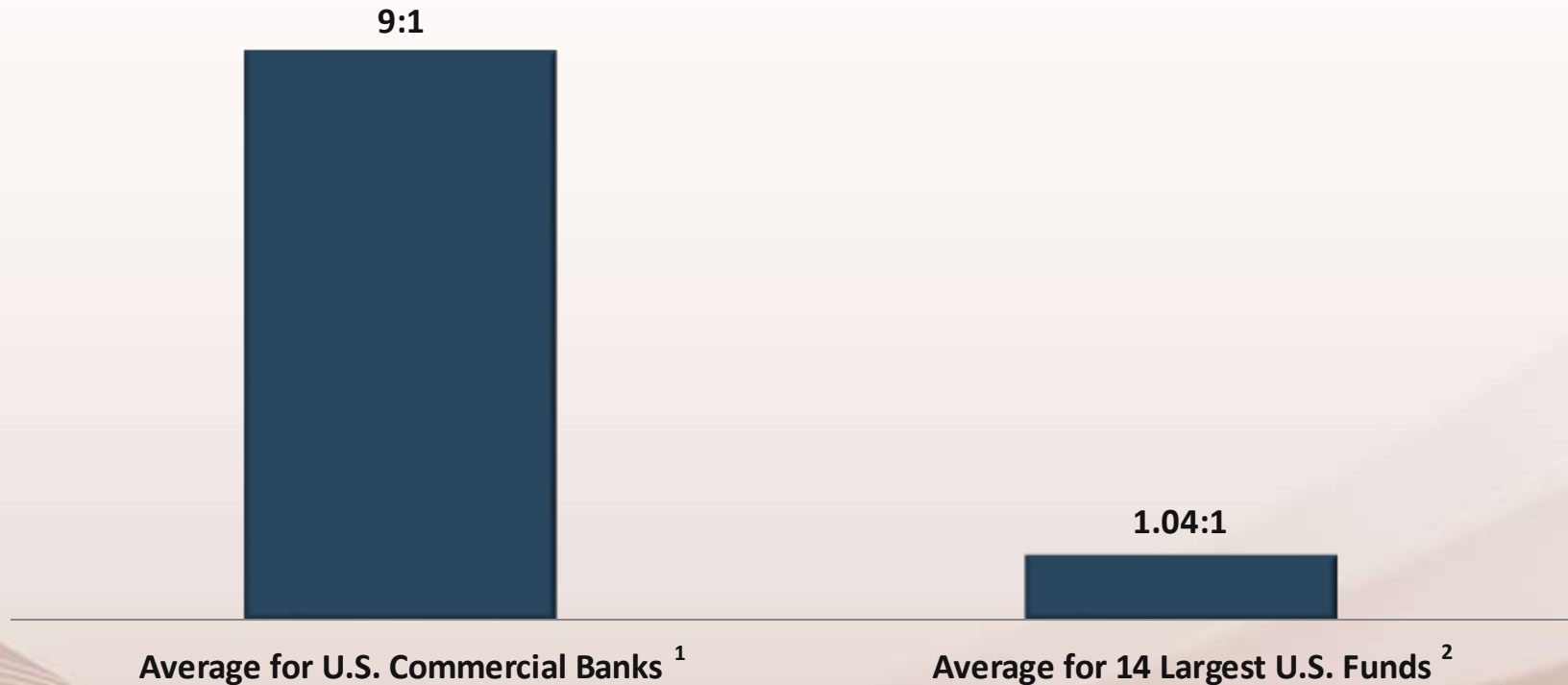


Financial Stability and U.S. Mutual Funds

**Paul Schott Stevens
President and CEO**

Mutual Funds and Investment Management Conference
March 17, 2014
Orlando, FL

Funds Make Little Use of Leverage



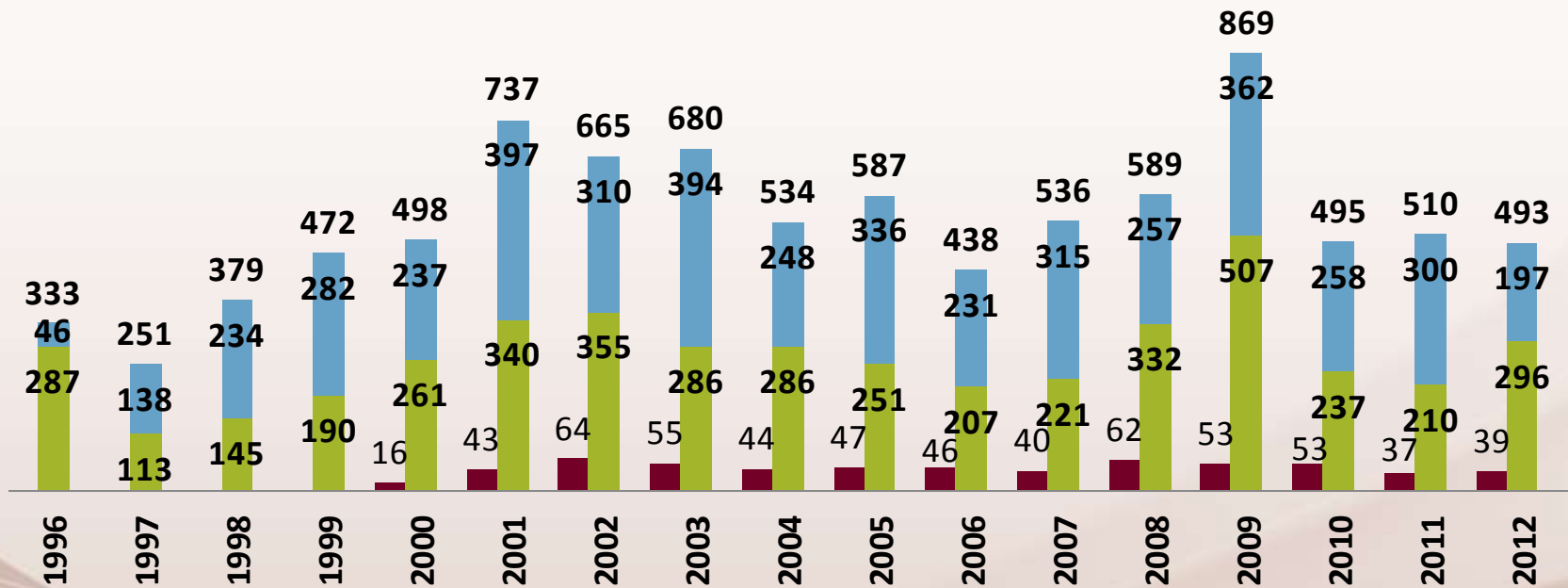
¹Measured as total balance sheet assets relative to book value of equity, as of September 2013.

²As of each fund's latest reporting date. Measured as fund gross assets divided by fund net assets.

Sources: Investment Company Institute, FDIC, fund documents

Funds and Sponsors Routinely Exit— with No Government Aid

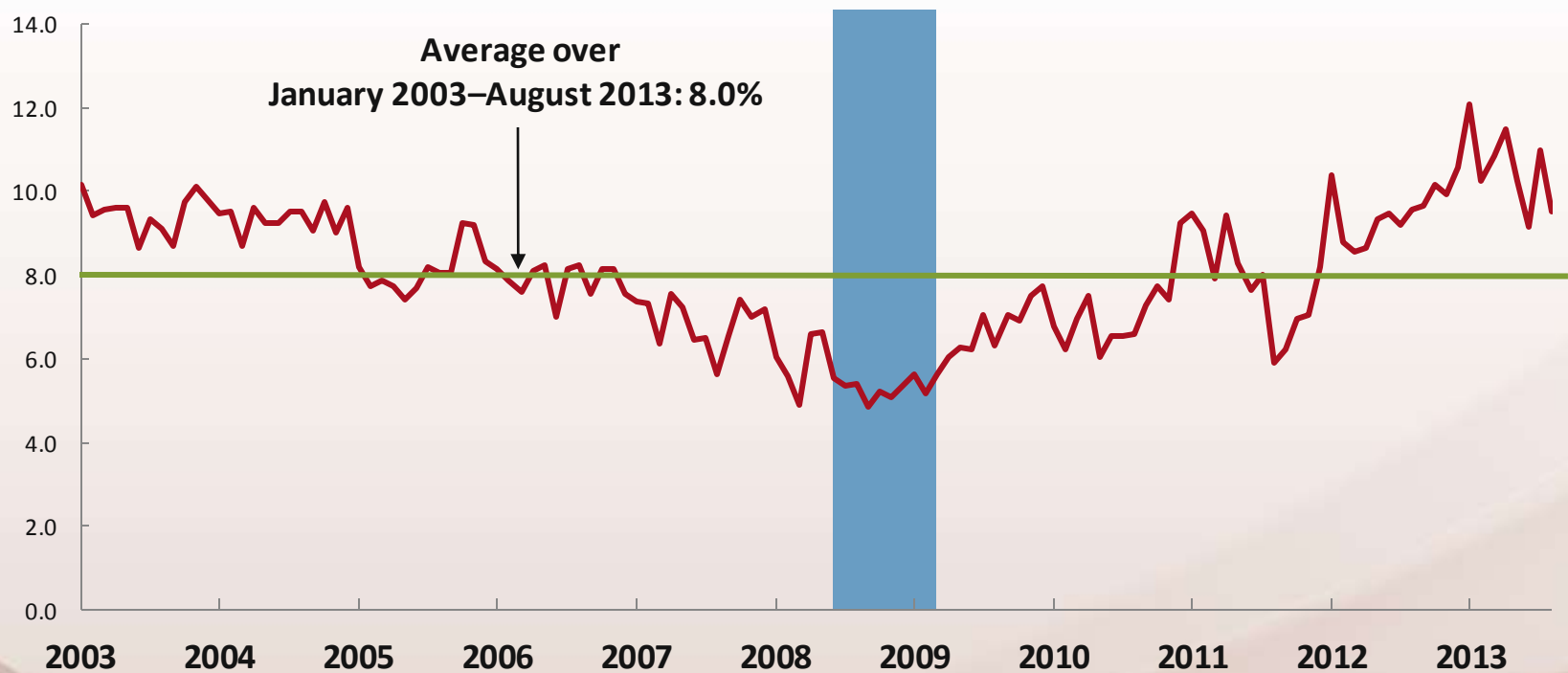
■ Fund sponsors leaving ■ Liquidated mutual funds ■ Merged mutual funds



*Data include mutual funds that invest primarily in other mutual funds.
Source: Investment Company Institute

Domestic Stock Funds' Gross Sales Are Small Share of NYSE+NASDAQ Trading*

Monthly, percent

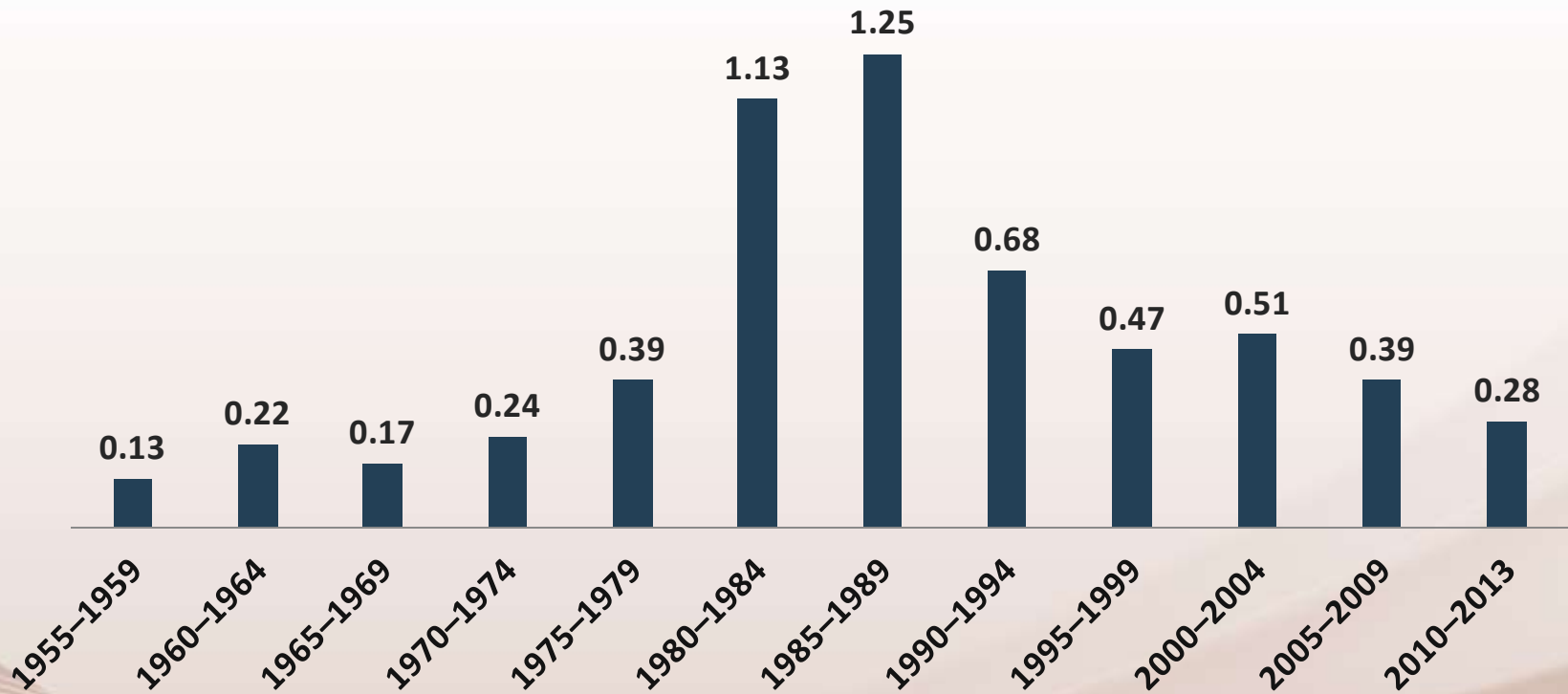


*Total value of domestic electronic order book stock trades on NYSE and NASDAQ stock exchanges, as reported by the World Federation of Exchanges; does not include trades from negotiated deals because these data are available only from January 2008 forward.

Sources: Investment Company Institute and World Federation of Exchanges

Volatility in Stock Funds' Monthly Flows Has Declined Since the 1980s

Standard deviation of monthly flows in percent, 1955–2013



Note: Volatility is measured as the standard deviation of monthly percentage flows, which are calculated as net new cash flow for each fund divided by that fund's prior-month total net assets. Intervals are from January of the starting year to December of the ending year.

Source: Investment Company Institute