

iFlow

VISION

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Introducing iFlow Green 2.0

Tracking ESG Integration in Equity Flows

The wealth of data which iFlow Equities 2.0 brings has created conditions for a total redesign of iFlow Green. For the first time we incorporate recognized third-party frameworks in assigning ESG scores at a company level.

The daily data introduced in iFlow Equities 2.0, along with corresponding ESG scores, allows iFlow Green 2.0 to track investor appetite on a country, regional and sector basis.

In this white paper, we discuss three new ESG-specific flow concepts and draw initial conclusions from our findings.

To read a deep dive into our new iFlow Green 2.0 framework, click on the thumbnail to the right.

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iFlow Green 2.0 Introducing country-level, regional and sectoral ESG Flows

iFlow Green 2.0 incorporates ESG scoring metrics into individual stock, sector and country-level equity flows.

Tracking the evolution of Environmental, Social and Governance integration in global equity flows

The wealth of data which iFlow Equities 2.0 brings has created conditions for a total redesign of iFlow Green. The introduction of daily country, region and sector level data, alongside corresponding ESG scores, allows iFlow Green 2.0 to track investor appetite on a country, regional and sector basis. It identifies both tactical and structural integration of ESG-related strategies through analyzing movement between ESG-specific and general equity flows.

To increase the transparency and integrity in identifying the ESG-related characteristics of equity flows, iFlow Green 2.0 utilizes recognized third-party frameworks in assigning ESG scores at a company level. These figures are subsequently fed into aggregate scores for countries, regions and industries, enabling the creation of real-time alpha and beta indices on a cross-sectional and single country/tranche/region basis. In this white paper, we discuss three new ESG-specific flow concepts and draw initial conclusions from our findings.

• **ESG Flow Metrics:** Tracks and ranks current or regional demand across regions and asset to ESG factors. Currently, EMEA (Emerging and Developed) flows are showing strong movement between ESG factor flows and equity flows.

• **Geographical ESG impulse:** Global flows remain volatile, and there is weak evidence of cyclicality. Flows with high prevalence of ESG interest have picked up since the pandemic, but uniformly is lacking.

• **Sector ESG impulse:** Over the past two years there's been deterioration in ESG prevalence, poorly scoring ESG flows demonstrate the best bought sectors.

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