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### Scope

*Elston ETF Research focuses on ETFs listed on the London Stock Exchange. All tickers relate to London listed securities. Our target audience is UK asset managers and intermediaries.*

### About Elston

*Elston aims to be the UK's leading independent ETF specialist. We provide ETF Research, ETF Portfolios and Indices to asset owners and asset managers.*  
[www.elstonconsulting.co.uk](http://www.elstonconsulting.co.uk)

## INDEX PERFORMANCE UPDATE

In this report, we update performance data for our selected universe of UK Equity Income indices (Fig.1.)

Fig.1. UK Equity Income Index Universe

| Index Strategy  | Representative ETF   | ETF Ticker |
|---|--|------------|
| FTSE 100  | HSBC FTSE 100 UCITS ETF                                    | HUKX       |
| Proxy Benchmark: 90% x FTSE 100                             | BMO Enhanced Income UK Equity UCITS ETF                    | ZWUK       |
| FTSE UK Dividend+ Index                                     | iShares UK Dividend UCITS ETF (Dist)                       | IUKD       |
| FTSE UK High Dividend Low Volatility Net Total Return Index | Powershares FTSE UK High Dividend Low Volatility UCITS ETF | UKHD       |
| FTSE 350 ex Inv Trust Qual/Vol/Yield Factor 5% Capped Index | Lyxor FTSE UK Quality Low Vol Dividend (DR) UCITS ETF      | DOSH       |
| MSCI UK Select Quality Yield Index (GBP) (NET)              | BMO MSCI UK Income Leaders UCITS ETF                       | ZILK       |
| S&P UK High Yield Dividend Aristocrats Index                | SPDR S&P UK Dividend Aristocrats UCITS ETF                 | UKDV       |
| WisdomTree UK Equity Income Total Return Index              | WisdomTree UK Equity Income UCITS ETF                      | WUKD       |

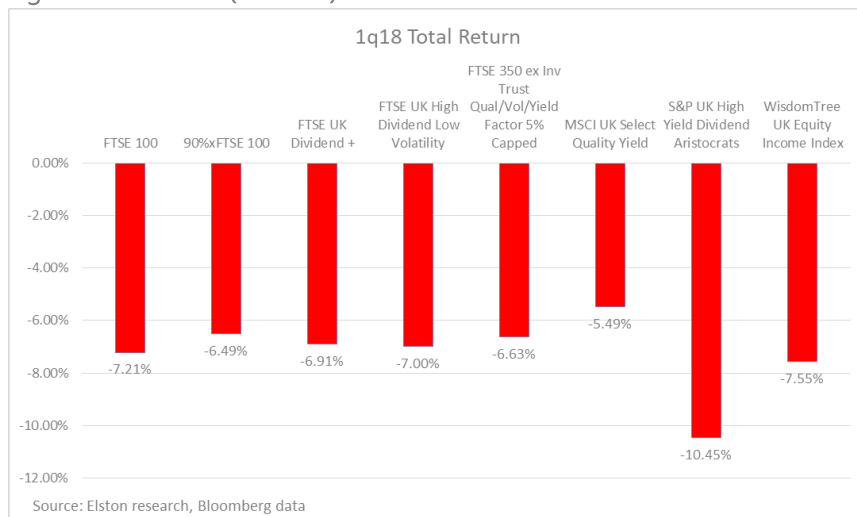
In this update, we look at key performance metrics for each index:

1. Total Returns (Cumulative)
2. 3Y Realised Risk-Return
3. 1Y vs 3Y Sharpe Ratios
4. 3Y Beta & 3Y Correlation vs FTSE 100
5. 1Y Historic Gross Dividend Yield

All data is at 30<sup>th</sup> March 2018

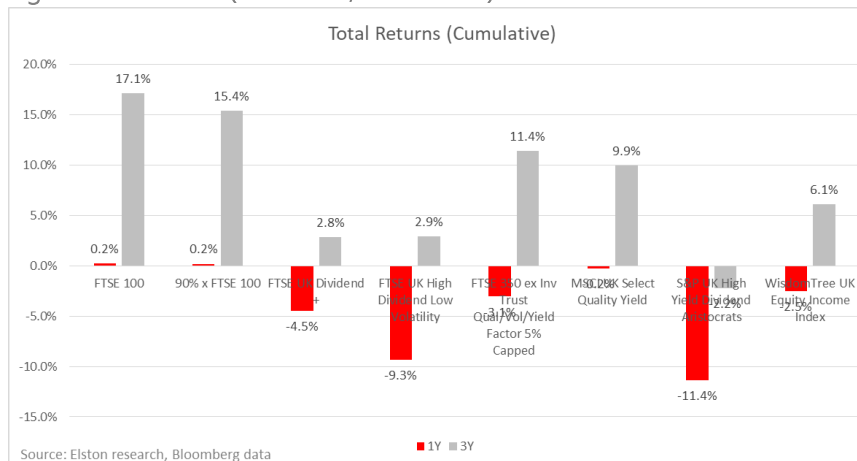
For 1q18, the most defensive UK Equity Income index was the MSCI UK Select Quality Yield, tracked by **ZILK**, at -5.49% compared to -7.21% for the FTSE 100.

Fig.2. Total Returns (3 Month)



On a 1Y basis, 90%xFTSE 100 returned +0.2% tracked by **ZWUK**, followed by -0.24% MSCI UK Select Quality Yield tracked by **ZILK** has performed best.

Fig.3. Total Returns (1 & 3 Year, Cumulative)



On a 3Y basis our proxy benchmark for **ZWUK**, which takes 90%xFTSE100, returned +15.4%, followed by +11.4% for FTSE 350 ex Inv Trust Qual/Vol/Yield Factor 5% Capped tracked by **DOSH**.

Fig.4. 3Y Realised Risk-Return

On a 3Y basis, 90%xFTSE 100 as a proxy for the benchmark tracked by **ZWUK**, followed by FTSE 350 ex Inv Trust Qual/Vol/Yield Factor 5% Capped tracked by **DOSH**, have delivered best risk-adjusted returns.

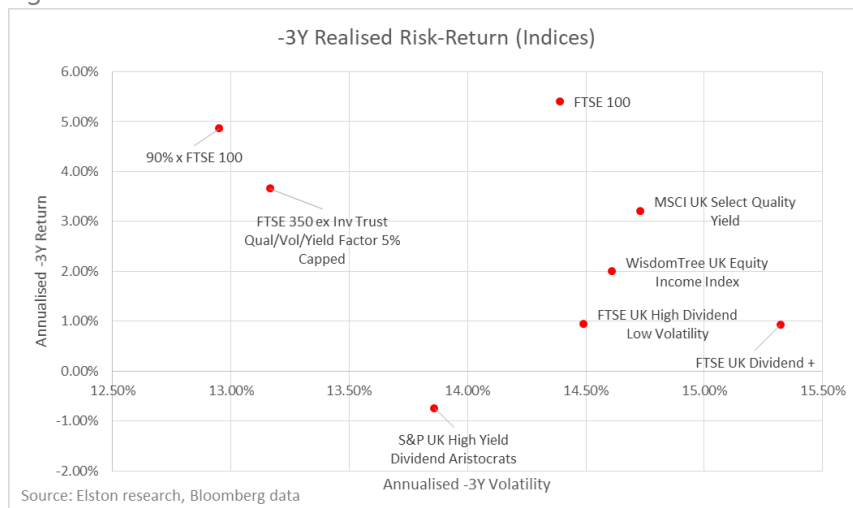


Fig.5. 3Y Beta & 3Y Correlation vs FTSE 100

On a 3Y basis, the FTSE UK High Dividend Low Volatility Index tracked by **UKHD** offers most differentiated returns relative to the FTSE 100 (lowest beta and correlation).

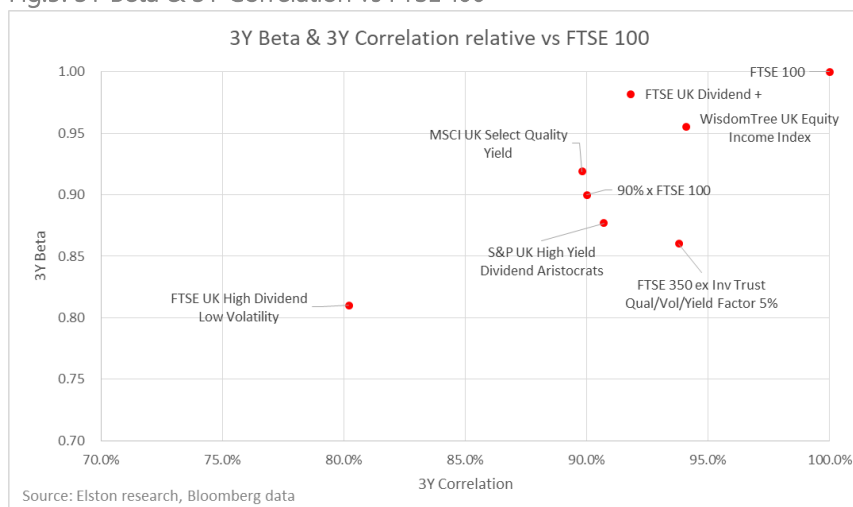
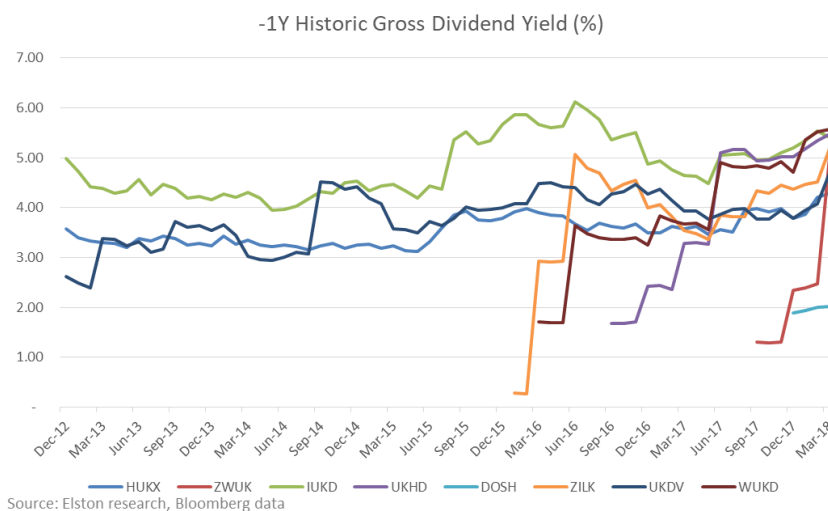


Fig.6. 1Y Historic Gross Dividend Yield

Over the last year **WUKD** has offered the highest historic dividend yield.

Note: Historic gross dividend yields are lower ETFs with less than 1 year performance history as calculations are based on paid dividends, rather than annualised dividend rates.



## FULL REPORT

For the full initiating report on this universe, visit: [www.elstonconsulting.co.uk/etf-research](http://www.elstonconsulting.co.uk/etf-research) or our Bloomberg page

For more information, please contact us.



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