

## VIDEO

September 4, 2015

# Focus on Funds: Fund Investor Behavior in Last Week's Uncertain Markets

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## Fund Investor Behavior in Last Week's Uncertain Markets

In the September 4, 2015, edition of *Focus on Funds*, ICI Chief Economist Brian Reid offers data and analysis showing that fund investors are standing firm in the midst of market turbulence.

### Transcript

**Stephanie Ortbals-Tibbs, ICI Director, Media Relations:** Welcome to *Focus on Funds*, the Investment Company Institute's weekly roundup of industry news, ICI activities, and research findings.

In the midst of last week's uncertain markets, fund investors stood steadfast. ICI Chief Economist Brian Reid breaks down the numbers from last week's fund flows and offers some analysis.

**Brian Reid, ICI Chief Economist:** Given the volatility in U.S. and global equity markets, it's natural to ask, how did U.S. mutual fund investors react? Once again, we saw that fund investors remained very stable investors.

Outflows picked up a bit for domestic equity funds and amounted to about fifteen-hundredths of a percent of assets. And international equity funds had modest outflows and amounted to about five-hundredths of a percent of assets. This is after a period of modest outflows throughout much of 2015 for domestic equity funds and inflows into world equity funds.

What we're seeing here is that, given the volatility last week, mutual fund investors reacted with even more of a muted response than what has been typically the case during a period of market volatility.

While most of the focus last week was on volatility in U.S. and global equity markets, we did see a pickup in outflows from U.S. taxable bond funds. These outflows amounted to about four-hundredths of one percent of taxable bond fund assets. It's not clear where this money

went. In looking at money market funds, for instance, we only saw very modest inflows from both retail and institutional accounts.

So the bottom line here is that mutual fund investors remain steadfast and focused on their long-term investing horizons. This is what we've seen in every other period of market turbulence. And if markets remain rocky throughout the fall, we will again continue to see that that's where the focus is going to be—that fund investors who are saving for retirement and education will, by and large, stay with their funds and not react to the market turbulence.

**Ortbals-Tibbs:** That's this week in funds. See you next week.

## **Additional Resources**

[ICI Statistics: Estimated Long-Term Mutual Fund Flows](#)

[Video Highlight: How Do Fund Investors Behave in Turbulent Times?](#)

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