

EPFR

Hedge Fund Flows

Understand how hedge funds impact markets with EPFR

EPFR helps clients understand where money is moving, how fund managers are investing that money, and what impact those shifts are having on geographies, sectors, industries and securities.

EPFR now offers a comprehensive view of global capital flows that includes mutual funds, ETF and hedge funds, that manage over \$48 trillion in AUM. EPFR data and insight provides clients an understanding of how hedge funds, a particularly discrete investor type, impact markets.

With EPFR Hedge Fund Flows data you can:

EPFR now collects data on flows into hedge funds; the history goes back to 2010. The data is available, the month after the following, on the first weekday after the sixth NYSE working day.

- ▶ **Gain an edge** with exclusive insight on hedge fund flows
- ▶ **Generate Alpha** and create new investment factors
- ▶ **Develop trading ideas** by analysing how hedge funds impact markets
- ▶ **Support market views** with a unique view on capital flows

EPFR Hedge Fund Flows coverage includes:

- ▶ Tracking of 3,300 hedge funds and Commodity Trading Advisors
- ▶ Fund level view
- ▶ Global domiciles
- ▶ Consistency (92% of funds repeat reporting each month)
- ▶ Historical data back to 2010
- ▶ Data sourced directly from fund managers
- ▶ Data Points flow\$, flow%, AUM, change in nav
- ▶ Filter by domicile, strategy, geo focus and more
- ▶ Delivery via FTP and email
- ▶ Timely (monthly delivery published on first weekday after 6th NYSE workday the following month)

EPFR Hedge Fund Flows coverage (40 – 45% of the industry)

Domicile	Assets End US\$m	% of Count	Count
USA	615,312	33.5%	1,124
Luxembourg	345,547	23.6%	792
Cayman	183,839	11.8%	396
Ireland	157,075	9.7%	324
United Kingdom	52,243	2.1%	70
Canada	43,029	4.7%	157
France	35,377	1.6%	55
Guernsey	16,320	1.0%	33
Australia	12,783	1.7%	57
Bermuda	12,660	0.7%	23
BVI	10,990	1.4%	47
Netherlands	5,925	0.5%	17
Switzerland	4,729	1.0%	34
Italy	4,152	0.6%	21
Hong Kong	3,813	0.3%	10
Sweden	2,547	0.3%	9
South Africa	2,128	0.7%	22
Brazil	1,515	0.2%	6
Liechtenstein	1,310	0.9%	29
Germany	1,224	0.8%	27
Mauritius	1,153	0.2%	6
Finland	1,120	0.2%	8
Spain	1,085	0.2%	6
Malta	932	0.4%	14
Denmark	712	0.2%	8
China	664	0.1%	5
Bahamas	587	0.1%	2
Singapore	481	0.1%	3
Jersey	390	0.0%	1
Austria	280	0.3%	10
NAntilles	208	0.1%	4
Gibraltar	167	0.1%	2
Greece	150	0.1%	5
India	143	0.0%	1
Seychelles	55	0.1%	2
Cyprus	54	0.1%	3
Japan	50	0.1%	2
Russia	32	0.1%	2
Estonia	30	0.1%	2
Slovenia	22	0.1%	5
Turkey	11	0.0%	1
Israel	9	0.0%	1
New Zealand	7	0.0%	1
Colombia	7	0.0%	1
St. Vincent & The Grenadines	5	0.0%	1
Lithuania	4	0.0%	1
Mexico	1	0.0%	1
Total	1,520,878		3,351

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Quantitative Strategy

Flow Reversal

EPFR's flow-reversal indicator, applied to country equity markets, is the latest-available month's outflow from hedge funds, expressed as a percentage of assets, aggregated to the country of domicile.

These flows can be used to drive several remunerative quantitative strategies. We illustrate one example below. The table shows the average return difference between the top and bottom fifth of ACWI countries, sorted on this flow-reversal indicator for various holding periods.

Holding period	Annualized average return						
	Sharpe	Return	Return over equal-weight MSCI ACWI universe				
	Q ₁ ex Q ₅		Q ₁	Q ₂	Q ₃	Q ₄	Q ₅
Monthly	0.48	4.0%	1.1%	-1.0%	3.8%	2.1%	-2.9%
Quarterly	0.18	1.6%	-0.3%	1.3%	3.3%	0.1%	-1.8%
Semi-annual	0.22	2.0%	-0.1%	2.0%	2.7%	0.6%	-2.1%
Annual	0.33	2.7%	0.6%	2.2%	1.5%	0.9%	-2.1%

One-month flow reversal using all funds in the hedge fund database

For monthly holding periods, total return differences between the top and bottom fifth of ACWI countries, for each calendar year, are reported below.

