

October 2010

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

U.S. Open-End Funds

**Risk Aversion Wanes, But Not When It Comes to U.S. Equities** | Kevin McDevitt, CFA, Editorial Director

Long-term funds had inflows of \$14.3 billion in September. This is the fourth consecutive month of positive long-term inflows.

Estimated Net Flows \$Mil	September 2010	YTD 2010	2009
U.S. Stock	(16,254)	(58,026)	(25,748)
International Stock	1,504	21,849	25,532
Balanced	187	5,156	(3,290)
Taxable Bond	23,509	189,658	284,465
Municipal Bond	2,503	31,167	72,123
Alternative	2,175	17,284	14,103
Commodities	654	7,345	10,224
<b>All Long Term</b>	<b>14,278</b>	<b>214,433</b>	<b>377,409</b>
Money Market	(29,061)	(495,121)	(378,362)

Source: Morningstar Direct Fund Flows

## Big Rally in Stocks Doesn't Slow Redemptions

U.S. equity outflows, however, continued to pick up steam, despite the best September for stocks in 71 years. The S&P 500 index gained nearly 9% for the month. September continued the outflow trend since April and the broader multiyear drift away from domestic equities. Investors pulled \$16.3 billion from this group after withdrawing \$14.3 billion in August. Investors have now redeemed \$65.1 billion from domestic-equity funds over the past five months, which includes early May's flash crash.

The divergence in flows between international-stock and domestic-equity funds is also growing. Thanks to investors' \$1.5 billion contribution to international-stock funds in September, that asset class had slight inflows (nearly \$600 million) for the third quarter overall. By contrast, U.S. stock funds had nearly \$43 billion in outflows for the quarter. The chasm grows from there. Over the last 12 months, investors have pulled nearly \$81 billion from U.S. stock funds, but contributed \$34 billion to international-stock funds—a difference of \$115 billion.

Taxable bond funds continued their unrelenting surge in September, likely at the expense of money market funds. After having enjoyed slight inflows the past two months, redemptions resumed for money market funds, to the tune of \$29.1 billion. An estimated \$873 billion has left money market funds since January 2009, when many yields fell into the single digits. Meanwhile, taxable-bond funds took in \$23.5 billion with another \$2.5 billion bolstering municipal bond funds.

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 October 11, 2010, and reflect only the funds that had reported net assets by that date. The aggregated figures do not include AQR, Calamos, or Cohen & Steers funds. Flows and AUM do not reflect funds that incepted in September 2010. We estimate the flows into such funds at \$1.1 billion.

There has been some movement, though, within the taxable-bond ranks. Investors seem to be letting go of their risk aversion somewhat. While intermediate-term bond funds dominated inflows again with \$7.5 billion in September, short-term bonds are being supplanted by all manner of credit risk. Investors shoveled almost \$3.5 billion into high-yield bond funds, which helps explain why below investment-grade companies have been having a relatively easy time rolling over their debt. (Even bond debentures are making a comeback after having been left for dead in 2008.)

Investor interest in overseas fixed-income shows no sign of flagging. With the possibility of additional quantitative easing by the Fed contributing to a 4.1% decline in the dollar in September, investors funneled \$3 billion into world-bond funds and \$1.1 billion into emerging-markets bond funds. Both categories are increasing their market share by leaps and bounds at the expense of categories such as intermediate government. The world-bond category's market share has grown by 23% over the past year, while intermediate government has fallen by nearly 17%.

### **The Market Top's Three-Year Anniversary**

It has been three years since the market peaked on October 9, 2007. Through September of this year, the S&P 500 index lost 7.2% annualized over the past three years. So, where did investors shift their money during that period? The trends are not that different from what we've seen in recent months, but there are a few surprises.

Large-growth funds, for instance, which have been a favorite investor-punching bag this year, actually saw net inflows of \$10.7 billion from October 2007 through August 2008. Investors have redeemed more than \$80 billion since then, though. The opposite scenario has played out for bank loan and ultrashort bond funds. The latter category suffered \$8.4 billion in outflows through August 2008 but has since seen \$17.5 billion in inflows. Similarly, bank-loan funds had redemptions of \$9.2 billion through August 2008 and \$12.1 billion through December 2008 after losing nearly 30% in 2008. However, investors have shown forgiveness, returning \$9.4 billion since August 2008 and \$12.3 billion since December 2008.

Despite their shaky performance, investors have shown abiding faith in alternative funds. Despite losing 12.4% annualized over the past three years, bear-market funds still accumulated nearly \$3.5 billion in new money. Long-short funds enjoyed even greater popularity with \$21.8 billion in inflows; that's despite the average fund dropping an annualized 3.6%. Meanwhile, the conventional moderate allocation offering fared better, losing 2.3% on average. But that didn't stop investors from kicking it to the curb: The category saw a whopping \$56 billion in outflows. (More on this topic follows.) Such comparisons make it easy to wonder whether the interest in alternative strategies is completely justified.

### **Allocation Funds: No Room for Moderates**

Since the market rebounded in early 2009, investors' have simultaneously embraced some of the most- and least-volatile categories, while forsaking the middle. For instance, diversified emerging-markets equity funds have taken in a robust \$18.2 billion so far in 2010. Conversely, more mild world stock offerings have seen \$9.6 billion in outflows.

This apparent paradox is playing out among allocation (that is, balanced) funds as well. On one pole, world allocation funds have enjoyed inflows of \$8.5 billion year to date. On the other end of the spectrum, conservative allocation offerings have absorbed \$5.7 billion in 2010. But the center has not held as moderate allocation funds have bled \$11 billion in outflows.

What gives? The dichotomy can't be explained by performance necessarily. Moderate allocation funds have done slightly better than world allocation funds for the year-to-date through September (5.2% versus 5.1%, respectively).

The common theme here seems to be a continued desire to diversify outside of the United States. This partly explains the ongoing interest in emerging-market funds, although that is likely due to performance chasing as well. Investors also seem willing to give portfolio managers a freer hand in moving across asset classes. World allocation funds have one of the broadest palettes from which to work. Moderate allocation funds, on the other hand, tend to stick closer to a traditional 60/40, U.S.-focused asset mix.

The desire for greater diversification and less home-market bias is certainly understandable. However, there are some striking contrasts between the two categories. For example, Ivy Asset Strategy, which has been implicated in May's flash crash--an event that seemed to renew investors' disdain for U.S. equities--has taken in \$2.3 billion in 2010. At the other end of the spectrum, American Funds Income Fund of America has had \$3.3 billion in outflows year to date, despite having earned better returns than Ivy Asset Strategy in 2010 (8.6% versus 4.2%).

## Commodities: Taking Physical Delivery

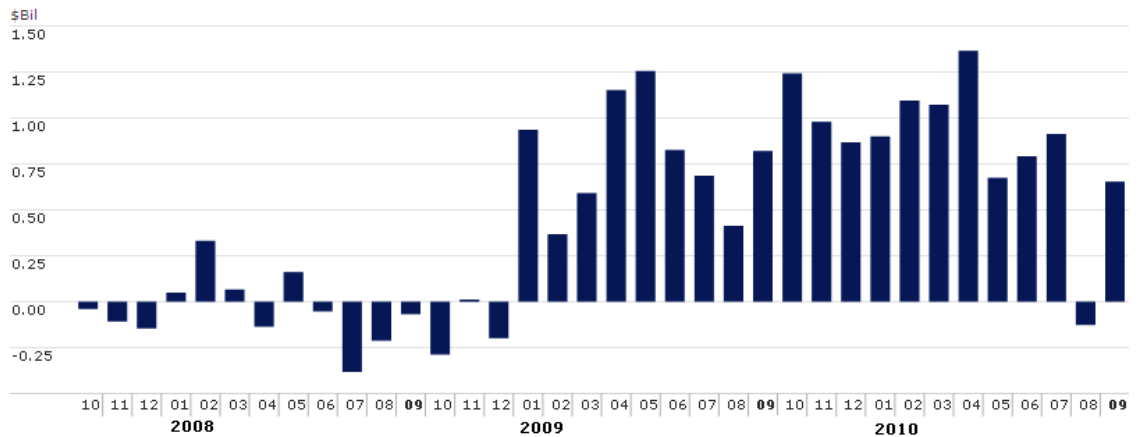
With interest rates close to zero and the threat of competitive currency devaluations in the air, investors have been turning to commodity-related funds for protection. This interest is partly reflected in the rocketing price of gold in recent months, as well as other commodities. Through the end of September, gold had risen 19.5% for the year to date, and silver was up nearly 30%.

The main question that investors face after they have decided to dive into commodities is whether to invest directly or get indirect exposure through the shares of mining companies. The typical wisdom has been that investing directly in the commodities is the best option if one is looking for a direct inflation hedge or protection from a weakening currency.

This may explain why investors have shown a stronger preference for funds from the commodities broad basket category versus those from equity precious metals. So far in 2010, commodities funds have taken in nearly \$7.5 billion, raising overall assets to \$34 billion. Interestingly, flows turned dramatically positive for this category beginning in January 2009.

### Commodities Broad Basket

Monthly Estimated Net Flow  
October 2007 - September 2010



Source: Morningstar Direct Fund Flows

This is very similar to the pattern highlighted last month regarding the shift from money market funds to bond funds following the Fed's final rate cut in December 2008. Once rates hit zero, more investors became fearful about potential long-run inflation. Plus, there was no longer a direct opportunity cost in holding noncash-generating commodities.

Perhaps looking for a pure play on commodities and hoping to avoid equity market risk, fund investors have overwhelmingly favored broad-basket commodity funds since December 2008. That group has taken in \$17.5 billion during that time. By comparison, equity precious-metals funds have attracted a relatively paltry \$4 billion.

Unfortunately, most investors picked the slower horse. Since 2008, equity precious-metals funds have gained an annualized 47.5% versus 15.9% for commodity funds. In fact, equity precious-metals have been the best-performing category over the last decade by a mile, earning an annualized 24.3% through September. Investor reluctance to embrace this category is understandable, though, given that precious-metals stocks can be even more volatile than the underlying commodities themselves.

That said, sentiment may be shifting within the commodity world. Precious-metals equity flows pulled slightly ahead of commodities broad-basket funds in September, with \$692 million in inflows versus \$654 million.

**Top 10 Fund Families** ranked by 9-30-2010 AUM

Excludes money markets and funds of funds.

<b>Fund Family</b> 2010 YTD	Total Net Assets (\$Bil)	Market Share %	Estimated Net Flow (\$Mil)
Vanguard	1,177	15.62	51,925
American Funds	915	12.14	(34,420)
Fidelity Investments	774	10.26	(5,359)
PIMCO	418	5.54	60,164
Franklin Templeton	317	4.21	16,778
T. Rowe Price	243	3.23	10,251
Columbia	159	2.11	(7,457)
OppenheimerFunds	135	1.80	1,705
BlackRock	119	1.58	7,670
John Hancock	119	1.58	2,292

Source: Morningstar Direct Fund Flows

**Open-End Fund Family Highlights**

PIMCO and Vanguard continue to dominate inflows, thanks to their broad fixed-income lineups. They took in \$6.4 billion and \$3.1 billion, respectively, in September. Franklin Templeton took the bronze with \$2.6 billion in inflows, with Templeton Global Bond accounting for \$1.6 billion of that total. Franklin Gold and Precious Metals absorbed an additional \$224 million.

Perhaps the biggest surprise came from the Matthews Asia funds, which attracted nearly \$800 million in September. This Pacific-Asia specialist has just \$15 billion under management, but it dominates the Pacific/Asia ex-Japan Stock category (46.7% market share) and the Diversified Pacific/Asia category to a lesser extent. Satisfying a thirst for non-U.S. equity exposure, the family has taken in \$2.9 billion so far in 2010. Matthews Asia Dividend Fund leads the family with \$1 billion in year-to-date deposits. Although the fund is less than five years old, it has smoked diversified Pacific/Asia rivals since 2006.

The resilience of embattled Ivy Asset Strategy is also noteworthy. It accepted \$210 million in September and \$103 million in August, even though the fund has been in the news for its role in May's flash crash. To be sure, the fund has seen outflows during the past five months, but they are a relatively modest \$146 million relative to its \$23 billion asset base.

After taking a breather in August, inflows into ETFs really picked up steam in September. Last month investors poured more than \$25 billion into U.S.-listed ETFs, boosting total year-to-date net inflows to roughly \$65 billion. Strong demand from investors as well as advances of 8% and 10% for the S&P 500 and MSCI EAFE in September nearly helped the U.S. ETF industry top \$900 billion for the first time, finishing the month at \$897 billion.

<b>Estimated Net Flows \$Mil</b>	September 2010	YTD 2010	2009
U.S. Stock	16,667	3,871	(14,461)
International Stock	5,467	21,954	28,783
Balanced	98	472	341
Taxable Bond	1,115	23,123	35,314
Municipal Bond	32	1,230	3,387
Alternative	1,251	6,948	24,194
Commodities	790	7,263	26,509
<b>Total</b>	<b>25,418</b>	<b>64,861</b>	<b>104,067</b>

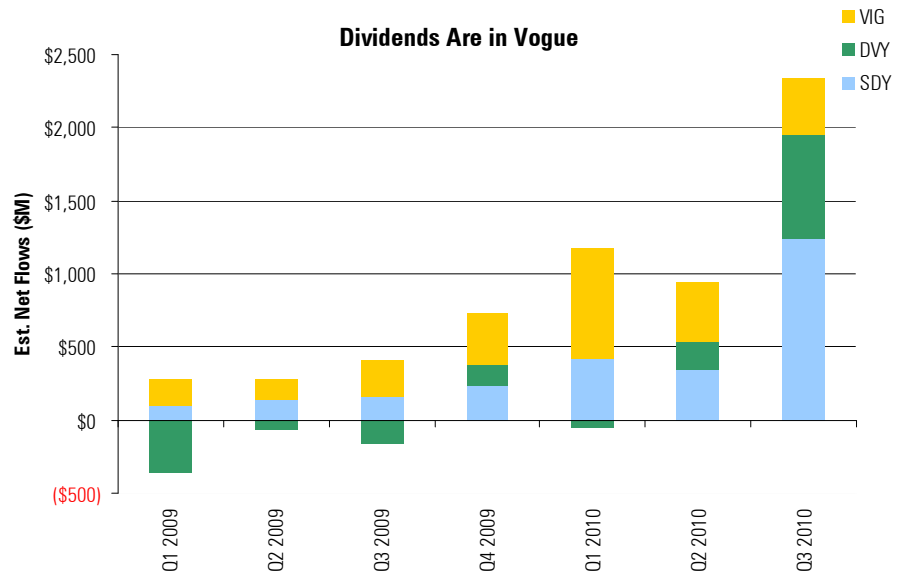
Source: Morningstar Direct Fund Flows

**Huge Flows back into the SPDRs Push U.S. Stock ETFs into the Black for the Year**

In a reversal of fortunes, U.S. stock ETFs were the most popular in September, thanks to more than \$10.2 billion in net inflows into SPDR S&P 500 SPY. As the largest ETF on the market and the "go-to" tool for many institutional investors, SPY's flows are volatile and often skew the flow data for U.S. stock ETFs. While SPY saw a tidal wave of inflows last month, those flows were a sharp reversal from July and August, in which SPY experienced net redemptions of \$8.9 billion. PowerShares QQQ QQQQ, which is another heavily traded ETF that is a favorite among institutions, also bolstered flows into U.S. stock ETFs with \$4.3 billion in net inflows. This followed the steep outflows of \$2.1 billion that the fund saw in August.

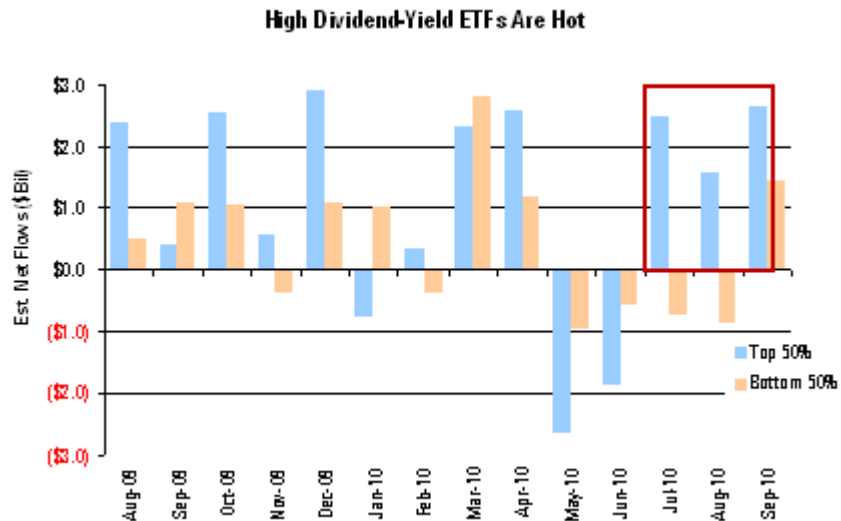
## Investors Clamoring for Yield in a Low-Interest Rate Environment

The predominant theme for U.S. stock ETFs in the current environment is investors' appetite for dividends. Several broad dividend themed funds--including SPDR S&P Dividend SPY, iShares Dow Jones Select Dividend DVY, and Vanguard Dividend Appreciation VIG--have seen a sharp uptick in demand in recent months. Those three funds took in more than \$1.2 billion in net inflows last month. In the third quarter, the funds saw combined net inflows of nearly double that figure. The steadily growing demand for this type of exposure can be seen in the chart below, which highlights how the three ETFs have fared, in terms of fund flows, over the past several quarters.



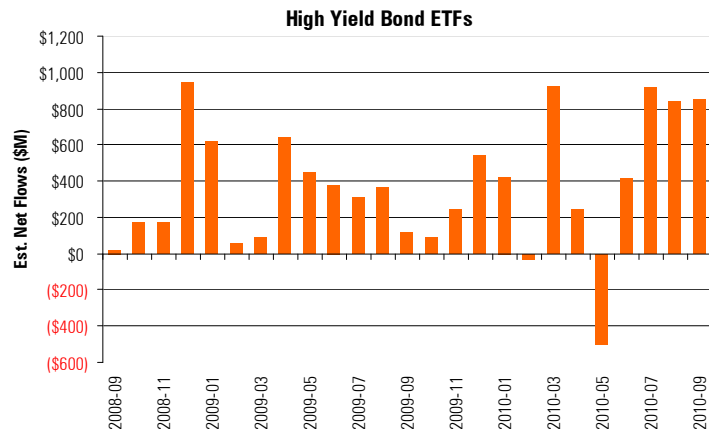
Looking at the equity ETF universe through a broader lens confirms the trend. To get a more comprehensive view, we ran a screen to find all the equity ETFs that have a dividend yield greater than zero and total net assets of at least \$50 million. The screen produced about 350 ETFs, which we then ranked by yield and split down the middle. The dark bars in the chart below represent flows for the funds with the highest dividend yields, and the red bars represent the funds that ranked in the bottom half of our sample set. Notice the clear and pronounced increase in demand for the ETFs with the highest dividend yields.

Even Warren Buffett has come out publicly stating his preference for equities over bonds at current valuations and yields. We wouldn't be surprised if this trend of shifting to higher yielding equities persists into the fourth quarter and beyond.



## Speaking of Yield—Junk Bonds are on Fire

In this low-yield environment, we've seen many ETF investors step out a little further on the risk curve--to junk bonds--in an effort to capture higher yields. While flows into high-yield bond ETFs tend to be a little more volatile than some other fixed-income categories, the trend has been decidedly positive in recent months.



Last month investors poured another \$415.7 million into iShares iBoxx \$ High Yield Corporate Bond HYG, bringing the year-to-date total to \$1.9 billion. Similarly, SPDR Barclays Capital High Yield Bond JNK attracted \$375.8 million in net inflows last month and \$2.1 billion since the beginning of the year. Those less constructive on the prospects for high-yield bonds might suggest that recent flows smack of performance chasing. While the asset class has rebounded spectacularly from its 2009 lows, we still think there's a solid case to owning junk bonds as part of your fixed-income allocation. The graph below shows the fund flows for ETFs in Morningstar's High Yield Bond Category over the past couple of years. The last three bars to the right of the graph highlight the uptick in demand we saw in the third quarter.

## Are TIPS Losing their Luster?

After 30 consecutive months of inflows, iShares Barclay's TIPS Bond's TIPS extraordinary streak came to an end in March of this year. Since March, investors have yanked more than \$1 billion out of TIPS, of which \$673 million was redeemed in August and September. The original thesis was that the explosion of the Federal Reserve's balance sheet would lead to a bout of inflation down the road. However, the velocity of money remains subdued and the inflation scenario has turned into more of a longer-term story. In the near-term, the concern of many was actually deflation, which might have led some to pull back on their TIPS exposure.

Of course, with the potential for the Federal Reserve to initiate a second round of quantitative easing, we could see assets start flowing back into TIPS funds. The verdict is expected to come at the November meeting of its interest-rate-setting committee. In anticipation we've seen the 10-year breakeven inflation rate creep up to around 1.9%, up from about 1.5% in late August. The break-even rate is the spread between the yields on Treasury bonds and TIPS. It will be interesting to see how investor expectations are reflected in future flows--if the majority believes that inflation rates over the next 10 years will be greater than what's currently being priced in, we should see inflows pick up in the coming months. If deflation rears its ugly head, the outflows will likely persist.

In our view, there seems to also be a relationship between the decreased popularity of TIPS and the increased popularity of commodities, REITs, and dividend-paying stocks. It's worth noting that the popular REIT ETFs--iShares Dow Jones US Real Estate IYR and Vanguard REIT Index VNO--saw \$311.6 million and \$371 million in net inflows in the third quarter, respectively. Aside from their generally juicy yields, there are a few other factors bolstering the appeal of REITs in the current environment. REITs are the most convenient and liquid way to gain exposure to real estate (a hard asset). Moreover, since rents will presumably rise with inflation, REITs serve as a solid inflation hedge.

## Silver: The Other Precious Metal

The gold rush is still on. But in terms of fund flows, it was a silver ETF that shone brightest in September. Last month iShares Silver Trust SLV saw more than \$421 million in net inflows. Leading the physical gold bullion ETF pack was iShares Gold Trust IAU, which recently dropped its fee to 0.25% to better compete with the mammoth SPDR Gold Shares GLD, which charges 0.40%. The three major gold funds--GLD, IAU, and ETFS Physical Swiss Gold Shares--saw combined inflows of approximately \$464 million last month. It's clear that there are plenty of concerns in the investment community surrounding the stability or value of paper currencies.

### Emerging Markets See Continued Inflows—Developed International Bleed

Investors continue to add to their emerging-markets exposure. We've discussed this trend at length in previous reports, but the massive flows into the diversified emerging markets category warrant the attention. Of the \$14.5 billion in inflows that poured into international stock ETFs in the third quarter, more than \$12.5 billion (86%) flowed into ETFs covering broad emerging-market indexes. It's the same story for the year-to-date period; \$18.9 billion, or 86%, of the roughly \$22 billion in inflows for international stock ETFs came from funds in Morningstar's diversified emerging-markets category. In the third quarter, the category accounted for 41% of all ETF inflows. A few examples are listed in the table below, ranked by September flows.

Name	Ticker	Estimated Net Flows (\$M):			Total Assets
		2010-09	YTD	1 Year	2010-09
Vanguard Emerging Markets Stock ETF	VWO	2,460.31	13,284.16	17,260.30	36,199.05
iShares MSCI Emerging Markets Index	EEM	860.59	2,538.61	5,021.77	45,093.47
SPDR S&P Emerging Markets Small Cap	EWX	262.17	599.40	660.64	797.42
WisdomTree Emerging Markets Equity Inc	DEM	113.81	266.18	311.25	773.78
PowerShares DWA Em Mkts Technical Ldrs PIE	PIE	113.75	227.83	228.25	276.90
PowerShares FTSE RAFI Emerging Markets PXH	PXH	54.60	234.85	259.01	469.93

On the flipside, ETFs offering exposure to developed international markets continue to see outflows. Lower economic growth rates and higher debt levels, relative to emerging markets, have likely pushed many investors to recalibrate their international equity allocations. The ETFs that saw the largest outflows were those covering European markets, and the perennially struggling Japan. The table below shows the ETFs that experienced the largest outflows in September.

Name	Ticker	Estimated Net Flows (\$M):			Total Assets
		2010-09	YTD	1 Year	2010-09
iShares MSCI EAFE Index	EFA	-296.89	-482.38	-399.91	34,937.14
iShares MSCI Japan Index	EWJ	-246.40	-881.87	-1,270.88	3,991.07
iShares S&P Europe 350 Index	IEV	-113.51	-348.00	-366.52	1,141.22
iShares MSCI EMU Index	EZU	-93.82	-72.33	12.66	837.48
iShares MSCI Germany Index	EWG	-52.70	505.08	854.62	1,632.59
iShares MSCI United Kingdom Index	EWU	-39.32	11.18	105.46	973.76

# Fund Flows

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

Effective Date  
2010-09-30

### 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	09-2010	Mkt Sh %	09-2009	Mkt Sh %	1-Mo	YTD
1	Large Blend	(2,933)	(5,049)	(3,933)	(7,274)	955	12.66	858	13.18	9.07	3.21
2	Intermediate-Term Bond	7,435	25,572	65,969	97,249	834	11.07	661	10.16	0.52	8.66
3	Large Growth	(6,727)	(16,630)	(34,423)	(43,136)	733	9.73	699	10.74	10.81	3.38
4	Large Value	(3,128)	(7,611)	(13,123)	(20,417)	508	6.73	486	7.46	8.30	3.00
5	Foreign Large Blend	(1,813)	(4,714)	521	6,321	420	5.57	384	5.89	10.22	2.71
6	Moderate Allocation	(2,094)	(6,303)	(10,950)	(14,555)	368	4.88	348	5.35	5.87	5.19
7	World Stock	(1,244)	(5,069)	(9,612)	(11,465)	271	3.60	261	4.01	9.47	4.48
8	World Allocation	1,029	1,093	8,576	12,484	204	2.71	177	2.72	5.70	5.06
9	Short-Term Bond	2,572	8,890	35,748	52,153	181	2.40	121	1.85	0.43	4.20
10	Diversified Emerging Mkts	3,475	7,919	18,172	22,466	180	2.39	127	1.96	10.55	11.20
11	High Yield Bond	3,508	6,644	5,097	7,400	172	2.29	143	2.20	2.90	10.31
12	Mid-Cap Growth	(632)	(2,469)	(3,967)	(5,521)	167	2.21	147	2.26	11.80	9.58
13	Foreign Large Value	218	620	4,408	4,587	154	2.04	142	2.18	9.64	1.04
14	Mid-Cap Blend	(506)	(2,976)	69	358	153	2.02	132	2.04	10.59	8.21
15	Small Blend	(736)	(2,553)	(1,117)	(2,146)	140	1.86	125	1.92	11.77	8.45
16	Multisector Bond	3,171	8,532	18,937	24,488	139	1.84	100	1.54	1.76	9.67
17	Intermediate Government	121	2,699	2,425	2,933	133	1.77	123	1.88	(0.09)	6.75
18	World Bond	3,004	7,860	23,764	35,793	121	1.61	76	1.16	2.60	8.09
19	Muni National Interm	214	3,103	9,060	12,598	110	1.46	93	1.42	(0.26)	5.79
20	Conservative Allocation	987	2,385	5,695	7,503	106	1.41	87	1.34	3.61	6.39
21	Small Growth	(567)	(1,681)	(3,081)	(3,574)	101	1.34	91	1.40	12.81	8.97
22	Mid-Cap Value	(569)	(1,123)	90	(368)	98	1.30	86	1.32	9.88	8.36
23	Muni National Long	559	1,947	3,884	4,206	94	1.24	84	1.29	0.07	7.12
24	Muni Short	814	2,959	9,636	19,050	91	1.20	69	1.06	(0.19)	2.68
25	Inflation-Protected Bond	469	521	5,798	11,516	83	1.10	65	0.99	0.93	6.92
26	Foreign Large Growth	(170)	438	4,643	5,448	74	0.98	60	0.92	10.66	6.02
27	Small Value	(92)	(426)	2,710	1,690	65	0.86	55	0.84	10.79	9.14
28	High Yield Muni	688	2,295	5,561	6,438	58	0.76	47	0.72	0.49	9.69
29	Real Estate	137	77	1,489	1,105	43	0.57	33	0.50	4.45	18.83
30	Short Government	(82)	1,707	5,431	8,470	41	0.54	31	0.48	0.17	3.48
31	Ultrashort Bond	122	694	5,485	9,550	39	0.52	28	0.43	0.26	1.98
32	Bank Loan	1,324	2,045	8,623	8,936	36	0.48	25	0.38	1.36	6.15
33	Muni California Long	(13)	47	(308)	(472)	36	0.48	35	0.54	0.07	8.06
34	Health	(315)	(1,024)	(2,015)	(2,716)	36	0.48	36	0.55	9.87	2.58
35	Long-Short	542	3,161	9,160	11,698	34	0.45	22	0.33	3.17	0.39

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36	Emerging Markets Bond	1,111	3,372	10,371	13,394	34	0.45	17	0.26	3.20	13.28
37	Commodities Broad Basket	654	1,441	7,345	10,437	34	0.45	18	0.28	7.68	(0.18)
38	Foreign Small/Mid Value	269	747	1,814	2,382	33	0.44	28	0.44	10.63	9.30
39	Natural Res	(64)	(504)	639	2,104	32	0.42	26	0.41	10.18	0.27
40	Muni New York Long	(19)	59	56	(215)	31	0.41	29	0.45	0.12	7.15
41	Equity Precious Metals	692	994	2,357	2,819	27	0.36	17	0.27	8.05	25.96
42	Muni Single State Long	133	411	1,041	1,374	26	0.35	24	0.36	0.18	6.51
43	Foreign Small/Mid Growth	114	168	180	491	25	0.34	21	0.33	11.63	11.00
44	Technology	151	(440)	(1,549)	(1,203)	25	0.33	23	0.35	13.03	6.87
45	Long-Term Bond	735	1,182	1,782	2,992	24	0.32	19	0.29	0.55	14.01
46	Pacific/Asia ex-Japan Stk	562	989	1,520	1,929	23	0.30	16	0.25	11.56	14.24
47	Europe Stock	(39)	(793)	(826)	79	21	0.28	20	0.31	10.67	2.65
48	Equity Energy	(122)	(384)	(429)	(227)	21	0.27	21	0.32	10.67	(3.02)
49	Muni Single State Interm	7	144	329	494	16	0.21	15	0.23	(0.19)	5.54
50	Global Real Estate	111	297	938	1,016	16	0.21	13	0.20	9.12	10.85
51	Utilities	(162)	113	280	430	14	0.18	12	0.18	4.71	4.02
52	Muni California Intermediate	52	242	591	906	13	0.17	12	0.18	(0.23)	6.41
53	Market Neutral	502	888	3,036	3,851	11	0.15	8	0.12	0.31	(1.21)
54	Muni Pennsylvania	0	36	226	282	11	0.14	10	0.15	0.12	6.54
55	Diversified Pacific/Asia	229	584	1,831	1,997	10	0.13	7	0.11	9.66	6.92
56	China Region	133	(22)	(1,034)	(260)	9	0.12	8	0.12	10.76	7.88
57	Convertibles	(37)	(87)	(435)	(580)	9	0.12	8	0.12	6.29	7.91
58	Latin America Stock	(3)	(285)	(1,313)	(870)	9	0.12	8	0.12	12.18	7.49
59	Muni New Jersey	20	43	96	104	8	0.11	8	0.12	0.00	6.69
60	Muni New York Intermediate	59	203	493	709	8	0.11	7	0.10	(0.28)	5.44
61	Muni Massachusetts	(32)	21	140	257	8	0.10	7	0.11	(0.18)	6.45
62	Long Government	19	505	225	105	8	0.10	7	0.10	(2.11)	22.53
63	Bear Market	161	1,054	2,730	3,377	6	0.08	4	0.06	(11.05)	(15.78)
64	Muni Ohio	0	19	126	230	6	0.08	5	0.08	(0.05)	5.76
65	Financial	(7)	(201)	(50)	(464)	6	0.08	6	0.10	7.98	1.42
66	Aggressive Allocation	(45)	(156)	(525)	(707)	5	0.07	6	0.09	7.63	5.14
67	Muni Minnesota	20	97	236	292	4	0.06	4	0.06	0.00	6.38
68	Communications	74	120	48	(1)	3	0.05	3	0.04	10.77	12.58
69	Target Date 2016-2020	66	133	467	674	3	0.04	2	0.04	5.90	6.10
70	Target Date 2026-2030	60	115	467	659	3	0.04	2	0.03	7.40	5.49

# Fund Flows

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

Effective Date  
2010-09-30

### 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	09-2010	Mkt Sh %	09-2009	Mkt Sh %	1-Mo	YTD
71	Japan Stock	(204)	(313)	(428)	(84)	2	0.03	2	0.04	6.95	(0.38)
72	Industrials	(23)	26	341	366	2	0.03	1	0.02	12.44	14.01
73	Target Date 2036-2040	33	80	351	478	2	0.03	1	0.02	8.36	5.23
74	Target Date 2021-2025	29	92	160	1,169	2	0.02	0	0.01	7.46	5.51
75	Currency	278	348	1	21	2	0.02	2	0.02	1.36	(0.21)
76	Consumer Staples	(56)	77	(89)	128	2	0.02	1	0.02	8.26	9.74
77	Retirement Income	22	67	190	397	1	0.02	1	0.01	2.99	6.52
78	Consumer Discretionary	29	(40)	122	58	1	0.01	1	0.01	12.55	12.70
79	Target Date 2000-2010	12	17	30	73	1	0.01	1	0.01	4.36	6.12
80	Target Date 2011-2015	34	79	166	361	1	0.01	0	0.01	5.56	5.97
81	Miscellaneous Sector	(7)	(11)	(37)	(81)	1	0.01	1	0.01	7.85	6.43
82	Target Date 2050+	15	32	138	471	1	0.01	0	0.00	8.67	5.09
83	Target Date 2031-2035	20	81	193	347	1	0.01	0	0.00	8.65	5.04
84	Target Date 2041-2045	10	41	108	139	0	0.00	0	0.00	9.13	4.89
85	UnClassified	0	0	0	0	0	0.00	0	0.00	—	—
<b>Top 10</b>		<b>(3,428)</b>	<b>(1,902)</b>	<b>56,945</b>	<b>93,826</b>	<b>4,655</b>	<b>61.74</b>	<b>4,122</b>	<b>63.32</b>	—	—
<b>All</b>		<b>14,366</b>	<b>45,261</b>	<b>212,874</b>	<b>315,497</b>	<b>7,540</b>	<b>100.00</b>	<b>6,509</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	09-2010	Mkt Sh %	09-2009	Mkt Sh %
1	Vanguard	3,101	12,013	51,925	70,572	1,177	15.62	1,001	15.38
2	American Funds	(5,426)	(15,450)	(34,420)	(40,719)	915	12.14	880	13.52
3	Fidelity Investments	(2,546)	(5,814)	(5,359)	(6,847)	774	10.26	695	10.68
4	PIMCO	6,374	20,012	60,164	87,314	418	5.54	295	4.53
5	Franklin Templeton Investment Funds	2,587	5,454	16,778	24,516	317	4.21	268	4.11
6	T. Rowe Price	973	533	10,251	15,055	243	3.23	203	3.11
7	Columbia	(1,036)	(2,975)	(7,457)	(8,451)	159	2.11	143	2.20
8	OppenheimerFunds	538	1,348	1,705	2,672	135	1.80	119	1.82
9	BlackRock	154	1,019	7,670	11,418	119	1.58	96	1.48
10	John Hancock	(175)	342	2,292	4,626	119	1.58	102	1.57
11	Dimensional Fund Advisors	756	1,666	6,251	8,312	119	1.57	97	1.48
12	Dodge & Cox	(404)	(659)	1,330	720	118	1.57	110	1.69
13	JPMorgan	1,378	4,366	16,803	26,077	113	1.50	80	1.22
14	Invesco	(427)	(2,491)	(5,141)	(6,438)	106	1.41	102	1.56
15	Janus	(463)	(566)	(784)	1,116	98	1.30	88	1.35

# Fund Flows

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

Effective Date  
2010-09-30

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

Rank	Name	Estimated Net Flow (\$mil)				Assets Under Management (\$bil)			
		1-Mo	QTD	YTD	1-Yr	09-2010	Mkt Sh %	09-2009	Mkt Sh %
16	Hartford Mutual Funds	(428)	(1,307)	(1,143)	(932)	88	1.17	80	1.23
17	Wells Fargo Advantage	(1,015)	(835)	260	3,497	81	1.08	64	0.99
18	MFS	589	1,450	4,778	6,694	77	1.02	64	0.98
19	American Century Investments	173	1,050	2,423	3,450	70	0.92	60	0.92
20	Eaton Vance	1,154	2,867	8,812	9,752	63	0.83	49	0.75
21	Legg Mason/Western	(832)	(1,420)	(3,392)	(4,567)	62	0.83	62	0.95
22	ING Retirement Funds	(393)	(972)	(2,226)	(2,607)	61	0.81	58	0.89
23	Lord Abbett	719	2,449	6,743	9,038	61	0.80	47	0.72
24	Goldman Sachs	(329)	(15)	2,115	4,821	56	0.74	46	0.71
25	GMO	(743)	(159)	(817)	(1,795)	55	0.74	53	0.81
26	Principal Funds	517	938	2,356	2,386	55	0.73	45	0.69
27	Harbor	309	1,276	5,154	6,695	53	0.71	42	0.65
28	AllianceBernstein	(507)	(845)	(2,404)	(2,591)	52	0.69	51	0.79
29	Putnam	112	425	339	204	52	0.69	47	0.72
30	Federated	217	889	1,672	2,977	49	0.64	42	0.65
31	DWS Investments	18	(44)	361	(245)	47	0.62	44	0.67
32	Dreyfus	543	793	1,011	1,619	43	0.57	37	0.57
33	Davis Funds	(632)	(1,858)	(3,878)	(5,035)	42	0.56	44	0.67
34	Thornburg	1,065	2,180	6,702	9,140	42	0.55	30	0.45
35	Ivy Funds	222	471	3,432	6,025	39	0.52	31	0.47
36	First Eagle	440	857	2,393	2,907	37	0.49	30	0.47
37	Prudential Investments	357	817	2,087	3,393	35	0.46	28	0.43
38	Natixis Funds	37	354	(295)	(227)	34	0.45	30	0.47
39	Oakmark	33	128	2,358	3,195	34	0.45	28	0.43
40	Northern Funds	440	1,357	3,347	6,080	33	0.44	25	0.38
41	Pioneer Investments	178	590	608	1,153	32	0.42	27	0.41
42	Russell	(532)	(1,429)	(1,205)	(1,270)	31	0.42	29	0.44
43	Schwab Funds	(92)	(193)	(474)	(804)	31	0.41	28	0.43
44	Royce	(187)	(498)	452	1,087	29	0.39	25	0.39
45	MainStay	391	490	2,112	3,153	29	0.39	22	0.34
46	TIAA-CREF Mutual Funds	321	716	3,298	4,451	27	0.36	20	0.31
47	Delaware Investments	289	951	2,495	3,537	27	0.36	21	0.33
48	USAA	89	193	1,353	1,868	25	0.34	21	0.33
49	Nuveen	305	915	2,611	3,429	25	0.34	20	0.31
50	Loomis Sayles Funds	(15)	(83)	(1,261)	(1,909)	25	0.33	24	0.37
<b>Top 10</b>		<b>4,542</b>	<b>16,483</b>	<b>103,547</b>	<b>160,158</b>	<b>4,377</b>	<b>58.05</b>	<b>3,802</b>	<b>58.41</b>
<b>Top 50</b>		<b>8,195</b>	<b>31,294</b>	<b>174,183</b>	<b>268,517</b>	<b>6,535</b>	<b>86.67</b>	<b>5,653</b>	<b>86.85</b>
<b>Other</b>		<b>6,171</b>	<b>13,968</b>	<b>38,691</b>	<b>46,980</b>	<b>1,005</b>	<b>13.33</b>	<b>856</b>	<b>13.15</b>

# Fund Flows

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

Effective Date  
2010-09-30

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

Rank	Name	Estimated Net Flow (\$mil)				Assets Under Management (\$bil)			
		1-Mo	QTD	YTD	1-Yr	09-2010	Mkt Sh %	09-2009	Mkt Sh %
<b>All</b>		<b>14,366</b>	<b>45,261</b>	<b>212,874</b>	<b>315,497</b>	<b>7,540</b>	<b>100.00</b>	<b>6,509</b>	<b>100.00</b>

### Asset Classes

Name	Estimated Net Flow (\$mil)				Assets Under Management (\$bil)			
	1-Mo	QTD	YTD	1-Yr	09-2010	Mkt Sh %	09-2009	Mkt Sh %
U.S. Stock	(16,254)	(42,710)	(58,026)	(80,889)	3,105	41.19	2,843	43.68
International Stock	1,504	589	21,849	34,297	1,238	16.42	1,090	16.75
Balanced	187	(2,175)	5,156	9,621	702	9.31	630	9.67
Taxable Bond	23,509	70,224	189,658	274,978	1,846	24.49	1,415	21.74
Municipal Bond	2,503	11,626	31,167	46,255	519	6.88	448	6.88
Alternative	2,175	6,445	17,284	21,765	81	1.07	52	0.80
Commodities	654	1,441	7,345	10,437	34	0.45	18	0.28
<b>All Long Term</b>	<b>14,278</b>	<b>45,439</b>	<b>214,433</b>	<b>316,465</b>	<b>7,525</b>	<b>99.81</b>	<b>6,496</b>	<b>99.80</b>

### Morningstar Stewardship Grades

Stewardship Grade	Funds Graded	Estimated Net Flow (\$mil)				Total Net Assets (\$bil)			
		09-2010	09-2009	YTD 2010	YTD 2009	09-2010	Mkt Sh %	09-2009	Mkt Sh %
A	78	(5,109)	(14,779)	(13,712)	(9,247)	1,235	16.38	1,143	17.56
B	262	1,093	7,513	57,499	84,702	2,169	28.77	1,873	28.78
C	420	(1,394)	78	(5,059)	(2,042)	1,028	13.63	932	14.32
D	114	(231)	(115)	(2,834)	(2,037)	118	1.57	106	1.63
F	6	(71)	(374)	(767)	(928)	12	0.15	12	0.18
Not Rated	4938	20,077	52,939	177,747	245,050	2,978	39.50	2,442	37.52

### Investment Company Institute Methods of Sale

Name	Estimated Net Flow (\$mil)				Total Net Assets (\$bil)			
	1-Mo	QTD	YTD	1-Yr	09-2010	Mkt Sh %	09-2009	Mkt Sh %
Non-Proprietary	(2,451)	(6,785)	(1,172)	15,288	2,411	31.97	2,209	33.94
Direct Market	(1,728)	(13,790)	7,982	20,374	2,247	29.81	2,024	31.10
Institutional	15,995	55,465	180,710	243,475	2,137	28.34	1,694	26.02
Proprietary Non-Bank	(1,117)	(2,586)	(6,374)	(5,012)	273	3.63	254	3.90
Variable Annuity	(996)	(2,346)	(9,486)	(14,100)	186	2.47	180	2.77
Proprietary Bank	22	1,502	8,888	17,629	150	1.99	117	1.81
Unclassified	4,641	13,802	32,326	37,844	135	1.79	30	0.47
<b>Total</b>	<b>14,366</b>	<b>45,261</b>	<b>212,874</b>	<b>315,497</b>	<b>7,540</b>	<b>100.00</b>	<b>6,509</b>	<b>100.00</b>

# Fund Flows

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

Effective Date  
2010-09-30

### Morningstar Ratings

Name	Estimated Net Flow (\$mil)				Total Net Assets (\$bil)				
	1-Mo	QTD	YTD	1-Yr	09-2010	Mkt Sh %	09-2009	Mkt Sh %	
★★★★★	17,541	46,651	145,219	194,277	1,363	18.08	1,050	16.14	
★★★★	7,361	19,415	88,767	141,885	2,503	33.19	2,133	32.77	
★★★	(9,936)	(23,386)	(37,862)	(43,048)	2,569	34.08	2,347	36.05	
★★	(10,378)	(23,627)	(57,987)	(74,496)	683	9.06	692	10.63	
★	(630)	(2,325)	(9,792)	(13,716)	146	1.94	149	2.30	
Not Rated	10,409	28,533	84,529	110,595	275	3.65	138	2.11	
<b>Total</b>	<b>14,366</b>	<b>45,261</b>	<b>212,874</b>	<b>315,497</b>	<b>7,540</b>	<b>100.00</b>	<b>6,509</b>	<b>100.00</b>	

# Fund Flows

## Monthly Market Summary: US ETF

Effective Date  
2010-09-30

### 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	09-2010	Mkt Sh %	09-2009	Mkt Sh %	1-Mo	YTD
1	Large Blend	9,645	(462)	(7,662)	2,894	139	15.55	124	17.75	9.07	3.21
2	Diversified Emerging Mkts	4,253	12,527	18,875	26,213	92	10.26	53	7.56	10.55	11.20
3	Commodities Precious Metals	1,003	886	8,359	10,692	70	7.79	43	6.16	—	—
4	Foreign Large Blend	14	(166)	1,411	2,344	48	5.33	44	6.25	10.22	2.71
5	Large Growth	4,003	1,718	797	508	45	5.05	40	5.66	10.81	3.38
6	Large Value	1,248	1,602	2,558	4,249	38	4.24	30	4.31	8.30	3.00
7	Pacific/Asia ex-Japan Stk	1,056	2,006	(155)	1,761	35	3.95	30	4.23	11.56	14.24
8	Intermediate-Term Bond	604	1,881	5,358	7,098	31	3.42	21	3.05	0.52	8.66
9	Mid-Cap Blend	549	280	1,702	2,031	28	3.10	22	3.13	10.59	8.21
10	Small Blend	(1,200)	(769)	(752)	113	24	2.70	21	3.05	11.77	8.45
11	Bear Market	1,446	4,058	8,337	9,547	22	2.40	19	2.70	(11.05)	(15.78)
12	Inflation-Protected Bond	(367)	(582)	966	3,009	21	2.38	17	2.38	0.93	6.92
13	Latin America Stock	536	888	(87)	470	17	1.93	14	2.03	12.18	7.49
14	Equity Energy	98	515	1,632	2,227	16	1.79	13	1.86	10.67	(3.02)
15	Long-Term Bond	383	1,130	1,160	788	16	1.78	14	1.93	0.55	14.01
16	Short-Term Bond	195	1,132	5,154	7,463	14	1.61	6	0.91	0.43	4.20
17	Real Estate	400	575	71	538	14	1.53	10	1.42	4.45	18.83
18	Miscellaneous Sector	1,692	3,557	5,575	6,056	13	1.49	7	0.97	7.85	6.43
19	High Yield Bond	852	2,606	4,084	4,959	13	1.46	7	0.98	2.90	10.31
20	Short Government	(181)	(1,166)	2,871	3,155	13	1.42	9	1.33	0.17	3.48
21	Financial	(857)	(1,394)	(1,875)	(2,553)	12	1.34	15	2.16	7.98	1.42
22	Europe Stock	(279)	(58)	853	1,745	12	1.28	9	1.32	10.67	2.65
23	Natural Res	292	182	(330)	291	10	1.17	9	1.28	10.18	0.27
24	Technology	425	30	212	818	10	1.15	9	1.21	13.03	6.87
25	Commodities Broad Basket	(85)	(437)	222	1,270	9	1.04	8	1.07	7.68	(0.18)
26	Equity Precious Metals	198	(474)	1,058	1,504	9	1.00	5	0.74	8.05	25.96
27	Small Value	154	(191)	873	85	8	0.94	8	1.10	10.79	9.14
28	Long Government	(68)	637	1,756	1,971	8	0.91	5	0.77	(2.11)	22.53
29	Health	37	(376)	(303)	309	8	0.87	7	0.98	9.87	2.58
30	Mid-Cap Growth	282	(179)	(40)	107	7	0.78	6	0.84	11.80	9.58
31	Foreign Large Value	71	76	509	780	7	0.77	6	0.82	9.64	1.04
32	Commodities Energy	(132)	(38)	(595)	390	7	0.76	8	1.21	—	—
33	Industrials	(6)	(437)	220	311	7	0.75	6	0.81	12.44	14.01
34	Mid-Cap Value	116	163	19	(282)	6	0.71	6	0.83	9.88	8.36
35	Utilities	(17)	870	470	1,792	6	0.68	4	0.55	4.71	4.02

# Fund Flows

## Monthly Market Summary: US ETF

Effective Date  
2010-09-30

### 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	09-2010	Mkt Sh %	09-2009	Mkt Sh %	1-Mo	YTD
36	Small Growth	(271)	(530)	(739)	(1,138)	6	0.68	6	0.91	12.81	8.97
37	Currency	(385)	(470)	(2,492)	696	5	0.56	4	0.59	1.36	(0.21)
38	Consumer Staples	(65)	439	712	1,035	5	0.52	3	0.45	8.26	9.74
39	Japan Stock	(261)	(886)	(837)	(1,260)	4	0.50	6	0.83	6.95	(0.38)
40	Muni National Long	43	243	773	1,003	4	0.44	3	0.39	0.07	7.12
41	World Stock	22	11	553	964	3	0.39	2	0.32	9.47	4.48
42	Emerging Markets Bond	195	821	1,267	1,953	3	0.38	1	0.13	3.20	13.28
43	Consumer Discretionary	(5)	(51)	539	432	3	0.36	2	0.35	12.55	12.70
44	Commodities Agriculture	3	(44)	(421)	(175)	3	0.33	3	0.41	—	—
45	Muni Short	(36)	(30)	160	573	3	0.29	2	0.28	(0.19)	2.68
46	World Bond	41	35	(491)	309	3	0.29	2	0.31	2.60	8.09
47	Global Real Estate	47	118	230	348	2	0.25	2	0.23	9.12	10.85
48	Intermediate Government	(355)	41	606	748	2	0.24	1	0.18	(0.09)	6.75
49	Foreign Small/Mid Value	(4)	42	334	616	2	0.20	1	0.15	10.63	9.30
50	Diversified Pacific/Asia	0	5	84	49	2	0.18	2	0.22	9.66	6.92
51	Communications	148	258	191	378	2	0.18	1	0.15	10.77	12.58
52	Foreign Large Growth	4	(38)	(31)	(41)	1	0.15	1	0.18	10.66	6.02
53	Foreign Small/Mid Growth	9	(6)	216	355	1	0.14	1	0.11	11.63	11.00
54	Ultrashort Bond	(183)	(14)	289	215	1	0.12	1	0.12	0.26	1.98
55	Multisector Bond	(2)	28	102	129	1	0.08	1	0.07	1.76	9.67
56	Commodities Industrial Metals	1	(27)	(302)	(86)	1	0.07	1	0.09	—	—
57	World Allocation	15	49	160	213	0	0.04	0	0.02	5.70	5.06
58	Convertibles	65	103	138	230	0	0.04	0	0.02	6.29	7.91
59	Muni California Long	(1)	15	42	66	0	0.04	0	0.04	0.07	8.06
60	Muni National Interm	19	47	166	196	0	0.04	0	0.02	(0.26)	5.79
61	Moderate Allocation	19	52	159	172	0	0.03	0	0.01	5.87	5.19
62	Long-Short	(8)	(7)	45	54	0	0.03	0	0.02	3.17	0.39
63	High Yield Muni	8	38	77	104	0	0.02	0	0.01	0.49	9.69
64	Muni New York Long	0	9	12	26	0	0.02	0	0.02	0.12	7.15
65	Conservative Allocation	3	8	18	27	0	0.01	0	0.01	3.61	6.39
66	Target Date 2016-2020	(4)	(1)	(4)	(2)	0	0.01	0	0.01	5.90	6.10
67	Target Date 2026-2030	0	0	(1)	0	0	0.00	0	0.01	7.40	5.49
68	Target Date 2036-2040	(4)	(2)	(1)	3	0	0.00	0	0.00	8.36	5.23
69	Target Date 2000-2010	2	2	(3)	(4)	0	0.00	0	0.00	4.36	6.12
70	Target Date 2021-2025	2	2	3	5	0	0.00	0	0.00	7.46	5.51
71	Target Date 2011-2015	0	0	2	3	0	0.00	0	0.00	5.56	5.97
72	Target Date 2031-2035	2	2	2	2	0	0.00	0	0.00	8.65	5.04
73	Commodities Miscellaneous	0	0	0	0	0	0.00	0	0.00	—	—

# Fund Flows

## Monthly Market Summary: US ETF

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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	09-2010	Mkt Sh %	09-2009	Mkt Sh %	1-Mo	YTD
<b>Top 10</b>	<b>21,174</b>	<b>19,502</b>	<b>30,491</b>	<b>57,902</b>	<b>551</b>	<b>61.40</b>	<b>428</b>	<b>61.16</b>	---	---
<b>All</b>	<b>25,418</b>	<b>30,850</b>	<b>64,861</b>	<b>112,849</b>	<b>897</b>	<b>100.00</b>	<b>700</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	09-2010	Mkt Sh %	09-2009	Mkt Sh %
1 iShares	2,066	7,391	15,130	26,542	412	45.92	346	49.33
2 State Street Global Advisors	12,932	4,748	5,153	21,232	216	24.08	170	24.32
3 Vanguard	2,997	9,245	25,557	34,702	126	14.01	78	11.11
4 PowerShares	4,388	2,802	1,245	5,418	49	5.51	40	5.64
5 ProShares	(498)	1,122	4,256	4,219	25	2.74	25	3.51
6 Van Eck	592	119	2,048	3,652	17	1.84	10	1.38
7 iPath	1,011	1,991	2,635	3,643	8	0.92	5	0.69
8 WisdomTree	568	921	1,589	2,438	8	0.92	5	0.70
9 Direxion Funds	56	594	2,241	2,963	7	0.76	4	0.64
10 Rydex   SGI	31	(395)	21	24	6	0.65	5	0.78
11 United States Commodity Funds LLC	92	134	(904)	56	5	0.53	7	0.95
12 First Trust	531	569	1,350	1,759	4	0.39	1	0.21
13 Guggenheim Funds	91	265	316	762	3	0.37	2	0.29
14 ETF Securities Ltd	221	391	391	391	2	0.24	—	—
15 Schwab Funds	115	293	1,226	1,370	2	0.19	—	—
16 JPMorgan	1	228	655	992	2	0.17	0	0.04
17 PIMCO	(150)	(227)	746	1,065	1	0.14	0	0.02
18 Swedish Export Credit Corporation	0	(1)	25	179	1	0.11	1	0.09
19 Deutsche Bank AG	13	(54)	(78)	(49)	1	0.10	1	0.11
20 Global X Funds	154	319	453	455	1	0.07	0	0.00
21 VTL Associates, LLC	(15)	(32)	117	173	0	0.05	0	0.03
22 UBS	44	98	167	201	0	0.05	0	0.01
23 ALPS	120	126	162	223	0	0.04	0	0.00
24 GreenHaven	(4)	35	60	73	0	0.03	0	0.03
25 IndexIQ	19	31	93	118	0	0.02	0	0.01
26 Morgan Stanley	0	90	105	119	0	0.02	0	0.01
27 DBX Strategic Advisors LLC	(8)	(8)	(30)	(29)	0	0.02	0	0.02
28 Fidelity Investments	(10)	(10)	(1)	(1)	0	0.02	0	0.02
29 Barclays Bank PLC	46	53	61	47	0	0.01	0	0.00
30 Emerging Global Advisors	7	8	63	82	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	09-2010	Mkt Sh %	09-2009	Mkt Sh %
31	Old Mutual	(3)	(4)	(1)	(1)	0	0.01	—	—
32	Goldman Sachs	0	(8)	(9)	(8)	0	0.01	0	0.01
33	AdvisorShares	3	8	9	15	0	0.01	0	0.00
34	HSBC	0	0	(2)	(2)	0	0.01	0	0.01
35	Credit Suisse	0	(8)	18	18	0	0.01	0	0.00
36	Grail Advisors	0	0	(1)	(1)	0	0.00	0	0.00
37	Teucrium	3	9	9	9	0	0.00	—	—
38	FaithShares	0	1	(3)	(3)	0	0.00	—	—
39	JETS	2	0	(12)	(3)	0	0.00	0	0.00
40	U.S. One Trust	0	1	2	2	0	0.00	—	—
41	Pax World	0	0	0	0	0	0.00	—	—
42	Top10	24,144	28,540	59,874	104,834	873	97.37	687	98.10
43	Top50	25,418	30,850	64,861	112,849	897	100.00	700	100.00
44	Other	—	—	—	—	—	—	—	—
45	All	25,418	30,850	64,861	112,849	897	100.00	700	100.00
46		—	—	—	—	—	—	—	—
47		—	—	—	—	—	—	—	—
48		—	—	—	—	—	—	—	—
49		—	—	—	—	—	—	—	—
50		—	—	—	—	—	—	—	—
<b>Top 10</b>		<b>24,144</b>	<b>28,540</b>	<b>59,874</b>	<b>104,834</b>	<b>873</b>	<b>97.37</b>	<b>687</b>	<b>98.10</b>
<b>Top 50</b>		<b>25,418</b>	<b>30,850</b>	<b>64,861</b>	<b>112,849</b>	<b>897</b>	<b>100.00</b>	<b>700</b>	<b>100.00</b>
<b>Other</b>		—	—	—	—	—	—	—	—
<b>All</b>		<b>25,418</b>	<b>30,850</b>	<b>64,861</b>	<b>112,849</b>	<b>897</b>	<b>100.00</b>	<b>700</b>	<b>100.00</b>

### Asset Classes

Name	Estimated Net Flow (\$mil)				Assets Under Management (\$bil)			
	1-Mo	QTD	YTD	1-Yr	09-2010	Mkt Sh %	09-2009	Mkt Sh %
U.S. Stock	16,667	5,801	3,871	20,201	409	45.60	349	49.77
International Stock	5,467	14,520	21,954	34,346	227	25.34	170	24.25
Balanced	98	214	472	648	1	0.14	1	0.08
Taxable Bond	1,115	6,550	23,123	31,796	126	14.08	85	12.16
Municipal Bond	32	320	1,230	1,968	8	0.84	5	0.75
Alternative	1,251	3,106	6,948	11,800	36	3.99	28	4.06
Commodities	790	338	7,263	12,090	90	10.00	63	8.95
<b>All Long Term</b>	<b>25,418</b>	<b>30,850</b>	<b>64,861</b>	<b>112,849</b>	<b>897</b>	<b>100.00</b>	<b>700</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)			
		09-2010	09-2009	YTD 2010	YTD 2009	09-2010	Mkt Sh %	09-2009	Mkt Sh %

### Investment Company Institute Methods of Sale

Name	Estimated Net Flow (\$mil)				Total Net Assets (\$bil)			
	1-Mo	QTD	YTD	1-Yr	09-2010	Mkt Sh %	09-2009	Mkt Sh %
Unclassified	25,418	30,850	64,861	112,849	897	100.00	700	100.00
<b>Total</b>	<b>25,418</b>	<b>30,850</b>	<b>64,861</b>	<b>112,849</b>	<b>897</b>	<b>100.00</b>	<b>700</b>	<b>100.00</b>

### Morningstar Ratings

Name	Estimated Net Flow (\$mil)				Total Net Assets (\$bil)			
	1-Mo	QTD	YTD	1-Yr	09-2010	Mkt Sh %	09-2009	Mkt Sh %
★★★★★	1,339	2,610	5,477	6,539	15	1.72	7	1.06
★★★★	3,775	12,392	25,349	40,286	239	26.64	173	24.76
★★★	14,999	2,281	(4,831)	11,169	385	42.96	341	48.63
★★	418	636	3,387	4,008	63	6.97	53	7.51
★	(600)	(2,054)	(743)	(1,279)	17	1.94	17	2.48
Not Rated	5,488	14,985	36,222	52,127	177	19.77	109	15.57
<b>Total</b>	<b>25,418</b>	<b>30,850</b>	<b>64,861</b>	<b>112,849</b>	<b>897</b>	<b>100.00</b>	<b>700</b>	<b>100.00</b>