

WE BELIEVE EQUITY INVESTING IS ALIVE AND WELL, DEPENDING ON WHERE YOU LOOK

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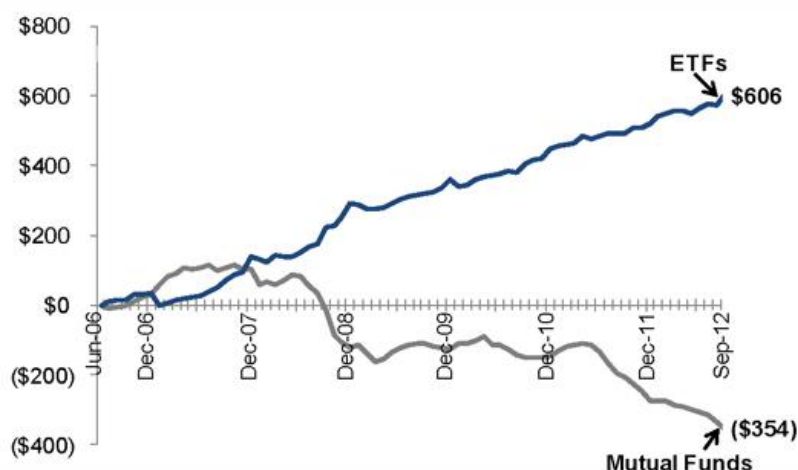
Conventional wisdom says we are living in a [fixed income](#) world. Fear and uncertainty in the markets have crowded investors into areas of perceived safety, such as money market funds, U.S. Treasuries, investment-grade bonds and even cash.¹ Despite an aging population's need for income and capital appreciation, many say there is simply no appetite for stocks.

To be fair, these have been challenging and volatile markets for investors. And they have been lean years for the mutual fund industry. Over the last six years, mutual funds haven't seen one net new dollar in equities. To the contrary, they have experienced \$354 billion in equity *outflows* since 2006.² No wonder the traditional mutual fund firms are hoping for brighter days.

Don't call it a comeback.

Equity inflows may have slowed on a historical basis, but they never went away. Market prognosticators have been using an incomplete data set: While mutual funds saw outflows, the exchange-traded fund (ETF) industry saw \$606 billion in equity inflows over this same period.³ From our inception as an ETF sponsor in June 2006 and in every year since, WisdomTree, and the ETF industry as a whole, has gathered net new assets in equities. Turns out, equity investing is alive and well, depending on where you look.

Tale of the tape: Cumulative Equity Net Inflows since June 2006



Sources: Investment Company Institute, Bloomberg, WisdomTree. Data as of September 30, 2012. Excludes exchange-traded notes, money market and hybrid funds⁴.

¹Source: Popper, Nathaniel, "Investors Seek Out Safer Shores," The New York Times, August 6, 2012.

²Sources: Investment Company Institute, Bloomberg, WisdomTree. ³Sources: Investment Company Institute, Bloomberg, WisdomTree. ⁴Hybrid funds: A category of mutual fund that is characterized by portfolios that are made up of a mix of

stocks and bonds, which can vary proportionally over time or remain fixed.

For standardized performance and the most recent month-end performance click [here](#) NOTE, this material is intended for electronic use only. Individuals who intend to print and physically deliver to an investor must print the monthly performance report to accompany this blog.

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