

Vanguard and BlackRock/iShares dominate October fund flows

By Editorial Staff Thu, Nov 30, 2017

'Taxable bond' remained the leading category group in October with \$39.1 billion in flows overall, followed by 'International equity,' whose flows more than doubled to \$22.2 billion from \$9.8 billion in September.

In October, investors put \$27.6 billion into U.S. equity passive funds, more than doubling September's \$12.7 billion inflow. On the active front, investors pulled \$18.8 billion out of U.S. equity funds compared with \$18.5 billion in the previous month, according to Morningstar's latest monthly asset flow report.

Highlights from the report include:

On the passive front, Vanguard was the top fund family, with inflows of \$26.6 billion in October (\$340.1 billion for one year), followed by BlackRock/iShares with inflows of \$20.4 billion in October (\$224.9 billion for one year). Gold-rated Vanguard 500 Index Fund attracted the highest flows of \$9.0 billion and iShares Core S&P 500 ETF followed with \$3.9 billion in flows.

The leaders in active flows among top U.S. fund families were J.P. Morgan with \$4.6 billion and PIMCO with \$3.5 billion. The active fund with the highest inflow was JPMorgan International Research Enhanced Equity Fund, with flows of \$3.1 billion. Fidelity and Franklin Templeton suffered outflows from their active funds as they did in September; however, T. Rowe Price received inflows of \$312.0 million.

Taxable bond remained the leading category group in October with \$39.1 billion in flows overall, divided almost evenly between the passive and active side. International equity, which more than doubled to \$22.2 billion in October from \$9.8 billion in September, was the second leading category group.

Intermediate-term bond, foreign large blend, and large blend were the three Morningstar Categories with the highest inflows in October. The three Categories with the largest outflows were large value, large growth, and mid-cap value.

After announcing a fee increase in September, PIMCO Income, an actively managed bond fund with a Morningstar Analyst Rating of Silver, saw flows of \$3.0 billion in October. On the passive front, Bronze-rated T. Rowe Price New Income suffered a \$1.2 billion outflow in October, the largest outflow among active funds.

The passive fund with the largest outflow was Vanguard Institutional Index at \$4.8 billion. iShares MSCI Spain Capped ETF experienced \$571 million in outflows, following Catalonia's declaration of independence from Spain.

Morningstar estimates net flow for mutual funds by computing the change in assets not explained by the performance of the fund and net flow for ETFs by computing the change in shares outstanding.

