

Annual Reconstitution 2018 – Russell Indexes

Methodology Clarifier and Timetable Reminder

21 May 2018

Methodology Clarification

FTSE Russell would like to advise that any companies publishing a registration statement and going public via a direct listing (instead of via a traditional IPO) will be considered eligible for potential Russell index inclusion once an updated shareholder structure has been publicly disclosed post listing (e.g. within a beneficial ownership table in the US). Eligibility will be evaluated at the subsequent index review once the updated shareholder structure has been published. FTSE Russell are reviewing the methodology with a view to clarifying in early course.

Reconstitution Timetable Reminder

The **2018 Russell US Indexes' Annual Reconstitution** will be implemented as follows:

Friday 11 May 2018: Rank day. Russell US Index membership eligibility for the 2018 reconstitution is determined from published information and market capitalizations at market close.

Friday 25 May 2018 (provisional*): Preliminary shares and free float data for existing Russell 3000E constituents are published after market close within a "Total and Float Shares" file (file name: RUSmtfs[ddmm].csv) which will be available on the DDS Product Portal. This file will be published at end of day every day until 08 June 2018 incorporating any changes and corrections, including any updates as a consequence of finalized corporate action activity effective up to, and including, the reconstitution effective date. Any changes to the original iteration of the file will be highlighted within a "Last Modified Date" (LMD) column which will provide the date for the most recent update. As a reminder, the buffers implemented during the March, September, and December quarterly reviews are removed for the June reconstitution.

*This file is currently going through a final testing phase. In the event that we are unable to produce and publish the file on 25 May 2018, Russell Premier Index clients will be granted access to the FTSE GEIS indicative shares and float data which will be available on the DDS Product Portal until the "Russell Total and Float Shares" file can be published. FTSE Russell will make a follow-up announcement prior to 25 May 2018 to confirm.

Friday 08 June 2018: Preliminary membership lists are published after market close.

Monday 28 May to Thursday 14 June 2018: 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 15 June 2018.

Friday 15 June 2018: 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).

*On occasion, egregious errors may be corrected during the lock-down period if an erroneous change will compromise the replicability of the index or if the change places potential price pressure on the company.

Friday 22 June 2018: The Russell US reconstitution is implemented after market close.

The **Russell Global ex-US Indexes** will not be reconstituted in 2018 due to their scheduled decommission in December 2018 in accordance with the announcement published on 18 January 2018:

[Russell Global Index Announcement](#)

However:

- Nationality changes which impact the Russell US indexes will be implemented (e.g. a company will be deleted from the Russell Global ex-US index and added to the Russell US indexes if it satisfies the Russell US index inclusion criteria).
- Shares and free float changes will be implemented without buffers (**Friday 11 May 2018** will serve as the cut-off for shares and float information)
- Preliminary shares and free float data for existing constituents will be published after market close on **Friday 25 May 2018** within a "Total and Float Shares" file (file name: RGImtfs[ddmm].csv) which will be available on the DDS Product Portal, with users welcome to query the data until **Thursday 14 June 2018**. This file will be published at end of day every day until 08 June 2018 incorporating any changes and corrections, including any updates as a consequence of finalized corporate action activity effective up to, and including, the review effective date. Any changes to the original iteration of the file will be highlighted within a "Last Modified Date" (LMD) column which will provide the date for the most recent update. Lock-down will occur on **Friday 15 June 2018**.
- IPOs will be added if they satisfy the inclusion criteria (membership based on reconstitution 2016 breakpoints adjusted for index performance on the rank day which will occur on **Friday 11 May 2018**).

Additional Clarifications

RGI ex-US Suspended Stocks: Constituents which are suspended on **01 June 2018** will not have their scheduled review changes implemented regardless of a resumption of trade prior to the review effective date*. The scheduled review changes will be implemented T+2 after the review effective date, at the earliest, upon resumption of trade. *If there is a confirmed resumption of trade date which occurs prior to the review effective date, the review changes will proceed as scheduled.

If an active constituent suspends on or prior to **20 June 2018**, the scheduled changes will be reversed and applied T+2 after the resumption of trade. If a suspension occurs on **21 June 2018** or **22 June 2018**, the scheduled changes will proceed as previously communicated.

Russell US Index Suspended Stocks: The scheduled Reconstitution updates will be implemented only if there is an active market on **22 June 2018**; otherwise, the changes will be postponed and implemented with notice, upon resumption of trade.

Equity Offerings: In accordance with standard methodology, primary and secondary offerings (UK tender offer buy backs will also follow the same principle) will continue to be applied with two days' notice when discovered after the review announcement date. However, offerings discovered on, or would otherwise be implemented on, the Monday, Tuesday, and Wednesday prior to the review will instead be implemented simultaneously in conjunction with the review effective date on 25 June 2018 (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.

Timetable Summary

Date	Action
Friday 11 May	Rank and cut-off day for new information
Friday 25 May	Preliminary shares in issue and free float data is published
Friday 08 June	Preliminary membership lists are published after market close (US)
Monday 28 May to Thursday 14 June	Query period
Friday 15 June	Lock down period commences
Monday 25 June	The Russell US Reconstitution and the Russell Global ex-US changes are effective (from the open)

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