Russell US Equity Index Series: history of Ground Rule updates

Changes to the Ground Rules go through the internal governance process via the Equity Operational and Technical Forum, Equity Methodology Forum, and FTSE Russell Index Governance Board meetings. The changes may also be discussed at FTSE Russell external advisory committees.

Changes to policy documents shown in the Ground Rules such as the Corporate Actions and Events Guides can be found separately.

For a current copy of the Russell US Equity Index Series Construction and Methodology, please use the following link: Russell US Equity Indexes Construction and Methodology.

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2026

February 2026: Market Consultation: IPO Fast-Entry and Minimum Eligibility Requirements

FTSE Russell consulted the market on introducing a Fast-Entry IPO rule and revising eligibility criteria for the Russell U.S. Equity Indexes ahead of major 2026 IPOs such as SpaceX, OpenAI, and Anthropic. The proposal aims to allow quicker index inclusion and potentially relax minimum free-float and voting-rights thresholds, since some upcoming IPOs may not meet current requirements.
research.ftserussell.com/products/index-notices/home/getmethodology/?id=2618697

March 2026: Market Consultation - IPO Fast-Entry and Minimum Eligibility Requirements

The IPO Fast-Entry Consultation deadline was extended to April 3, 2026 to allow more time for market input.
research.ftserussell.com/products/index-notices/home/getmethodology/?id=2619123

March 2026: Russell US Indexes – Construction and Methodology Updates

Following the Technical Notice issued on 5 November 2025, multiple sections of the Russell US Construction and Methodology were updated to reflect the change in the reconstitution schedule.
https://research.ftserussell.com/products/index-notices/home/getmethodology?id=2618855

May 2026: IPO Fast Entry and Minimum Eligibility Requirements

Following the consultation launched in February 2026 FTSE Russell Index Governance Board approved the following changes:

- IPOs with an investable market capitalisation greater than the market adjusted total market capitalisation breakpoint for the Russell Top 500 as of the previous reconstitution will be eligible for potential fast entry inclusion. Breakpoints established at the semi-annual reconstitution will be market-adjusted quarterly.
- Investable market capitalisation will be determined using the free float shares available at the time of the IPO and the price as of the end of the first trading day.
- IPOs with less than 5% float or voting rights, due to lock ups, will be considered eligible should those lock ups bring the IPO above the minimum requirements within 12 months from the date of index inclusion.
- Eligible Fast Entry IPOs will be added after the close of the fifth day of trading following the initial listing (FTSE Russell will provide notice confirming the effective date). • Fast Entry IPOs with an effective addition date falling within lock-down (2026 Reconstitution Dates) will be implemented in conjunction with the scheduled rebalance.
- Fast Entry IPOs must be fully guaranteed (i.e. underwritten). Only shares offered at the time of the IPO will be included within the investable market capitalization calculation. Variable, best effort and direct listing IPOs will be considered for index inclusion at the next quarterly review.

For the avoidance of doubt, other rules regarding IPOs or other index membership rules remain unchanged, including:

- Freely available shares/float will be calculated consistently; the current methodology can be found using the following link: Free Float Restrictions.
- Eligible IPOs will be added all at one time (versus tranches) aligning with current quarterly IPO methodology.
- Eligible IPOs are added to Russell's growth/value indexes using ICB average style probability established at the latest reconstitution. Style probabilities will be re-assessed at each semi-annual reconstitution for all IPOs added after the previous rank date. In accordance with FTSE Russell's Statement of Principles, FTSE Russell will seek to ensure index objectives are met and trading/turnover is minimized. If fundamentals are available; SpaceX will be reviewed independently from the industry average to determine style.

Technical Notice

2025

March 2025: Russell US Indexes – Construction and Methodology Updates

FTSE Russell has announced updates to the Russell US Indexes methodology, including the introduction of uncapped “Benchmark” style indexes and clarifications related to RIC capping, effective immediately. Starting from March 24, 2025, standard Russell US Style Indexes will apply quarterly capping, while Benchmark indexes remain uncapped, with historical data aligned until that date. Additional changes effective at the June annual reconstitution include updates for SPAC IPO inclusion rules and revisions to free float guidelines per the February 27, 2025 notice.

research.ftserussell.com/products/index-notices/home/getmethodology/?id=2615128

March 2025: defining eligible securities

FTSE Russell clarified the rules around defining eligible securities with the addition of a new example.

research.ftserussell.com/products/index-notices/home/getmethodology/?id=2615484

May 2025: alignment of notice periods

FTSE Russell announced the alignment of notice periods with the two day notice period for tradeable events adopted from July 2025.

research.ftserussell.com/products/index-notices/home/getmethodology/?id=2616019

July 2025: Treatment for exposure of Australian (CDIs)

FTSE Russell announced an update to the Russell US Indexes Construction and Methodology (Section 5.16), effective from the September 2025 index reviews, regarding Australian Chess Depository Interests (CDIs). Securities with 40% or more free float in CDIs for new additions will have CDI shares treated as restricted and excluded from free float. For existing members, if CDI exposure is 50% or greater, the CDI portion will be restricted at the next review. US common shares remain eligible if they meet other requirements. Preliminary analysis indicates three impacted members: Life360, James Hardie, and Avita Medical, with changes effective September 2025. This rule applies only to Russell US Indexes and related derivatives, not FTSE GEIS.

research.ftserussell.com/products/index-notices/home/getmethodology/?id=2616442

November 2025: Semi-Annual Reconstitution - Schedule Update

FTSE Russell announced a change to the timing of the Russell US Indices semi-annual reconstitution based on market feedback. The reconstitution, scheduled to begin in Q4 2026, will now take effect after the close of business on Friday, 11 December 2026 instead of the previously announced second Friday in November, while the June reconstitution remains unchanged. This adjustment aims to maintain the current October cut-off date, balance the schedule between periods, and leverage liquidity available in early December.

getnotice

2024

May 2024: Reconstitution schedule

FTSE Russell announced some updates to the reconstitution schedule as shown in bold below

- **Implementation** of the Russell US index annual reconstitution in June is conducted after the close on the fourth Friday in June (i.e. the reconstitution changes take effect from the open on the Monday following the fourth Friday).
- The **rank day** occurs on the last business day of the first month of the quarter (April), with membership eligibility determined using public information available on the rank day and market capitalisations calculated at market close. * Note: style attributes are also calculated as of the last business day of April.
- Additions, deletions, indicative shares outstanding and free float data is published on the fifth Friday prior to the reconstitution implementation. The **query period** opens and FTSE Russell welcomes queries on the published data.
- Preliminary add and delete lists are also posted to the FTSE Russell website on the fifth Friday prior to the reconstitution implementation (after market close).
- **Russell US series will observe a two-week query period immediately following our official preliminary announcement and a three-week lock down prior to implementation.**
- **At the conclusion of the query period, the Russell US index will be in a three-week lock down until implementation. During lock down,** the Russell US index annual reconstitution is considered final and any additional changes are made in exceptional circumstances only, in accordance with the FTSE Russell Recalculation Policy and Guidelines: equity-index-recalculation-policy-and-guidelines.pdf

  *For the avoidance of doubt, Russell US will observe a three-week lockdown, while FTSE GEIS will experience a two week lock down given the difference in implementation dates in June).
  research.ftserussell.com/products/index-notices/home/getmethodology/?id=2612438

November 2024: Results of the Consultation on Capping the Russell US Style

FTSE Russell's August 2024 consultation on rising market concentration received broad support for adding caps to the Russell US Style Indexes, leading to the adoption of a 22.5% individual cap and a 45% aggregate cap for companies exceeding 4.5% weight, effective from the March 21, 2025 review. These caps will apply at each quarterly and annual review, with uncapped "Benchmark" versions of the indexes also provided to clients.

research.ftserussell.com/products/index-notices/home/getmethodology/?id=2614011

2023

June 2023: Construction and Methodology Updates

FTSE Russell has updated Rule 6.9 of the Russell US Indexes Construction and Methodology to clarify the timing and process for IPO additions, effective immediately. The update specifies quarterly IPO rank dates, review and announcement timelines, and distinguishes June IPO additions as part of the annual reconstitution becoming effective on the fourth Friday of June.

research.ftserussell.com/products/index-notices/home/getmethodology/?id=2608345

January 2023: alignment of review cut-off dates (effective from June 2023)

FTSE Russell announced the alignment of certain index review cut-off and rank dates to support a simplified index review calendar and provide greater transparency during the index review process. These changes will allow comprehensive and shared cut-off and rank dates between index families during the index review periods.

Within the Russell US Index families, the quarterly cut-offs for the shares in issue and free float updates, the IPO review period and the ICB review period will now occur on the last business days of January, April, July and October respectively. The Russell reconstitution rank date will also occur on the last business day of April. For the avoidance of doubt, the annual reconstitution implementation date will remain unchanged and will continue to be implemented on the fourth Friday in June (after the close).

https://research.ftserussell.com/products/index-notices/home/getnotice/?id=2606886

2022

February 2022: defining eligible securities – Chinese share classes

FTSE Russell clarified the construction and methodology with regard to Chinese share classes.

If a company is designated as a Chinese N share, it will not be considered for inclusion within the Russell US Indices. An N share is a company incorporated outside of mainland China that trades on the New York Stock Exchange, the NASDAQ Exchange or the NYSE American. An N share will have its headquarters or establishment in mainland China, with the majority of its revenue or assets derived from the PRC. Further information regarding the designation of N shares is available within appendix B.

https://research.ftserussell.com/products/index-notices/home/getnotice/?id=2603203

March 2022: construction and methodology updates

FTSE Russell provided a timetable for the 2022 reconstitution and summarised the main methodology enhancements over the past 12 months.

https://research.ftserussell.com/products/index-notices/home/getnotice?id=2603474

June 2022: variable, best effort and direct listing IPOs

FTSE Russell updated the Ground Rules to include details around the treatment of direct listing IPOs.

https://research.ftserussell.com/products/index-notices/home/getmethodology/?id=2604764

December 2022: treatment of publicly traded partnerships (PTPs)

FTSE Russell noted that it is aware of the United States Department of the Treasury, Internal Revenue Service (IRS), withholding of tax and information reporting with respect to interests in partnerships engaged in a US trade or business legislation.

The legislation, Internal Revenue Code (IRC) section 1446 (f), was effective from 1 January 2023 and imposes a 10% withholding tax (WHT) obligation on all non-US investors who make a gain from disposing of their shares in a publicly traded partnership (PTP) if that PTP has underlying US-based assets that generate effectively connected income. Some market participants have reported ceasing providing settlement services or supporting trading for certain PTPs that they deem to be in-scope of IRC 1446 (f).

A PTP is currently an eligible corporate structure within the FTSE Global Equity Index Series (GEIS) and the Russell US indices. FTSE Russell has conducted a review of PTPs and deems the current index constituents not to be in-scope of IRC 1446 (f), hence no further action will be taken by FTSE Russell in relation to IRC 1446 (f) at this time.

If market participants cease providing settlement services or supporting trading in PTP structured index constituents, FTSE Russell will review the eligibility of those names on a case-by-case basis.

https://research.ftserussell.com/products/index-notices/home/getmethodology/?id=2606536

2021

July 2021: clarification regarding SPAC IPOs

FTSE Russell added the following rule with regard to SPAC IPOs.

SPAC IPOs:

– If an unlisted special purpose acquisition company (SPAC) acquires a target company, becomes an eligible company structure and files an IPO registration statement and lists, all in the same quarterly window, then the company will be considered an IPO for the purposes of index inclusion.

– If an unlisted SPAC files an IPO registration statement and lists, then acquires a target company and becomes an eligible company structure and files another registration statement, all in the same quarterly window, then the company will be considered an IPO.

– If a listed SPAC (which listed prior to the current quarterly window), acquires a target company and subsequently files another registration statement, the company will not be considered an IPO.

https://research.ftserussell.com/products/index-notices

2020

November 2020: clarification regarding corporate action at reconstitution and eligible securities

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.

FTSE Russell also clarified that standard exchanges are considered to be those listed in appendix A (eligible exchanges and market segments) of the FTSE Global Equity Index Series Ground Rules as well as the Toronto Stock Exchange venture market.

https://research.ftserussell.com/products/index-notices/home/getmethodology?id=2598491

June 2020: update to exchange and segment requirements

FTSE Russell clarified the treatment of exchange and segment requirements, updating the rule to include review of availability of real-time prices.

https://research.ftserussell.com/products/index-notices

May 2020 Russell US Equity Indexes – treatment of variable and best effort IPOs

FTSE Russell clarified the treatment of variable and best effort IPOs.

https://research.ftserussell.com/products/index-notices

March 2020: annual reconstitution

Confirmed the Russell US Index constitution will take place after market close on 26 June 2020.

https://research.ftserussell.com/products/index-notices

2019

November 2019: review timetable announcement

Announcement of important dates for Russell US Index December 2019 review.

https://research.ftserussell.com/products/index-notices

October 2019: update to eligible exchange and segment requirements

Eligible exchanges included to include CBOE, NYSE, NYSE American, NASDAQ and ARCA.

https://research.ftserussell.com/products/index-notices

August 2019: update to Russell US Indexes IPO calendar

https://research.ftserussell.com/products/index-notices

March 2019: Russell annual reconstitution

FTSE Russell clarified the free float requirement rule following client questions.

https://research.ftserussell.com/products/index-notices

March 2019: Russell annual reconstitution

FTSE Russell updated the Ground Rules including updates to the minimum free float requirement, free float section, country versus regional reporting and post reconstitution corrections.

https://research.ftserussell.com/products/index-notices

2018

August 2018: variable, best efforts and direct listing IPOs

FTSE Russell updated the Ground Rules to confirm treatment of variable, best efforts and direct listing IPOs.

https://research.ftserussell.com/products/index-notices

May 2018: update for quarterly IPOs, home country indicators and free float restrictions

FTSE Russell confirmed that going forward, companies listing via a variable or best effort IPO will only be considered for inclusion once the number of shares sold during the IPO have been confirmed via a company press release or an SEC filing.

Free float restrictions guidelines have been updated to clarify that venture capital and private equity firms holding greater than 10% are restricted regardless of the firm being founding or not.

https://research.ftserussell.com/products/index-notices

March 2018: update for quarterly and intra-quarter free float and share updates

FTSE Russell announced that the practice of calculating whether or not an equity offering breached the threshold to trigger an intra-quarter update would now use the subscription price rather than the market price. UK tender offer buy backs will be implemented intra-quarter if the requisite thresholds are met.

https://research.ftserussell.com/products/index-notices

2017

December 2017: corporate action driven changes

FTSE Russell clarified the construction and methodology with regard to corporate action driven changes. Once FTSE Russell is aware that an offering has priced (confirmed via an appropriate publicly disclosed announcement or filing), the update will be implemented with two days' notice from market close (contingent on the thresholds stated in the rule re updates outside of the quarterly update cycle being triggered).

https://research.ftserussell.com/products/index-notices

October 2017: update for exchange name

FTSE Russell updated the construction and methodology to reflect the NYSE American exchange name.

https://research.ftserussell.com/products/index-notices

September 2017: December 2017 index review schedule

FTSE Russell clarified the December review schedule.

https://research.ftserussell.com/products/index-notices

August 2017: September 2017 index review schedule

FTSE Russell clarified the September review schedule.

https://research.ftserussell.com/products/index-notices

May 2017: Russell US Indexes – IPO additions schedule and share and free float maintenance

FTSE Russell defined the IPO calendar for new IPO additions to the Russell US Indexes during the forthcoming quarterly cycles and clarified the methodology update for shares and free float.

https://research.ftserussell.com/products/index-notices

April 2017: eligibility of securities with zero voting rights

FTSE Russell confirmed the treatment of securities with no voting rights and announced a proposal to consult users and other stakeholders regarding potential changes to the security eligibility and weighting rules of FTSE Russell indexes.

https://research.ftserussell.com/products/index-notices

April 2017: China N shares – effective June 2017

Further to the notice “FTSE Russell nationality alignment consultation: next steps” released on 3 March 2017, FTSE Russell clarified the impact of the China nationality rule on the Russell US Indexes.

https://research.ftserussell.com/products/index-notices

March 2017: Russell US Index reconstitution 2017

FTSE Russell announced the reconstitution schedule for the Russell US Indexes reconstitution for 2017 together with a number of methodology enhancements including eligibility of new market exchanges, free float restrictions, dummy lines/placeholders and updates to shares and free float.

– **Rank date**
  To promote an accurate, seamless reconstitution process and to facilitate the scheduled June alignment of shares outstanding and free float across the Russell and FTSE indexes, the rank date used for Russell US Index membership eligibility changed from the end of May to align with FTSE Russell indexes. Fundamental characteristic data used for index builds (e.g. style and stability attributes) will continue to be based on data as of May month-end.

– **Reconstitution date**
  Reconstitution occurs on the last Friday in June. However, at times this date is too proximal to exchange closures and abbreviated exchange trading schedules when market liquidity is exceptionally low. To ensure proper liquidity in the markets, when the last Friday in June falls on the 29th or 30th, reconstitution will occur on the preceding Friday.

  https://research.ftserussell.com/products/index-notices

2016

August 2016: treatment of spin-offs

FTSE Russell announced enhancements to the Russell US Equity Indexes. The rules around spin-offs were clarified.

https://research.ftserussell.com/products/index-notices

June 2016: Ground Rule changes

FTSE Russell announced that the following changes had been made.

– Section 7: update of halted securities' rule and clarification of spin-off rule.

March 2016: Ground Rule changes

FTSE Russell announced that the following changes had been made.

– Section 4: updated language for multiple share classes and pricing trading vehicle.
– Section 5: updated language for capitalisation adjustments.
– Section 6: updated language for book value adjustments.
– Section 7: updated language for M&A between an index member and a non-index member, spin-offs, stock distributions and distributions in specie, and halted securities.
– Appendix B: updated language for assets and revenue reporting.
– Added appendix G: queries, complaints and appeals.

2015

December 2015: Ground Rule changes

FTSE Russell announced that the following changes had been made.

– Section 7: updated language provided for merger and acquisition handling, rights valuation, spin-off valuation, tender offer treatment criteria, special dividend definition and updated halted security review criteria.

– Appendix E: provided link to full index recalculation policy document.

March 2015: Ground Rule changes

Russell announced that the following changes had been made.

– Section 3: added language for FINRA Alternative Display Facility pricing, clarified minimum closing price on last trading day in May.

– Section 4: updated language for stapled units, clarified corporate action ranking impact during June reconstitution and added details of new rules for the inclusion of multiple share classes and primary vehicle determination.

– Section 7: clarified merger language and changes to shares outstanding.

June 2015: multiple share class eligibility

Russell announced that all eligible share classes traded for a company will be reviewed independently for US index inclusion.

June 2015: change in methodology concerning dividend growth – sector representation

Russell announced a new methodology that will remove constituents from that sector in ascending order of dividend yield, first removing from the set of securities with the shortest history of dividend growth, then from the set with the next shortest, and so on, until the sector represents less than 30%.

June 2015: methodology change – month-end share change announcement

Russell announced a change from four trading days to six trading days.

2014

August 2014: sanctioned Russian companies

Russell indexes will cap the number of shares of any Russian company named as having new equity blocked by OFAC and/or the EU so as not to exceed number of shares held in the index as of the date the sanction is announced. This means Russell Indexes will give no effect to any corporate action that would result in a net increase in shares until such time as the sanction is lifted or the stock become ineligible.

June 2014: BDC eligibility

Russell announced that BDC were no longer eligible due to SEC AFF reporting.

June 2014: stability spin-off treatment during reconstitution

Russell announced that spin-off probability is to be based on parent probabilities.

March 2014: fundamental index rebalance dates

Russell announced the new index rebalance dates are the last Friday of 1Q and 3Q.

January 2014: real-time calculated indexes

Russell announced that all real-time indexes calculated in-house using Indxis ICSii system.

2013

December 2013: predictive month-end holdings market value

Russell announced that market value reflects new shares times adjusted price where appropriate.

January 2013: non-US late announcement of dividends

Russell announced non-US regular cash dividends that are announced on the ex-date or thereafter will be reinvested across the index at the close on the following business day.

2012

June 2012: banding for styles (growth/value)

Russell announced the banding for styles has changed from +/- 15 to +/- 10.

June 2012: UBTI screening (US only)

Companies that produce unrelated business taxable income (UBTI) are restricted from ownership for tax-exempt investors. In recognition of this, Russell will screen all REITs and PTPs, removing any security from eligibility that generates or has historically generate UBTI.

June 2012: reporting as a subsidiary

Russell has announced that to remove any confusion surrounding qualification of reported data, Russell has removed the statement regarding reporting revenue as a subsidiary and will utilise information as reported.

June 2012: reporting in a table

Assets and/or revenue found in the text or tables of the geographical section of the filling is given preference over other information in the filing. Substantially all, the majority of assets and/or revenue are considered inconclusive statements. Assets and/or revenue must be reported as numbers or percentages or ALL statement.

2011

August 2011: net performance – special cash dividends

For special cash dividends and special dividends-in-kind that are subject to withholding taxes, a net negative dividend amount equivalent to the withholding tax will be reflected in the net return in conjunction with the price adjustment and applied on ex-date.

July 2011: month-end share changes

Russell announced a change from two trading days' notice to three days, regarding month-end share changes.

June 2011: new variables for growth/value

Russell announced two new growth/value variables: IBES medium-term (two year) growth and historical sales per share growth (five year). This was in place of having one growth variable, IBES long-term growth.

2010

June 2010: primary vehicle

Russell has announced that they will use a rolling two-year share volume in the determination of primary vehicle, rather than the three-tiered matrix. For those share classes with less than 20% difference in volume, available shares will be used as a tie-breaker. This has replaced the previous system of using a three-tiered matrix of relative trading volume, price and float-adjusted shares to determine primary vehicle.

June 2010: style substitution logic

Russell has announced that to enhance the methodology further in 2010, a weighted value score will be calculated for securities with low analyst coverage for IBESLT. For securities with a single analyst covering the security, 2/3 industry, subsector or sector group value score will be weighted with 1/3 the security's independent value score. For those securities with coverage by two analysts, 2/3 of the independent security's value score will be used and only 1/3 of the industry, subsector or sector group. For securities with at least three analysts contributing to IBESLT, 100% of the independent security's value score will be used.

June 2010: minimum float rules

Russell announced that a company must have at least 5% available market capitalisation to be eligible for the US indexes, regardless of capitalisation size.

June 2010: exception for Berkshire Hathaway

Historically, Berkshire Hathaway has been ineligible for the Russell indexes due to its holding company type and illiquid nature. However, given the recent acquisition and 50x1 split on B shares, Russell will now consider Berkshire Hathaway eligible during the reconstitution process.

June 2010: determining country

The US indexes included companies incorporated in the US, its territories and designated BDI countries/regions. The new rule for determining country assignment will rely on three key indicators – incorporation, headquarters and trading (location and volume). Companies that are incorporated, headquartered and trade in a single country become a member of that country. In the case of the US, they will become eligible for the US indexes. For companies not meeting all criteria, the primary location of assets or revenue will be used to determine eligibility. Headquarters will be used as the final determination if the company fails to report financial data by location.

March 2010: re-incorporations/change in country assignment

Russell announced that companies that reincorporate will be reviewed at reconstitution for their proper county assignment (with the exception of US companies that reincorporate outside of the US and, as a result, fail to trade on an eligible US exchange.

2009

December 2009: December month-end share changes

Russell announced that December month-end share changes will be applied on the third Friday along with IPO additions.

2009: November month-end share changes

November month-end share changes will be rolled into December with the IPO additions and December share changes on third Friday.

July 2009: changing primary vehicles outside of a recon period

Historically, the primary vehicle share class is typically re-examined at reconstitution, at the time of a major corporate action event or with the issuance of a new share class. The methodology has been updated so that primary vehicles will not be changed outside of a reconstitution period unless the existing class ceases to exist.

June 2009: change in total market capitalisation

Russell announced that exchangeable shares and membership nits will now be included in the calculation of total market capitalisation.

June 2009: thresholds for a change in primary vehicle

Russell announced that the thresholds for a change in primary vehicle during reconstitution have been widened to avoid unnecessary turnover.

June 2009: US companies that are not trading above $1 in their primary exchange

US companies that do not trade on their primary exchange on last trading day in May but do trade above $1 on another major US exchange are now considered eligible. The lowest closing price from another exchange will be used in the calculation of market capitalisation.

June 2009: existing members trading under $1 on last trading day in May

Historically, stock must trade at or above $1 on their primary exchange on 31 May to be eligible for inclusion in the Russell US Indexes during annual reconstitution or during IPO eligibility. To avoid unnecessary turnover in the volatile market of 2008 to 2009, existing members trading under $1 on last trading day in May will now be assessed using the monthly average price for May. If the monthly average is greater than $1, they will remain eligible.

June 2009: Russell US Indexes restricted to companies greater than $30 million

Russell announced that given the shrinking number of companies included in the US equity markets, the Russell US indexes will now be restricted to companies greater than $30 million.

2008

June 2008: float shares availability

Russell announced that companies with a small portion of shares available in the marketplace are no longer eligible for inclusion.

June 2008: book value calculation

Russell announced that it was no longer adjusting for FASB 158.

First quarter 2008: blank cheque companies and SPACs (special purpose acquisition companies)

Russell announced they were no longer eligible for inclusion. Existing members were grandfathered until reconstitution 2008.

2007

June 2007: reconstitution, month-end share adjustments and IPOs effective at open

New methodology implemented: after the close, reflected in the open holdings file.

June 2007: book value calculation

Additional adjustment for FASB 158.

June 2007: banding

Russell announced 5% bands around cumulative market capitalisation breakpoints (1% for micro-cap).

June 2007: US BDI methodology change

Previously, US BDI was non-eligible for inclusion. After the methodology change, it will be eligible for the US indexes. The initial list of countries was sent in January and then Panama was announced in March.

June 2007: reconstitution date clarification

Previously, the reconstitution date fell on the last Friday of June. The methodology was updated to clarify that if the last Friday falls on the 28th, 29th, 30th, the reconstitution will take place on the previous Friday.

2000 – 2004

September 2004: initial public offerings (IPOs)

Russell announced that eligible IPOs will be added quarterly, whereas IPOs have previously been only considered eligible at annual reconstitution.

2004: institutional holdings

Russell announced that institutional positions considered free floating, regardless of index membership. If it is determined to be a strategic position (>20%), it will be adjusted.

2003: turnover methodology

Previously, corporate activity that did not result in a delete or add was not reflected. Following this methodology change, there will be an industry standard turnover calculation (lesser of adds or deletes)

2003: secondary primary trading vehicle matrix

Russell clarified that if existing members are changing primary vehicle, a second matrix will be employed to determine nationality.

May 2003: use quarterly rather than annual BP

Russell announced that the most recently reported quarterly BP will be used to determine style. Before the methodology change, this was done annually.

April 2002: monthly share updates

Russell announced that only cumulative changes greater than 5% will be reflected in the monthly share updates.

January 2002: pricing change from composite to primary exchange

Previously composite prices were used for securities, but following the methodology change, primary exchange prices will be used for securities.

January 2002: pricing of deleted securities

Russell announced that the price used for deletion of securities is the closing price from day deletion, including price on OTC bulletin boards.

April 2000: acquisition or mergers between R1 and R2 members

Russell announced that shares will be adjusted on the day of action, whereas they were previously deleted on day of action and adjusted at month end.

June 2000: IPO lock-up rule

It was announced that IPOs priced after 15 November are screened for locked-up shares. Previously, no lock-up adjustments were made.

Pre-2000

June 1989: reconstitution frequency

Russell announced that reconstitution will now take place annually. Between 1979 and 1986, this was carried out quarterly. Between 1987 and June 1989, this was carried out semi-annually.

December 1988: reconstitution cut-off date for membership

Russell announced that the cut-off date for membership will be 31 May.

Appendix

Further information

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

Glossary.pdf

For contact details, please visit the FTSE Russell website or e-mail FTSE Russell client services at info@ftserussell.com.

Website: www.ftserussell.com

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