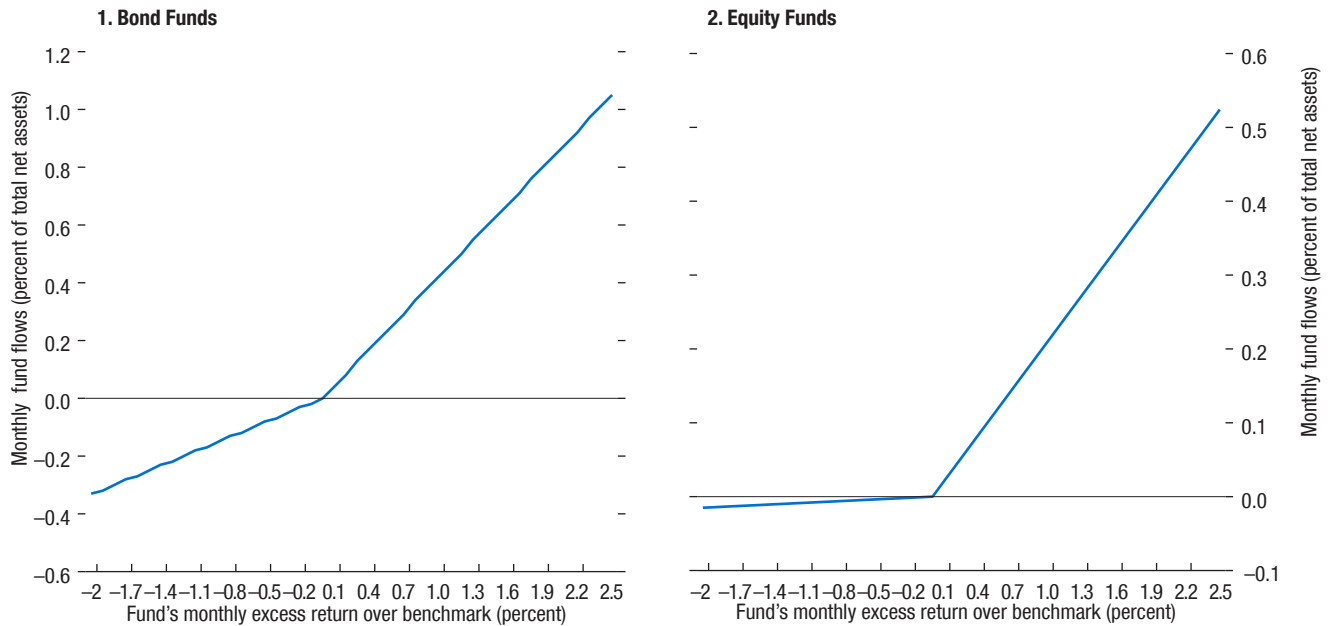


Figure 3.9. Convexity of Fund Flow–Performance Relationship



Sources: Bloomberg, L.P.; and IMF staff estimates. Additional data: Calculated based on data from the survivor-bias-free U.S. mutual fund database ©2014 Center for Research in Security Prices (CRSP®), The University of Chicago Booth School of Business.

Note: Estimates in the two panels are based on a regression of net inflows on VIX, benchmark performance (lagged), excess performance over benchmark (lagged), and age. The model allows for different slopes for negative and positive values of excess performance over benchmark. The estimation uses share-class-level data covering 1998–2014. For more details, see Annex 3.2.