



---

# Methodology for the FTSE MIB Dividend Index

v1.6

---



## Contents

---

<b>1.0</b>	<b>Introduction.....</b>	<b>3</b>
<b>2.0</b>	<b>Management Responsibilities.....</b>	<b>4</b>
<b>3.0</b>	<b>FTSE Russell Index Policies .....</b>	<b>5</b>
<b>4.0</b>	<b>FTSE MIB Dividend Index Methodology.....</b>	<b>6</b>
	<b>Appendix A: Further Information .....</b>	<b>8</b>



## Section 1

# Introduction

---

### 1.0 Introduction

This methodology is to be read in conjunction with the FTSE MIB Index Ground Rules which are available at [www.ftse.com](http://www.ftse.com).

### 1.1 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 MTSNext Limited), Mergent, Inc., FTSE Fixed Income LLC and The Yield Book Inc.

1.1.1 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.

1.1.2 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's 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 errors or 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 errors or inaccuracies in the compilation of the index or any constituent data.



## Section 2

# Management Responsibilities

---

## 2.0 Management Responsibilities

### 2.1 FTSE International Limited (FTSE)

2.1.1 FTSE is the benchmark administrator of the index.<sup>1</sup>

2.1.2 FTSE 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 indexes.

### 2.2 Amendments to These Ground Rules

2.2.1 These Ground Rules shall be subject to regular review by FTSE Russell to ensure that they continue to best reflect the aims of the index. 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 Product Governance Board before approval is granted.

---

<sup>1</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).



## Section 3

# FTSE Russell Index Policies

---

### 3.0 FTSE Russell Index Policies

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

#### 3.1 Queries, Complaints and Appeals

FTSE Russell's complaints procedure can be accessed using the following link:

[Benchmark\\_Determination\\_Complaints\\_Handling\\_Policy.pdf](#)

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

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

[Index\\_Policy\\_for\\_Trading\\_Halts\\_and\\_Market\\_Closures.pdf](#)

#### 3.3 Index Policy in the Event Clients are Unable to Trade a Market

3.3.1 Details of FTSE Russell's treatment can be accessed using the following link:

[Index\\_Policy\\_in\\_the\\_Event\\_Clients\\_are\\_Unable\\_to\\_Trade\\_a\\_Market.pdf](#)

#### 3.4 FTSE Russell Policy for Benchmark Methodology Changes

3.4.1 Details of FTSE Russell's policy for making benchmark methodology changes can be accessed using the following link:

[Policy\\_for\\_Benchmark\\_Methodology\\_Changes.pdf](#)



## Section 4

# FTSE MIB Dividend Index Methodology

---

### 4.0 FTSE MIB Dividend Index Methodology

This methodology is to be read in conjunction with the FTSE MIB Index Ground Rules which are available at [www.ftse.com](http://www.ftse.com).

#### 4.1 Review methodology

The index will represent the cumulative value of ordinary gross cash dividends announced and paid by the individual constituents of the underlying FTSE MIB Index, calculated in terms of index points. All dividends and corporate actions are applied in the same way as in the FTSE MIB Index.

FTSE will rebase the index to 0 at the start of the first trading day following the 3rd Friday in December each year.

#### 4.2 Ex-dividend adjustment

The ex-dividend (xd) adjustment represents the value of dividends declared by constituent companies on the xd date expressed in index points. The xd adjustment year to date is the calculation on a cumulative basis for the period between and including the first trading day following the 3rd Friday in December to mid-day on the 3rd Friday in December of the following year. Xd adjustments are based on declared dividends. The xd adjustment is calculated as follows:

$$\frac{\text{Market Value of Dividends}}{\text{Latest Index Divisor}}$$

If a company declares a dividend in a currency other than Euro, the published Euro equivalent will be used, if available prior to the xd-date (for clarification, where no Euro equivalent is available prior to the xd-date then FTSE do not wait for the company to publish the Euro rate). If there is no Euro equivalent, the dividend will be converted to Euro using the appropriate European Central Bank closing rate, similar to the FTSE MIB Index, the day before the stock goes xd.

If A plc and B plc each declared a dividend payment with an xd date of today, the following calculation would occur:

<u>Company</u>	<u>Dividend</u> (p)	<u>Shares</u> (m)	<u>Free Float</u> <u>Factor</u>	<u>Market Value</u> (£m)	<u>xd</u> <u>Adjustment</u> (points)
A plc	12.56	61,443	1.00	7,717.2	1.97
B plc	14.00	22,579	0.75	2,370.8	0.61
Total xd Adjustment for Index					2.58
Index Divisor = 3,918.36					
Index Value (t-1) = 50.00					
Index Value (t) = 52.58					

The method for calculating the xd adjustment uses the divisor as at the close of business on the preceding day after implementing any capitalisation changes. Where a company has more than one line of shares included in the indices, the xd adjustment is calculated separately for each line.

# Appendix A: Further Information

---

A Glossary of Terms used in FTSE Russell's Ground Rule documents can be found using the following link:

[Glossary.pdf](#)

For further information on the FTSE MIB Index visit [www.ftserussell.com](http://www.ftserussell.com) or email [info@ftserussell.com](mailto:info@ftserussell.com). Contact details can also be found on this website.

Borsa Italiana can be contacted at:-

Piazza degli Affari, 6

20123 Milan, Italy

Tel: +39 02 724261 / Fax: +39 02 72004333

E-mail: [info@borsaitaliana.it](mailto:info@borsaitaliana.it) / Website: [www.borsaitaliana.it](http://www.borsaitaliana.it)

---

© 2019 London Stock Exchange Group plc and its applicable group undertakings (the "LSE Group"). The LSE Group includes (1) FTSE International Limited ("FTSE"), (2) Frank Russell Company ("Russell"), (3) FTSE Global Debt Capital Markets Inc. and FTSE Global Debt Capital Markets Limited (together, "FTSE Canada") and (4) MTSNext Limited ("MTSNext"), (5) Mergent, Inc. ("Mergent"), (6) FTSE Fixed Income LLC ("FTSE FI") and (7) The Yield Book Inc ("YB"). All rights reserved.

The FTSE MIB Dividend Index is calculated by or on behalf of FTSE International Limited or its affiliate, agent or partner. FTSE International Limited is authorised and regulated by the Financial Conduct Authority as a benchmark administrator.

FTSE Russell® is a trading name of FTSE, Russell, FTSE Canada, MTSNext, Mergent, FTSE FI and YB. "FTSE®", "Russell®", "FTSE Russell®", "MTS®", "FTSE4Good®", "ICB®", "Mergent®", "The Yield Book®" and all other trademarks and service marks used herein (whether registered or unregistered) are trade marks and/or service marks owned or licensed by the applicable member of the LSE Group or their respective licensors and are owned, or used under licence, by FTSE, Russell, MTSNext, FTSE Canada, Mergent, FTSE FI, YB.

All information is provided for information purposes only. Every effort is made to ensure that all information given in this publication is accurate, but no responsibility or liability can be accepted by any member of the LSE Group nor their respective directors, officers, employees, partners or licensors for any errors or for any loss from use of this publication or any of the information or data contained herein.

No member of the LSE Group nor their respective directors, officers, employees, partners or licensors make any claim, prediction, warranty or representation whatsoever, expressly or impliedly, either as to the results to be obtained from the use of the FTSE MIB Dividend Index or the fitness or suitability of the Index for any particular purpose to which it might be put.

No member of the LSE Group nor their respective directors, officers, employees, partners or licensors provide investment advice and nothing in this document should be taken as constituting financial or investment advice. No member of the LSE Group nor their respective directors, officers, employees, partners or licensors make any representation regarding the advisability of investing in any asset. A decision to invest in any such asset should not be made in reliance on any information herein. Indexes cannot be invested in directly. Inclusion of an asset in an index is not a recommendation to buy, sell or hold that asset. The general information contained in this publication should not be acted upon without obtaining specific legal, tax, and investment advice from a licensed professional.

No part of this information may be reproduced, stored in a retrieval system or transmitted in any form or by any means, electronic, mechanical, photocopying, recording or otherwise, without prior written permission of the applicable member of the LSE Group. Use and distribution of the LSE Group index data and the use of their data to create financial products require a licence with FTSE, Russell, FTSE Canada, MTSNext, Mergent, FTSE FI, YB and/or their respective licensors.