

# Insights from the November 2025 Russell US Indexes parallel run



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## Executive Summary

Since their inception, regular reconstitutions have been essential to ensuring that the Russell US Indexes accurately reflect the continually evolving US equity markets. When the Russell US Indexes launched in 1984, they were reconstituted multiple times a year, before moving to an annual reconstitution schedule in 1989.

With the growth of assets tracking the Russell Indexes—approximately \$11.8 trillion in assets benchmarked as of the end of 2024<sup>1</sup>—and the size of the trade at the annual reconstitution in June (exceeding \$200 billion in 2024 and 2025<sup>2</sup>), FTSE Russell has received clear feedback from market participants highlighting the need for a more regular and responsive approach to index reconstitution. In January 2025, FTSE Russell announced the intention to move to a semi-annual reconstitution frequency in 2026, contingent upon a successful parallel run in Q4 2025.

FTSE Russell successfully completed a parallel run of the Russell US Indexes semi-annual reconstitution process in November 2025, confirming operational readiness, validating methodology integrity, and demonstrating minimal impact on index characteristics. This was a critical and deciding step toward the official transition to a semi-annual reconstitution schedule in December 2026.

The parallel run highlighted several key takeaways. Turnover and composition changes aligned with expectations, demonstrating that semi-annual reconstitution will reflect market developments while maintaining overall index composition and integrity. Russell US Style Indexes turnover remained well below June 2025 levels, reinforcing the decision to limit December style index changes to new additions and size-driven membership movements.

Operational systems, controls, and data processes functioned smoothly, establishing readiness for an effective date on the second Friday in December—a change from the previously announced effective date of second Friday in November, based on market feedback indicating sufficient liquidity on the December date.

Overall, the parallel run provides clear evidence that the semi-annual schedule can be implemented without disrupting methodology integrity or index behavior.

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<sup>1</sup> Data as of December 31, 2024 as reported on May 15, 2025 by eVestment for active institutional funds, Morningstar for active retail mutual funds, insurance products, and ETFs, and passive assets directly collected by FTSE Russell. AUM includes blended benchmarks and excludes futures and options. AUM data does not include active and passive assets not reported to a 3rd party source or FTSE Russell. For funds where the AUM was not reported as of December 31, 2024, the previous period AUM was used as an estimate. No assurances are given by FTSE Russell as to the accuracy of the data.

<sup>2</sup> Sources: Nasdaq and NYSE as of June 2025.

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## Overview

This document provides a summary of FTSE Russell's November 2025 parallel test run in preparation for the transition from an annual reconstitution frequency of the Russell US Indexes to a semi-annual frequency in 2026.

This exercise enabled FTSE Russell to operate the new schedule alongside the existing processes, providing a controlled environment to validate methodology integrity, assess potential impacts, confirm operational readiness, and provide clients with clear insights into expected outcomes.

A prerequisite for progressing the December 2026 semi-annual reconstitution, this successful exercise reinforced FTSE Russell's commitment to maintaining index quality, transparency, and reliability for all stakeholders.

Refer to [Russell US Indexes: Moving to a Semi-Annual Index Reconstitution Frequency – Updated December 2025](#) for a more comprehensive analysis of the decision for the Russell US Indexes to move back to a semi-annual reconstitution schedule.

## Scope and Methodology

The parallel test run covered the full Russell US Index family, replicating the reconstitution process using the same data inputs and methodology rules applied to the June reconstitution with two key exceptions applicable to semi-annual reconstitution in December: (a) Russell US Style Index changes were made only to new additions or membership movements (such as a stock moving from the Russell 1000® Index to the Russell 2000® Index and vice versa) and (b) voting rights thresholds were not re-evaluated. This is consistent with the announced plan for the Russell semi-annual reconstitution process: to minimize turnover in December, the annual voting rights updates and the complete Russell US Style Indexes rebalance will continue at the June reconstitution.

In the parallel run, size ranking was conducted using updated shares with no buffers applied, and this approach will continue to be used for the semi-annual reconstitution Russell US Indexes ranking process. While no buffers were applied to shares or float during the parallel test, FTSE Russell will apply buffers in the December reconstitution implementation to help reduce turnover.

Note: Any future updates to the methodology, should they occur, will be communicated as usual via FTSE Russell's Index Announcements.

## Schedule

Be advised that the parallel run was executed against a November effective date rather than the planned second Friday in December effective date for 2026, which was updated November 5, 2026<sup>3</sup>. As such, the parallel run was executed with a September 30 rank date; however, the rank date for the December 2026 reconstitution will be the last business day in October. The schedule used for parallel testing and the schedule for the December 2026 semi-annual reconstitution are outlined in Exhibit 1.

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<sup>3</sup> Technical Notice: [research.ftserussell.com/products/index-notices/home/getnotice/?id=2617649](https://research.ftserussell.com/products/index-notices/home/getnotice/?id=2617649)

**Exhibit 1: Schedule for November 2025 internal parallel testing and December 2026 reconstitution**

	Dates used for effective date of 2nd Friday in November	Dates to be used for effective date of 2nd Friday in December
Index Rebalance Market Capitalization data cut-off	30-Sep-25	30-Oct-26
ICB Review Cut-Off Date	30-Sep-25	30-Oct-26
Quarterly Free Float and Share changes cut-off (only updates captured up to and including this date will be processed at the index review)	30-Sep-25	30-Oct-26
IPO Review Period	1-Aug-25 to 30-Sep-25	3-Aug-26 to 30-Oct-26
IPO Market Cap cut-off	30-Sep-25	30-Oct-26
Release of Russell Monitor List	03-Oct-25	04-Nov-26
Indicative Review Products circulated (including REIR)	24-Oct-25	13-Nov-26
Query Period (windows for clients to query the data visible within the files)	24-Oct-25 to 31-Oct-25	16-Nov-26 to 27-Nov-26
Lock-Down Period (open of)	03-Nov-25	30-Nov-26
Review Effective Dates (open of)	14-Nov-25	14-Dec-26

## Results

The parallel test provided a simulation of the potential impact of moving from an annual to a semi-annual Russell US Index reconstitution frequency. This analysis focuses on key dimensions such as breakpoints, index turnover, industry and style exposures, and overall market representation.

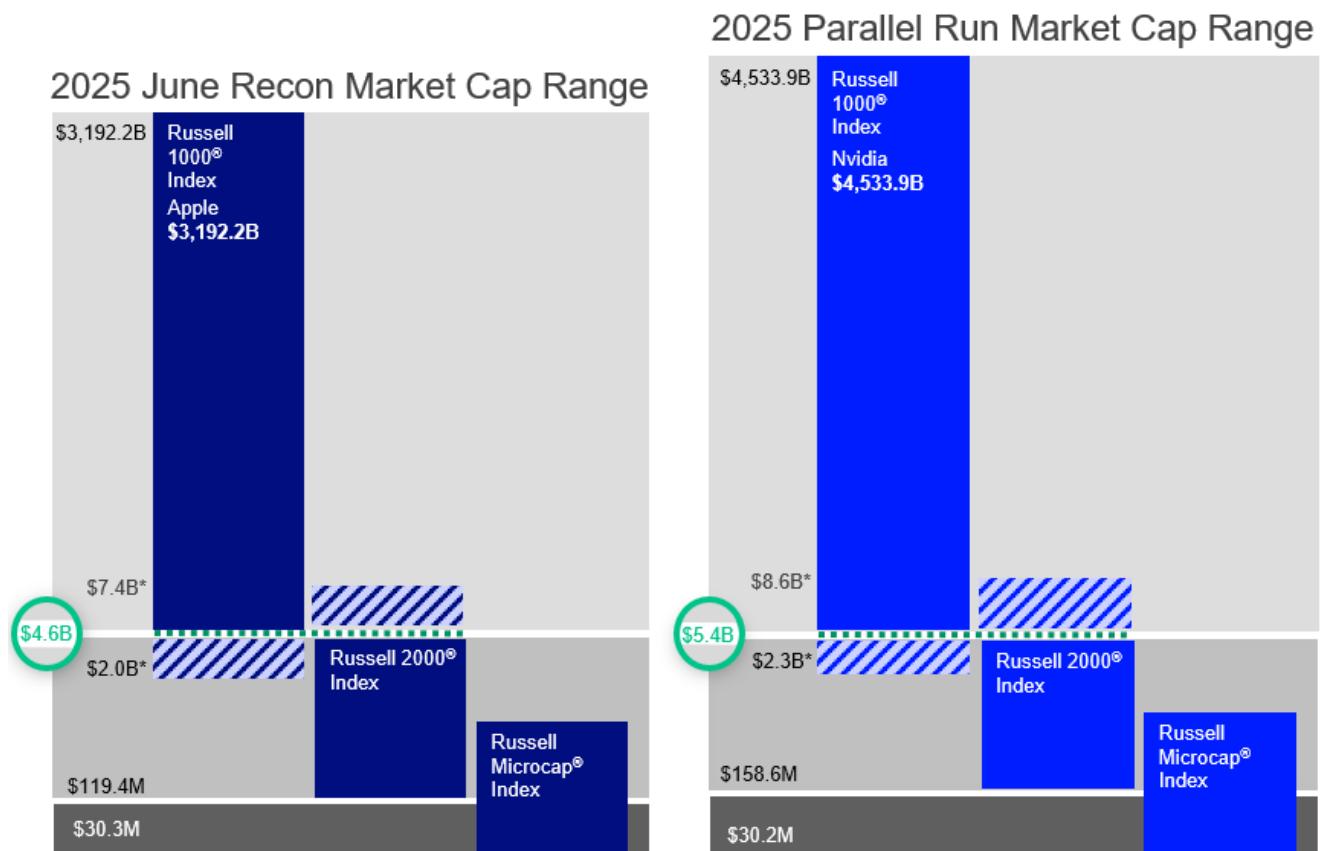
Exhibits in this section reflect data as of the parallel run rank day, September 30, 2025. Industry weight charts are sorted in order of highest to lowest weight in the index as of the parallel run reconstitution rank day. Exhibits showing industry weights for the Russell US Style Indexes are included in the Appendix.

**Exhibit 2: Largest companies in Russell 3000 Index / Russell 1000 Index by size (total company market cap)**

Russell 3000 Index		As of 9/30/2025	
Security	Total Market Cap	Security	Recon Total Market Cap
Nvidia Corp	4,552,552,000	Nvidia Corp	4,533,894,000
Microsoft Corp	3,849,686,165	Microsoft Corp	3,850,008,526
Apple Inc	3,782,967,123	Apple Inc	3,778,808,506
Alphabet Inc Cl A	3,174,155,595	Alphabet Inc Cl A	2,940,051,400
Amazon.com Inc	2,330,156,763	Amazon.com Inc	2,341,694,749
Meta Platforms Inc	1,853,905,591	Meta Platforms Inc	1,844,866,456
Broadcom Inc	1,551,219,995	Broadcom Inc	1,557,955,444
Tesla Inc	1,432,423,552	Tesla Inc	1,478,761,102
Berkshire Hathaway Inc	1,084,578,598	Berkshire Hathaway Inc	1,084,578,668
JPMorgan Chase & Co	877,840,428	JPMorgan Chase & Co	867,354,858

Source: FTSE Russell, data as of September 30, 2025. For illustrative purposes only.

**Exhibit 3: Breakpoints between US large and small cap indexes, with and without banding**



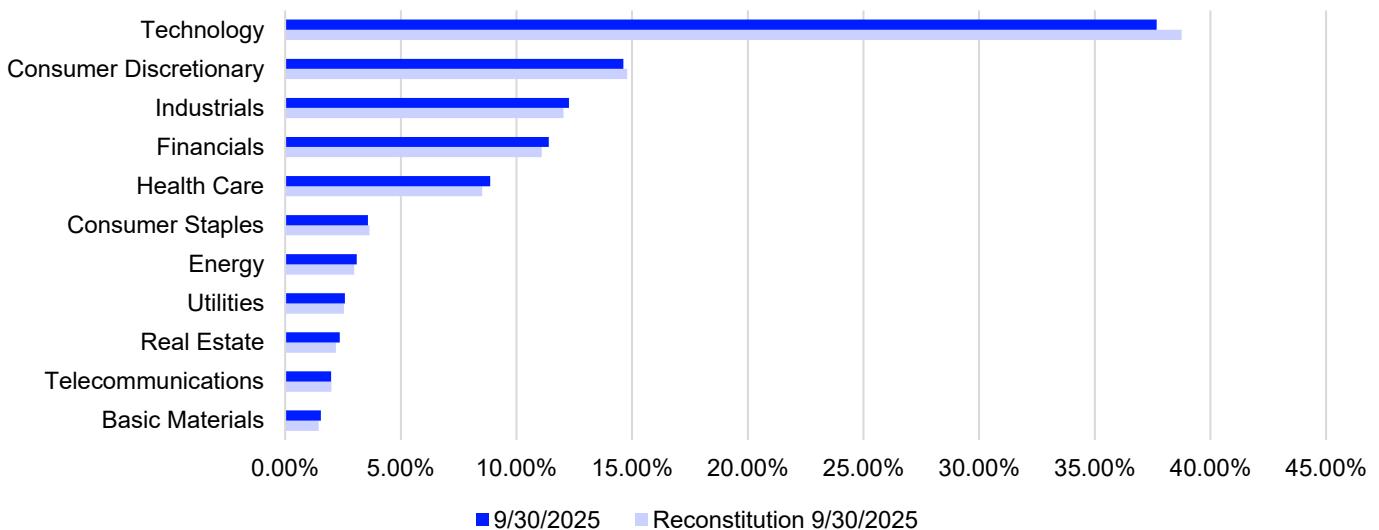
Source: FTSE Russell, data as of September 30, 2025. For illustrative purposes only.

**Exhibit 4: Market capitalization ranges as of September 30, 2025**

	Number of Securities	High	Low	Median
<b>Russell 3000®</b>	3,023	\$4,533.9B	\$158.6M	\$2.3B
<b>Russell 1000®</b>	1,026	\$4,533.9B	\$2.3B	\$16.3B
<b>Russell 2000®</b>	1,997	\$8.6B	\$158.6M	\$954.4M
<b>Russell 2500</b>	2,512	\$22.0B	\$158.6M	\$1.5B
<b>Russell Midcap®</b>	826	\$66.4B	\$2.3B	\$12.3B
<b>Russell Top 500</b>	511	\$4,533.9B	\$11.6B	\$43.4B
<b>Russell Top 200®</b>	200	\$4,533.9B	\$50.7B	\$116.0B
<b>Russell Top 50® Mega Cap</b>	51	\$4,533.9B	\$192.3B	\$318.5B
<b>Russell Microcap®</b>	1,410	\$1.6B	\$30.2M	\$252.4M
<b>Russell 3000E</b>	3,509	\$4,533.9B	\$30.2M	\$1.6B

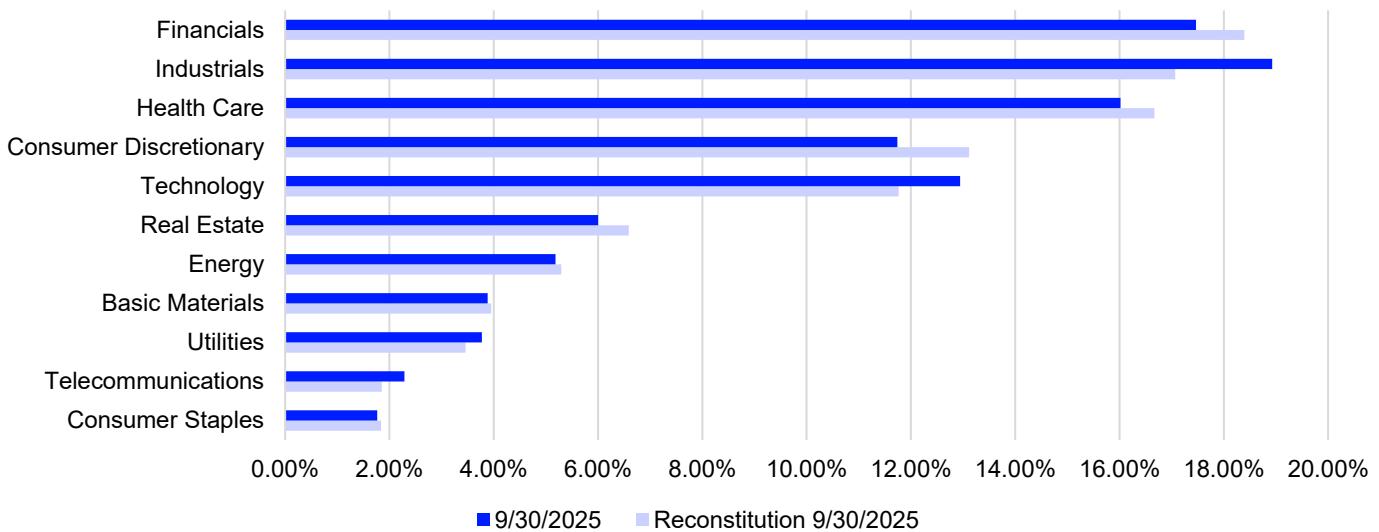
Source: FTSE Russell, data as of September 30, 2025. For illustrative purposes only.

### Exhibit 5: Russell 1000 Index – Parallel Run ICB Industry Weights



Source: FTSE Russell, data as of September 30, 2025. For illustrative purposes only.

### Exhibit 6: Russell 2000 Index – Parallel Run ICB Industry Weights



Source: FTSE Russell, data as of September 30, 2025. For illustrative purposes only.

## 2025 Parallel Run Index Turnover

Index turnover in the November 2025 parallel run was well below June 2025 levels, with the Russell 1000® and Russell 3000® under 1% compared to roughly 2% in June 2025. The Russell 2000® and Russell US Style Indexes showed slightly higher turnover than the Russell 1000 and Russell 3000, though still materially lower than in June.

Turnover patterns followed expected market-cap dynamics—minimal in large caps and modest in smaller-cap and Style Indexes—supporting the decision to limit December Style Index changes to new additions and size-driven membership movements.

Overall, November turnover and composition shifts were modest, in line with expectations, and substantially below the structural changes typically observed in June.

### Exhibit 7: Turnover

	2025 June Reconstitution (Actual)			2025 November Parallel Run (Simulated)			Total reconstitution turnover (Simulated)
Index	Adds (#)	Deletes (#)	% (A)	Adds (#)	Deletes (#)	% (B)	% (A+B)
<b>Russell 1000</b>	38	25	2.00%	32	16	0.73%	2.73%
<b>Russell 2000</b>	235	173	10.43%	141	119	5.37%	15.80%
<b>Russell 3000</b>	229	154	2.14%	133	95	0.75%	2.89%
<b>Russell 1000 Growth</b>	71	78	7.59%	21	8	0.47%	8.06%
<b>Russell 1000 Value</b>	56	48	8.46%	24	15	1.02%	9.48%
<b>Russell 2000 Growth</b>	289	296	25.32%	95	71	6.99%	32.31%
<b>Russell 2000 Value</b>	300	261	22.94%	101	89	5.06%	28.00%

Source: FTSE Russell, data as of September 30, 2025. For illustrative purposes only.

## Key Takeaways

The November 2025 parallel run provided critical insights and confirmed readiness for the transition to a semi-annual reconstitution frequency for the Russell US Indexes. The process affirmed adherence to index rules, delivering consistent simulated rebalance outcomes with minimal impact on index characteristics.

Index turnover and industry weight changes were in line with expectations, indicating that the re-introduction of semi-annual reconstitution will not materially affect Russell US Indexes composition or performance. Turnover within the Russell US Style Indexes was notably lower than in the June 2025 reconstitution, reinforcing FTSE Russell's decision to limit December Style Index changes to new additions and size-driven membership movements to help minimize turnover.

The parallel run also identified several areas where FTSE Russell is enhancing data management practices—spanning input data, index implementation processes, and client-facing deliverables—to support a smooth transition to semi-annual reconstitution.

- A. As part of this effort and following the free float methodology enhancement implemented in 2025, FTSE Russell is continuing to refine data management processes to reinforce the accuracy, transparency, and reliability that underpin the Russell US Indexes.
- B. In parallel, FTSE Russell is enhancing processes to strengthen alignment between the publication of Russell US non-market cap weighted indexes and their parent indexes, supporting consistency and clarity across the full index family.
- C. Additionally, FTSE Russell is continuing efforts to align the format and structure of index client deliverables across Russell US product files, improving data granularity and consistency. This enhancement will support more transparent, precise, and user-friendly datasets for clients.

FTSE Russell recognizes these priority areas and is committed to allocating the necessary resources to ensure they are successfully addressed in advance of the transition to Russell semi-annual reconstitution in December 2026. Market participants should expect a stable transition, with semi-annual reconstitution enhancing index responsiveness while preserving the established structure and behavior of the Russell US Indexes.

## Conclusions and Next Steps

FTSE Russell will officially move to a semi-annual reconstitution beginning in December 2026. During periods of heightened market volatility or dispersion, this move to a semi-annual reconstitution frequency will ensure that the Russell US Indexes maintain their representativeness by rebalancing twice a year.

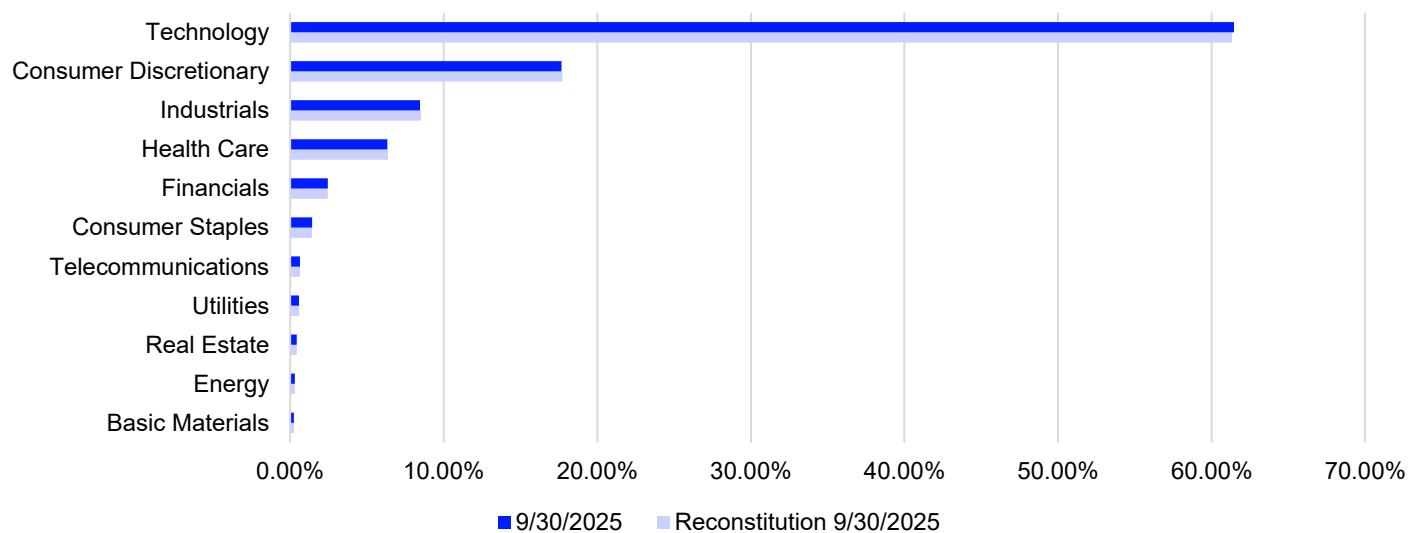
No client action is required ahead of the December 2026 transition, beyond incorporating the updated schedule into operational workflows. Additional detail on the 2026 quarterly review schedule and process can be found in the [Russell US Equity Indexes FAQ](#).

If you have any questions or would like to discuss this topic further, you may contact your local client services team on [info@ftserussell.com](mailto:info@ftserussell.com) or reach out to your account manager.

## Appendix

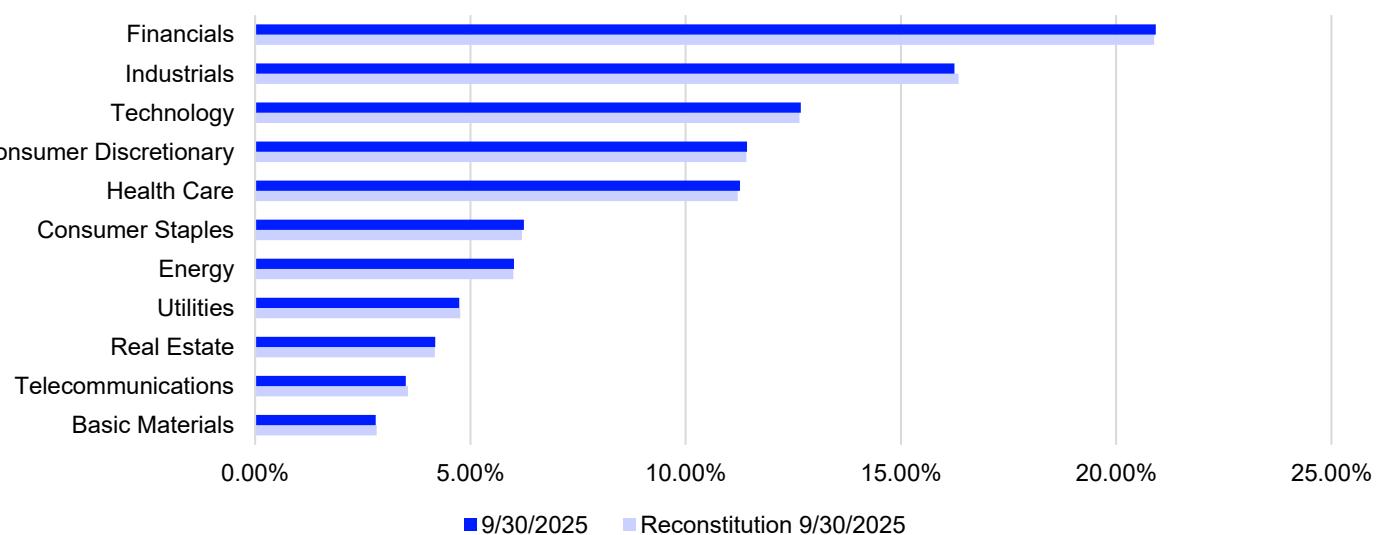
Russell US Style Indexes – industry weights as of 2025 parallel run

### Exhibit 8: Russell 1000 Growth Index – Parallel Run ICB Industry Weights



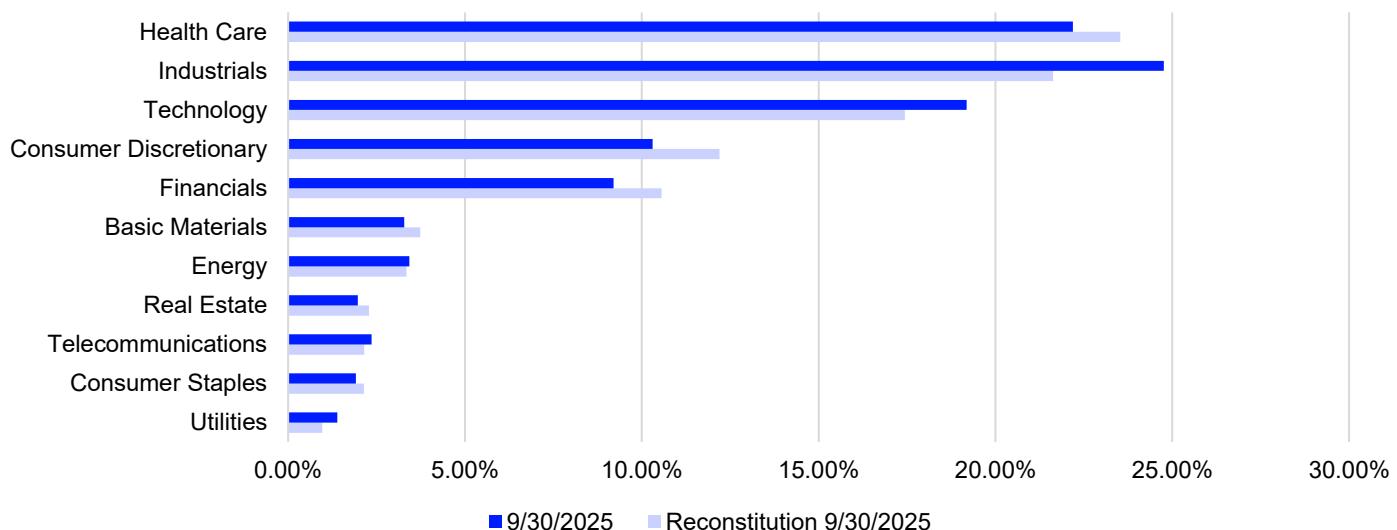
Source: FTSE Russell, data as of September 30, 2025. For illustrative purposes only.

### Exhibit 9: Russell 1000 Value Index – Parallel Run ICB Industry Weights



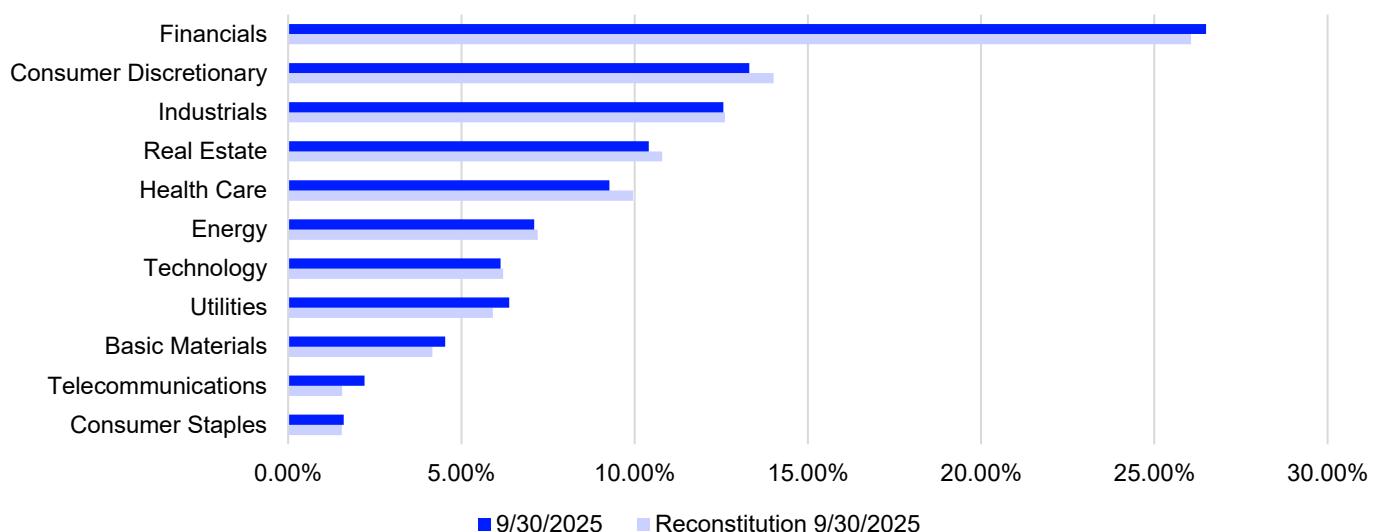
Source: FTSE Russell, data as of September 30, 2025. For illustrative purposes only.

### Exhibit 10: Russell 2000 Growth Index – Parallel Run ICB Industry Weights



Source: FTSE Russell, data as of September 30, 2025. For illustrative purposes only.

### Exhibit 11: Russell 2000 Value Index – Parallel Run ICB Industry Weights



Source: FTSE Russell, data as of September 30, 2025. For illustrative purposes only.

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