Stock Flows
Introduction

EPFR is 'the intelligence behind intelligent decisions'. Our fund flows and asset allocation data track over 150,000 traditional and alternative fund shares classes with more than $46 trillion in total assets, delivering a complete picture of institutional and retail investor flows and fund manager allocations driving global markets.

EPFR's market-moving data services include equity and fixed income fund flows on a daily, weekly and monthly basis, and monthly fund allocations by country, sector and industry, providing financial institutions around the world with an unparalleled understanding of where money is moving.

Stock Flows data from EPFR tracks over $12 trillion in AUM. The history goes back to 2010, allowing our clients to build several predictive stock-selectors from the holdings data. We illustrate some that use the FloTrend function (see definition below).

FloTrend

$$\Omega\ (x,y)\ =\ \frac{\sum xy}{\sum |xy|}$$

Fund-level data

φ = dollar flow into fund
α = beginning of period assets
A = end of period assets

Stock-level data

ω = weight held by fund
$\Delta\omega$ = weight increase
$\bar{\omega}$ = average weight

- Let φ, α and A be respectively the dollar flow into a fund and the dollar assets of the fund at the beginning and end of each day. For a given stock, let ω be the weight of the stock in the fund, $\Delta\omega$ the month-over-month weight increase, and $\bar{\omega}$ the average weight held by funds with similar mandates

- Applying the FloTrend function Ω to the above data, we built six daily and two monthly variables

- For monthly holding periods, the table below shows the return difference between the top and bottom fifth of each universe sorted on each variable. For US universes, each fifth (or quintile) is sector-neutral. For international universes, the quintiles are neutral to region/sector

Average return difference between the top and bottom fifth (Monthly, annualized)

	Factor Definition	Lookback	S&P 500	Russell 1000	Russell 2000	MSCI EAFE	MSCI EAFE SC	MSCI EM
Daily variables								
ActWtTrend	$\Omega(\varphi,\omega - \bar{\omega})$	15d	+2.2	+1.0	+2.1	+1.9	+1.3	+1.8
ActWtDiff	$\Omega(\varphi,sgn(\omega - \bar{\omega}))$	15d	+2.0	+0.1	−0.8	+0.1	+0.7	+1.9
ActWtDiff2	$\Omega(sgn(\varphi), \omega - \bar{\omega})$	15d	+0.5	+0.9	−0.3	−0.1	+1.0	+0.6
FloTrend	$\Omega(\varphi,\Delta\omega)$	40d	+2.0	+1.2	**+4.3**	−1.7	−0.7	+2.8
FloDiff	$\Omega(\varphi,sgn(\Delta\omega))$	40d	−0.8	+1.4	**+3.9**	−0.5	−0.5	**+4.4**
FloDiff2	$\Omega(sgn(\varphi), \Delta\omega)$	40d	+1.1	+0.5	+1.1	−1.9	−1.3	+0.3
Monthly variables								
AllocTrend	$\Omega(A+ \Delta\omega)$	11m	+1.8	+1.5	+2.0	+1.7	**+4.8**	**+5.6**
AllocDiff	$\Omega(A+ sgn(\Delta\omega))$	11m	+1.5	+1.9	+2.0	+2.0	**+5.0**	**+5.1**
Multi-factor Alpha model								
FloAlpha		n/a	+2.7	**+3.1**	**+4.4**	+2.1	**+5.8**	**+4.9**