

VIDEO

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Focus on Funds: Which Sectors Are Attracting Investor Money?

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It's been a good year so far for mutual funds and exchange-traded funds (ETFs). In the October 6, 2017, edition of Focus on Funds, ICI Senior Director for Industry and Financial Analysis Sean Collins reveals which sectors are experiencing the strongest flows—and which sector has seen outflows.

Transcript

Stephanie Ortvals-Tibbs, ICI director, media relations: What are the major fund investment trends for 2017? Well, standing back and taking a look at the data for the year so far, one of ICI's top economists, Sean Collins, shares his insights.

Sean Collins, senior director of industry and financial analysis, ICI: This year is shaping up to be a great year. We're seeing combined inflows into mutual funds and ETFs this year, so far through the end of August, of about almost \$400 billion, and that compares with about \$80 billion for the previous year. So, it looks to be a pretty good year.

Ortvals-Tibbs: Those are big numbers. Can we break down the categories a bit, and in particular pick up on what's going on with bond funds? Because people are always looking there to see when something is going to happen.

Collins: Sure. One thing that's really interesting about the bond market is that long-term interest rates in the US have varied a lot since last November, reflecting changing views about tax reform and monetary policy. We're down a little bit in terms of long-term interest rates so far this year. Overall though, investors seem to have taken it in stride, and have continued to add considerable amounts to bond mutual funds and to bond ETFs throughout the year—so, about \$275 billion through August alone.

Ortvals-Tibbs: All in between those two categories.

Collins: Exactly.

Ortvals-Tibbs: What surprises do you see? Anything in the data that you found interesting?

Collins: There is one surprise. One thing that we've seen is that the US stock market is up about 10 percent so far this year. Despite that, we've seen modest outflows from funds that invest in US stock markets—about \$30 billion—so that's a little bit of a surprise. Part of the explanation may be that world stock markets are up even more—about 15 percent through the end of August—and we've seen strong inflows in funds that concentrate in world stocks or international stocks.

Additional Resources

- ICI Statistics: [Monthly Exchange-Traded Fund Assets](#) and [Weekly Estimated Flow Report](#)

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