

**THE DEATH OF CREDIT CARDS**

The plastic in your wallet is about to go the way of the typewriter, the VCR, and the 8-track tape player. When it does, **a handful of investors could stand to get very rich.** You can join them — but you must act *now*. An eye-opening new presentation reveals the full story on why your credit card is about to be worthless — and highlights one little-known company sitting at the epicenter of an earth-shaking movement that could hand early investors the **kind of profits we haven't seen since the dot-com days.**

[Click here to watch this stunning video](#)

BROUGHT TO YOU BY THE MOTLEY FOOL

HOME | ZACKS RESEARCH | FUNDS | PORTFOLIO | BROKER RESEARCH | MARKETS | SCREENING | VIDEO | EDUCATION | SERVICES



Latest News

Most Popular

View All |



[656 Heads Are Better Than 1](#)

[Buy the Dips...If We Get One](#)

[How Soon Til Apple Hits \\$700?](#)

[5 Fast-Growing Stocks Under \\$10](#)

Quote:



Search for Ticker

Login

Free Membership

Search:



⇌ Sponsored Links ⇌

ETF News And Commentary

## AdvisorShares Launches New Active Equity Hedge ETF

By: Eric Dutram

August 09, 2012 | Comment(s): 0

Recommended this article (0)

[QEHI](#) | [QAI](#)

Print Share

AdvisorShares, the Maryland-based ETF issuer best known for its impressive lineup of active funds, announced the latest expansion to its product line with the **QAM Equity Hedge ETF (QEHI)**. The brand new fund marks the 16<sup>th</sup> product overall for the quickly growing firm which is slowly but surely making a name for both itself and active management in the Exchange-Traded world.

Its latest foray into the space comes from Commerce Asset Management which is acting as the portfolio manager for QEHI. The product seeks returns that exceed the risk adjusted performance for approximately 50% of the long/short equity hedge fund universe as represented by the HFRI Equity Hedge Total Index (also see [Three Outperforming Active ETFs](#)).

This benchmark is a fund-weighted index of select hedge funds focusing on Equity Hedge strategies. The firm defines this as processes which consist of a core holding of long equities hedged at all times with short sales of stocks and/or stock index options.

By doing this, the advisors hope that QEHI can serve as a broad market beating fund that is also an alternative for hedge-fund investors. In other words, it looks to be a hedge fund for the everyday investor allowing them to obtain similar strategies/holdings as hedge funds but without the time selecting a particular fund or the potentially large initial capital requirements.

Attn. Zacks.com Visitors

## Sell These Stocks Today

Make sure no Zacks #5 Rank "Strong Sell" stocks are lurking in your portfolio. They tend to perform only 1/6th as well as the market!

Get your free Welcome Gifts today\*:

1. Zacks "Strong Sell" list.
2. Our e-newsletter with 4 "Strong Buy" stocks, Bull & Bear of the Day, and market commentary in every issue.

**Get them free right now**

No cost. Unsubscribe anytime. [Privacy Policy](#)

\*Only for non-members. May end at any time.

Close This Panel X

Additionally, QEH will have daily holdings information and intraday liquidity, something that is incredibly rare to come across in the hedge fund universe (see [AdvisorShares Launches Global Alpha and Beta ETF](#)).

"With the launch of QEH, we feel we're providing advisors and their clients added value with everyday transparency and liquidity of an alternative strategy aimed to deliver a higher risk adjusted return than its notable benchmark over the long-term," said [Kurt Voldeng](#), Chief Operating Officer of CAM and Co-Portfolio Manager of QEH. "We believe with our benchmark's underlying constituents measuring approximately 1,000 hedge fund managers, places QEH at an advantage over our competition to generate alpha."

Currently this strategy produces a well diversified fund-of-funds that has long positions in over three dozen ETFs. Top holdings, at time of writing, include two bond ETFs—[SHV](#) and [BIL](#)—while broad equity, internet, and European fund round out the rest of the top five (see [Three Overlooked Active ETFs](#)).

While the strategy may sound intriguing, investors should note that the product will likely have low volume levels, at least initially, suggesting wide bid ask spreads. Furthermore, the fund has a somewhat-high expense ratio when compared to index funds as the net expense comes in at 1.64%. However, it should be noted that this cost is probably far less than what investors would pay if they bought a 'traditional' hedge fund.

### ETF Competition

Unfortunately for QEH, it may have some heavy competition in the hedge fund ETF world. Currently, there are a handful of other products in the segment including the pretty popular [IQ Hedge Multi-Strategy Tracker ETF \(QAI\)](#).

This fund has well over \$200 million in AUM and trades more than 50,000 shares in a normal session suggesting solid levels of volume and a tight bid ask spread. The fund has performed pretty well so far in 2012 and has seen a pretty low level of volatility as well. Over the past year, the product has added more than 3.2% while it has moved higher by about 11.7% since its inception (read [HDGE: The Active Bear ETF under the Microscope](#)).

Thanks to this low correlated performance and relatively low fees, it could pose as a big threat to the just-launched QEH. However, some of the more quantitative features of the just-released AdvisorShares fund could be of interest to investors and make them choose QEH over its IndexIQ counterpart.

For example, QEH looks to use advantaged algorithms, including the Markov Processes International style analysis technique, Dynamic Style Analysis, patented hedge fund analysis software, and the fund managers' inside knowledge of the space. Given these impressive features, the new fund, if it is able to produce a solid rate of return,

**Do you own the RIGHT STOCKS?** 

ANALYZE ANY STOCK FREE!

BUY
SELL
HOLD



### More Zacks Links

<a href="#">Free Membership</a>	<a href="#">Zacks Rank</a>
<a href="#">My Portfolio</a>	<a href="#">Real Time Insight</a>
<a href="#">Equity Research</a>	<a href="#">Stock Screener</a>
<a href="#">Mutual Funds</a>	<a href="#">Zacks Video</a>
<a href="#">Options</a>	<a href="#">Premium Screens</a>
<a href="#">RSS Feed</a> 	<a href="#">Profit from the Pros</a>

### Market Summary

Aug 19, 2012 22:36 pm ET

<a href="#">DJIA</a>	13275.2	▲ 25.09	0.19%
<a href="#">NASDAQ</a>	3076.59	▲ 14.20	0.46%
<a href="#">S&amp;P 500</a>	1418.16	▲ 2.65	0.19%

### THE DEATH OF CREDIT CARDS

The plastic in your wallet is about to go the way of the typewriter, the VCR, and the 8-track tape player. When it does, **a handful of investors could stand to get very rich**. You can join them — but you must act *now*. An eye-opening new presentation reveals the full story on why your credit card is about to be worthless — and highlights one little-known company sitting at the epicenter of an earth-shaking movement that could hand early investors the **kind of profits we haven't seen since the dot-com days**.

[Click here to watch this stunning video](#)

BROUGHT TO YOU BY THE MOTLEY FOOL

### More Zacks Resources

[Zacks Rank Home](#) - Evaluate your stocks and use the Zacks Rank to eliminate the losers and keep the winners.

[Mutual Fund Rank Home](#) - Evaluate your funds with the Mutual Fund Rank for both your personal and retirement funds.

[Stock/Mutual Fund Screening](#) - Find better stocks and mutual funds. The ones most likely to beat the market and provide a positive return.

[My Portfolio](#) - Track your Portfolio and find out where your stocks/mutual funds stack up with the Zacks Rank.

could be an interesting choice for investors seeking a new choice that has hedge fund like capabilities within the ETF structure.

Want the latest recommendations from Zacks Investment Research? Today, you can download *7 Best Stocks for the Next 30 Days*. [Click to get this free report >>](#)

Follow [@Eric Dutram](#) on Twitter

Please login to Zacks.com or register to post a comment.

Log In

Register

Like

SHOWING 0 COMMENTS

Sort by newest first 

\* [Subscribe by email](#) . [RSS](#)

Disclosure / Disclaimer Link



Email



Print



Share



Rate Pos



Rate Neg

**Related Content**

RELATED ARTICLES

ETF NEWS AND COMMENTARY

ARCHIVE

Zacks Blog: AlphaClone  
Launches Hedge Fund Tracking  
ETF  
(ALFA, QAI, MCRO) 06/05/12

Zacks Blog: Global X Files For  
Four Hedge Fund ETFs  
(MCRO, HDG, QAI, BX,  
FIG) 04/05/12

Zacks Blog: Does Your Portfolio  
Need A Hedge Fund ETF?  
(QAI, HDG, MCRO) 12/05/11