



## Changes in the Most Popular Mutual Funds

July 21, 2009

Each quarter we look at changes in [Most Popular Mutual Funds](#) in the Advisor Perspectives (AP) universe. This installment looks at changes from March 31, 2009 to June 30, 2009. Previous installments of this analysis were in [June 2009](#), [February 2009](#), [October 2008](#), [July 2008](#), [April 2008](#), [January 2008](#), [November 2007](#), [August 2007](#), and [May 2007](#).

Our goal is to identify significant changes in sentiment – either positive or negative – among RIAs whose clients are HNW and especially UHNW investors. Our methodology is explained below. Below we provide complete tables of the 25 funds with the largest current AUM in the full AP Universe, as well as in each of the three tiers based on account size (Largest Accounts, Mid-Sized Accounts, and Smallest Accounts).

As background, here are the changes across the AP Universe over the current measurement period:

Segment	% Change in AUM	Change in # of Accounts	% Change in Accounts
Full AP Universe	22.5%	3,058	5.5%
Largest Accounts	23.2%	1,222	10.5%
Mid-Size Accounts	12.2%	1,608	10.0%
Smallest Accounts	2.9%	228	0.8%

During the second quarter, US markets advanced by 15.24% (based on SPY) and developed non-US markets declined by 25.39% (based on EFA). Changes in AUM of the AP Universe are due to changes in the number of accounts and advisors in the universe, as well as any increases or decreases of the value of the assets already in the universe.

Below are some of the significant changes in the AP Universe:



## **Funds Exhibiting Significant Gains**

### **FAIRX (FAIRHOLME FUND)**

- The fund moved from 68<sup>th</sup> to 19<sup>th</sup> across the AP universe, with AUM increasing 193%. Seven new advisory firms added this fund and the fund is held in 136 additional accounts.
- Virtually all growth occurred within the largest accounts, where AUM increased by 204% with the addition of seven new advisory firms. The fund moved from 63<sup>rd</sup> to 18<sup>th</sup> among the largest accounts

### **VAIPX (VANGUARD INFLATION PROTECTED SECURITIES FUND)**

- The fund moved from 10<sup>th</sup> to 6<sup>th</sup> across the AP Universe. AUM increased by 34.9% across the AP Universe, with 397 new accounts and 23 new advisory firms.
- The fund moved from 10<sup>th</sup> to 5<sup>th</sup> among the largest accounts, adding 138 new accounts and 16 new advisory firms.
- The fund was also one of the three funds experiencing significant gains in the first quarter of this year

### **EEM (ISHARES TRUST MSCI EMIF)**

- The fund moved from 17<sup>th</sup> to 13<sup>th</sup> across the AP Universe. AUM increased by 37.1% across the AP Universe, with 405 new accounts and 9 new advisory firms.
- The fund moved from 16<sup>th</sup> to 11<sup>th</sup> among the largest accounts, adding 295 new accounts and 12 new advisory firms.

## **Funds Exhibiting Significant Losses**

### **AEGBX (AMERICAN EUROPACIFIC GROWTH FUND)**

- The fund moved from 6<sup>th</sup> to 12<sup>th</sup> across the AP Universe. AUM decreased by 29.9%, with 940 fewer accounts and 51 fewer advisory firm using the fund. Among the largest accounts, the fund moved from 6<sup>th</sup> to 13<sup>th</sup>, losing 26.0% in AUM and 111 accounts, while losing 28 advisory firms.
- The fund experienced significant losses across the AP universe

### **VFIIX (VANGUARD GOVERNMENT NATIONAL MORTGAGE ASSOCIATION FUND)**



- The fund moved from 9<sup>th</sup> to 35<sup>th</sup> across the AP Universe. AUM decreased by 60.2%, with 266 fewer accounts and nine fewer advisory firms using the fund.
- Among the largest accounts, the fund moved from 7<sup>th</sup> to 32<sup>nd</sup>, losing 62.0% in AUM, 189 accounts, and nine advisory firms.
- The loss was due to a significant number of large accounts no longer holding the fund.

## Methodology

We rank funds by the assets under management (AUM) within our universe. A fund's ranking can improve or decline only if its AUM changes relative to other funds. Such changes can be due to any of the following:

- Existing advisors shifting money into/out of existing accounts
- Existing advisors putting money into of new accounts, or closing existing accounts
- New advisors putting money into new accounts
- Gains or losses in AUM due to fund performance
- Funds moving from the mid-sized account tier to the largest account tier, and vice versa

In some cases, funds moved down in ranking, but their AUM increased and the number of advisors utilizing the funds remained constant, as did the number of accounts holding the funds. We do not consider this a significant change in sentiment regarding the fund, which is our guiding criterion in this analysis. We look for situations where one or -more often- more of the following occurred:

- Change in fund ranking
- Change in AUM beyond what would be expected due to fund performance
- Increase or decrease in the number of advisors using the fund
- Increase or decrease in the number of accounts holding the fund

We also eliminate situations where changes in fund usage were due to movements between account tiers. Some subjective judgment comes into play. We do not have a single objective metric or standard that allows us to measure changes in the universe. But we believe that the examples we show above exhibit evidence of changes in advisor/investor



sentiment. We are providing the criteria we used to select these funds, so you can be the final judge as to whether the change in advisor/investor sentiment is significant.

Finally, we consolidate holdings across share classes for a given fund. The ticker symbol displayed is the first symbol, alphabetically, among the various share classes. It may not be representative of the share class or classes held in the AP universe.

### All Accounts

Ticker	Fund	AUM 6/30	Rank as of										Change from 3/31/09 to 6/30/09			
			5/22/2007	8/14/2007	11/4/2007	1/31/2007	4/25/2008	6/30/2008	9/30/2008	12/31/2008	3/31/2009	6/30/2009	Rank	AUM	Advisors	Accts
SPY	S&P DEP RECEIPTS	\$402,379,661	4	5	6	2	1	1	1	1	1	1	0	23.5%	132	7
PTRAX	PIMCO TOTAL RETURN FUND	\$368,823,819	7	6	2	3	4	3	2	2	2	2	0	17.7%	189	33
EFA	ISHARES TRUST MSCI EAFE FUND	\$247,645,299	1	1	1	1	2	2	3	3	5	3	-2	39.0%	164	10
PYCBX	PAYDEN CORE BOND FUND	\$183,504,032							6	4	4	4	0	-2.1%	0	0
AGRBX	GROWTH OF AMERICA FUND	\$146,700,972	9	8	8	8	7	5	7	7	3	5	2	-25.7%	-344	-59
VAIPX	VANGUARD INFLATION PROTECTED SECURITIES FUND	\$137,320,120	91	268	51	48	24	25	23	19	10	6	-4	34.9%	397	23
DODGX	DODGE AND COX STOCK FUND	\$129,234,557	12	14	16	14	8	8	10	18	7	7	0	9.7%	-53	1



DODFX	DODGE AND COX INTERNATIONAL STOCK FUND	\$100,013,479	3	3	4	4	3	4	4	8	8	8	0	-11.6%	-75	7
WIIEX	WILLIAM BLAIR INSTITUTIONAL INTERNATIONAL EQUITY FUND	\$94,721,808								23	9	9	0	23.1%	0	0
VMLTX	VANGUARD LIMITED TERM TAX EXEMPT FUND	\$91,939,091	26	35	27	22	19	15	12	11	11	10	-1	6.5%	8	3
VINIX	VANGUARD INSTITUTIONAL INDEX FUND	\$91,819,903	98	97	49	47	34	12	11	13	12	11	-1	19.1%	25	13
AEGBX	AMERICAN EUROPACIFIC GROWTH FUND	\$90,945,488	5	4	3	7	5	6	8	6	6	12	6	-29.9%	-940	-51
EEM	ISHARES TRUST MSCI EMIF	\$88,447,893	17	16	10	6	6	7	13	20	17	13	-4	37.1%	405	9
VFIAX	VANGUARD 500 INDEX FUND	\$85,587,873	10	10	12	11	10	13	9	16	20	14	-6	42.4%	64	12
VITSX	VANGUARD TOTAL STOCK MARKETS INDEX FUND	\$85,117,013	38	40	46	34	45	39	46	47	14	15	1	14.7%	12	10
GLD	STREETTRACKS GOLD TRUST	\$84,876,452	18	18	14	12	13	9	37	21	19	16	-3	41.1%	196	10
MKIEX	MCKEE	\$80,740,109							21	14	15	17	2	14.2%	-1	0



	INTERNATIONAL EQUITY FUND															
VBMFX	VANGUARD TOTAL BOND MARKETS INDEX FUND	\$77,237,185	60	62	42	38	25	18	27	22	16	18	2	9.6%	63	9
FAIRX	FAIRHOLME FUND	\$72,098,491	254	272	#N/A	74	40	34	39	119	68	19	-49	193.1%	136	7
ACEIX	VANKAMPEN EQUITY INCOME FUND	\$70,490,737						19	17	17	18	20	2	15.9%	2	0
TFEQX	TEMPLETON INSTITUTIONAL FOREIGN EQUITY FUND	\$67,459,050								240	24	21	-3	33.4%	6	1
DFOEX	DFA UNITED STATES CORE EQUITY 1 FUND	\$64,477,092	69	70	23	21	18	17	15	26	22	23	1	16.5%	1	1
NAESX	VANGUARD SMALL CAP INDEX FUND	\$63,413,902	111	114	136	139	145	148	143	143	25	24	-1	28.2%	42	10
VTI	VANGUARD TOTAL ETF	\$61,813,577								12	25	25	0	5.0%	5	1
LQD	ISHARES TRUST TRUST GOLDMAN SACHS DOLLARS INVESTOP BOND	\$58,129,327	220	363	376	469	457	487	510	50	29	26	-3	26.1%	139	4



## Largest Accounts

Ticker	Fund	AUM 6/30	Rank as of										Change from 3/31/09 to 6/30/09			
			5/22/2007	8/14/2007	11/4/2007	1/31/2007	4/25/2008	6/30/2008	9/30/2008	12/31/2008	3/31/2009	6/30/2009	Rank	AUM	Advisors	Accts
SPY	S&P DEP RECEIPTS	\$397,203,951	4	4	5	2	1	1	1	1	1	1	0	23.1%	90	3
PTRAX	PIMCO TOTAL RETURN FUND	\$327,478,705	8	6	3	4	4	3	2	3	2	2	0	19.7%	204	35
EFA	ISHARES TRUST MSCI EAFE FUND	\$244,765,675	1	1	1	1	2	2	3	2	4	3	-1	39.3%	146	13
PYCBX	PAYDEN CORE BOND FUND	\$183,504,032							6	4	3	4	1	-2.1%	0	0
VAIPX	VANGUARD INFLATION PROTECTED SECURITIES FUND	\$128,830,458	167	244	41	43	29	22	24	20	10	5	-5	36.2%	138	16
AGRBX	GROWTH OF AMERICA FUND	\$123,064,176	17	17	15	12	10	6	8	9	5	6	1	-26.9%	-68	-28
DODGX	DODGE AND COX STOCK FUND	\$121,310,789	12	13	14	11	7	9	13	19	8	7	-1	10.4%	-3	10
WIIEIX	WILLIAM BLAIR INSTITUTIONAL INTERNATIONAL EQUITY FUND	\$94,721,808							19	22	12	8	-4	23.1%	0	0
DODFX	DODGE AND COX INTERNATION	\$94,062,821	3	3	2	3	3	4	4	6	9	9	0	-13.0%	-9	13



	AL STOCK FUND															
VMLTX	VANGUARD LIMITED TERM TAX EXEMPT FUND	\$89,496,435	22	29	27	19	17	12	11	11	11	10	-1	7.1%	8	2
EEM	ISHARES TRUST MSCI EMIF	\$86,525,596	14	12	8	6	6	7	12	17	16	11	-5	36.3%	295	12
VINIX	VANGUARD INSTITUTIONAL INDEX FUND	\$85,154,638	89	93	44	46	32	11	10	16	13	12	-1	19.7%	20	8
AEGBX	AMERICAN EUROPACIFIC GROWTH FUND	\$82,624,092	5	5	6	7	5	5	7	7	6	13	7	-26.0%	-111	-28
GLD	STREET-TRACKS GOLD TRUST	\$82,394,837	15	14	11	8	9	8	31	18	19	14	-5	40.5%	125	11
VITSX	VANGUARD TOTAL STOCK MARKETS INDEX FUND	\$81,592,005	32	33	40	33	44	37	41	44	14	15	1	14.8%	12	7
MKIEX	MCKEE INTERNATIONAL EQUITY FUND	\$80,688,662							20	13	15	16	1	14.2%	-1	0
VFIAX	VANGUARD 500 INDEX FUND	\$72,924,700	9	9	9	10	12	15	9	21	24	17	-7	51.7%	72	21
FAIRX	FAIRHOLME FUND	\$70,194,715	244	274	261	73	41	34	42	112	63	18	-45	204.4%	72	7
ACEIX	VANKAMPEN EQUITY INCOME FUND	\$69,525,632						16	17	15	18	19	1	16.0%	3	2



TFEQX	TEMPLETON INSTITUTION- AL FOREIGN EQUITY FUND	\$67,271,046								209	23	20	-3	33.6%	10	3
VBMFX	VANGUARD TOTAL BOND MARKETS INDEX FUND	\$67,073,742	60	59	37	37	24	17	26	23	17	21	4	10.1%	36	10
DFEOX	DFA UNITED STATES CORE EQUITY 1 FUND	\$63,960,611	56	58	21	17	14	14	15	25	21	22	1	16.2%	0	1
VTI	VANGUARD TOTAL ETF	\$61,142,967	104	89	31	23	20	18	25	12	20	24	4	5.1%	7	5
NAESX	VANGUARD SMALL CAP INDEX FUND	\$60,559,557	96	109	127	135	138	152	156	157	25	25	0	29.8%	34	12
LQD	ISHARES TRUST TRUST GOLDMAN SACHS DOLLARS INVESTOP BOND	\$55,059,965	211	356	370	452	435	461	487	46	26	26	0	21.8%	39	4



## Mid-Sized Accounts

Ticker	Fund	AUM 6/30	Rank as of										Change from 3/31/09 to 6/30/09			
			5/22/2007	8/14/2007	11/4/2007	1/31/2007	4/25/2008	6/30/2008	9/30/2008	12/31/2008	3/31/2009	6/30/2009	Rank	AUM	Advisors	Accts
PTRAX	PIMCO TOTAL RETURN FUND	\$37,034,076	7	7	8	5	4	4	1	2	1	1	0	4.5%	50	11
FDGRX	FIDELITY GROWTH COMPANY FUND	\$28,563,756	20	13	4	3	5	5	5	4	2	2	0	-9.0%	43	6
FLPKX	FIDELITY LOW PRICED STOCK FUND	\$22,484,231	44	29	30	27	27	12	4	3	4	3	-1	-1.4%	24	6
FCNTX	FIDELITY CONTRAFUND FUND	\$22,324,551	3	1	1	1	1	1	2	1	3	4	1	-19.8%	239	12
FDIVX	FIDELITY DIVERSIFIED INTERNATIONAL FUND	\$21,288,935	2	3	3	2	2	2	6	5	6	5	-1	20.8%	105	14
AGRBX	GROWTH OF AMERICA FUND	\$15,131,603	1	2	2	4	3	3	3	6	5	6	1	-23.3%	-138	-53
FMCSX	FIDELITY MID CAP STOCK FUND	\$14,891,065	5	5	7	8	7	7	15	14	11	7	-4	92.5%	41	4
FAGIX	FIDELITY CAPITAL AND INCOME FUND	\$14,133,503	57	50	56	57	62	65	56	59	9	8	-1	47.8%	-2	-1
VFIAX	VANGUARD 500 INDEX FUND	\$11,017,613	19	17	16	12	12	11	12	8	8	9	1	5.5%	-9	-1
VBMFX	VANGUARD	\$9,529,724	72	70	71	54	49	43	33	12	10	10	0	6.5%	25	7



	TOTAL BOND MARKETS INDEX FUND																
FUSEX	FIDELITY UNITED STATES EQUITY INDEX FUND	\$8,825,212						28	29	18	13	11	-2	32.1 %	52	7	
PACLX	TROWEPRI CAPITAL APPRECIATIO N FUND	\$7,997,795	10	9	9	10	9	10	13	11	15	12	-3	28.0 %	67	3	
CWGBX	CAPITAL WORLD GROWTH AND INCOME FUND	\$7,740,630	6	6	5	6	6	6	8	10	12	13	1	13.7 %	-6	-4	
FSICX	FIDELITY STRATEGIC INCOME FUND	\$7,342,310	50	30	32	32	45	49	43	39	41	14	-27	146.7 %	489	3	
PARRX	PIMCO REAL RETURN FUND	\$7,002,449	38	39	29	34	24	26	25	23	22	15	-7	49.0 %	148	5	
VAIPX	VANGUARD INFLATION PROTECTED SECURITIES FUND	\$6,795,165	24	44	45	41	30	34	32	25	16	16	0	15.1 %	144	14	
DODGX	DODGE AND COX STOCK FUND	\$6,743,555	17	14	12	11	11	14	16	13	14	17	3	2.0%	-22	-8	
AEGBX	AMERICAN EUROPACIFIC GROWTH FUND	\$6,066,952	8	8	6	9	8	8	9	7	7	18	9	- 56.5 %	-330	-49	
VINIX	VANGUARD INSTITUTION-	\$5,903,750						60		20	18	19	1	12.3 %	4	6	



	AL INDEX FUND															
FBIDX	FIDELITY UNITED STATES BOND INDEX FUND	\$5,535,681	133	101	77	49	55	48	47	32	20	20	0	10.5 %	16	5
DODIX	DODGE AND COX INCOME FUND	\$4,965,251	42	31	23	14	14	17	20	17	19	23	4	-3.7%	-63	2
RLPHX	ROYCE LOW PRICED STOCK FUND	\$4,889,684	26	33	80	94	67	63	34	55	69	25	-44	146.9 %	24	3
CAIBX	CAPITAL INCOME BUILDER FUND	\$4,879,722	31	23	22	16	17	18	24	24	23	26	3	6.3%	-14	-3
DODFX	DODGE AND COX INTERNATIONAL STOCK FUND	\$4,803,326	97	79	64	56	50	46	40	29	27	27	0	20.2 %	-18	-2
PRIDX	TROWEPRICE INTERNATIONAL DISCOVERY FUND	\$4,648,206	23	20	20	21	28	29	72	72	94	29	-65	208.2 %	150	-2



### Smallest Accounts

Ticker	Fund	AUM 6/30	Rank as of										Change from 12/31/08 to 3/31/09				
			5/22 2007	8/14 2007	11/4 2007	1/31 2007	4/25 2008	6/30 2008	9/30 2008	12/31 2008	3/31/ 2009	6/30/ 2009	Rank	AUM	Advis ors	Accts	
AGRBX	GROWTH OF AMERICA FUND	\$8,505,192	1	1	1	1	1	1	1	1	1	1	1	0	-9.2%	-138	-45
PTRAX	PIMCO TOTAL RETURN FUND	\$4,311,038	24	22	16	16	16	14	5	5	3	2	-1	-0.7%	-65	12	
CWGBX	CAPITAL WORLD GROWTH AND INCOME FUND	\$4,279,045	2	2	2	2	2	2	2	2	2	3	1	-3.2%	-265	-3	
FCNTX	FIDELITY CONTRAFUND FUND	\$2,993,647	13	8	7	3	3	3	3	3	4	4	0	-29.7%	-173	2	
AICBX	INVESTMENT COMPANY OF AMERICA FUND	\$2,985,727	4	5	4	6	5	6	8	8	6	5	-1	-10.3%	-149	-6	
CAIBX	CAPITAL INCOME BUILDER FUND	\$2,749,417	10	11	11	10	9	8	9	13	9	6	-3	-4.8%	-98	-3	
AWSHX	WASHINGTON MUTUAL FUND	\$2,655,920	3	3	3	4	4	7	7	7	8	7	-1	-9.2%	-187	-3	
PACLX	TROWEPRICE CAPITAL APPRECIATION FUND	\$2,553,254	5	4	5	5	7	4	4	6	10	8	-2	2.5%	-56	0	
FDIVX	FIDELITY DIVERSIFIED INTERNATION	\$2,427,286	15	13	13	11	11	10	15	9	11	9	-2	0.9%	-110	3	



	AL FUND															
CVCFX	PIONEER CULLEN VALUE FUND	\$2,401,687	48	44	46	38	#N/A	39	37	24	17	10	-7	15.9%	28	0
AEGBX	AMERICAN EUROPACIFIC GROWTH FUND	\$2,254,444	7	6	6	7	6	5	6	4	5	11	6	-45.0%	-499	-46
ANWPX	NEW PERSPECTIVE FUND	\$2,232,576	8	9	9	9	10	11	11	17	15	12	-3	5.5%	-19	5
HABDX	HARBOR BOND FUND	\$2,209,196								28	14	13	-1	1.0%	238	1
AMECX	AMERICAN INCOME OF AMERICA FUND	\$2,138,090	12	12	12	12	12	12	14	16	13	14	1	-3.7%	-19	0
ABALX	BALANCED FUND	\$1,852,346	6	7	8	18	17	19	18	20	18	15	-3	-5.4%	-2	4
SLADX	SELECTED AMERICAN SHARES FUND	\$1,762,693	9	10	10	8	8	9	10	14	22	16	-6	6.0%	-67	-1
AFIBX	AMERICAN FUNDAMENTA L FUND	\$1,747,618	17	16	14	14	15	15	16	19	19	17	-2	-8.7%	-130	-3
VAIPX	VANGUARD INFLATION PROTECTED SECURITIES FUND	\$1,694,497	11	15	21	21	21	22	26	25	26	18	-7	30.2%	115	10
VFIAX	VANGUARD 500 INDEX FUND	\$1,645,559	27	31	30	26	22	24	21	23	23	19	-4	5.1%	1	5
FDGRX	FIDELITY GROWTH COMPANY	\$1,616,284	70	58	32	22	23	21	25	15	7	20	13	-45.3%	-144	4



	FUND																
FLPKX	FIDELITY LOW PRICED STOCK FUND	\$1,601,619	94	86	96	94		47	23	10	12	21	9	-31.8%	-117	4	
DODIX	DODGE AND COX INCOME FUND	\$1,356,217	16	14	15	13	13	13	12	12	20	22	2	-23.5%	-148	2	
ABNDX	BOND OF AMERICA FUND	\$1,342,441	18	17	17	15	18	17	17	18	16	23	7	-36.0%	-237	-9	
FAGIX	FIDELITY CAPITAL AND INCOME FUND	\$1,326,964	67	73	73	74	#N/A	66	54	59	21	24	3	-20.9%	-148	1	
FUSEX	FIDELITY UNITED STATES EQUITY INDEX FUND	\$1,203,477									27	24	26	2	-14.5%	-18	-2

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