

Morningstar DirectSM Fund Flows Update

U.S. Open-End Funds

Bonds Rule, Stocks Drool | by Kevin McDevitt, CFA, Editorial Director

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Long-term mutual funds recorded their second consecutive month of net redemptions with \$9.8 billion in outflows. Some of December's outflows likely went to money market funds, as this group attracted about \$36.2 billion in inflows. Long-term funds have now recorded outflows in five of the last seven months, making this the worst such stretch since the late 2008-early 2009 financial crisis. Long-term funds collected \$79 billion for the year, or just \$67.1 billion if outflows from merged or liquidated funds are included. (Unless otherwise noted, all of the figures in this report include merged and liquidated funds.) This was an organic increase of just 0.83% over 2010, the weakest growth rate since 2008's 2.2% loss.

Estimated Net Flows \$Mil	Dec. 2011	QTD	YTD
U.S. Stock	(17,742)	(44,409)	(84,692)
International Stock	(6,501)	(13,961)	473
Balanced	(1,101)	(9,666)	11,490
Taxable Bond	11,806	40,883	130,197
Municipal Bond	4,831	9,923	(11,984)
Alternative	(403)	1,703	12,189
Commodities	(734)	869	9,449
All Long Term	(9,844)	(14,659)	67,121
Money Market	36,182	61,893	(100,372)

Source: Morningstar Direct Fund Flows. Totals include merged or liquidated funds.

U.S.-stock funds continue to be the main culprits, as they shed \$17.7 billion in December alone and about \$84.7 billion for the year. In a year in which the overall equity market was flat, 2011 was the worst year for outflows since \$121 billion fled in 2008. This past year also marked the sixth consecutive year of U.S.-stock outflows. During that stretch, an estimated \$351 billion left U.S.-stock funds. Regardless of what happens in U.S. equity markets, it's hard to imagine this outflow trend reversing in 2012. After all, there were substantial outflows in both 2009 and 2010, too, despite strong returns.

Ironically, despite generally suffering far worse returns, international-stock funds fared much better in terms of flows during the year. Although international-stock funds had their worst monthly outflows in December (about \$6.5 billion) since March 2009, the asset-class outflows were roughly flat for the year, leaving them about \$85 billion ahead of U.S.-stock funds in 2011. That occurred despite the MSCI All Country World Ex-U.S. Index's 13.7% loss versus the S&P 500 index's 2.1% gain.

To learn more about Morningstar Direct Fund Flows, visit us at [this link](#). For weekly updates about the fund industry, check [Fund Times](#) on Morningstar.com each Thursday afternoon.

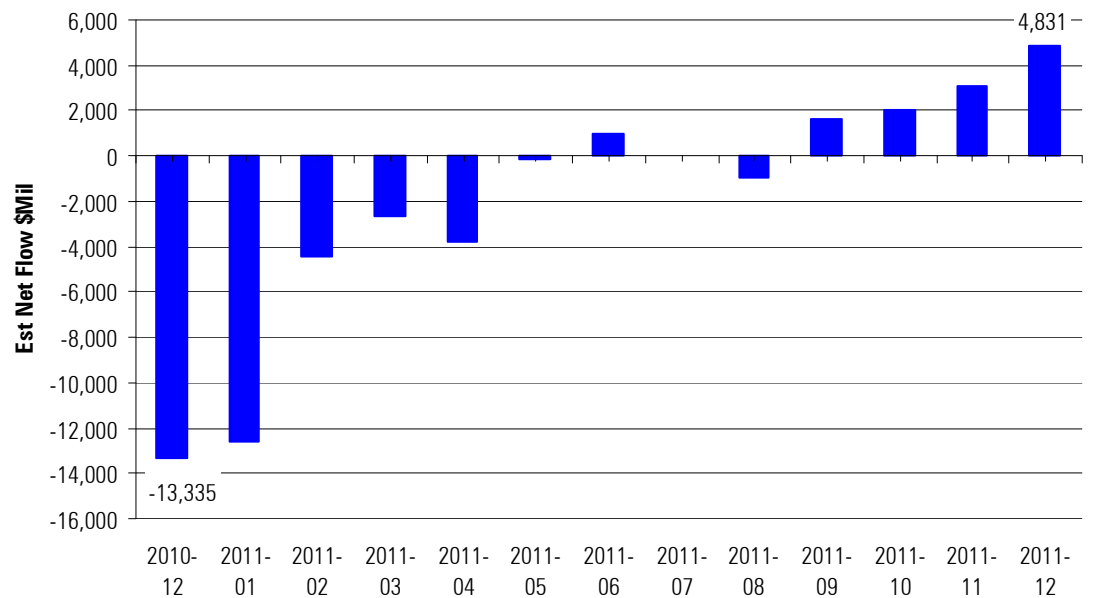
Data Notes: The figures in this report were compiled Jan. 10, 2012, and reflect only the funds that had reported net assets by that date. The figures in the commentary are survivorship-bias free. The figures in the attached table include only currently active funds. Next month we plan to introduce tables that are survivorship-bias free, as well.

A similar dichotomy existed within the international-stock asset class itself. Despite having the best relative returns in the asset class, world-stock funds had the largest outflows. With 42% of their assets in U.S. stocks on average, world-stock funds held up better than pure-play foreign-stock funds, losing a comparably mild 7.9%. Even so, world-stock funds saw \$16.6 billion in net redemptions, more than 2.5 times its closest competitor, foreign large-blend funds' \$6.3 billion in outflows. Diversified emerging markets were at the other end of the spectrum. Despite losing nearly 20% on average, these funds took in a collective \$19.7 billion, nearly five times as much as the \$4.3 billion haul for foreign large-growth funds. While it may still be true that investors chase returns to some extent, that behavior certainly comes with a significant lag.

Muni Rising

Municipal-bond funds were the comeback kids in 2011. Left for dead early in the year, flows into these funds steadily improved throughout 2011. Since outflows peaked at \$13.3 billion in December 2010, the trend has been positive. This past month muni funds enjoyed their strongest inflows since August 2010.

Apocalypse Postponed
Muni Bond Flows Recover



As the tidal wave of municipal defaults that some called for failed to materialize, investors gradually felt more comfortable returning to the fold. Strong returns were an additional draw. The average muni national intermediate fund gained 9% in 2011, far better than what equity markets offered.

The muni short and muni national intermediate categories were the two most popular, both in December and for the year. Muni short funds collected \$1.6 billion in December and \$3.1 billion in 2011. The muni national intermediate category's \$1.4 billion inflow pushed it into the black for 2011, with just under \$1.4 billion in inflows for the year.

Passive-Aggressive

Passively managed long-term funds were far and away the biggest success story in 2011. Across all asset classes, this group welcomed \$76.4 billion in 2011 inflows, narrowly exceeding the \$74.7 billion collected in 2010. The bulk of these inflows went into international-stock and taxable-bond funds. Vanguard Total International Stock Index was the big winner in the former group, taking in \$14.4 billion in 2011, more than triple DFA Emerging Markets Value's \$4.3 billion total. Likewise, Vanguard Total Bond Market II Index and Total Bond Market Index recorded a combined \$12.6 billion in new money.

Meanwhile, actively managed funds of all stripes shed about \$9.4 billion in 2011. As a result, actively managed funds' overall market share fell to 85.2% from 86.2%, while long-term passively managed funds climbed to 14.8% from 13.8%.

Top-10 Open-End Fund Families ranked by Dec 2011 Flows

Excludes money markets and funds of funds

Fund Family	Total Net Assets (\$Bil)	Market Share %	Dec 2011 Estimated Net Flows (\$Mil)	One-Year Organic Growth Rate %
Vanguard	1,313	16.5	7,548	3.5
DoubleLine	17	0.2	1,744	301.6
Principal Funds	62	0.8	951	5.1
Dimensional Fund Advisors	131	1.6	902	12.6
JPMorgan	139	1.7	863	14.8
Wells Fargo Advantage	80	1.0	816	5.7
MainStay	40	0.5	779	29.1
MFS	84	1.1	670	3.6
First Eagle	48	0.6	514	16.4
Lord Abbett	70	0.9	474	8.3

Vanguard came out on top in December and the year, with an estimated \$43.7 billion in 2011 inflows. DoubleLine arguably had the most impressive year, though, with \$12.4 billion in inflows, a 300%-plus growth rate. Most of this money went into DoubleLine Total Return, which gained an impressive 9.5% in 2011.

The nightmare for American Funds only got worse as the family lost another \$9.1 billion in December, bringing its 2011 outflows to \$81.5 billion. To put this in perspective, American Funds Growth Fund of America not only had the greatest outflows of any other fund, but of any other family, with an estimated \$33.1 billion in net redemptions, which easily beats Fidelity's \$28.0 billion in outflows.

Fund Flows

Monthly Market Summary: US Open-end ex MM ex FoF

Effective Date
2011-12-31

Morningstar Categories Ranked by Current TNA (\$Mil)

Rank	Name	Estimated Net Flow (\$mil)				Total Net Assets (\$bil)			Total Return		
		1-Mo	QTD	YTD	1-Yr	12-2011	Mkt Sh %	12-2010	Mkt Sh %	1-Mo	YTD
1	Large Blend	(3,180)	(8,384)	(8,441)	(8,441)	1,017	12.77	1,023	12.82	0.40	(1.27)
2	Intermediate-Term Bond	7,531	23,936	30,959	30,959	902	11.32	823	10.30	1.20	5.86
3	Large Growth	(5,400)	(14,687)	(39,801)	(39,801)	752	9.44	803	10.06	(1.14)	(2.46)
4	Large Value	(2,937)	(7,005)	(11,558)	(11,558)	556	6.98	568	7.11	1.26	(0.75)
5	Foreign Large Blend	(1,917)	(7,925)	(5,050)	(5,050)	384	4.82	448	5.61	(2.39)	(13.97)
6	Moderate Allocation	(1,287)	(8,285)	(16,003)	(16,003)	372	4.67	378	4.74	0.40	(0.11)
7	World Stock	(2,745)	(6,270)	(16,242)	(16,242)	250	3.13	284	3.56	(1.35)	(7.93)
8	World Allocation	(439)	214	15,826	15,826	230	2.89	218	2.73	(0.83)	(3.99)
9	Short-Term Bond	214	(671)	10,965	10,965	200	2.51	184	2.31	0.35	1.66
10	High Yield Bond	3,370	11,098	14,433	14,433	198	2.49	178	2.23	2.25	2.83
11	Mid-Cap Growth	(2,125)	(5,093)	(13,261)	(13,261)	192	2.42	213	2.67	(1.88)	(3.96)
12	Diversified Emerging Mkts	128	3,142	19,727	19,727	181	2.27	203	2.54	(3.54)	(19.86)
13	Mid-Cap Blend	(818)	(2,453)	(1,672)	(1,672)	166	2.08	173	2.16	(0.31)	(3.81)
14	World Bond	(993)	(111)	22,871	22,871	141	1.78	121	1.51	0.78	3.39
15	Small Blend	(1,221)	(2,526)	(2,801)	(2,801)	139	1.75	147	1.84	0.19	(4.07)
16	Foreign Large Value	(470)	312	3,632	3,632	137	1.73	156	1.95	(2.20)	(12.77)
17	Intermediate Government	1,781	3,800	(1,994)	(1,994)	131	1.65	123	1.54	0.67	6.70
18	Conservative Allocation	909	(903)	10,633	10,633	128	1.61	114	1.43	0.69	1.70
19	Multisector Bond	487	876	9,137	9,137	123	1.55	111	1.39	1.40	3.37
20	Muni National Interm	1,443	3,479	1,447	1,447	111	1.39	101	1.26	1.80	9.00
21	Small Growth	(791)	(1,929)	(3,083)	(3,083)	105	1.31	110	1.37	(0.64)	(3.55)
22	Inflation-Protected Bond	979	4,125	9,375	9,375	103	1.29	84	1.05	0.04	10.93
23	Mid-Cap Value	(312)	(1,027)	(1,210)	(1,210)	102	1.28	107	1.34	0.34	(3.96)
24	Foreign Large Growth	(247)	(578)	4,487	4,487	98	1.24	112	1.41	(2.66)	(12.30)
25	Muni Short	1,646	3,594	3,300	3,300	94	1.19	89	1.11	0.66	3.60
26	Muni National Long	469	770	(5,001)	(5,001)	88	1.11	80	1.01	2.03	10.64
27	Small Value	(232)	(457)	(1,225)	(1,225)	69	0.87	72	0.91	0.95	(4.45)
28	Bank Loan	(743)	(1,132)	12,049	12,049	57	0.72	43	0.54	0.77	1.63
29	Real Estate	(107)	300	2,686	2,686	55	0.70	48	0.61	4.37	7.51
30	High Yield Muni	512	913	(1,164)	(1,164)	54	0.68	51	0.64	1.98	10.18
31	Nontraditional Bond	(1,449)	(4,176)	9,051	9,051	51	0.64	43	0.53	0.48	(1.29)
32	Commodities Broad Basket	(734)	869	9,470	9,470	47	0.60	45	0.56	(3.49)	(8.05)
33	Emerging Markets Bond	600	2,241	12,524	12,524	46	0.58	34	0.42	0.07	1.98
34	Short Government	(222)	361	(708)	(708)	43	0.54	43	0.54	0.18	2.09
35	Health	77	(165)	(185)	(185)	40	0.50	37	0.46	1.94	7.66

Fund Flows

Monthly Market Summary: US Open-end ex MM ex FoF

Effective Date
2011-12-31

Morningstar Categories Ranked by Current TNA (\$Mil)

Rank	Name	Estimated Net Flow (\$mil)				Total Net Assets (\$bil)			Total Return		
		1-Mo	QTD	YTD	1-Yr	12-2011	Mkt Sh %	12-2010	Mkt Sh %	1-Mo	YTD
36	Ultrashort Bond	(168)	(202)	1,692	1,692	36	0.45	34	0.43	0.11	0.25
37	Muni California Long	92	19	(2,716)	(2,716)	36	0.45	35	0.44	2.23	11.74
38	Natural Res	(492)	(787)	1,854	1,854	31	0.39	35	0.44	(4.91)	(13.97)
39	Long-Term Bond	253	667	1,298	1,298	29	0.36	24	0.29	2.34	11.47
40	Muni New York Long	62	59	(2,118)	(2,118)	28	0.35	27	0.34	1.97	9.85
41	Equity Precious Metals	(204)	(591)	(1,833)	(1,833)	28	0.35	37	0.47	(13.14)	(20.68)
42	Foreign Small/Mid Value	(80)	(92)	1,309	1,309	26	0.33	29	0.36	(3.07)	(15.99)
43	Muni Single State Long	130	300	(1,359)	(1,359)	26	0.32	25	0.31	1.94	10.20
44	Equity Energy	(34)	(121)	1,061	1,061	25	0.31	25	0.31	(2.29)	(7.54)
45	Technology	(342)	(479)	(2,408)	(2,408)	24	0.30	28	0.35	(2.51)	(7.62)
46	Foreign Small/Mid Growth	(413)	(837)	(775)	(775)	24	0.30	28	0.35	(2.75)	(14.72)
47	Global Real Estate	(137)	666	2,144	2,144	22	0.27	22	0.28	(1.15)	(10.10)
48	Long/Short Equity	180	918	1,515	1,515	19	0.24	17	0.22	(0.21)	(2.81)
49	Utilities	295	929	2,302	2,302	18	0.23	14	0.18	1.86	10.58
50	Market Neutral	(101)	(2)	1,922	1,922	18	0.22	16	0.20	(0.35)	(0.30)
51	Pacific/Asia ex-Japan Stk	(504)	(914)	(3,405)	(3,405)	18	0.22	25	0.32	(4.67)	(20.95)
52	Aggressive Allocation	(130)	(326)	(928)	(928)	15	0.19	16	0.21	(0.31)	(3.80)
53	Multialternative	461	1,543	4,204	4,204	14	0.17	9	0.12	0.02	(2.79)
54	Muni Single State Interm	89	139	(667)	(667)	13	0.16	13	0.16	1.77	8.90
55	Convertibles	(244)	(547)	(32)	(32)	13	0.16	13	0.17	0.05	(5.62)
56	Europe Stock	(128)	(374)	(1,243)	(1,243)	12	0.15	15	0.19	(3.31)	(15.15)
57	Muni California Intermediate	149	297	212	212	10	0.13	9	0.12	1.86	8.67
58	Muni Pennsylvania	13	(10)	(713)	(713)	10	0.12	10	0.12	1.93	9.84
59	Currency	(167)	(325)	3,392	3,392	9	0.11	6	0.07	(0.54)	(3.33)
60	Long Government	154	492	557	557	9	0.11	6	0.08	3.83	32.90
61	Muni New York Intermediate	94	186	(308)	(308)	8	0.10	8	0.10	1.75	8.58
62	Muni New Jersey	28	38	(592)	(592)	7	0.09	7	0.09	2.16	10.38
63	Managed Futures	4	842	3,544	3,544	7	0.09	4	0.05	0.33	(6.92)
64	Muni Massachusetts	40	65	(380)	(380)	7	0.09	7	0.08	2.15	10.46
65	Diversified Pacific/Asia	(35)	(244)	420	420	7	0.08	7	0.09	(3.39)	(17.97)
66	China Region	120	(108)	(1,398)	(1,398)	7	0.08	10	0.12	(3.10)	(24.95)
67	Latin America Stock	(127)	(304)	(1,973)	(1,973)	6	0.08	10	0.12	(1.76)	(22.64)
68	Muni Ohio	31	36	(560)	(560)	5	0.06	5	0.07	1.83	9.24
69	Bear Market	(575)	(673)	(381)	(381)	4	0.06	6	0.07	(0.57)	(10.85)
70	Financial	(56)	(88)	(694)	(694)	4	0.05	6	0.07	1.00	(15.12)

Fund Flows

Monthly Market Summary: US Open-end ex MM ex FoF

Effective Date
2011-12-31

Morningstar Categories Ranked by Current TNA (\$Mil)

Rank	Name	Estimated Net Flow (\$mil)				Total Net Assets (\$bil)				Total Return	
		1-Mo	QTD	YTD	1-Yr	12-2011	Mkt Sh %	12-2010	Mkt Sh %	1-Mo	YTD
71	Muni Minnesota	32	40	(216)	(216)	4	0.05	4	0.05	1.87	10.32
72	Japan Stock	120	121	1,257	1,257	3	0.04	2	0.03	(1.74)	(13.46)
73	Communications	(47)	(92)	(319)	(319)	3	0.04	4	0.05	(0.01)	(5.31)
74	Industrials	(38)	(22)	(285)	(285)	2	0.03	2	0.03	(0.75)	(8.29)
75	Target Date 2016-2020	(10)	17	279	279	2	0.03	2	0.02	0.14	(0.22)
76	Consumer Defensive	46	66	278	278	2	0.02	2	0.02	1.02	5.05
77	Target Date 2026-2030	1	27	294	294	2	0.02	1	0.02	(0.13)	(2.26)
78	Target Date 2021-2025	34	44	171	171	2	0.02	2	0.02	0.00	(2.06)
79	Consumer Cyclical	31	124	(1)	(1)	1	0.02	1	0.02	0.30	1.58
80	Miscellaneous Sector	6	(28)	80	80	1	0.01	1	0.01	(1.25)	(10.44)
81	Target Date 2036-2040	(14)	7	189	189	1	0.01	1	0.01	(0.31)	(3.49)
82	Retirement Income	11	18	156	156	1	0.01	1	0.01	0.33	1.60
83	Target Date 2000-2010	(9)	(17)	62	62	1	0.01	1	0.01	0.27	0.91
84	Target Date 2011-2015	22	34	160	160	1	0.01	1	0.01	0.22	(0.27)
85	Target Date 2031-2035	27	47	195	195	1	0.01	1	0.01	(0.18)	(3.51)
86	Target Date 2050+	14	27	126	126	1	0.01	1	0.01	(0.35)	(4.13)
87	Target Date 2041-2045	14	27	116	116	0	0.00	0	0.00	(0.32)	(4.10)
Top 10		(6,789)	(17,979)	(24,912)	(24,912)	4,859	61.02	4,908	61.48	—	—
All		(9,724)	(13,136)	78,658	78,658	7,964	100.00	7,982	100.00	—	—

Top Fund Families Ranked by Current TNA (\$Mil)

Rank	Name	Estimated Net Flow (\$mil)				Assets Under Management (\$bil)			
		1-Mo	QTD	YTD	1-Yr	12-2011	Mkt Sh %	12-2010	Mkt Sh %
1	Vanguard	7,548	11,946	43,746	43,746	1,313	16.48	1,249	15.65
2	American Funds	(9,117)	(21,895)	(81,540)	(81,540)	854	10.72	957	11.99
3	Fidelity Investments	(916)	(7,063)	(27,954)	(27,954)	786	9.87	831	10.41
4	PIMCO	(2,109)	(3,576)	27,530	27,530	454	5.70	416	5.22
5	Franklin Templeton Investment Fds	(1,223)	(1,406)	9,683	9,683	337	4.24	330	4.13
6	T. Rowe Price	162	2,203	8,444	8,444	272	3.41	265	3.32
7	Columbia	(1,161)	(3,226)	(8,175)	(8,175)	154	1.94	152	1.91
8	BlackRock	4	797	11,033	11,033	140	1.76	125	1.57
9	JPMorgan	863	3,199	17,939	17,939	139	1.74	121	1.52
10	OppenheimerFunds	(60)	(556)	(1,444)	(1,444)	136	1.70	143	1.79
11	Dimensional Fund Advisors	902	2,823	16,018	16,018	131	1.64	127	1.59
12	John Hancock	(105)	(238)	348	348	123	1.54	126	1.58
13	Dodge & Cox	(1,685)	(3,183)	(6,401)	(6,401)	111	1.39	125	1.57
14	Invesco	(199)	(853)	(4,209)	(4,209)	103	1.29	89	1.11
15	Janus	(660)	(2,039)	(6,840)	(6,840)	88	1.11	104	1.31

Fund Flows

Monthly Market Summary: US Open-end ex MM ex FoF

Effective Date
2011-12-31

Top Fund Families Ranked by Current TNA (\$Mil)

Rank	Name	Estimated Net Flow (\$mil)				Assets Under Management (\$bil)			
		1-Mo	QTD	YTD	1-Yr	12-2011	Mkt Sh %	12-2010	Mkt Sh %
16	MFS	670	1,466	3,104	3,104	84	1.06	80	1.00
17	Hartford Mutual Funds	(1,132)	(3,244)	(10,727)	(10,727)	82	1.02	96	1.20
18	Wells Fargo Advantage	816	2,414	4,699	4,699	80	1.01	73	0.91
19	American Century Investments	445	761	3,315	3,315	79	0.99	75	0.93
20	Lord Abbett	474	1,231	5,397	5,397	70	0.88	65	0.82
21	Principal Funds	951	1,105	3,180	3,180	62	0.78	58	0.72
22	Eaton Vance	(729)	(2,437)	(3,118)	(3,118)	61	0.77	66	0.82
23	ING Retirement Funds	(301)	(1,157)	(5,571)	(5,571)	60	0.76	64	0.80
24	Legg Mason/Western	(224)	(228)	(3,987)	(3,987)	58	0.73	60	0.75
25	Harbor	228	596	2,304	2,304	55	0.70	57	0.72
26	Goldman Sachs	(699)	(1,230)	(2,618)	(2,618)	55	0.69	59	0.74
27	GMO	(192)	108	(1,325)	(1,325)	54	0.68	57	0.72
28	Federated	389	1,651	901	901	51	0.64	50	0.62
29	Putnam	(631)	(1,313)	(3,951)	(3,951)	48	0.61	54	0.68
30	Thornburg	187	94	5,984	5,984	48	0.60	47	0.58
31	First Eagle	514	1,356	6,897	6,897	48	0.60	42	0.53
32	AllianceBernstein	(175)	(517)	(3,103)	(3,103)	47	0.59	52	0.65
33	Dreyfus	(168)	13	1,018	1,018	46	0.58	45	0.56
34	DWS Investments	(387)	(683)	(1,754)	(1,754)	46	0.57	48	0.60
35	Ivy Funds	(59)	54	4,421	4,421	44	0.55	43	0.54
36	Nuveen	117	101	1,397	1,397	44	0.55	41	0.52
37	Prudential Investments	254	834	4,478	4,478	42	0.53	39	0.48
38	USAA	137	287	1,941	1,941	40	0.51	38	0.48
39	MainStay	779	2,227	9,110	9,110	40	0.50	31	0.39
40	Oakmark	(248)	(410)	2,358	2,358	37	0.47	37	0.46
41	TIAA-CREF Mutual Funds	418	3,902	7,000	7,000	37	0.47	31	0.39
42	Natixis Funds	133	568	2,512	2,512	37	0.46	34	0.43
43	Northern Funds	(43)	218	2,086	2,086	36	0.45	36	0.44
44	Pioneer Investments	(134)	(68)	(937)	(937)	33	0.41	35	0.43
45	Russell	(96)	(172)	643	643	33	0.41	33	0.42
46	Schwab Funds	126	166	215	215	31	0.39	33	0.41
47	Royce	(386)	(1,193)	(1,186)	(1,186)	31	0.39	34	0.43
48	Delaware Investments	78	577	2,030	2,030	31	0.39	28	0.35
49	Artisan	(233)	(282)	422	422	30	0.38	31	0.39
50	Davis Funds	(949)	(2,376)	(7,949)	(7,949)	27	0.33	36	0.45
Top 10		(6,009)	(19,578)	(737)	(737)	4,584	57.56	4,590	57.51
Top 50		(7,827)	(18,650)	27,363	27,363	6,846	85.96	6,869	86.06
Other		(1,897)	5,417	50,829	50,829	1,118	14.04	1,111	13.92

Fund Flows

Monthly Market Summary: US Open-end ex MM ex FoF

Effective Date
2011-12-31

Top Fund Families Ranked by Current TNA (\$Mil)

Rank	Name	Estimated Net Flow (\$mil)				Assets Under Management (\$bil)			
		1-Mo	QTD	YTD	1-Yr	12-2011	Mkt Sh %	12-2010	Mkt Sh %
All		(9,724)	(13,233)	78,192	78,192	7,964	100.00	7,980	99.98

Asset Classes

Name	Estimated Net Flow (\$mil)				Assets Under Management (\$bil)			
	1-Mo	QTD	YTD	1-Yr	12-2011	Mkt Sh %	12-2010	Mkt Sh %
U.S. Stock	(17,677)	(43,925)	(78,684)	(78,684)	3,304	41.49	3,419	42.84
International Stock	(6,434)	(13,404)	2,890	2,890	1,174	14.74	1,351	16.93
Balanced	(1,101)	(9,616)	11,245	11,245	769	9.66	750	9.40
Taxable Bond	11,795	41,304	132,207	132,207	2,069	25.98	1,851	23.18
Municipal Bond	4,831	9,926	(10,834)	(10,834)	502	6.30	470	5.89
Alternative	(403)	1,712	12,364	12,364	99	1.24	95	1.20
Commodities	(734)	869	9,470	9,470	47	0.60	45	0.56
All Long Term	(9,724)	(13,136)	78,658	78,658	7,964	100.00	7,982	100.00

Morningstar Stewardship Grades

Stewardship Grade	Funds Graded	Estimated Net Flow (\$mil)				Total Net Assets (\$bil)			
		12-2011	12-2010	YTD 2011	YTD 2010	12-2011	Mkt Sh %	12-2010	Mkt Sh %
A	82	(10,652)	(25,620)	(85,600)	(85,600)	1,256	15.77	1,379	17.27
B	300	1,950	(550)	46,630	46,630	2,026	25.44	1,984	24.85
C	649	(6,452)	(17,487)	(34,846)	(34,846)	1,739	21.84	1,775	22.23
D	68	33	(440)	(121)	(121)	131	1.64	132	1.65
F	2	(4)	(12)	(118)	(118)	1	0.01	1	0.01
Not Rated	5013	5,403	30,974	152,713	152,713	2,811	35.29	2,712	33.98

Investment Company Institute Methods of Sale

Name	Estimated Net Flow (\$mil)				Total Net Assets (\$bil)			
	1-Mo	QTD	YTD	1-Yr	12-2011	Mkt Sh %	12-2010	Mkt Sh %
Institutional	15,503	44,932	237,824	237,824	2,525	31.71	2,334	29.24
Non-Proprietary	(11,158)	(24,624)	(70,195)	(70,195)	2,389	30.00	2,474	31.00
Direct Market	(15,989)	(39,669)	(98,180)	(98,180)	2,353	29.55	2,481	31.08
Proprietary Non-Bank	(1,451)	(3,110)	(11,778)	(11,778)	259	3.25	274	3.44
Variable Annuity	(894)	(2,957)	(13,046)	(13,046)	199	2.49	214	2.68
Proprietary Bank	(1,120)	(560)	8,528	8,528	167	2.09	159	1.99
Unclassified	5,385	12,853	25,504	25,504	73	0.91	46	0.58
Total	(9,724)	(13,136)	78,658	78,658	7,964	100.00	7,982	100.00

Fund Flows

Monthly Market Summary: US Open-end ex MM ex FoF

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Morningstar Ratings

Name	Estimated Net Flow (\$mil)				Total Net Assets (\$bil)				
	1-Mo	QTD	YTD	1-Yr	12-2011	Mkt Sh %	12-2010	Mkt Sh %	
★★★★★	8,167	26,090	137,476	137,476	1,203	15.11	1,066	13.36	
★★★★	(61)	(1,374)	80,136	80,136	3,135	39.36	3,087	38.68	
★★★	(15,983)	(37,538)	(126,485)	(126,485)	2,454	30.81	2,617	32.79	
★★	(10,246)	(27,682)	(101,399)	(101,399)	757	9.50	872	10.92	
★	(2,437)	(10,495)	(32,375)	(32,375)	141	1.77	185	2.32	
Not Rated	10,837	37,863	121,305	121,305	276	3.46	154	1.93	
Total	(9,724)	(13,136)	78,658	78,658	7,964	100.00	7,982	100.00	