

Fund of Funds

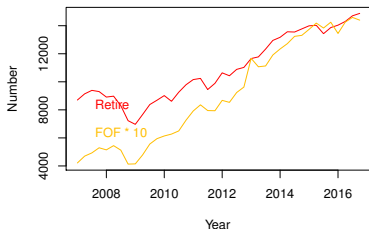
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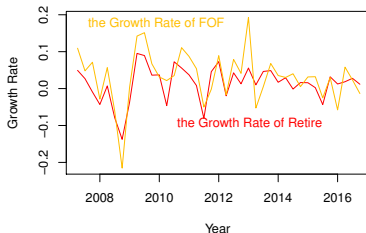
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- In this part, we would explore the relationship between the fund market and the retirement market.
- The Fund of Funds is favoured by risk averter, especially for those who have retired.
- There might be cointegration relationships between the two markets.

Time Trends of Retire and FOF in Last 10 Years



Growth Rates of Retire and FOF in Last 10 years



Unit Root Test

3 tests are employed here: ADF-Test, KPSS-Test, and PP-Test (Phillips-Perron Test).

Unit Root Test of Retire

Test Method	Statistics	10pct	5pct	1pct
ADF	1.64	-1.61	-1.95	-2.62
KPSS	1.01	0.35	0.46	0.74
PP	0.23	*	0.26	*

Unit Root Test of the Difference of Retire

Test Method	Statistics	10pct	5pct	1pct
ADF	-2.31	-1.61	-1.95	-2.62
KPSS	0.18	0.35	0.46	0.74
PP	1.55	*	0.26	*

Unit Root Test of FOF

Test Method	Statistics	10pct	5pct	1pct
ADF	2.53	-1.61	-1.95	-2.62
KPSS	1.07	0.35	0.46	0.74
PP	-0.16	*	0.26	*

Unit Root Test

3 tests are employed here: ADF-Test, KPSS-Test, and PP-Test (Phillips-Perron Test).

TEST Method	ADF	KPSS	PP
FOF	2.53	1.07	-0.16
diff(FOF)	-3.40	0.11	40
Retire	1.64	1.01	0.23
diff(Retire)	-2.31	0.18	1.55
10pct	-1.61	0.35	*
5pct	-1.95	0.46	0.26
1pct	-2.62	0.74	*

Cointegration Relationship One

Error Correction Model One

Cointegration Relationship Two

Error Correction Model Two

Cointegration Relationship Three

Error Correction Model Three