
DIY Income

Using ETF

Building Blocks to

Generate Income

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Executive Summary

2020 was a difficult year for investors who rely on dividend income to support themselves financially. Central banks, including the European Central Bank and the Bank of England, ordered banks to suspend dividend payments when the pandemic struck and many other listed companies followed suit. How can investors generate income in the current climate?

In this paper, we explore the ways in which income-seeking investors can build their own portfolios through an allocation to indexed ETF building blocks. To illustrate this, we have developed a stylised tactical asset allocation model, for both US and European investors, that targets income-generating building blocks through a momentum strategy. This asset allocation approach will be known as the Dual Momentum Yield Approach (DMYA) in the rest of the paper. We will also compare the performance of this approach against active income funds.

Asset Allocation — Dual Momentum Approach

The desire for yield remains strong among investors, especially after 12 months of financial strain. For example, in the UK, the Link Group reported that the pandemic caused a 41.6% reduction in dividends in 2020 with two-thirds of the company reporting falls. In the face of this situation, investors may wish to seek diversified sources of income and construct their own income-generating portfolios to meet that goal.

Overview

The Dual Momentum Yield Asset (DMYA) approach allocates into the asset class (either equities or fixed income) that has recently outperformed while focusing on high-yielding equities. Once the outperforming asset class is determined, the strongest-performing high-yielding asset within that asset class will then be selected.

The tactical asset allocation approach consists of two main steps: 1) selection of high dividend assets to create the high-yielding sub-strategy (selection of assets for the high dividend sub-strategy) and 2) asset allocation between asset classes (the asset allocation approach).

Asset Allocation Approach

Adapted from Gary Antonacci's¹ Dual Momentum Model, the asset allocation approach first determines whether an allocation should be made to equities or fixed income, based on the average 6- and 12-month performance at the semi-annual rebalance. Once the asset class is selected, the strategy then makes an appropriate choice on the asset or sub-strategy to invest in, on the basis of the momentum in the benchmark that represents the corresponding region. In this paper, we have simulated a strategy that includes only developed market assets² as well as one that includes global assets, including both developed and emerging markets.

Selection of Assets for High Income Sub-Strategy³

Before deciding on the asset class into which the strategy invests, high dividend yielding sub-strategies are also created on a "bottom-up" approach and, depending on the strategy, eligible assets can vary but they typically include general equities, equity sectors and dividend strategies. Within the high income sub-strategy, building blocks are chosen on the basis of the highest yield-to-maximum-drawdown ratio. A number of weighting schemes, including yield-to-maximum drawdown, target yield⁴ and equal weight are then applied to the selected building blocks.⁵ These sub-strategies then form part of the eligible universe into which the DMYA can allocate.

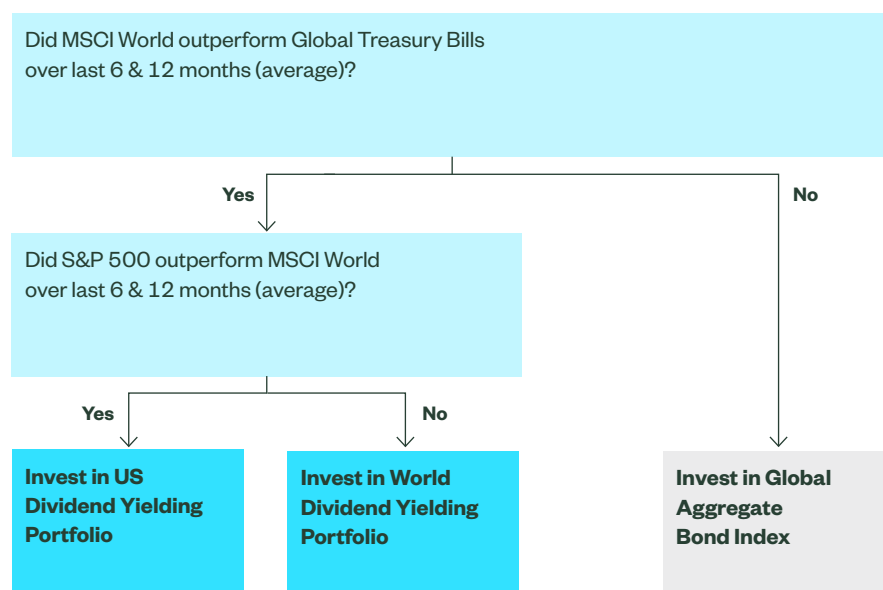
The US Dual Momentum Yield Asset Allocation Approach⁶

Developed Markets Focus Strategy The strategy focusses on developed market equity building blocks (see Figure 1) and it starts off by determining whether to invest in equities or fixed income. To do that, the average performance of the equity index is compared against global Treasury bills index. If the equity benchmark beats the Treasury bill benchmark, the strategy allocates into either the US⁷ or World⁸ high dividend sub-strategy, depending on the performance of the S&P 500 relative to the MSCI World Index.

The high dividend yielding sub-strategy is constructed by selecting the top eight assets with the highest yield-to-maximum drawdown.⁹ The weights of these selected assets are then computed based on different weighting schemes,¹⁰ namely, by maximising the amount of yield-to-maximum-drawdown ratio, by targeting a 3% yield in the portfolio or by giving them all an equal weight. The high dividend yielding portfolios are rebalanced every six months.

On the contrary, if fixed income performs better than equities, then the strategy invests in global bonds.¹¹

Figure 1
US Dual Momentum Yield Asset Allocation Approach — Developed Markets Strategy



Source: State Street Global Advisors. The above diagram is for illustrative purposes only.

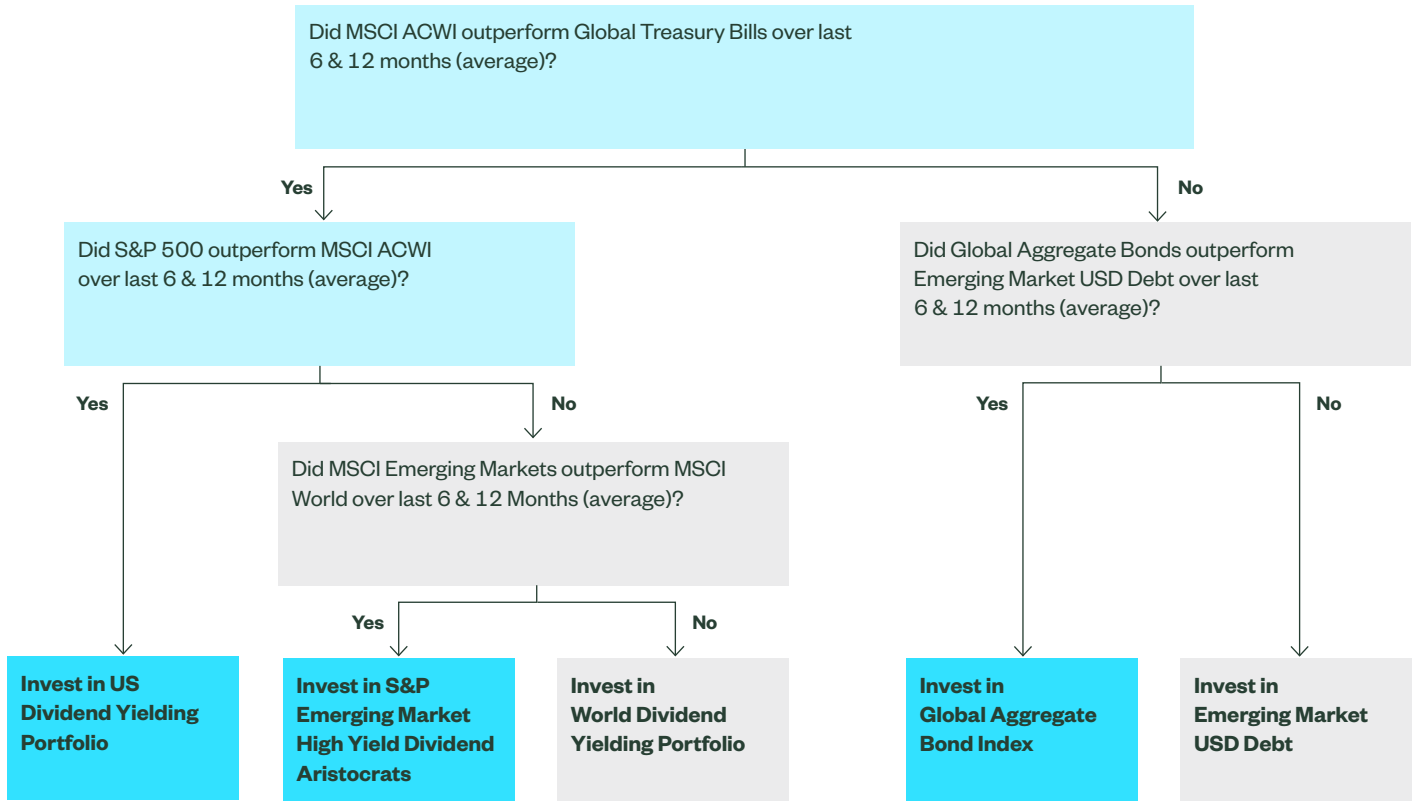
The DYMA Seeks to Generate Higher Income via a Momentum Asset Allocation Approach

Global Markets Focus Strategy The strategy focusses on both emerging market and developed market equity building blocks (see Figure 2) and, similar to the developed market strategy, it starts off by determining whether to invest in equities or fixed income. To do that, the average performance of the equity benchmark is compared against the global Treasury bills index. If the equity benchmark beats the Treasury bill benchmark, the strategy allocates into either the US,¹² world or emerging market high dividend yielding sub-strategy,¹³ depending on the performance of the S&P 500 Index relative to the MSCI World Index and the MSCI Emerging Market Index.

On the other hand, if fixed income performs well, then the strategy chooses between emerging market USD debt¹⁴ or global bonds, depending on their recent performance.

Figure 2

Dual Momentum Yield Asset Allocation Approach — Global Markets (US Dollar)



Source: State Street Global Advisors. The above diagram is for illustrative purposes only.

Historical Performance of the Dual Momentum Yield Asset Allocation Approach

US

The eligible universe for the US DMYA includes US and world equities for the developed market focus strategy as well as emerging market equities and bonds for the global focus strategy. Looking at the performance of these two strategies,¹⁵ they yielded fairly similar results. Unsurprisingly, the addition of emerging markets not only yielded slightly higher return overall but also a correspondingly higher level of volatility during the study period (see Figure 3). The absolute return of the global strategy surpassed that of the developed market strategy in five out of the last nine years (see Figure 4).

Interestingly, asset allocation decisions between the two Dual Momentum Yield Approaches were largely similar. In the aftermath of the stock market crashes in 2015, both the developed market strategy and the global strategy only gradually shifted from an overweight in global bonds to equities (in particular the US high dividend yield portfolio) and there was no allocation being made either to emerging market equities or bonds in the global strategy during this period.

Developed Market Strategy Fared Better than the Global Market Strategy given Preference for Global Bonds over EM Bonds During the COVID Crisis

On the contrary, the developed market strategy fared much better than the global strategy during the COVID-19 market turbulence. This is because the latter was substantially overweight in emerging market debt ever since February 2019 by virtue of its strong performance against global bonds. However, the global strategy incurred a significant drawdown not only because the COVID crisis hit financial markets quite abruptly but also because it rebalanced only once every six months (see Figure 7). During the same period, the developed market strategy was overweight in global bonds but managed to do better than the global strategy as it took shelter in less risky global bonds (see Figure 5).

Both strategies tilted heavily towards fixed income during the period but it also allocated into equities, namely the US high yield dividend portfolio. The US high yield dividend portfolio held quality dividend stocks as well as high dividend defensive sectors, such as health care, utilities and consumer staples (see Figure 6).

Using a 50% MSCI ACWI/50% Global Aggregate blend as a reference point, the global market strategy offered an average yield of 2.64%, which is roughly a 0.60% yield pick-up over the entire period (see Figure 8). The developed market strategy offered a yield of 2.09% during the same period.

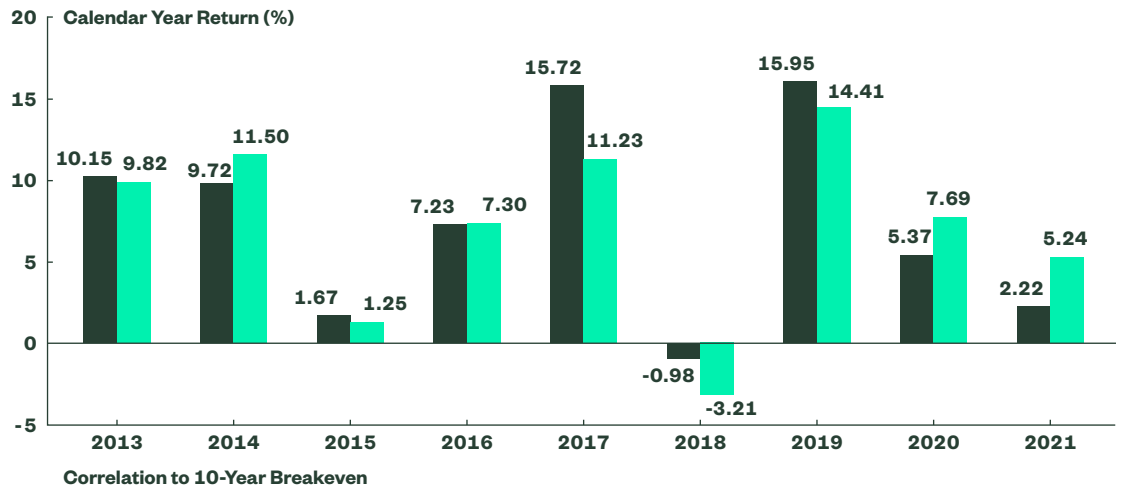
Figure 3
**Historical Risk-
Return Analysis of
the US DMYA (Developed
Markets and Global
Markets Strategy)**

(in US Dollars)	After-cost Dual Momentum Yield Global (*)	After-cost Dual Momentum Yield Developed Markets (*)
Annual Return (%)		
Past 1 Year	30.87	24.90
Past 3 Years	7.25	8.86
Past 5 Years	8.20	7.70
Annual Return(%)	8.16	7.96
Annual Volatility(%)		
Past 1 Year	11.13	10.85
Past 3 Years	13.19	9.70
Past 5 Years	10.70	7.91
Annual Volatility(%)	9.27	7.22
Ratios		
Risk-Adjusted Return	0.88	1.10
Market Beta		
Beta	1.17	1.00
Excess Returns (versus Dual Momentum Developed Market Strategy) (%)		
All Months	0.03	—
Up Months	0.18	—
Down Months	-0.35	—
Drawdown Statistics (based on Dual Momentum Developed Market Strategy Drawdown Date) (%)		
Maximum Drawdown (COVID-19 market turmoil)	-18.20	-9.70
Second Largest Drawdown (September to December 2018)	-6.00	-6.00
Third Largest Drawdown (April to June 2013)	-4.80	-4.70

Source: State Street Global Advisors, Bloomberg as of May 2021. Monthly Return between March 2013 to April 2021. Past performance is not a reliable indicator of future performance. Index returns are unmanaged and do not reflect the deduction of any fees or expenses. This information should not be considered a recommendation to invest in a particular sector or to buy or sell any security shown. It is not known whether the sectors or securities shown will be profitable in the future. The results shown represent current results generated by our Dual Momentum Yield Approach (DMYA). The results do not reflect actual trading and do not reflect the impact that material economic and market factors may have had on SSGA's decision-making. The results shown were achieved by means of a mathematical formula, and are not indicative of actual performance which could differ substantially. The performance reflects management fees, transaction costs, and other fees expenses a client would have to pay. * 25bps per annum is deducted from performance as an estimate of transaction costs.

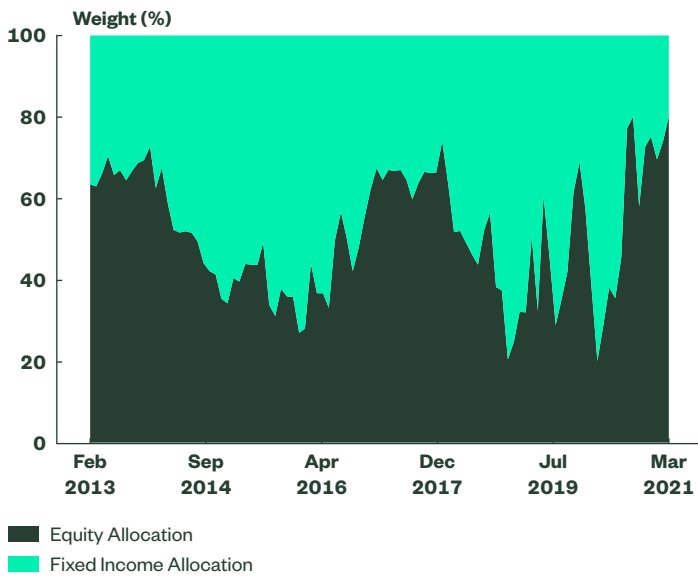
Figure 4
**Calendar Year
 Return of the
 two Strategies**

■ US Dual Momentum
 Yield Approach (Global)
 ■ US Dual Momentum
 Yield Approach
 (Developed Markets)



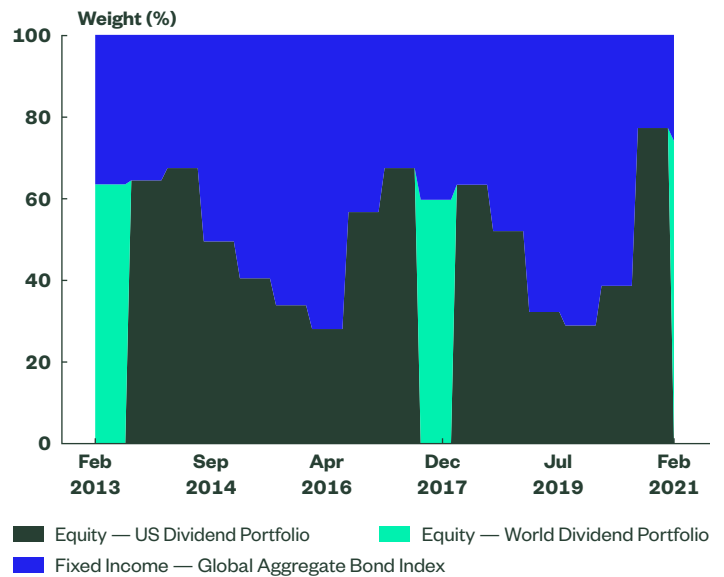
Source: State Street Global Advisors, Bloomberg as of May 2021. Monthly Return between March 2013 to April 2021. Past performance is not a reliable indicator of future performance. Index returns are unmanaged and do not reflect the deduction of any fees or expenses. This information should not be considered a recommendation to invest in a particular sector or to buy or sell any security shown. It is not known whether the sectors or securities shown will be profitable in the future. The results shown represent current results generated by our Dual Momentum Yield Approach (DMYA). The results do not reflect actual trading and do not reflect the impact that material economic and market factors may have had on SSGA's decision-making. The results shown were achieved by means of a mathematical formula, and are not indicative of actual performance which could differ substantially. The performance reflects management fees, transaction costs, and other fees expenses a client would have to pay. * 25bps per annum is deducted from performance as an estimate of transaction costs.

Figure 5a
**Asset Class Weights from
 US DMYA (Developed
 Markets Strategy)**



Source: State Street Global Advisors, as of May 2021. Data covers the period from March 2013 to April 2021. Weights are as of the date indicated and should not be relied upon as current thereafter.

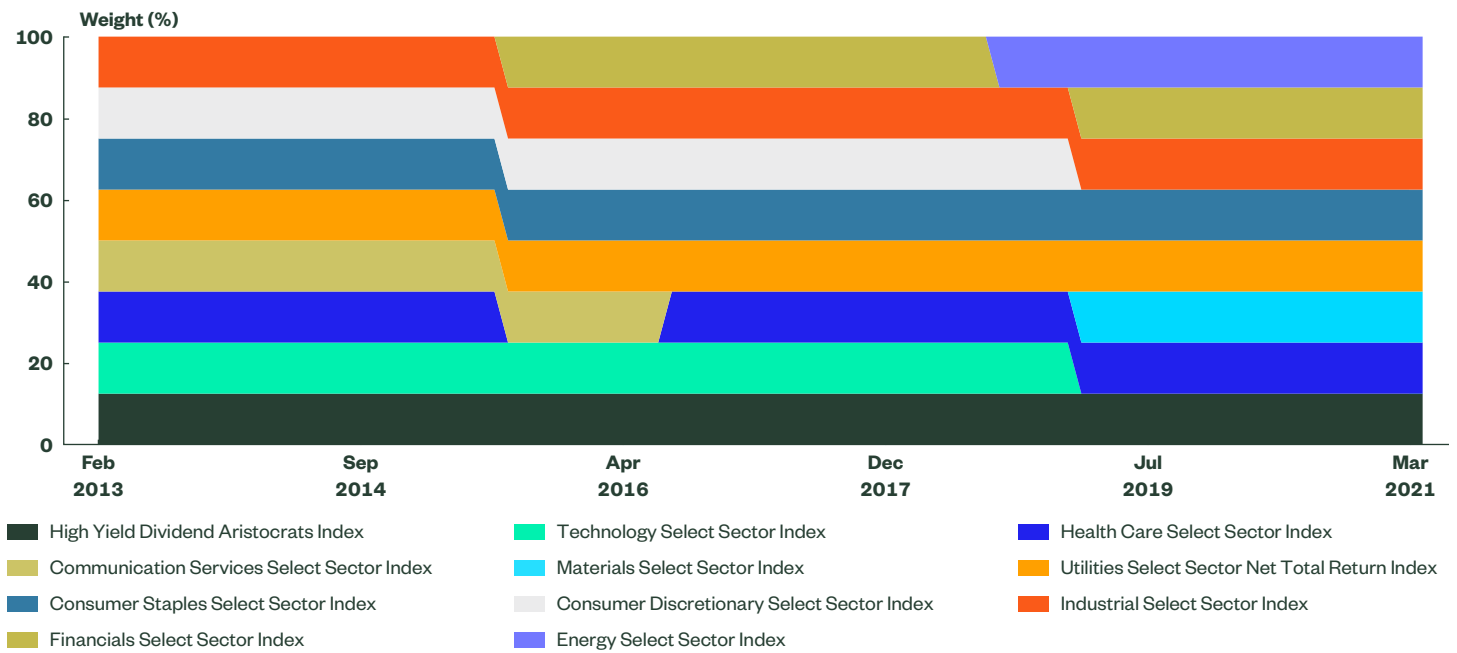
Figure 5b
**Strategy Weights from
 US DMYA (Developed
 Markets Strategy)**



Source: State Street Global Advisors, as of May 2021. Data covers the period from March 2013 to April 2021. Weights are as of the date indicated and should not be relied upon as current thereafter.

Figure 6

Weight Allocation in the US High Yield Dividend Sub-Strategy using Equal Weight Methodology

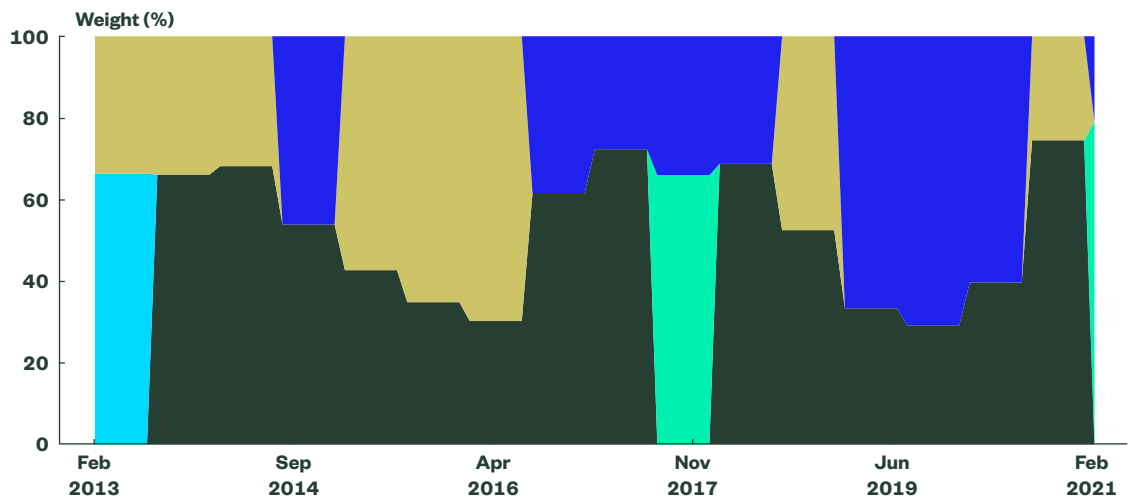


Source: Bloomberg, State Street Global Advisors, Monthly Returns Data from March 2010 to March 2021. Weights are as of the date indicated and should not be relied upon as current thereafter.

Figure 7

Weights from Global Markets Asset Allocation Model for US DMYA

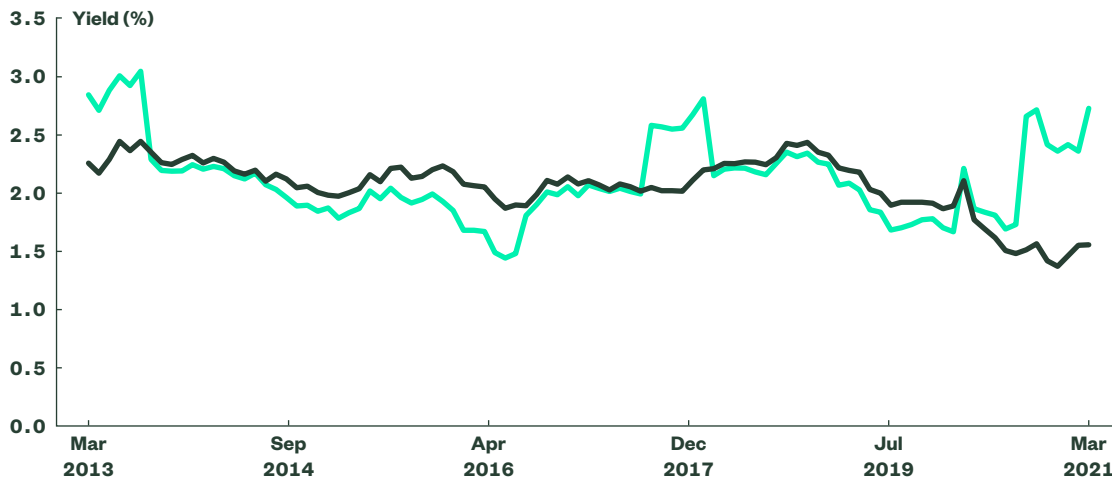
- Equity — US High Dividend Yielding Portfolio
- S&P Emerging Markets Dividend Aristocrats
- Emerging Markets USD Debt
- Global Aggregate Bond Index
- Equity — World High Dividend Yielding Portfolio



Source: State Street Global Advisors, as of May 2021. Data covers the period from March 2013 to April 2021. Weights are as of the date indicated and should not be relied upon as current thereafter.

Figure 8a
Yield of US Dual Momentum Yield Approach — Developed Markets Strategy

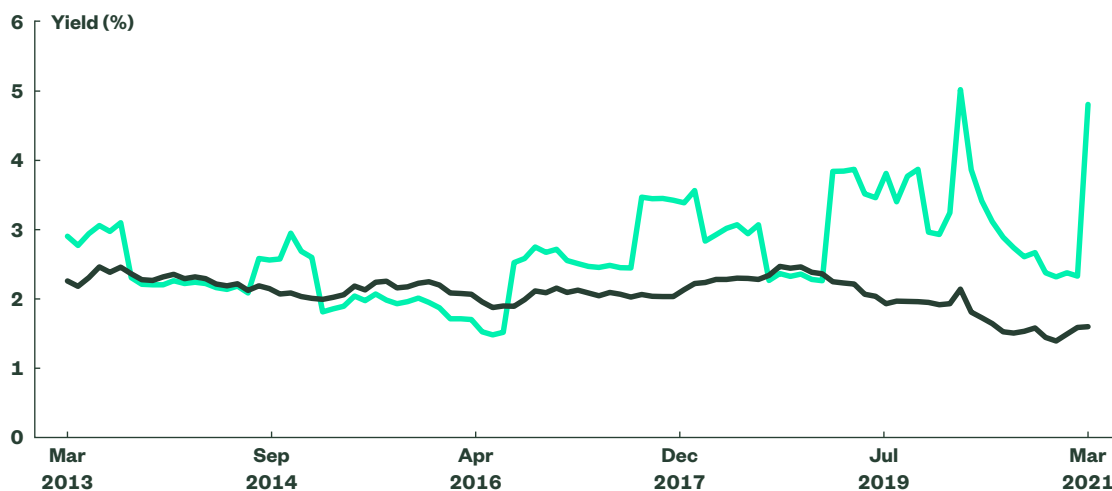
■ MSCI World 50%/Global Aggregate Bonds 50% (Reference Point)
 ■ Developed Markets Model Equal Weight Methodology — US



Source: State Street Global Advisors, Bloomberg, Monthly Yield data from March 2000 to March 2021.

Figure 8b
Yield of US Dual Momentum Yield Approach — Global Strategy

■ MSCI ACWI 50%/Global Aggregate Bonds 50% (Reference Point)
 ■ Global Markets Model Equal Weight Methodology — US



Source: State Street Global Advisors, Bloomberg, Monthly Yield data from March 2000 to March 2021.

Europe¹⁶

The eligible universe for the Europe Dual Momentum Yield Asset Allocation Approach includes Europe and world equities for the developed market focus strategy as well as emerging market equities and bonds for the global focus strategy. Looking at the historical performance of these two strategies, the European Dual Momentum Yield Asset Allocation Approach was similar to that of the US, in that the developed market strategy outperformed the global market strategy from both a risk and return perspective. In terms of allocation, the two Europe DMYA strategies tilted toward World equities and away from European equities and, consequently, made no allocation to the European high dividend yield portfolio. In fact, European equities were out of favour ever since February 2018, as were emerging market equities. However, emerging market bonds were selected by the global market focus strategy until August 2019.

European Equities were Out of Favour and Only had an Allocation in 18 out of 97 Months Over the Period

Interestingly, over the entire period from February 2013, the European high yield portfolio only had an allocation in 18 out of the 97 months (18% of the entire period), highlighting the dismal performance of European equities during the period.

Using a 50% MSCI ACWI/50% Global Aggregate blend as a reference point, the global market strategy offered an average yield of 2.62%, which is roughly a 0.57% pick-up over the entire period. The developed market strategy offered a yield of 2.17% during the same period.

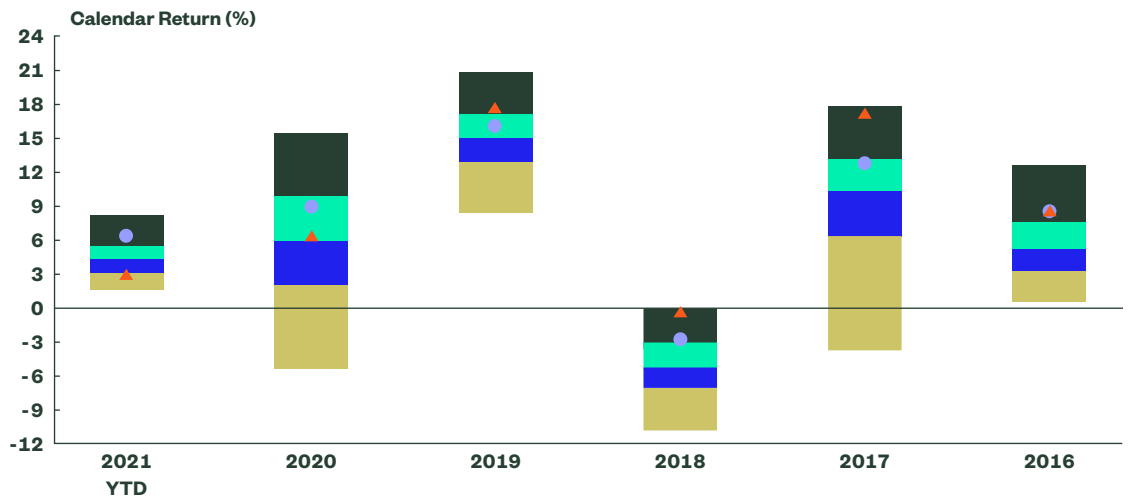
Comparison of Asset Allocation Strategy Against Peers (Active Funds)

Comparison of the After-Cost Performance of the Stylised DMYA Against Multi-Asset Income Active Managers

In this final section, we compared the after-cost¹⁷ performance of the US Dual Momentum Yield Approaches against income-focused active funds listed in Morningstar.¹⁸ Overall, the absolute return of the US Dual Momentum Yield Approach with a global market focus outperformed that with a developed market focus between 2016 and 2019 (Figure 9). Indeed, the after-cost performance of both strategies was reasonably competitive against the active manager peer group over the entire study period. In terms of volatility, the developed market strategy had slightly lower volatility than the median active manager but the global market strategy incurred higher risk due to its allocation in emerging market equities and debt.¹⁹

The after-cost performance of the Europe Dual Momentum Yield Approaches was similar to that of the US Dual Momentum Yield Approaches. In general, the performance²⁰ was often higher than that of the median peer group, except in 2017 when performance was poor (Figure 10). This is because emerging market securities outperformed developed market securities markedly in 2017 and it is also for this reason that the Europe DMYA for global markets compared favourably against its peer group.

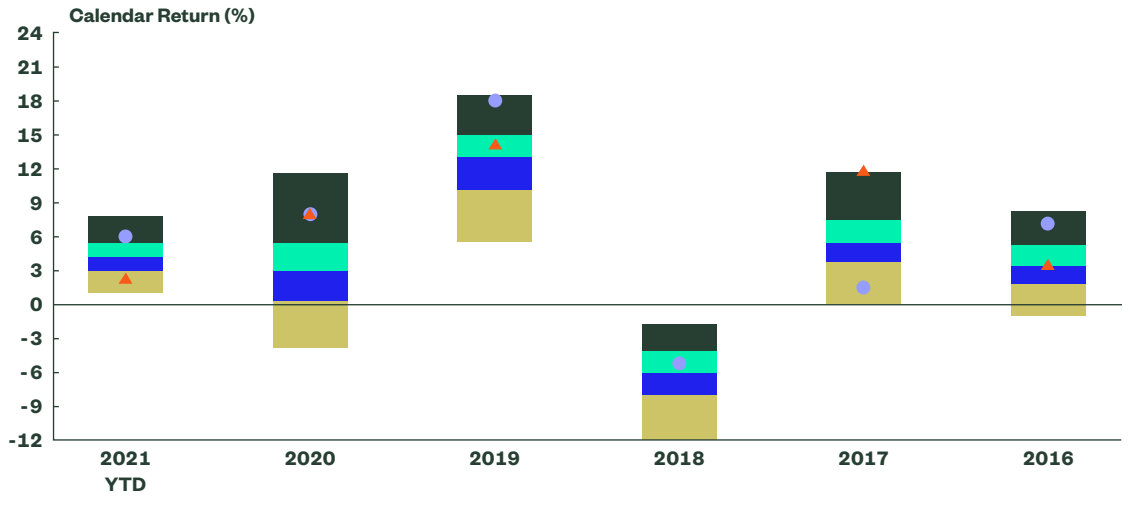
Figure 9
Performance of US Dual Momentum Yield Asset Allocation Approach — Developed Market and Global Market Focus versus Active Funds



Source: Morningstar, State Street Global Advisors, Monthly Returns from January 2016 to February 2021.

Figure 10
Performance of Europe Dual Momentum Yield Asset Allocation Approach — Developed Market and Global Market Focus versus Active Funds

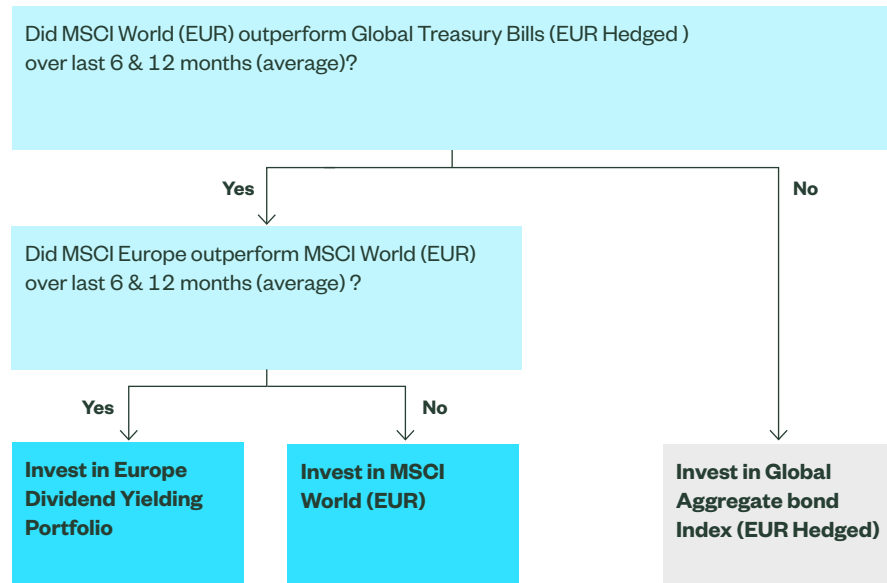
- Top Quartile
- Second Quartile
- Third Quartile
- Bottom Quartile
- ▲ Dual Momentum Yield Asset Allocation — Global
- Dual Momentum Yield Asset Allocation — Developed



Source: Morningstar, State Street Global Advisors, Monthly Returns from January 2016 to February 2021.

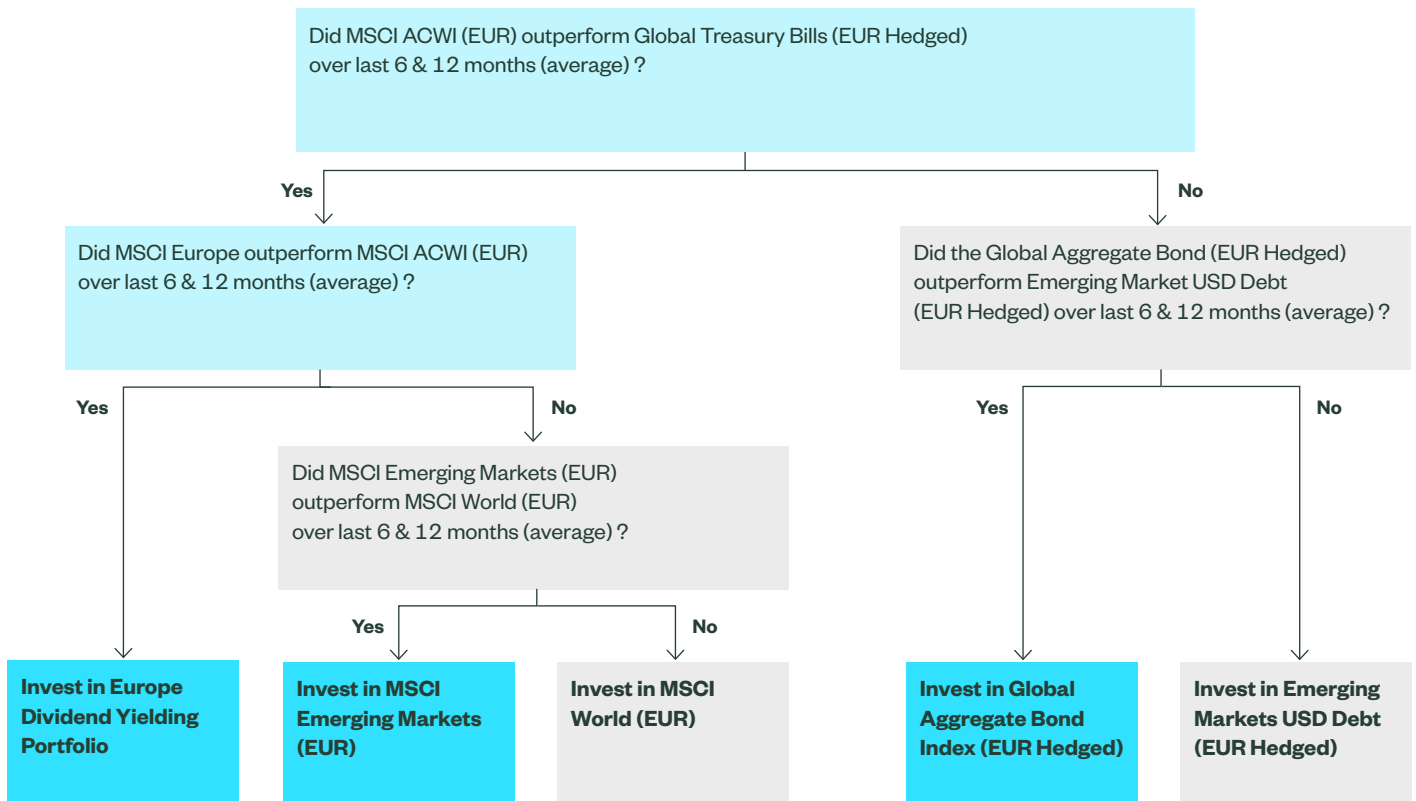
Appendix

Appendix 1
**Europe Dual
Momentum Yield
Asset Allocation
Approach —
Developed Markets
Strategy**



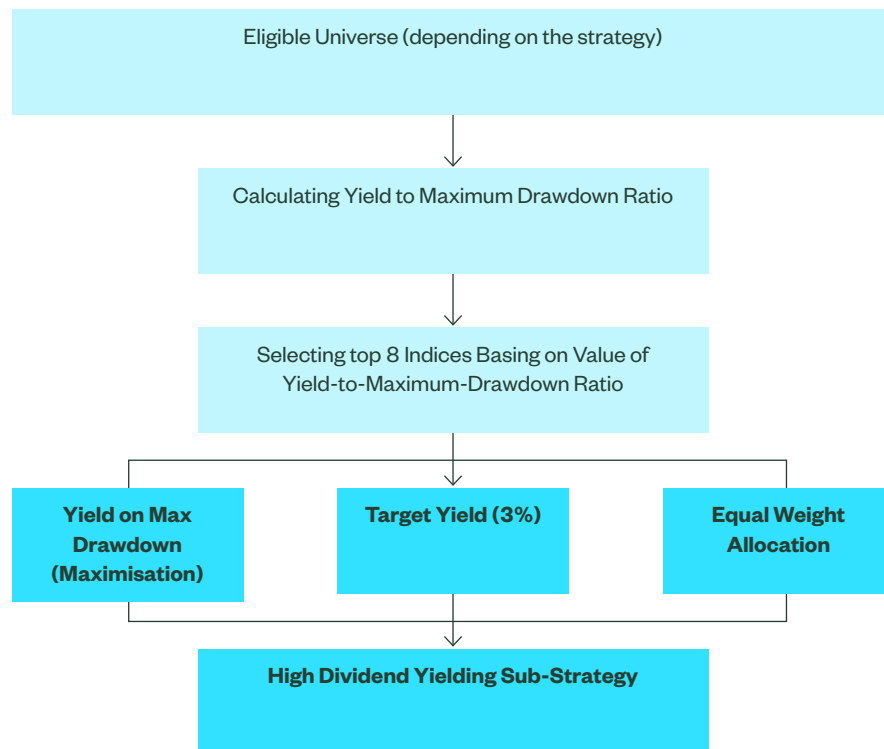
Source: State Street Global Advisors. The above diagram is for illustrative purposes only.

Europe Dual Momentum Yield Asset Allocation Approach — Global Markets Strategy



Source: State Street Global Advisors. The above diagram is for illustrative purposes only.

High Dividend Yield Sub-strategy Selection



Source: State Street Global Advisors. The above diagram is for illustrative purposes only.

Historical Risk-Return Characteristics for the US DYMA (Global and Developed Strategies) Using Different Weighting Schemes for High Yield Sub-Strategy

Global Strategy (USD)			
	Dual Momentum Yield — Yield to Max Drawdown (*)	Dual Momentum Yield — Target Yield 3% (*)	Dual Momentum Yield — Equal Weight (*)
Annual Return (%)			
Past 1 Year	16.93	21.64	30.87
Past 3 Years	4.69	5.64	7.25
Past 5 Years	5.72	6.34	8.20
Annual Return(%)	6.67	6.49	8.16
Annual Volatility(%)			
Past 1 Year	8.80	10.15	11.13
Past 3 Years	11.28	11.38	13.19
Past 5 Years	9.38	9.43	10.70
Annual Volatility(%)	8.50	8.37	9.27
Ratios			
Risk-Adjusted Return	0.78	0.77	0.88

Developed Strategy (USD)			
	Dual Momentum Yield — Yield to Max Drawdown	Dual Momentum Yield — Target Yield 3%	Dual Momentum Yield — Equal Weight
Annual Return(%)			
Past 1 Year	12.86	15.50	24.90
Past 3 Years	6.62	6.93	8.86
Past 5 Years	5.24	6.11	7.70
Annual Return(%)	6.46	6.47	7.96
Annual Volatility(%)			
Past 1 Year	8.32	9.54	10.85
Past 3 Years	7.65	8.21	9.70
Past 5 Years	6.53	6.91	7.91
Annual Volatility(%)	6.51	6.56	7.22
Ratios			
Risk-Adjusted Return	0.99	0.99	1.10

Source: State Street Global Advisors, Bloomberg, Monthly Yield data from March 2000 to March 2021. Source: State Street Global Advisors, Bloomberg as of May 2021. Monthly Return between March 2013 to April 2021. Past performance is not a reliable indicator of future performance. Index returns are unmanaged and do not reflect the deduction of any fees or expenses. This information should not be considered a recommendation to invest in a particular sector or to buy or sell any security shown. It is not known whether the sectors or securities shown will be profitable in the future. The results shown represent current results generated by our Dual Momentum Yield Approach. The results do not reflect actual trading and do not reflect the impact that material economic and market factors may have had on SSGA's decision-making. The results shown were achieved by means of a mathematical formula, and are not indicative of actual performance which could differ substantially. The performance reflects management fees, transaction costs, and other fees expenses a client would have to pay. * An estimate of 25 bps of transaction costs have been included in the calculation of after-cost returns.

Historical Risk-Return Characteristics for the Europe DYMA (Global and Developed Strategies) Using Different Weighting Schemes for High Yield Sub-Strategy

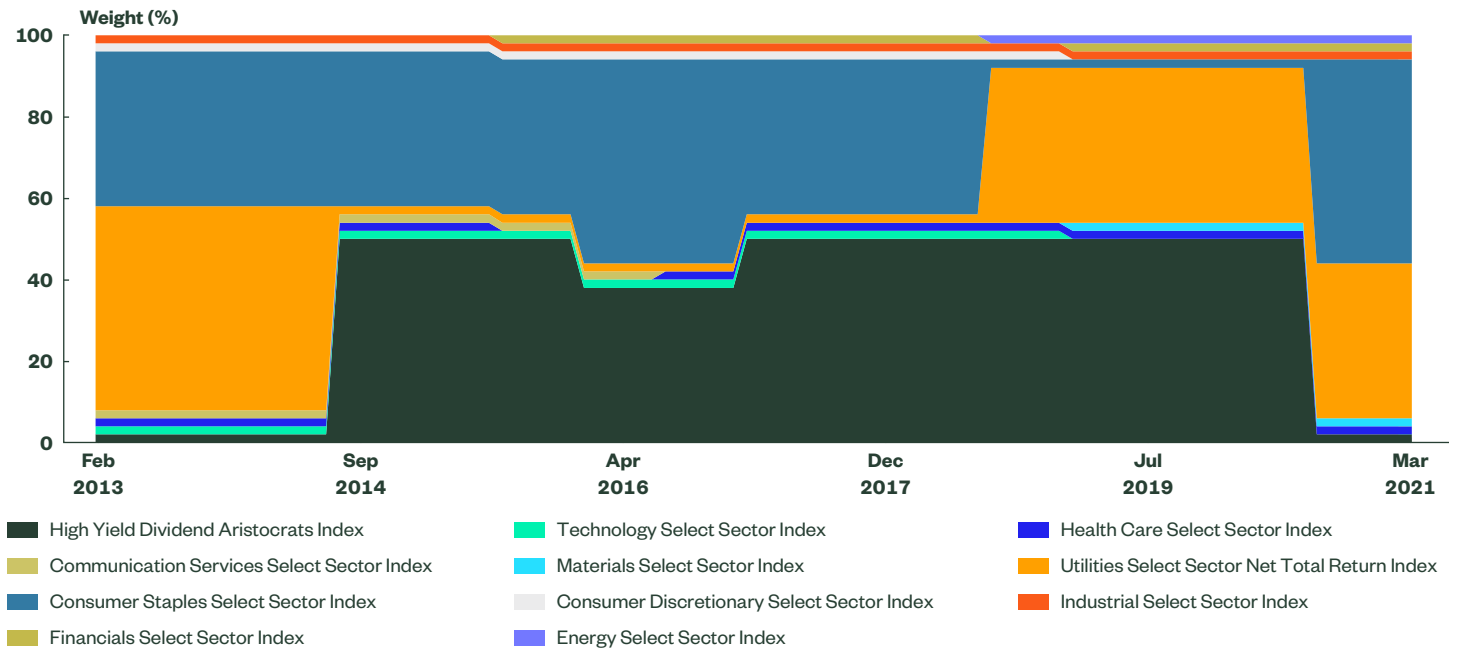
Global Strategy (EUR)			
	Dual Momentum Yield — Yield to Max Drawdown (*)	Dual Momentum Yield — Target Yield 3% (*)	Dual Momentum Yield — Equal Weight (*)
Annual Return(%)			
Past 1 Year	17.01	17.01	17.01
Past 3 Years	3.45	3.45	3.45
Past 5 Years	3.91	3.83	3.99
Annual Return(%)	4.43	4.22	4.66
Annual Volatility(%)			
Past 1 Year	7.66	7.66	7.66
Past 3 Years	8.47	8.47	8.47
Past 5 Years	7.05	7.03	7.03
Annual Volatility(%)	7.29	7.34	7.32
Ratios			
Risk-Adjusted Return	0.61	0.58	0.64

Developed Strategy (EUR)			
	Dual Momentum Yield — Yield to Max Drawdown	Dual Momentum Yield — Target Yield 3%	Dual Momentum Yield — Equal Weight
Annual Return(%)			
Past 1 Year	20.53	20.53	20.53
Past 3 Years	8.50	8.50	8.50
Past 5 Years	5.55	5.47	5.62
Annual Return(%)	6.25	6.01	6.29
Annual Volatility(%)			
Past 1 Year	8.18	8.18	8.18
Past 3 Years	8.39	8.39	8.39
Past 5 Years	6.96	6.93	6.93
Annual Volatility(%)	7.01	7.01	7.00
Ratios			
Risk-Adjusted Return	0.89	0.86	0.90

Source: State Street Global Advisors, Bloomberg, Monthly Yield data from March 2000 to March 2021. Source: State Street Global Advisors, Bloomberg as of May 2021. Monthly Return between March 2013 to April 2021. Past performance is not a reliable indicator of future performance. Index returns are unmanaged and do not reflect the deduction of any fees or expenses. This information should not be considered a recommendation to invest in a particular sector or to buy or sell any security shown. It is not known whether the sectors or securities shown will be profitable in the future. The results shown represent current results generated by our Dual Momentum Yield Approach. The results do not reflect actual trading and do not reflect the impact that material economic and market factors may have had on SSGA's decision-making. The results shown were achieved by means of a mathematical formula, and are not indicative of actual performance which could differ substantially. The performance reflects management fees, transaction costs, and other fees expenses a client would have to pay. * An estimate of 35 bps of transaction costs have been included in the calculation of after-cost returns.

Appendix 6

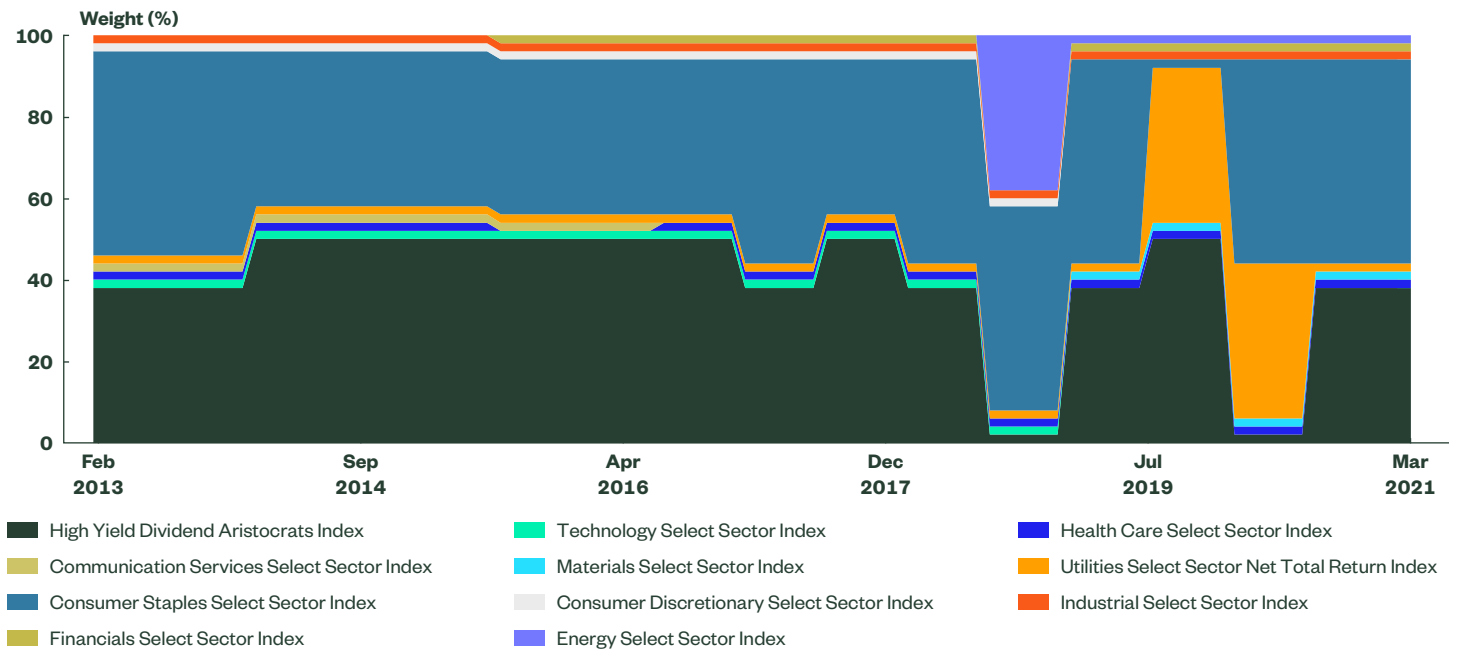
Weight Allocation in the US High Yield Dividend Sub-Strategy Using Yield to Max Drawdown Weighting Scheme



Source: Bloomberg, State Street Global Advisors, Monthly Returns Data from March 2010 to March 2021.

Appendix 7

Weight Allocation in the US High Dividend Sub-Strategy Using 3% Target Yield Methodology

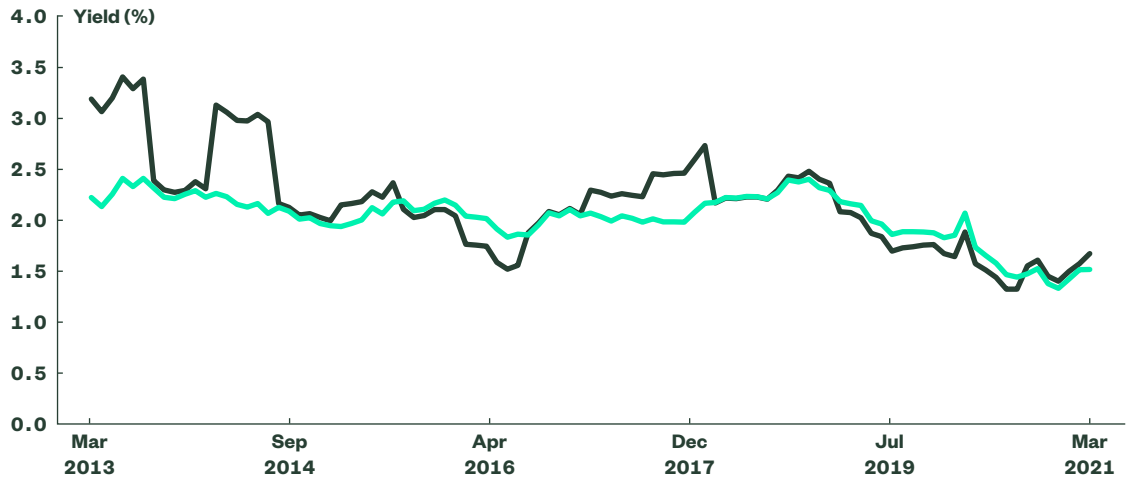


Source: Bloomberg Finance L.P., State Street Global Advisors. Monthly Returns Data from March 2010 to March 2021.

Appendix 8a

Current Yield of Europe Dual Momentum Yield Approach — Developed Markets

- Developed Markets Model Equal Weights Methodology — Europe
- MSCI World (EUR) 50%/ Global Aggregate Bond (EUR Hedged) 50%

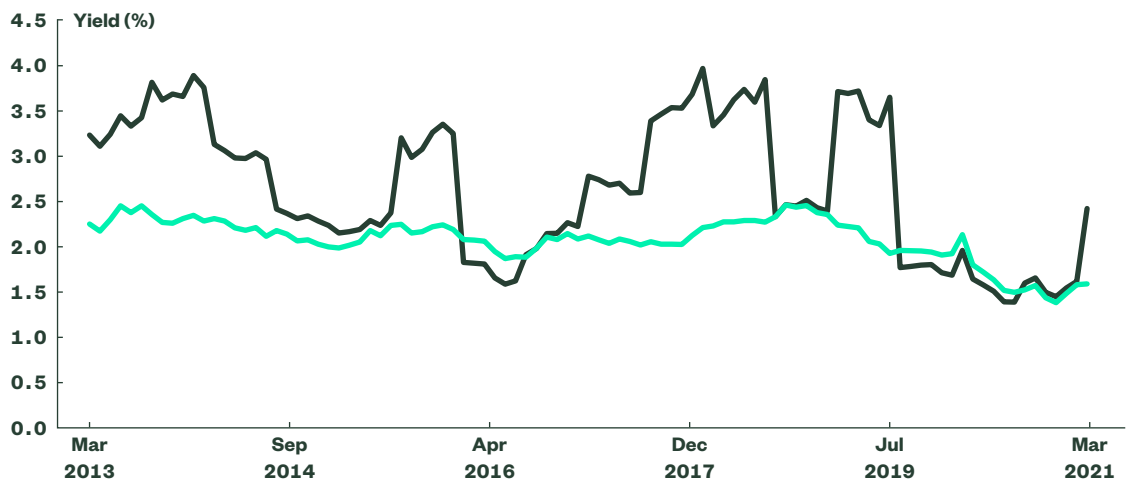


Source: State Street Global Advisors, Bloomberg Finance L.P. Monthly Yield data from March 2000 to March 2021.

Appendix 8b

Current Yield of Europe Dual Momentum Yield Approach — Global Strategy

- Global Markets Model Equal Weights Methodology — Europe
- MSCI ACWI (EUR) 50%/ Global Aggregate Bond (EUR Hedged) 50%

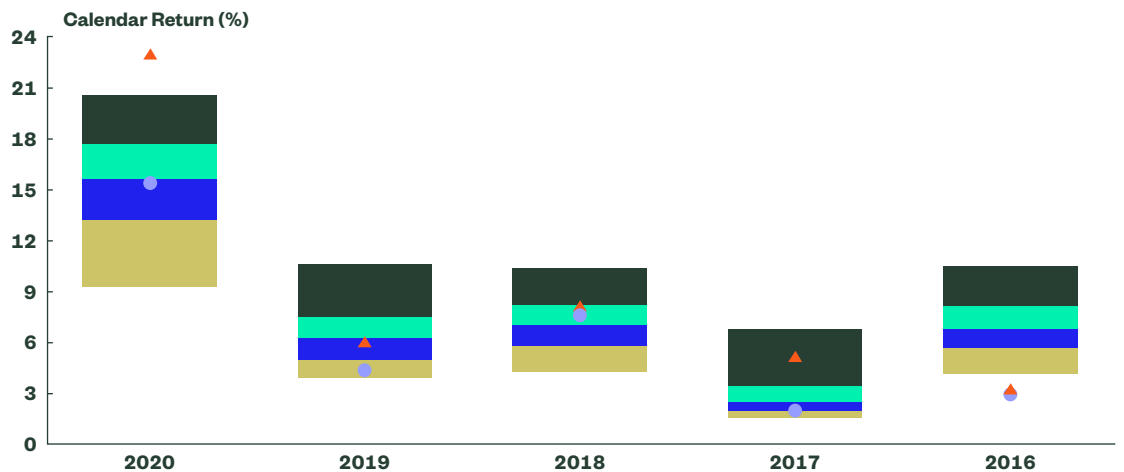


Source: State Street Global Advisors, Bloomberg Finance L.P. Monthly Yield data from March 2000 to March 2021.

Appendix 9

Volatility of Global Income Fund Peer Group — US DYMA

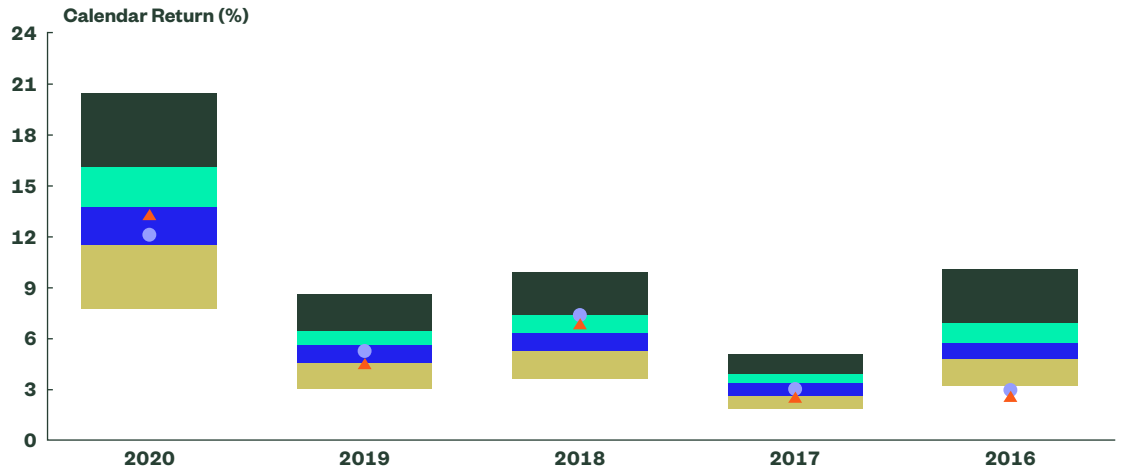
- Top Quartile
- Second Quartile
- Third Quartile
- Bottom Quartile
- ▲ Dual Momentum Yield Asset Allocation — Global
- Dual Momentum Yield Asset Allocation — Developed



Source: Morningstar, State Street Global Advisors. Monthly Returns from January 2016 to December 2020.

Appendix 10
**Volatility of Global
 Income Fund Peer
 Group (EUR)**

- Top Quartile
- Second Quartile
- Third Quartile
- Bottom Quartile
- ▲ Dual Momentum Yield Asset Allocation — Global
- Dual Momentum Yield Asset Allocation — Developed



Source: Morningstar, State Street Global Advisors. Monthly Returns from January 2016 to December 2020.

Endnotes

- 1 <https://dualmomentum.net/>.
- 2 US equities and world equities made up the “developed market equities” selection universe in the US Dual Momentum Yield Approach whereas Europe equities and world equities made up the “developed market equities” selection universe in the Europe Dual Momentum Yield Approach.
- 3 See Appendix 3.
- 4 Target yield of 3%.
- 5 High yield sub-strategies using an equal weight weighting scheme are shown here. Details of high-yield sub-strategies created using other weighting schemes can be found in the Appendix. Overall, there is little difference in the performance between using different weighting schemes.
- 6 Analysis on the Europe Dual Momentum Yield Approach is shown in Appendix 1 and 2. The eligible universe in EUR differs slightly from that of the eligible universe in USD.
- 7 The eligible universe for US high yield portfolio includes: S&P High Yield Dividend Aristocrats Index, S&P IT Select Sector Index, S&P Health Care Select Sector Index, S&P Communication Services Select Sector, S&P Materials Select Sector, S&P Utilities Select Sector, S&P Consumer Staples Select Sector, S&P Consumer Discretionary Select Sector, S&P Industrials Select Sector, S&P Financials Select Sector, S&P Energy Select Sector.
- 8 The eligible universe for the World high yield portfolio includes: S&P Global Dividend Aristocrats Quality Income Index, S&P Pan Asia Dividend Aristocrats Index, Dow Jones Global Select Real Estate Securities Index, MSCI World IT Sector Index, MSCI World Health Care Sector Index, MSCI World Communication Services Select Sector, MSCI World Materials Sector, MSCI World Utilities Sector, MSCI World Consumer Staples Sector, MSCI World Consumer Discretionary Sector, MSCI World Industrials Sector, MSCI World Financials Sector, MSCI World Energy Sector.
- 9 Calculated over a 36 month period.
- 10 Weights are capped at 50% and floored at 2% on a single asset, except the equal-weight approach. See Appendix 2 for further details.
- 11 Bloomberg Barclays Global Aggregate Index.
- 12 As described above.
- 13 S&P Emerging Markets High Yield Dividend Aristocrats Index.
- 14 ICE BoAML 0–5 Year Emerging Markets US Dollar Government Bond ex-144a Index.
- 15 The high dividend yielding sub-strategy analysed here is based on applying equal weights to the highest yielding 8 equity building blocks. The analysis of the other sub-strategies (namely, yield-to-maximum drawdown and 3% target yield) is shown in Appendix 4. Further details on allocation are shown in Appendix 6 and Appendix 7.
- 16 For details, see Appendix 5, Appendix 8.
- 17 We assumed 25bps p.a. for the US Dual Momentum Yield strategies and 35bps p.a. for the Europe Dual Momentum Yield strategies.
- 18 Relevant income-focused active funds only include European-domiciled funds that are part of the USD Moderate Allocation as well as EUR Moderate Allocation — Global with the words “Income” or “Inc” in the name of the fund. In total, there are 21 USD-denominated funds and 44 EUR-denominated funds that fit these two categories.
- 19 See Appendix 9.
- 20 Please refer to Appendix 10 for risk.

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- Start with rigour
- Build from breadth
- Invest as stewards
- Invent the future

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