

Russell US Indexes – Update to Construction and Methodology

IPO Additions' Schedule and Share and Free Float Maintenance

02 May 2017

IPO Additions' Schedule

FTSE Russell has defined the IPO calendar for new IPO additions to the Russell US Indexes during the forthcoming quarterly cycles. The additions will be implemented simultaneously with the quarterly share and float updates on the third Friday of the month (March, September, and December). For clarity, the annual reconstitution will continue to be implemented on the last Friday of June*. Please refer to the below calendar for the updated guidelines, with the 2017 (Q3 & 4) and 2018 (Q1) schedules provided.

Quarterly Additions	Guidelines	2017 Third-quarter additions	2017 Fourth quarter additions	2018 First quarter additions
Initial offering period	IPOs which initially trade between rank day +1 of the previous cycle and the rank day of the current cycle	IPOs which initially trade between May 13 and Aug 16.	IPOs which initially trade between Aug 17 and Nov 15.	IPOs which initially trade between Nov 16 and Feb 21.
Rank date	Third Wednesday of the month prior to the effective date	16 August	15 November	21 February
Announce date	Two weeks prior to the effective date	1 September	1 December	2 March
Effective date	Third Friday of the month	15 September	15 December	16 March

* Unless the last Friday occurs on the 29th or 30th, when reconstitution will occur on the Friday prior.

Please note: FTSE Russell will shortly be disseminating a consultation which will incorporate questions on the timing of quarterly and annual changes - the above timetable has been provided in advance to ensure timely notification of the projected schedule between the 2017 and 2018 reconstitutions. If the consultation supports a different timetable, any change to the timetable will be implemented from Reconstitution 2018 (at the earliest).

Shares and free float maintenance (amendment)

Further to the methodology update which pertains to the shares and free float update process, FTSE Russell would like to clarify the following:

- i) A constituent with a free float of 15% or below will not be subject to the 3 percentage points' threshold during the quarterly update process (in March, September, and December). Instead, the free float will be updated if the change is greater than 1%. As previously

announced, shares and free floats will be updated at the June reconstitution without buffers.

- ii) A constituent with a free float of 99% or greater will not be rounded up to 100%. For clarity, by virtue of the 3% buffer, a company with a free float of 97% or above, will have its free float increased at the annual reconstitution only (if necessary).
- iii) As previously announced, the shares and free float quarterly changes will be implemented on the third Friday of the month (during March, September, and December). The cut-off date for new information or filings to be considered will be the end of day on the third Wednesday of the previous month. E.g. September's updates will be implemented on September 15, with information available up to and including August 16, being considered.

Further details of the clarifications are provided within Section 4 and Section 7 of the Russell US Index methodology [Russell US Index methodology](#). If you have any questions, please contact your client service team.

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