

Fund Flows and Allocations data

Quantitative Strategies

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 a 20-day flow percentage.

	Model	Weekly Sharpe	Return	
			Weekly	Monthly
FX	ACWI	0.75	4.3%	2.9%
	G10	0.45	3.9%	2.9%
	EM	0.14	1.0%	1.1%
Country	ACWI ⁽¹⁾	0.30	3.7%	3.7%
	EAFE	0.15	2.0%	2.6%
	EM	0.24	3.8%	2.1%
	EM local bond	0.15	1.6%	0.9%
Sector	EM Sector	0.31	4.1%	3.4%
	Japan Sector	0.45	7.3%	8.2%
	UK Sector	0.19	3.7%	2.4%
	Eurozone Sector	0.34	4.9%	1.7%
	US Sector	0.42	6.0%	3.8%
Multi	Multi-asset	0.67	5.3%	2.9%
	Global 7 Equity	0.44	9.3%	7.0%
	Fixed Income	0.64	4.5%	3.3%
	Commodity	0.43	13.7%	3.5%

Average return difference between the top and bottom fifth (Annualized)

(1) Srimurthy, V. K., Shen, S., & Smalbach, M. (2018).

Fund Flows as Country Allocator. The Journal of Alternative Investments, 21(3), 87-95.





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 a 12-month active/passive spread.

Average return difference between the top and bottom fifth (Annualized)

	Model	Monthly Sharpe	Return	
			Monthly	Quarterly
Country	ACWI countries	0.39	3.7%	3.7%
	EAFE countries	0.32	3.4%	3.3%
	EM countries	0.11	1.5%	1.4%
Sector	EM Sector	0.31	3.1%	3.0%
	Japan Sector	0.26	4.5%	4.4%
	UK Sector	0.38	6.8%	6.7%
	Eurozone Sector	0.61	7.8%	7.5%
	US Sector	0.29	4.1%	5.1%

Your proprietary approach

Apply your methodology to our data

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

For more information, please visit **epfr.com** or email us: **marketing@epfr.com**