



**FTSE  
RUSSELL**  
An LSEG Business

## Russell US Indexes Consultation on Moving to a Semi-Annual Index Reconstitution Frequency

20 November 2023

**Please note, further to the notice below issued on 10 October 2023, FTSE Russell has extended the deadline for the consultation until 31 December 2023.**

### Consultation Purpose

FTSE Russell is seeking the market's views on the following potential methodology enhancements to reduce the current trade size on the Russell reconstitution effective day:

1. Whether FTSE Russell should add a second Russell reconstitution on the 3rd Friday of November of each year, in addition to the current 4th Friday in June.
2. Whether to widen the band between the Russell 1000 and Russell 2000 Indexes, from the current  $\pm 2.5\%$  (5% total) based on cumulative percentile ranking to asymmetric  $-5\%/+2.5\%$  (7.5% total), retaining more of the larger companies in the Russell 2000 at each reconstitution, with the trade-off of the Russell 1000 membership count declining toward 900 companies at reconstitution, post-banding (breakpoint will still be based on the 1000th ranked stock).
3. FTSE Russell is of the view that running two full reconstitutions of the Russell Style Indexes generates unpalatable turnover. In recognition of this, FTSE Russell is proposing two alternative approaches to implement Russell Style changes at the semi-annual reconstitution:
  - a. The full reconstitution of the Russell Style Indexes occurs in June, and at the next semi-annual reconstitution only additions to the indices incorporate updated value and growth weights (i.e., no Russell Style changes to existing index constituents).
  - b. Tranche the implementation of June Russell Style Indexes weight changes across June and November reconstitution periods.

### Responding to the consultation

The consultation is available on the FTSE Russell website in the following location: [www.lseg.com/en/ftse-russell/governance/market-consultations](http://www.lseg.com/en/ftse-russell/governance/market-consultations). The consultation closes on 31 December 2023.

Consultation responses should be submitted at [www.surveymonkey.co.uk/r/HMWMQ2W](http://www.surveymonkey.co.uk/r/HMWMQ2W)

Feedback will be sought in accordance with the FTSE Russell Policy for Benchmark Methodology Changes.

All responses will be treated as confidential. FTSE Russell may publish a summary of the consultation results, but no individual responses will be published and no respondents will be named.

Changes to the Russell US Indexes reconstitution will be subject to further review by FTSE Russell's internal governance forums and decided by FTSE Russell's Index Governance Board. FTSE Russell reserves the right to conduct further consultations as necessary.

If you have any queries, please contact [info@ftserussell.com](mailto:info@ftserussell.com)

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For further information please contact FTSE Russell Client Services at [info@ftserussell.com](mailto:info@ftserussell.com) or call:

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