

Russell US Indexes – Annual Reconstitution 2021

01 March 2021

In accordance with Russell US ground rules, the reconstitution of the **Russell US Indexes** will take place after the market close on **25 June 2021**. 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 in the "Reference Documents" section on the [Data Delivery Service \(DDS\)](#) and the "Reference Materials" section on the [FTSE Russell Product Portal](#).

The 2021 reconstitution schedule for the Russell US indexes is provided below along with a list of methodology enhancements effective as of the reconstitution effective date on 25 June 2021.

Timetable:

Friday 07 May 2021: Rank day. Russell US Index membership eligibility for the 2021 reconstitution is determined from published information and market capitalizations at market close.

Friday 21 May 2021: Preliminary shares and free float data is published for existing Russell 3000E constituents 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 daily until 04 June 2021 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.

Friday 04 June 2021: Preliminary membership lists are published after market close.

Friday 21 May to Friday 11 June 2021: 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 11 June 2021.

Monday 14 June 2021: 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 25 June 2021: The Russell US reconstitution is implemented after market close.

Summary:

Date	Action
Friday 07 May	Rank and cut-off day for new information
Friday 21 May	Preliminary shares in issue and free float data is published
Friday 04 June	Preliminary membership lists are published after market close
Friday 21 May to Friday 11 June	Query period
Monday 14 June	Lock down period commences
Monday 28 June	The Reconstitution changes are effective (from the open)

Additional Clarifications:

Stocks Suspended during the Reconstitution Period: Securities which are suspended on **Friday 11 June 2021*** 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 25 June 2021**; 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 **28 June 2021** (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 28 June 2021 (open).

Methodology Enhancements

In the last 12 months, FTSE Russell has clarified:

Eligible US Exchanges for Russell US membership: CBOE, NYSE, NYSE American, NASDAQ and ARCA.

Clarification regarding Corporate Action at Reconstitution rank day: FTSE Russell announced a clarification regarding the treatment of corporate actions at reconstitution, stating that an event taking effect on the Friday close will not trigger a re-ranking.

Clarification regarding Russell US rule 8.10.1 - substitution logic for missing or unavailable style variables: New ICB became the official sector scheme for the index from September 2020. New additions/IPO’s used the new ICB average for missing variables following the June 2020 review (September 2020 quarterly). The first rebalance that will implement fully using the new ICB scheme will be the June 2021 annual reconstitution

An updated copy of the Russell US Indexes Construction and Methodology is now available using the following link: <https://www.ftse.com/products/downloads/Russell-US-indexes.pdf> and on the FTSE Russell website: www.ftserussell.com.

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