector bond have been very popular. This suggests that some investors are more comfortable letting managers control their asset allocation, but not their security selection. It will be interesting to see whether this becomes a long-term trend.

Investors continued to funnel assets into exchange-traded funds last month, which helped extend the vehicle's streak of positive asset flows to six consecutive months. In July, U.S. ETFs registered total net inflows of \$6.8 billion, pushing the year-to-date total to \$40.8 billion.

Total net assets for U.S. ETFs closed out July at \$838.4 billion, an increase of 6% from the prior month. Total assets are also up 6% from the start of the year, and 29% higher than a year ago.

<b>Estimated Net Flows \$Mil</b>	July 2010	YTD 2010	2009
U.S. Stock	(91)	(2,017)	(14,461)
International Stock	4,630	12,070	28,783
Balanced	71	330	341
Taxable Bond	3,033	19,269	35,314
Municipal Bond	203	1,449	3,387
Alternative	759	4,596	24,194
Commodities	(1,820)	5,113	26,509
<b>Total</b>	<b>6,786</b>	<b>40,811</b>	<b>104,067</b>

Source: Morningstar Direct Fund Flows

### **Big Outflows From GLD Push Commodity ETF Flows Into the Red**

As goes SPDR Gold Shares GLD, so go the overall flows for commodity ETFs. The asset class experienced its first month of net outflows since February 2010, as investors yanked a whopping \$1.4 billion out of GLD in July. It wasn't such a dull month, however, for GLD's main rival, iShares COMEX Gold Trust IAU, which just slashed its expense ratio to 0.25% and underwent a 10-1 reverse split. On the heels of those moves, along with a meaningful increase in marketing activity, IAU bucked GLD's trend and attracted \$208.7 million in net inflows last month.

The persistent state of contango in the energy markets continues to drive investors out of futures-based funds such as United States Oil USO and United States Natural Gas UNG. In July, USO saw net outflows of \$152 million, while UNG saw an additional \$110 million head for the exits. Since the beginning of the year, UNG and USO have shed \$843.4 million and \$475.2 million, respectively.

### **Investors Target Longer Duration and Higher Yields in Taxable-Bond ETFs**

Investors continued to flock to fixed-income ETFs in July, but the exposure being targeted has shifted from the short-end of the yield curve to the longer-end. In prior months we witnessed investors piled into the short-end of the curve on the basis that they'd see smaller hits to their principal values in the event of potential interest-rate hikes. However, as deflation has crept back onto investor radar screens, we've seen investors look to extend the durations of their bond allocations. In July, ETFs within the long government and long-term bond Morningstar categories saw combined total net inflows of \$1.1 billion. On the flip side, short government and short-term bond ETFs experienced total net outflows of \$445.6 million.

After coming out of the gate strong with \$728.8 million in net inflows from the beginning of the year through the end of May, PIMCO Enhanced Short Maturity Strategy ETF's MINT assets have been draining over the past couple of months. The fund, which is widely regarded as the most successful actively managed ETF so far, saw a combined \$444 million in net redemptions in June and July. This doesn't necessarily mean investors have been disappointed with the fund, as it might simply represent a reallocation out of "cash assets" into risk assets.

Also, in the current low interest-rate environment, many investors stepped out on the risk spectrum to capture some extra yield. High-yield bond was the most popular Morningstar category within the taxable-bond asset class, led by SPDR Barclays Capital High Yield Bond JNK and iShares iBoxx \$ High Yield Corporate Bond HYG, which had inflows of \$555 million and \$355.7 million in July, respectfully.

### SPDRs Drive Outflows From U.S. Stock ETFs; Small Is Back in Favor (for Now)

After attracting a total of \$4.7 billion in net inflows in May and June, SPDR S&P 500 reversed course and saw \$2.3 billion head for the exits in July. It was a similar story for large-blend ETFs as a whole; iShares S&P 500 Index IVV, Rydex S&P Equal Weight RSP, and Vanguard Total Stock Market ETF VTI saw outflows of \$301 million, \$221 million, and \$116 million last month, respectively. As a whole, ETFs in the large-blend Morningstar category experienced \$3.4 billion in net outflows in July. On the other side of the spectrum, the small-blend category fared well last month, as investors poured \$2.3 billion into iShares Russell 2000 Index IVM.

Investors also shuffled their sector and industry exposures a bit last month. In particular, we saw strong flows into stable, dividend-paying sectors such as utilities and consumer staples. This makes sense given the uncertainty that abounds amid the fragile economic recovery. On the other hand, investors lightened up on some of the more economically sensitive segments of the market, as Financial Select Sector SPDR XLF and SPDR S&P Retail XRT registered hefty outflows in July. See the tables below for more on recent flow trends in sector and industry ETFs within the U.S.-stock asset class.

#### Sector and Industry ETFs: Top 10 Inflows in July 2010

Name	Ticker	Estimated Net Flow (\$Mil):		Total Net Assets (\$Mil)
		July-10	YTD	
Utilities Select Sector SPDR	XLU	577.0	209.5	3,860.7
Energy Select Sector SPDR	XLE	568.2	1,003.6	6,273.4
Consumer Staples Select Sector SPDR	XLP	538.0	848.4	3,205.6
Consumer Discret Select Sector SPDR	XLY	329.9	319.8	1,824.0
JPMorgan Alerian MLP Index ETN	AMJ	248.4	676.2	1,573.2
Health Care Select Sector SPDR	XLV	97.1	15.7	2,758.4
Industrial Select Sector SPDR	XLI	89.3	868.9	3,161.9
Materials Select Sector SPDR	XLB	88.0	252.4	1,991.9
iShares Nasdaq Biotechnology	IBB	76.8	(46.5)	1,429.2
iShares Dow Jones US Real Estate	IYR	74.6	(463.0)	2,753.2

#### Sector and Industry ETFs: Top 10 Outflows in July 2010

Name	Ticker	Estimated Net Flow (\$Mil):		Total Net Assets (\$Mil)
		July-10	YTD	
Financial Select Sector SPDR	XLF	(420.0)	(1,021.8)	5,902.6
SPDR S&P Retail	XRT	(268.8)	70.6	453.7
SPDR S&P Oil & Gas Exploration & Prod	XOP	(136.1)	23.0	448.8
iShares Dow Jones US Aerospace & Def	ITA	(98.8)	2.7	189.5
SPDR S&P Homebuilders	XHB	(62.5)	(15.0)	690.4
SPDR KBW Insurance	KIE	(36.5)	(0.1)	163.1
iShares Dow Jones US Healthcare Prov	IHF	(36.0)	(24.5)	130.4
First Trust ISE-Revere Natural Gas Idx	FCG	(30.9)	(60.8)	372.1
SPDR Dow Jones REIT	RWR	(30.8)	9.0	1,218.6
iShares Dow Jones US Technology	IYW	(30.7)	(57.3)	1,255.2

Source: Morningstar Direct Fund Flows

## Emerging-Markets ETF Rivalry in Focus; Single-Country ETFs Offer Precision

Another big month of inflows into emerging-markets ETFs helped make international-stock funds the most popular among the U.S. broad asset classes in July.

Last month, Vanguard Emerging Markets Stock ETF VWO was the top asset gatherer within the international-stock asset class as well as the overall U.S. ETF universe with about \$2.3 billion in net inflows. Next was iShares MSCI Emerging Markets Index EEM, which saw inflows of \$1.5 billion in July. This comes on the heels of EEM snapping its seven-month losing streak versus VWO, in terms of asset flows, in June. Many industry observers are following these funds closely, and we expect the rivalry to continue to heat up through the remainder of the year. While EEM is hanging on to its first-mover advantage and remains a considerably larger fund, VWO has been the clear winner in gathering new assets over the past year. Since the beginning of the year and over the trailing 12 months, VWO has brought in \$9.2 billion and \$14.9 billion in net inflows, compared with EEM's net outflows of \$94 million and net inflows of \$2 billion, respectively.

Demand for emerging-markets exposure has been a persistent trend over the past couple of years, as many investors look to diversify away from U.S.-dollar-denominated assets and tap into faster-growing economies around the globe. While the spotlight is on the race for assets between EEM and VWO, there are some other smaller funds out there that have also been gathering assets. The table below highlights a handful of emerging-markets ETFs. Amid concerns surrounding the looming sovereign debt crisis in Europe, investors poured \$192.6 million into iShares MSCI Germany Index EWG and \$162.2 million into Vanguard Europe Pacific VEA last month. July marked the third consecutive month of significant inflows into EWG; the fund's \$552.2 million in net new assets over the past three months represented a sharp reversal from the \$211 million in net outflows it experienced through the first three months of the year. Investors appear to be expressing confidence in the strength of the German economy and its ability to emerge relatively unscathed from the sovereign debt crisis that has brought some of its neighboring countries to their knees.

### Emerging-Markets ETFs: No Signs of Slowing Demand

Name	Ticker	Estimated Net Flows (\$ Mil):			Total Net Assets (\$ Mil)
		July-10	YTD	1 Yr	
Vanguard Emerging Markets Stock ETF	VWO	2,332.7	9,173.6	16,543.1	29,343.2
iShares MSCI Emerging Markets Index	EEM	1,483.6	(94.2)	117.5	38,963.2
SPDR S&P Emerging Markets Small Cap	EWX	39.6	263.3	364.1	411.3
PowerShares FTSE RAFI Emerging Markets	PXH	27.1	160.8	198.3	370.2
Claymore/BNY Mellon Frontier Markets	FRN	17.8	26.7	34.7	58.3
Schwab Emerging Markets Equity ETF	SCHE	17.3	99.5	99.5	123.8
PowerShares DWA Em Mkts Technical Ldrs	PIE	7.7	23.1	28.4	53.0
SPDR S&P Emerging Markets	GMM	6.4	18.4	59.0	154.5
SPDR S&P BRIC 40	BIK	4.9	5.1	120.6	424.6
BLDRS Emerging Markets 50 ADR Index	ADRE	4.6	(60.1)	(9.3)	635.2

Source: Morningstar Direct Fund Flows

Although the quest for nondomestic exposure has been dominated by broad emerging-markets funds, we've also witnessed recharged interest in single-country ETFs. (In last month's report, we highlighted how spooked investors were fleeing these focused funds.) However, with the virtual minefields that exist in some regions of the global market today, the narrowly defined and specific exposures provided by single-country ETFs can be valuable tools for investors as they construct their international allocation. A general example would be if an investor wanted to gain exposure to Germany but avoid the struggling Eastern European countries, then the single-country ETF would be favorable compared with a broader European ETF. The tables below show the asset flows for the top 10 single-country ETFs in terms of inflows and outflows in July.

**Single-Country ETFs: Top 10 Inflows in July 2010**

Name	Ticker	Estimated Net Flow (\$Mil):		Total Net Assets (\$Mil)
		June-10	YTD	
WisdomTree India Earnings	EPI	218.5	345.8	1,092.4
iShares MSCI Chile Investable Mkt Idx	ECH	109.7	197.3	545.4
iShares MSCI Singapore Index	EWS	94.4	34.9	1,663.0
iShares MSCI Spain Index	EWP	76.8	(11.5)	224.5
iShares FTSE/Xinhua China 25 Index	FXI	73.8	(1,527.2)	8,199.6
iShares MSCI Malaysia Index	EWM	72.3	45.5	669.7
iShares MSCI Hong Kong Index	EWH	67.8	(316.0)	1,573.1
iShares MSCI Thailand Invest Mkt Index	THD	59.8	54.4	331.1
Market Vectors Indonesia Index ETF	IDX	58.0	191.3	452.5
iShares MSCI Turkey Invest Mkt Index	TUR	55.2	64.0	509.1

**Single-Country ETFs: Top 10 Outflows in July 2010**

Name	Ticker	Estimated Net Flow (\$Mil):		Total Net Assets (\$Mil)
		June-10	YTD	
iShares MSCI Japan Index	EWJ	(249.2)	(267.8)	4,531.5
iShares MSCI Mexico Investable Mkt Idx	EWV	(81.6)	416.0	1,555.8
iShares MSCI United Kingdom Index	EWU	(45.9)	50.5	949.6
iShares MSCI Brazil Index	EWZ	(45.9)	(955.6)	9,581.5
iShares MSCI Taiwan Index	EWT	(44.6)	(497.3)	2,911.9
iShares MSCI Australia Index	EWA	(38.9)	52.4	2,301.9
iShares MSCI France Index	EWQ	(35.8)	(36.6)	264.3
iShares MSCI Austria Investable Mkt Idx	EWO	(23.6)	(35.7)	107.1
iShares MSCI Belgium Investable Mkt Idx	EWK	(21.0)	(4.9)	56.7
iShares MSCI South Korea Index	EWY	(19.6)	243.0	3,342.7

Source: Morningstar Direct Fund Flows

# Fund Flows

## Monthly Market Summary: US Open-end ex MM ex FoF

Effective Date  
2010-07-31

### 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	07-2010	Mkt Sh %	07-2009	Mkt Sh %	1-Mo	YTD
1	Large Blend	(1,468)	(1,468)	(160)	(2,228)	923	12.84	790	13.24	6.80	(0.75)
2	Intermediate-Term Bond	7,212	7,212	47,764	109,526	803	11.18	614	10.30	1.39	6.67
3	Large Growth	(3,789)	(3,789)	(21,592)	(33,683)	711	9.89	658	11.03	6.73	(2.04)
4	Large Value	(2,169)	(2,169)	(7,779)	(18,436)	500	6.95	455	7.63	6.95	(0.38)
5	Foreign Large Blend	(1,308)	(1,308)	3,952	14,285	387	5.38	340	5.70	9.74	(3.71)
6	Moderate Allocation	(2,071)	(2,071)	(7,052)	(12,302)	364	5.06	334	5.59	4.88	1.60
7	World Stock	(1,830)	(1,830)	(6,545)	(9,323)	248	3.44	231	3.87	7.62	(1.46)
8	World Allocation	(265)	(265)	7,441	14,405	192	2.67	162	2.72	5.00	0.66
9	Short-Term Bond	3,754	3,754	31,032	60,102	176	2.45	107	1.80	0.73	3.23
10	High Yield Bond	2,190	2,190	515	4,925	165	2.29	133	2.23	3.45	7.25
11	Mid-Cap Growth	(943)	(943)	(2,782)	(4,821)	159	2.22	137	2.29	6.40	2.61
12	Diversified Emerging Mkts	1,962	1,962	12,056	19,804	159	2.21	113	1.90	8.97	2.15
13	Mid-Cap Blend	(1,568)	(1,568)	1,341	2,782	145	2.01	118	1.98	6.72	3.26
14	Foreign Large Value	338	338	4,098	4,706	145	2.01	129	2.16	9.86	(4.46)
15	Small Blend	(870)	(870)	587	220	137	1.91	114	1.91	6.59	4.16
16	Intermediate Government	1,327	1,327	1,054	2,386	131	1.83	120	2.01	0.77	5.87
17	Multisector Bond	2,238	2,238	12,656	21,586	129	1.80	92	1.54	2.31	6.73
18	World Bond	2,205	2,205	18,107	36,047	112	1.55	67	1.12	3.33	4.02
19	Muni National Interm	1,253	1,253	7,097	15,028	105	1.47	84	1.40	1.24	3.89
20	Conservative Allocation	413	413	3,714	7,096	101	1.41	81	1.36	3.45	3.44
21	Small Growth	(393)	(393)	(1,744)	(1,549)	97	1.35	83	1.39	5.50	2.89
22	Muni National Long	414	414	2,356	4,233	90	1.25	76	1.28	1.14	4.40
23	Mid-Cap Value	(101)	(101)	829	127	89	1.24	73	1.23	6.74	3.85
24	Muni National Short	1,027	1,027	7,397	24,907	82	1.14	55	0.92	0.72	2.09
25	Inflation-Protected Bond	714	714	6,020	15,453	81	1.13	59	0.98	0.22	4.13
26	Foreign Large Growth	346	346	4,375	6,080	69	0.96	54	0.91	8.66	(1.50)
27	Small Value	(275)	(275)	2,780	2,454	61	0.84	47	0.79	6.60	5.89
28	High Yield Muni	657	657	3,924	7,943	54	0.76	38	0.64	1.28	6.35
29	Long-Short	1,224	1,224	9,842	14,794	43	0.60	27	0.46	1.63	(1.61)
30	Real Estate	(114)	(114)	1,298	962	42	0.58	27	0.45	9.36	15.13
31	Short Government	949	949	4,645	8,837	40	0.56	30	0.50	0.42	2.91
32	Ultrashort Bond	(301)	(301)	4,502	12,737	38	0.52	24	0.40	0.25	1.47
33	Muni California Long	5	5	(351)	(225)	35	0.49	32	0.54	1.24	5.03
34	Health	(378)	(378)	(1,369)	(2,701)	34	0.48	35	0.58	2.16	(4.51)
35	Bank Loan	291	291	6,868	7,209	34	0.47	24	0.40	1.53	4.25

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Rank	Name	Estimated Net Flow (\$mil)				Total Net Assets (\$bil)				Total Return	
		1-Mo	QTD	YTD	1-Yr	07-2010	Mkt Sh %	07-2009	Mkt Sh %	1-Mo	YTD
36	Commodities Broad Basket	923	923	6,937	11,338	30	0.42	16	0.27	4.85	(5.18)
37	Emerging Markets Bond	1,211	1,211	8,206	12,789	30	0.42	14	0.24	4.54	8.48
38	Muni New York Long	9	9	(63)	48	30	0.42	27	0.45	1.12	4.58
39	Natural Res	(161)	(161)	982	2,979	29	0.41	24	0.39	8.38	(5.60)
40	Foreign Small/Mid Value	238	238	821	1,631	28	0.39	23	0.39	8.64	1.88
41	Pacific/Asia ex-Japan Stk	172	172	(308)	1,398	28	0.39	22	0.38	6.57	0.63
42	Muni Single State Long	131	131	761	1,514	25	0.35	22	0.37	1.06	4.00
43	Technology	(220)	(220)	(1,314)	(776)	23	0.33	21	0.35	6.98	(1.08)
44	Foreign Small/Mid Growth	20	20	(22)	824	23	0.32	19	0.32	9.46	2.06
45	Long-Term Bond	285	285	885	3,077	22	0.31	17	0.28	2.36	9.84
46	Equity Precious Metals	(8)	(8)	1,335	1,906	22	0.30	15	0.25	(3.19)	5.94
47	Europe Stock	(676)	(676)	(703)	48	20	0.28	18	0.31	11.16	(3.68)
48	Equity Energy	(117)	(117)	(175)	(70)	20	0.28	19	0.31	8.95	(7.61)
49	Muni California Int/Sh	163	163	774	1,876	16	0.22	13	0.22	1.13	3.81
50	Muni Single State Intern	78	78	264	682	16	0.22	14	0.24	1.15	3.61
51	Global Real Estate	142	142	783	1,156	14	0.20	11	0.19	10.27	2.24
52	Utilities	171	171	342	399	13	0.18	11	0.19	7.48	(0.52)
53	Muni Pennsylvania	8	8	197	386	10	0.15	9	0.15	1.07	4.15
54	Muni New York Int/Sh	65	65	387	962	10	0.14	8	0.14	1.13	3.58
55	Convertibles	32	32	(316)	(548)	9	0.12	8	0.13	4.89	3.06
56	Diversified Pacific/Asia	165	165	1,411	1,621	9	0.12	6	0.11	6.99	(0.24)
57	Latin America Stock	(96)	(96)	(1,146)	(633)	9	0.12	7	0.12	13.16	(1.83)
58	Muni New Jersey	0	0	54	181	8	0.11	7	0.12	1.23	4.31
59	Muni Massachusetts	14	14	134	420	7	0.10	7	0.11	1.20	4.18
60	Long Government	240	240	(23)	243	7	0.09	6	0.10	(0.34)	15.49
61	Financial	(29)	(29)	122	(131)	6	0.08	5	0.09	7.35	1.27
62	Bear Market	481	481	2,106	3,232	6	0.08	3	0.06	(8.59)	(8.77)
63	Muni Ohio	31	31	138	314	6	0.08	5	0.09	1.06	3.57
64	Muni Minnesota	46	46	186	291	4	0.06	4	0.06	1.11	4.08
65	Target Date 2016-2020	42	42	376	673	3	0.04	2	0.04	5.05	2.11
66	Communications	28	28	(44)	(207)	3	0.04	3	0.05	9.97	4.10
67	Target Date 2026-2030	29	29	381	665	3	0.04	2	0.03	6.05	1.04
68	Japan Stock	(38)	(38)	(153)	201	3	0.03	2	0.04	5.26	(1.88)
69	Industrials	(6)	(6)	308	365	2	0.03	1	0.02	11.00	9.44
70	Target Date 2036-2040	24	24	295	489	2	0.03	1	0.02	6.73	0.46

# Fund Flows

## Monthly Market Summary: US Open-end ex MM ex FoF

Effective Date  
2010-07-31

### 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	07-2010	Mkt Sh %	07-2009	Mkt Sh %	1-Mo	YTD
71	Target Date 2021-2025	(1)	(1)	67	1,098	2	0.02	0	0.01	6.05	1.17
72	Consumer Staples	144	144	(13)	91	2	0.02	1	0.02	7.77	3.60
73	Retirement Income	10	10	133	362	1	0.02	0	0.01	2.87	3.66
74	Currency	(37)	(37)	(398)	(369)	1	0.01	1	0.02	0.16	(0.40)
75	Consumer Discretionary	(59)	(59)	100	37	1	0.01	1	0.01	7.31	4.77
76	Target Date 2000-2010	4	4	17	79	1	0.01	1	0.01	3.93	2.82
77	Miscellaneous Sector	(44)	(44)	(70)	(89)	1	0.01	1	0.01	9.18	(0.80)
78	Target Date 2011-2015	10	10	97	305	1	0.01	0	0.01	4.83	2.23
79	Target Date 2050+	6	6	113	469	1	0.01	0	0.00	6.97	0.26
80	Muni Single State Short	3	3	10	53	1	0.01	1	0.01	1.10	2.92
81	Target Date 2031-2035	8	8	120	288	1	0.01	0	0.00	6.89	0.37
82	Target Date 2041-2045	4	4	71	111	0	0.00	0	0.00	7.18	0.07
<b>Top 10</b>		<b>257</b>	<b>257</b>	<b>47,576</b>	<b>127,271</b>	<b>4,467</b>	<b>62.14</b>	<b>3,824</b>	<b>64.11</b>	---	---
<b>All</b>		<b>14,119</b>	<b>14,119</b>	<b>181,044</b>	<b>385,141</b>	<b>7,189</b>	<b>100.00</b>	<b>5,964</b>	<b>100.00</b>	---	---

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

Rank	Name	Estimated Net Flow (\$mil)				Assets Under Management (\$bil)			
		1-Mo	QTD	YTD	1-Yr	07-2010	Mkt Sh %	07-2009	Mkt Sh %
1	Vanguard	4,931	4,931	44,837	81,081	1,130	15.72	927	15.55
2	American Funds	(4,558)	(4,558)	(23,527)	(34,255)	885	12.31	829	13.89
3	Fidelity Investments	(1,673)	(1,673)	(1,178)	3,252	745	10.36	641	10.74
4	PIMCO Funds	5,896	5,896	46,047	92,809	393	5.47	265	4.45
5	Franklin Templeton Investments	924	924	12,179	25,022	302	4.21	247	4.14
6	T. Rowe Price	(646)	(646)	9,071	16,146	231	3.21	186	3.11
7	OppenheimerFunds	383	383	740	2,959	128	1.78	107	1.79
8	Dodge & Cox	(95)	(95)	1,894	3,053	114	1.59	99	1.66
9	John Hancock	269	269	2,121	5,089	114	1.59	95	1.59
10	BlackRock	502	502	7,195	13,923	113	1.58	87	1.46
11	Dimensional Fund Advisors	171	171	4,756	9,213	112	1.56	86	1.45
12	JPMorgan	1,023	1,023	13,460	28,480	107	1.49	70	1.18
13	Invesco	(876)	(876)	(3,518)	(4,744)	104	1.44	94	1.57
14	Columbia	(802)	(802)	(3,402)	(3,342)	102	1.42	92	1.54
15	Janus	33	33	(184)	2,983	94	1.31	81	1.36
16	Hartford Mutual Funds	(351)	(351)	(147)	(177)	87	1.21	76	1.27
17	Wells Fargo Advantage	163	163	1,311	7,078	77	1.07	58	0.97
18	MFS	332	332	3,660	6,454	73	1.02	59	0.99
19	American Century Investments	364	364	1,709	3,223	66	0.92	56	0.94
20	Legg Mason/Western	(313)	(313)	(2,286)	(3,746)	62	0.86	58	0.97

# Fund Flows

## Monthly Market Summary: US Open-end ex MM ex FoF

Effective Date  
2010-07-31

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

Rank	Name	Estimated Net Flow (\$mil)				Assets Under Management (\$bil)			
		1-Mo	QTD	YTD	1-Yr	07-2010	Mkt Sh %	07-2009	Mkt Sh %
21	ING Retirement Funds	149	149	(1,115)	(106)	60	0.84	52	0.87
22	Eaton Vance	823	823	6,760	7,891	59	0.82	45	0.75
23	Lord Abbett	810	810	5,104	9,042	57	0.80	42	0.71
24	Goldman Sachs	344	344	2,474	6,735	54	0.76	42	0.70
25	GMO	330	330	(328)	(1,160)	53	0.73	49	0.83
26	RiverSource	(246)	(246)	(2,125)	(2,824)	52	0.73	37	0.61
27	Principal Funds	249	249	1,667	2,095	52	0.72	42	0.70
28	AllianceBernstein	(192)	(192)	(1,751)	(2,236)	51	0.71	48	0.81
29	Harbor	570	570	4,448	7,154	50	0.69	38	0.64
30	Putnam	89	89	(84)	(385)	50	0.69	44	0.74
31	Federated	342	342	1,134	4,061	47	0.65	39	0.65
32	DWS Investments	(86)	(86)	319	(185)	45	0.63	41	0.68
33	Davis Funds	(586)	(586)	(2,607)	(4,546)	42	0.58	41	0.69
34	Dreyfus	(67)	(67)	152	1,144	40	0.56	35	0.58
35	Thornburg	501	501	5,023	8,864	38	0.53	26	0.44
36	Ivy Funds	24	24	2,979	7,391	37	0.51	27	0.46
37	USAA	162	162	1,693	3,219	34	0.48	27	0.46
38	First Eagle	163	163	1,698	2,550	34	0.48	28	0.46
39	Prudential Investments	185	185	1,467	3,441	33	0.46	26	0.43
40	Natixis Funds	135	135	(507)	402	33	0.46	28	0.47
41	Oakmark	206	206	2,436	3,693	33	0.45	26	0.43
42	Northern Funds	399	399	2,389	6,567	31	0.43	22	0.36
43	Pioneer Investments	330	330	349	1,174	30	0.42	24	0.41
44	Schwab Funds	(1)	(1)	(282)	1,309	30	0.42	16	0.27
45	Russell	(873)	(873)	(648)	(621)	30	0.41	27	0.45
46	Royce	(140)	(140)	810	1,710	28	0.39	23	0.38
47	MainStay	51	51	1,672	3,316	28	0.39	20	0.34
48	Delaware Investments	236	236	1,709	3,388	26	0.36	20	0.33
49	TIAA-CREF Mutual Funds	235	235	2,818	4,634	26	0.36	18	0.31
50	Loomis Sayles Funds	(36)	(36)	(1,222)	(1,513)	24	0.34	22	0.37
<b>Top 10</b>		<b>5,932</b>	<b>5,932</b>	<b>99,380</b>	<b>209,078</b>	<b>4,157</b>	<b>57.82</b>	<b>3,483</b>	<b>58.39</b>
<b>Top 50</b>		<b>9,778</b>	<b>9,778</b>	<b>151,170</b>	<b>330,704</b>	<b>6,247</b>	<b>86.90</b>	<b>5,188</b>	<b>86.99</b>
<b>Other</b>		<b>4,341</b>	<b>4,341</b>	<b>29,874</b>	<b>54,437</b>	<b>942</b>	<b>13.10</b>	<b>776</b>	<b>13.01</b>
<b>All</b>		<b>14,119</b>	<b>14,119</b>	<b>181,044</b>	<b>385,141</b>	<b>7,189</b>	<b>100.00</b>	<b>5,964</b>	<b>100.00</b>

# Fund Flows

## Monthly Market Summary: US Open-end ex MM ex FoF

Effective Date  
2010-07-31

### Asset Classes

Name	Estimated Net Flow (\$mil)				Assets Under Management (\$bil)			
	1-Mo	QTD	YTD	1-Yr	07-2010	Mkt Sh %	07-2009	Mkt Sh %
U.S. Stock	(12,366)	(12,366)	(28,352)	(54,278)	2,998	41.70	2,623	43.98
International Stock	(565)	(565)	18,620	41,798	1,140	15.86	977	16.38
Balanced	(1,753)	(1,753)	5,458	13,189	679	9.44	592	9.93
Taxable Bond	22,315	22,315	142,232	294,916	1,769	24.60	1,307	21.92
Municipal Bond	3,904	3,904	23,265	58,613	501	6.97	401	6.73
Alternative	1,660	1,660	12,885	19,564	72	1.00	47	0.79
Commodities	923	923	6,937	11,338	30	0.42	16	0.27
<b>All Long Term</b>	<b>14,119</b>	<b>14,119</b>	<b>181,044</b>	<b>385,141</b>	<b>7,189</b>	<b>100.00</b>	<b>5,964</b>	<b>100.00</b>

### Morningstar Stewardship Grades

Stewardship Grade	Funds Graded	Estimated Net Flow (\$mil)				Total Net Assets (\$bil)			
		07-2010	07-2009	YTD 2010	YTD 2009	07-2010	Mkt Sh %	07-2009	Mkt Sh %
A	78	(4,317)	(4,317)	(3,249)	7,592	1,193	16.59	1,062	17.80
B	262	1,694	1,694	50,531	102,243	2,093	29.12	1,741	29.18
C	425	261	261	(5,550)	12,308	992	13.80	864	14.48
D	108	208	208	(2,807)	(655)	107	1.48	93	1.55
F	6	(139)	(139)	(532)	(706)	11	0.16	11	0.19
Not Rated	4895	16,412	16,412	142,651	264,357	2,793	38.85	2,195	36.80

### Investment Company Institute Methods of Sale

Name	Estimated Net Flow (\$mil)				Total Net Assets (\$bil)			
	1-Mo	QTD	YTD	1-Yr	07-2010	Mkt Sh %	07-2009	Mkt Sh %
Non-Proprietary	(2,419)	(2,419)	3,670	38,124	2,325	32.34	2,051	34.40
Direct Market	(4,442)	(4,442)	17,171	51,788	2,157	30.00	1,860	31.18
Institutional	17,062	17,062	141,916	256,017	2,016	28.04	1,543	25.88
Proprietary Non-Bank	(883)	(883)	(4,644)	(336)	264	3.67	223	3.74
Variable Annuity	(325)	(325)	(7,463)	(11,699)	182	2.53	168	2.82
Proprietary Bank	377	377	6,844	20,570	130	1.81	95	1.59
Unclassified	4,748	4,748	23,551	30,675	115	1.61	24	0.40
<b>Total</b>	<b>14,119</b>	<b>14,119</b>	<b>181,044</b>	<b>385,141</b>	<b>7,189</b>	<b>100.00</b>	<b>5,964</b>	<b>100.00</b>

# Fund Flows

## Monthly Market Summary: US Open-end ex MM ex FoF

**Effective Date**  
2010-07-31

### Morningstar Ratings

Name	Estimated Net Flow (\$mil)				Total Net Assets (\$bil)				
	1-Mo	QTD	YTD	1-Yr	07-2010	Mkt Sh %	07-2009	Mkt Sh %	
★★★★★	13,841	13,841	114,943	210,247	1,264	17.58	930	15.60	
★★★★	4,661	4,661	76,654	167,664	2,488	34.61	2,051	34.39	
★★★	(6,871)	(6,871)	(29,813)	(28,388)	2,357	32.78	2,071	34.72	
★★	(6,596)	(6,596)	(39,279)	(58,489)	698	9.70	666	11.16	
★	(731)	(731)	(8,118)	(12,929)	136	1.89	132	2.22	
Not Rated	9,814	9,814	66,657	107,035	246	3.42	114	1.92	
<b>Total</b>	<b>14,119</b>	<b>14,119</b>	<b>181,044</b>	<b>385,141</b>	<b>7,189</b>	<b>100.00</b>	<b>5,964</b>	<b>100.00</b>	

# Fund Flows

## Monthly Market Summary: US ETF

Effective Date  
2010-07-31

### 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	07-2010	Mkt Sh %	07-2009	Mkt Sh %	1-Mo	YTD
1	Large Blend	(3,410)	(3,410)	(10,610)	(4,422)	132	15.88	119	18.54	6.80	(0.75)
2	Diversified Emerging Mkts	4,064	4,064	10,412	19,671	76	9.21	47	7.32	8.97	2.15
3	Commodities Precious Metals	(1,267)	(1,267)	6,207	9,173	58	7.03	40	6.13	—	—
4	Foreign Large Blend	(20)	(20)	1,556	2,593	45	5.44	40	6.20	9.74	(3.71)
5	Large Growth	(180)	(180)	(1,101)	(2,786)	41	4.95	38	5.96	6.73	(2.04)
6	Large Value	180	180	1,136	2,810	35	4.27	28	4.34	6.95	(0.38)
7	Pacific/Asia ex-Japan Stk	813	813	(1,347)	(513)	31	3.80	29	4.56	6.57	0.63
8	Intermediate-Term Bond	792	792	4,269	7,487	29	3.51	19	3.02	1.39	6.67
9	Small Blend	2,111	2,111	2,129	4,483	26	3.16	18	2.82	6.59	4.16
10	Mid-Cap Blend	(212)	(212)	1,210	2,242	26	3.12	19	2.97	6.72	3.26
11	Inflation-Protected Bond	82	82	1,631	4,858	22	2.60	15	2.33	0.22	4.13
12	Bear Market	1,586	1,586	5,857	9,676	21	2.53	20	3.03	(8.59)	(8.77)
13	Equity Energy	523	523	1,640	2,452	15	1.84	12	1.83	8.95	(7.61)
14	Latin America Stock	4	4	(971)	(164)	15	1.83	12	1.88	13.16	(1.83)
15	Long-Term Bond	537	537	230	(117)	14	1.74	13	2.00	2.36	9.84
16	Short-Term Bond	351	351	4,373	8,013	14	1.63	5	0.77	0.73	3.23
17	Financial	(683)	(683)	(1,164)	(3,190)	13	1.57	14	2.15	7.35	1.27
18	Short Government	(797)	(797)	3,239	3,731	13	1.57	9	1.41	0.42	2.91
19	Real Estate	56	56	(448)	1,114	13	1.54	7	1.11	9.36	15.13
20	High Yield Bond	915	915	2,392	3,748	11	1.34	6	0.93	3.45	7.25
21	Europe Stock	88	88	998	2,525	11	1.32	8	1.19	11.16	(3.68)
22	Miscellaneous Sector	640	640	2,659	4,143	11	1.27	6	0.88	9.18	(0.80)
23	Technology	(4)	(4)	178	727	10	1.18	8	1.24	6.98	(1.08)
24	Natural Res	94	94	(421)	597	10	1.17	8	1.22	8.38	(5.60)
25	Commodities Broad Basket	(68)	(68)	592	2,472	9	1.12	7	1.06	4.85	(5.18)
26	Small Value	(114)	(114)	950	647	8	1.01	7	1.01	6.60	5.89
27	Health	104	104	177	493	8	0.93	7	1.07	2.16	(4.51)
28	Equity Precious Metals	(411)	(411)	1,125	1,583	8	0.93	5	0.71	(3.19)	5.94
29	Long Government	542	542	1,670	2,045	8	0.93	5	0.78	(0.34)	15.49
30	Commodities Energy	(359)	(359)	(908)	592	7	0.88	8	1.30	—	—
31	Industrials	(67)	(67)	590	1,424	7	0.83	5	0.70	11.00	9.44
32	Mid-Cap Growth	(166)	(166)	(27)	95	7	0.79	5	0.84	6.40	2.61
33	Foreign Large Value	(14)	(14)	415	1,112	6	0.78	5	0.76	9.86	(4.46)
34	Mid-Cap Value	126	126	(12)	64	6	0.74	5	0.75	6.74	3.85
35	Small Growth	(266)	(266)	(475)	(732)	6	0.73	6	0.89	5.50	2.89

# Fund Flows

## Monthly Market Summary: US ETF

Effective Date  
2010-07-31

### 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	07-2010	Mkt Sh %	07-2009	Mkt Sh %	1-Mo	YTD
36	Utilities	609	609	209	1,772	6	0.67	4	0.55	7.48	(0.52)
37	Japan Stock	(249)	(249)	(201)	(1,165)	5	0.60	6	0.96	5.26	(1.88)
38	Currency	(417)	(417)	(2,438)	1,022	5	0.60	4	0.58	0.16	(0.40)
39	Consumer Staples	521	521	795	820	5	0.55	3	0.51	7.77	3.60
40	Muni National Long	145	145	1,011	1,483	4	0.50	2	0.37	1.14	4.40
41	World Stock	(53)	(53)	497	1,202	3	0.39	2	0.28	7.62	(1.46)
42	Consumer Discretionary	44	44	634	347	3	0.37	2	0.37	7.31	4.77
43	Commodities Agriculture	(76)	(76)	(453)	(224)	3	0.33	3	0.45	—	—
44	Muni National Short	24	24	215	974	3	0.32	2	0.24	0.72	2.09
45	Emerging Markets Bond	323	323	769	1,693	3	0.31	1	0.09	4.54	8.48
46	World Bond	(56)	(56)	(582)	612	2	0.28	2	0.26	3.33	4.02
47	Intermediate Government	109	109	665	837	2	0.26	1	0.18	0.77	5.87
48	Global Real Estate	3	3	115	391	2	0.23	1	0.20	10.27	2.24
49	Foreign Small/Mid Value	29	29	321	675	2	0.20	1	0.13	8.64	1.88
50	Diversified Pacific/Asia	5	5	85	32	2	0.19	1	0.23	6.99	(0.24)
51	Foreign Large Growth	0	0	6	(5)	1	0.16	1	0.19	8.66	(1.50)
52	Ultrashort Bond	215	215	518	325	1	0.15	1	0.15	0.25	1.47
53	Communications	2	2	(66)	162	1	0.15	1	0.14	9.97	4.10
54	Foreign Small/Mid Growth	(39)	(39)	184	485	1	0.14	1	0.08	9.46	2.06
55	Multisector Bond	20	20	95	161	1	0.08	0	0.07	2.31	6.73
56	Commodities Industrial Metals	(45)	(45)	(309)	(3)	1	0.06	0	0.07	—	—
57	World Allocation	22	22	132	217	0	0.04	0	0.01	5.00	0.66
58	Muni California Long	5	5	32	91	0	0.04	0	0.03	1.24	5.03
59	Muni National Interm	8	8	128	177	0	0.04	0	0.01	1.24	3.89
60	Convertibles	29	29	64	208	0	0.04	0	0.01	4.89	3.06
61	Long-Short	1	1	53	82	0	0.03	0	0.02	1.63	(1.61)
62	High Yield Muni	15	15	54	80	0	0.02	0	0.01	1.28	6.35
63	Moderate Allocation	13	13	121	138	0	0.02	0	0.00	4.88	1.60
64	Muni New York Long	6	6	9	36	0	0.02	0	0.01	1.12	4.58
65	Conservative Allocation	3	3	13	25	0	0.01	0	0.01	3.45	3.44
66	Target Date 2016-2020	3	3	0	6	0	0.01	0	0.01	5.05	2.11
67	Commodities Miscellaneous	(6)	(6)	(17)	8	0	0.01	0	0.00	—	—
68	Target Date 2036-2040	2	2	3	7	0	0.01	0	0.01	6.73	0.46
69	Target Date 2026-2030	0	0	(1)	3	0	0.01	0	0.01	6.05	1.04
70	Target Date 2000-2010	0	0	(5)	(5)	0	0.00	0	0.00	3.93	2.82
71	Target Date 2021-2025	0	0	2	3	0	0.00	0	0.00	6.05	1.17
72	Target Date 2011-2015	0	0	2	3	0	0.00	0	0.00	4.83	2.23
73	Target Date 2031-2035	0	0	0	0	0	0.00	0	0.00	6.89	0.37

# Fund Flows

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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	07-2010	Mkt Sh %	07-2009	Mkt Sh %	1-Mo	YTD
<b>Top 10</b>	<b>2,873</b>	<b>2,873</b>	<b>13,862</b>	<b>40,738</b>	<b>501</b>	<b>60.36</b>	<b>399</b>	<b>61.86</b>	---	---
<b>All</b>	<b>6,786</b>	<b>6,786</b>	<b>40,811</b>	<b>101,322</b>	<b>829</b>	<b>100.00</b>	<b>645</b>	<b>100.00</b>	---	---

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

Rank Name	Estimated Net Flow (\$mil)				Assets Under Management (\$bil)			
	1-Mo	QTD	YTD	1-Yr	07-2010	Mkt Sh %	07-2009	Mkt Sh %
1 iShares	4,813	4,813	12,551	29,676	389	46.91	317	49.16
2 State Street Global Advisors	(1,047)	(1,047)	(643)	13,675	199	24.01	160	24.83
3 Vanguard	3,053	3,053	19,364	33,775	113	13.65	67	10.39
4 PowerShares	31	31	(1,527)	3,595	44	5.34	37	5.69
5 ProShares	380	380	3,514	2,670	25	3.02	26	4.06
6 Van Eck	(370)	(370)	1,559	3,403	14	1.71	8	1.31
7 WisdomTree	134	134	802	2,107	7	0.81	4	0.62
8 iPath	237	237	881	2,903	7	0.81	4	0.59
9 Direxion Funds	68	68	1,715	2,854	6	0.74	4	0.64
10 Rydex   SGI	(357)	(357)	59	175	6	0.68	5	0.78
11 United States Commodity Funds LLC	(269)	(269)	(1,307)	(170)	5	0.62	7	1.07
12 Claymore Securities	28	28	89	654	3	0.34	2	0.28
13 First Trust	(12)	(12)	768	1,482	3	0.33	1	0.17
14 JPMorgan	248	248	676	1,116	2	0.19	0	0.03
15 Schwab Funds	113	113	1,045	1,190	1	0.17	—	—
16 PIMCO	(279)	(279)	693	1,048	1	0.14	0	0.01
17 Swedish Export Credit Corporation	(59)	(59)	(33)	213	1	0.10	1	0.09
18 Deutsche Bank AG	(48)	(48)	(72)	(129)	1	0.09	1	0.13
19 VTL Associates, LLC	(8)	(8)	140	245	0	0.05	0	0.03
20 Global X Funds	90	90	223	227	0	0.04	0	0.00
21 UBS AG	6	6	75	116	0	0.03	0	0.01
22 GreenHaven	12	12	37	113	0	0.03	0	0.02
23 IndexIQ	5	5	67	116	0	0.02	0	0.01
24 XShares	0	0	(21)	(13)	0	0.02	0	0.02
25 ALPS ETF	6	6	42	112	0	0.02	0	0.00
26 Fidelity Investments	0	0	9	8	0	0.02	0	0.02
27 Emerging Global Advisors	2	2	57	81	0	0.01	0	0.00
28 Morgan Stanley	0	0	15	31	0	0.01	0	0.01
29 Old Mutual	(1)	(1)	3	3	0	0.01	—	—
30 Credit Suisse	2	2	28	28	0	0.01	0	0.00

# Fund Flows

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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	07-2010	Mkt Sh %	07-2009	Mkt Sh %
31	Goldman Sachs	0	0	0	0	0	0.01	0	0.01
32	HSBC	0	0	(2)	17	0	0.01	0	0.01
33	Barclays Bank PLC	(3)	(3)	5	(9)	0	0.00	0	0.00
34	AdvisorShares	1	1	2	8	0	0.00	—	—
35	Grail Advisors	0	0	(1)	(3)	0	0.00	0	0.00
36	Geary Advisors	4	4	7	7	0	0.00	—	—
37	FaithShares	1	1	(3)	(3)	0	0.00	—	—
38	Teucrium	3	3	3	3	0	0.00	—	—
39	JETS	0	0	(12)	(3)	0	0.00	0	0.00
40	U.S. One Trust	1	1	2	2	0	0.00	—	—
41	Pax World	0	0	0	0	0	0.00	—	—
42	Top10	6,943	6,943	38,276	94,833	810	97.69	632	98.08
43	Top50	6,786	6,786	40,811	101,322	829	100.00	645	100.00
44	Other	—	—	—	—	—	—	—	—
45	All	6,786	6,786	40,811	101,322	829	100.00	645	100.00
46		—	—	—	—	—	—	—	—
47		—	—	—	—	—	—	—	—
48		—	—	—	—	—	—	—	—
49		—	—	—	—	—	—	—	—
50		—	—	—	—	—	—	—	—
<b>Top 10</b>		<b>6,943</b>	<b>6,943</b>	<b>38,276</b>	<b>94,833</b>	<b>810</b>	<b>97.69</b>	<b>632</b>	<b>98.08</b>
<b>Top 50</b>		<b>6,786</b>	<b>6,786</b>	<b>40,811</b>	<b>101,322</b>	<b>829</b>	<b>100.00</b>	<b>645</b>	<b>100.00</b>
<b>Other</b>		—	—	—	—	—	—	—	—
<b>All</b>		<b>6,786</b>	<b>6,786</b>	<b>40,811</b>	<b>101,322</b>	<b>829</b>	<b>100.00</b>	<b>645</b>	<b>100.00</b>

### Asset Classes

Name	Estimated Net Flow (\$mil)				Assets Under Management (\$bil)			
	1-Mo	QTD	YTD	1-Yr	07-2010	Mkt Sh %	07-2009	Mkt Sh %
U.S. Stock	(91)	(91)	(2,017)	13,262	387	46.72	322	49.91
International Stock	4,630	4,630	12,070	26,839	201	24.28	155	23.98
Balanced	71	71	330	606	1	0.13	0	0.06
Taxable Bond	3,033	3,033	19,269	33,392	119	14.40	77	12.00
Municipal Bond	203	203	1,449	2,841	8	0.93	4	0.69
Alternative	759	759	4,596	12,363	34	4.09	28	4.34
Commodities	(1,820)	(1,820)	5,113	12,018	78	9.44	58	9.02
<b>All Long Term</b>	<b>6,786</b>	<b>6,786</b>	<b>40,811</b>	<b>101,322</b>	<b>829</b>	<b>100.00</b>	<b>645</b>	<b>100.00</b>

# Fund Flows

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### Morningstar Stewardship Grades

Stewardship Grade	Funds Graded	Estimated Net Flow (\$mil)				Total Net Assets (\$bil)			
		07-2010	07-2009	YTD 2010	YTD 2009	07-2010	Mkt Sh %	07-2009	Mkt Sh %

### Investment Company Institute Methods of Sale

Name	Estimated Net Flow (\$mil)				Total Net Assets (\$bil)			
	1-Mo	QTD	YTD	1-Yr	07-2010	Mkt Sh %	07-2009	Mkt Sh %
Unclassified	6,786	6,786	40,811	101,322	829	100.00	645	100.00
<b>Total</b>	<b>6,786</b>	<b>6,786</b>	<b>40,811</b>	<b>101,322</b>	<b>829</b>	<b>100.00</b>	<b>645</b>	<b>100.00</b>

### Morningstar Ratings

Name	Estimated Net Flow (\$mil)				Total Net Assets (\$bil)			
	1-Mo	QTD	YTD	1-Yr	07-2010	Mkt Sh %	07-2009	Mkt Sh %
★★★★★	387	387	2,586	3,747	9	1.03	4	0.61
★★★★	3,964	3,964	11,324	26,571	186	22.45	141	21.84
★★★	1,411	1,411	1,955	23,841	407	49.07	336	52.18
★★	(191)	(191)	915	1,913	46	5.52	38	5.86
★	(883)	(883)	360	(2,515)	23	2.78	22	3.40
Not Rated	2,099	2,099	23,671	47,765	159	19.15	104	16.11
<b>Total</b>	<b>6,786</b>	<b>6,786</b>	<b>40,811</b>	<b>101,322</b>	<b>829</b>	<b>100.00</b>	<b>645</b>	<b>100.00</b>