FTSE Russell begins 32\textsuperscript{nd} annual Russell US Indexes Reconstitution.

- Total US equity market capitalization down 1%, yet market cap of ten largest US stocks up more than 23%.
- Market cap breakpoint separating small-caps (Russell 2000\textsuperscript{®} Index) and large-caps (Russell 1000\textsuperscript{®} Index) decreases by more than 16%.
- Smallest US company falls below $100 million for first time since 2009.
- Technology-dominated five largest companies remain the top five, with three topping $1 trillion and Microsoft again the largest US company.

Today FTSE Russell, a leading global index, data and analytics provider, posted its official preliminary lists of companies set to enter or leave the US broad-market Russell 3000\textsuperscript{®} Index and the Russell Microcap\textsuperscript{®} Index following completion of its 32\textsuperscript{nd} annual Russell US Indexes Reconstitution after US equity markets close Friday, June 26. The lists of 143 projected additions and 205 projected deletions for the Russell US Indexes and other information are now available on the FTSE Russell website.

Each June, the Russell US index family is realigned to reflect market changes in the last year. This closely watched market event impacts more than $9 trillion in investor assets benchmarked to or invested in products based on the Russell US Indexes and concludes in traditionally one of the highest trading volume days of the year on major US equity exchanges. Record volume is anticipated around the 2020 Russell Rebalance due to index changes to reflect volatile markets in the start of this year.

**Waqas Samad, Group Director, Information Services, LSEG & CEO, FTSE Russell, said:**
“Our global index teams are hard at work to ensure a smooth rebalance for our clients and market participants as we embark on another Russell Reconstitution. Today more than ever, investors need reliable and transparent market measures. Our annual process ensures that we continue to offer high quality benchmarks providing comprehensive exposure to market capitalization and style designations.”

**Arne Staal, Head of Research & Product Management, Information Services, LSEG, said:**
“The market volatility we have observed since the 2019 Russell Reconstitution and so far this year helps reinforce the importance of index rebalances to capture market changes. All eyes will again be on the Russell US Indexes in the coming weeks as we recalibrate and realign the indexes to meet the investment and analytical needs of our clients.”

**The Big Got Bigger and the Small Got Smaller**
“While overall capitalization for the US equity market stayed relatively flat this year, our 2020 annual Russell US Indexes Reconstitution tells an interesting story about divergence between the largest and smallest US stocks,” said FTSE Russell Director of Product Management Catherine Yoshimoto.
Press Release

Total US equity market capitalization as reflected by the Russell 3000® Index, at approximately $31.4 trillion at this year’s Russell Reconstitution May 8 rank day, decreased less than 1% from last year. Yet there was a notable divergence between the large- and small-end of the US equity market, driven by the relative strength of US large-caps over the past year.

The closely watched market capitalization breakpoint which separates companies in the US large-cap Russell 1000® Index and companies in the US small-cap Russell 2000® Index decreased by more than 16% this year to $3 billion. And the smallest company in the Russell 2000 at this year’s Reconstitution (Limestone Bancorp) now stands at $94.8 million market cap, a nearly 38% decline from 2019 and the first time since 2009 that the smallest stock is less than $100 million.

The large end of the US equity market, on the other hand, grew significantly in the last year, with the total combined market cap of the ten largest companies increasing by 23.3% since the 2019 Russell Reconstitution. For the first time in the history of Russell US Indexes, there are companies exceeding $1 trillion in total market cap, with three (Microsoft, Apple & Amazon) achieving this milestone.

**Big Tech Continues to Grow – And Healthcare Drives Small Cap IPO Entrants**

Technology again dominates the Russell 3000 Index. Microsoft (MSFT) has retained its spot as the largest company in the Index for the second year, with a 43.8% increase in total market cap. Apple (AAPL) is now second after a 48.2% rise in the last year, switching spots with #3 Amazon (AMZN), which increased 27.6%. Alphabet (GOOGL) and Facebook (FB) round out the five largest companies.

Other Technology additions to the Russell 3000 this year include Zoom Video Communications (ZM), which is joining the Russell Top 200 Index due to its size, along with Pinterest (PINS) and Mimecast (MIME), highlighting the importance of technology in the midst of the Global Pandemic. Zoom and Pinterest are now eligible due to voting rights changes and Mimecast has had a change in country assignment. Only six IPOs will enter the Russell 2000 at Reconstitution, all Healthcare companies.

**Notable Style Shifts**

Growth-oriented stocks outperformed value-oriented stocks again from last year’s Russell Reconstitution through May 8 rank day across all major cap tiers in a continuing trend.

Zoom, Cardinal Health (CAH) and Datadog (DDOG) were all assigned 100% Growth and will join the Russell 1000 Growth Index this year.

Alphabet is the largest addition to the Russell 1000 Value Index this year as it shifts from 100% Growth to partial Value. And Cisco Systems (CSCO) is the largest addition to the Russell 1000 Value Index by weight, as it shifts from 100% Growth to 100% Value and leaves the Russell 1000 Growth Index.

The Russell 1000 Style (Growth & Value) Indexes provide an objective measure of growth-oriented and value-oriented US company performance by weighting index constituents based on their relative growth or value characteristics. Most companies are 100% growth or 100% value-oriented, but some contain a blend of both growth and value characteristics.

The posting of the preliminary lists of additions and deletions after US markets close on Friday, June 5 is the first public step in the annual reconstitution process for the Russell US Indexes. Updates to the lists will be posted to the [FTSE Russell website](https://www.ftserussell.com) after US market close on June 12 and 19. If any changes
to the publicly announced membership lists occur during the query period, technical notices will be published to the FTSE Russell website.

The final index membership lists, with breakouts for the Russell 1000® Index, the Russell 2000® Index and the Russell Midcap® Index, will be published on Monday June 29 when the Russell Reconstitution takes effect and the newly reconstituted indexes begin to operate.

To complete this year’s Russell US Indexes reconstitution, FTSE Russell uses primary exchange closing prices from NYSE and NASDAQ. NYSE-listed stocks utilize NYSE’s auction mechanism while NASDAQ-listed stocks utilize NASDAQ’s "closing cross" mechanism to execute shares for each stock at a single price on June 29. This year, FTSE Russell will celebrate the close of the annual Russell Reconstitution with Nasdaq officials at a virtual closing bell ceremony.

– Ends –

For further information:

Global Media

| Tim Benedict | (917) 582-0641  
TBenedic@lseg.com |
|-------------|----------------|
| Jelena Nedelka | (929) 228-6987  
JNedelka@lseg.com |

Notes to editors:

About FTSE Russell:

FTSE Russell is a global index leader that provides innovative benchmarking, analytics and data solutions for investors worldwide. FTSE Russell calculates thousands of indexes that measure and benchmark markets and asset classes in more than 70 countries, covering 98% of the investable market globally.

FTSE Russell index expertise and products are used extensively by institutional and retail investors globally. Approximately $16 trillion is currently benchmarked to FTSE Russell indexes. For over 30 years, leading asset owners, asset managers, ETF providers and investment banks have chosen FTSE Russell indexes to benchmark their investment performance and create ETFs, structured products and index-based derivatives.

A core set of universal principles guides FTSE Russell index design and management: a transparent rules-based methodology is informed by independent committees of leading market participants. FTSE Russell is focused on applying the highest industry standards in index design and governance and embraces the IOSCO Principles. FTSE Russell is also focused on index innovation and customer partnerships as it seeks to enhance the breadth, depth and reach of its offering.

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