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## **TrimTabs attributes market surges to Fed's 'money printing'**

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By Editor Test     Sun, Apr 14, 2013

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Like *Strategic Insights*, TrimTabs reported the record inflows of capital into U.S. securities in the first quarter of 2013. But TrimTabs attributed it to the Federal Reserve's quantitative easing policy rather than investor "rotation."

"Lots of market strategists are eagerly anticipating a 'Great Rotation' out of bonds and into stocks, but no such rotation has materialized," said David Santschi, TrimTabs' CEO. "Last quarter's inflow into bond funds was right in line with the inflows in previous quarters.

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"Many pundits dismissed the huge inflows into U.S. equity funds in January as a one-off related to seasonal and tax factors. But inflows reached \$17.7 billion in March, which was the second-highest monthly level in the past two years," he added.

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, TrimTabs Investment Research reported.

U.S. equity funds, global equity funds, and bond funds each posted inflows in all three of the first three months of 2013. 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.

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.

### **Hedge funds underperform S&P 500**

BarclayHedge and TrimTabs Investment Research reported today that Hedge funds took in a net \$11.4 billion (0.6% of assets) in February, building on an inflow of \$4.3 billion in January, reported BarclayHedge and TrimTabs Investment Research. The results are based on data from 3,434 funds.

"The hedge fund industry continues to struggle with performance," said Sol Waksman, president of BarclayHedge. "The industry delivered a return of 0.4% in February, less than half of the S&P 500's 1.1% rise. In the past 12 months, hedge funds earned 5.8%, while the S&P 500 rose 10.9%."

Stock-picking hedge fund managers performed well in February and in January, the report found.

"Managers of Equity Long Only hedge funds rose 1.1% in February, the best performers out of 13 major

fund categories,” said Waksman. “Fixed Income and Multi-Strategy are the only two strategies that posted inflows in the past 12 months.”

Funds of hedge funds continued to shed assets, losing \$3.3 billion in February and \$54.3 billion in the past 12 months. They underperformed the hedge fund industry by 216 basis points in the past year.

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