



RUSSELL US INDEXES

Russell 2000 Index quarterly chartbook

July 2025

Covering Q2 2025 index performance



Learn more: The Russell 2000 Index is the investable small cap market

Dive into **market performance** from every angle

- Market cap performance
- Performance: Growth of a unit
- Style performance
- Style box performance

Explore **industries** and their reflection in the market

- Quarterly IPOs
- Quarterly industry weightings
- Quarterly industry performance review
- Industry contribution to return
- Industry history

Find analytical perspectives on **risk/characteristics**

- Implied volatility
- Fundamental characteristics:
 - Q2 2025
 - Q1 2025
 - Q4 2024
 - Q3 2024

Use **Focal Point** as your guide to new and trusted resources

- Highlights
- Resources

KEY ANNOUNCEMENT: [Russell US Indexes moving to a semi-annual index reconstitution frequency starting in November 2026](#)



Indexes driven by the market. Not picked by a committee.

The Russell US equity indexes define the market and year after year the Russell 2000 Index sets the standard for small cap measurement. The Index provides a pure and objective exposure to small cap stocks. Its transparent methodology and the quarterly additions of IPOs ensure that small cap stays small and perhaps more importantly, doesn't miss out on small cap opportunities.



Market performance

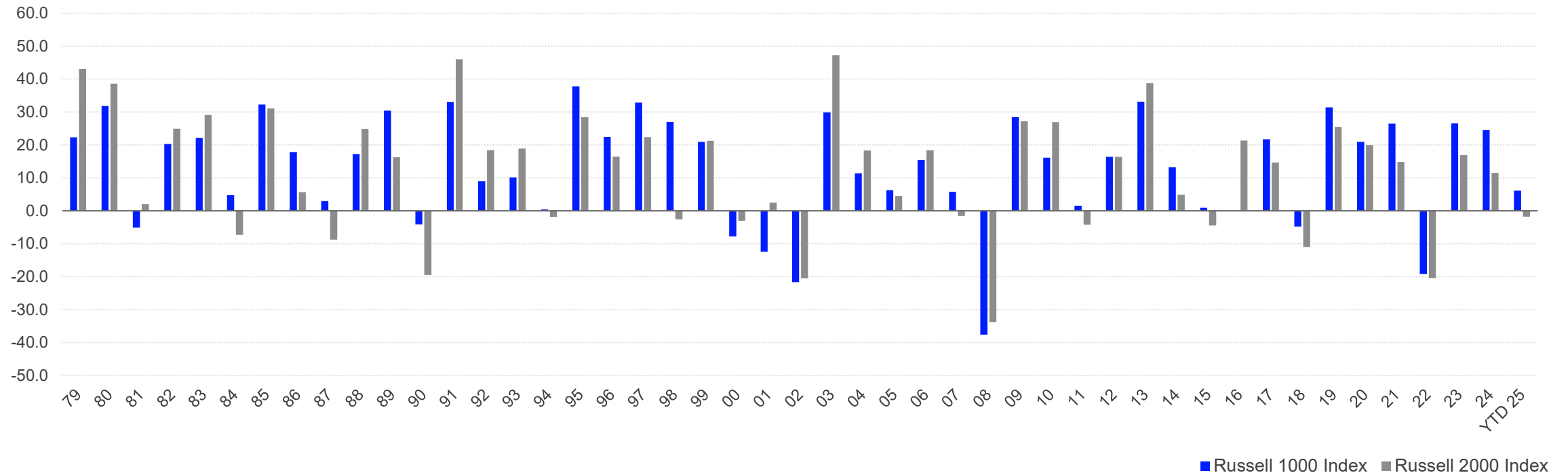
SMALL CAPS TELL US MORE

The Russell 2000 Index provides live index tracking data, with historical performance dating back to January 1984. Academic and practitioner research confirms that large-cap stocks behave differently to small-cap stocks and performance is variable. There are sub-periods during which the Russell 1000 outperforms the Russell 2000 and vice versa. Quarterly performance assessments provide valuable datapoints for understanding market sentiment and US economic activity.

Exhibit 1

Market cap performance

Annual return (%)

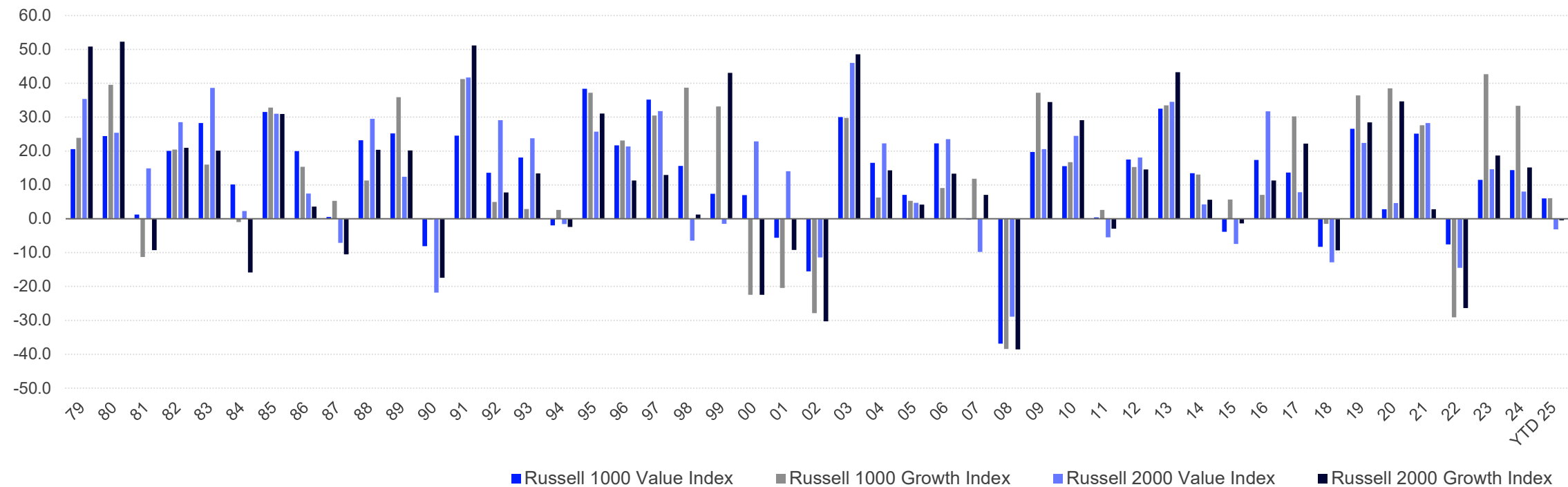


Source: FTSE Russell, data as of June 30, 2025. Past performance is no guarantee of future results.
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Exhibit 1b

Market cap performance

Annual return (%)

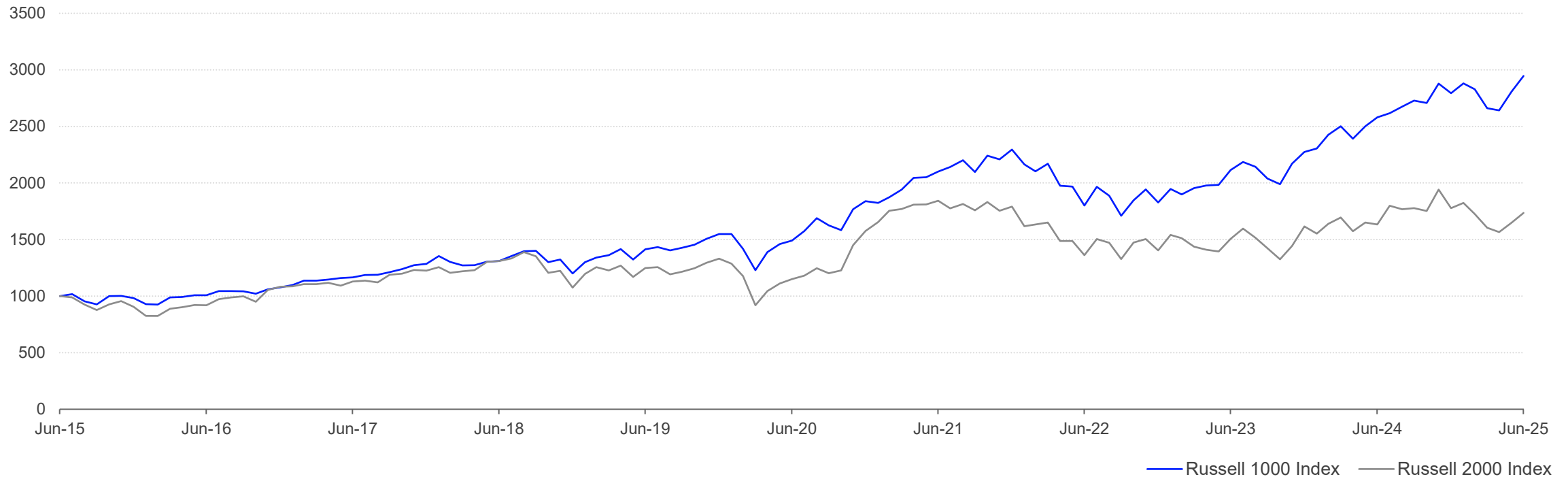


Source: FTSE Russell, data as of June 30, 2025. Past performance is no guarantee of future results.
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Exhibit 2

Performance: Growth of a unit

Total return (growth of 1,000) 10 years



Source: FTSE Russell, data as of June 30, 2025. Past performance is no guarantee of future results.
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Exhibit 3

Market cap performance

Total return (%)

	Q2 2025	Q1 2025	Q4 2024	Q3 2024	12 months
Russell 3000® Index	11.0	-4.7	2.6	6.2	15.3
Russell Top 200® Index	11.8	-4.8	3.4	5.2	15.8
Russell 1000® Index	11.1	-4.5	2.7	6.1	15.7
Russell Midcap® Index	8.5	-3.4	0.6	9.2	15.2
Russell 2000® Index	8.5	-9.5	0.3	9.3	7.7
Russell Microcap® Index	15.5	-14.4	8.3	8.3	13.4

Source: FTSE Russell, data as of June 30, 2025. Past performance is no guarantee of future results.
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Exhibit 4

Style performance

Total return (%)

	Q2 2025	Q1 2025	Q4 2024	Q3 2024	12 months
Russell 1000 Growth Index	17.8	-10.0	7.1	3.2	17.2
Russell 2000 Growth Index	12.0	-11.1	1.7	8.4	9.7
Russell 1000 Value Index	3.8	2.1	-2.0	9.4	13.7
Russell 2000 Value Index	5.0	-7.7	-1.1	10.2	5.5
Russell 1000 Defensive Index	4.3	-1.3	0.1	6.5	9.8
Russell 2000 Defensive Index	4.1	-4.7	-0.8	10.5	8.7
Russell 1000 Dynamic Index	18.0	-7.5	5.4	5.7	21.6
Russell 2000 Dynamic Index	13.2	-14.1	1.5	8.1	6.7

Source: FTSE Russell, data as of June 30, 2025. Past performance is no guarantee of future results.
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Exhibit 5

Style box performance

Total return (%)

	Value	Core	Growth
2025 YTD			
Large	6.00	6.12	6.09
Mid	3.12	4.84	9.79
Small	-3.16	-1.79	-0.48
2024			
Large	14.37	24.51	33.36
Mid	13.07	15.34	22.10
Small	8.06	11.54	15.15

	Value	Core	Growth
2023			
Large	11.46	26.53	42.68
Mid	12.71	17.23	25.87
Small	14.65	16.93	18.66
2022			
Large	-7.54	-19.13	-29.14
Mid	-12.03	-17.32	-26.72
Small	-14.48	-20.44	-26.36

Source: FTSE Russell, data as of June 30, 2025. Past performance is no guarantee of future results.
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Industries

SMALL CAPS REVEAL A SHIFTING ECONOMY

The US has experienced a massive shift in the nature of its economy over the last half century. The US was traditionally a manufacturing-focused economy, supplying a variety of raw materials and consumer and industrial products domestically and abroad. Today, data shows the US economy is most heavily represented by service-oriented industries such as Technology, Health Care and Financials and less so by the industrial industries such as Energy, Basic Materials and Industrials. However, the leading industries are always in a state of change indicative of economic, consumer, and industry trends.



Exhibit 6a

Second quarter IPOs

Quarter end

Russell 2000 Index IPOs by Industry

Industry	Number of IPOs	Total market cap (\$B)
Consumer Discretionary	1	0.11
Financials	1	0.14
Health Care	3	0.50
Industrials	1	0.30
Real Estate	1	1.01
Total	7	2.07

Source: FTSE Russell, data as of June 30, 2025. Past performance is no guarantee of future results.
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Exhibit 6b

Second quarter IPOs

Quarter end

Russell 2000 Index IPOs company detail

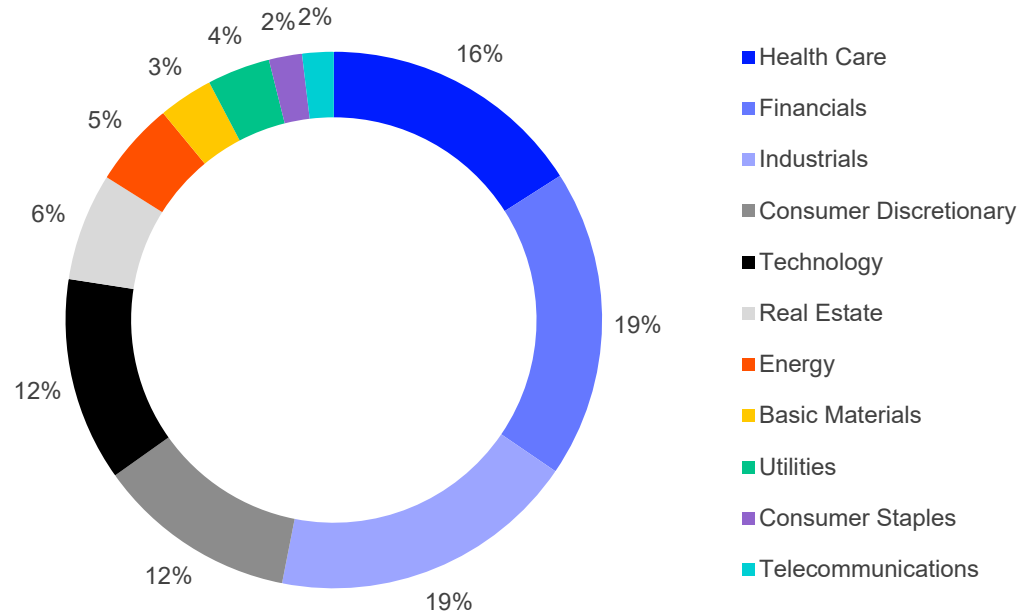
Industry	Company name	Ticker	Total market cap (\$B)
Consumer Discretionary	NEWSMAX INC	NMAX	0.11
Financials	NORTHPOINTE BANCSHARES	NPB	0.14
Health Care	AARDVARK THERAPEUTICS	AARD	0.08
	KESTRA MEDICAL TECHNOLOG	KMTS	0.22
	SIONNA THERAPEUTICS	SION	0.21
Industrials	TITAN AMERICA SA	TTAM	0.30
Real Estate	SMARTSTOP SELF STORAGE R	SMA	1.01

Source: FTSE Russell, data as of June 30, 2025. Past performance is no guarantee of future results.
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Exhibit 7

Quarterly industry weightings

Quarter end (%)



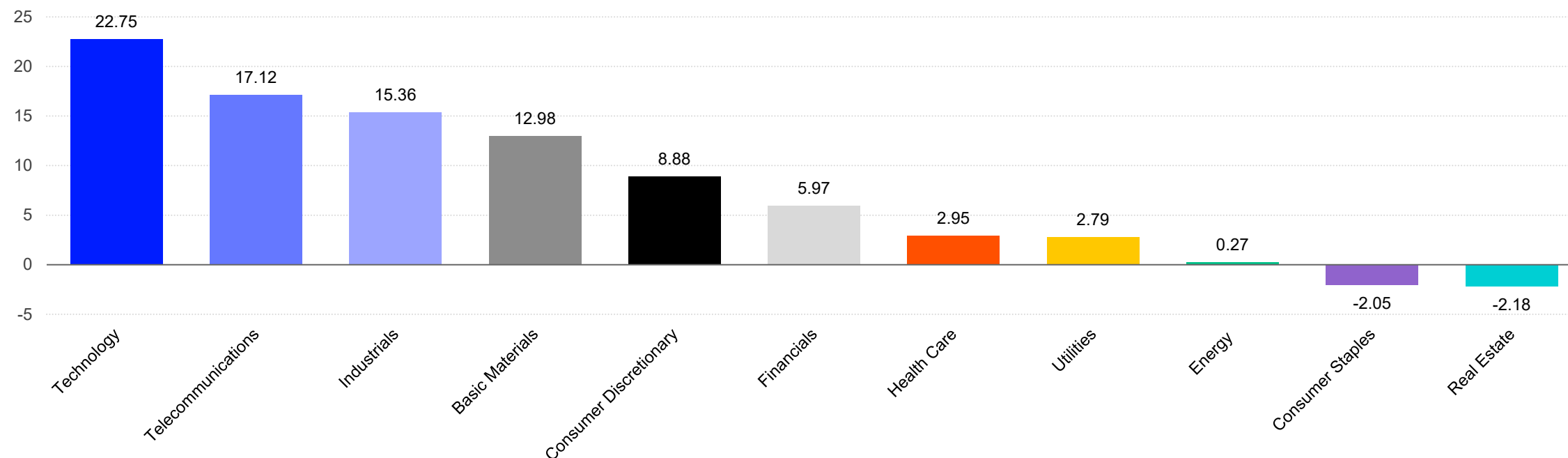
	Q2 2025	Q1 2025	Q4 2024	Q3 2024
Health Care	16.0	16.7	16.3	17.4
Financials	18.6	19.0	17.8	17.2
Industrials	18.6	19.0	19.4	18.9
Consumer Discretionary	12.1	11.1	11.7	11.9
Technology	12.3	10.0	11.7	10.7
Real Estate	6.5	6.8	6.4	6.7
Energy	5.1	5.3	5.5	5.5
Basic Materials	3.3	3.8	3.8	4.1
Utilities	3.8	3.5	3.0	3.2
Consumer Staples	2.0	2.9	2.6	2.5
Telecom	1.9	1.9	1.8	1.8

Source: FTSE Russell, data as of June 30, 2025. Past performance is no guarantee of future results. Please see important legal disclosures at the end of this report.

Exhibit 8

Quarterly industry performance review

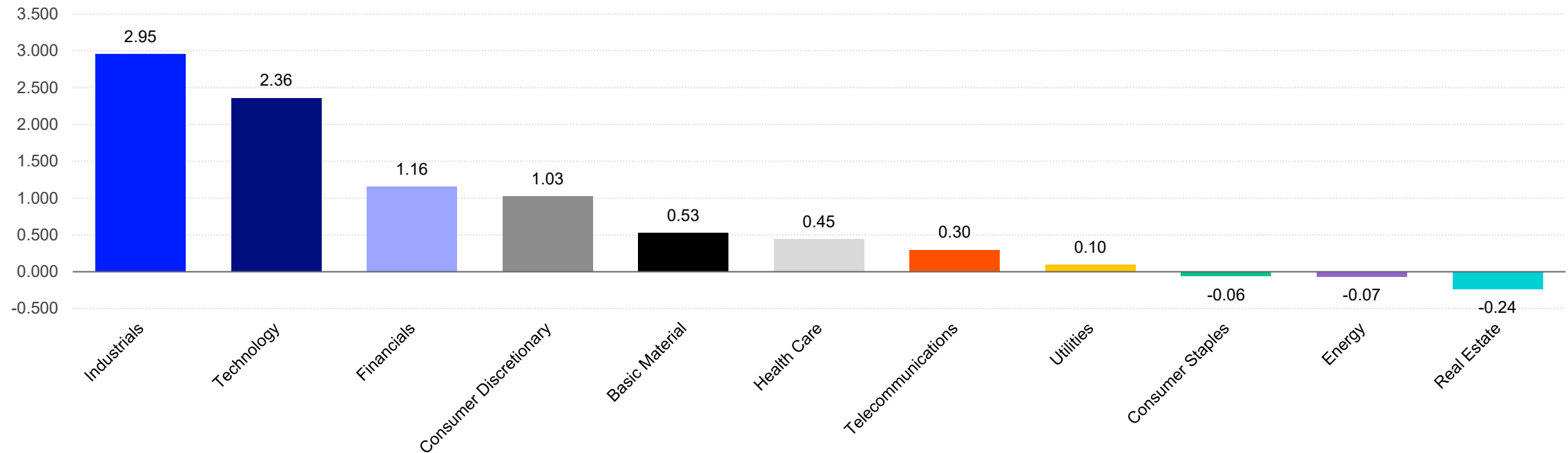
Total return (%)



Source: FTSE Russell, data as of June 30, 2025. Past performance is no guarantee of future results.
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Exhibit 9

Industry contribution to return Year to date (%)

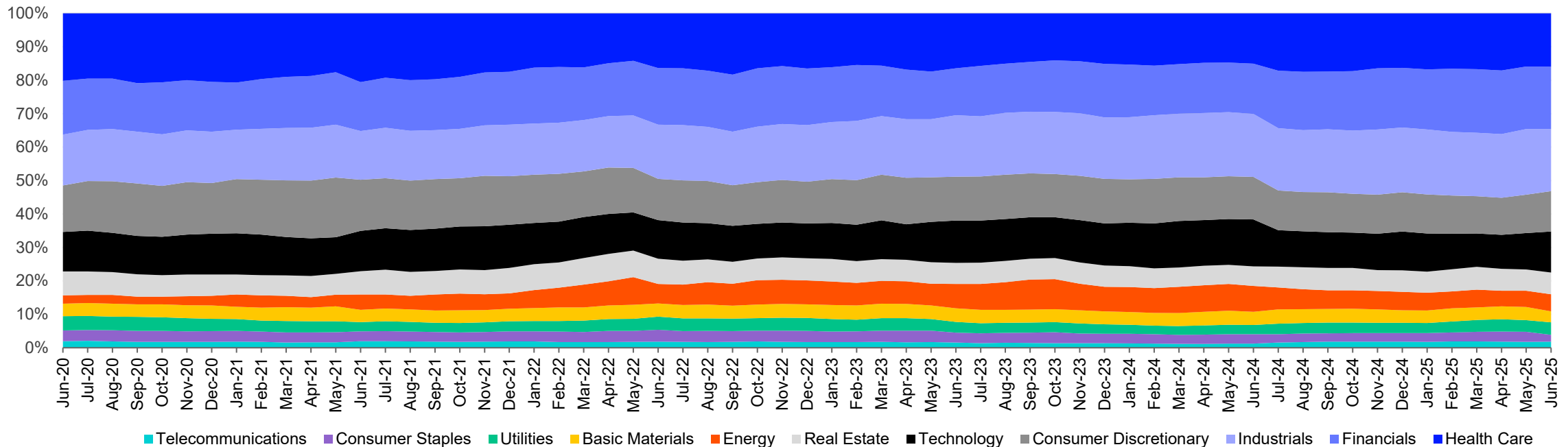


Source: FTSE Russell, data as of June 30, 2025. Past performance is no guarantee of future results.
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Exhibit 10a

Industry history

ICB historical monthly weightings (%)

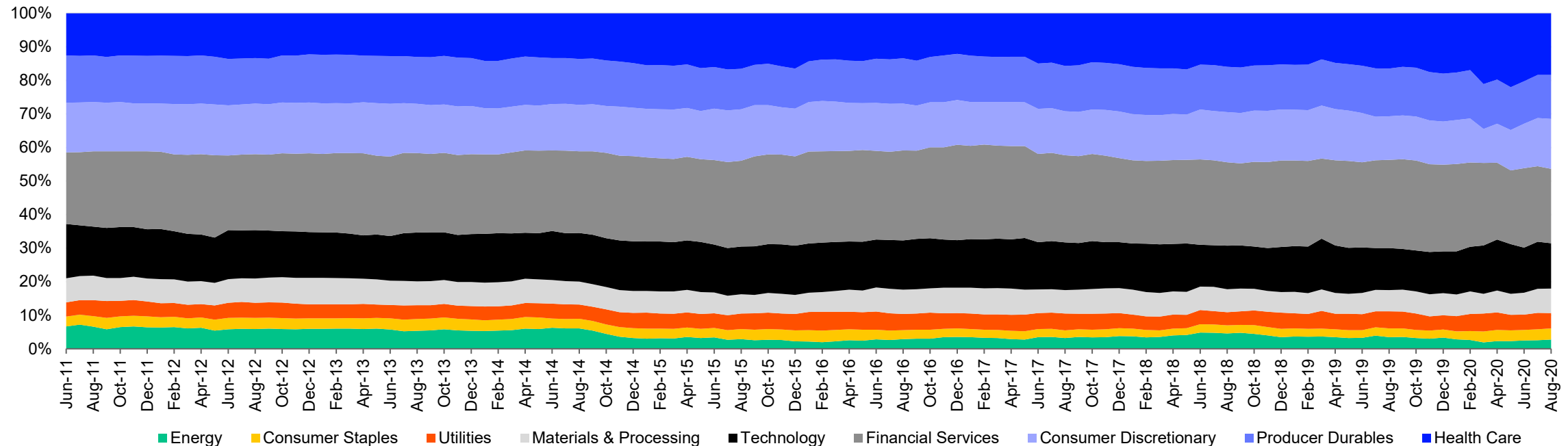


Source: FTSE Russell Industry Classification Benchmark (ICB) data is shown starting June 30, 2020. Historical index weightings reflect Russell Global Sectors. Past performance is no guarantee of future results. Please see important legal disclosures at the end of this report.

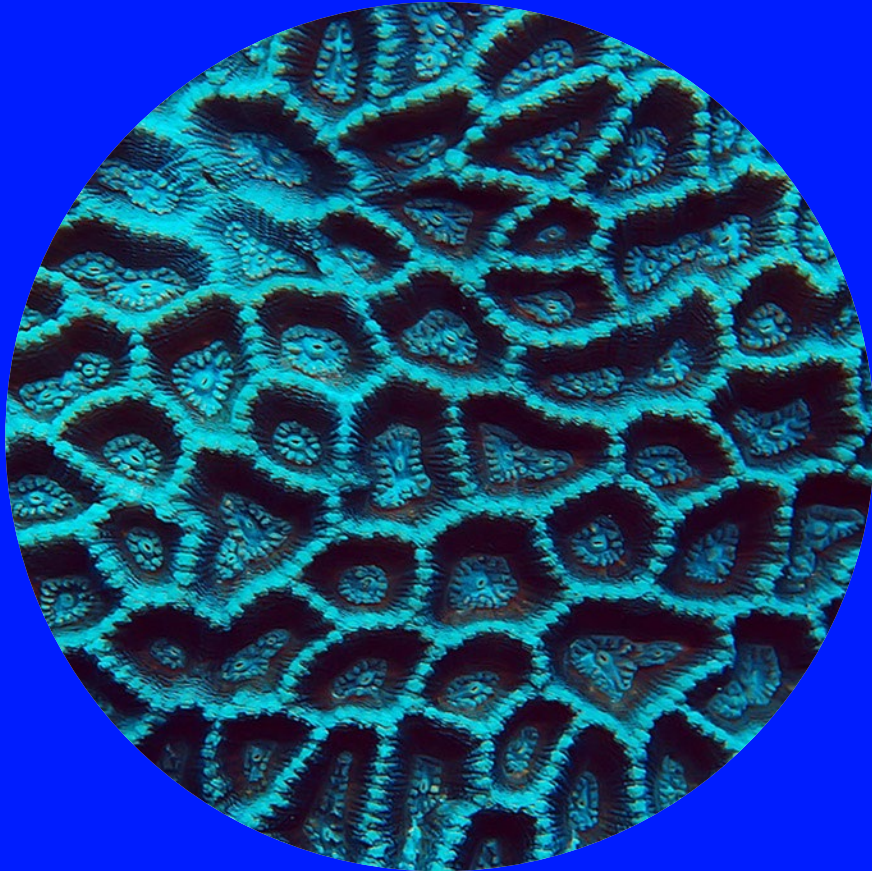
Exhibit 10b

Sector history

RGS historical monthly weightings (%)



Source: FTSE Russell Industry Classification Benchmark (ICB) data is shown starting June 30, 2020. Historical index weightings reflect Russell Global Sectors. Past performance is no guarantee of future results. Please see important legal disclosures at the end of this report.



Risk/characteristics

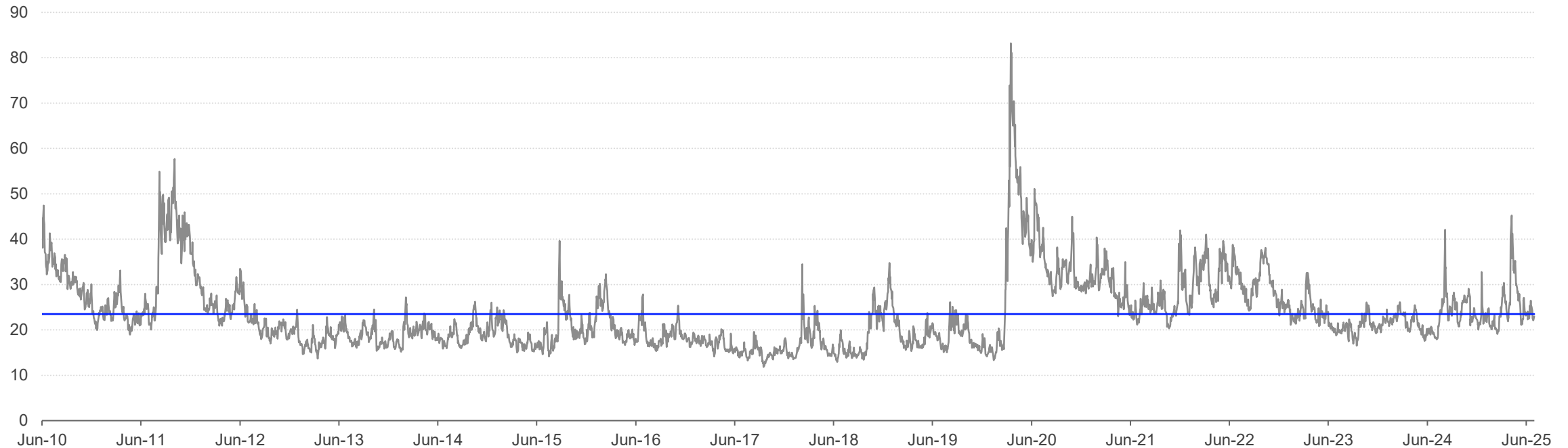
SMALL CAPS REFLECT THE MARKET

Russell 2000 companies tend to be more specialized than those of the more diversified Russell 1000 constituents, this suggests that Russell 2000 companies are less resilient to economic or industry specific shocks. That riskiness has likely contributed to the historically higher volatility of Russell 2000 returns. However, it is important to note that more recently, large and small cap markets seem to be converging as illustrated by similarities in metrics.

Exhibit 11

Implied volatility

CBOE Russell 2000 Volatility Index (RVX) 6/01/2010 – 6/30/2025



Source: FTSE Russell, data as of June 30, 2025. Past performance is no guarantee of future results.
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Exhibit 12a

Fundamental characteristics: Q2 2025

Quarterly market snapshots

	Growth		Quality			
Index	Sales per Share Growth (5 Yr)	Long Term Forecasted Growth (I/B/E/S Median)	EPS Variability (10 Yr)	ROA (5 Yr Avg)	Debt/Equity	Dividend Yield
Russell 2000 Index	9.52	13.35	149.43	2.56	0.64	1.44
Russell 1000 Index	12.23	14.20	113.40	12.71	0.79	1.23

	Valuation			Risk—Standard Deviation (%)		
Index	P/E (I/B/E/S 1 Yr) Forecasted	Price/Book	Price/Cash Flow	1 Yr	3 Yr	5 Yr
Russell 2000 Index	15.05	1.99	13.11	20.84	22.22	21.58
Russell 1000 Index	22.15	4.97	17.04	12.48	15.83	16.46

Source: FTSE Russell, data as of June 30, 2025. Past performance is no guarantee of future results.
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Exhibit 12b

Fundamental characteristics: Q1 2025

Quarterly market snapshots

	Growth		Quality			
Index	Sales per Share Growth (5 Yr)	Long Term Forecasted Growth (I/B/E/S Median)	EPS Variability (10 Yr)	ROA (5 Yr Avg)	Debt/Equity	Dividend Yield
Russell 2000 Index	9.14	14.61	150.98	3.11	0.70	1.49
Russell 1000 Index	11.94	14.23	108.42	12.56	0.80	1.38

	Valuation			Risk—Standard Deviation (%)		
Index	P/E (I/B/E/S 1 Yr) Forecasted	Price/Book	Price/Cash Flow	1 Yr	3 Yr	5 Yr
Russell 2000 Index	13.83	1.94	12.37	21.30	23.21	22.25
Russell 1000 Index	19.50	4.54	15.74	12.42	17.36	17.12

Source: FTSE Russell, data as of June 30, 2025. Past performance is no guarantee of future results.
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Exhibit 12c

Fundamental characteristics: Q4 2024

Quarterly market snapshots

	Growth		Quality			
Index	Sales per Share Growth (5 Yr)	Long Term Forecasted Growth (I/B/E/S Median)	EPS Variability (10 Yr)	ROA (5 Yr Avg)	Debt/Equity	Dividend Yield
Russell 2000 Index	8.77	14.04	147.39	2.33	0.65	1.33
Russell 1000 Index	12.49	12.87	116.94	12.44	0.82	1.27

	Valuation			Risk—Standard Deviation (%)		
Index	P/E (I/B/E/S 1 Yr) Forecasted	Price/Book	Price/Cash Flow	1 Yr	3 Yr	5 Yr
Russell 2000 Index	16.33	2.14	13.75	20.44	23.30	24.47
Russell 1000 Index	22.27	4.84	17.18	10.57	17.40	18.48

Source: FTSE Russell, data as of June 30, 2025. Past performance is no guarantee of future results.
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Exhibit 12d

Fundamental characteristics: Q3 2024

Quarterly market snapshots

	Growth		Quality			
Index	Sales per Share Growth (5 Yr)	Long Term Forecasted Growth (I/B/E/S Median)	EPS Variability (10 Yr)	ROA (5 Yr Avg)	Debt/Equity	Dividend Yield
Russell 2000 Index	8.26	14.43	151.44	2.55	0.66	1.33
Russell 1000 Index	11.88	12.39	100.84	13.89	0.81	1.27

	Valuation			Risk—Standard Deviation (%)		
Index	P/E (I/B/E/S 1 Yr) Forecasted	Price/Book	Price/Cash Flow	1 Yr	3 Yr	5 Yr
Russell 2000 Index	15.96	2.17	13.81	21.49	22.20	23.75
Russell 1000 Index	21.94	4.84	17.11	11.80	17.45	18.28

Source: FTSE Russell, data as of June 30, 2025. Past performance is no guarantee of future results.
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Focal point

Russell US Indexes and the Russell 2000 Index

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Russell US Indexes Spotlight

QUARTERLY REPORT | JULY 2025

Large caps and Growth outperform during Q2 amid renewed optimism for US equities

The second quarter of 2025 saw a moderation of the inflation and growth concerns that had emerged during Q1 in anticipation of the potential impact of US tariff policy. While markets sold off on the early April announcement of reciprocal tariffs, they quickly rebounded when those tariffs were passed. This and business forecasting of impacts helped to stave off the full economic impact of tariff risks in Q2.

Large caps continue to lead in Q2

Russell 1000 outperformed Russell 2000 in Q2, consistent with the 12M trend. Segmenting Russell 1000 further, Russell Top 200 resumed its outperformance of Russell Midcap, after lagging during Q1.

Growth outperforms Value

Both large-cap and small-cap Growth indices outperformed their Value counterparts in Q2. Russell 1000 Growth resumed its leadership among style indices.

Tech and Discretionary rebound

Tech and Discretionary rebounded in Q2 after posting steep losses during Q1. Most industries were in the green. Large-cap Energy and Health Care lagged notably.

Earnings outlook improves

The 2-year EPS outlook for both large and small caps improved in Q2 after macroeconomic concerns seemed to moderate in contrast to Q1.

Valuations re-rate

Forward P/E's expanded over Q2 for all except the Russell 2000 Value index.

Russell IPO inclusion activity remains subdued

Russell 1000 and Russell 2000 included 2 and 7 new IPO names, respectively, in Q2, which was lower than the average number of new IPOs during Q3-Q4 2024.

Chart 1: In Q2, large cap and small cap Growth indices outperformed their Value counterparts. Russell 1000 Growth resumed its leadership among style indices.



Chart 2: While the US economic policy uncertainty index declined during Q2, concerns of trade outcomes still weighed on the market.



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