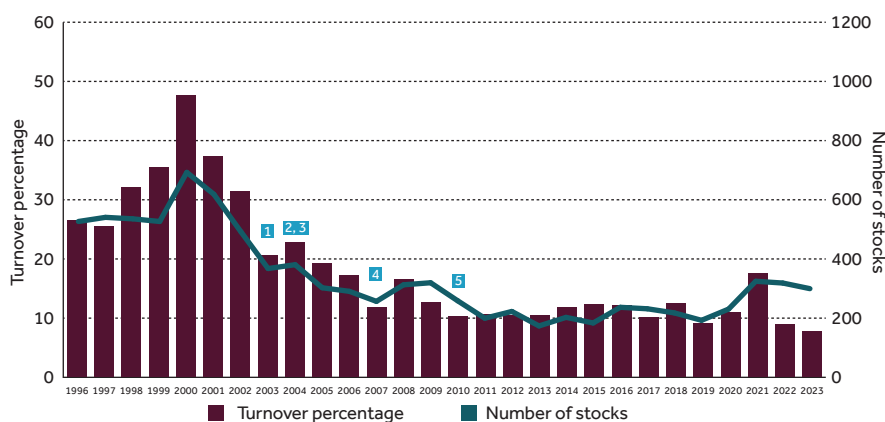


The Impacts of the Russell US Reconstitution

Impacts of reconstitution on index turnover

Changes to Russell indexes' methodology beginning in 2003 have reduced the impact of reconstitution without negatively affecting the representativeness of the Russell 2000 Index.

The chart below shows historical turnover percentage by the greater of the turnover from stock additions or deletions at reconstitution; and the number of stocks impacted, for the Russell 2000® Index¹.



	Average: 1996-2005	Average: 2006-2023	Difference
Turnover percentage	29.8	11.8	-18.0
Number of stocks	495	245	-250

¹ Turnover percentage can be defined as the market value "purchased" (adds) or "sold" (deletes) by the index relative to its base market value, when rebalancing the index.

Changes to Russell indexes' methodology

- 2003: Refined turnover calculation to more accurately distinguish and report additions and deletions caused by reconstitution from other corporate action activity.
- 2004: Adopted NASDAQ closing cross to reflect enhanced efficiency of closing auction prices.
- 2004: Moved to quarterly schedule for review of IPOs, allowing for more timely inclusion of new companies vs. waiting until reconstitution.
- 2007: Implemented capitalization banding, reducing turnover by restricting existing index members that have not experienced a material change in size from moving inand-out of cap tiers at each reconstitution.
- 2010: Implemented enhanced company-to-home country assignment rules that address situations where a company's listing differs from its incorporation or principal place of business (sometimes referred to as "orphaned stocks"). This rule re-assigned foreign companies that were incorporated in the US, and retained US companies that reincorporated outside the US for tax and other considerations.

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