FTSE RUSSELL

RUSSELL US INDEXES

Russell 2000 Index quarterly chartbook

January 2026

Covering Q4 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:
  - Q4 2025
  - Q3 2025
  - Q2 2025
  - Q1 2025

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

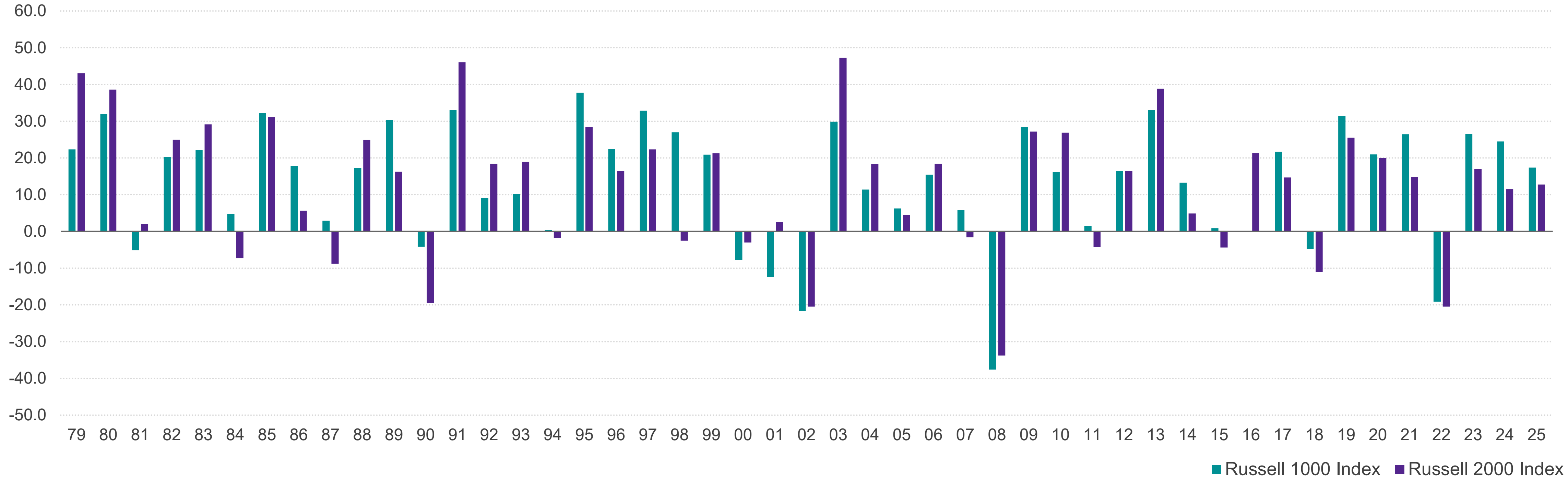
SMALL CAPS TELL US MORE

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 (%)

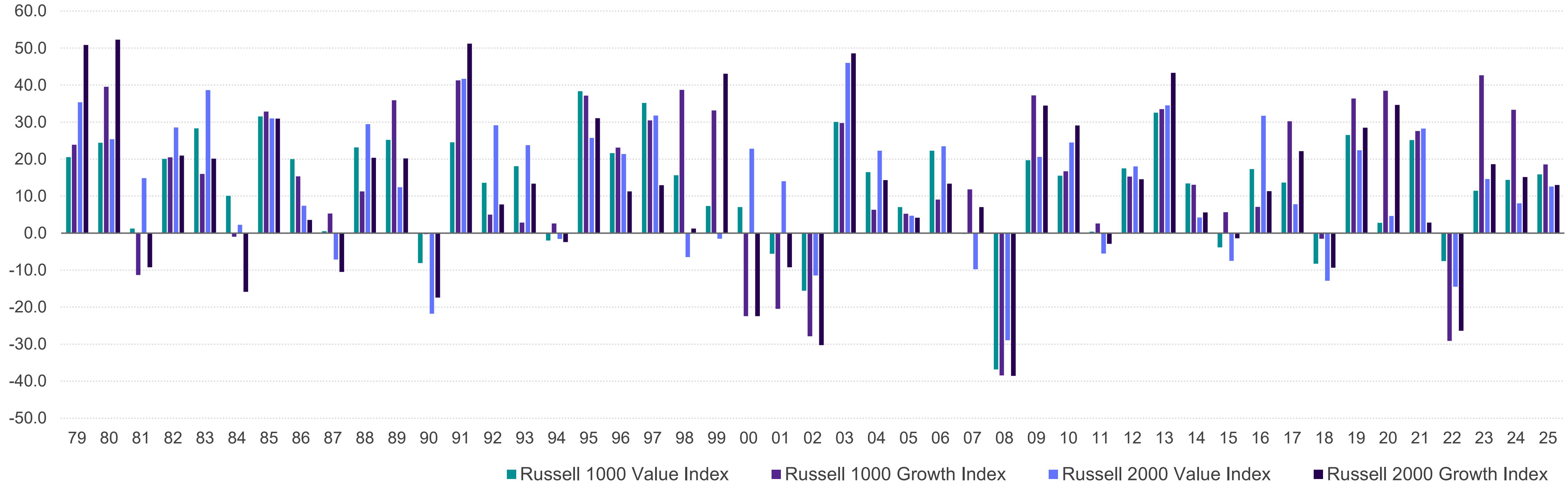


Source: FTSE Russell, data as of December 31, 2025. Past performance is no guarantee of future results.
Please see important legal disclosures at the end of this report.

Exhibit 1b

Market cap performance

Annual return (%)



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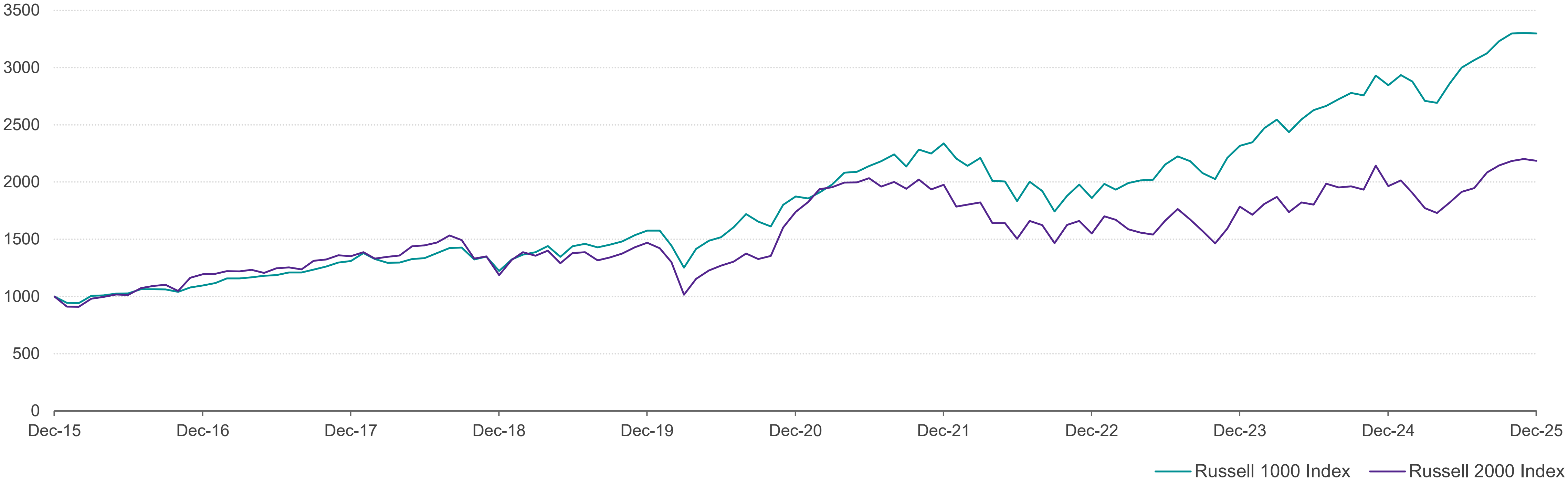
Exhibit 2

Performance: Growth of a unit

Total return (growth of 1,000) 10 years



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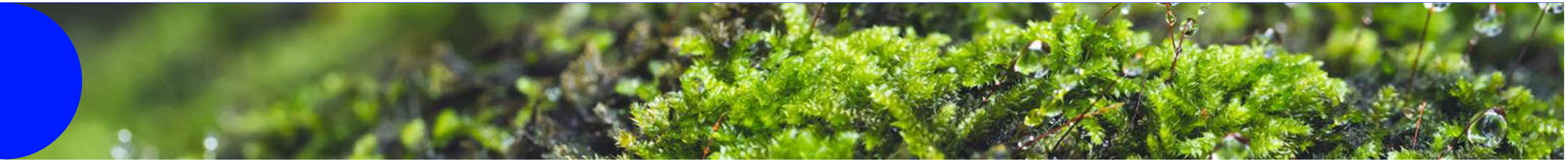
Exhibit 3



Market cap performance

Total return (%)

	Q4 2025	Q3 2025	Q2 2025	Q1 2025	12 months
Russell 3000® Index	2.4	8.2	11.0	-4.7	17.1
Russell Top 200® Index	3.0	8.7	11.8	-4.8	19.2
Russell 1000® Index	2.4	8.0	11.1	-4.5	17.4
Russell Midcap® Index	0.2	5.3	8.5	-3.4	10.6
Russell 2000® Index	2.2	12.4	8.5	-9.5	12.8
Russell Microcap® Index	6.3	17.0	15.5	-14.4	23.0

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

Style performance

Total return (%)

	Q4 2025	Q3 2025	Q2 2025	Q1 2025	12 months
Russell 1000 Growth Index	1.1	10.5	17.8	-10.0	18.6
Russell 2000 Growth Index	1.2	12.2	12.0	-11.1	13.0
Russell 1000 Value Index	3.8	5.3	3.8	2.1	15.9
Russell 2000 Value Index	3.3	12.6	5.0	-7.7	12.6
Russell 1000 Defensive Index	2.4	6.6	4.3	-1.3	12.3
Russell 2000 Defensive Index	0.9	6.3	4.1	-4.7	6.4
Russell 1000 Dynamic Index	2.9	9.3	18.0	-7.5	22.3
Russell 2000 Dynamic Index	3.3	18.2	13.2	-14.1	18.7

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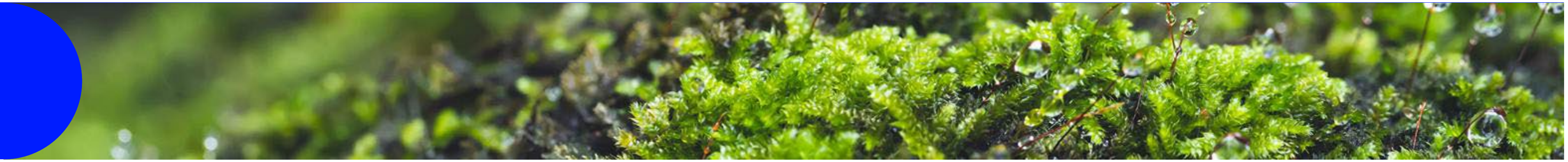

Exhibit 5

Style box performance

Total return (%)

	Value	Core	Growth
2025			
Large	15.91	17.37	18.56
Mid	11.05	10.60	8.66
Small	12.6	12.81	13.01
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 December 31, 2025. Past performance is no guarantee of future results.
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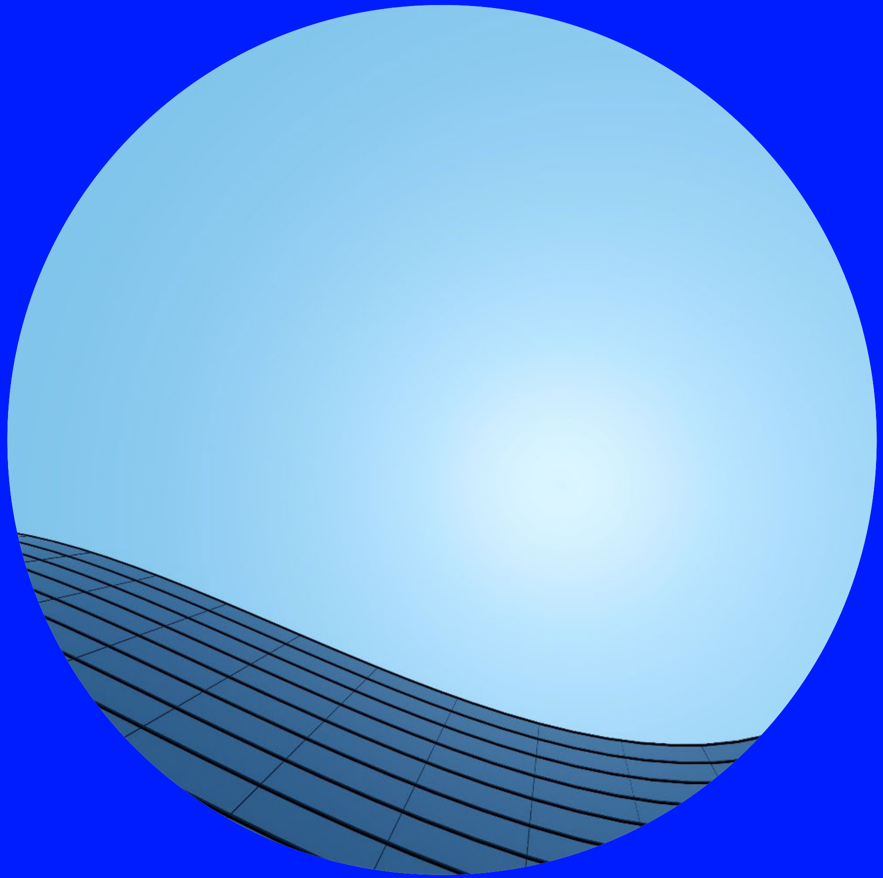


Industries

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

Fourth quarter IPOs
Quarter end

Russell 2000 Index IPOs by Industry

Industry	Number of IPOs	Total market cap ($B)
Basic Materials	1	1.03
Consumer Discretionary	3	0.72
Financials	6	3.50
Health Care	4	1.28
Industrials	3	2.93
Technology	3	1.10
Total	**20**	**10.57**

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

Exhibit 6b

Fourth quarter IPOs

Quarter end

Russell 2000 Index IPOs company detail

Industry	Company name	Ticker	Total market cap ($B)
Basic Materials	USA RARE EARTH	USAR	1.03
Consumer Discretionary	BLACK ROCK COFFEE BAR	BRCB	0.36
	FALCONS BEYOND GLOBAL	FBYD	0.22
	PHOENIX EDUCATION PARTNE	PXED	0.15
Financials	AVIDBANK HOLDINGS INC	AVBH	0.08
	WEBULL CORPORATION	BULL	2.09
	COMMERCIAL BANCGROUP	CBK	0.17
	FOLD HOLDINGS	FLD	0.02
	INNVENTURE	INV	0.11
	MIAMI INTERNATIONAL HOLD	MIAX	1.03

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

Exhibit 6c

Fourth quarter IPOs

Quarter end

Russell 2000 Index IPOs company detail (continued)

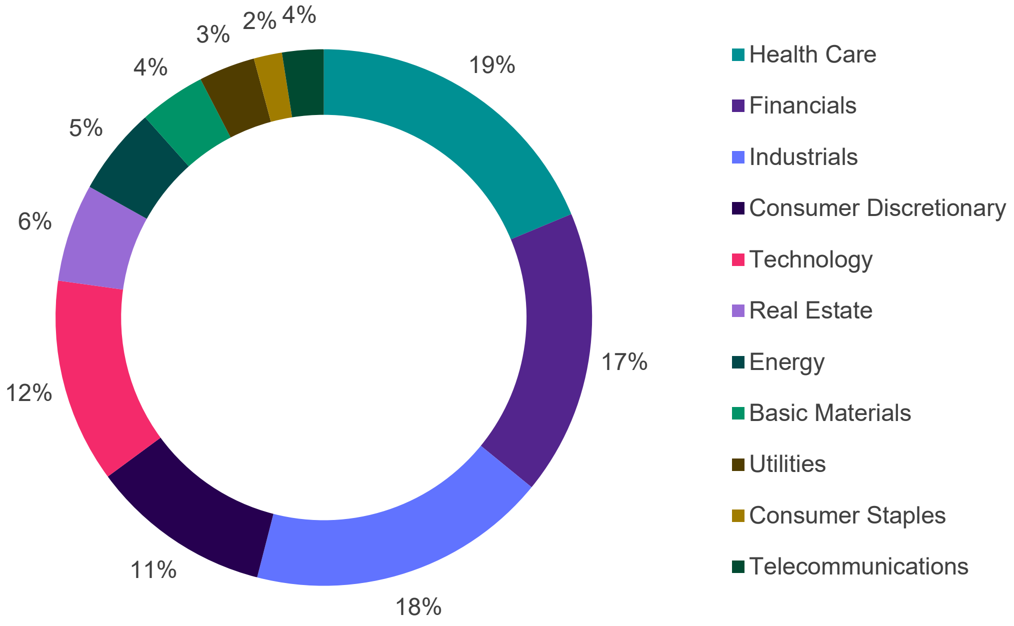
Industry	Company name	Ticker	Total market cap ($B)
Health Care	HEARTFLOW	HTFL	0.56
	LB PHARMACEUTICALS	LBRX	0.42
	MAPLIGHT THERAPEUTICS IN	MPLT	0.29
	PICARD MEDICAL INC	PMI	0.01
Industrials	ALLIANCE LAUNDRY HOLDING	ALH	0.88
	FIREFLY AEROSPACE	FLY	0.47
	LEGENCE CORP	LGN	1.57
Technology	NAVAN	NAVN	0.63
	VIA TRANSPORTATION	VIA	0.30
	WHITEFIBER	WYFI	0.17

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

Exhibit 7

Quarterly industry weightings

Quarter end (%)



	Q4 2025	Q3 2025	Q2 2025	Q1 2025
Health Care	18.7	16.0	16.0	16.7
Financials	17.2	17.5	18.6	19.0
Industrials	18.1	18.9	18.6	19.0
Consumer Discretionary	10.9	11.7	12.1	11.1
Technology	12.3	12.9	12.3	10.0
Real Estate	5.9	6.0	6.5	6.8
Energy	5.3	5.2	5.1	5.3
Basic Materials	4.0	3.9	3.3	3.8
Utilities	3.4	3.8	3.8	3.5
Consumer Staples	1.7	1.8	2.0	2.9
Telecom	2.5	2.3	1.9	1.9

Source: FTSE Russell, data as of December 31, 2025. Past performance is no guarantee of future results.
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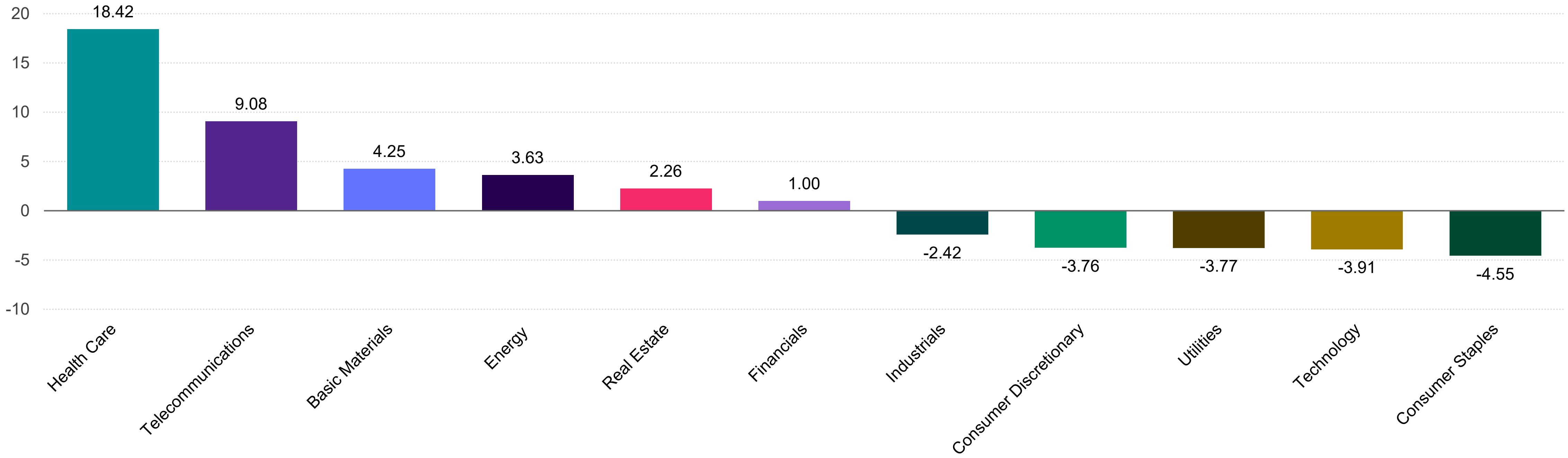
Exhibit 8

Quarterly industry performance review

Total return (%)



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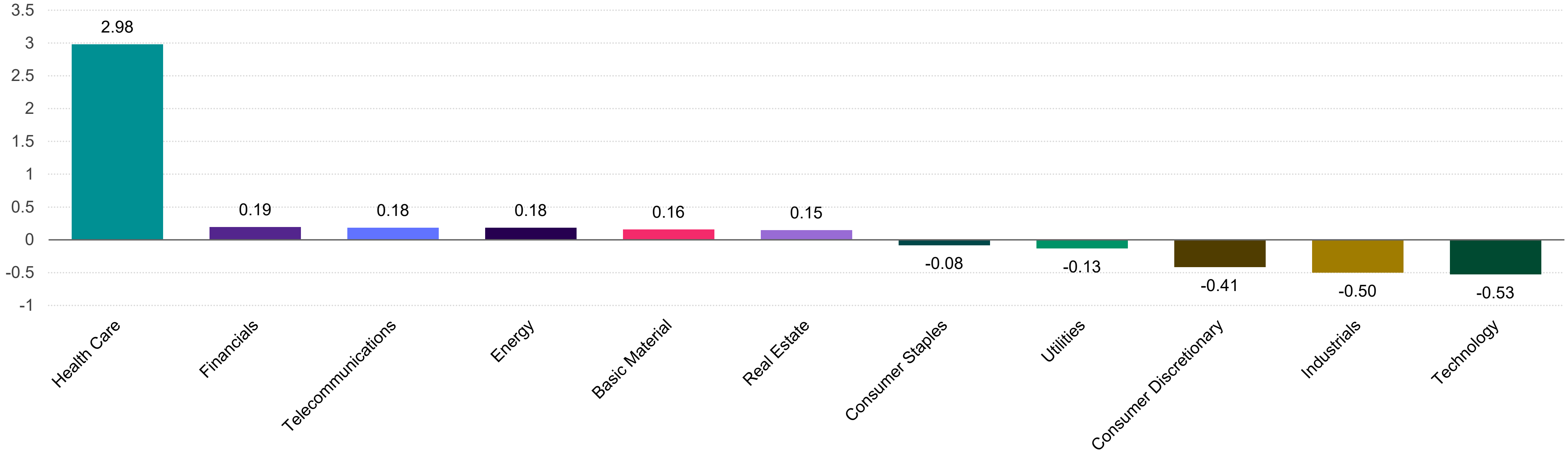
Exhibit 9

Industry contribution to return

Year to date (%)



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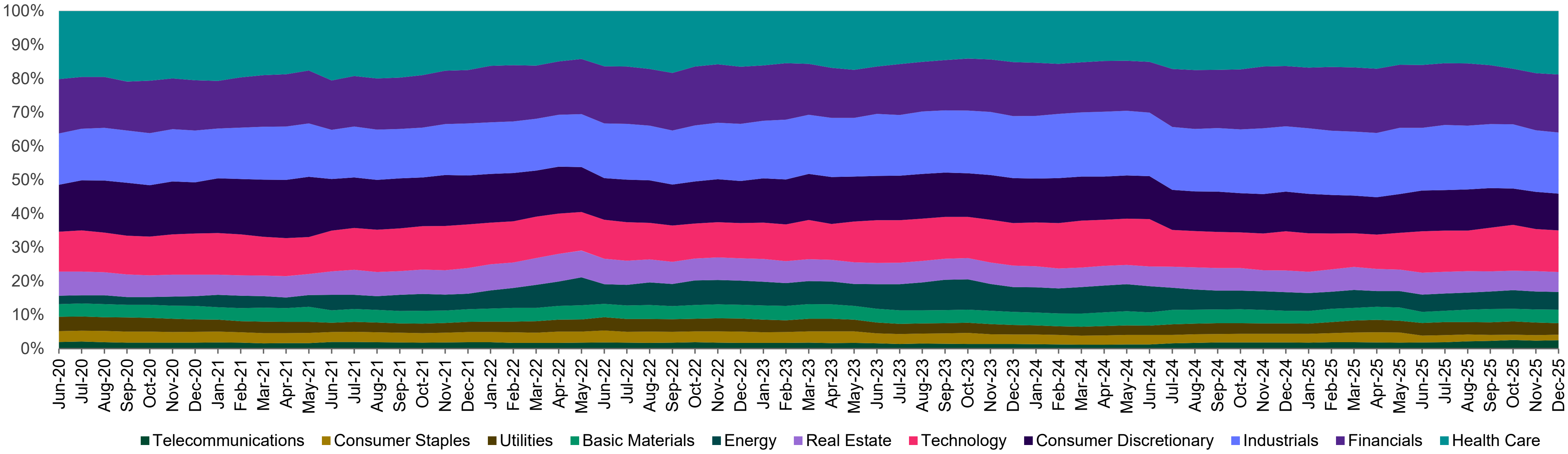
Exhibit 10a

Industry history

ICB historical monthly weightings (%)

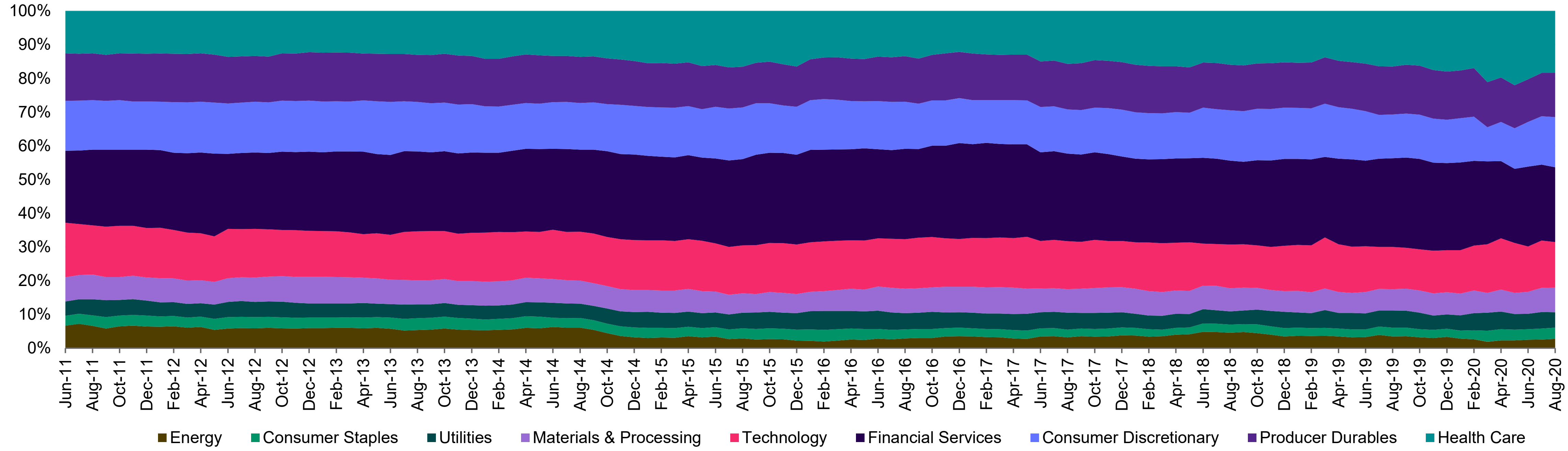


Source: FTSE Russell Industry Classification Benchmark (ICB) data is shown starting June 30, 2020. Historical index weightings reflect Russell Global Sectors. Past performance is no guarantee of future results. Please see important legal disclosures at the end of this report.

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

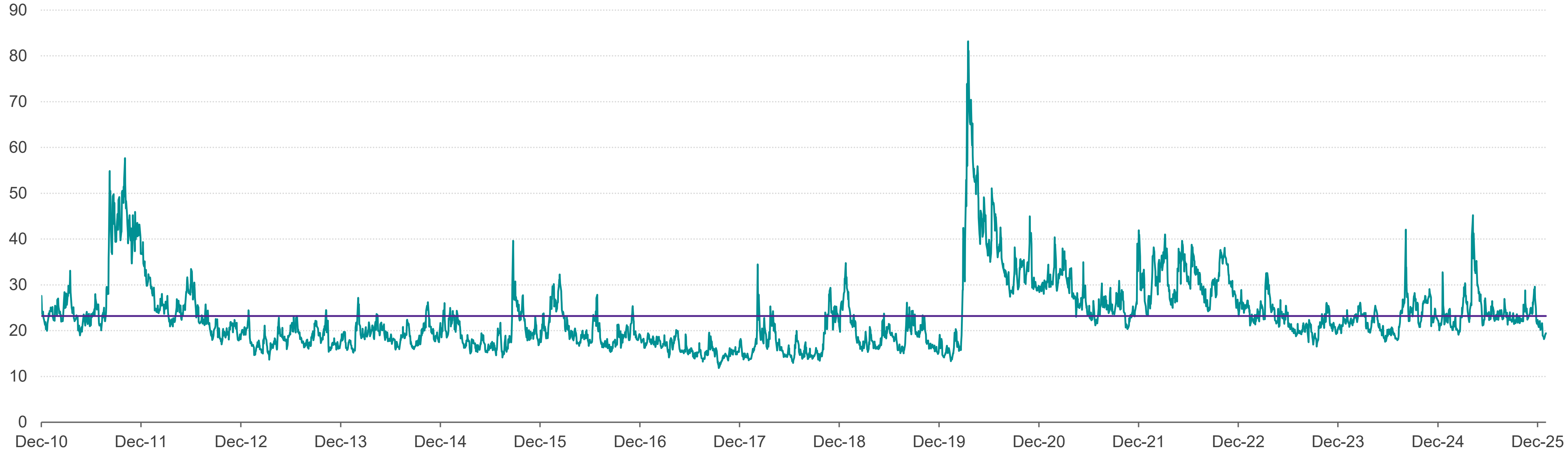
SMALL CAPS REFLECT THE MARKET

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) 12/01/2010 – 12/31/2025



Source: FTSE Russell, data as of December 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: Q4 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	9.71	12.16	149.76	2.33	0.62	1.28
Russell 1000 Index	12.48	14.94	114.95	13.17	0.82	1.17

	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	16.38	2.21	14.65	19.68	20.88	21.58
Russell 1000 Index	23.17	5.19	17.75	12.64	13.48	15.99

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

Exhibit 12b

Fundamental characteristics: Q3 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**
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Russell 2000 Index	16.38	2.21	14.65	19.68	20.88	21.58
Russell 1000 Index	23.17	5.19	17.75	12.64	13.48	15.99

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

Exhibit 12c

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

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 December 31, 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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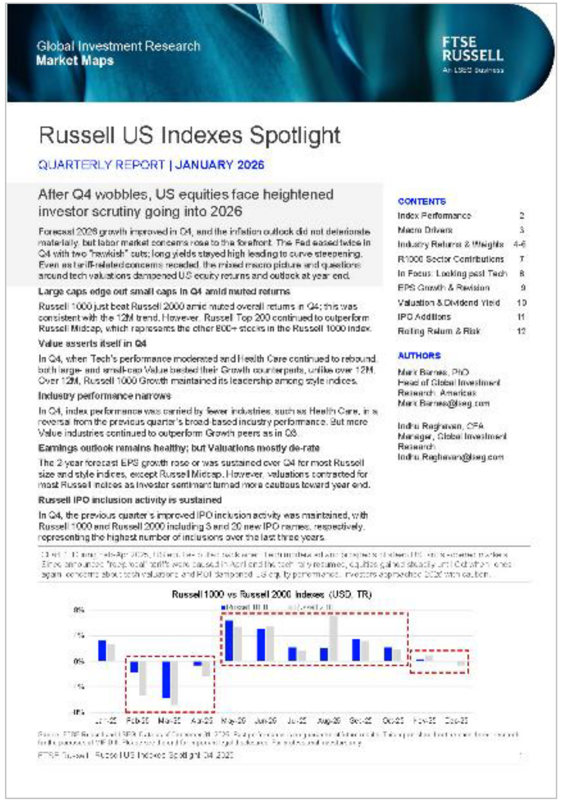
Highlights


Global Investment Research
Market Maps

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Russell US Indexes Spotlight

QUARTERLY REPORT | JANUARY 2026

After Q4 wobbles, US equities face heightened investor scrutiny going into 2026

Forecast 2026 growth improved in Q4, and the inflation outlook did not deteriorate materially, but labor market concerns rose to the forefront. The Fed eased twice in Q4 with two "hawkish" cuts; long yields stayed high leading to curve steepening. Even as tariff-related concerns receded, the mixed macro picture and questions around tech valuations dampened US equity returns and outlook at year end.

Large caps edge out small caps in Q4 amid muted returns

Russell 1000 just beat Russell 2000 amid muted overall returns in Q4; this was consistent with the 12M trend. However, Russell Top 200 continued to outperform Russell Midcap, which represents the other 800+ stocks in the Russell 1000 index.

Value asserts itself in Q4

In Q4, when Tech's performance moderated and Health Care continued to rebound, both large- and small-cap Value bested their Growth counterparts, unlike over 12M. Over 12M, Russell 1000 Growth maintained its leadership among style indices.

Industry performance narrows

In Q4, index performance was carried by fewer industries, such as Health Care, in a reversal from the previous quarter's broad-based industry performance. But more Value industries continued to outperform Growth peers as in Q3.

Earnings outlook remains healthy; but Valuations mostly de-rate

The 2-year forecast EPS growth rose or was sustained over Q4 for most Russell size and style indices, except Russell Midcap. However, valuations contracted for most Russell indices as investor sentiment turned more cautious toward year end.

Russell IPO inclusion activity is sustained

In Q4, the previous quarter's improved IPO inclusion activity was maintained, with Russell 1000 and Russell 2000 including 3 and 20 new IPO names, respectively, representing the highest number of inclusions over the last three years.

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AUTHORS

Mark Barnes, PhD
Head of Global Investment Research, Americas
Mark.Barnes@lseg.com

Indhu Raghavan, CFA
Manager, Global Investment Research
Indhu.Raghavan@lseg.com

Russell 1000 vs Russell 2000 Indexes (USD, TR)

Large caps edge out small caps in Q4 amid muted returns

Russell 1000 just beat Russell 2000 amid muted overall returns in Q4 this was consistent with the 12-month trend. However, the Russell Top 200 continued to outperform the Russell Midcap, which represents the other 800+ stocks in the Russell 1000 index.

Earnings outlook remains healthy, but Valuations mostly de-rate

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KEY ANNOUNCEMENT: Russell US Indexes moving to a semi-annual index reconstitution frequency

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