
Summer Rally Lures Some 401(k) Money Back to Stocks

By Editor Test *Fri, Sep 18, 2009*

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Total equity allocations rose to 56.2% of all 401(k) assets from 55.3% in July, Hewitt Associates said in its monthly report. While equity allocations have increased steadily since February, the average is still well below the 62% of a year ago, the report noted.

Lifecycle funds received 32.1% of all inflows in August, or \$147 million, while international funds received 17.6%, or \$80 million. Stable value funds experienced the most outflows for the month at \$299 million, representing 65.4% of all outflows. Since April, stable value funds have had outflows of nearly \$1 billion, the report said.

According to Hewitt, 22% of participant-only contributions went into stable value funds, while 21.8% went into lifestyle funds and 16.9% went into large-cap U.S. equity funds. For overall contributions, 21.1% was invested in lifecycle funds, 20.3% was invested in stable value and 15.7% moved into large-cap U.S. equity funds.

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