

Morningstar DirectSM Fund Flows Update

U.S. Open-End Funds

Yield On, Equity Off | by Kevin McDevitt, CFA, Editorial Director

Also inside:

Extended tables..... 4

Long-term mutual fund inflows were just \$745 million in October. But this net figure masked huge disparities in stock and bond flows. The combined \$21.1 billion in U.S.-stock and international-stock outflows roughly mirrored the total \$23.7 billion in taxable- and municipal-bond fund inflows. With \$21.7 billion in inflows, taxable-bond funds had their best month since September 2010. Money market funds shed \$19.1 billion. This is roughly in line with the trend over the last 18 months during which outflows have generally been modest compared with the exodus in 2009 and early 2010. Municipal-bond fund inflows remained in positive territory, but with a modest \$2 billion in new deposits.

Estimated Net Flows \$Mil	October 2011	YTD	2010
U.S. Stock	(18,235)	(53,547)	(74,993)
International Stock	(2,856)	12,657	42,407
Balanced	(3,975)	16,667	12,433
Taxable Bond	21,696	114,258	216,916
Municipal Bond	2,024	(18,759)	12,047
Alternative	741	11,254	22,920
Commodities	1,350	9,601	12,376
All Long Term	745	92,125	244,106
Money Market	(19,121)	(180,697)	(476,255)

Source: Morningstar Direct Fund Flows

Seasonality Reigns with U.S.-Stock Flows

The \$18.2 billion in U.S.-stock outflows were the largest for the asset class since July's \$22.7 billion in net redemptions. Investors seemed to be reacting more to the S&P 500 index's 7% September loss than to October's 10.9% gain, one of the best months in years. The selling extended across all major categories, but once again, the three large-cap categories fared the worst with about \$14.2 billion in combined outflows.

Even passively managed U.S.-stock funds, which have actually enjoyed inflows in recent years, had \$3.5 billion in outflows. This was just the third month in the past three years in which passively managed equity outflows surpassed \$1.5 billion.

Overall, U.S.-stock outflows hit \$53.5 billion for the year to date. The asset class could easily match 2010's \$63.6 billion in total outflows and even 2008's record \$77.4 billion is not out of the question.

U.S.-stock flows continue to show a certain degree of seasonality, too. During the past five calendar years, outflows have picked up in the second half of the year. Much of this can be explained by annual year-end tax selling and the reinvestment that is typically made at the start of each year. Plus, in years such as 2007 and 2008, that's when the bad stuff happened. However, that wasn't the case in 2010, which saw a surge of outflows after the flash crash in May.

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.

Data Notes: The figures in this report were compiled on Nov. 8, 2011, and reflect only the funds that had reported net assets by that date. The aggregated figures do not include Cohen & Steers.

U.S. Stock Flows \$Mil

Year	First Half	Second Half
2007	11,263	(30,352)
2008	(6,963)	(70,352)
2009	2,362	(22,359)
2010	(7,947)	(55,638)
2011	9,683	(62,993)
Total	8,398	(241,694)

Source: Morningstar Direct Fund Flows

Regardless, the difference in flows between the first and second halves of the year has been especially dramatic in 2011. With two months left to go in the year, second-half 2011 outflows will likely eclipse those seen in 2008's second half, which of course included the worst of the credit crisis. During the past four calendar years, combined November and December outflows have averaged \$13.2 billion. So it is almost inevitable that 2011's second-half outflows will achieve a new, unwanted record.

International-Stock Funds: Emerging Markets Once Again Stem the Tide

As has been the case in recent months, the \$2.9 billion in international-stock outflows would have been even worse if not for \$2.1 billion in diversified emerging-markets equity inflows. (Most of the other major foreign-stock categories had outflows, outside of about \$500 million that went into foreign large-value funds.) This shows the enduring power of the emerging-markets narrative. Granted, the average diversified emerging-markets fund rebounded nearly 12% in October after a rough September. But a similar story could be told for any major equity category, including domestically.

Moreover, emerging-market equities are underperforming U.S. stocks by a wide margin in 2011, but that hasn't had any impact on monthly inflows. For the year to date through October, the diversified emerging-markets category has fallen 14.1%, while returns for the universally hated domestic large-growth category have been basically flat. Yet, emerging-markets equity funds have collected \$18.7 billion so far in 2011 while large-growth funds have shed \$30.4 billion.

Taxable-Bond Funds: Intermediate and High

Investors went bananas for intermediate-term and high-yield funds in October, as the duo collected a combined \$18.6 billion. No other bond category came close. The \$9.8 billion in intermediate-term bond fund inflows are not unprecedented, as this is the largest taxable-bond category by a factor of four with \$882 billion in total assets. Even so, October's haul was the category's largest since \$12.4 billion in August 2010. But such monthly inflows were a routine occurrence when investors fled money market funds en masse in 2009.

On the other hand, October 2011 will go down as a record month for high-yield bond funds, and there isn't a close second. The group collected an astounding \$8.8 billion in new money. To put this in perspective, the previous monthly record was \$5.8 billion in March 2003.

It's hard to know the exact reasons for this high-yield surge, but it's safe to say that investor behavior is becoming increasingly schizophrenic when it comes to this category. Within just the past five months, high-yield bond funds have also seen two of the category's worst outflows in the past 10 years, with a record \$6.3 billion leaving these funds this past June.

The other taxable categories generally had steady inflows. Although the pace of inflows has slowed over the past two months, world-bond funds still claimed \$1.3 billion. That's somewhat surprising given the considerable headline risk coming out of Europe. Emerging-markets bonds took in a more modest \$850 million.

The only two major categories with outflows were the new nontraditional bond category and short-term bond funds, which lost \$1.8 billion and \$1.3 billion, respectively. Flows into nontraditional bond funds have seen a significant reversal in recent months. After seeing \$13.7 billion in inflows through the first seven months of 2011, the category has now suffered nearly \$4 billion in outflows during the past three months.

That may owe in part to the category's disappointing 2011 performance. These funds, which typically have broad mandates and invest across different bond markets, have lost 1.2% on average for the year to date through October. One of the more popular funds in the category, PIMCO Unconstrained Bond, saw about \$670 million exit in October.

This fledgling disillusionment with broad mandates has popped up in world-allocation flows too. That category has been one of the more popular categories so far in 2011 with \$15.7 billion in inflows. But inflows have been declining since February, and October's \$114 million in inflows was the group's worst showing since modest outflows in July 2010.

Although inflows were still slightly positive for the category in October, four of the category's most prominent funds, including American Funds Capital Income Builder, Ivy Asset Strategy, IVA Worldwide, and BlackRock Global Allocation, had combined outflows of nearly \$800 million. Here again, performance may be part of the problem. The typical world-allocation fund has dropped 2.1% for the year to date through October.

Top-10 Open-End Fund Families ranked by 10-30-2011 AUM
Excludes money markets and funds of funds

Fund Family	Total Net Assets \$Bil	Market Share %	Oct 2011 Estimated Net Flow \$Mil	One-Year Organic Growth Rate
Vanguard	1,301	16.20	(31)	2.53
American Funds	878	10.93	(5,865)	(8.05)
Fidelity Investments	803	10.00	(2,053)	(3.06)
PIMCO	459	5.71	(310)	6.72
Franklin Templeton	343	4.27	52	3.94
T. Rowe Price	272	3.39	1,169	3.38
Columbia	159	1.98	(826)	(5.01)
OppenheimerFunds	140	1.74	(117)	0.28
BlackRock	139	1.73	792	9.75
JPMorgan	138	1.72	1,162	15.52

Source: Morningstar Direct Fund Flows

Given tepid long-term inflows, most fund families didn't have much to crow about in October. None of the five largest families had much to celebrate in October, as even PIMCO and Vanguard had off months. That said, Vanguard's taxable-bond funds fared well with Vanguard Total Bond Market II claiming nearly \$5 billion in new money. On the other hand, while PIMCO High Yield took in nearly \$1 billion, flagship PIMCO Total Return shed about \$1.1 billion. Even Templeton's Global Bond and Global Total Return saw reduced inflows with about \$400 million in combined deposits. By contrast, Global Bond alone recorded \$1.8 billion in inflows this past August.

All was not disappointment, though, as T. Rowe Price, BlackRock, and JPMorgan all had relatively strong showings in October. BlackRock and JPMorgan both continue to enjoy robust organic growth. BlackRock Equity Dividend also continues to buck the negative sentiment for U.S.-stock funds with more than \$600 million in inflows. JPMorgan Core Bond and High Yield took in a combined \$1.1 billion.

Fund Flows

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

Effective Date
2011-10-31

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	10-2011	Mkt Sh %	10-2010	Mkt Sh %	1-Mo	YTD
1	Large Blend	(6,704)	(6,704)	(5,938)	(13,966)	1,020	12.70	971	12.56	11.31	(1.22)
2	Intermediate-Term Bond	9,786	9,786	18,744	10,728	882	10.98	850	11.00	0.77	5.25
3	Large Growth	(5,171)	(5,171)	(30,445)	(37,378)	780	9.71	763	9.86	11.78	(0.32)
4	Large Value	(2,357)	(2,357)	(7,710)	(10,582)	552	6.87	533	6.89	11.15	(1.58)
5	Foreign Large Blend	(3,843)	(3,843)	(1,652)	6,265	413	5.14	433	5.60	10.02	(9.40)
6	Moderate Allocation	(1,066)	(1,066)	(8,405)	(11,214)	368	4.58	368	4.76	7.13	0.25
7	World Stock	(1,378)	(1,378)	(11,291)	(12,124)	255	3.18	276	3.57	10.16	(5.12)
8	World Allocation	114	114	15,723	20,505	230	2.86	208	2.69	6.40	(2.12)
9	Mid-Cap Growth	(1,519)	(1,519)	(9,735)	(7,795)	202	2.51	193	2.50	13.16	(1.67)
10	High Yield Bond	8,762	8,762	12,429	13,140	197	2.45	177	2.29	5.53	2.72
11	Short-Term Bond	(1,305)	(1,305)	10,399	9,751	195	2.42	187	2.42	0.51	1.63
12	Diversified Emerging Mkts	2,144	2,144	18,685	25,795	194	2.41	188	2.43	11.93	(14.08)
13	Mid-Cap Blend	(914)	(914)	107	806	166	2.07	155	2.00	13.46	(3.23)
14	World Bond	1,277	1,277	24,301	28,739	148	1.84	118	1.53	1.79	4.53
15	Foreign Large Value	469	469	3,724	3,202	146	1.81	152	1.97	9.45	(8.24)
16	Small Blend	(792)	(792)	(1,296)	125	142	1.76	132	1.70	15.28	(4.15)
17	Intermediate Government	1,528	1,528	(4,029)	(7,962)	128	1.59	129	1.67	(0.26)	5.66
18	Conservative Allocation	(2,843)	(2,843)	8,428	10,761	127	1.58	110	1.42	4.54	1.91
19	Multisector Bond	0	0	8,510	7,889	124	1.54	113	1.46	3.01	3.33
20	Small Growth	(562)	(562)	(1,719)	(1,196)	107	1.33	98	1.26	14.71	(2.55)
21	Mid-Cap Value	(310)	(310)	(613)	(286)	105	1.31	101	1.31	12.75	(3.86)
22	Muni National Interm	732	732	(1,318)	(5,562)	105	1.31	109	1.41	(0.34)	6.35
23	Foreign Large Growth	(264)	(264)	4,815	7,288	101	1.26	101	1.30	11.10	(7.74)
24	Inflation-Protected Bond	1,658	1,658	7,137	8,196	100	1.25	86	1.11	1.86	10.47
25	Muni Short	947	947	571	(1,621)	91	1.13	92	1.18	(0.27)	2.57
26	Muni National Long	55	55	(5,651)	(9,533)	86	1.07	88	1.14	(0.27)	8.02
27	Small Value	(72)	(72)	(886)	(34)	69	0.86	64	0.83	14.76	(5.38)
28	Bank Loan	185	185	13,473	19,248	59	0.73	38	0.49	3.02	1.43
29	High Yield Muni	234	234	(1,813)	(5,783)	52	0.65	58	0.75	(0.25)	8.07
30	Commodities Broad Basket	1,350	1,350	9,599	12,740	51	0.64	38	0.49	7.62	(4.05)
31	Real Estate	108	108	2,347	2,736	51	0.63	49	0.63	14.00	6.29
32	Nontraditional Bond	(1,756)	(1,756)	9,808	13,443	50	0.63	38	0.49	0.98	(1.23)
33	Emerging Markets Bond	854	854	11,123	13,050	46	0.57	33	0.42	5.36	3.58
34	Short Government	334	334	(711)	(1,494)	43	0.54	44	0.57	0.04	1.89
35	Health	(73)	(73)	(89)	(789)	39	0.49	36	0.47	6.37	5.24

Fund Flows

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

Effective Date
2011-10-31

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	10-2011	Mkt Sh %	10-2010	Mkt Sh %	1-Mo	YTD
36	Ultrashort Bond	79	79	1,997	1,159	36	0.45	35	0.45	0.25	0.27
37	Muni California Long	(44)	(44)	(2,780)	(4,391)	35	0.44	39	0.50	(0.35)	8.88
38	Natural Res	(236)	(236)	2,406	3,963	33	0.41	29	0.37	16.89	(9.79)
39	Equity Precious Metals	(257)	(257)	(1,498)	(543)	32	0.40	33	0.43	8.02	(9.01)
40	Foreign Small/Mid Value	46	46	1,397	1,985	27	0.34	26	0.34	7.45	(10.42)
41	Long-Term Bond	253	253	955	826	27	0.34	24	0.32	1.48	10.48
42	Muni New York Long	(40)	(40)	(2,197)	(3,418)	27	0.34	30	0.39	(0.41)	7.48
43	Foreign Small/Mid Growth	(189)	(189)	(243)	264	26	0.32	27	0.34	8.65	(9.69)
44	Technology	43	43	(1,884)	(1,644)	26	0.32	26	0.34	12.36	(2.26)
45	Equity Energy	(110)	(110)	1,075	1,586	25	0.31	21	0.28	16.52	(5.43)
46	Muni Single State Long	62	62	(1,607)	(2,645)	25	0.31	27	0.35	(0.32)	7.77
47	Pacific/Asia ex-Japan Stk	(162)	(162)	(2,653)	(2,494)	20	0.25	24	0.31	10.32	(13.42)
48	Global Real Estate	764	764	2,357	2,730	19	0.24	19	0.25	11.70	(5.31)
49	Long/Short Equity	506	506	1,080	1,327	19	0.23	17	0.22	5.09	(3.13)
50	Market Neutral	(62)	(62)	1,760	1,855	18	0.22	16	0.21	0.99	0.52
51	Utilities	322	322	1,634	1,709	17	0.21	14	0.18	6.15	8.25
52	Aggressive Allocation	(118)	(118)	(714)	(863)	15	0.19	16	0.20	9.06	(2.31)
53	Convertibles	(143)	(143)	344	806	14	0.17	12	0.16	6.80	(3.83)
54	Europe Stock	4	4	(865)	(1,860)	13	0.16	16	0.21	11.42	(9.77)
55	Multialternative	665	665	3,346	4,078	13	0.16	9	0.11	2.30	(1.82)
56	Muni Single State Intern	21	21	(811)	(1,312)	13	0.16	14	0.18	(0.40)	6.39
57	Muni California Intermediate	36	36	(33)	(415)	10	0.12	10	0.13	(0.28)	6.00
58	Muni Pennsylvania	(15)	(15)	(737)	(1,123)	10	0.12	11	0.14	(0.42)	7.37
59	Currency	(183)	(183)	3,521	3,915	9	0.11	6	0.07	1.86	(1.47)
60	Long Government	40	40	123	(515)	8	0.10	7	0.09	(3.75)	25.51
61	Muni New York Intermediate	41	41	(440)	(553)	8	0.10	8	0.11	(0.37)	6.03
62	Muni New Jersey	(4)	(4)	(624)	(1,009)	7	0.09	8	0.10	(0.24)	7.88
63	Diversified Pacific/Asia	(112)	(112)	539	357	7	0.09	7	0.09	8.90	(13.17)
64	China Region	(162)	(162)	(1,451)	(1,481)	7	0.09	10	0.13	12.22	(19.38)
65	Latin America Stock	(104)	(104)	(1,773)	(1,818)	7	0.08	10	0.13	17.70	(16.36)
66	Muni Massachusetts	(1)	(1)	(466)	(831)	7	0.08	8	0.10	(0.51)	7.83
67	Managed Futures	515	515	3,195	3,675	7	0.08	3	0.04	(3.62)	(7.60)
68	Muni Ohio	(2)	(2)	(597)	(804)	5	0.06	6	0.07	(0.42)	6.87
69	Financial	10	10	(607)	(571)	4	0.06	5	0.07	12.47	(13.34)
70	Bear Market	(442)	(442)	(149)	(482)	4	0.05	6	0.08	(13.50)	(10.17)

Fund Flows

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

Effective Date
2011-10-31

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	10-2011	Mkt Sh %	10-2010	Mkt Sh %	1-Mo	YTD
71	Muni Minnesota	2	2	(256)	(392)	4	0.05	4	0.06	(0.41)	7.74
72	Communications	3	3	(225)	(293)	3	0.04	4	0.05	6.52	(5.37)
73	Japan Stock	(71)	(71)	1,066	739	3	0.04	2	0.03	(0.63)	(11.25)
74	Target Date 2016-2020	13	13	211	289	2	0.03	2	0.03	6.73	0.51
75	Industrials	21	21	(241)	(189)	2	0.03	2	0.03	15.44	(7.35)
76	Target Date 2026-2030	12	12	232	304	2	0.03	2	0.02	8.50	(1.11)
77	Target Date 2021-2025	3	3	78	107	2	0.02	2	0.02	7.99	(0.93)
78	Consumer Defensive	45	45	257	198	2	0.02	2	0.02	6.96	3.16
79	Consumer Cyclical	67	67	(58)	99	1	0.02	1	0.02	12.13	2.55
80	Target Date 2036-2040	13	13	170	214	1	0.02	1	0.01	9.64	(2.11)
81	Miscellaneous Sector	(34)	(34)	74	227	1	0.01	1	0.01	15.86	(7.64)
82	Retirement Income	10	10	149	154	1	0.01	1	0.01	4.41	2.05
83	Target Date 2000-2010	(5)	(5)	33	49	1	0.01	1	0.01	5.01	1.44
84	Target Date 2011-2015	4	4	79	88	1	0.01	1	0.01	5.96	0.48
85	Target Date 2031-2035	13	13	140	163	1	0.01	1	0.01	9.57	(2.14)
86	Target Date 2050+	10	10	111	144	1	0.01	1	0.01	10.17	(2.61)
87	Target Date 2041-2045	7	7	88	107	0	0.01	0	0.00	10.42	(2.60)
88	Commodities Precious Metals	0	0	2	2	0	0.00	—	—	(0.59)	—
Top 10		(3,375)	(3,375)	(28,279)	(42,421)	4,898	60.98	4,772	61.71	---	---
All		745	745	92,132	90,559	8,032	100.00	7,733	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	10-2011	Mkt Sh %	10-2010	Mkt Sh %
1	Vanguard	(31)	(31)	33,096	30,582	1,301	16.20	1,211	15.66
2	American Funds	(5,865)	(5,865)	(64,848)	(75,678)	878	10.93	940	12.15
3	Fidelity Investments	(2,053)	(2,053)	(22,830)	(24,374)	803	10.00	796	10.29
4	PIMCO	(310)	(310)	31,612	28,857	459	5.71	429	5.55
5	Franklin Templeton Investment Fds	52	52	10,920	12,791	343	4.27	325	4.20
6	T. Rowe Price	1,169	1,169	7,688	8,515	272	3.39	252	3.25
7	Columbia	(826)	(826)	(6,038)	(7,277)	159	1.98	145	1.88
8	Oppenheimer Funds	(117)	(117)	(887)	392	140	1.74	140	1.81
9	BlackRock	792	792	9,658	11,453	139	1.73	117	1.52
10	JPMorgan	1,162	1,162	16,004	18,157	138	1.72	117	1.51

Fund Flows

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

Effective Date
2011-10-31

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

Rank	Name	Estimated Net Flow (\$mil)				Assets Under Management (\$bil)			
		1-Mo	QTD	YTD	1-Yr	10-2011	Mkt Sh %	10-2010	Mkt Sh %
11	Dimensional Fund Advisors	1,038	1,038	14,208	15,707	132	1.65	118	1.53
12	John Hancock	23	23	457	1,131	125	1.55	122	1.57
13	Dodge & Cox	(819)	(819)	(3,943)	(5,282)	116	1.44	122	1.58
14	Invesco	(490)	(490)	(3,920)	(5,517)	104	1.29	88	1.13
15	Janus	(692)	(692)	(5,438)	(6,653)	93	1.16	101	1.31
16	Hartford Mutual Funds	(1,122)	(1,122)	(8,576)	(9,168)	85	1.06	92	1.19
17	MFS	353	353	1,947	2,010	84	1.05	78	1.00
18	Wells Fargo Advantage	1,012	1,012	3,327	2,831	80	0.99	71	0.92
19	American Century Investments	103	103	2,711	2,559	78	0.98	72	0.93
20	Lord Abbett	295	295	4,435	4,943	69	0.86	62	0.80
21	Eaton Vance	(1,018)	(1,018)	(1,767)	(1,217)	63	0.79	64	0.83
22	Principal Funds	147	147	2,198	3,569	62	0.77	54	0.70
23	ING Retirement Funds	(417)	(417)	(4,762)	(5,406)	61	0.77	63	0.81
24	Legg Mason/Western	156	156	(3,456)	(5,453)	58	0.72	61	0.79
25	Harbor	5	5	1,716	1,428	57	0.71	56	0.72
26	Goldman Sachs	(148)	(148)	(1,561)	(2,248)	56	0.70	58	0.75
27	GMO	(67)	(67)	(1,666)	(2,350)	55	0.69	57	0.73
28	Putnam	(299)	(299)	(2,954)	(3,371)	50	0.62	53	0.68
29	AllianceBernstein	(114)	(114)	(3,313)	(4,224)	50	0.62	54	0.70
30	Thornburg	(155)	(155)	5,644	7,251	50	0.62	44	0.56
31	Federated	491	491	(259)	(675)	50	0.62	49	0.64
32	First Eagle	454	454	5,996	7,294	48	0.60	39	0.50
33	Dreyfus	162	162	963	1,319	47	0.58	44	0.58
34	DWS Investments	(72)	(72)	(1,014)	(1,398)	46	0.58	47	0.61
35	Ivy Funds	117	117	4,483	5,393	46	0.58	40	0.52
36	Nuveen	(325)	(325)	635	(1,097)	44	0.54	44	0.57
37	Prudential Investments	242	242	3,877	4,585	42	0.53	36	0.47
38	USAA	30	30	1,758	2,017	40	0.50	37	0.48
39	MainStay	846	846	7,720	7,873	39	0.49	30	0.39
40	Oakmark	(27)	(27)	2,741	3,108	38	0.48	35	0.45
41	Northern Funds	194	194	1,908	2,430	37	0.46	34	0.44
42	Natixis Funds	82	82	1,936	1,555	37	0.46	34	0.44
43	TIAA-CREF Mutual Funds	293	293	3,424	4,336	34	0.42	29	0.37
44	Pioneer Investments	314	314	(567)	(602)	33	0.42	33	0.43
45	Russell	(15)	(15)	844	910	33	0.42	32	0.42

Fund Flows

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

Effective Date
2011-10-31

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

Rank	Name	Estimated Net Flow (\$mil)				Assets Under Management (\$bil)			
		1-Mo	QTD	YTD	1-Yr	10-2011	Mkt Sh %	10-2010	Mkt Sh %
46	Schwab Funds	16	16	53	(345)	33	0.41	31	0.41
47	Royce	(502)	(502)	(627)	(330)	32	0.40	31	0.39
48	Artisan	74	74	778	929	32	0.39	30	0.38
49	Delaware Investments	207	207	1,695	1,501	30	0.38	28	0.37
50	Davis Funds	(673)	(673)	(6,246)	(6,990)	28	0.35	34	0.44
Top 10		(6,026)	(6,026)	14,374	3,419	4,631	57.65	4,472	57.83
Top 50		(6,325)	(6,325)	39,760	25,771	6,929	86.27	6,679	86.37
Other		7,070	7,070	46,896	59,057	1,102	13.73	1,019	13.18
All		745	745	86,655	84,828	8,032	100.00	7,699	99.56

Asset Classes

Name	Estimated Net Flow (\$mil)				Assets Under Management (\$bil)			
	1-Mo	QTD	YTD	1-Yr	10-2011	Mkt Sh %	10-2010	Mkt Sh %
U.S. Stock	(18,235)	(18,235)	(53,547)	(63,276)	3,348	41.69	3,199	41.37
International Stock	(2,856)	(2,856)	12,657	28,847	1,238	15.41	1,291	16.69
Balanced	(3,975)	(3,975)	16,667	21,615	766	9.54	725	9.37
Taxable Bond	21,696	21,696	114,258	116,199	2,043	25.43	1,878	24.29
Municipal Bond	2,024	2,024	(18,759)	(39,391)	484	6.02	512	6.62
Alternative	741	741	11,254	13,824	102	1.27	91	1.17
Commodities	1,350	1,350	9,601	12,742	51	0.64	38	0.49
All Long Term	745	745	92,125	90,550	8,032	100.00	7,733	100.00

Morningstar Stewardship Grades

Stewardship Grade	Funds Graded	Estimated Net Flow (\$mil)				Total Net Assets (\$bil)			
		10-2011	10-2010	YTD 2011	YTD 2010	10-2011	Mkt Sh %	10-2010	Mkt Sh %
A	82	(7,341)	(7,341)	(68,023)	(77,945)	1,300	16.18	1,354	17.52
B	313	(5,588)	(5,588)	38,893	34,219	2,082	25.92	1,973	25.52
C	424	(9,516)	(9,516)	(39,033)	(51,236)	1,457	18.14	1,461	18.89
D	97	(163)	(163)	(1,374)	(1,848)	169	2.11	168	2.17
F	2	(11)	(11)	(117)	(123)	1	0.01	1	0.01
Not Rated	5099	23,364	23,364	161,778	187,483	3,023	37.64	2,775	35.89

Fund Flows

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

Effective Date
2011-10-31

Investment Company Institute Methods of Sale

Name	Estimated Net Flow (\$mil)				Total Net Assets (\$bil)			
	1-Mo	QTD	YTD	1-Yr	10-2011	Mkt Sh %	10-2010	Mkt Sh %
Non-Proprietary	(7,699)	(7,699)	(73,498)	(89,131)	2,558	31.85	2,586	33.45
Institutional	13,114	13,114	212,131	249,831	2,474	30.80	2,182	28.22
Direct Market	(11,013)	(11,013)	(59,003)	(79,595)	2,267	28.23	2,263	29.27
Proprietary Non-Bank	(1,468)	(1,468)	(13,838)	(17,822)	313	3.90	309	3.99
Variable Annuity	(1,100)	(1,100)	(12,575)	(14,069)	199	2.48	204	2.64
Proprietary Bank	460	460	10,899	10,703	144	1.79	144	1.86
Unclassified	8,451	8,451	28,008	30,634	77	0.96	45	0.58
Total	745	745	92,125	90,550	8,032	100.00	7,733	100.00

Morningstar Ratings

Name	Estimated Net Flow (\$mil)				Total Net Assets (\$bil)			
	1-Mo	QTD	YTD	1-Yr	10-2011	Mkt Sh %	10-2010	Mkt Sh %
★★★★★	9,125	9,125	125,365	145,660	1,390	17.31	1,219	15.77
★★★★	(5,840)	(5,840)	73,425	106,587	3,138	39.07	2,941	38.03
★★★	(13,782)	(13,782)	(112,036)	(160,417)	2,333	29.04	2,420	31.29
★★	(6,746)	(6,746)	(81,454)	(99,455)	727	9.06	808	10.45
★	(1,944)	(1,944)	(24,480)	(30,344)	161	2.01	189	2.45
Not Rated	19,932	19,932	111,305	128,518	282	3.51	155	2.01
Total	745	745	92,125	90,550	8,032	100.00	7,733	100.00