



**FTSE
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An LSEG Business



RUSSELL US INDEXES

Russell 2000 Index quarterly chartbook

May 2024

Covering Q1 2024 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 **sectors** and their reflection in the market


- Quarterly IPOs
- Quarterly sector weightings
- Quarterly sector performance review
- Sector contribution to return
- Sector history

Find analytical perspectives on **risk/characteristics**

- Implied volatility
- Fundamental characteristics:
 - Q1 2024
 - Q4 2023
 - Q3 2023
 - Q2 2023

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

- Highlights
- Resources



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.



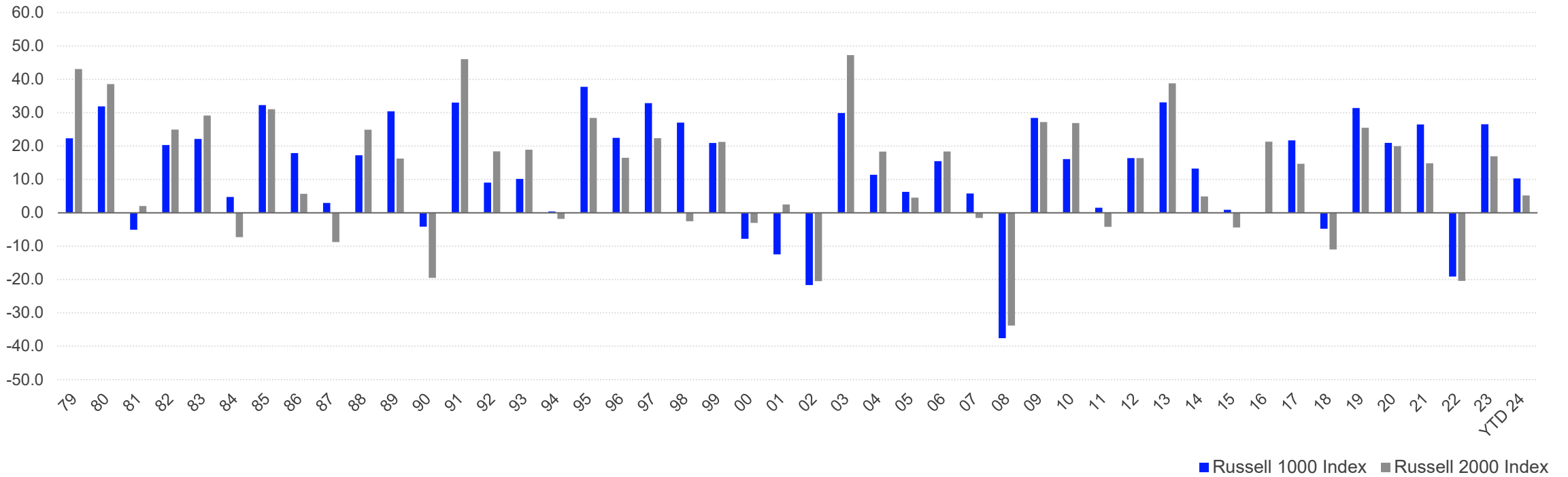
Market performance

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

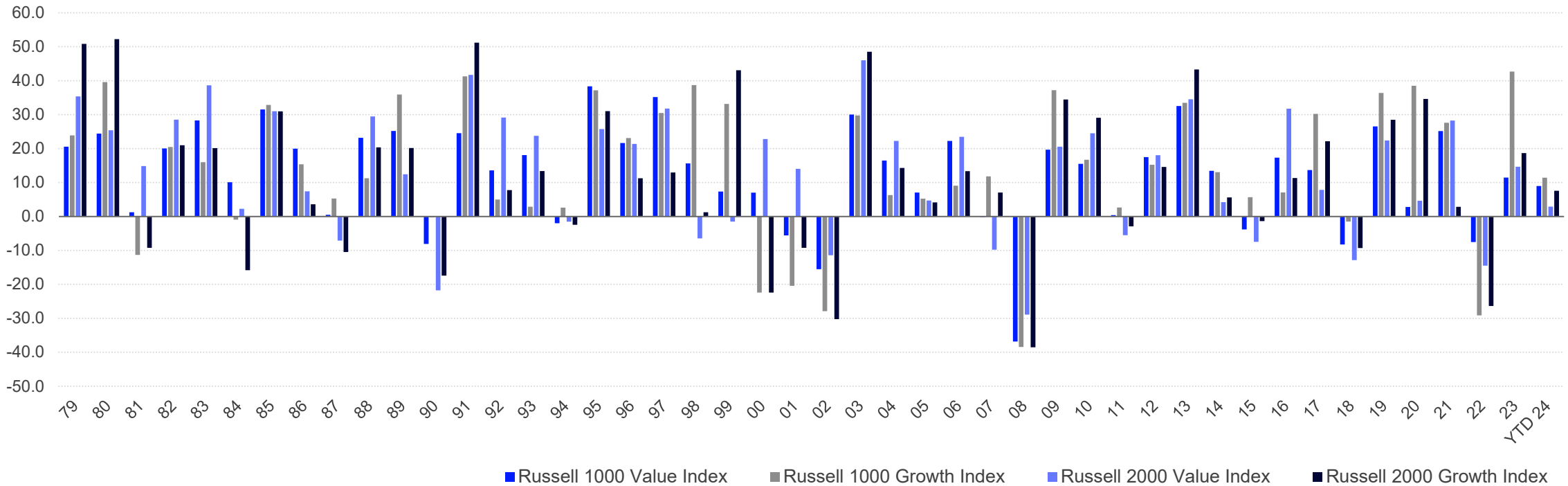
Market cap performance Annual return (%)



Source: FTSE Russell, data as of March 29, 2024. 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 (%)

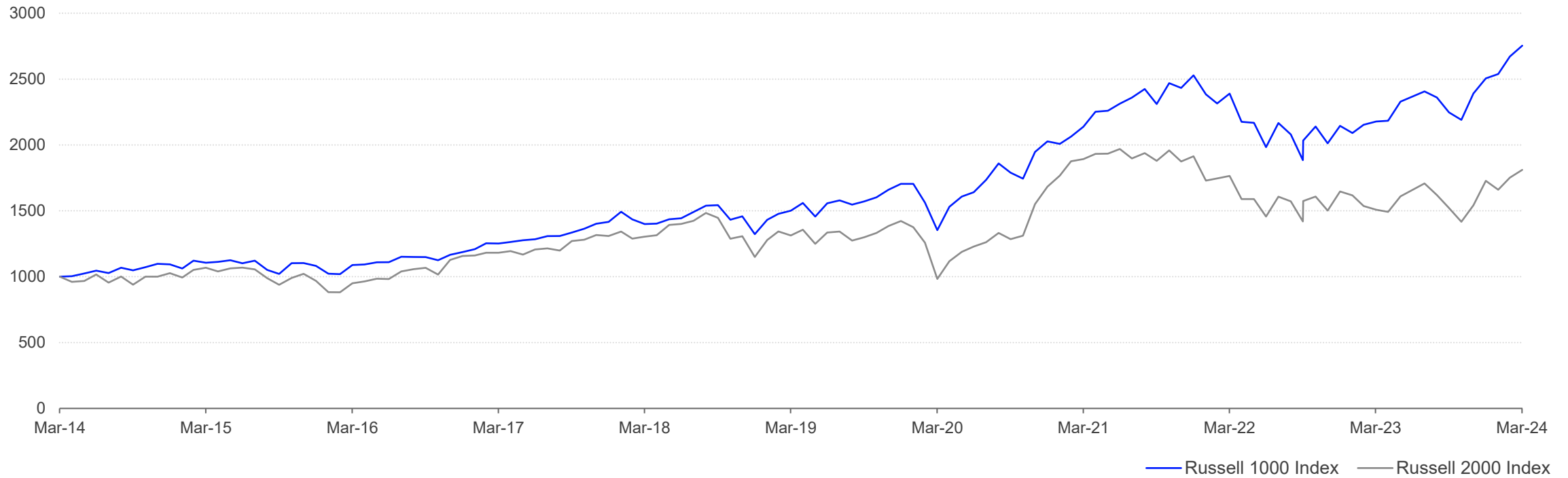


Source: FTSE Russell, data as of March 29, 2024. Past performance is no guarantee of future results. Please see important legal disclosures at the end of this report.

Exhibit 2

Performance: Growth of a unit

Total return (growth of 1,000) 10 years



Source: FTSE Russell, data as of March 29, 2024. Past performance is no guarantee of future results. Please see important legal disclosures at the end of this report.

Exhibit 3

Market cap performance

Total return (%)

	Q1 2024	Q4 2023	Q3 2023	Q2 2023	12 months
Russell 3000® Index	10.0	12.1	-3.3	8.4	29.3
Russell Top 200® Index	10.8	11.7	-2.7	9.9	32.4
Russell 1000® Index	10.3	12.0	-3.1	8.6	29.9
Russell Midcap® Index	8.6	12.8	-4.7	4.8	22.3
Russell 2000® Index	5.2	14.0	-5.1	5.2	19.7
Russell Microcap® Index	4.7	16.1	-7.9	5.3	17.8

Source: FTSE Russell, data as of March 29, 2024. Past performance is no guarantee of future results. Please see important legal disclosures at the end of this report.

Exhibit 4

Style performance

Total return (%)

	Q1 2024	Q4 2023	Q3 2023	Q2 2023	12 months
Russell 1000 Growth Index	11.4	14.2	-3.1	12.8	39.0
Russell 2000 Growth Index	7.6	12.7	-7.3	7.1	20.3
Russell 1000 Value Index	9.0	9.5	-3.2	4.1	20.3
Russell 2000 Value Index	2.9	15.3	-3.0	3.2	18.8
Russell 1000 Defensive Index	7.6	10.1	-3.3	7.3	22.9
Russell 2000 Defensive Index	3.3	15.4	-3.8	3.4	18.5
Russell 1000 Dynamic Index	13.0	13.9	-3.0	9.9	37.2
Russell 2000 Dynamic Index	7.1	12.7	-6.4	7.1	21.0

Source: FTSE Russell, data as of March 29, 2024. Past performance is no guarantee of future results. Please see important legal disclosures at the end of this report.

Exhibit 5

Style box performance

Total return (%)

	Value	Core	Growth
YTD 2024			
Large	8.99	10.30	11.41
Mid	8.23	22.35	9.50
Small	2.90	5.18	7.58
2023			
Large	11.46	26.53	42.68
Mid	12.71	17.23	25.87
Small	14.65	16.93	18.66

	Value	Core	Growth
2022			
Large	-7.54	-19.13	-29.14
Mid	-12.03	-17.32	-26.72
Small	-14.48	-20.44	-26.36
2021			
Large	25.16	26.46	27.60
Mid	28.34	22.58	12.73
Small	28.27	14.82	2.84

Source: FTSE Russell, data as of March 29, 2024. Past performance is no guarantee of future results. Please see important legal disclosures at the end of this report.



Sectors

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 sectors such as Technology, Health Care and Financials and less so by the industrial sectors such as Energy, Basic Materials and Industrials. However, the leading sectors are always in a state of change indicative of economic, consumer, and industry trends.

Exhibit 6

First quarter IPOs

Quarter end

Russell 2000 Index IPOs by sector

Sector	Number of IPOs	Total market cap (\$B)
Health care	5	2.47
Financials	1	0.16
Total	6	2.63

Source: FTSE Russell, data as of March 29, 2024. Past performance is no guarantee of future results.
Please see important legal disclosures at the end of this report.

Exhibit 6

First quarter IPOs

Quarter end

Russell 2000 Index IPOs company detail

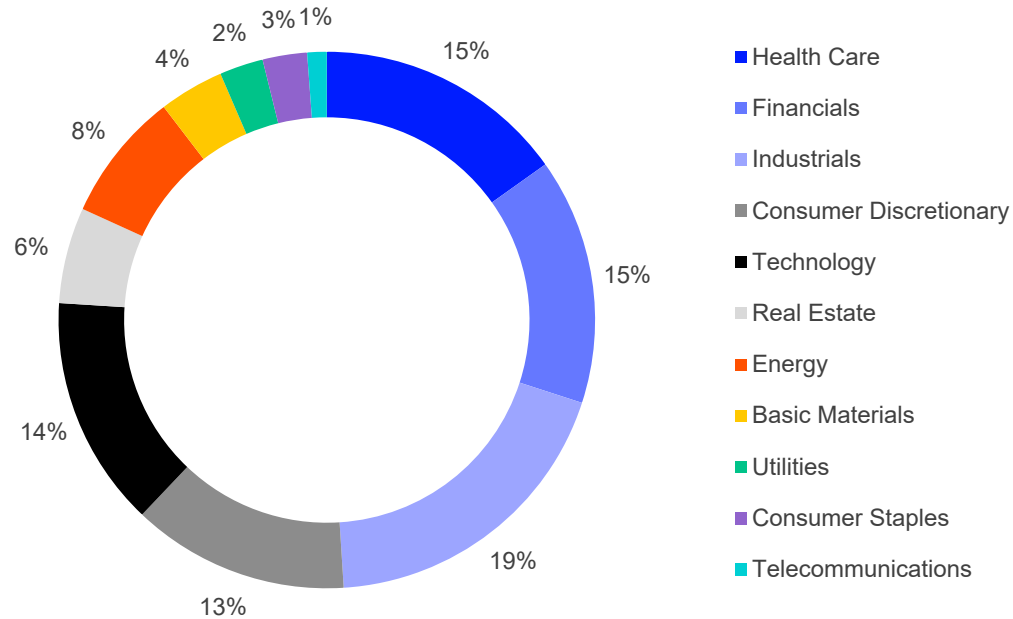
Sector	Company name	Ticker	Total market cap (\$B)
Health care	ARRIVENT BIOPHARMA	NMRA	0.17
	BRIGHTSPRING HEALTH SERV	RYZB	0.58
	CG ONCOLOGY	CGON	1.01
	CARGO THERAPEUTICS	CRGX	0.47
	LEXEO THERAPEUTICS	LXEO	0.23
Financials	HAMILTON INSURANCE GROUP	HG	0.16

Source: FTSE Russell, data as of March 29, 2024. Past performance is no guarantee of future results.
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Exhibit 7

Quarterly sector weightings

Quarter end (%)



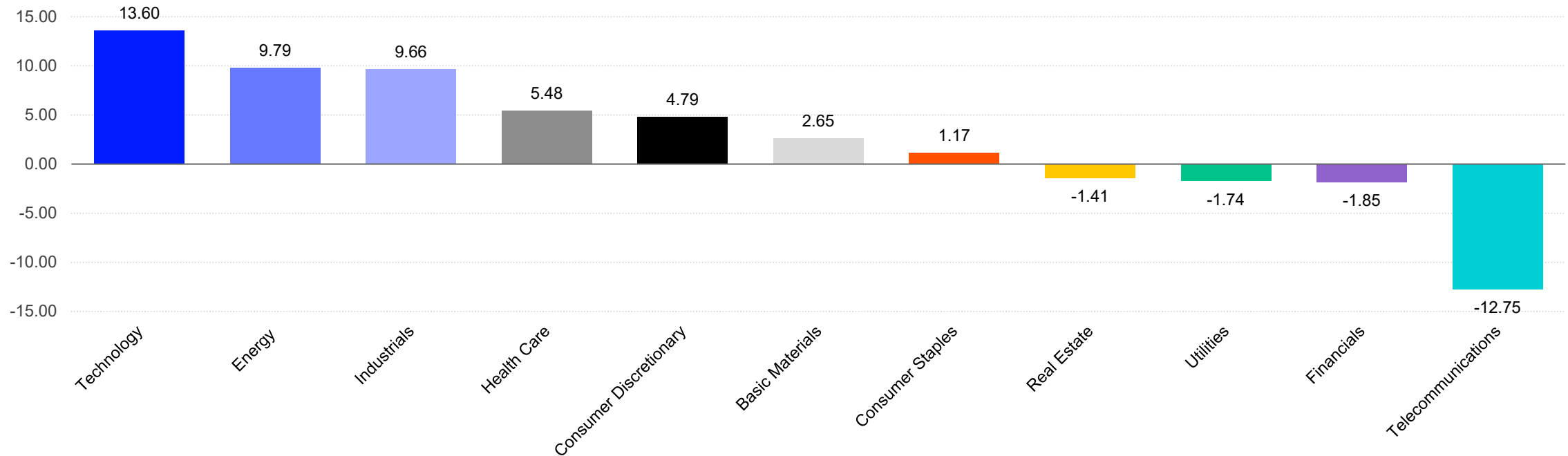
	Q1 2024	Q4 2023	Q3 2023	Q2 2023
Health Care	15.2	15.1	14.5	16.4
Financials	14.8	16.0	14.9	14.0
Industrials	19.0	18.4	18.4	18.4
Consumer Discretionary	13.1	13.3	13.1	13.1
Technology	13.9	12.6	12.4	12.7
Real Estate	5.8	6.4	6.2	6.3
Energy	7.8	7.3	9.0	7.3
Basic Materials	3.9	3.8	3.9	4.0
Utilities	2.6	2.8	3.0	3.2
Consumer Staples	2.7	2.8	3.1	3.0
Telecom	1.2	1.4	1.4	1.6

Source: FTSE Russell, data as of March 29, 2024. Past performance is no guarantee of future results. Please see important legal disclosures at the end of this report.

Exhibit 8

Quarterly sector performance review

Total return (%)

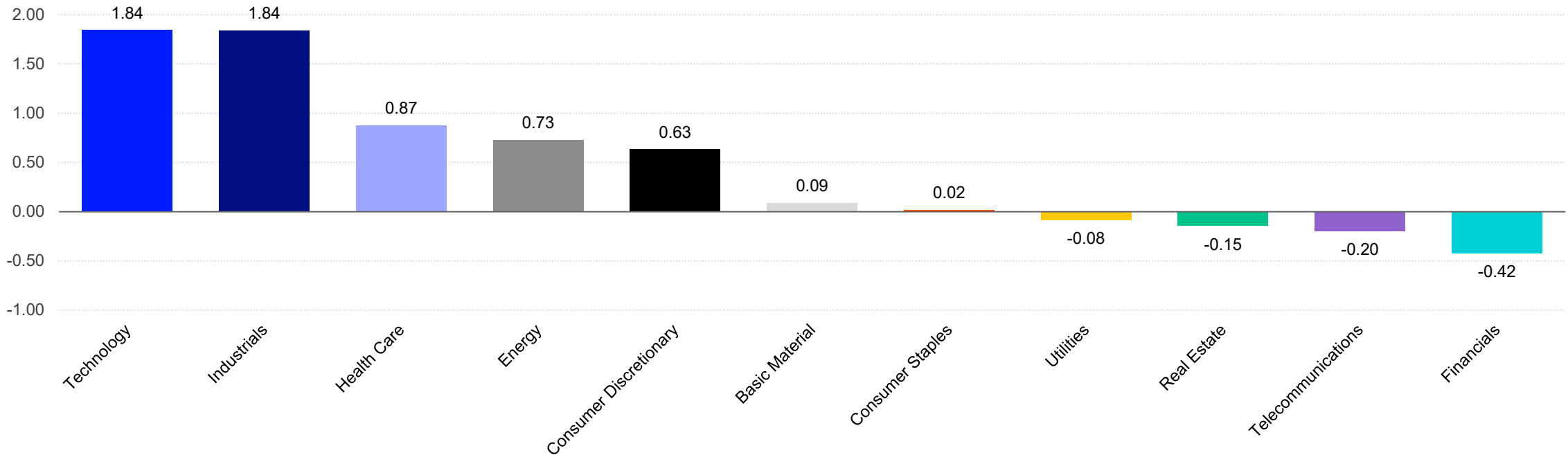


Source: FTSE Russell, data as of March 29, 2024. Past performance is no guarantee of future results. Please see important legal disclosures at the end of this report.

Exhibit 9

Sector contribution to return

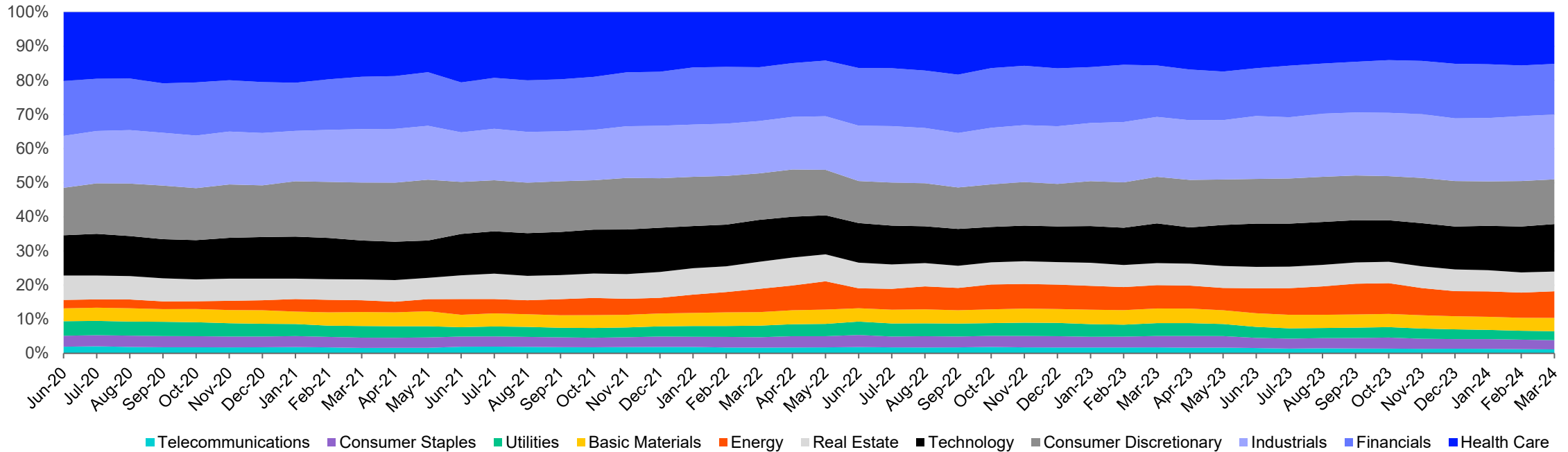
Year to date (%)



Source: FTSE Russell, data as of March 29, 2024. Past performance is no guarantee of future results. Please see important legal disclosures at the end of this report.

Exhibit 10a

Sector history ICB monthly weightings (%)

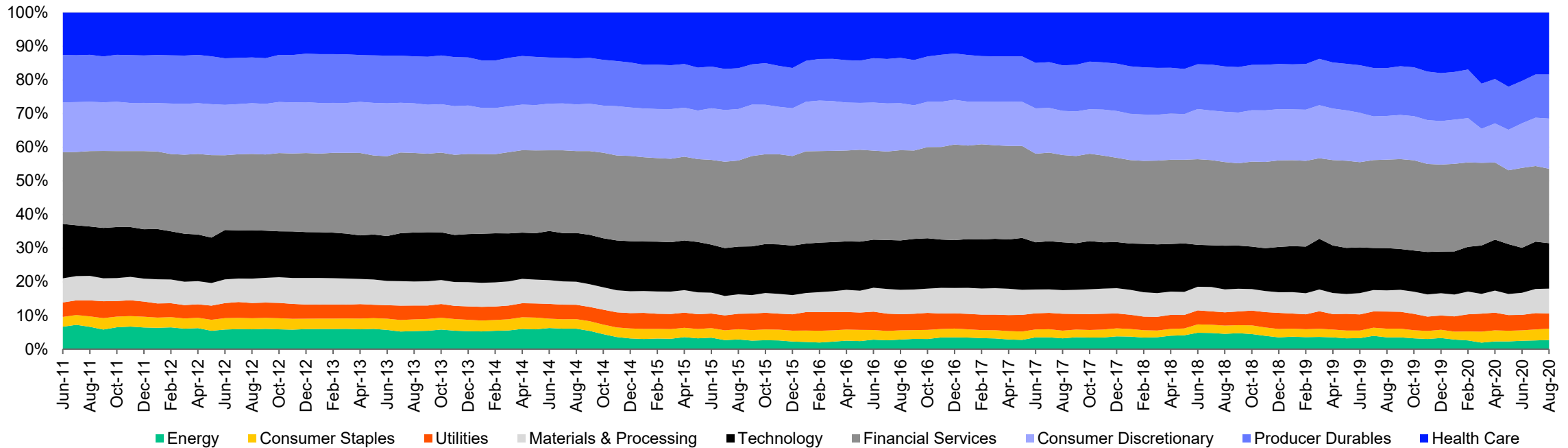


Source: FTSE Russell Industry Classification Benchmark (ICB) data is shown starting June 30, 2020. Historical index weightings reflect Russell Global Sectors. Past performance is no guarantee of future results. Please see important legal disclosures at the end of this report.

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

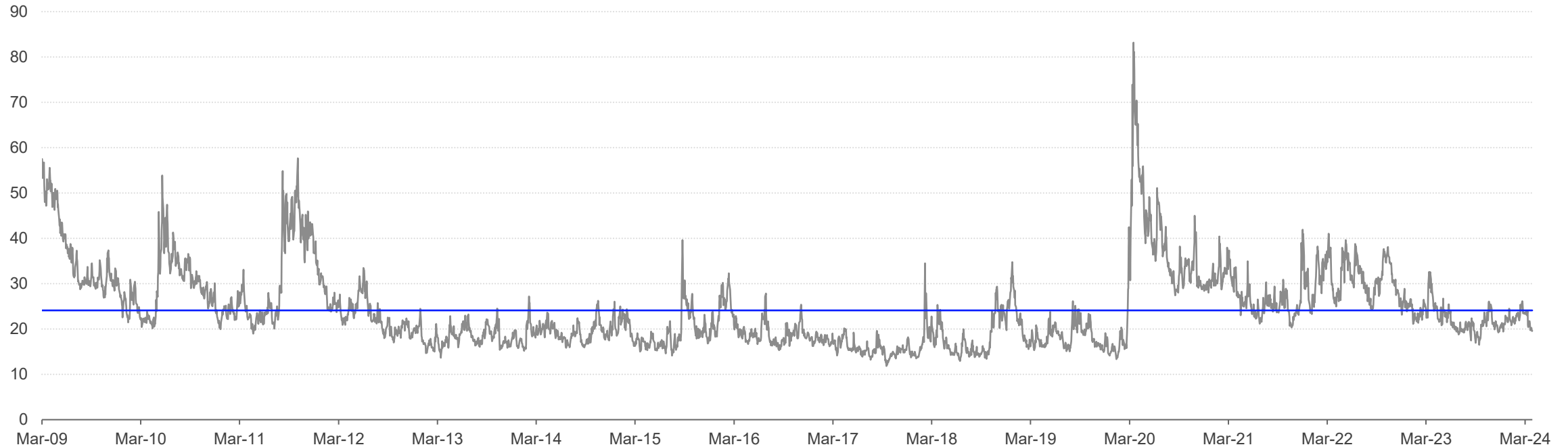
SMALL CAPS REFLECT THE MARKET

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) 3/01/2009 – 3/28/2024



Source: FTSE Russell, data as of March 29, 2024. Past performance is no guarantee of future results.
Please see important legal disclosures at the end of this report.

Exhibit 12a

Fundamental characteristics: Q1 2024

Quarterly market snapshots

Index	Growth		Quality			
	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	8.12	13.68	157.89	3.06	0.63	1.37
Russell 1000 Index	12.82	13.20	101.65	12.72	0.79	1.35

Index	Valuation			Risk—Standard Deviation (%)		
	P/E (I/B/E/S 1 Yr) Forecasted	Price/Book	Price/Cash Flow	1 Yr	3 Yr	5 Yr
Russell 2000 Index	15.43	2.20	12.78	21.68	21.09	23.67
Russell 1000 Index	20.48	4.60	16.08	13.45	17.52	18.61

Source: FTSE Russell, data as of March 29, 2024. Past performance is no guarantee of future results. Please see important legal disclosures at the end of this report.

Exhibit 12b

Fundamental characteristics: Q4 2023

Quarterly market snapshots

Index	Growth		Quality			
	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	7.90	12.33	149.71	2.97	0.69	1.48
Russell 1000 Index	12.30	11.15	96.81	12.25	0.85	1.44

Index	Valuation			Risk—Standard Deviation (%)		
	P/E (I/B/E/S 1 Yr) Forecasted	Price/Book	Price/Cash Flow	1 Yr	3 Yr	5 Yr
Russell 2000 Index	15.24	2.11	12.01	23.19	21.11	24.01
Russell 1000 Index	20.13	4.28	14.96	14.53	17.42	18.79

Source: FTSE Russell, data as of March 29, 2024. Past performance is no guarantee of future results. Please see important legal disclosures at the end of this report.

Exhibit 12c

Fundamental characteristics: Q3 2023

Quarterly market snapshots

Index	Growth		Quality			
	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	7.37	13.74	153.09	3.79	0.71	1.61
Russell 1000 Index	12.13	10.16	91.21	12.01	0.86	1.57

Index	Valuation			Risk—Standard Deviation (%)		
	P/E (I/B/E/S 1 Yr) Forecasted	Price/Book	Price/Cash Flow	1 Yr	3 Yr	5 Yr
Russell 2000 Index	13.18	1.86	10.08	21.14	22.07	24.16
Russell 1000 Index	18.22	3.91	13.64	15.40	17.82	19.21

Source: FTSE Russell, data as of March 29, 2024. Past performance is no guarantee of future results. Please see important legal disclosures at the end of this report.

Exhibit 12d

Fundamental characteristics: Q2 2023

Quarterly market snapshots

Index	Growth		Quality			
	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	7.17	13.25	151.52	3.64	0.72	1.54
Russell 1000 Index	11.91	9.69	91.10	11.95	0.88	1.50

Index	Valuation			Risk—Standard Deviation (%)		
	P/E (I/B/E/S 1 Yr) Forecasted	Price/Book	Price/Cash Flow	1 Yr	3 Yr	5 Yr
Russell 2000 Index	13.53	2.02	11.08	23.40	21.57	23.84
Russell 1000 Index	19.15	4.13	13.92	19.75	18.17	19.05

Source: FTSE Russell, data as of March 29, 2024. Past performance is no guarantee of future results. Please see important legal disclosures at the end of this report.

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

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Russell US Indexes Spotlight

QUARTERLY REPORT | APRIL 2024

Large-caps and Growth hold sway amid broad-based gains
A better-than-expected US economic growth outlook, more modest expectations for the timing and size of interest rate cuts, structural tailwinds from AI-related technologies and a rebound in oil prices provided the backdrop for equity performance in Q1 2024.

Large-cap leadership resumes
Russell 1000 outperformed Russell 2000 in Q1, after trailing the small-cap index in Q4 2023, helped by large-caps outpacing small-caps in several industries.

Growth continues to outpace Value
Both large-cap and small-cap Growth cohorts outperformed their Value counterparts in Q1, consistent with the 12-month trend.

EPS outlook stable for large-cap Growth, higher elsewhere
The EPS growth outlook improved for large-cap Value and both small-cap cohorts, while it declined modestly for large-cap Growth.

Dividend yields edge lower
Amid a broad-based rally, dividend yields edged lower over the quarter and 12 months. They are higher than the distressed levels seen in mid- to late-2021.

Valuation re-ratings continue
Forward P/Es re-rated across size and style cohorts, reflecting improved market sentiment as concerns over a hard economic landing abated.

Russell IPO inclusions pick up in small-caps
The Russell 2000 index included 6 new IPO names. Health Care dominated IPO inclusions for the Russell family of indices with 6 of 8 new names.

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Chart 1: The US 10-year yield rose in Q1 and R1000 Growth outpaced R1000 Value with the improving economic backdrop.

Chart 2: Oil rebounded in Q1, partly helped by supply-side constraints, lifting energy stocks.

Source: FTSE Russell and LSEG. Data as of March 31, 2024. Past performance is no guarantee of future results. This report should not be considered 'research' for the purposes of MFPIID. Please see the end for important legal disclosures. For professional use only.
FTSE Russell | Russell US Indexes Spotlight Q1 2024

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The EPS growth outlook improved for large-cap Value and both small-cap cohorts, while it declined modestly for large-cap Growth.

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