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Mutual Fund Flows

An Analysis of Monthly Mutual Fund Statistics

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On December 29, 2005 the Investment Company Institute released the "Monthly Trends in Mutual Fund Investing." This report is updated through November 30, 2005.

We have posted 76 charts based on the mutual fund data on www.biancoresearch.com. To view these charts, please go to the "Subscriber Area," then "Charts Archive," then "Mutual Fund Charts." In addition, a detailed 3-page table of mutual fund statistics is available under the "Mutual Fund Flows" section of the Web site.

Definitions

Net New Cash Flow: The dollar value of new sales minus redemptions, plus net exchanges. A positive number indicates new sales plus exchanges into funds exceeded redemptions plus exchanges out of funds. A negative number indicates redemptions plus exchanges out of funds exceeded new sales plus exchanges into funds.

New Sales: Dollar value of new purchases into mutual funds. Does not include shares purchased through reinvestment of dividends on existing accounts.

Redemptions: Dollar amount of shareholder liquidation of mutual funds.

Exchanges: Dollar amount of net shareholder switches into or out of funds in the same complex.

Liquid Assets or Cash: All assets that mature in less than one-year.

Chart 1 – Net New Cash Flow Into Stock Funds

During the month of November, stock mutual funds had a net new cash inflow of \$20.71 billion (top panel). The 12-month rolling sum of net new cash flows was an inflow of \$134.92 billion (bottom panel).

Chart 2 – Net New Cash Flow Into Bond Funds

During the month of November, bond mutual funds had a net new cash outflow of \$ 0.52 billion (top panel). The 12-month rolling sum of net new cash flows was an inflow of \$33.59 billion (bottom panel).

Chart 3 – Rolling 12-Month Sum Of Net New Cash Flow Into Total Funds

As often the case, stock and bond funds cash flows move in the opposite direction. This chart illustrates this phenomenon nicely.

Chart 4 – Measuring The Public's Breakeven Point

Chart 4 shows the public's breakeven point in domestic equity mutual funds. **Since April 2003, we estimate unrealized profits are at \$47.93 billion.**

Chart 5 – Comparing The Public's Breakeven Point To Cash: What If They Held T-Bills Instead?

This chart compares the public's investing patterns in equity mutual funds to Treasury Bills. We calculate what the public would have made if they had invested their net new cash flow in Treasury Bills instead of equity mutual funds. **From October 2002 to November 2005, the public would have been better off had they purchased equity mutual funds instead of Treasury Bills. Stock mutual funds have given them a profit of \$47.93 billion vs. a profit of \$10.37 billion had they invested in Treasury Bills.**

The Latest Mutual Fund Statistics

	Total Funds	Stock Funds	Bond Funds	Hybrid Funds
Net New Cash Flow (in billions)				
November 30, 2005	20.70	20.71	(0.52)	0.52
October 31, 2005	7.59	6.45	0.21	0.93
November 30, 2004	27.40	21.42	1.82	4.15
5 Year High	48.15	42.97	28.08	5.45
(Date)	1/31/2004	1/31/2004	7/31/2002	1/31/2004
5 Year Low	(29.21)	(52.63)	(16.23)	(4.66)
(Date)	7/31/2002	7/31/2002	5/31/2004	7/31/2002
12 Month Rolling Sum of Net New Cash Flow (in billions)				
November 30, 2005	197.04	134.92	33.59	28.53
October 31, 2005	203.74	135.64	35.94	32.16
November 30, 2004	211.34	181.77	(14.79)	44.37
5 Year High	290.52	309.38	158.23	47.68
(Date)	3/31/2004	12/31/2000	4/30/2003	4/30/2004
5 Year Low	65.66	(92.59)	(59.36)	(30.72)
(Date)	3/31/2003	3/31/2003	6/30/2004	12/31/2000
Total Assets (in billions)				
November 30, 2005	6,774.53	4,862.15	1,349.20	563.19
October 31, 2005	6,561.25	4,664.74	1,344.38	552.14
November 30, 2004	6,006.61	4,223.88	1,278.65	504.07
5 Year High	6,774.53	4,862.15	1,359.59	563.19
(Date)	11/30/2005	11/30/2005	8/31/2005	11/30/2005
5 Year Low	3,899.45	2,504.42	811.12	305.53
(Date)	9/30/2002	9/30/2002	12/31/2000	9/30/2002
Number of Funds				
November 30, 2005	7,103	4,572	2,023	508
October 31, 2005	7,085	4,558	2,021	506
November 30, 2004	7,129	4,568	2,047	514
5 Year High	8,428	4,782	3,180	524
(Date)	7/31/2002	9/30/2002	7/31/2002	2/28/2001
5 Year Low	7,030	4,387	2,016	472
(Date)	7/31/2005	12/31/2000	9/30/2005	10/31/2002
Liquid Assets or Cash (in billions)				
November 30, 2005	312.51	197.33	71.89	43.28
October 31, 2005	298.52	184.89	69.41	44.22
November 30, 2004	332.00	195.27	101.10	35.63
5 Year High	354.86	230.11	126.10	45.16
(Date)	2/28/2005	1/31/2001	2/28/2005	8/31/2005
5 Year Low	196.78	109.39	12.50	19.48
(Date)	9/30/2002	2/28/2003	6/30/2001	3/31/2003
Cash/Asset Ratio				
November 30, 2005	4.61%	4.06%	5.33%	7.69%
October 31, 2005	4.55%	3.96%	5.16%	8.01%
November 30, 2004	5.53%	4.62%	7.91%	7.07%
5 Year High	5.68%	5.93%	9.67%	8.09%
(Date)	2/28/2005	2/28/2001	2/28/2005	8/31/2005
5 Year Low	4.40%	3.84%	1.45%	5.67%
(Date)	9/30/2005	9/30/2005	6/30/2001	5/31/2003

Chart 1

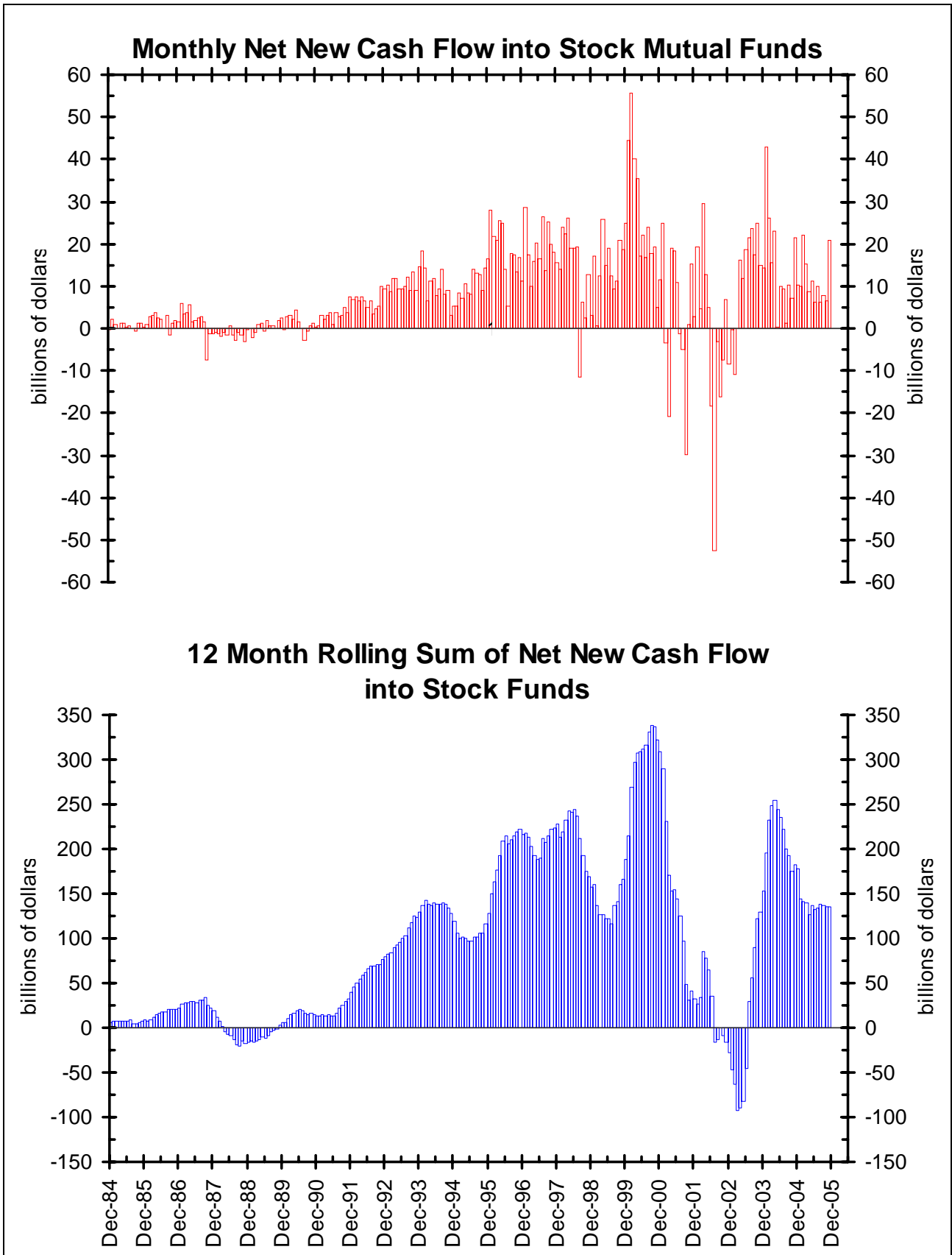


Chart 2

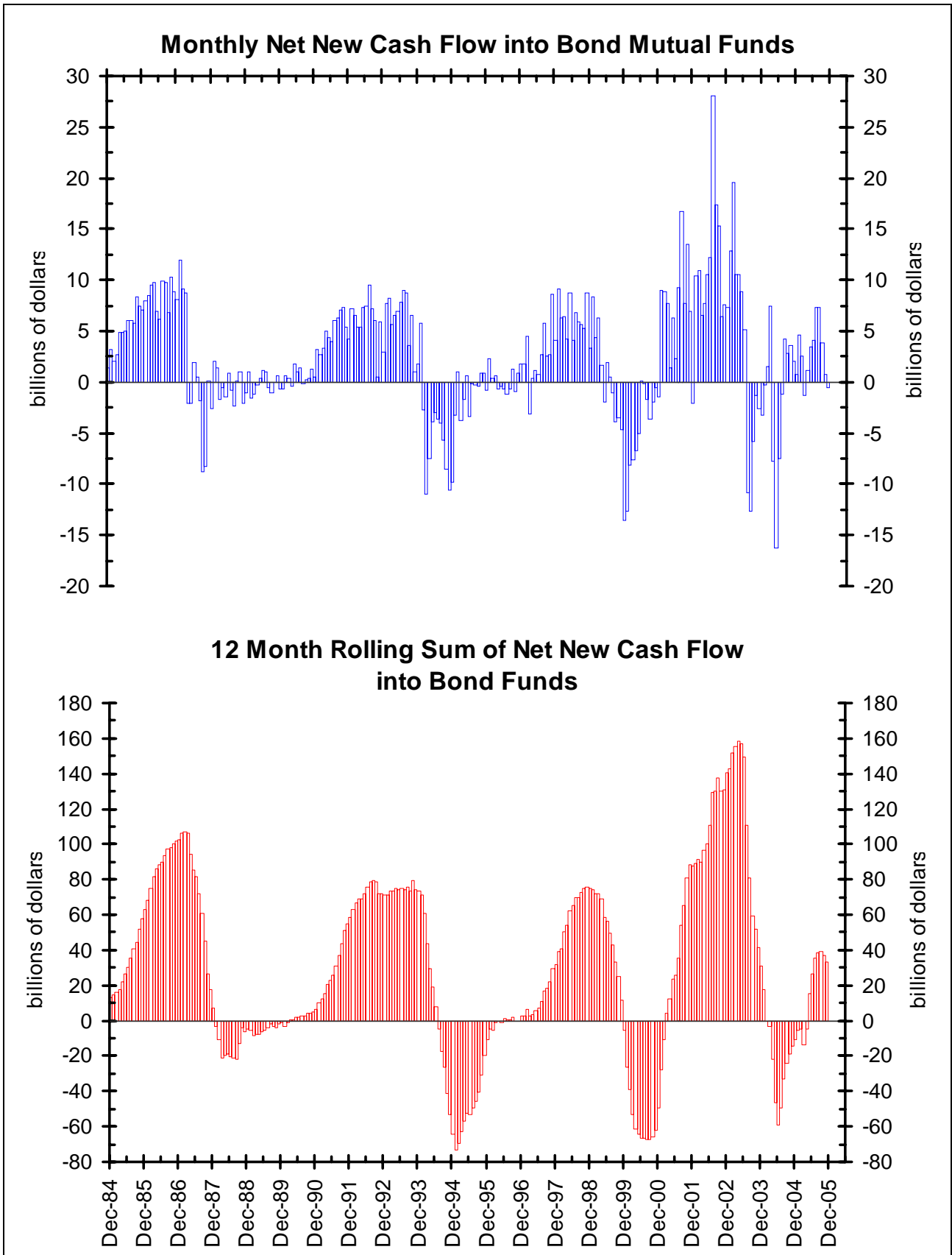


Chart 3

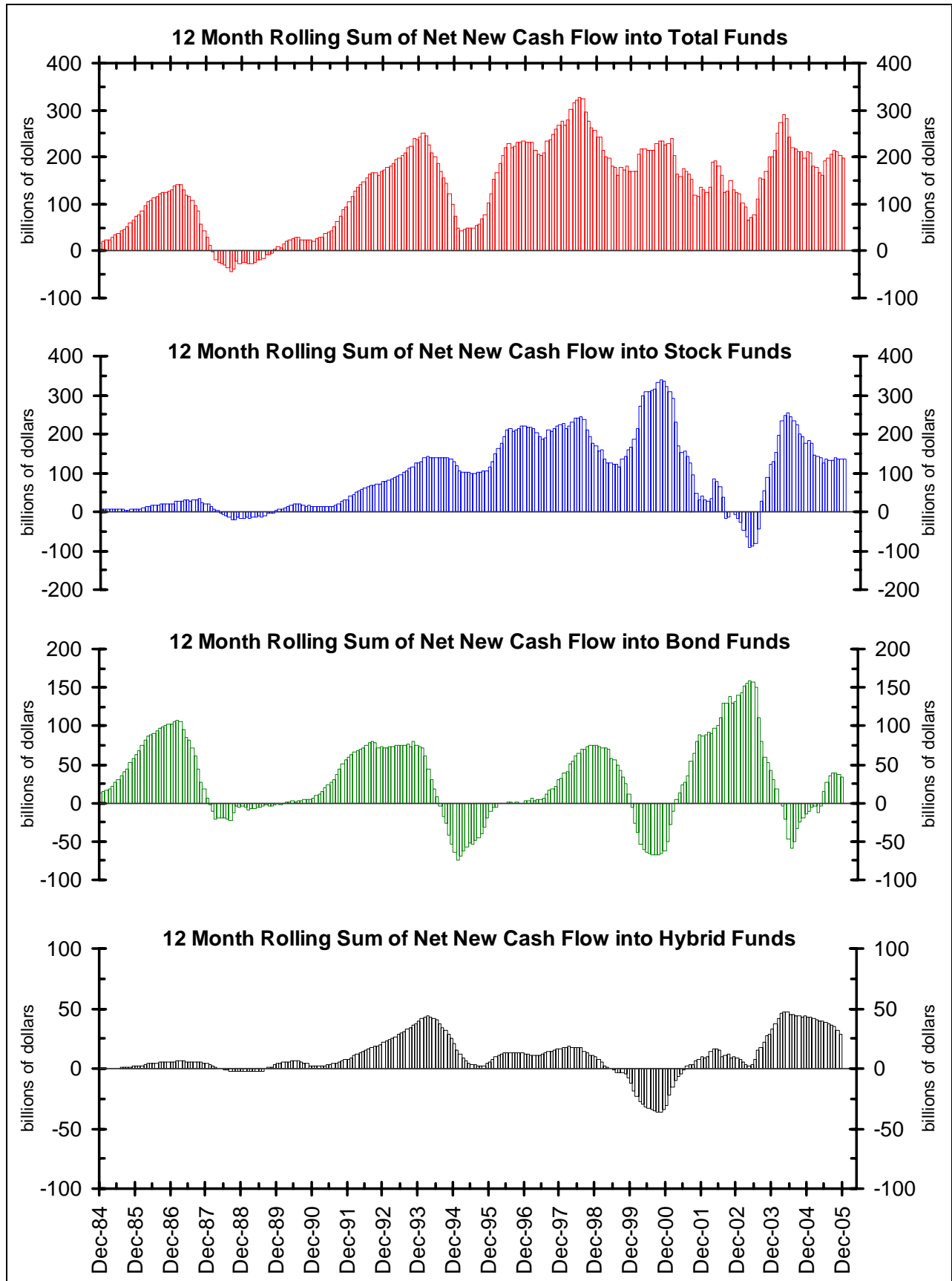


Chart 4

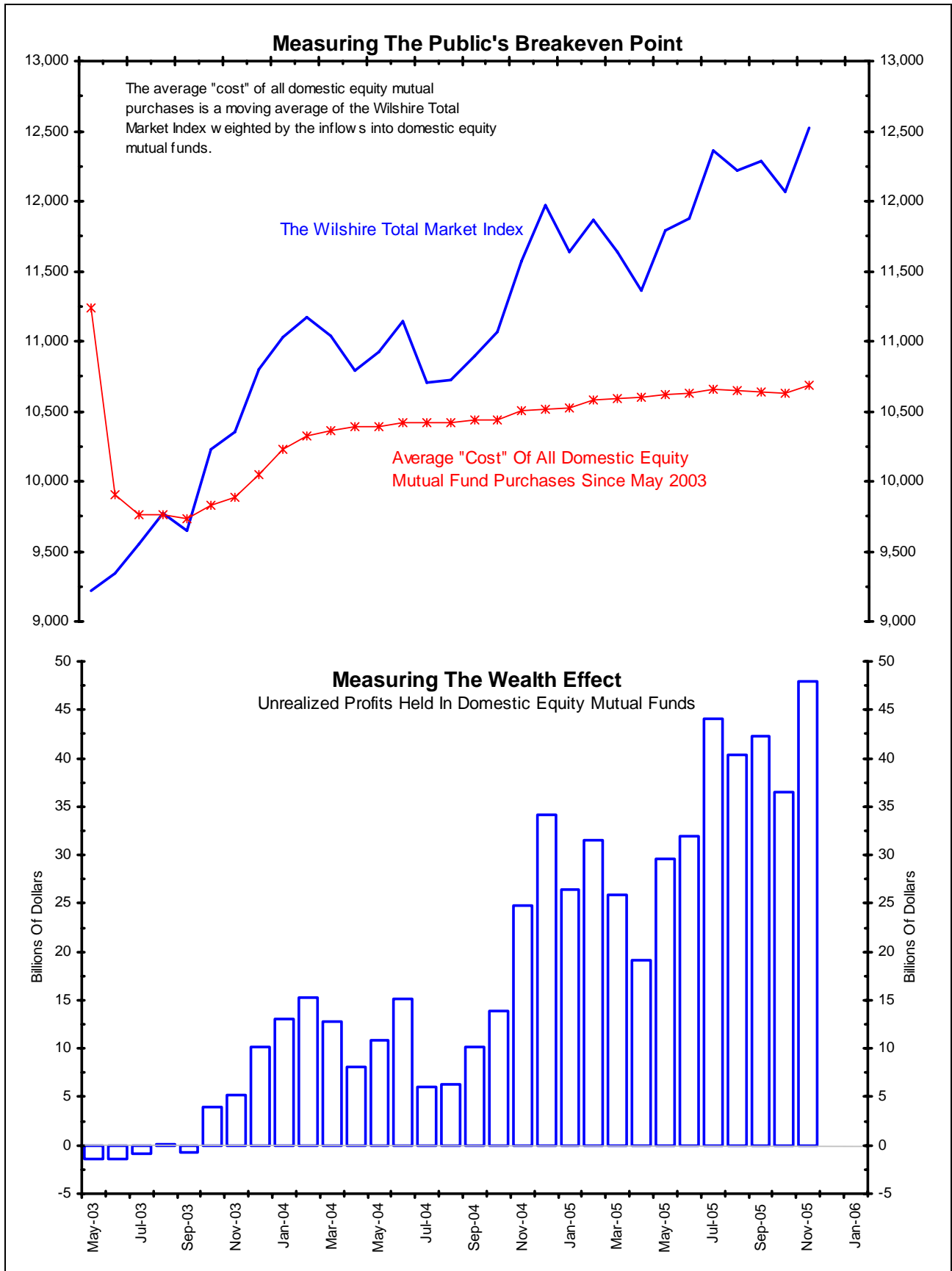
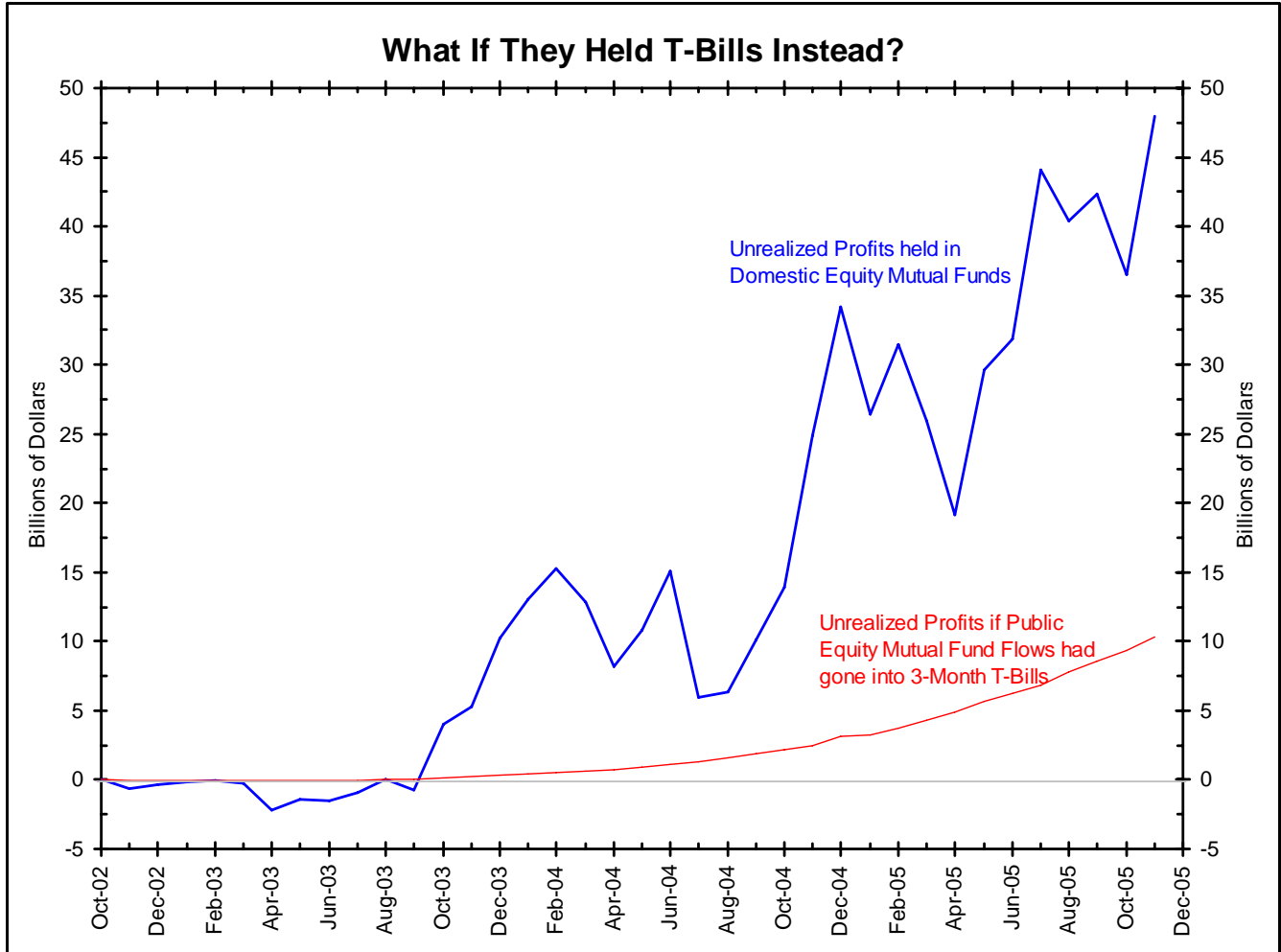


Chart 5



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