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AdvisorShares Launches New Global ETF (ACCU)

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Thanks to the uncertain outlook for many individual nations in 2012, some investors may be looking to tap into more active strategies for their portfolios this year. Unfortunately for many, the world of actively-managed ETFs is still quite sparsely populated with just a few dozen funds occupying the space. However, this is slowly beginning to change as we will now have a new option to achieve their global exposure via the recently launched Accuvest Global Opportunities ETF ([ACCU](#)).

This fund, from AdvisorShares, seeks long-term capital appreciation in excess of global equity benchmarks such as the MSCI All Country World Index. This benchmark, which is the basis for the popular ETF [ACWI](#)—a fund with over \$2.4 billion in assets—has struggled in recent years as ACWI has slumped by close to 6.7% in the past year and roughly 10.9% since ACWI's inception. As a result, ACCU could see some inflows from investors looking for better performances from their global equity holdings, especially in this uncertain time (read [HDGE: The Active Bear ETF Under The Microscope](#)).

The new AdvisorShares product could also see some interest from those who appreciate the fund's multi-factor country ranking model which looks to pick nations whose markets may outperform other global equity benchmarks. The team seeks to do this by following a top-down approach which focuses on macro conditions in each country as opposed to individual equities. With this focus, Accuvest looks to take into account a variety of factors in order to pick the best countries including; valuation, risk, fundamentals, and momentum. At the end of this process, the team will select about a half dozen of the most highly-ranked nations and invest in their country-specific ETFs in order to make up the fund's portfolio (see [Three Outperforming Active ETFs](#)).

Currently, the product consists of five country specific ETFs, all from iShares. The top individual holding goes to the MSCI Thailand Investable Market Fund ([THD](#)) at 21.1% of assets while the U.S.-focused S&P 500 Index Fund ([IVV](#)) comes in second just about 20.5%. The rest of the portfolio is rounded out by more emerging market funds as Brazil ([EWZ](#)), South Africa ([EZA](#)), and Russia ([ERUS](#)), make up 15.9%, 14.6%, and 13.5%, respectively (read [ETFs vs. Mutual Funds](#)).

While the product may have an interesting methodology, investors should note that ACCU does charge a rather high annual fee with net expense coming in at 1.78%. This total includes acquired fund fees of 55 basis points a year, a level that is far higher than ACWI's annual cost of 34 basis points a year. Thanks to this, ACCU looks to face a significant hurdle in order to outperform its index-based counterpart when taking total costs into account. Yet for those who are looking for a global ETF that has less concentration in U.S. stocks and applies an active methodology, ACCU make for an interesting choice. It looks to be able to adapt very quickly to market movements and could avoid some of the worst stretches thanks to this, although only time will tell if this AdvisorShares fund can steal away assets from ACWI in the global ETF space.

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