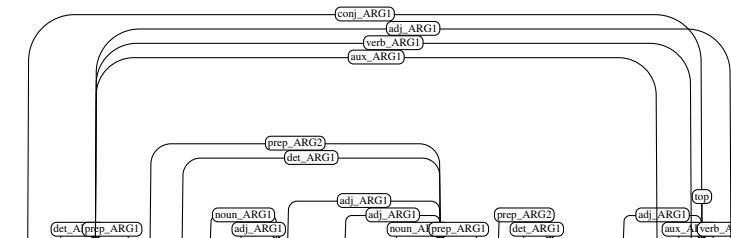
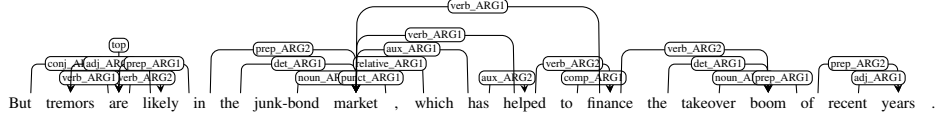


[20768001]



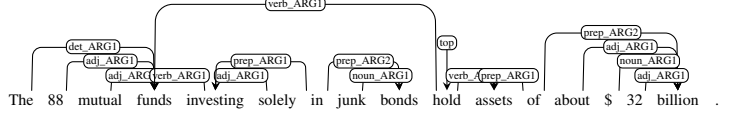
So the impact on the \$ 950 billion mutual fund industry as a whole probably will be slight .

[20768015]



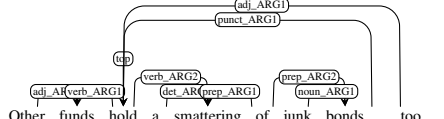
But tremors are likely in the junk-bond market, which has helped to finance the takeover boom of recent years .

[20768017]



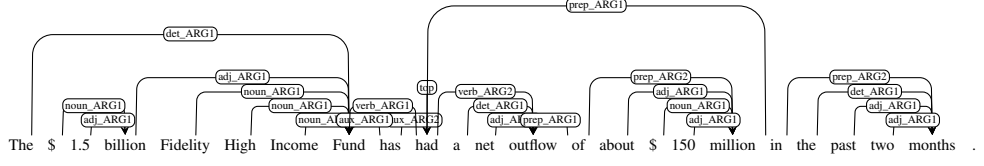
The 88 mutual funds investing solely in junk bonds hold assets of about \$ 32 billion .

[20768018]



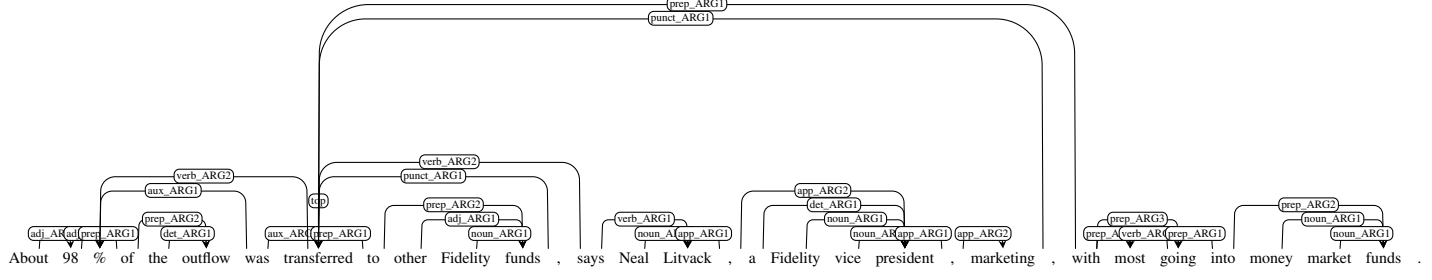
Other funds hold a smattering of junk bonds, too .

[20768019]



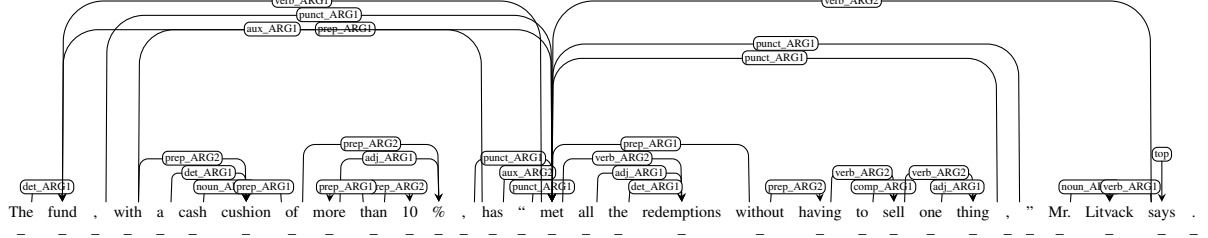
The \$ 1.5 billion Fidelity High Income Fund has had a net outflow of about \$ 150 million in the past two months .

[20768021]



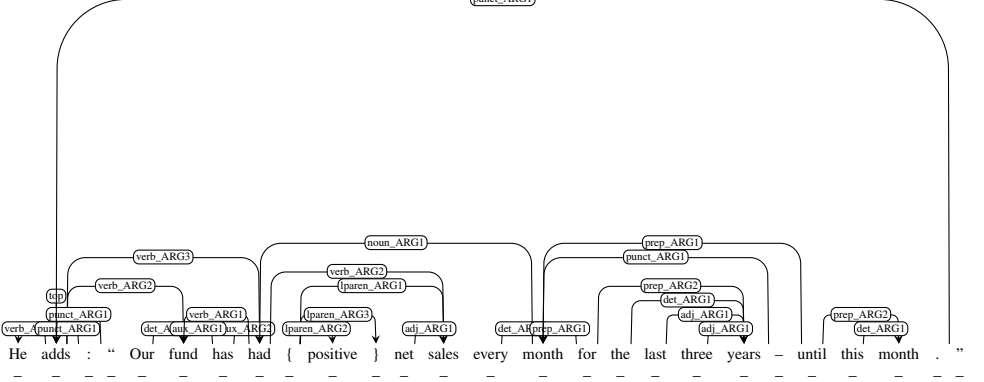
About 98 % of the outflow was transferred to other Fidelity funds, says Neal Litvack, a Fidelity vice president marketing, with most going into money market funds .

[20768023]



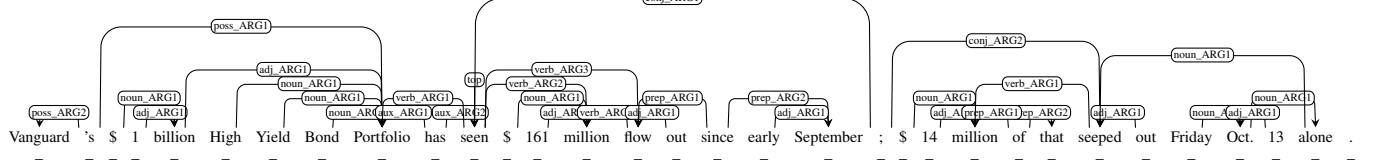
The fund, with a cash cushion of more than 10 %, has "met all the redemptions without having to sell one thing," Mr. Litvack says .

[20768024]



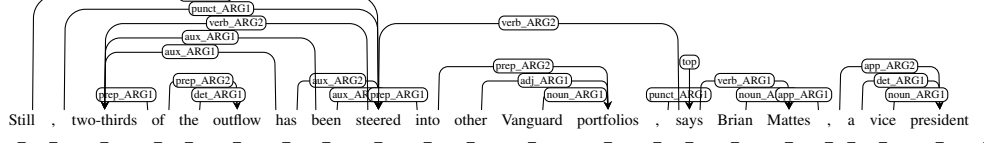
He adds : " Our fund has had [positive] net sales every month for the last three years - until this month . "

[20768025]



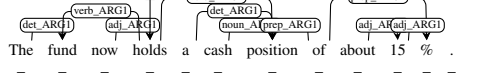
Vanguard 's \$ 1 billion High Yield Bond Portfolio has seen \$ 161 million flow out since early September ; \$ 14 million of that seeped out Friday Oct. 13 alone .

[20768026]



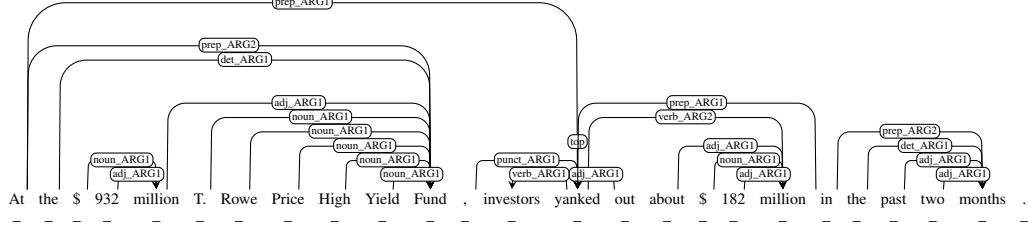
Still, two-thirds of the outflow has been steered into other Vanguard portfolios, says Brian Mattes, a vice president .

[20768027]



The fund now holds a cash position of about 15 % .

[20768028]



At the \$ 932 million T. Rowe Price High Yield Fund, investors yanked out about \$ 182 million in the past two months .

[20768029]

