



Objective:	Growth & Income	Process:	Quantitative
Asset Class:	Global Equity	Implementation:	ETFs
Holdings:	10	Style Box:	Multi-Cap Value
Inception:	Nov. 2007	Structure:	SMA ⁵

Description:

This strategy delivers global exposure to income producing securities through continuous exposure to dividend/income-weighted ETFs representing 10 broad asset markets worldwide. Portfolio weightings among the 10 sectors are rebalanced quarterly using a quantitative discipline to systematically overweight sectors that demonstrate recent relative price strength, while reducing exposure to sectors that exhibit relative weakness. The strategy combines income yield and momentum effects for a novel pairing of growth and income from the global equity markets.

Process:

At the end of each calendar quarter in March, June, September and December, the 10 equity market sectors in the strategy's investment universe are ranked according to trailing 12-month performance. The three top-performing sectors receive an over-weight allocation for the subsequent quarterly holding period. The three bottom-performing sectors are under-weighted for the subsequent holding period, while four sectors receive a neutral weight each quarter. This re-weighting discipline is repeated every three months.

The 10 asset markets are: Domestic Large Value, Domestic Large Growth, Domestic Mid-Cap, Domestic Small-Cap, International Equity, Emerging Markets, International Small-Cap, Global Natural Resources, Real Estate and High-Yield Credit.

Role in Portfolio:

The Tactical Global Income strategy provides access to the dividend stream of the global risk markets. The discipline of tilting the sector weightings in the portfolio toward relative strength incorporates a momentum effect into the portfolio to exploit the historical tendency for relative strength to persist in the asset markets with a frequency in excess of 50%. This strategy can serve as a core position for investors seeking global diversification and income from the equity portion of their portfolio.

⁵ The acronym SMA refers to "Separately Managed Account."

DISCLOSURES

Introduction

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MSCI EAFE Index is a free float-adjusted market capitalization index that is designed to measure the equity market performance of developed markets, excluding the US & Canada.

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