

VIDEO

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Focus on Funds: Fund Investment Trends Remain Stable

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Amid market ups and downs, fund flow trends are following fairly typical investment patterns. In the May 31, 2019, edition of *Focus on Funds*, ICI Economist Morris Mitler offers a quick breakdown.

Transcript

Stephanie Ortvals-Tibbs, ICI director of media relations: At the end of 2018, equity markets had endured some real ups and downs. We're in a different place now in terms of what we're seeing in the markets. How is that affecting fund flows?

Morris Mitler, ICI economist: We typically expect to see a seasonal pattern in mutual fund flows. At the end of the year, we typically see stronger outflows in mutual funds, but at the beginning of the year, we typically see stronger inflows.

Not so much with the ETF space—although combined flows right now for mutual funds and ETFs are negative. As the equity market performance has settled and started to improve the last few weeks, we've seen some positive inflows into equity mutual funds and ETFs.

Ortvals-Tibbs: So we're seeing a fairly similar direction of travel to what we see each year?

Mitler: As equity markets stabilize, we have no reason to expect anything different this year.

Ortvals-Tibbs: What about in terms of bond funds? What'll we see there?

Mitler: We continue to see strong flows into bond funds. Some of the flows are driven by long-term trends, such as the Baby Boomers who are approaching retirement and tilting their portfolios to fixed income. But other factors include the Federal Reserve and other central banks around the world who have dialed back their efforts to ratchet up monetary policy. In addition, inflation continues to remain in check, and it allows people to explore fixed-income products.

Additional Resources

- [Weekly Estimated Flow Report](#)
- [Monthly Exchange-Traded Fund Assets](#)
- [2019 Investment Company Fact Book](#)

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