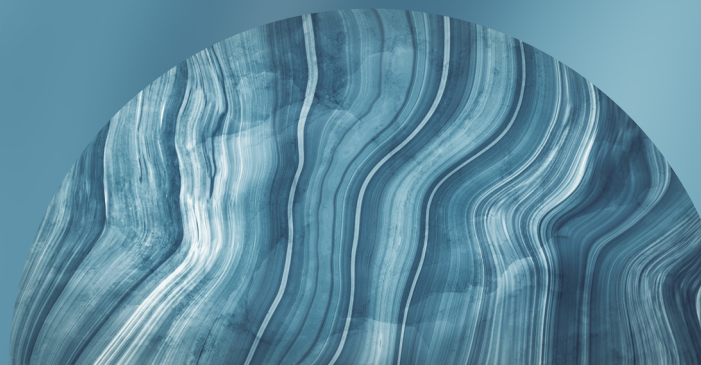


PRODUCT HIGHLIGHTS

A guide to FTSE Russell's income-oriented equity indices



Overview

Dividend paying stocks have long been a staple of equity investment portfolios due to their unique combination of consistent income, potential for long-term total return, and resilience during market volatility. Market participants may also view steady dividends as a sign of quality, of company management confidence in future earnings and commitment to creating shareholder value.

Why dividend stocks now?

With the market backdrop of low interest rates coupled with steady economic growth and growing market concentration driven by mega cap growth stocks, dividend-paying stocks present diversification opportunities, especially with the potential for a rotation into value stocks. The global rise in assets allocated to income-oriented equity funds emphasizes this trend, with passive index-based funds experiencing even more rapid growth.

FTSE Russell Equity Dividend Index solutions

FTSE Russell provides a comprehensive range of dividend-focused equity indexes, with screens ranging from dividend yield, dividend payment history, to target dividend outcomes. Additional screens may lessen the impact of yield traps, where higher dividend yields are caused by deteriorating stock price.

Key Features



Transparent

Indexes are constructed and managed according to publicly available, transparent rules, in accordance with FTSE Russell's best practice standards of index governance.



Practical

FTSE Russell provides different approaches to target yield or dividend growth.



Strategic

Through various methodologies, dividend-focused indexes may support index total returns over the long-term.



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Three Different Equity Dividend Index Approaches. One Global Provider.

Dividend Growth	Dividend Yield	Target Dividend
<p>FTSE Global Dividend Growth Index Series and the Russell US Dividend Growth Index Series may be suitable for market participants seeking companies with a strong track record of growing or consistent dividend payments, headlined by the FTSE All-World Dividend Growth Index and Russell 3000 Dividend Growth Index, respectively. The Russell Dividend Growth Index Series uses a time-tested methodology launched in 2014.</p>	<p>The FTSE Global Equity High Income Index Series may be suitable for market participants seeking higher dividend yields, headlined by the FTSE All-World Equity High Income Index. Stocks are screened for above-average tax-adjusted forecasted dividend yields. To mitigate the risk of the “yield trap” associated with low-quality stocks, the index applies a negative returns screen, excluding companies in the bottom fifth percentile of companies with negative one-year returns.</p>	<p>The FTSE Global Target Dividend Index Series reflects the performance of stocks representing a specific set of factor characteristics, with a particular focus on implementing dividend yield (a non-factor exposure) uplift target versus the respective base universe. The index series offers an outcome driven solution to achieve preset yield uplift target with ability to accommodate factors and other investment objective constraints.</p>

FTSE Russell Equity Dividend Index Series lineup

FTSE Russell provides several different index methodologies to target stocks that pay relatively higher dividends or yields.

Methodologies include different selection and screening criteria applied to various FTSE Russell parent equity indices.

Constituents may be market cap weighted, equally weighted or factor-weighted.



Other additional dividend indices are available

Index Series	Selection	Exclusion	Weighting	Index Maintenance
FTSE Global Equity High Income Index Series	Includes the highest ranked 50% of constituents by market cap from each of the eight regions used to construct the FTSE All-World Index, including REITs. Stocks with the highest forecast tax-adjusted dividend yields are included.	<ul style="list-style-type: none"> Companies that have not paid a dividend in the twelve months prior to the cut-off date. Companies with zero or no 12-month forecast dividend yield. Companies in the bottom fifth percentile of companies with negative 12-month returns. 	Market-cap weighted	<ul style="list-style-type: none"> Reviewed annually in September. Reviewed quarterly to remove companies with zero 12-month forecast dividend yield and zero 12-month trailing dividend.
FTSE Global Dividend Growth Index Series	Includes stocks from the FTSE All-World Index, which includes large- and mid-cap securities across developed and emerging markets, that have maintained or increased their dividend amount over five consecutive years.	<ul style="list-style-type: none"> Securities with a decrease in any of the five annual dividend per share changes. Securities with zero annual dividend per share through the last six fiscal years prior to cut-off date. Securities that do not have data to calculate five years of annual dividend per share change. 	Market-cap weighted	<ul style="list-style-type: none"> Reviewed annually in September, Company level capping of 5% maximum company weights applied quarterly at the close of the third Friday of the month in March, September, and December.
Russell Dividend Growth Index Series	Includes stocks from Russell 3000 Index that paid dividend, increased their annual cash dividend amount for 10 consecutive years, and have no decrease in quarter-on-quarter dividend per share. Eligible Russell 2000 stocks are screened for liquidity base on 20-day average daily dollar traded volume.	<ul style="list-style-type: none"> Securities with zero annual dividend per share through the last 10 consecutive years prior to the cut-off date are excluded from the index. 	Equally weighted, Market-cap weighted indices available	<ul style="list-style-type: none"> Full annual reconstitution in June with quarterly rebalance after removing securities that have paid a decreasing quarter on a quarter dividend
FTSE Global Target Dividend Index Series	Determine base universe, dividend yield uplift target, active factor exposure targets, and other constraints.	<ul style="list-style-type: none"> Flexible framework to accommodate various targets and constraints at different levels, including dividend yield uplift, target active factor exposure uplift, turnover limit, etc. 	Target exposure methodology	<ul style="list-style-type: none"> Semi-annually in March and September

* For complete list of available indices, please contact your FTSE Russell client service representative.

Learn more at [FTSE Russell Dividend Indices | LSEG](#)

About FTSE Russell

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Market participants look to us for our expertise in developing and managing global index solutions across asset classes. Asset owners, asset managers, ETF providers and investment banks choose FTSE Russell solutions to benchmark their investment performance and create investment funds, ETFs, structured products, and index-based derivatives. Our clients use our solutions for asset allocation, investment strategy analysis and risk management, and value us for our robust governance process and operational integrity.

For over 35 years we have been at the forefront of driving change for the investor, always innovating to shape the next generation of benchmarks and investment solutions that open up new opportunities for the global investment community.

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