

Trading Strategy on Dividend Gaps

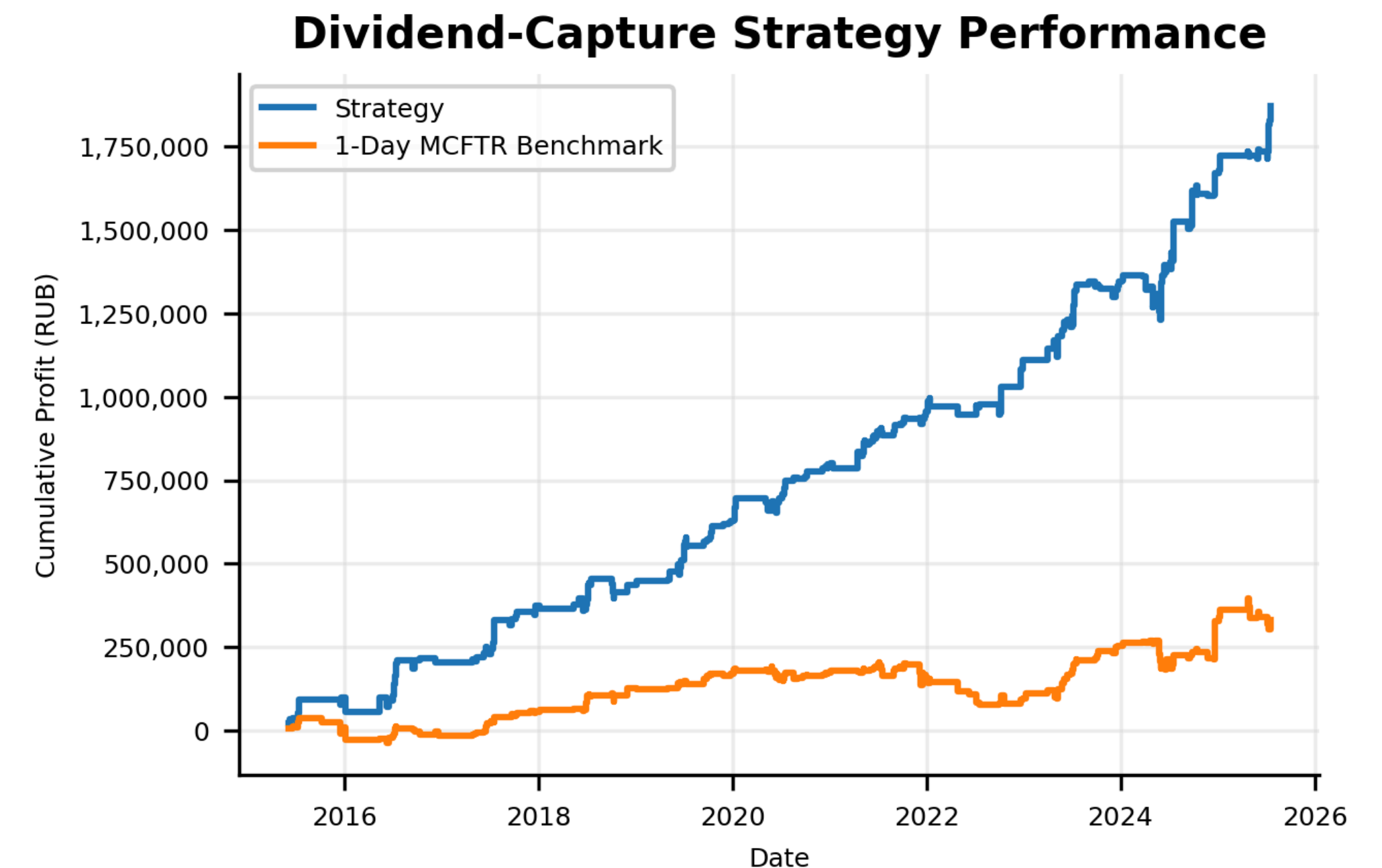


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Executive Summary

- **Strategy Idea:** Buy on the record date, sell on the first ex-dividend date + take dividends
- **Hypothesis:** Investors discount the dividend amount by expected tax costs (13%), creating an incomplete gap. Funds or tax-advantaged investors can capture the rebound.
- **Data:** 1500 dividend payments, Russian equity market, 2015–2025.
- **Performance:** WinRate 70%, Sharpe 1.6, Profit Factor 2.6 — outperformed MCFTR benchmark by 0.65 p.p.



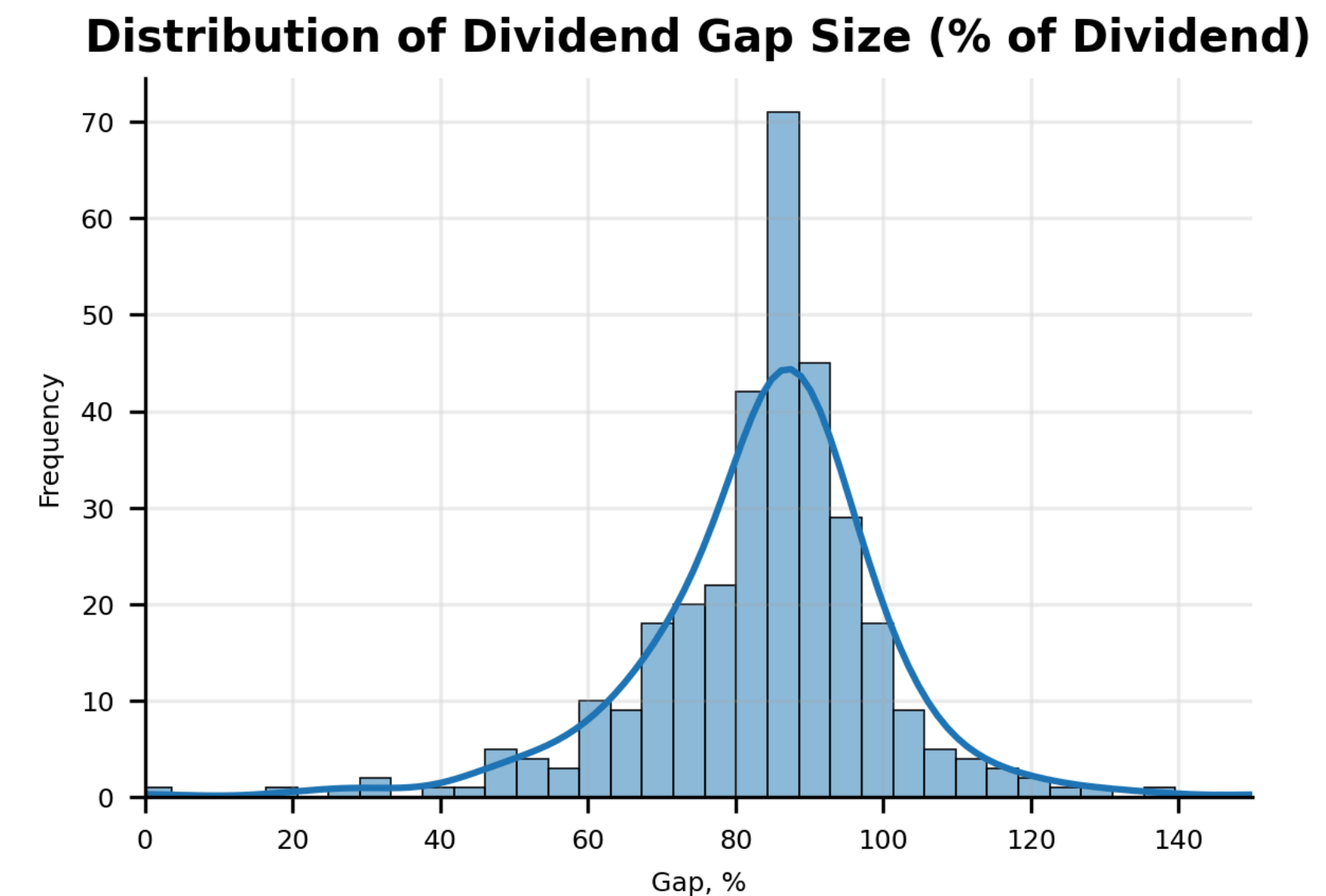
Idea

Ex-Dividend Gap Trading – Simple, Repeatable Alpha

Market consistently over-discounts dividends by ~13% tax rate – creating incomplete gap



Profit = 2.4% per one trade



The gap is usually less than 100%

Research Methodology

Data Collection for Dividend Gap Research

Method 1

Auto parsing SmartLab history data of dividend payments

Method 2

T-Invest API + Python for collecting data of dividend payments

Method 3

Merging data and manually editing errors in data using Investmint

Method 4

MOEX API for collecting price and trade volume data

Summary: final dataset has 1500 dividend events, 2006–Q3 2025, Russian market

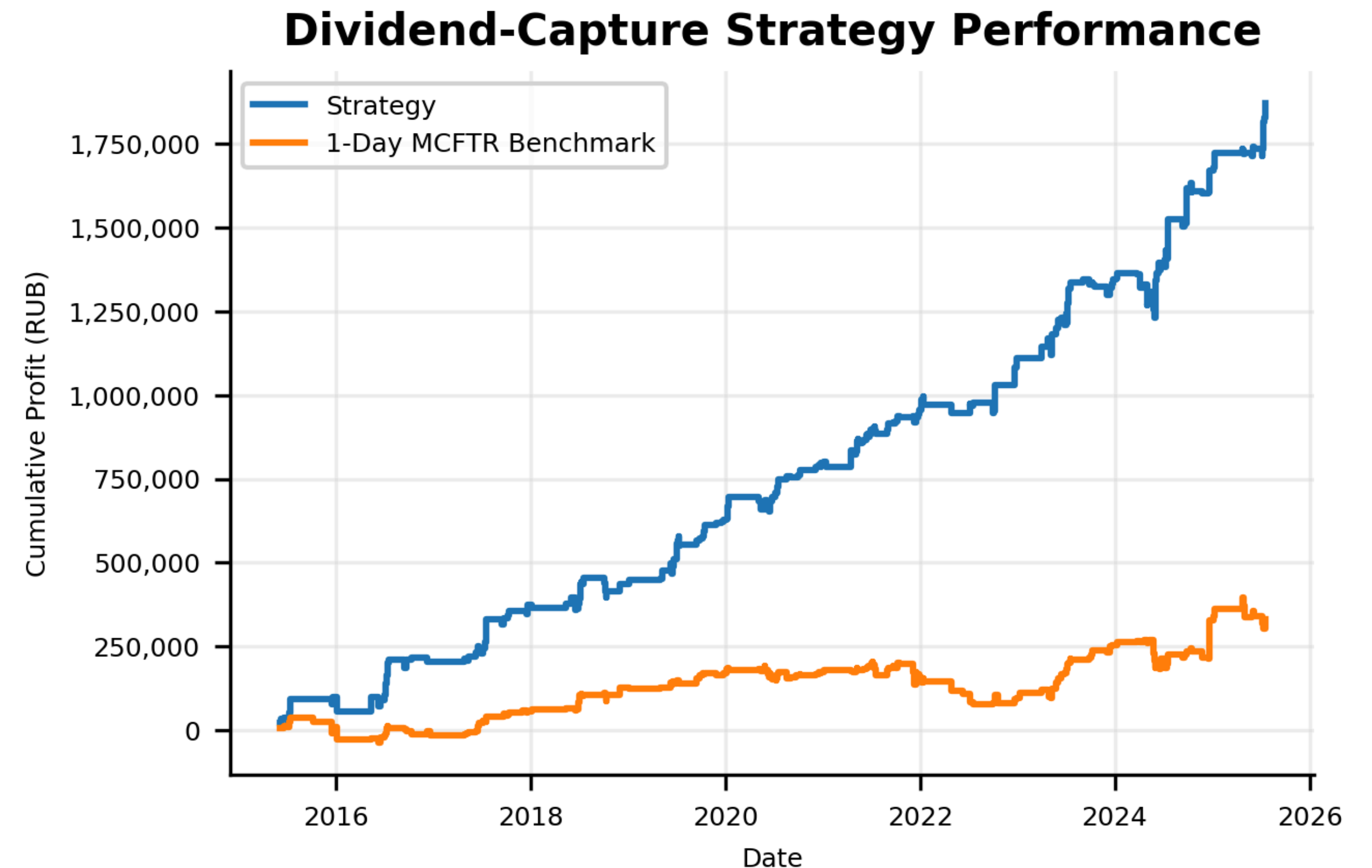
	Ticker	Dividend, RUB	Dividend Yield, %	Last Buy Day
1565	TRNFP	198.25	13.23	2025-07-16
1566	AFLT	5.27	8.51	2025-07-17
1567	ROSN	14.68	3.49	2025-07-17
1568	SBER	34.84	10.65	2025-07-17
1569	SBERP	34.84	10.75	2025-07-17



Backtest Setup & Benchmark

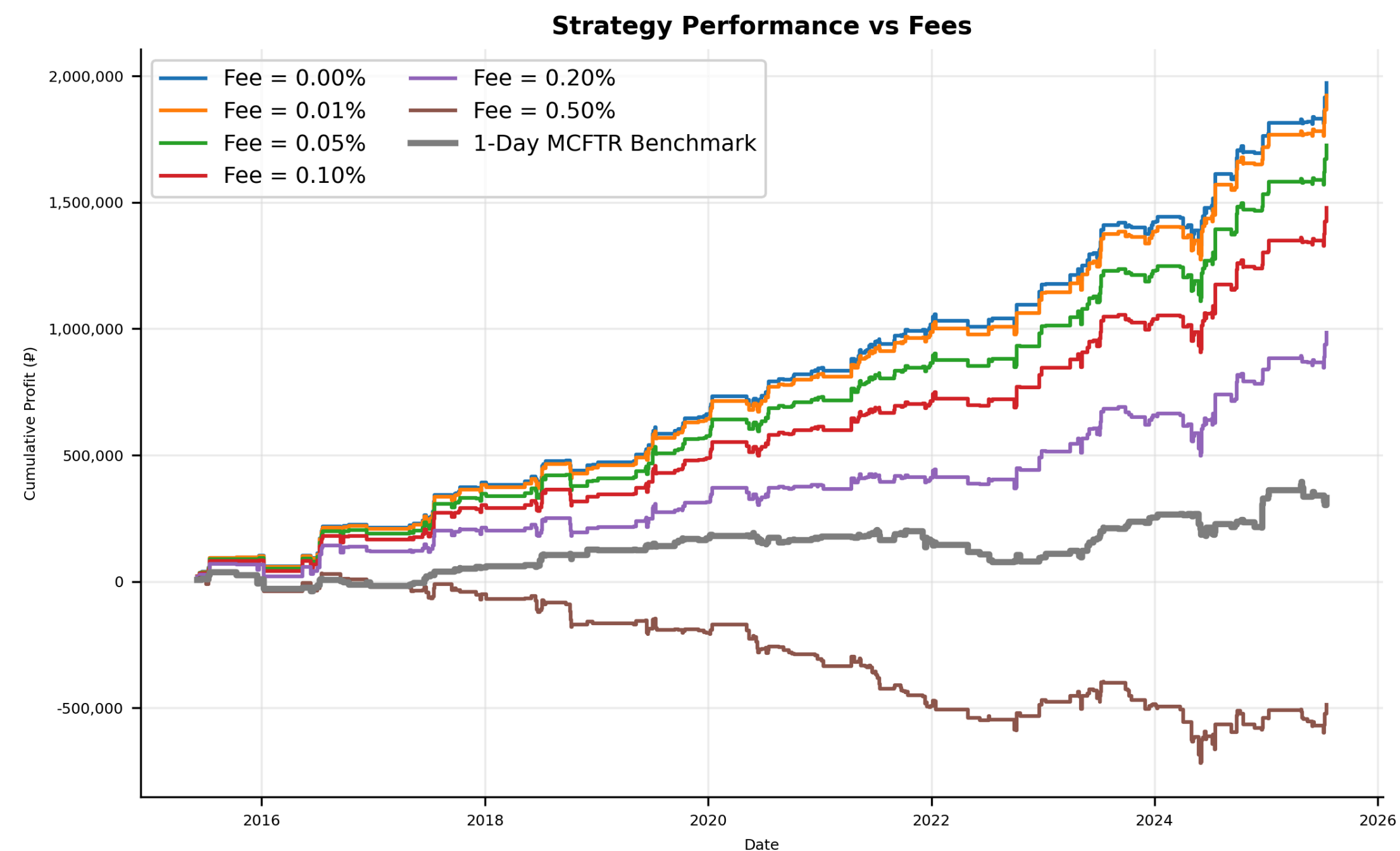
Backtest Parameters:

- Period: 2015–2025
- Universe: liquid Russian stocks
- Trade size: ₺1M fixed per event (no reinvestment)
- Entry: buy at record date close
- Exit: sell at ex-div date close (T+1)
- Dividends credited gross (no tax), same day
- Commissions included (0.02%)
- Benchmark: MCFTR, same trade logic

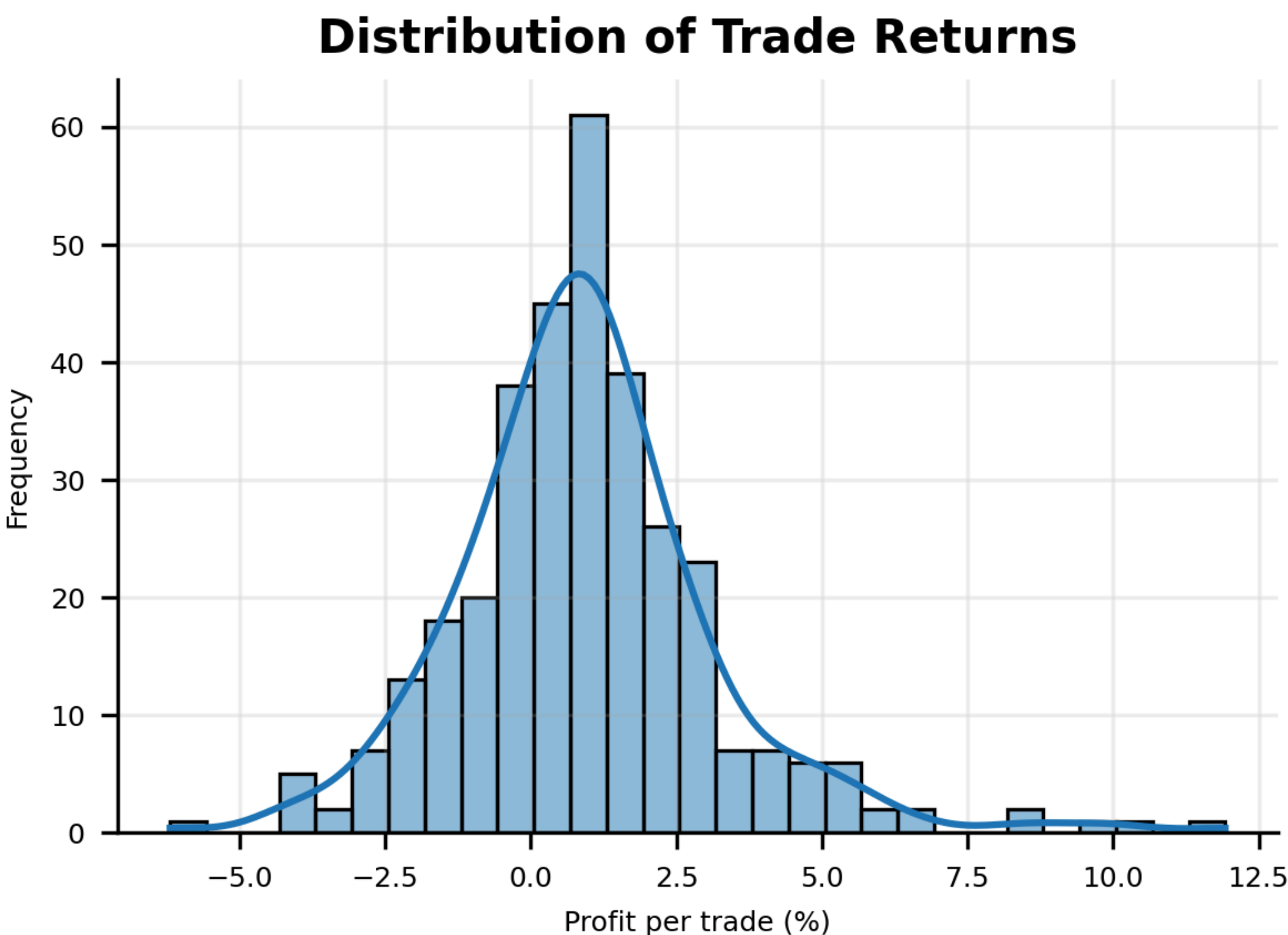


- **Trades = 333**
- **Win Rate = 70%**
- **Profit factor = 2.6**
- **Sharp = 1.6**

Fee Sensitivity and Profit Distribution



The strategy only works well with fees below 0.2% per trade



- mean = 0.9%
- median = 0.8%
- std = 2.2%



Summary

- **Consistent alpha:** Strategy generates stable excess returns over MCFT total return benchmark since 2015.
- **Clear rationale:** Market overreaction due to dividend taxation creates predictable short-term mispricing.
- **Tax advantage requirement:** Works only for funds or accounts exempt from dividend tax – retail investors cannot fully capture the edge.
- Strong performance metrics:
 - Profit factor: 2.6
 - Sharpe ratio: 1.6
 - Win rate: 70%