Russell 3000 Fixed Income Value and Growth Sub-Indices

Enduring utility of Style

An innovative approach to tracking the US corporate credit market by seamlessly integrating equity style parameters into the fixed income landscape.

The Russell 3000 Fixed Income Value and Growth Sub-Indices are a multi-sector benchmark tracking investment-grade and high-yield US corporate bonds issued by domestic, public companies that are also members of the Russell 3000 Index and domestic subsidiaries of these companies. The sub-indices are constructed by assigning the debt of eligible corporate issues to the value and growth segments consistent with the Russell US equity methodology.

Focused on providing a differentiated approach to tracking the US fixed income market, the Russell 3000 Fixed Income Value and the Russell 3000 Fixed Income Growth sub-indices offer tactical tilts away from market weighted allocations and in alignment with their equity counterparts.

At each reconstitution, debt issued by corporate entities with stock eligible for the Russell 3000 Index, is assigned to value and growth sub-indices, where the debt issued by an eligible corporation is allocated on a pro-rata basis to value and growth fixed income sub-indices based on share weightings. The sub-indices represent two sides of the underlying benchmark and always sum up to the overall market creating a fully transparent solution.

Differentiated allocation schema:
Debt issued by an eligible corporation is allocated on a pro-rata basis to value and growth fixed income sub-indices based on share weightings.

Transparent approach:
The sub-indices represent two sides of the underlying benchmark and always sum up to the overall market creating a fully transparent solution.

Supports multi-asset strategies:
A consistent approach to issuer and sector assignment across Russell indices facilitates holistic portfolio construction, enabling multi-asset and overlay strategies.

FTSE RUSSELL
An LSEG Business

Modular approach: Russell Fixed Income Value and Growth Sub-Indices

Russell 3000 Fixed Income Value Index + Russell 3000 Fixed Income Growth Index = Russell 3000 Value and Growth Sub-Indices
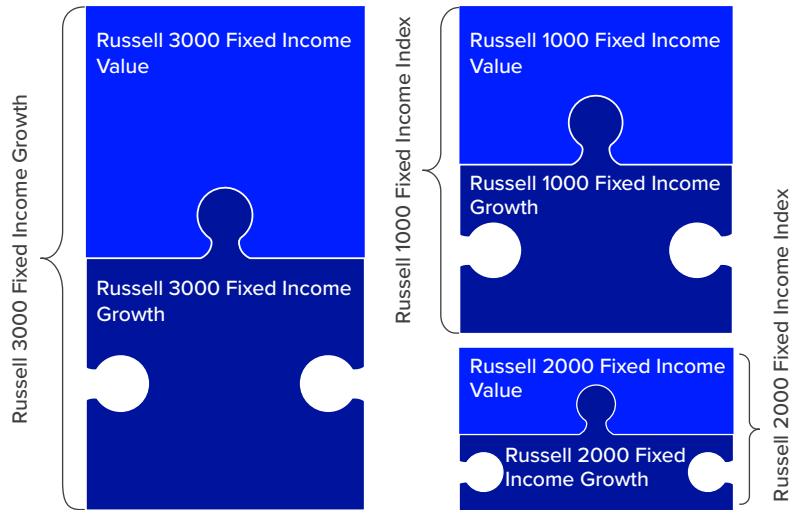
– Following a modular approach to index construction, the value and growth sub-indices are created for Russell 3000 Fixed Income, Russell 2000 Fixed Income and Russell 1000 Fixed Income

– Customizations available by investment grade, high-yield, and sector categories

Rich data sets

Corporate bond pricing within the index series is provided by LSEG Data & Analytics, a recognized reliable pricing source and one of the world's largest providers of financial market data and infrastructure. The indices are underpinned by a comprehensive set of daily and monthly, issue-level and index-level files, containing a robust set of performance and analytics metrics.

Rigorous governance framework

FTSE Russell is committed to global best practice standards in index governance. The index ground rules are publicly available and continually evaluated to ensure the index remains a relevant and reliable performance measure for the market.

Russell 3000 Fixed Income Value and Growth Sub-Indices

Through an innovative approach to index construction, the Russell 3000 Fixed Income Value and Growth sub-indices translate a style approach from the equity to fixed income landscape supporting innovation in fixed income markets and bridging the gap between assets.

Russell Style Index methodology
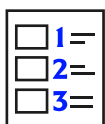
I. Rank by style variable

Russell ranks every stock using a multivariable approach including book-to-price ratio; I/B/E/S two-year forecast growth; and five-year sales-per-share growth.
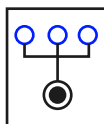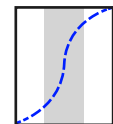
2. Calculate Composite Value Score (CVS)

The three style variable rankings are combined to create the stock's CVS. Large cap, small cap and microcap are calculated separately.
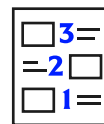
3. Re-rank by (CVS)

A non-linear probability algorithm is applied to the ranking to determine which style index the stock belongs in.

4. Calculate Index Weight

When a stock's characteristics do not allow for absolute style distinction, a portion of the market capitalization is allocated to both growth and value stocks.

About FTSE Russell

FTSE Russell is a leading global provider of index and benchmark solutions, spanning diverse asset classes and investment objectives. As a trusted investment partner we help investors make better-informed investment decisions, manage risk, and seize opportunities.

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.

Contact Us

To learn more, visit lseg.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

Disclaimer

FTSE RUSSELL

An LSEG Business