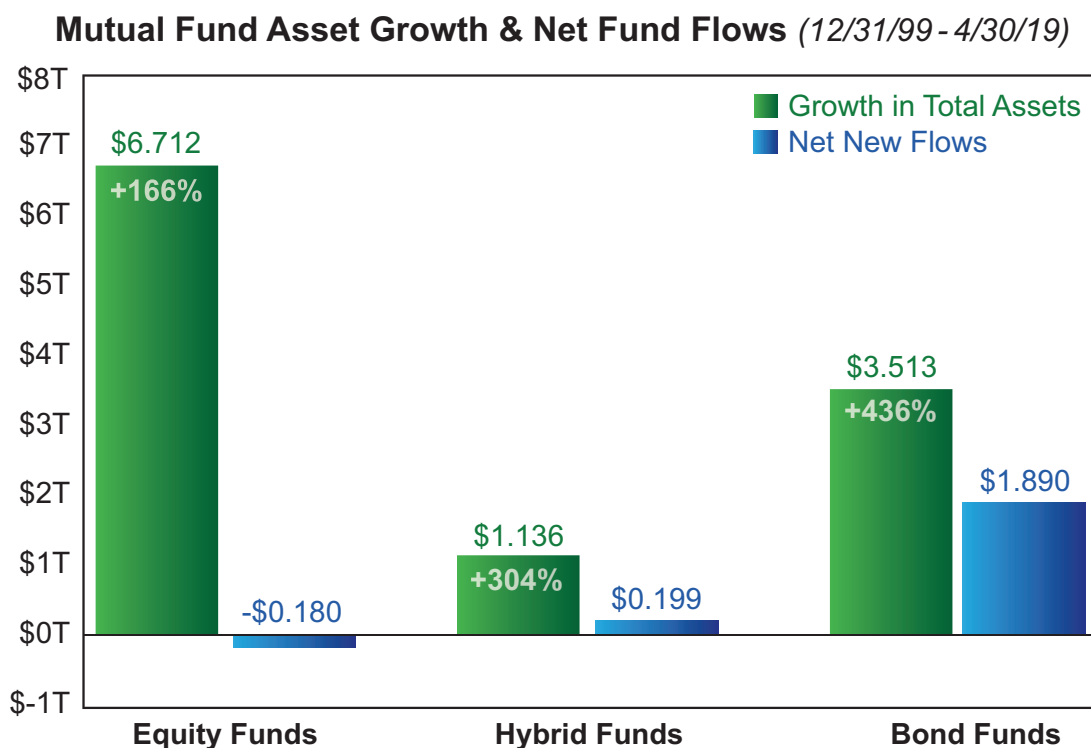


How Mutual Fund Investors Have Positioned Their Capital This Millennium



Source: Investment Company Institute (ICI), in trillions, USD.

View from the Observation Deck

- 1.. We like to monitor risk tolerance over time and one of the best ways is to follow capital flows from retail investors to equity, hybrid and bond mutual funds.
2. The data in the chart shows that while equity funds posted the largest increase in total assets over the period (19 years and 4 months), both bond and hybrid funds posted bigger increases on a percentage basis.
3. As of 4/30/19, total assets invested in these three fund categories were as follows: \$10.752 Trillion (Equity); \$1.510 Trillion (Hybrid); and \$4.319 Trillion (Bond), according to ICI data.
4. More importantly, with respect to net fund flows, bond funds were by far the clear favorite for the period. Here is that breakdown: \$1.890 Trillion (Bond); \$199 Billion (Hybrid); and -\$180 Billion (Equity).
5. From 2000-2018, equity funds reported net inflows in just 9 of the 19 calendar years, compared to 13 for hybrid funds and 15 for bond funds.
6. For comparative purposes (not shown in chart), as of 4/30/19, total assets invested in equity, hybrid and bond exchange-traded funds were as follows: \$3.117 Trillion (Equity); \$25 Billion (Hybrid); and \$689 Billion (Bond), according to ICI data.

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

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