

## Russell US Indexes annual reconstitution period begins, projected additions & deletions posted.

- US equity market capitalization reaches new all-time high driven by large caps.
- Apple falls from top stock, a position held since 2012, as Microsoft moves to #1.
- Uber, Lyft and Spotify headline a high-profile freshman class of new entrants to the Russell 1000 Index at Reconstitution.
- Growth continues to outshine Value & Utilities sector leads US broad market while Energy sector lags.

Today FTSE Russell, a leading global index, data and analytics provider, posted its official preliminary lists of companies set to enter or leave the US broad-market Russell 3000<sup>®</sup> Index and the Russell Microcap<sup>®</sup> Index following completion of the annual Russell US Indexes Reconstitution. The rebalance will take place after US equity markets close on Friday, June 28. The lists of 166 projected additions and 157 projected deletions for the Russell US Indexes are now available on the [FTSE Russell website](#).

Each June, the entire family of Russell US Indexes is realigned and recalibrated to reflect market changes in the last year. This closely watched event impacts more than \$9 trillion in investor assets benchmarked to or invested in products based on the Russell US Indexes and culminates in what is traditionally one of the highest trading volume days of the year across the major U.S. equity exchanges. Approximately \$16 trillion in assets are currently benchmarked to indexes offered by FTSE Russell across the global equity and fixed income markets.\*

### **Rolf Agather, Managing Director of North America Applied Research, FTSE Russell, said:**

“The annual rebalance of the Russell US Indexes is an important process for investors. A successful reconstitution every year in June is an important part of maintaining the integrity, transparency and relevance for our Russell US Indexes. It also ensures that our indexes remain important tools for investors to accurately measure markets and achieve comprehensive exposure across asset classes, market capitalization tiers and style designations.”

### **US Equity Markets Reach Another All-Time High Driven by Gains in Large Caps**

Total US equity market capitalization reached approximately \$31.7 trillion at this year’s Russell Reconstitution May 10 rank day, up 3% from \$30.7 trillion total market cap last year. Relatively strong US large cap equity performance led this increase, with the Russell 1000<sup>®</sup> Index gaining 6.1% from last year’s rebalance through May 10 rank day relative to a 5.5% decline for the Russell 2000<sup>®</sup> Index for the same period. Reflecting a challenging year for US small caps, the closely watched breakpoint between the US large-cap Russell 1000 Index and the US small-cap Russell 2000 Index is expected to decrease to \$3.6 billion from \$3.7 billion last year as the asset class lost value year-over-year.



## Microsoft Grabs Top Spot in Russell 1000 Index, While Apple, Inc. Falls to Third

For the first time since it took the top position in 2012, Apple, Inc. (AAPL) will not be the largest stock in the Russell US Indexes. Apple lost 2.1% of its value in the last year to become the third largest US stock in terms of total market capitalization. Microsoft (MSFT) gained nearly 30% market cap to become the largest US stock in the Russell US Indexes at this year's Russell Reconstitution with a total market capitalization of \$974.2 billion as of rank day on May 10, 2019. Rounding out the tech-heavy top five stocks in the newly rebalanced Russell US Indexes are #2 Amazon (AMZN) at \$930.5 billion, #3 Apple at \$907.2 billion, #4 Alphabet (GOOGL) at \$808.3 billion and #5 Facebook (FB) at \$537.6 billion. Visa (V) at #9 with a \$351.2 billion market cap in this year's reconstitution, is the only new entrant to the top ten largest US stocks, replacing Bank of America (BAC).

## High Profile Freshman Class to Enter the Russell 1000 Index

Uber (UBER), Lyft (LYFT) and Spotify (SPOT) headline a notable list of companies expected to directly enter the U.S. large-cap Russell 1000 Index at this year's Russell Reconstitution. Uber and Lyft had recent high-profile IPOs and Spotify (a direct listing in 2018) is now eligible for inclusion as it meets the free float requirement. Beyond Meat (BYND) and PagerDuty (PD) round out the list of four IPOs entering the Russell 1000 Index at this year's Russell Reconstitution while 29 recent IPOs, mostly from the Healthcare and Financial Services sectors, are expected to join the Russell 2000 Index.

## Growth Continues to Outpace Value

In a continuing trend, growth-oriented stocks outperformed value-oriented stocks again from last year's Russell Reconstitution through May 10 rank day across all major cap tiers. The largest stock this year by market capitalization, Microsoft, is shifting from 5% Value / 95% Growth to 100% Growth, a notable move given the size of the stock. And Comcast will shift from 100% Value to 53% Value / 47% Growth.

Other companies are becoming a larger part of the Russell 1000 Value Index at Reconstitution. Berkshire Hathaway (BRK.A) is expected to shift from 13% Growth / 87% Value to 100% Value and leave the Russell 1000 Growth Index. In addition, Raytheon (RTN) will shift from 100% Growth to 62% Growth / 38% Value and Verizon (VZ) will remain at 100% Value.

The Russell 1000 Style (Growth & Value) Indexes provide an objective measure of growth-oriented and value-oriented US company performance by weighting index constituents based on their relative growth or value characteristics. Most companies are 100% growth or 100% value-oriented, but some contain a blend of both growth and value characteristics.

## Utilities Lead US Equity Market Sector Performance

Over the one-year period ended May 31, 2019, the Russell 3000 Utilities Index, which includes telecommunications companies like Verizon, was the top-performing sector index with a 14.1% gain, followed by Consumer Staples. The Russell 3000 Energy Index lagged all US sectors with a 22.4% decline, with the Materials & Processing and Producer Durables sectors also in negative territory. The Russell 3000 Consumer Discretionary, Health Care, Financial Services and Technology sectors all posted positive returns since the last Russell US Reconstitution.

The preliminary lists of additions and deletions are the first public step in the annual reconstitution process for the Russell US Indexes. The first preliminary additions and deletions are published after market close on Friday, June 7 and updates to the lists will be posted to the [FTSE Russell website](#) after US market close on June 14 and 21. If any changes to membership occur during the query period, daily



# Press Release



FTSE  
Russell

technical notices will be published to the FTSE Russell website between these dates. The closely-watched final index membership lists, with breakouts for the Russell 1000 Index, the Russell 2000 Index and the Russell Midcap<sup>®</sup> Index, will be published on Monday July 1 when the Russell Reconstitution takes effect.

To complete this year's Russell US Indexes reconstitution, FTSE Russell uses primary exchange closing prices from NYSE and NASDAQ. About half of the stocks in the broad market Russell 3000 Index are listed on either exchange. NYSE-listed stocks utilize NYSE's auction mechanism while NASDAQ-listed stocks utilize NASDAQ's "closing cross" mechanism to execute shares for each stock at a single price on June 28.

– Ends –

---

## For further information:

### Global Media

Tim Benedict

(917) 582-0641  
newsroom@lseg.com

## Notes to editors:

### About FTSE Russell:

FTSE Russell is a global index leader that provides innovative benchmarking, analytics and data solutions for investors worldwide. FTSE Russell calculates thousands of indexes that measure and benchmark markets and asset classes in more than 70 countries, covering 98% of the investable market globally.

FTSE Russell index expertise and products are used extensively by institutional and retail investors globally. Approximately \$16 trillion is currently benchmarked to FTSE Russell indexes. For over 30 years, leading asset owners, asset managers, ETF providers and investment banks have chosen FTSE Russell indexes to benchmark their investment performance and create ETFs, structured products and index-based derivatives.

A core set of universal principles guides FTSE Russell index design and management: a transparent rules-based methodology is informed by independent committees of leading market participants. FTSE Russell is focused on applying the highest industry standards in index design and governance and embraces the IOSCO Principles. FTSE Russell is also focused on index innovation and customer partnerships as it seeks to enhance the breadth, depth and reach of its offering.

FTSE Russell is wholly owned by London Stock Exchange Group.

For more information, visit [www.ftserussell.com](http://www.ftserussell.com)

*\*FTSE Russell AUM figures as of December 31, 2017*

© 2019 London Stock Exchange Group plc and its applicable group undertakings (the "LSE Group"). The LSE Group includes (1) FTSE International Limited ("FTSE"), (2) Frank Russell Company ("Russell"), (3) FTSE Global Debt Capital Markets Inc. and FTSE Global Debt Capital Markets Limited (together, "FTSE Canada"), (4) MTSNext Limited ("MTSNext"), (5) Mergent, Inc. ("Mergent"), (6) FTSE Fixed Income LLC ("FTSE FI") and (7) The Yield Book Inc. ("YB"). All rights reserved.

FTSE Russell® is a trading name of FTSE, Russell, FTSE Canada, MTS Next Limited, Mergent, FTSE FI and YB. "FTSE®", "Russell®", "FTSE Russell®", "MTS®", "FTSE4Good®", "ICB®", "Mergent®", "The Yield Book®", and all other trademarks and service marks used herein (whether registered or unregistered) are trademarks and/or service marks owned or licensed by the applicable member of the LSE Group or their respective licensors and are owned, or used under licence, by FTSE, Russell, MTSNext, FTSE Canada, Mergent, FTSE FI or YB. FTSE International Limited is authorised and regulated by the Financial Conduct Authority as a benchmark administrator.



**London**  
Stock Exchange Group