

Russell US Indexes – Construction and Methodology Updates

01 July 2021

FTSE Russell would like to inform clients of the following clarifications to the Russell US Indexes Construction and Methodology which are effective immediately:

Section 4: Basic Methodology

Addition of the following rule to clarify current practise:

4.3.4 SPAC IPOs

- If an unlisted Special Purpose Acquisition Company ("SPAC") acquires a target company, becomes an eligible company structure, and files an IPO registration statement and lists, all in the same quarterly window, then the company will be considered an IPO for the purposes of index inclusion.
- If an unlisted SPAC files an IPO registration statement and lists; then acquires a target company and becomes an eligible company structure; and files another registration statement, all in the same quarterly window, then the company will be considered an IPO.
- If a listed SPAC (which listed prior to the current quarterly window), acquires a target company and subsequently files another registration statement, the company will not be considered an IPO.

Section 6: Defining Membership by Size

Updated to include the 2021 global median ADDTV:

6.5.1 If an eligible company trades under multiple share classes, FTSE Russell will review each share class independently for U.S. index inclusion. Share classes in addition to the primary share class (pricing vehicle) that meet the following minimum size, liquidity and float requirements will also be eligible:

- **Size:** Must have a total market cap larger than \$30M.
- **Liquidity:** ADDTV (Average Daily Dollar Trading Value) must exceed that of the global median, which is determined each reconstitution rank day by ranking all securities in investable countries by ADDTV. **As of the reconstitution 2021 rank date, the global median ADDTV was USD 255,000.**

Float: Must have greater than 5% of shares available in the marketplace

Updated the IPO calendar to reflect the remaining 2021 and Q1 2022 dates:

6.9 Russell U.S. Indexes IPO calendar:

	Guidelines	2021 Third-quarter additions	2021 Fourth-quarter additions	2022 First-quarter additions
Initial offering period	IPOs which initially trade between rank day +1 of the previous cycle and rank day of the current cycle.	IPOs which initially price/trade between May 10 and Aug 13.	IPOs which initially price/trade between Aug 16 and Nov 12.	IPOs which initially price/trade between Nov 15 and Feb 11.
Rank date*	Five weeks prior to implementation.	13-Aug	12-Nov	11-Feb
Announce date*	Three weeks prior to implementation.	27-Aug	26-Nov	25 Feb
Effective date**	Third Friday of the month.	17-Sep	17-Dec	18-Mar

An updated copy of the Russell US Indexes Construction and Methodology (v5.2) is now available using the following link: [Russell-US-indexes.pdf](#)

Or on the FTSE Russell website: www.ftserussell.com

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