

# Russell Dividend Achievers Index Series

v1.8



# Contents

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Section 1 Introduction .....3

Section 2 Management responsibilities .....5

Section 3 FTSE Russell Index policies .....6

Section 4 Index construction .....8

Section 5 Maintaining the Russell Dividend Achievers Index Series .....9

Appendix A Further information .....10

## Section 1

# Introduction

## 1. Introduction

### 1.1 Russell Dividend Achievers Index Series

1.1.1 The Russell Dividend Achievers Index Series is designed to track the performance of companies included in the FTSE Russell Indices shown in Rule 1.2.1 that meet the requirements to be classified as “Dividend Achievers”. A dividend achiever is a company which has recorded sustainable dividends as defined by NASDAQ.

1.1.2 Index constituents are members of the underlying index shown in Rule 1.2.1 and follow the same rules for membership with the additional requirement of being defined as a dividend achiever.

1.1.3 These indices are float-adjusted and market capitalisation weighted, and they include only common stocks belonging to corporations globally.

1.2 The Russell Dividend Achievers Index Series does not take account of ESG factors in its index design.

### 1.3 Available indices

1.3.1 The Russell Dividend Achievers Index Series is derived from existing FTSE Russell indices. The parent index in each case serves as the starting universe for the relevant Dividend Achievers Index.

Russell Dividend Achiever Index	Underlying index (parent index)
Russell Global Dividend Achievers	FTSE Global All Cap Index <sup>1</sup>
Russell Developed Dividend Achievers	FTSE Developed All Cap Index
Russell Developed Ex Korea Dividend Achievers	FTSE Developed Ex Korea All Cap Index
Russell 3000 Dividend Achievers	Russell 3000 Index
Russell 1000 Dividend Achievers	Russell 1000 Index
Russell 2000 Dividend Achievers	Russell 2000 Index

### 1.4 FTSE Russell

FTSE Russell is a trading name of FTSE International Limited, Frank Russell Company, FTSE Global Debt Capital Markets Limited (and its subsidiaries FTSE Global Debt Capital Markets Inc. and FTSE Fixed Income Europe Limited), FTSE Fixed Income LLC, FTSE (Beijing) Consulting Limited, Refinitiv Benchmark Services (UK) Limited, Refinitiv Limited and Beyond Ratings.

<sup>1</sup> Prior to March 2019 the underlying universe for the index was the Russell Global Index.

- 1.4.1 FTSE Russell hereby notifies users of the index series that it is possible that circumstances, including external events beyond the control of FTSE Russell, may necessitate changes to, or the cessation of, the index series and therefore, any financial contracts or other financial instruments that reference the index series or investment funds which use the index series to measure their performance should be able to withstand, or otherwise address the possibility of changes to, or cessation of, the index.
- 1.4.2 Index users who choose to follow this index series or to buy products that claim to follow this index series should assess the merits of the index series' rules-based methodology and take independent investment advice before investing their own or client funds. No liability whether as a result of negligence or otherwise is accepted by FTSE Russell for any losses, damages, claims and expenses suffered by any person as a result of:
- any reliance on these Ground Rules, and/or
  - any inaccuracies in these Ground Rules, and/or
  - any non-application or misapplication of the policies or procedures described in these Ground Rules, and/or
  - any inaccuracies in the compilation of the index series or any constituent data.

## Section 2

# Management responsibilities

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## 2. Management responsibilities

### 2.1 FTSE International Limited (FTSE)

2.1.1 FTSE is the benchmark administrator of the index series<sup>2</sup>.

2.1.2 FTSE Russell is responsible for the daily calculation, production and operation of the index series and will:

- maintain records of the index weightings of all constituents;
- make changes to the constituents and their weightings in accordance with the Ground Rules;
- carry out the periodic index reviews of the index series and apply the changes resulting from the reviews as required by the Ground Rules;
- publish changes to the constituent weightings resulting from their ongoing maintenance and the periodic reviews;
- disseminate the indices.

### 2.2 Amendments to these Ground Rules

2.2.1 These Ground Rules shall be subject to regular review (at least once a year) by FTSE Russell to ensure that they continue to best reflect the aims of the index series. Any proposals for significant amendments to these Ground Rules will be subject to consultation with FTSE Russell advisory committees and other stakeholders if appropriate. The feedback from these consultations will be considered by the FTSE Russell Index Governance Board before approval is granted.

2.2.2 Where FTSE Russell determines that the Ground Rules are silent or do not specifically and unambiguously apply to the subject matter of any decision, any decision shall be based as far as practical on the Statement of Principles. After making any such determination, FTSE Russell shall advise the market of its decision at the earliest opportunity. Any such treatment will not be considered as an exception or change to the Ground Rules, or to set a precedent for future action, but FTSE Russell will consider whether the Ground Rules should subsequently be updated to provide greater clarity.

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<sup>2</sup> The term administrator is used in this document in the same sense as it is defined in [Regulation \(EU\) 2016/1011 of the European Parliament and of the Council of 8 June 2016 on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds](#) (the European Benchmark Regulation) and [The Benchmarks \(Amendment and Transitional Provision\) \(EU Exit\) Regulations 2019](#) (the UK Benchmark Regulation).

## Section 3

# FTSE Russell Index policies

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### 3. FTSE Russell Index policies

These Ground Rules should be read in conjunction with the following policy documents which can be accessed through the links below:

#### 3.1 Recalculation Policy and Guidelines

- 3.1.1 Where an inaccuracy is identified, FTSE Russell will follow the steps set out in the FTSE Russell Index Recalculation Guidelines when determining whether an index or index series should be recalculated and/or associated data products reissued. Users of the Russell Dividend Achievers Index Series will be notified through appropriate media.

For further information, refer to the FTSE Russell recalculation policy and guidelines document which is available from the FTSE Russell website through the link below or by contacting [info@ftserussell.com](mailto:info@ftserussell.com).

[Recalculation Policy and Guidelines Equity Indices.pdf](#)

#### 3.2 Queries and Complaints

- 3.2.1 FTSE Russell's complaints procedure can be accessed through the following link:

[Benchmark Determination Complaints Handling Policy.pdf](#)

#### 3.3 Index Policy for Trading Halts and Market Closures

- 3.3.1 Guidance for the treatment of index changes in the event of trading halts or market closures can be found through the following link:

[Index Policy for Trading Halts and Market Closures.pdf](#)

#### 3.4 Index Policy in the Event Clients are Unable to Trade a Market or a Security

- 3.4.1 Details of FTSE Russell's treatment can be accessed through the following link:

[Index Policy in the Event Clients are Unable to Trade a Market or a Security.pdf](#)

#### 3.5 Policy for Benchmark Methodology Changes

- 3.5.1 Details of FTSE Russell's policy for making benchmark methodology changes can be accessed through the following link:

[Policy for Benchmark Methodology Changes.pdf](#)

### **3.6 FTSE Russell Governance framework**

3.6.1 To oversee its indices, FTSE Russell employs a governance framework that encompasses product, service and technology governance. The framework incorporates the London Stock Exchange Group's three lines of defence risk management framework and is designed to meet the requirements of the IOSCO Principles for Financial Benchmarks<sup>3</sup>, the European benchmark regulation<sup>4</sup> and the UK benchmark regulation<sup>5</sup>. The FTSE Russell Governance framework can be accessed through the following link:

[FTSE\\_Russell\\_Governance\\_Framework.pdf](#)

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<sup>3</sup> IOSCO Principles for Financial Benchmarks Final Report, FR07/13 July 2013.

<sup>4</sup> Regulation (EU) 2016/1011 of the European Parliament and of the Council of 8 June 2016 on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds.

<sup>5</sup> The Benchmarks (Amendment and Transitional Provision) (EU Exit) Regulations 2019.

## Section 4

# Index construction

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## 4. Index construction

### 4.1 Eligible securities

4.1.1 Companies are reviewed for eligibility on an annual basis in March for the indices based on the FTSE Global All Cap Index and in June for the indices based on the Russell 3000 Index.

Details of the periodic review can be found in the FTSE Global Equity Index Series Ground Rules and the Russell US Indices Construction & Methodology which are available on [www.ftserussell.com](http://www.ftserussell.com).

4.1.2 Dividend Achievers are identified by NASDAQ using the latest available dividend payable date as of December 31 to calculate the total annual regular dividend payment.

4.1.3 NASDAQ determines a company to be a dividend achiever if it has increased its annual regular cash dividend payments for at least each of the last ten consecutive years for US companies and five years for non-US companies.



## Section 5

# Maintaining the Russell Dividend Achievers Index Series

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## 5. Maintaining the Russell Dividend Achievers Index Series

### 5.1 Periodic review

- 5.1.1 The Russell Dividend Achievers Index Series is reviewed in March (based on the FTSE Global All Cap Index) and June (based on the Russell 3000 Index). Dividend achievers are identified at this time and included in the index at market capitalisation weights. Any country and sector classification change for a security occurs as part of the review and is reflected in the Russell Dividend Achievers Index Series<sup>6</sup>.
- 5.1.2 Any constituent changes resulting from the periodic review will be implemented in line with the March review for indices based on the FTSE Global All Cap Index.
- 5.1.3 For indices based on the Russell 3000 Index, any constituent changes resulting from the periodic review will be implemented in line with the June reconstitution of the Russell 3000 Index.

### 5.2 Corporate actions and events

- 5.2.1 Full details of changes to constituent companies due to corporate actions and events can be accessed in the corporate actions and events guide for market capitalisation weighted indices through the following link:  
[Corporate Actions and Events Guide Market Cap Weighted Indices.pdf](#)

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<sup>6</sup> Prior to 15 March 2019 the underlying universe for the Russell Dividend Achievers Index Series was the Russell Global Index.

## Appendix A

# Further information

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A glossary of terms used in FTSE Russell's Ground Rule documents can be found through the following link:

[Glossary.pdf](#)

Further information on the Russell Dividend Achievers Index Series is available from FTSE Russell.

For contact details please visit the FTSE Russell website or contact FTSE Russell client services at [info@ftserussell.com](mailto:info@ftserussell.com).

**Website:** [www.ftserussell.com](http://www.ftserussell.com)

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