

## Financial Services Asset Management

## Financial Services

### Weekly Mutual Fund Flows

#### Investment Summary

Thus far September has been a good month for ETF flows as both equity and fixed income ETFs continue to experience inflows. Excluding ETF flows, the trend of investors favoring fixed income over domestic equities remains intact. Given the market continues to trade within a range, we anticipate no near-term material change to current flow trends.

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#### Event

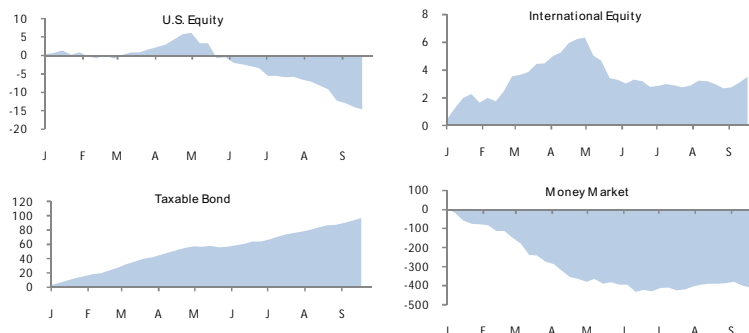
Lipper FMI released its weekly fund flow data. For the week ended September 22, excluding ETF flows, equity funds experienced \$0.72B in outflows while taxable bond funds generated \$3.0B of inflows. Including ETF flows, equity funds reported \$2.1B in inflows while taxable bond funds experienced \$3.7B of inflows.

#### Key Points

**Take-Away** – Equity ETFs continued their strong Sept run. This week domestic equity ETFs captured \$2.8B in net inflows while intl and global ETFs gathered another \$0.79B. The preference investors have expressed recently for equity ETFs (vs equity mutual funds) has not carried over to fixed income ETFs, where flows remain light relative to their non-ETF counterpart. Taxable bond ETFs reported \$613M in net inflows, or approximately one-fifth the \$3.0B flow into ex-ETF taxable bonds. Excluding ETF flows, domestic equities reported net outflows of \$719M, slightly better than last week's \$1.0B outflow. Trends within the remaining ex-ETF funds were relatively stable. Intl and global equity flows remained positive, reporting \$388M in net inflows, while municipals reported \$607M in net inflows. Finally, money market funds experienced outflows for the 2nd consecutive week, reporting \$11.1B in outflows.

		U.S. Equity	Int'l & Global	Taxable Bond	Municipal Bond	Money Market
<b>Ex-ETF Flows</b>	Sep 22	-\$0.72B	+\$388M	+\$3.04B	+\$607M	-\$11.1B
	Sep 15	-\$1.03B	+\$343M	+\$3.79B	+\$664M	-\$22.0B
	Sep 8	-\$0.58B	+\$70M	+\$2.55B	+\$916M	+\$8.1B
	Sep 1	-\$3.10B	-\$303M	+\$0.44B	+\$769M	+\$1.8B
<b>Incl. ETF Flows</b>	Sep 22	+\$2.12B	+\$1.18B	+\$3.65B	+\$614M	-\$11.1B
	Sep 15	+\$6.58B	+\$1.36B	+\$4.56B	+\$638M	-\$22.0B
	Sep 8	+\$6.00B	-\$286M	+\$3.92B	+\$933M	+\$8.1B
	Sep 1	-\$4.47B	-\$565M	+\$1.02B	+\$761M	+\$1.8B

2010 Cumulative Weekly Flows



Note: See tomorrow's "Trading & Execution Weekly" publication for additional fund flow details.

Note: Weekly activity is reported by 85% of U.S. domiciled funds managing 40% of the industry wide assets. Because certain asset managers report only monthly, weekly totals will not sum to and may not correlate with monthly data.

Source: Lipper FMI (formerly AMG Data Service). Data as of 9/22/2010.

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			Count	Percent
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