

Question 4: Flows Analysis

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Abstract

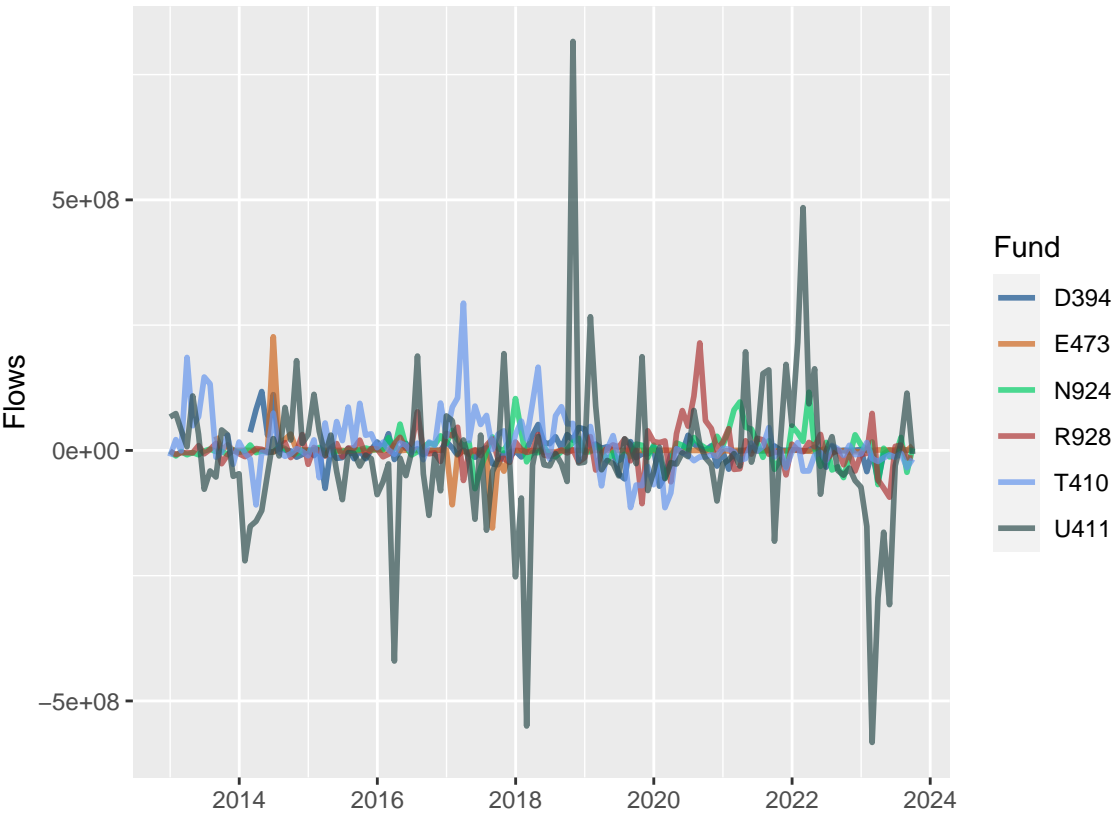
For this analysis, I examined the top three and bottom three performing indexes based on their rolling returns. Subsequently, I investigated periods marked by the highest inflows and outflows observed in these funds.

1. Introduction

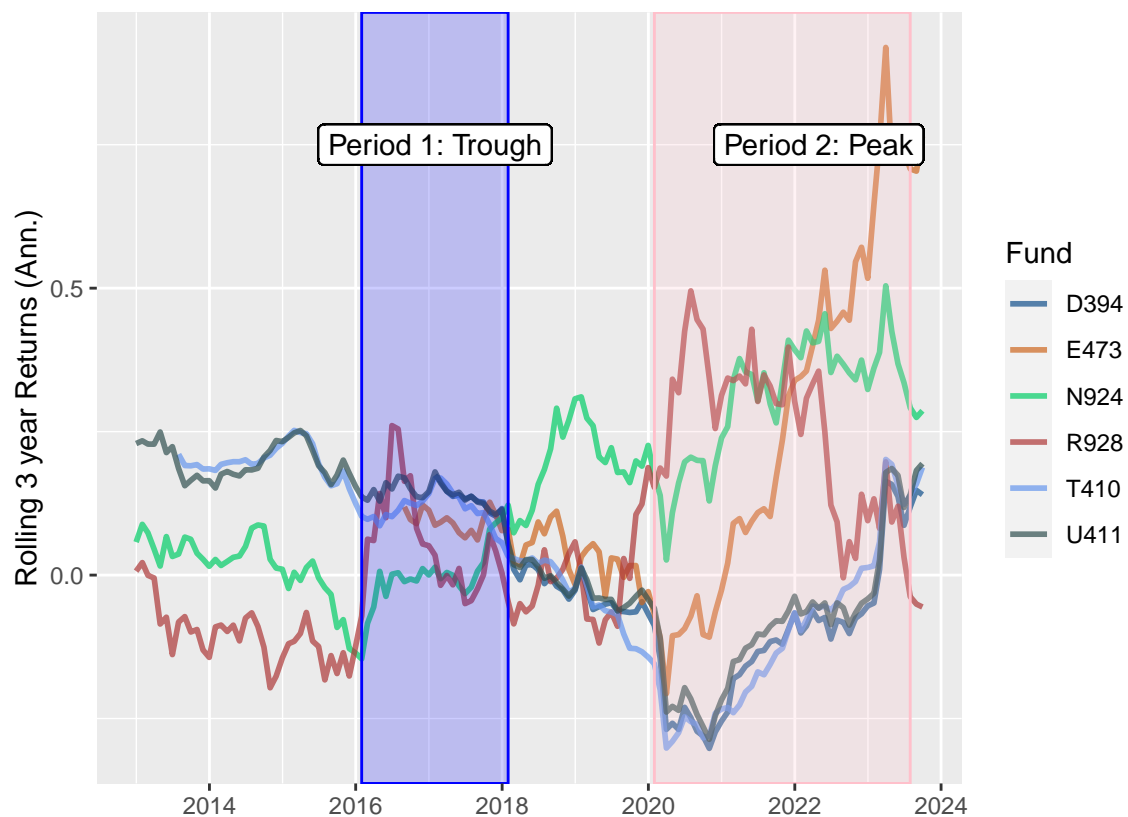
The aim of this report is to examine the top and bottom three actively managed funds and explore the correlation between their performance and investment flows managed by fund managers.

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Volatility of Flows



Rolling 3 Year Annualized Returns of top 3 and bottom 3 Indices



2. Results

In periods of lowest flows, the top three funds—E473, N924, R928—show an upward trend in returns, whereas the bottom three funds—D394, T410, U411—indicate a downward trend. Conversely, during periods of highest flows, the top three funds exhibit both upward and downward trends in returns, while the bottom three funds showcase an upward trend. Consequently, it appears that the fund performance does not consistently align with the flow pattern, indicating that flow volume might not serve as a reliable predictor of fund returns.