

Passive vs. Active Fund Flows

Estimated Net Flows to Mutual Funds and ETFs in \$Millions (12-Month flows through June 30, 2018)

Category	Active	Passive
U.S. Equity	(199,095)	165,088
Sector Equity	(21,167)	36,175
International Equity	50,826	144,150
Allocation	(31,191)	2,193
Taxable Bond	141,372	171,489
Municipal Bond	21,999	5,750
Alternative	3,435	2,050
Commodities	5,902	(462)
All Long Term	(27,919)	526,433

Source: Morningstar Direct Asset Flows. Includes liquidated and merged funds.

View from the Observation Deck

1. Investors directing capital into mutual funds and exchange traded funds (ETFs) continued to favor passive investing over active management on a massive scale for the 12-month period ended 6/30/18.
2. [Click here](#) to view flows posted in 2017.
3. Passive mutual funds and ETFs reported net inflows totaling \$526.4 billion, compared to net outflows totaling \$27.9 billion for those actively managed (see chart).
4. The three active categories garnering more interest from investors than their passive counterparts are Municipal Bond, Alternative and Commodities.
5. We intend to monitor net flows moving forward.

This chart is for illustrative purposes only and not indicative of any actual investment.

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