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## Global equity funds and ETFs are hot in 2014: TrimTabs

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By Editorial Staff    *Fri, Jul 18, 2014*

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U.S. investors have overwhelmingly favored non-U.S. equities this year, according to TrimTabs Investment Research. While U.S. equity mutual funds and exchange-traded funds have received \$12.6 billion, global equity mutual funds and exchange-traded funds have taken in \$84.3 billion.

“Global equity funds have received almost seven times as much money as U.S. equity funds this year,” said David Santschi, CEO of TrimTabs. “Fund investors are as convinced as ever that the grass is greener overseas.”

In 2013, U.S. equity funds received \$150.5 billion, or 78% of the inflow of \$193.1 billion into global equity funds.

“This year’s flow disparity is occurring even though the average global equity fund’s 5.1% gain is not much more than the average U.S. equity fund’s 4.2% rise,” Santschi said.

The financial crisis helped spark outflows of \$547.8 billion from U.S. equity mutual funds from 2008 through 2012. Inflows resumed in 2013, totaling \$12.4 billion, as the S&P 500 shot up 30%. Despite this year’s string of record highs on the S&P 500, U.S. equity mutual funds have lost \$10.5 billion.

“The combination of highly disproportionate inflows into global equity funds and their less than stellar performance should be a red flag for contrarians,” said Santschi. “We advise investors to favor U.S. equities over non-U.S. equities now.”

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