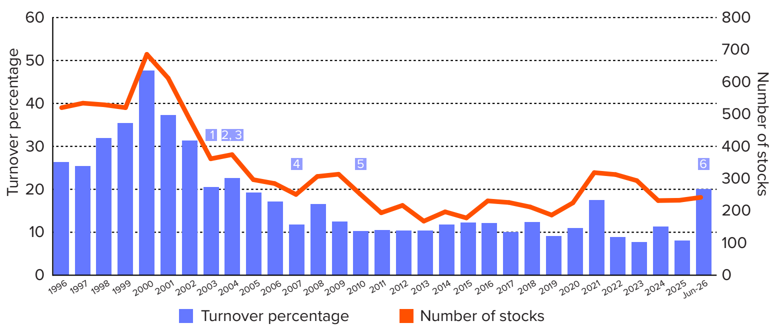
OVERVIEW

The Impacts of the Russell US Reconstitution

Impacts of reconstitution on index turnover

Changes to the Russell US Indexes methodology beginning in 2003 have helped manage reconstitution-related turnover while maintaining the representativeness of the Russell 2000® Index.

The chart below reflects the historical turnover percentage[1] and the number of stocks affected for the Russell 2000® Index at reconstitution.



	Average: 1996-2003	Average: 2004 -2026[2]	Difference
Turnover percentage	32.0	12.8	-19.2
Number of stocks	534	252	-282

Changes to Russell US Indexes' methodology

1. 2003: Refined turnover calculation to more accurately distinguish and report additions and deletions caused by reconstitution from other corporate action activity.
2. 2004: Adopted NASDAQ closing cross to reflect enhanced efficiency of closing auction prices.
3. 2004: Moved to a quarterly schedule for IPO additions, allowing eligible new companies to be included sooner rather than waiting until the annual reconstitution.
4. 2007: Implemented capitalization banding, reducing turnover by restricting existing index members that have not experienced a material change in size from moving in-and-out of cap tiers at each reconstitution.
5. 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.
6. 2026: Moved from an annual to a semi-annual reconstitution schedule, with rebalances conducted in June and December.

1 Turnover percentage is calculated by dividing the greater of the aggregate market value of index additions and the aggregate market value of index deletions by the index's base market value. Number of stocks represents the greater of the number of additions and the number of deletions.

2 The 2026 values shown are year-to-date and reflect the June reconstitution only.

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