

Russell Earnings Leaders Index Series

v1.0

Contents

Section 1 Introduction	3
Section 2 Management responsibilities	4
Section 3 FTSE Russell index policies	5
Section 4 Eligible securities	7
Section 5 Periodic review of constituents	8
Section 6 Changes to constituent companies.....	10
Section 7 Corporate actions and events.....	11
Appendix A Further information	12

Section 1

Introduction

1. Introduction

1.1 This document sets out the Ground Rules for the construction and management of the Russell Earnings Leaders Index Series.

The Russell Earnings Leaders Index Series is designed to reflect the performance of securities that meet defined earnings-based criteria.

1.2 These Ground Rules should be read in conjunction with the Russell US Equity Indices Construction and Methodology which is available at <https://www.lseg.com/en/ftse-russell/>. Unless stated in these Ground Rules, the Russell Earnings Leaders Index Series will follow the same process as the Russell US Equity Indices construction and methodology.

1.3 The Russell Earnings Leaders Index Series does not take account of ESG factors in its index design.

1.4 Price return and total return will be calculated on an end-of-day basis.

1.5 The base currency of the benchmark is US Dollars. Index values may also be published in other currencies.

1.6 The indices may be calculated in real time.

1.7 FTSE Russell

1.7.1 FTSE Russell hereby notifies users of the index that it is possible that circumstances, including external events beyond the control of FTSE Russell, may necessitate changes to, or the cessation of, the index and therefore, any financial contracts or other financial instruments that reference the index or investment funds which use the index to measure their performance should be able to withstand, or otherwise address the possibility of changes to, or cessation of, the index.

1.7.2 Index users who choose to follow this index or to buy products that claim to follow this index should assess the merits of the index rules-based methodology and take independent investment advice before investing their own or client funds. No liability whether as a result of negligence or otherwise is accepted by FTSE Russell (or any person concerned with the preparation or publication of these Ground Rules) for any losses, damages, claims and expenses suffered by any person as a result of:

- any reliance on these Ground Rules;
- any inaccuracies in these Ground Rules;
- any non-application or misapplication of the policies or procedures described in these Ground Rules; and/or
- any inaccuracies in the compilation of the index or any constituent data.

Section 2

Management responsibilities

2. Management responsibilities

2.1 FTSE International Limited (FTSE)¹

2.1.1 FTSE is the benchmark administrator of the index.

2.1.2 FTSE is responsible for the daily calculation, production and operation of the index, and will:

- maintain records of the index weightings of all constituents;
- make changes to the constituents and their weightings in accordance with the Ground Rules;
- carry out periodic index reviews of the index and apply the changes resulting from the reviews as required by the Ground Rules;
- publish changes to the constituent weightings resulting from their ongoing maintenance and the periodic reviews; and
- disseminate the index.

2.2 Amendments to these Ground Rules

2.2.1 These Ground Rules shall be subject to regular review (at least once a year) by FTSE Russell to ensure that they continue to best reflect the aims of the index series. Any proposals for significant amendments to these Ground Rules will be subject to consultation with FTSE Russell advisory committees and other stakeholders if appropriate. The feedback from these consultations will be considered by the FTSE Russell Index Governance Board before approval is granted.

2.2.2 As provided for in the Statement of Principles for FTSE Russell Equity Indices, where FTSE Russell determines that the Ground Rules are silent or do not specifically and unambiguously apply to the subject matter of any decision, any decision shall be based as far as practical on the Statement of Principles. After making any such determination, FTSE Russell shall advise the market of its decision at the earliest opportunity. Any such treatment will not be considered as an exception or change to the Ground Rules, or to set a precedent for future action, but FTSE Russell will consider whether the Ground Rules should subsequently be updated to provide greater clarity.

¹ The term administrator is used in this document in the same sense as it is defined in [Regulation \(EU\) 2016/1011 of the European Parliament and of the Council of 8 June 2016 on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds](#) (the European Benchmark Regulation) and [The Benchmarks \(Amendment and Transitional Provision\) \(EU Exit\) Regulations 2019](#) (the UK Benchmark Regulation).

Section 3

FTSE Russell index policies

3. FTSE Russell index policies

These Ground Rules should be read in conjunction with the following policy documents, which can be accessed using the links below:

3.1 Corporate Actions and Events Guide

3.2 Full details of changes to constituent companies due to corporate actions and events can be accessed in the Corporate Actions and Events Guide for Market Capitalisation Weighted Indices using the following link:

[Corporate Actions and Events Guide for Market Capitalisation Weighted Indices](#)

3.3 Statement of Principles for FTSE Russell Equity Indices (the Statement of Principles)

Indices need to keep abreast of changing markets and the Ground Rules cannot anticipate every eventuality. Where the Ground Rules do not fully cover a specific event or development, FTSE Russell will determine the appropriate treatment by reference to the Statement of Principles, which summarises the ethos underlying FTSE Russell's approach to index construction. The Statement of Principles is reviewed annually and any changes proposed by FTSE Russell are presented to the FTSE Russell policy advisory board for discussion before approval by FTSE Russell's Index Governance Board.

The Statement of Principles can be accessed using the following link:

[Statement of Principles.pdf](#)

3.4 Queries and Complaints

FTSE Russell's complaints procedure can be accessed using the following link:

[Benchmark Determination Complaints Handling Policy.pdf](#)

3.5 Index Policy for Trading Halts and Market Closures

Guidance for the treatment of index changes in the event of trading halts or market closures can be found using the following link:

[Index Policy for Trading Halts and Market Closures.pdf](#)

3.6 Index Policy in the Event Clients are Unable to Trade a Market or a Security

3.6.1 Details of FTSE Russell's treatment can be accessed using the following link:

[Index Policy in the Event Clients are Unable to Trade a Market or a Security.pdf](#)

3.7 Recalculation Policy and Guidelines

- 3.7.1 Where an inaccuracy is identified, FTSE Russell will follow the steps set out in the FTSE Russell Index Recalculation Guidelines when determining whether an index or index series should be recalculated and/or associated data products reissued. Users of the Russell US Equity Index Series will be notified through appropriate media.

For further information, refer to the FTSE Russell Recalculation Policy and Guidelines document, which is available from the FTSE Russell website using the link below or by contacting info@ftserussell.com.

[Recalculation Policy and Guidelines Equity Indices.pdf](#)

3.8 Policy for Benchmark Methodology Changes

Details of FTSE Russell's policy for making benchmark methodology changes can be accessed using the following link:

[Policy for Benchmark Methodology Changes.pdf](#)

3.9 FTSE Russell Governance Framework

- 3.9.1 To oversee its indices, FTSE Russell employs a governance framework that encompasses product, service and technology governance. The framework incorporates the London Stock Exchange Group's three lines of defence risk management framework and is designed to meet the requirements of the IOSCO Principles for Financial Benchmarks², the European benchmark regulation³ and the UK benchmark regulation⁴. The FTSE Russell Governance Framework can be accessed using the following link:

[FTSE Russell Governance Framework.pdf](#)

3.10 Real Time Status Definitions

- 3.10.1 Please refer to the following guide for details of real time status definitions for indices that are calculated in real time.

[Real Time Status Definitions.pdf](#)

² IOSCO Principles for Financial Benchmarks Final Report, FR07/13 July 2013.

³ Regulation (EU) 2016/1011 of the European Parliament and of the Council of 8 June 2016 on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds.

⁴ The Benchmarks (Amendment and Transitional Provision) (EU Exit) Regulations 2019.

Section 4

Eligible securities

4. Eligible securities

4.1 The eligible securities of each index are the constituents of the relevant underlying index:

Index	Underlying index
Russell 2000 Earnings Leaders Index	Russell 2000 Index

Section 5

Periodic review of constituents

5. Periodic review of constituents

5.1 Review and price dates

- 5.1.1 The Russell Earnings Leaders Index Series is reviewed on a quarterly basis in March, June, September, and December.
- 5.1.2 The Russell Earnings Leaders Index Series review is effective at the close of the third Friday of the month in March and September. June's re-weighting is completed at the close of the fourth Friday in June, and December's re-weighting is completed at the close of the second Friday in December⁵.
- 5.1.3 The Russell Earnings Leaders Index Series is reviewed based on the stock prices available at the close of business on the Wednesday before the second Friday in June (price cut-off date) and the Wednesday three weeks prior to the effective date in December⁶, incorporating underlying index constituent changes according to the implementation date shown in Rule 5.1.2.
- 5.1.4 The March and September review are based on the stock prices available at the close of the Wednesday before the first Friday of the month, incorporating underlying index constituent changes according to the implementation date shown in Rule 5.1.2.

5.2 Review procedure

- 5.2.1 The constituents of each Russell Earnings Leaders Index are drawn from the underlying index after adjusting for any review changes that are implemented after the close of business on the third Friday in March and September, the fourth Friday in June, and the second Friday in December.
- 5.2.2 The Russell Earnings Leaders parameters

Metric	Threshold	Applicable Industries	Additional Notes
Return on Equity	Difference from prior 3-years value must be greater than or equal to 1%	All	Starting value (3 years prior) must be greater than zero. Metric is comprised of last 12 months of data
Net Profit Margin	Difference from prior 3-years value must be greater than or equal to 1%	Excludes Financials, Real Estate	Starting value (3 years prior) must be greater than zero. Metric is comprised of last 12 months of data
Earnings Values	Last 12-months of earnings must be greater than zero	Financials (ICB Industry Code 30)	Not applicable

⁵ Historical December reviews are effective at the close of the third Friday of December before 2026.

⁶ Historical December reviews are based on the stock prices available at the close of the Wednesday before the first Friday of the month before 2026.

Metric	Threshold	Applicable Industries	Additional Notes
Funds from Operations Values (FFO)	Last 12-months of FFO must be greater than zero	Real Estate (ICB Industry Code 35)	If FFO is not available for a Real Estate firm, Earnings Value will be used to determine inclusion

Constituents of the underlying index that satisfy the above thresholds (where applicable) will be included in the Russell Earnings Leaders Index.

5.2.3 The data cut-off date for the calculation of all metric data is the close of business on the last business day of the month preceding the review effective month, except for the December review⁷, for which the cut-off date is the last business day of the month two months prior to the review effective month (i.e., October).

5.3 Weighting

5.3.1 Initially weighted based on float adjusted market capitalization of each index constituent.

5.3.2 RIC capping will be applied according to 4.2 of the [Capping Methodology](#) such that all companies with a weight greater than 4.5% in aggregate are no more than 48% of the index and no individual company in the index has a weight greater than 20% of the index.

⁷ The December reviews data cut-off date for the calculation of all metric data is the close of business on the last business day of the month preceding the review effective month before 2026.

Section 6

Changes to constituent companies

6. Changes to constituent companies

6.1 Intra-review additions

Additions to the underlying index will be considered for inclusion in the Russell Earnings Leaders Index Series at the next review.

6.2 Intra-review deletions

6.2.1 A constituent will be removed from the Russell Earnings Leaders Index Series if it is also removed from the underlying index. The deletion will be effective concurrent with the removal from the underlying index provided a minimum of two days' notice can be provided.

Section 7

Corporate actions and events

7. Corporate actions and events

7.1 Full details of changes to constituent companies due to corporate actions and events can be accessed in the Corporate Actions and Events Guide for Market Capitalisation Weighted Indices using the following link:

[Corporate Actions and Events Guide for Market Capitalisation Weighted Indices](#)

A corporate action is an action on shareholders with a prescribed ex-date. The share price will be subject to an adjustment on the ex-date. The index will be adjusted in line with the ex-date.

These include the following:

- capital repayments;
- rights issues/entitlement offers;
- stock conversion;
- splits (sub-division)/reverse splits (consolidation); and
- scrip issues (capitalisation or bonus issue)

A corporate event is a reaction to company news (event) that may impact the index depending on the index rules. For example, a company announces a strategic shareholder is offering to sell their shares (secondary share offer) – this could result in a free float weighting change in the index. Where an index adjustment is required, FTSE will provide notice advising of the timing of the change.

7.2 Suspension of dealing

Suspension of dealing rules can be found within the Corporate Actions and Events Guide for Market Capitalisation Weighted Indices.

7.3 Takeovers, mergers and demergers

The treatment of takeovers, mergers and demergers can be found within the Corporate Actions and Events Guide for Market Capitalisation Weighted Indices.

Appendix A

Further information

A Glossary of Terms used in FTSE Russell's ground rule documents can be found using the following link:

[Glossary.pdf](#)

Further information on the Russell Earnings Leaders Index Series is available from FTSE Russell.

For contact details, please visit the FTSE Russell website or contact FTSE Russell client services at info@ftseRussell.com.

Website: <https://www.lseg.com/en/ftse-russell>

Disclaimer

© 2026 London Stock Exchange Group plc and its applicable group undertakings ("LSEG"). LSEG includes (1) FTSE International Limited ("FTSE"), (2) Frank Russell Company ("Russell"), (3) FTSE Global Debt Capital Markets Inc. "FTSE Canada", (4) FTSE Fixed Income LLC ("FTSE FI"), (5) FTSE (Beijing) Consulting Limited ("WOFE"), (6) FTSE EU SAS ("FTSE EU"). All rights reserved.

FTSE Russell® is a trading name of FTSE, Russell, FTSE Canada, FTSE FI, WOFE, FTSE EU and other LSEG entities providing LSEG Benchmark and Index services. "FTSE®", "Russell®", "FTSE Russell®", "FTSE4Good®", "ICB®", "Refinitiv", "WMR™", "FR™" and all other trademarks and service marks used herein (whether registered or unregistered) are trademarks and/or service marks owned or licensed by the applicable member of LSEG or their respective licensors.

The Russell Earnings Leaders Index Series is calculated by or on behalf of FTSE International Limited or its affiliate, agent or partner.

FTSE International Limited is authorised as a Benchmark Administrator and regulated in the United Kingdom (UK) by the Financial Conduct Authority ("FCA") according to the UK Benchmark Regulation, FCA Reference Number 796803. FTSE EU SAS is authorised as Benchmark Administrator and regulated in the European Union (EU) by the Autorité des Marchés Financiers ("AMF") according to the EU Benchmark Regulation.

All information is provided for information purposes only. All information and data contained in this publication is obtained by LSEG, from sources believed by it to be accurate and reliable. Because of the possibility of human and mechanical inaccuracy as well as other factors, however, such information and data is provided "as is" without warranty of any kind. No member of LSEG nor their respective directors, officers, employees, partners or licensors make any claim, prediction, warranty or representation whatsoever, expressly or impliedly, either as to the accuracy, timeliness, completeness, merchantability of any information or LSEG Products, or of results to be obtained from the use of LSEG products, including but not limited to indices, rates, data and analytics, or the fitness or suitability of the LSEG products for any particular purpose to which they might be put. The user of the information assumes the entire risk of any use it may make or permit to be made of the information.

No responsibility or liability can be accepted by any member of LSEG nor their respective directors, officers, employees, partners or licensors for (a) any loss or damage in whole or in part caused by, resulting from, or relating to any inaccuracy (negligent or otherwise) or other circumstance involved in procuring, collecting, compiling, interpreting, analysing, editing, transcribing, transmitting, communicating or delivering any such information or data or from use of this document or links to this document or (b) any direct, indirect, special, consequential or incidental damages whatsoever, even if any member of LSEG is advised in advance of the possibility of such damages, resulting from the use of, or inability to use, such information.

No member of LSEG nor their respective directors, officers, employees, partners or licensors provide investment advice and nothing in this document should be taken as constituting financial or investment advice. No member of LSEG nor their respective directors, officers, employees, partners, or licensors make any representation regarding the advisability of investing in any asset or whether such investment creates any legal or compliance risks for the investor. A decision to invest in any such asset should not be made in reliance on any information herein. Indices and rates cannot be invested in directly. Inclusion of an asset in an index or rate is not a recommendation to buy, sell or hold that asset nor confirmation that any particular investor may lawfully buy, sell or hold the asset or an index or rate containing the asset. The general information contained in this publication should not be acted upon without obtaining specific legal, tax, and investment advice from a licensed professional.

No part of this information may be reproduced, stored in a retrieval system or transmitted in any form or by any means, electronic, mechanical, photocopying, recording or otherwise, without prior written permission of the applicable member of LSEG. Use and distribution of LSEG data requires a licence from LSEG and/or its licensors.