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## **First-quarter flows to U.S. equity funds are largest in nine years: TrimTabs**

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By Editor Test      Thu, Apr 4, 2013

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U.S.-listed U.S. equity mutual funds and exchange-traded funds received \$52.0 billion in the first quarter, the biggest quarterly inflow since the first quarter of 2004, according to TrimTabs Investment Research.

“Many pundits dismissed the huge inflows into U.S. equity funds in January as a one-off related to seasonal and tax factors,” said David Santschi, TrimTabs’ CEO. “But inflows reached \$17.7 billion in March, which was the second-highest monthly level in the past two years.”

The big inflows into equities did not come at the expense of bonds. Bond mutual funds and ETFs received \$72.3 billion in the first quarter, the seventeenth consecutive quarterly inflow.

U.S. equity funds, global equity funds, and bond funds each posted inflows in all three of the first three months of 2013, TrimTabs said. Global equity mutual funds and ETFs took in \$65.7 billion in the first quarter, the fifth consecutive quarterly inflow and the highest quarterly inflow since the first quarter of 2006.

“Investors seem convinced the Fed has their back,” Santschi said. “They snapped up equities across the board as the Fed pumped an average of \$4 billion per business day of newly printed money into the financial system.”

“Lots of market strategists are eagerly anticipating a ‘great rotation’ out of bonds and into stocks, but no such rotation has materialized,” said Santschi. “Last quarter’s inflow into bond funds was right in line with the inflows in previous quarters.”