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## **Rising Flows for Active U.S. Stock Funds**

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By Editor Test    *Tue, May 18, 2010*

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U.S. open-end mutual funds gathered nearly \$41.0 billion in assets in April, bringing YTD inflows to \$165.1 billion, according to Morningstar, Inc. Domestic-stock funds took in \$6.3 billion in April, the most since May 2009. Actively managed U.S. stock funds enjoyed their first month of positive flows since May 2009.

Year-to-date net inflows for ETFs reached \$19.9 billion after \$12.2 billion in inflows in April, including \$5.6 billion to international stock ETFs. Flows were positive for all ETF asset classes during the month.

Target-date funds continued to gather assets, with inflows of \$20.5 billion in 2010 through April. These funds accounted for more than half of Fidelity's total flows and almost 40% of T. Rowe Price's over the past 12 months.

Investors withdrew \$118.8 billion from money market funds during the month. Total outflows for money markets have reached \$443.0 billion in 2010, which already surpasses the outflows for all of calendar year 2009.

Vanguard gathered the most mutual fund assets in April of any fund family with \$8.6 billion. Hotchkis and Wiley, Matthews Asia, and Osterweis also saw strong inflows during the month.

Although Vanguard still ranks third in ETF assets, it continued to take market share from top competitors, iShares and State Street. Vanguard, which has about \$11.8 billion in total net inflows YTD, has more than doubled its ETF assets over the past year.

Taxable-bond funds retained their dominant position with inflows of \$22.1 billion in April, but support waned for municipal-bond funds, which had inflows of only \$989 million. Real estate funds, bolstered by strong returns over the trailing 12 months, have gathered \$1.5 billion in assets this year through April, for the category's best start since 2007.

In ETF-related news:

Small- and mid-cap U.S. stock ETFs gathered assets of \$1.9 billion and \$976 million, respectively. Large-cap ETFs as a whole suffered outflows of about \$1.5 billion in April, led by steep outflows of roughly \$4.6 billion from SPDR S&P 500 SPY.

Taxable-bond ETFs continued to have strong inflows. Short-term bond ETFs took in \$517 million in April, reflecting investors' preference for the short end of the yield curve.