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An LSEG Business



RUSSELL US INDEXES

Russell 2000 Index quarterly chartbook

April 2025

Covering Q1 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:
 - Q1 2025
 - Q4 2024
 - Q3 2024
 - Q2 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, annual reconstitution 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

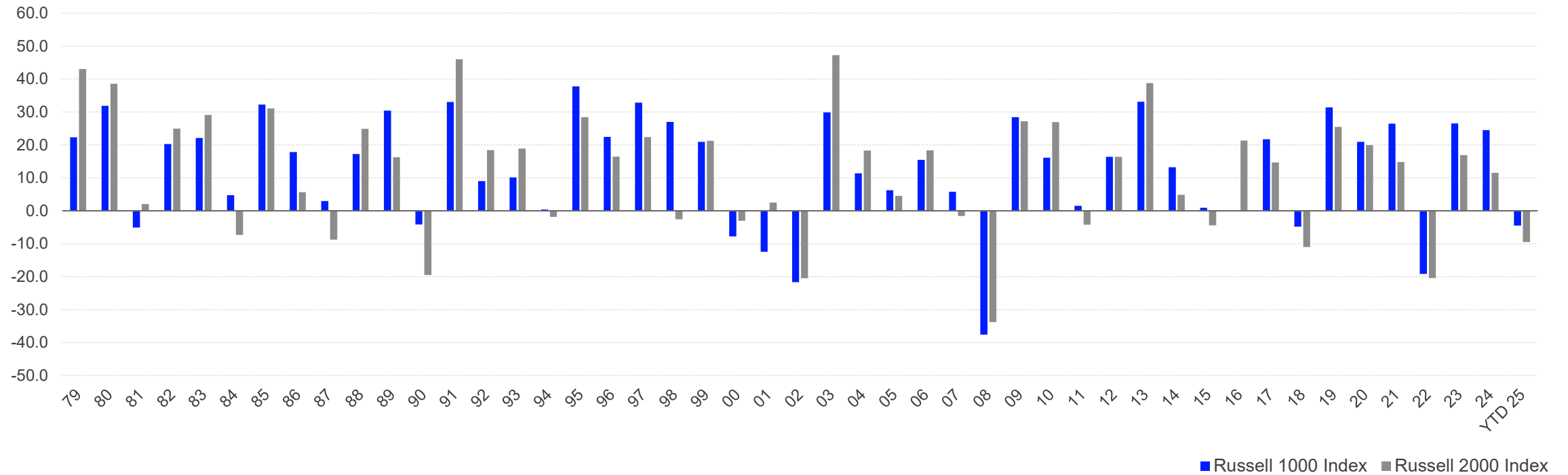
SMALL CAPS TELL US MORE

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 (%)

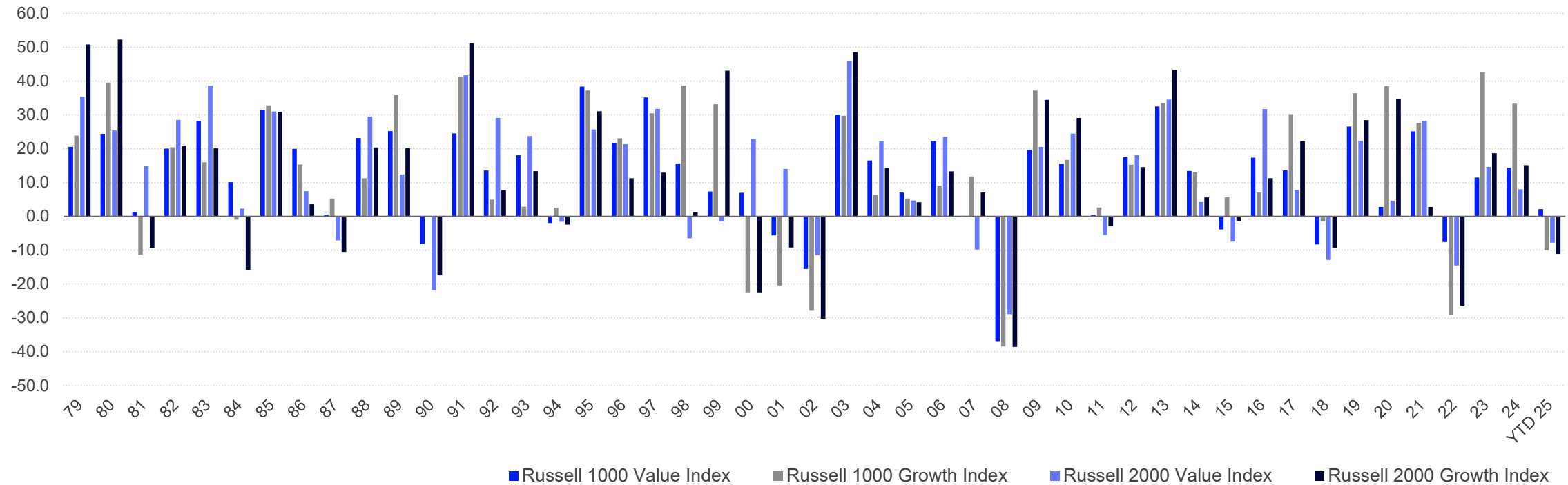


Source: FTSE Russell, data as of March 31, 2025. Past performance is no guarantee of future results.
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Exhibit 1b

Market cap performance

Annual return (%)

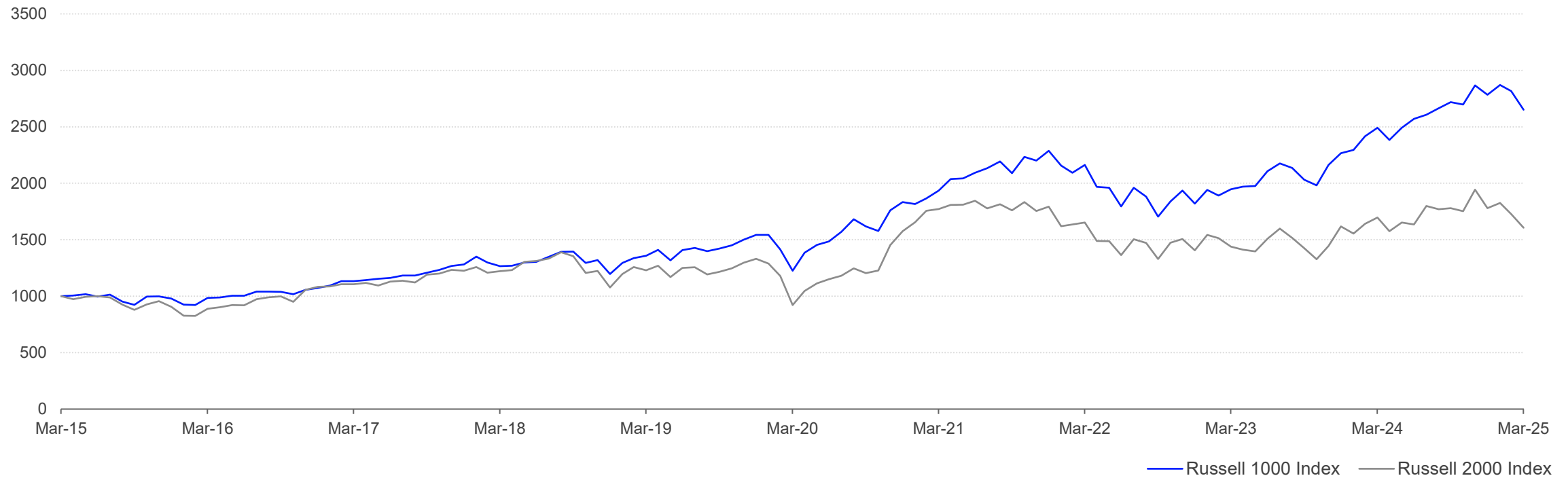


Source: FTSE Russell, data as of March 31, 2025. Past performance is no guarantee of future results.
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Exhibit 2

Performance: Growth of a unit

Total return (growth of 1,000) 10 years



Source: FTSE Russell, data as of March 31, 2025. Past performance is no guarantee of future results.
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Exhibit 3

Market cap performance

Total return (%)

	Q1 2025	Q4 2024	Q3 2024	Q2 2024	12 months
Russell 3000® Index	-4.7	2.6	6.2	3.2	7.2
Russell Top 200® Index	-4.8	3.4	5.2	5.7	9.5
Russell 1000® Index	-4.5	2.7	6.1	3.6	7.8
Russell Midcap® Index	-3.4	0.6	9.2	-3.3	2.6
Russell 2000® Index	-9.5	0.3	9.3	-3.3	-4.0
Russell Microcap® Index	-14.4	8.3	8.3	-5.3	-7.0

Source: FTSE Russell, data as of March 31, 2025. Past performance is no guarantee of future results.
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Exhibit 4

Style performance

Total return (%)

	Q1 2025	Q4 2024	Q3 2024	Q2 2024	12 months
Russell 1000 Growth Index	-10.0	7.1	3.2	8.3	7.8
Russell 2000 Growth Index	-11.1	1.7	8.4	-2.9	-4.9
Russell 1000 Value Index	2.1	-2.0	9.4	-2.2	7.2
Russell 2000 Value Index	-7.7	-1.1	10.2	-3.6	-3.1
Russell 1000 Defensive Index	-1.3	0.1	6.5	3.3	8.7
Russell 2000 Defensive Index	-4.7	-0.8	10.5	-2.0	2.3
Russell 1000 Dynamic Index	-7.5	5.4	5.7	3.8	7.0
Russell 2000 Dynamic Index	-14.1	1.5	8.1	-4.5	-10.0

Source: FTSE Russell, data as of March 31, 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	2.14	-4.49	-9.97
Mid	-2.11	-3.40	-7.12
Small	-7.74	-9.48	-11.12
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 March 31, 2025. Past performance is no guarantee of future results. Please see important legal disclosures at the end of this report.



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

First quarter IPOs

Quarter end

Russell 2000 Index IPOs by Industry

Industry	Number of IPOs	Total market cap (\$B)
Energy	2	0.73
Health care	4	0.73
Technology	1	0.02
Total	7	1.48

Source: FTSE Russell, data as of March 31, 2025. Past performance is no guarantee of future results.
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Exhibit 6b

First quarter IPOs

Quarter end

Russell 2000 Index IPOs company detail

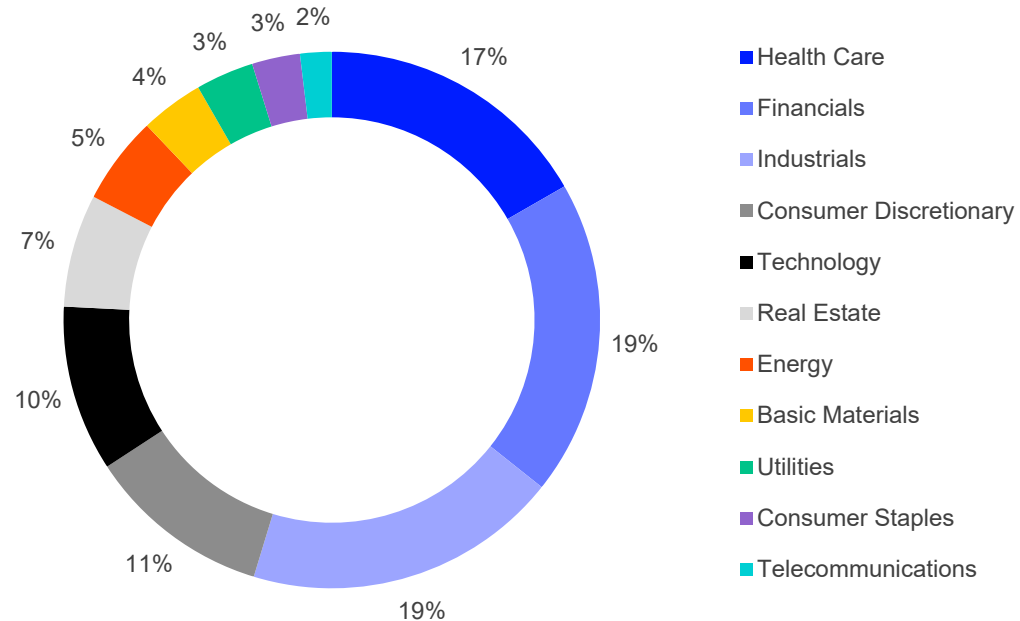
Industry	Company name	Ticker	Total market cap (\$B)
Energy	FLOWCO HOLDINGS INC	FLOC	0.50
	INFINITY NATURAL RESOURC	INR	0.24
Health Care	ANTERIS TECHNOLOGIES GLO	AVR	0.05
	BETA BIONICS	BBNX	0.16
	MAZE THERAPEUTICS	MAZE	0.10
	METSERA	MTSR	0.42
Technology	ZSPACE INC	ZSPC	0.02

Source: FTSE Russell, data as of March 31, 2025. Past performance is no guarantee of future results.
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Exhibit 7

Quarterly industry weightings

Quarter end (%)



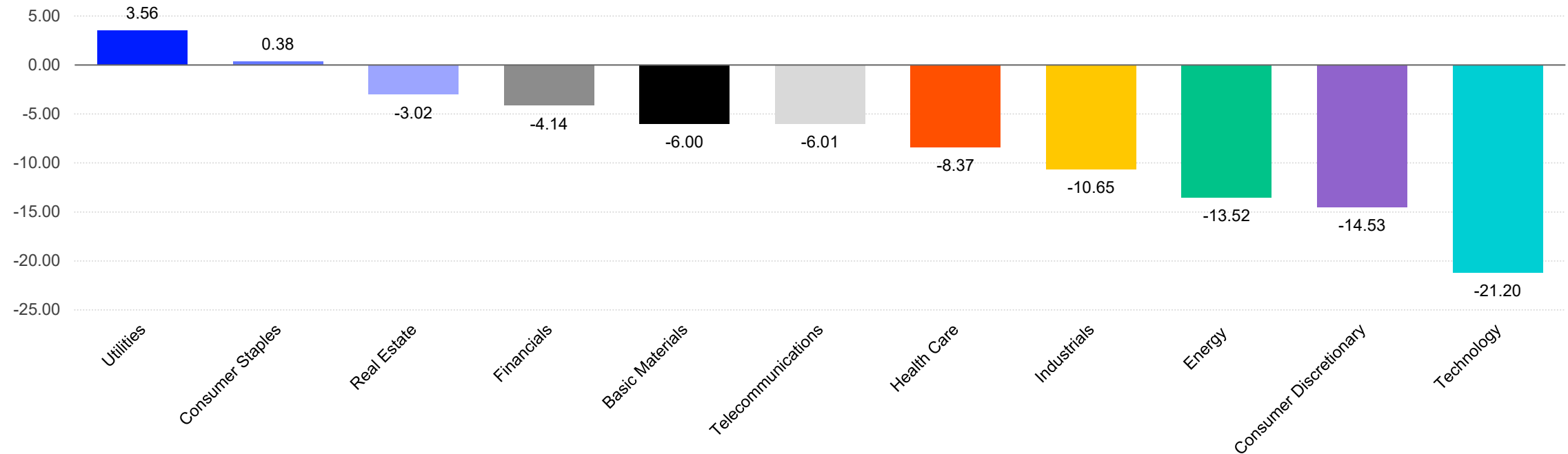
	Q1 2025	Q4 2024	Q3 2024	Q2 2024
Health Care	16.7	16.3	17.4	15.1
Financials	19.0	17.8	17.2	15.0
Industrials	19.0	19.4	18.9	18.8
Consumer Discretionary	11.1	11.7	11.9	12.7
Technology	10.0	11.7	10.7	14.0
Real Estate	6.8	6.4	6.7	5.8
Energy	5.3	5.5	5.5	7.8
Basic Materials	3.8	3.8	4.1	3.9
Utilities	3.5	3.0	3.2	2.7
Consumer Staples	2.9	2.6	2.5	2.9
Telecom	1.9	1.8	1.8	1.2

Source: FTSE Russell, data as of March 31, 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

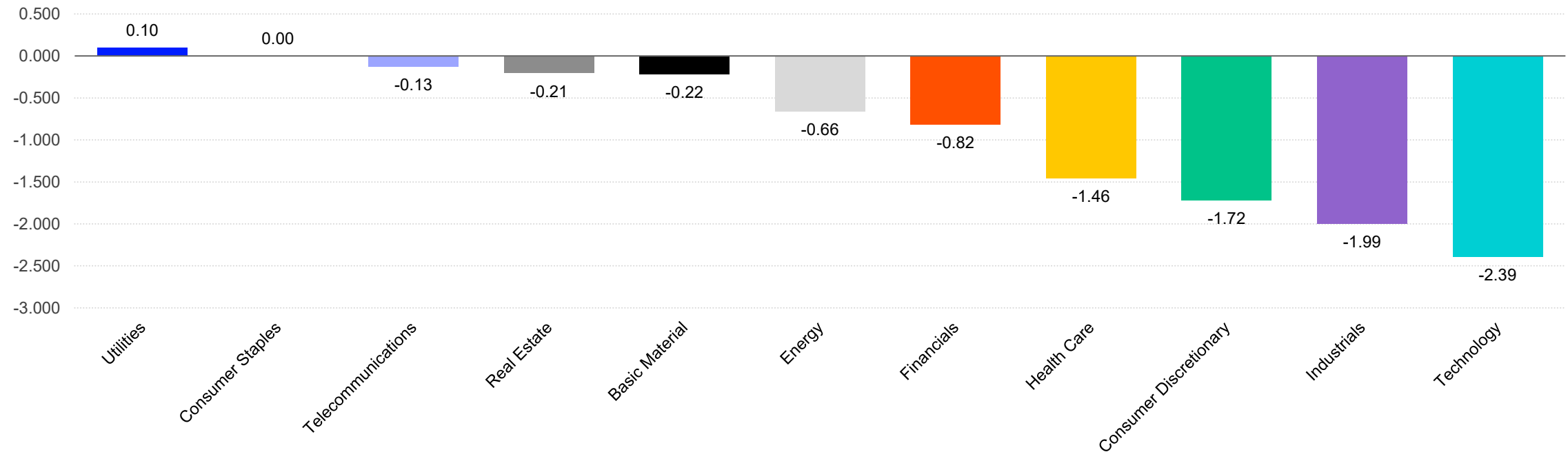
Total return (%)



Source: FTSE Russell, data as of March 31, 2025. Past performance is no guarantee of future results.
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Exhibit 9

Industry contribution to return Year to date (%)

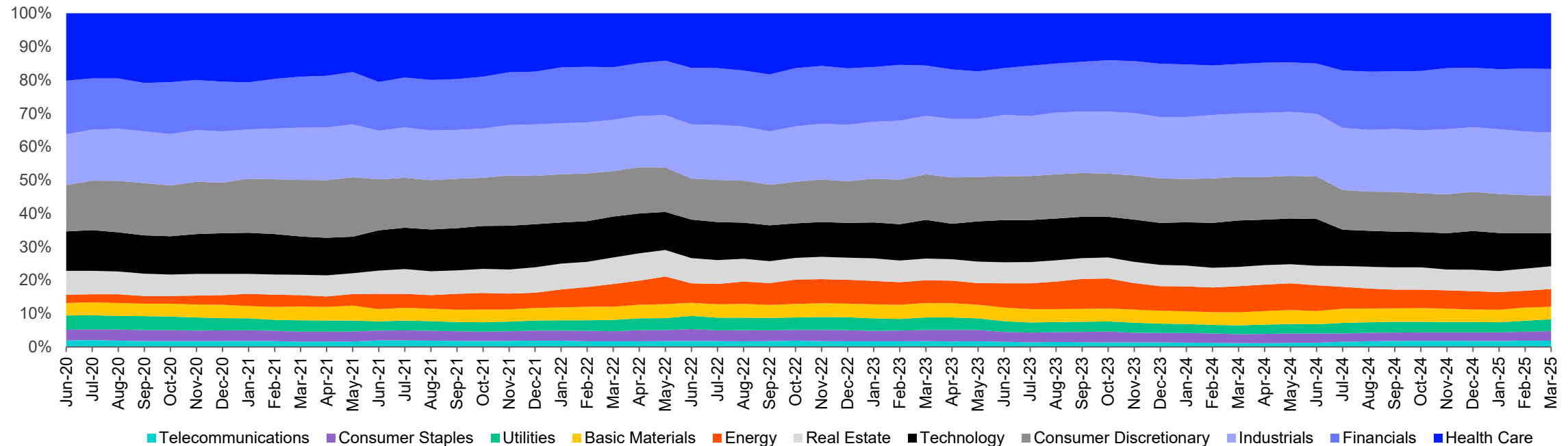


Source: FTSE Russell, data as of March 31, 2025. Past performance is no guarantee of future results.
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Exhibit 10a

Industry history

ICB historical monthly weightings (%)

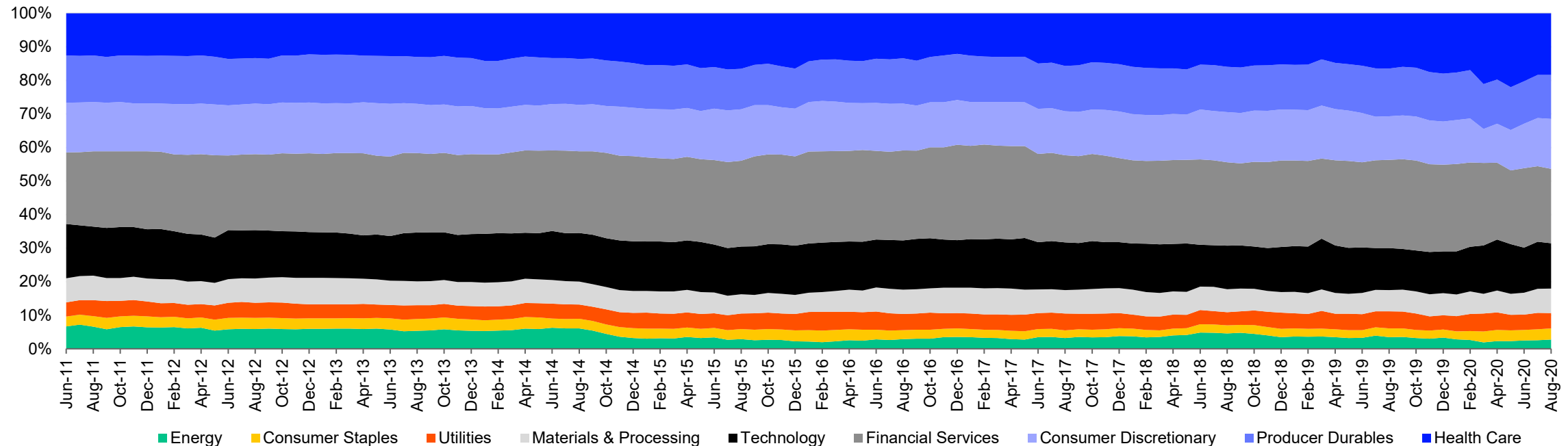


Source: FTSE Russell Industry Classification Benchmark (ICB) data is shown starting June 30, 2020. Historical index weightings reflect Russell Global Sectors. Past performance is no guarantee of future results. Please see important legal disclosures at the end of this report.

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

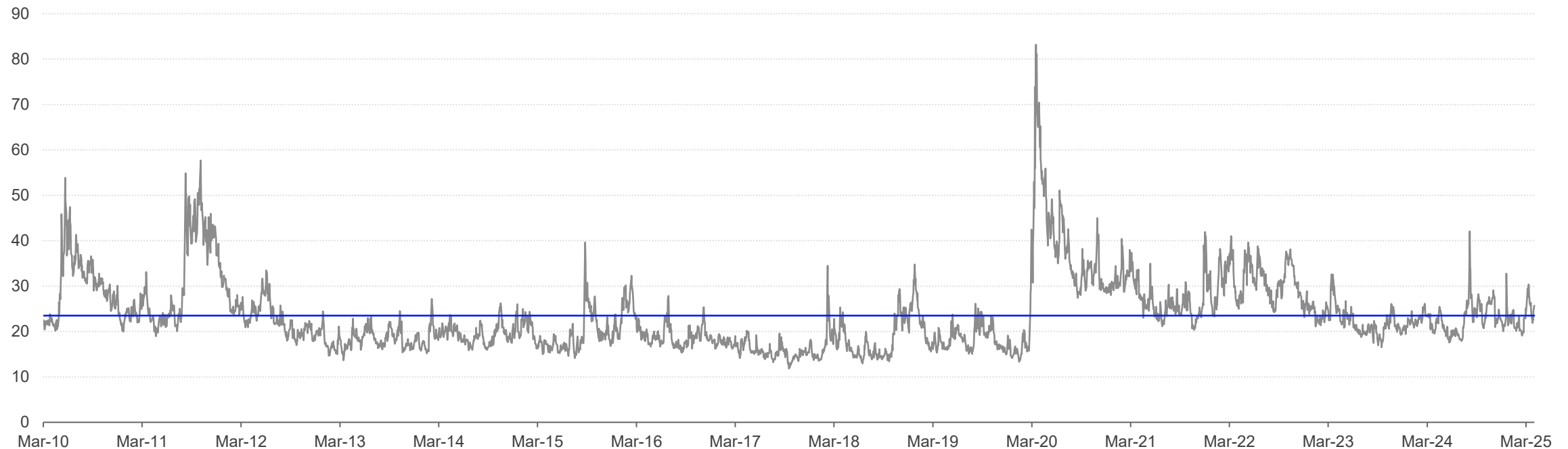
SMALL CAPS REFLECT THE MARKET

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) 3/01/2010 – 3/31/2025



Source: FTSE Russell, data as of March 31, 2025. Past performance is no guarantee of future results.
Please see important legal disclosures at the end of this report.

Exhibit 12a

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 March 31, 2025. Past performance is no guarantee of future results.
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Exhibit 12b

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 March 31, 2025. Past performance is no guarantee of future results.
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Exhibit 12c

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 March 31, 2025. Past performance is no guarantee of future results.
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Exhibit 12d

Fundamental characteristics: Q2 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	8.40	13.75	152.22	2.93	0.64	1.44
Russell 1000 Index	13.80	15.20	100.15	13.75	0.78	1.32

	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	14.65	2.10	12.18	22.32	21.63	23.51
Russell 1000 Index	20.92	4.68	16.39	14.30	17.75	18.32

Source: FTSE Russell, data as of March 31, 2025. Past performance is no guarantee of future results.
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Focal point

Russell US Indexes and the Russell 2000 Index

Ideal for Institutional Investors.
Perfect for Financial Advisors.



**Deeper knowledge about how indexes work
can drive better portfolio outcomes for wealth
advisors. Discover additional resources
supporting your index product selection.**

Highlights



Global Investment Research
Market Maps



Russell US Indexes Spotlight

QUARTERLY REPORT | APRIL 2025

Large caps and Value outperform during Q1 amid a broad pullback in US equities

The narrative around US exceptionalism was challenged over the quarter with higher inflation expectations and renewed concerns around economic growth complicating further monetary policy action. Long yields declined supporting rate-sensitive market segments. However, industry leaders from the last year such as Technology and Discretionary posted steep losses detracting from index returns.

Large caps outperform in Q1

Russell 1000 outperformed Russell 2000 in Q1, consistent with the 12M trend. However, both indices posted losses for the quarter. Segmenting the Russell 1000 further, the Top 200 underperformed the Midcap, in contrast to the 12M trend.

Value outperforms Growth

Both large-cap and small-cap Value indices outperformed their Growth counterparts in Q1. Russell 1000 Growth held steady over 2024 saw a sharp reversal.

Tech and Discretionary detract significantly

Tech and Discretionary posted steep losses and detracted from index returns. Defensives such as Consumer Staples, Telecoms and Utilities bolstered returns.

Earnings outlook dips

The 2-year EPS outlook for both large and small caps dipped in Q1 after improving steadily over 2024. The earnings outlook for Russell 1000 Value held steady.

Valuations de-rate

Forward P/Es declined over Q1 for all except the Russell 1000 Value index.

Russell IPO inclusion activity declines

Russell 1000 and Russell 2000 included 1 and 7 new IPO names, respectively, in Q1, which was lower than the previous three quarters.

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Chart 1: The US market posted modest gains in Q1 as inflation cooled, but volatility persisted.

Chart 2: In Q1, US inflation expectations rose the short-term (5-5 year) over steeply from 2.27% to 2.66%.

US Break-even inflation (%)

1-3yr 5-5yr 7-10yr

Source: FRED, Bank of America Research, April 7, 2025. The performance of the Russell 1000 and Russell 2000 indices is based on the performance of the Russell 1000 and Russell 2000 indices. The performance of the Russell 1000 and Russell 2000 indices is based on the performance of the Russell 1000 and Russell 2000 indices.

FTSE Russell Russell US Indexes 30-09-2025 11:23:22

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Valuations de-rate

Forward P/Es declined over Q1 for all except the Russell 1000 Value index.

Russell IPO inclusion declines

Russell 1000 and Russell 2000 included 1 and 7 new IPO names, respectively, in Q1, which was lower than the previous three quarters.

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[Russell US Indexes Spotlight, April 2025 | FTSE Russell](#)

Value outperforms Growth

Both large-cap and small-cap Value indices outperformed their Growth counterparts in Q1. Russell 1000 Growth that held sway over 2024 saw a sharp reversal.

Tech and Discretionary detract significantly

Tech and Discretionary posted steep losses and detracted from index returns. Defensives such as Consumer Staples, Telecoms and Utilities bolstered returns.

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The 2-year EPS outlook for both large and small caps dipped in Q1 after improving steadily over 2024. The earnings outlook for Russell 1000 Value held steady.

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