

## FTSE Russell completes ICB sector migration for Russell US Indexes and adds 46 IPOs for its third quarter US index update.

- FTSE Russell successfully completes Russell US Indexes sector migration to the Industry Classification Benchmark (ICB<sup>®</sup>) framework from Russell Global Sectors (RGS).
- ICB enhancements well received by market and supported by extensive public consultation and notification process, affecting over \$9 trillion in benchmarked assets.
- Russell US Indexes add 46 new initial public offerings (IPOs) for the third quarter reflecting US equity market surge and Covid-19 investment trends.

FTSE Russell, the global index, data and analytics provider, has completed the third quarter update for its Russell US Indexes, completing the migration to the enhanced ICB framework and adding 46 new US IPOs. The changes, which impact the US large-cap Russell 1000<sup>®</sup> Index, small-cap Russell 2000<sup>®</sup> Index and Russell Microcap<sup>®</sup> Index, became effective after the close of the U.S. equity markets on Friday, September 18<sup>th</sup> and were reflected today.

### **Susan Quintin, Head of Equity Index Product Management, Information Services, LSEG:**

“We are pleased to provide the new ICB framework to Russell US index clients following a multi-year consultation and enhancement process. This important project combines the best-in-class sector classification framework with the widely-tracked Russell US equity benchmarks and is an important step toward even greater consistency around our global family of equity benchmarks.”

Initially planned to become effective in June during the height of the Covid-19 global crisis, the Russell US index ICB migration, which impacts over \$9 trillion in investor assets benchmarked to the Russell US Indexes, was postponed to September to ensure a smooth process for investors. The enhancements to the ICB framework and index transition were based on extensive client feedback and consultation, which FTSE Russell initiated in 2016 and finalized in 2019. Importantly, the US migration to ICB is the first step toward a consistent industry classification framework across FTSE Russell’s equity indexes globally, with the FTSE Global Equity Index Series expected to transition to ICB in 2021.

Under the new ICB framework, the Russell US Indexes now follow the ICB classification system, comprised of 11 industries, 20 supersectors, 45 sectors and 173 subsectors. Notably, with the transition, nine RGS sectors become 11 ICB industries at the top level, including the creation of a separate ICB Real Estate industry and expansion of the ICB Telecommunications industry, which now includes Telecommunications Equipment (moved from Technology and includes companies such as Cisco Systems and Motorola Solutions) and Cable Television Services (moved from Consumer Discretionary and includes companies such as Comcast and Liberty Broadband). ICB adopted the Consumer Discretionary / Staples framework from RGS and has renamed ICB Oil and Gas to ICB Energy. FTSE Russell provides more details on these changes in a recently published [research paper](#).



FTSE Russell also welcomes forty-six new IPO additions to its Russell US Indexes as a result of this quarter's regularly scheduled IPO addition process, reflecting a surge in U.S. equity markets and prevalent Covid-19 era investment trends. Notably, online used car marketplace Vroom Inc. (VRM) and Royalty Pharma (RPRX), the provider of late stage funding for pharmaceutical companies, have joined the Russell 1000.

Vroom has been assigned to the newly created ICB Consumer Digital Service subsector within the ICB Technology industry, and Royalty Pharma has been assigned to the ICB Pharmaceuticals subsector within the ICB Health Care industry. Thirty companies have joined the Russell 2000, with 18 of the companies joining the ICB Biotechnology subsector within the ICB Health Care industry. For a complete list of third quarter Russell US index IPO additions, go to the [FTSE Russell website](#).

**Catherine Yoshimoto, Director, Equity Index Product Management, FTSE Russell:**

“Our quarterly index update process is a hallmark of the time-tested, robust and consistent methodology that governs FTSE Russell indexes globally. This quarter, we are very excited to complete our extensive ICB migration to our Russell US Indexes and welcome a new class of Russell US index IPO additions reflecting a vibrant US equity market. These updates reinforce the relevance of our indexes for investors.”

**John Worth, Executive Vice President, Research & Investor Outreach, Nareit:**

“These changes to ICB by FTSE Russell will appropriately recognize the growing importance of stock exchange-listed real estate companies, including REITs, engaged in the ownership, leasing and management of real estate.”

For more insight on the ICB migration process, you can access the FTSE Russell research paper – [Industry Classification Benchmark \(ICB\) reclassification](#). And for a list of the third quarter Russell US index IPO additions, you can go to the [FTSE Russell website](#).

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**For further information:**

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**Notes to editors:**

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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.



# Press Release

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