
U.S. stock funds lose another \$14.3 billion in August

By Editor Test *Mon, Sep 24, 2012*

Investors continue to pull money out of open-end stock funds, even as equity indices remain robust. Is this what's called an "orderly exit"?

Long-term mutual fund inflows were just \$20.7 billion in August 2012, as open-end U.S.-stock funds tallied yet another month of outflows, losing \$14.3 billion, according to Morningstar, Inc.'s latest report. Other highlights from the report include:

- Investors poured \$26.4 billion into taxable-bond funds (\$30.0 billion if ETF flows are included) and another \$5.6 billion into municipal-bond funds in August. Altogether, inflows into these funds surpassed \$1.1 trillion since the end of 2008 when the Fed cut rates to zero.
- U.S.-stock mutual funds and ETFs bled \$22.4 billion in August, making it the worst month in two years and the fifth worst during the past five years for the asset class.
- International-stock funds had \$2.8 billion in outflows, the group's worst showing since December 2011.
- World-bond and inflation-protected bond funds absorbed just over \$600 million in combined August inflows.
- Old Westbury experienced inflows of \$1.4 billion, while the American Funds saw another \$5.5 billion in outflows.