

Russell Indexes at a glance



# Russell Indexes overview

## Providing better data

Russell Investments' innovative index methodology allows investors to seamlessly track performance of distinct market segments worldwide without gaps or overlaps.

Russell is a recognized leader in consulting, multi-manager investing and institutional investment management. We deliver investment programs to over 2,000 clients in 47 countries. Russell researchers meet with thousands of investment managers around the world to evaluate their investment process and collect data on their portfolios.

This success has resulted from Russell's research-driven, in-depth insight into investment manager behavior. It was out of this rigorous research philosophy that the Russell Indexes were conceived.

### Russell Indexes

Since launching the indices in 1984, Russell continues to be viewed as the leading innovator in index design, and consistently sets industry standards.

Today, the Russell U.S. Equity Indexes serve as the leading benchmarks for institutional investors, with over \$4.3 trillion in assets being benchmarked against them. Russell's Global Indexes use the same unbiased methodology to provide an objective and transparent measurement of distinct segments of the global market, including over 10,000 global companies in 65 countries.

### Better tools make better investors

- › **Deep, comprehensive market coverage.** Russell indexes represent over 98% of the investable universe of equity securities globally.
- › **Completely objective.** Russell indexes are constructed using a rules-based, transparent methodology creating ideal benchmarks and trading vehicles. There is no sampling. The Russell Index membership reflects the actual market.
- › **Modular and accurate.** Russell indexes are modular in their design with a consistently applied methodology. Using a global relative approach, the indexes have consistent break points to determine which companies are large cap and small cap globally. Similarly growth and value country style weights are a result of the security characteristics within each country.
- › **Rigorously maintained.** Daily corporate actions, monthly share adjustments, quarterly IPO inclusions and annual total reconstitution ensure that the indexes accurately represent the true global opportunity set.

## 1984

Russell Indexes introduced

## 500+

Investment professionals dedicated to research, asset allocation and portfolio construction

## 5,000+

Research meetings held each year with investment managers around the world

## 50,000+

Indexes calculated daily

## 47

Countries served by Russell's investment products and services

## 20+

Offices worldwide including:  
New York, London, Tokyo, Paris,  
Singapore, Sydney, Auckland,  
Toronto, Tacoma

Client service associates  
located globally

## Russell Indexes leadership

- 1983** Russell Investments recognizes that existing U.S. equity benchmarks do not effectively measure how well managers are performing. Russell develops a transparent capitalization-weighted methodology to be used as the basis for all Russell Indexes.
- 1984** The family of Russell U.S. indexes is introduced to the market, including the large-cap Russell 1000® and the small-cap Russell 2000®. Russell pioneers the concept of float-adjusted indexes, launching the world's first index family to reflect the investable portion of companies—i.e. the investable market.
- 1987** Russell creates the first growth and value style indexes for investment managers.
- 1989** Russell introduces annual index reconstitution to balance turnover costs for investors while accurately reflecting changes in market segments over time.
- 1993** Russell's in-depth manager research leads to enhancing the style indexes incorporating a multi-factor approach which better reflects manager behavior and the fact that some stocks have both growth and value characteristics.
- 2000** Nearly 20 years after Russell introduces float-adjusted capitalization indexes, float weighting for indexes becomes the global industry standard.
- 2003** Ten years after Russell introduces multi-factor style indexes, multi-factor banded style methodology becomes the global industry standard.
- 2004** Russell Indexes overtakes S&P, becoming the most used index family by U.S. institutional investors as determined by the number of products benchmarked.
- 2007** Russell extends its innovative index design worldwide, covering the investable global equity universe and introducing an innovative global-relative approach.
- 2008** Russell expands their global offering by adding growth and value style indexes and extending available history back to 1996. Russell Indexes extends its U.S. leadership and now captures over 63% of the market share for all U.S. institutional products benchmarked.

For more information about Russell Indexes call us or visit [www.russell.com](http://www.russell.com).

Russell Investments is a Washington, USA, corporation, which operates through subsidiaries worldwide and is a subsidiary of The Northwestern Mutual Life Insurance Company.

Russell Investments and Standard & Poor's Corporation are the owners of the trademarks, service marks and copyrights related to their respective indexes.

Indexes are unmanaged and cannot be invested in directly.

Nothing contained in this material is intended to constitute legal, tax, securities, or investment advice, nor an opinion regarding the appropriateness of any investment, nor a solicitation of any type. The general information contained in this publication should not be acted upon without obtaining specific legal, tax, and investment advice from a licensed professional.

Copyright © Russell Investments 2009. All rights reserved.

First used April 2009. Revised July 2009

CORP-5618