WEEKLY FUND FLOWS

# Memory Lane

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## Global fund flows, week ending July 8

- Flows into mutual funds and related investment products were positive across both equities and fixed income.
- Net flows into global **equity** funds turned positive again in the week ending July 1 (+$56bn vs -$14bn in the previous week). Within DM, US funds drove the net inflows. Within EM, Mainland China, Korea, and Taiwan funds drove the net inflows. Korea and Taiwan funds have seen a sharp pickup in inflows this year (see *Chart of the Week*) and our strategists expect strong earnings growth driven by the memory super-cycle to provide continued support to Korea and Taiwan equities, albeit with elevated volatility. We have previously noted that, while our economists expect South Korea's surplus to surge off the back of more valuable tech exports, so far that surplus been largely recycled into foreign equities, weighing on the currency. Equity funds saw net inflows across sectors with technology funds seeing the largest inflows.
- Flows into global **fixed income** funds remained well-supported from inflows across fund types. Short-duration bond funds and inflation-protected bond funds have seen sustained inflows. In EM, hard-currency and local currency bond funds saw net inflows. **Money market** fund assets increased by $40bn.
- Cross-border **FX flows** were largely positive, signaling supported risk sentiment. USD saw the strongest net demand while CNY saw the largest net outflows.

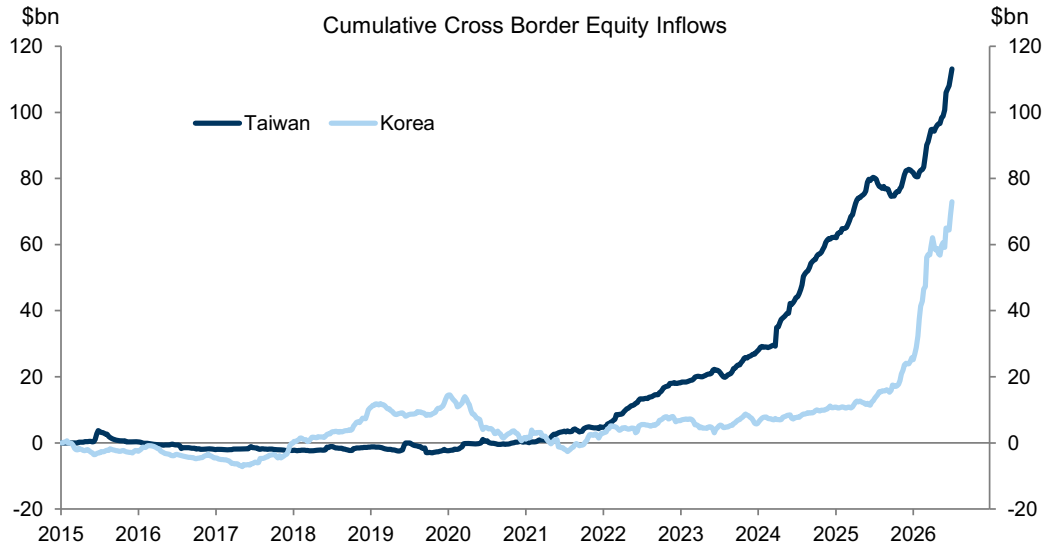
| | Global Fund Flows Summary | | | |
|---|---|---|---|---|
| | Millions USD | | % AUM | |
| | 4wk sum | 8-Jul | 4wk avg | 8-Jul |
| Equity | 163,925 | 56,352 | 0.13 | 0.18 |
| Fixed Income | 96,185 | 31,414 | 0.24 | 0.32 |
| of which: EM | 4,883 | 631 | 0.17 | 0.09 |
| Money Markets | 94,111 | 39,538 | 0.21 | 0.35 |
| FX Flows* | 73,375 | 26,241 | 0.11 | 0.16 |

*Cross-border fund flows, excluding hard currency and FX-hedged funds

Source: EPFR, Haver Analytics, Goldman Sachs Global Investment Research

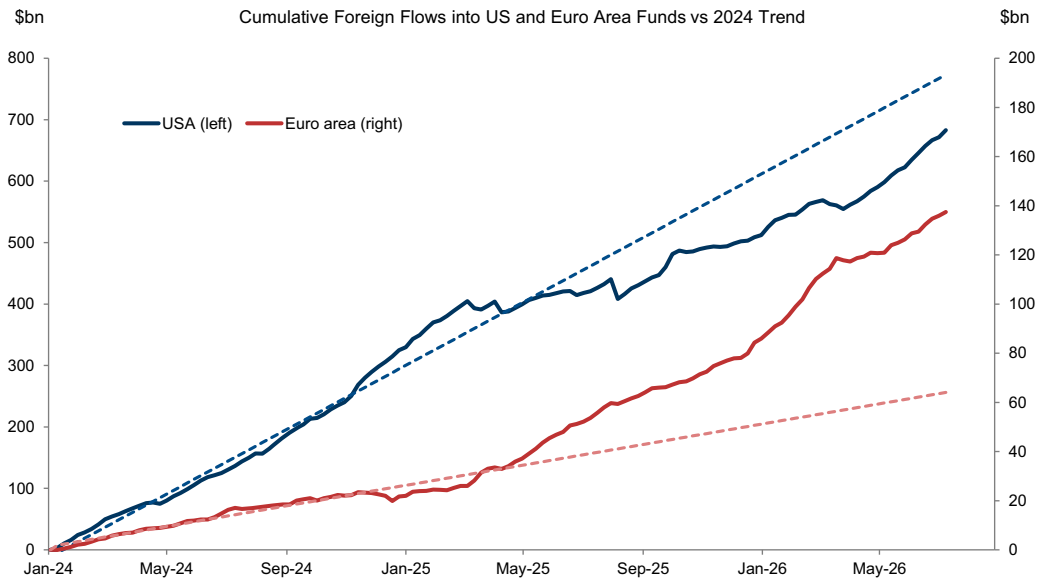
Investors should consider this report as only a single factor in making their investment decision. For Reg AC certification and other important disclosures, see the Disclosure Appendix, or go to www.gs.com/research/hedge.html.

**Chart of the Week**

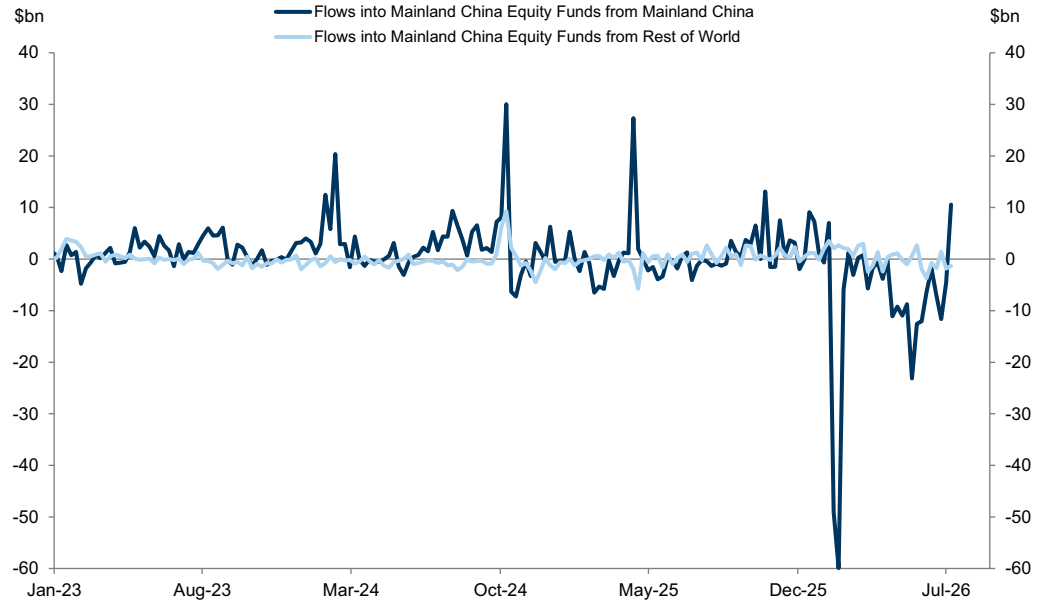



Source: EPFR, Haver Analytics, Goldman Sachs Global Investment Research

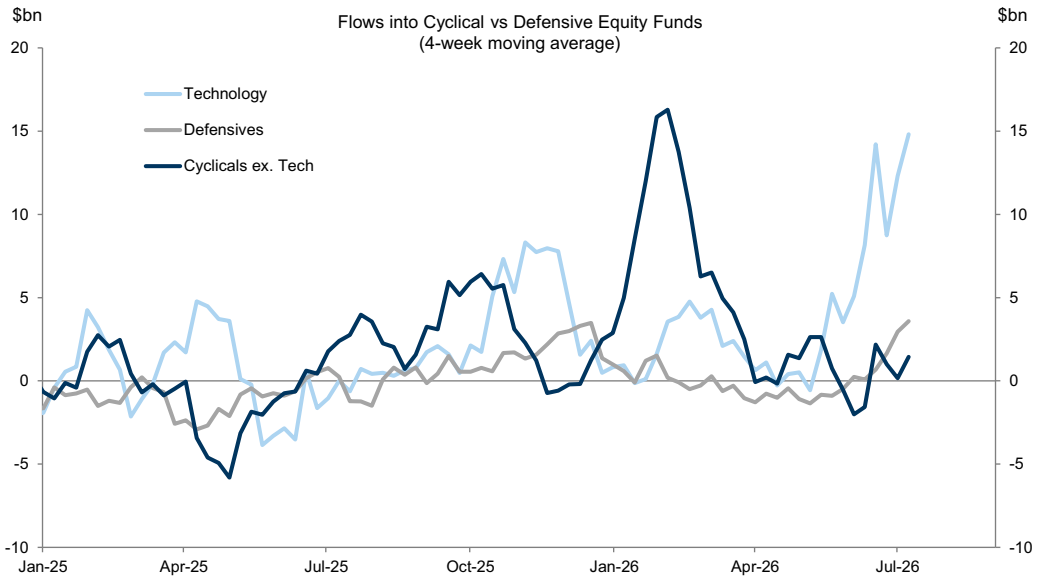
# Global Fund Flow Trends



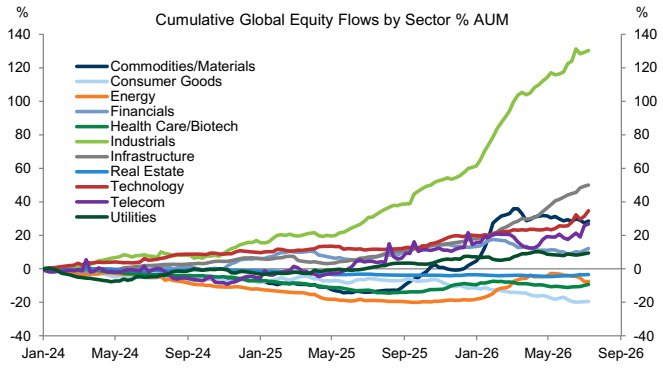

Source: EPFR, Goldman Sachs Global Investment Research




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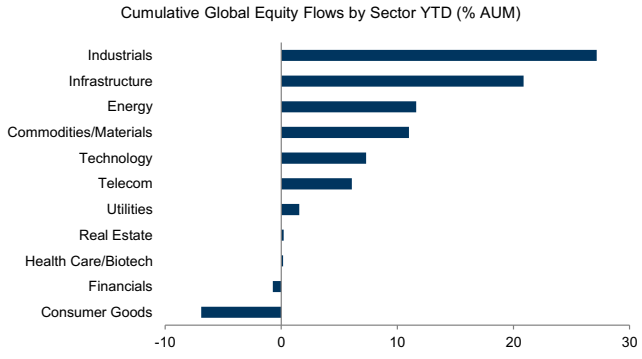



Source: EPFR, Goldman Sachs Global Investment Research



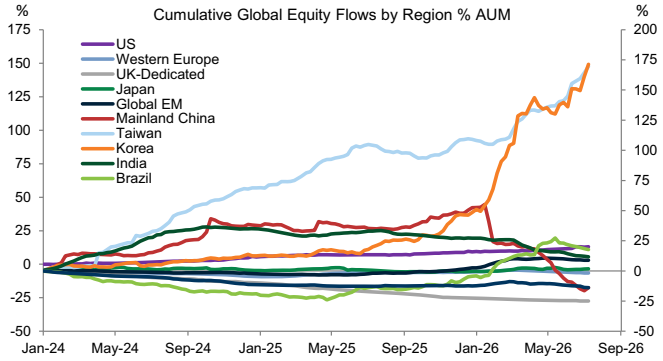

Captures flows to sector-dedicated funds

Source: EPFR, Goldman Sachs Global Investment Research



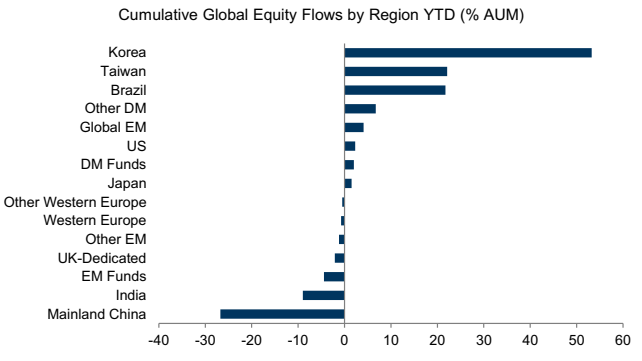

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Source: EPFR, Goldman Sachs Global Investment Research



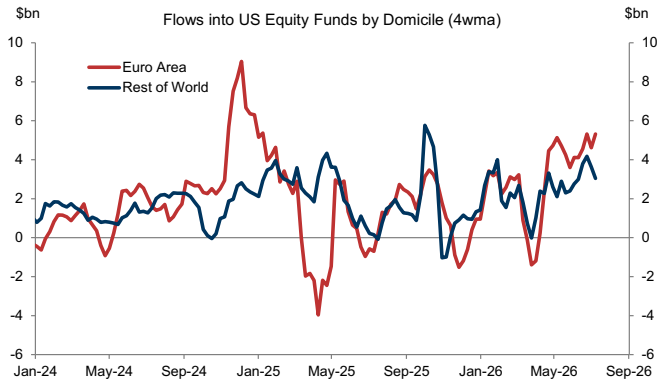

Captures flows to country- and region-dedicated funds

Source: EPFR, Goldman Sachs Global Investment Research

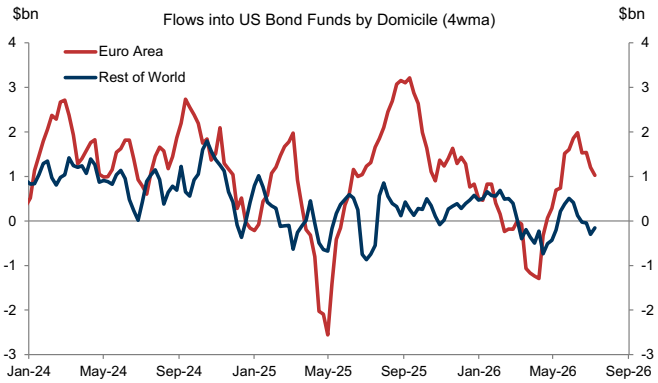



Captures flows to country- and region-dedicated funds

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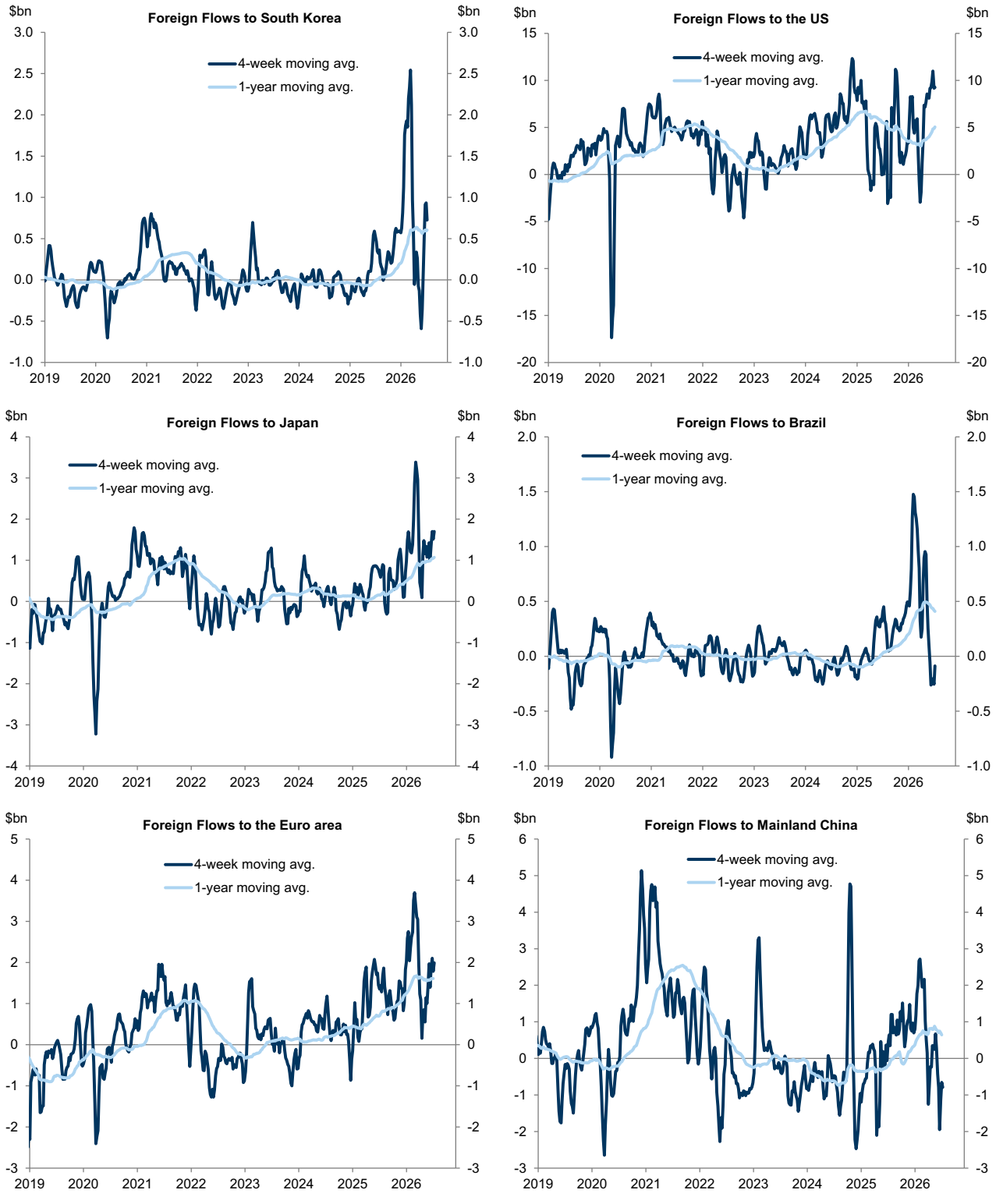



Source: EPFR, Goldman Sachs Global Investment Research



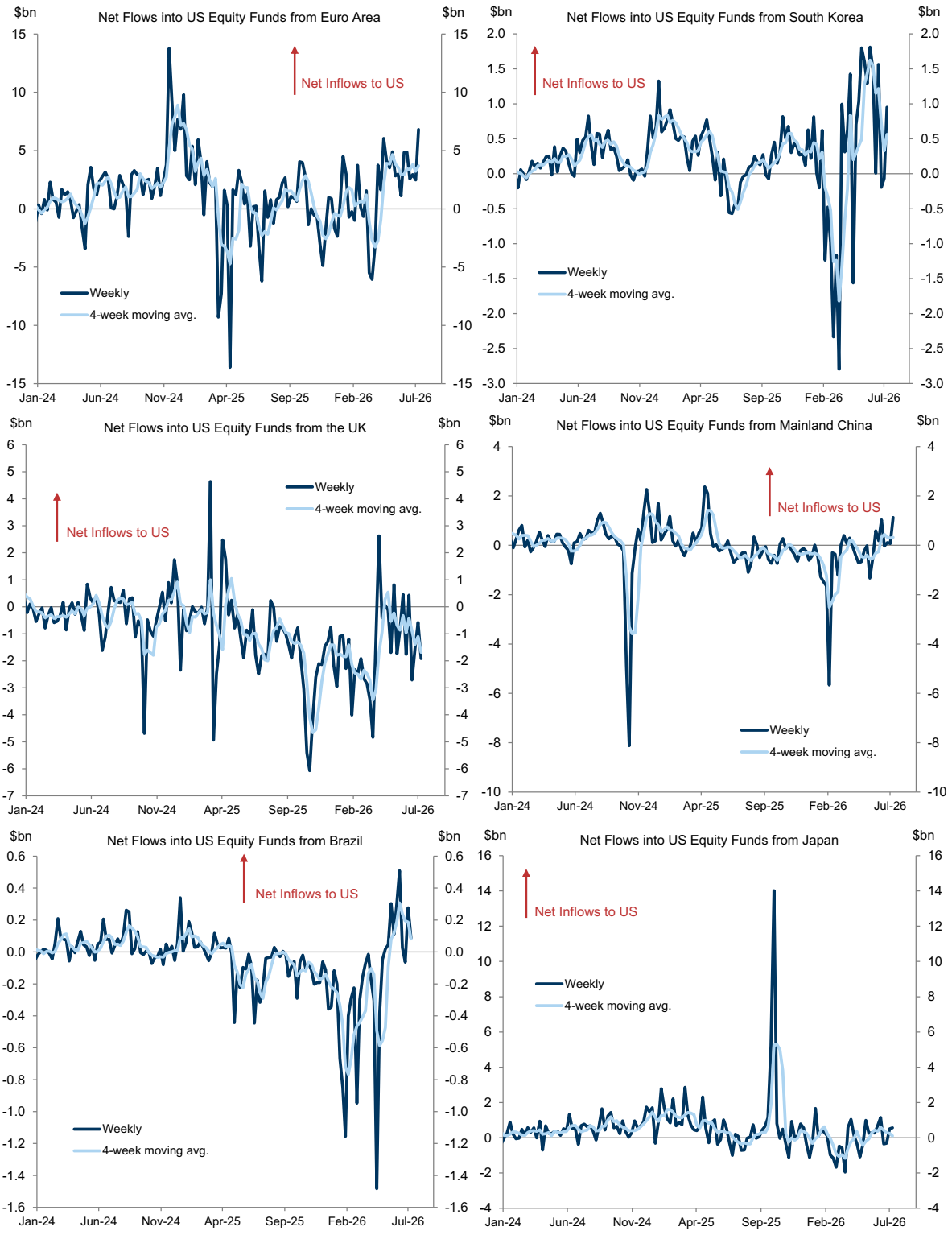

Source: EPFR, Goldman Sachs Global Investment Research

## Total Unhedged Foreign Flows By Country




Source: EPFR, Goldman Sachs Global Investment Research

**Net Unhedged Flows into US Equity Funds**




Source: EPFR, Haver Analytics, Goldman Sachs Global Investment Research

# Fixed Income & Equity Flows

| | Global Fund Flows | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | Millions USD | | | | | % AUM | | Z-score of |
| | 4wk sum | 8-Jul | 1-Jul | 24-Jun | 17-Jun | 4wk avg | 8-Jul | 4wk sum |
| **Total Equity** | **163,925** | **56,352** | **-13,859** | **-4,992** | **126,425** | **0.13** | **0.18** | **2.67** |
| **Global Benchmarks[1]** | **50,959** | **12,561** | **8,921** | **14,361** | **15,116** | **0.17** | **0.16** | **2.00** |
| Including US | 33,612 | 10,410 | 5,584 | 9,300 | 8,317 | 0.16 | 0.20 | 1.93 |
| Excluding US | 17,347 | 2,150 | 3,337 | 5,061 | 6,799 | 0.19 | 0.09 | 1.48 |
| **Developed Markets[2]** | **122,562** | **28,808** | **-18,751** | **-8,294** | **120,798** | **0.15** | **0.14** | **2.63** |
| US | 118,530 | 25,096 | -17,207 | -8,548 | 119,189 | 0.18 | 0.15 | 2.44 |
| Western Europe | -5,795 | 376 | -3,704 | -1,294 | -1,173 | -0.07 | 0.02 | -0.63 |
| UK-dedicated | -470 | 102 | -81 | -676 | 185 | -0.04 | 0.03 | 1.43 |
| Other | -5,326 | 275 | -3,623 | -618 | -1,359 | -0.08 | 0.02 | -0.83 |
| Japan | 4,731 | 1,236 | 1,855 | 475 | 1,166 | 0.10 | 0.10 | 0.77 |
| Other | 5,097 | 2,101 | 306 | 1,073 | 1,616 | 0.30 | 0.50 | 1.71 |
| **Emerging Markets[3]** | **-9,596** | **14,983** | **-4,030** | **-11,059** | **-9,489** | **-0.07** | **0.51** | **-0.63** |
| Global EM Benchmarks | -3,137 | -46 | -2,013 | -508 | -570 | -0.06 | 0.00 | -0.63 |
| Mainland China | -16,090 | 9,057 | -5,729 | -10,367 | -9,051 | -0.60 | 1.43 | -0.65 |
| Taiwan | 7,169 | 2,635 | 2,426 | 1,077 | 1,031 | 0.72 | 1.08 | 1.90 |
| Korea | 7,942 | 4,009 | 4,545 | -536 | -76 | 1.00 | 2.16 | 1.87 |
| India | -960 | -225 | -250 | -69 | -416 | -0.29 | -0.28 | -0.91 |
| Brazil | -547 | -137 | -151 | -196 | -64 | -0.59 | -0.59 | -1.08 |
| Other | -3,975 | -311 | -2,859 | -461 | -344 | -0.26 | -0.08 | -1.54 |
| **Equity Sector Flows** | | | | | | | | |
| Commodities/Materials | 287 | 1,334 | -1,843 | -1,082 | 1,879 | 0.02 | 0.54 | -0.08 |
| Consumer Goods | 4 | 299 | 412 | 74 | -781 | 0.00 | 0.15 | 0.56 |
| Energy | -8,624 | 60 | -5,602 | -2,556 | -526 | -0.69 | 0.02 | -1.83 |
| Financials | 8,494 | 3,390 | 4,008 | -1,371 | 2,467 | 0.47 | 0.75 | 1.45 |
| Health Care | 5,439 | 1,713 | 2,502 | 687 | 536 | 0.34 | 0.41 | 2.04 |
| Industrials | 5,602 | 990 | 812 | -2,487 | 6,288 | 0.49 | 0.35 | 0.72 |
| Infrastructure | 3,833 | 469 | 815 | 2,077 | 473 | 0.68 | 0.31 | 1.94 |
| Real Estate | 4,335 | 926 | -230 | 2,110 | 1,529 | 0.18 | 0.15 | 2.55 |
| Technology | 59,241 | 28,855 | 15,937 | -23,832 | 38,281 | 0.63 | 1.25 | 4.50 |
| Telecom | 3,470 | 497 | 3,163 | -1,144 | 953 | 1.03 | 0.58 | 2.03 |
| Utilities | 1,120 | 603 | 550 | 346 | -379 | 0.15 | 0.32 | 0.58 |
| High Beta[4] | 6,937 | 4,217 | 904 | -3,400 | 5,216 | 0.24 | 0.62 | 0.46 |
| Low Beta[4] | 2,039 | 962 | 38 | 907 | 132 | 0.07 | 0.14 | 1.78 |
| **Total Fixed Income** | **96,185** | **31,414** | **29,236** | **16,374** | **19,160** | **0.24** | **0.32** | **1.48** |
| **Developed Markets[5]** | **91,757** | **30,625** | **28,237** | **13,375** | **19,521** | **0.25** | **0.34** | **1.70** |
| Government | 14,689 | 8,425 | 4,736 | -94 | 1,623 | 0.22 | 0.52 | 0.45 |
| Mortgage-backed | 1,712 | 332 | 293 | 477 | 609 | 0.14 | 0.11 | -0.25 |
| Municipal | 7,472 | 1,877 | 1,859 | 1,226 | 2,509 | 0.27 | 0.27 | 1.56 |
| Agg-type | 28,887 | 8,219 | 9,215 | 7,592 | 3,861 | 0.25 | 0.29 | 1.12 |
| IG Credit | 11,507 | 3,570 | 3,301 | 865 | 3,771 | 0.25 | 0.31 | 1.02 |
| High yield | 9,324 | 2,021 | 3,350 | 1,857 | 2,096 | 0.33 | 0.29 | 1.12 |
| Bank loan | 3,840 | 1,528 | 806 | 486 | 1,020 | 0.53 | 0.84 | 0.76 |
| Long-duration[6] | 109 | 1,214 | 1,124 | -1,183 | -1,046 | 0.01 | 0.24 | -0.99 |
| Short-duration[6] | 21,479 | 10,273 | 6,576 | 1,123 | 3,506 | 0.23 | 0.44 | 0.77 |
| Inflation-protected | 1,690 | 442 | 294 | 69 | 885 | 0.24 | 0.25 | 0.95 |
| **Emerging Markets** | **4,883** | **631** | **838** | **3,220** | **193** | **0.17** | **0.09** | **0.53** |
| Hard | 1,346 | 339 | 162 | 578 | 267 | 0.12 | 0.13 | 0.77 |
| Blend | 406 | 293 | -81 | 142 | 52 | 0.15 | 0.43 | 0.50 |
| Local | 3,130 | 0.2 | 757 | 2,500 | -127 | 0.21 | 0.00 | 0.25 |
| **Money Markets** | **94,111** | **39,538** | **54,999** | **-25,536** | **25,110** | **0.21** | **0.35** | **0.15** |

1. Primarily MSCI World and MSCI ACWI benchmarks. 2. Sum of DM country- and region-dedicated funds; excludes global DM benchmark funds (e.g. MSCI World funds). 3. Sum of Global EM benchmark funds and EM country- and region-dedicated funds. 4. High beta funds include commodity, financial, & industrial sector funds. Low beta funds include consumer goods, real estate, & utility sector funds. 5. Benchmarks may include some investment grade EM bonds; categories below include DM & EM funds. 6. Long-duration includes long-term Agg-type, long-term corporate, and long-term government bond funds. Short-duration includes short-term Agg-type, short-term corporate, and short-term government bond funds.

Source: EPFR, Haver Analytics, Goldman Sachs Global Investment Research

# FX Flows

| | FX Flows[1] | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | Millions USD | | | | | % AUM | | Z-score of |
| | 4wk sum | 8-Jul | 1-Jul | 24-Jun | 17-Jun | 4wk avg | 8-Jul | 4wk sum |
| **Total** | **73,375** | **26,241** | **3,811** | **20,805** | **22,519** | **0.11** | **0.16** | **1.06** |
| **G10** | **63,604** | **18,814** | **7,573** | **16,737** | **20,480** | **0.15** | **0.18** | **1.87** |
| USD | 36,992 | 11,464 | 4,825 | 9,611 | 11,092 | 0.15 | 0.19 | 1.35 |
| EUR | 7,962 | 1,553 | 1,215 | 2,342 | 2,852 | 0.15 | 0.12 | 1.29 |
| GBP | 5,480 | 1,890 | 850 | 939 | 1,801 | 0.13 | 0.19 | 1.03 |
| AUD | 637 | 278 | -192 | 238 | 313 | 0.08 | 0.14 | 0.58 |
| NZD | 67 | 25 | 6 | 23 | 13 | 0.13 | 0.20 | 0.95 |
| CAD | 2,509 | 745 | 112 | 721 | 931 | 0.18 | 0.22 | 1.72 |
| CHF | 1,687 | 560 | 22 | 495 | 610 | 0.10 | 0.13 | 0.68 |
| NOK | 437 | 209 | 66 | 117 | 45 | 0.11 | 0.21 | 0.88 |
| SEK | 1,030 | 356 | 166 | 252 | 257 | 0.11 | 0.15 | 0.97 |
| JPY | 6,802 | 1,733 | 503 | 1,998 | 2,568 | 0.18 | 0.18 | 1.78 |
| **Asia** | **-928** | **14** | **-3,453** | **2,807** | **-295** | **-0.01** | **0.00** | **-0.29** |
| CNY | -3,163 | -1,232 | -1,727 | 1,556 | -1,761 | -0.11 | -0.17 | -0.62 |
| HKD | 414 | 106 | -15 | 145 | 179 | 0.09 | 0.10 | 0.81 |
| INR | -1,313 | -236 | -571 | -51 | -454 | -0.12 | -0.09 | -1.11 |
| KRW | 2,901 | 1,049 | -257 | 804 | 1,305 | 0.14 | 0.18 | 1.03 |
| MYR | -32 | 12 | -57 | 11 | 1 | -0.02 | 0.04 | -0.32 |
| SGD | 396 | 93 | 20 | 127 | 156 | 0.11 | 0.10 | 1.39 |
| TWD | -318 | 163 | -794 | 133 | 180 | -0.01 | 0.03 | -0.40 |
| THB | -24 | -2 | -58 | 6 | 30 | -0.01 | -0.01 | -0.23 |
| IDR | 200 | 58 | 18 | 67 | 58 | 0.11 | 0.13 | 0.51 |
| PHP | 12 | 2 | -11 | 9 | 11 | 0.02 | 0.01 | 0.02 |
| **Americas** | **-185** | **113** | **-569** | **241** | **29** | **-0.01** | **0.03** | **-0.46** |
| ARS | 25 | 0 | -11 | 33 | 3 | 0.07 | 0.00 | -0.14 |
| BRL | -352 | -34 | -426 | 115 | -8 | -0.04 | -0.02 | -0.61 |
| MXN | 12 | 81 | -80 | 27 | -17 | 0.00 | 0.08 | -0.35 |
| CLP | 55 | 25 | -17 | 32 | 15 | 0.04 | 0.08 | -0.08 |
| PEN | 5 | 16 | -23 | 9 | 4 | 0.01 | 0.07 | -0.26 |
| COP | 69 | 25 | -12 | 25 | 32 | 0.08 | 0.12 | 0.07 |
| **EMEA** | **932** | **414** | **-108** | **205** | **420** | **0.09** | **0.16** | **0.31** |
| CZK | 238 | 53 | 6 | 14 | 166 | 0.28 | 0.25 | 2.16 |
| HUF | 73 | 50 | -8 | 14 | 18 | 0.07 | 0.20 | 0.29 |
| PLN | 181 | 104 | -34 | 50 | 61 | 0.09 | 0.21 | 0.22 |
| RON | 61 | 36 | 1 | 7 | 17 | 0.10 | 0.24 | 0.28 |
| RUB | 4 | 1 | 1 | 1 | 1 | 0.11 | 0.08 | 0.57 |
| TRY | 72 | 39 | -5 | 24 | 14 | 0.08 | 0.17 | 0.24 |
| ILS | 283 | 76 | 40 | 71 | 97 | 0.15 | 0.15 | 0.99 |
| ZAR | 20 | 57 | -107 | 24 | 46 | 0.01 | 0.08 | -0.22 |
| **Frontier** | **-11** | **47** | **-52** | **12** | **-18** | **-0.01** | **0.09** | **-0.27** |
| UAH | 5 | 4 | -1 | 1 | 1 | 0.08 | 0.21 | 0.21 |
| EGP | 16 | 12 | -4 | 6 | 2 | 0.05 | 0.16 | -0.03 |
| NGN | 10 | 9 | -4 | 3 | 2 | 0.04 | 0.15 | 0.12 |
| KWD | 2 | 1 | -1 | 0 | 1 | 0.02 | 0.05 | -0.02 |
| SAR | -46 | 20 | -43 | 2 | -24 | -0.04 | 0.06 | |

Note: AUM is calculated at the domicile level.

1. FX flows are measured as cross-border equity and fixed income fund flows (based on the domicile of underlying funds), excludin currency EM-bond funds and FX-hedged products.

Source: EPFR, Goldman Sachs Global Investment Research





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