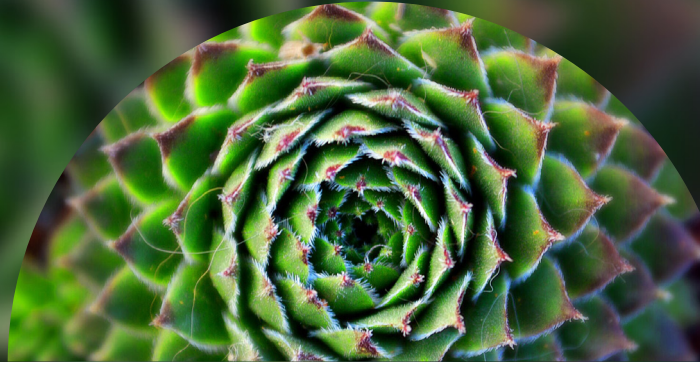


SOLUTION OVERVIEW

Russell US Indexes



How Russell indexes are built

Transparent

FTSE Russell's methodology is constructed using transparent rules, written to be easily understood by any financial professional. So your index is always predictable.

Unbiased rules

FTSE Russell follows published rules, allowing the market to determine which companies are included in the indexes, ensuring the purest reflection of stock market performance.

Style distinction

To create its style indexes, FTSE Russell employs a multi-variable approach, using book-to-price, I/B/E/S forecast medium-term growth and historical sales per share growth to determine whether a company is part of the growth or value investment universe. When company stock characteristics don't allow for absolute style distinction, FTSE Russell's indexes allocate portions of the firm's market capitalization to both growth and value stocks.

FTSE Russell also offers stability indexes. The Russell Defensive Indexes® and Russell Dynamic Indexes® measure a portion of the market based on the sensitivity to economic cycles, credit cycles and market volatility. Stability is measured at the company level in terms of volatility (price and earnings), leverage and return on assets.

Float adjusted

Russell, which pioneered the now industry standard float adjustment in 1984, adjusts its index membership weights for float shares to accurately represent the investable universe. To be eligible for the Russell US Indexes, companies must have greater than 5% shares available in the marketplace.

Regular index maintenance

The indexes are regularly and proactively maintained. Updates such as daily corporate actions, quarterly share adjustments, quarterly IPO inclusions and annual total reconstitution ensure that the indexes accurately represent the entire opportunity set while balancing turnover costs.

A series of US equity indexes

FTSE Russell's US indexes—based on the broad-market Russell 3000® Index—include two well-known subsets: the large-cap Russell 1000® Index and the small-cap Russell 2000® Index.

Russell's US equity indexes were introduced in 1984 to create a more accurate and comprehensive system for evaluating the performance of investment managers. Today, FTSE Russell offers a comprehensive series of both US and global indexes.

Our modular index construction allows investors to track current and historical market performance by specific market segment (large/mid/small cap) or investment style (growth/value/defensive/dynamic). All sub-indexes roll up to the Russell 3000 Index with no gaps or overlaps.

A complete description of index construction and methodology is available at: lseg.com/ftse-russell

Purpose

- Act as a performance standard for active managers
- Serve as a proxy for asset allocation purposes
- Become a replicable vehicle for passive investment strategies

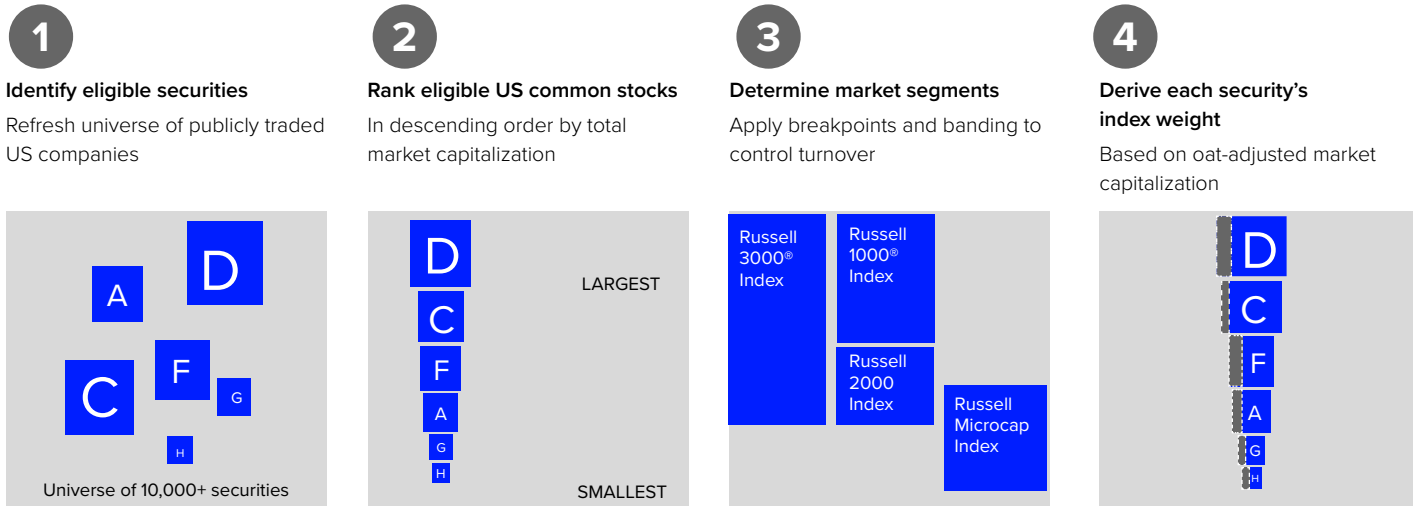


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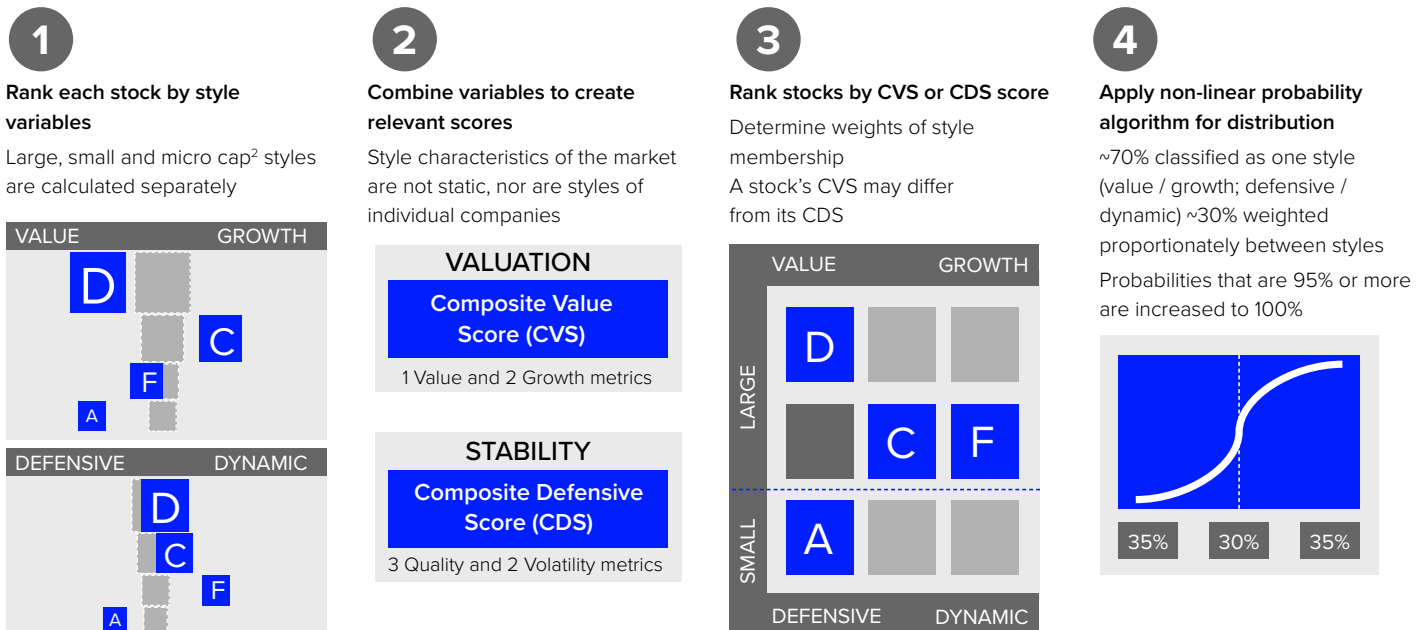
Methodology summary

All Russell US indexes are subsets of the Russell 3000E Index, which represents approximately 99% of the US equity market. Index membership is determined during annual reconstitution, which begins with “rank day”¹. As of rank day, all eligible stocks are ranked by total market cap in descending order. The largest 4,000 become the Russell 3000E Index, and the other Russell US indexes are determined from that set of securities. Reconstitution becomes effective after US market close on the last Friday each June unless it falls on June 29 or June 30, in which case it will occur on the preceding Friday.

Determining index membership



Determining style membership



1 Timetable is announced and made available on our website each spring.

2 For micro cap stocks, only growth and value styles are calculated.

Maintenance

- Stocks deleted between reconstitution dates are not replaced
- Spin-offs are added between reconstitution dates
- IPOs that meet FTSE Russell's membership rules are added on the third Friday of the quarter
- Dividends are reinvested daily on the ex-date

Exclusions

- Pink sheet, OTC and bulletin board stocks
- Closed-end mutual funds, limited partnerships, royalty trusts
- Blank check/SPAC companies, BDCs
- Foreign Stocks and American Depositary Receipts (ADRs)
- Companies under \$30 Million in total market capitalization
- Companies historically passing UBTI to shareholders and not blocking future UBTI to shareholders
- Stocks trading below \$1.00 (average used of the past 30 days for existing members)
- Stocks with 5% Floating market cap (or less)
- Companies with less than 5% voting rights

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Market participants look to us for our expertise in developing and managing global index solutions across asset classes. Asset owners, asset managers, ETF providers and investment banks choose FTSE Russell solutions to benchmark their investment performance and create investment funds, ETFs, structured products, and index-based derivatives. Our clients use our solutions for asset allocation, investment strategy analysis and risk management, and value us for our robust governance process and operational integrity.

For over 35 years we have been at the forefront of driving change for the investor, always innovating to shape the next generation of benchmarks and investment solutions that open up new opportunities for the global investment community.

To learn more, visit lse.com/ftse-russell; email info@ftserussell.com; or call your regional Client Service team office:

EMEA +44 (0) 20 7866 1810

North America +1 877 503 6437

Asia-Pacific

Hong Kong +852 2164 3333

Tokyo +81 (3) 6441 1430

Sydney +61 (0)2 7228 5659



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