# Income return

Income return, or dividend or **cash yield**, measures the income received in relation to the initial value of the asset. The index-level income return is calculated as the weighted average using the index weight of each constituent. Outlier returns of over 200% are usually due to one-off payouts and are filtered out from this computation.

$$\text{Index income return}_t = \sum_{i=1}^{n}(w_{i,t-1} \times \frac{D_{i,t,RepCCY}}{V_{i,t-1,RepCCY}})$$

where:

$D_{i,t,RepCCY}$ denotes an index-constituent coupon/dividend payment in the quarter between times *t* and *t-1* expressed in reporting currency
$V_{i,t-1,RepCCY}$ denotes constituent *i*'s fair value estimate at time *t-1* expressed in reporting currency
$w_{i,t-1}$ denotes the weight of constituent *i* at time *t-1*.

In order to show the cash yield trends, **5 and 10 year moving averages** of the Index income return are computed.

This is an input to the computation of cash returns contribution