Retirement Income
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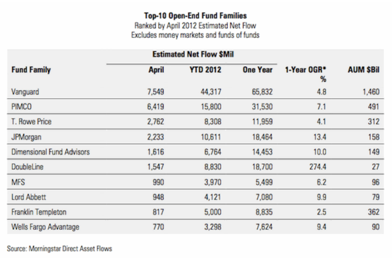
# Bond funds grew again in April: Morningstar

By Editor Test *Tue, May 15, 2012*

*Domestic stock funds saw net outflows of $9.3 bn and money market funds saw net outflows of $17.3 bn. This story includes a chart of ten mutual fund families with highest net inflows in April and a link to Morningstar's full report.*



**Top-10 Open-End Fund Families**
Ranked by April 2012 Estimated Net Flow
Excludes money markets and funds of funds

| Fund Family | Estimated Net Flow $Mil April | YTD 2012 | One Year | 1-Year OGR* % | AUM $Bil |
|---|---|---|---|---|---|
| Vanguard | 7,549 | 44,317 | 65,832 | 4.8 | 1,460 |
| PIMCO | 6,419 | 15,800 | 31,530 | 7.1 | 491 |
| T. Rowe Price | 2,762 | 8,308 | 11,959 | 4.1 | 312 |
| JPMorgan | 2,233 | 10,611 | 18,464 | 13.4 | 158 |
| Dimensional Fund Advisors | 1,616 | 6,764 | 14,453 | 10.0 | 149 |
| DoubleLine | 1,547 | 8,830 | 18,700 | 274.4 | 27 |
| MFS | 990 | 3,970 | 5,499 | 6.2 | 96 |
| Lord Abbett | 948 | 4,121 | 7,080 | 9.9 | 79 |
| Franklin Templeton | 817 | 5,000 | 8,835 | 2.5 | 362 |
| Wells Fargo Advantage | 770 | 3,298 | 7,624 | 9.4 | 90 |

Source: Morningstar Direct Asset Flows

PIMCO Total Return led all funds in April 2012 with inflows of $2.7 billion, the fund's strongest month since August 2010, as taxable bonds continued to be the biggest destination for investors last month, Morningstar Inc. reported.

Despite low yields, taxable bond funds collected a net $16.9 billion in April, bringing the flow total to $96.9 billion so far in 2012—a pace that could match or break 2009's record inflows of $282.5 billion.

Domestic stock funds meanwhile saw net outflows of $9.3 billion and money market funds saw net outflows of $17.3 billion. The net inflow for April for all long-term mutual funds was $20.8 billion, down from $29.3 billion in March.

Morningstar's report on monthly mutual fund flows also showed:

- On a relative basis, inflows for bond funds in recent years surpass the assets that flowed to equity funds during the height of their popularity in the late 1990s. Taxable-bond funds have absorbed $728.2 billion since January 2009, and total taxable-bond fund assets have nearly doubled.
- While U.S.-stock funds shed $214.9 billion overall during the last three years, the actively managed subset fared even worse, losing nearly 15% of their beginning assets. About 22% of all outflows from actively managed U.S. stock funds, or about $58.9 billion, over the past three years has come American Funds Growth Fund of America alone.

**Spotlight on JPMorgan**

Bucking the broad tide, J.P. Morgan's asset base has grown by 2.5 times in the past three years to $158.2 billion, thanks in part to the firm's actively managed equity offerings. Its Large Cap Growth, Equity Income, and US Equity funds have taken in a combined $6.6 billion over the trailing 12 months.

"Naturally, strong performance explains much of this popularity," wrote Morningstar editorial director Kevin McDevitt. "The three equity funds mentioned above all have sterling long-term records. Overall, J.P. Morgan's funds beat their average category peers over every trailing period, albeit by fairly small margins.

"The firm has also made a strong marketing push, doing its best to stay in front of advisors through frequent email updates on funds and manager conference calls. Plus, it hasn't been shy about rolling out new funds with 15 offerings introduced since March 2010.

"Several of these newbies fall into trendy categories such as currency, real estate, bank loan, world bond, and long/short equity. It isn't clear yet whether the firm has an advantage in these areas. Seven of the 11 funds lag their typical category rivals over the past 12 months."

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