

SYSTEMS AND METHODS FOR A TARGETED DURATION EQUITY FUND

ABSTRACT

A targeted duration equity fund includes a short duration equity component and a long duration equity component in variable ratios to achieve a targeted duration. The short duration equity component may include an exchange-traded dividends future contract that takes a position on future dividend payments of one or more underlying equities. The long duration equity component may include an individual stock, an equity index, and/or an equity portfolio including two or more stocks. The duration of the short duration equity component is determined using the maturity dates of the underlying dividend future contracts. The duration of the long duration equity component is determined using annual dividend yields of the underlying long duration equities. The ratios of the short duration equity component and the long duration equity component in the fund are determined based on the durations of each equity component and the target duration.

FIG. 1A, FIG. 1B