

APAC Flows Overview

EPFR Strategies

EPFR covers mutual funds and ETFs that manage \$34 trillion of assets globally (as of 1/31/18). We calculate the flows into, and collect the monthly allocations of, these funds. Many predictors can be built from the data.

- ▶ Daily (T+1) | Weekly (T+1) | Monthly (T+16)
- ▶ Allocations: Country | Sector | Industry
- ▶ Aggregate | Manager | Fund | Shareclass levels
- ▶ Filters: ETF/Mutual Fund | Retail/Institutional | Active/Passive | Domicile | Currency | Benchmark and more

FLOW PERCENTAGE

Flow momentum can deliver excess returns of up to 14% per annum.

For a grouping such as a country, sector or region, flow percentage is the sum of flow into, as a percentage of assets held in, that grouping. For weekly and monthly holding periods, the table below shows the return difference between the top and bottom fifth of each universe. Each universe has been sorted on twenty-day flow percentage (ninety-five for sectors).

Average return difference between the top and bottom fifth (annualized)				
Model		Weekly Sharpe	Return	
			Monthly	Quarterly
FX	ACWI Currencies	0.96	5.7%	5.6%
	G10 Currencies	0.48	4.5%	3.8%
	EM Currencies	0.47	3.3%	2.0%
Country	ACWI Countries	0.58	7.2%	7.0%
	G10 Countries	0.26	3.8%	3.9%
	EM Countries	0.52	8.4%	5.2%
Sector	EM Sector	0.57	7.3%	8.2%
	Japan Sector	0.32	5.4%	4.1%
	UK Sector	0.23	4.2%	1.3%
	Eurozone Sector	-0.45	-5.8%	-5.3%
	US Sector	-0.09	-1.1%	-0.3%
Multi-Asset	Multi-asset	0.50	6.3%	3.7%
	Global 7 Equity	0.62	13.6%	12.6%
	Fixed Income	0.77	5.0%	3.1%
	Commodity	0.26	7.4%	0.0%

ACTIVE/PASSIVE

Active managers know asset allocation - imitating them can yield up to 10% per annum.

Active/passive spread is the ratio between the allocations of active and passive funds to a country or sector. These allocations are equal-weight averages. For monthly and quarterly holding periods, the table below shows the return difference between the top and bottom fifth of each universe. Each universe has been sorted on twelve-month active/passive spread.

Average return difference between the top and bottom fifth (annualized)				
Model		Monthly Sharpe	Return	
			Monthly	Quarterly
Country	ACWI Countries	0.57	5.4%	5.6%
	EAFE Countries	0.37	4.1%	3.8%
	EM Countries	0.12	1.7%	2.0%
Sector	EM Sector	0.71	6.3%	6.1%
	Japan Sector	0.29	5.0%	4.3%
	UK Sector	0.44	8.0%	8.8%
	Eurozone Sector	0.55	7.1%	6.7%
	US Sector	0.56	8.2%	8.4%

Apply your methodology to our data.

The factors referenced in this document are just two examples of what can be built by bringing together flow and country/sector allocations. We are happy to help you develop a custom approach to suit your specific needs.