



Russell US Indexes – Construction and Methodology Updates

01 March 2023

In accordance with Russell US ground rules, the reconstitution of the Russell US Indexes will take place after the market close on 23 June 2023. Performed annually, reconstitution ensures that the Russell US indexes continue to accurately reflect the current state of the US equity market and its market segments, including market capitalization (e.g., large and small cap), sector breakdowns, and style structure.

All indexes based on the Russell US indexes are impacted by the membership changes of their respective parent indexes. This includes the following:

- Russell US Custom Indexes
- Index Series limited to US equity coverage: Russell US, Russell Microcap, Russell US Stability, Russell Equal Weight, Russell Dividend Growth, Russell High Efficiency Defensive, Russell Pure Styles and Russell Factor indexes

Addition and deletion lists are not generated for each index series; however, membership changes are published in advance of the effective date within the daily change files and predictive (indicative) holdings files. A detailed schedule of reconstitution-related index deliverables can be found in the Reconstitution Calendar available to clients in the "Reference Documents" section on the Data Delivery Service (DDS).

Reconstitution dates are determined using the methodology outlined in Appendix G of the Russell US Construction and Methodology guide: [Russell-US-indexes.pdf \(ftserussell.com\)](https://www.ftserussell.com/russell-us-indexes.pdf)

For your reference, the 2023 reconstitution schedule for the Russell US indexes is provided below along with a brief summary of methodology enhancements of note that have been announced within the last 12 months which you should be aware of as you prepare for the Russell US rebalance in June.

Timetable:

Friday 28 April 2023: Rank day. Russell US Index membership eligibility for the 2023 reconstitution is determined from published information and market capitalizations at market close.

Friday 19 May 2023: Preliminary membership lists, shares and free float data is published for clients after market close.

Friday 19 May to Friday 02 June 2023: Query period. Users are welcome to query the published data; any corrections will be communicated after market close each day.

Merger and spin-off companies will be re-ranked when the transaction is effective between the rank day and the index lock-down. No further re-ranking will occur after Friday 2 June 2023.

Monday 05 June 2023: Lock-down. No further corrections will be implemented* and the Russell US index reconstitution can be considered final (with any further changes to shares and free float isolated to changes associated with corporate events).

*During the quarterly review / annual reconstitution lock-down period, FTSE Russell will generally avoid implementing corrections to ensure stability during the period prior to the review / reconstitution implementation. However egregious shares and free float errors discovered within the lock-down period or during the week following the review / reconstitution may be corrected if an erroneous change compromises the replicability of the index OR if the change places potential price pressure on the

company OR if there is a material error of 50% or greater (relative) to index shares. Any corrections during the lock-down period or the week following the review will be implemented with appropriate notice. All other shares and free float errors will be corrected at the following quarterly index review.

Friday 23 June 2023: The Russell US reconstitution is implemented after market close.

Summary:

Date	Action
Friday 28 April	<i>April Rank and cut-off day for new information</i>
Friday 19 May	Preliminary membership lists, shares and free float data are published after market close
Friday 19 May to Friday 02 June	Query period
Monday 05 June	Lock Down period commences
Monday 26 June	The Reconstitution changes are effective (from the open)

Additional Clarifications:

Stocks Suspended during the Reconstitution Period: Securities which are suspended on Friday 02 June 2023* will not have their scheduled reconstitution changes implemented regardless of a resumption of trade prior to the reconstitution effective date. The scheduled changes will be implemented T+2 after the reconstitution effective date, at the earliest, upon resumption of trade. Scheduled reconstitution changes will only occur if there is an active market on Friday 23 June 2023; otherwise, the changes will be postponed and implemented with notice, upon resumption of trade.

*If there is a confirmed resumption of trade date which occurs prior to the reconstitution effective date, the reconstitution changes will proceed as scheduled.

Equity Offerings: In accordance with standard methodology, primary and secondary offerings will continue to be applied with two days' notice when discovered after the review announcement date. However, offerings which would ordinarily become effective at the open on the Tuesday - Friday prior to the reconstitution will instead be implemented simultaneously in conjunction with the reconstitution effective date on 26 June 2023 (open). Offerings discovered on the Thursday and Friday prior to the review will be implemented with two days' notice and therefore subsequent to the review. Similarly, Long Term Suspended Stocks which would ordinarily be deleted effective at the open on the Tuesday - Friday prior to the reconstitution, will instead be deleted in conjunction with the review effective date on 26 June 2023 (open).

Methodology Enhancements - All FTSE Russell Index announcements can be referenced at the following link: [Russell US Indexes | FTSE Russell](#)

FTSE Russell can confirm that there have been no major methodology announcements made since the June 2022 review and there are no major changes to be announced for the March 1, 2023 notice.

Although the impacts to the rebalance cut-off, rank, announce dates are detailed above, we would like to provide additional reference to the announcement provided on January 20, 2023 regarding the alignment of review cut-off and rank dates here:

https://research.ftserussell.com/products/index_notices/home/getnotice/?id=2606886

The current Russell US Indexes Construction and Methodology is now available using the following link: [Russell-US-indexes.pdf \(ftserussell.com\)](#)

For questions or clarification regarding how FTSE Russell manages events involving trading halts or market closures (expected or unexpected) please reference the following link:

[FTSE_Russell_Index_Policy_for_Trading_Halts_and_Market_Closures.pdf \(ftserussell.com\)](#)

FTSE Russell website: www.ftserussell.com

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