December 2026 Russell US Indexes Reconstitution: Summary of preliminary changes

Index reconstitution ensures accurate US market representation



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The Russell US Indexes are designed to reflect the evolving US equity market, with reconstitution playing a critical role in maintaining accurate representation.

In 2026, the Russell US Indexes returned to a semi-annual reconstitution schedule, with rebalances in June and December.[1] The December 2026 reconstitution will take effect after the close of US equity markets on Friday, December 11, 2026, with updated index membership reflected from the open on Monday, December 14, 2026.

During reconstitution, the breakpoints between large, mid and small cap are redefined to reflect changes in the US equity market since the previous review.

Russell US Style probabilities are fully reassessed in June. In December, the full style calculation is performed, but updated probabilities are applied only to new additions and companies migrating between size segments.

As of December 2025, approximately $12.5 trillion in assets were benchmarked to Russell US Indexes.[2] Reconstitution day continues to rank among the highest volume trading days of the year, with $553.9 billion traded across US stock exchanges at the close of the June 2026 reconstitution.[3]

Preliminary results for the December 2026 Russell US Indexes reconstitution (“recon”) show that the investable US equity market increased in size, with the total market capitalization of the Russell 3000® Index up 7% from $75.6 trillion as of the June 2026 rank date to $81.0 trillion based on the December 2026 rank date (October 30, 2026).

Mega cap dominance persisted, with market caps broadening across the size segment. Growth of the Russell 3000 Index was driven primarily by the largest companies, while small cap companies remained resilient. The combined market capitalization of the ten largest companies as of the December 2026 rank date was 5% higher than for the ten largest companies as of the June 2026 rank date, rising from $26.4 trillion to $27.7 trillion.

Twelve companies exceeded $1 trillion in total company market capitalization at the December rank date, compared with ten in June. In both periods, five companies exceeded $2 trillion and four exceeded $3 trillion.

Eight of June 2026’s ten largest companies remained in the top 10, with changes occurring predominantly in their rankings. Walmart and Berkshire Hathaway exited the top 10, while Space Exploration Technologies and Eli Lilly entered as the sixth and tenth largest companies. Apple secured the top position from Nvidia, which moved to second place. Among the largest ten companies, Eli Lilly saw the largest increase in market capitalization, rising 51.5%.

[1] Beginning in 2026, the Russell US Indexes returned to a semi-annual reconstitution schedule (June and December). The December Russell reconstitution updates size index membership, while applying a 1% implementation buffer to total shares outstanding and a 3% buffer to free-float changes; Style probabilities generally carry forward from June for continuing constituents unless an applicable membership change occurs. These features distinguish December from the broader June reconstitution and help reduce unnecessary turnover. Please see Russell US Equity Indices Ground Rules.

[2] Source: FTSE Russell. Data as of December 31, 2025 as reported by eVestment for active institutional funds, Morningstar for active mutual funds, insurance products, and ETFs, and passive assets directly collected by FTSE Russell. AUM includes blended benchmarks and excludes futures and options. AUM data does not include active and passive assets not reported to a 3rd party source or FTSE Russell. For funds where the AUM was not reported as of December 31, 2025, the previous period AUM was used as an estimate. No assurances are given by FTSE Russell as to the accuracy of the data.

[3] Sources: Nasdaq, NYSE, data as of June 2026.

The companies known as the “Magnificent Seven” (Apple, Microsoft, Nvidia, Amazon.com, Alphabet, Meta, Tesla) increased 3% in size since the June 2026 recon, reaching a combined total of $23.0 trillion in market cap. This concentration leaves the market sensitive to a small group of mega cap companies.

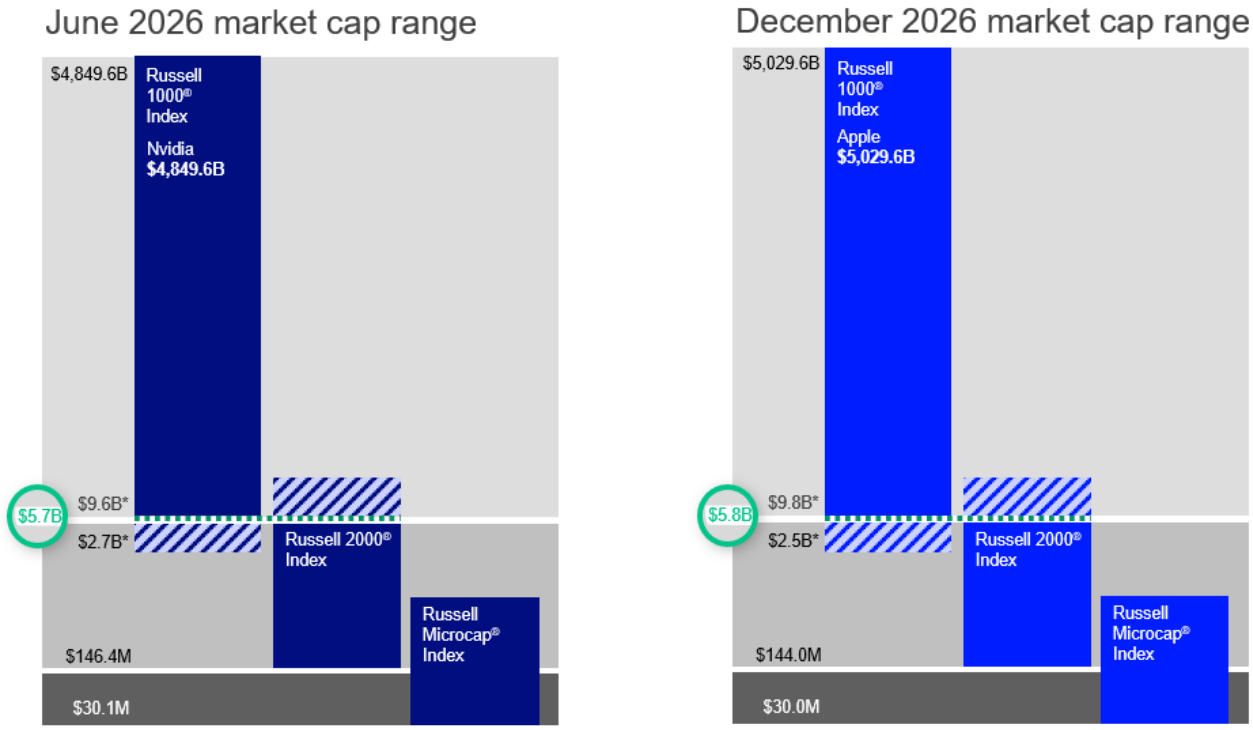
Exhibit 1: Largest companies in the Russell 3000 Index / Russell 1000® Index by size (total company market cap)

Company	December 2026 Rank by size	December 2026 Total Market Cap	June 2026 Rank by size	June 2026 Total Market Cap	Change from June 2026
Apple	1	5,029.6	3	3,983.7	26.3%
Nvidia	2	4,931.8	1	4,849.6	1.7%
Microsoft	3	3,875.8	4	3,029.2	27.9%
Alphabet	4	3,440.4	2	4,662.2	-26.2%
Amazon.com	5	2,598.9	5	2,851.3	-8.9%
Space Exploration Technologies	6	1,829.6	N/A*	N/A*	N/A*
Tesla	7	1,580.4	8	1,433.3	10.3%
Meta	8	1,572.1	7	1,553.3	1.2%
Broadcom	9	1,556.6	6	1,976.4	-21.2%
Eli Lilly & Co	10	1,333.5	11	880.2	51.5%
Largest 10 companies		**27,748.7**		**25,219.1**	

Source: FTSE Russell, as of October 30, 2026 and April 30, 2026. The “Largest 10 companies” totals reflect the ten largest companies as of October 30, 2026, and their respective market capitalizations at the prior reconstitution. *Space Exploration Technologies was added to the Russell US Indexes following the June 2026 rank date; therefore, no June rank or market capitalization is shown.

The breakpoint between the large cap Russell 1000® and small cap Russell 2000® increased 1.7% to approximately $5.8 billion (Exhibit 2). In addition, the cumulative market cap percentile band around the breakpoint between the Russell 1000 and Russell 2000 indexes further widened in dollar terms since June.

Exhibit 2: Breakpoints Between US Large and Small Cap Indexes Increased

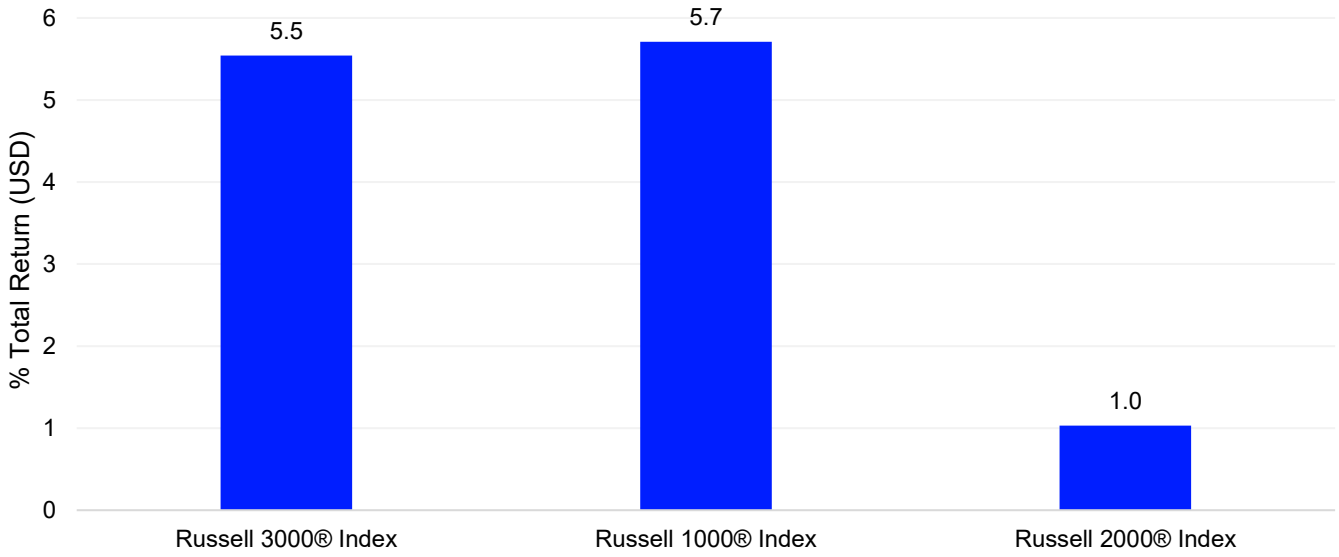


* Reflects banding. Data as of April 30, 2026 and October 30, 2026, respectively.

Core Russell US Indexes

Notably, the Russell 1000 outperformed the Russell 2000 over the period, as small caps exhibited higher sensitivity to macroeconomic headwinds, such as increasing interest rates, in the third quarter.

Exhibit 3: Large Caps took the lead over Small Caps in the six-month period ended October 30, 2026



Source: FTSE Russell, data as of October 30, 2026. Past performance is no guarantee of future results. Please see the end for important legal disclosures.

Russell 3000® Index

- Representing the US broad market, the Russell 3000 increased 7% in total market capitalization to $81.0 trillion, from $75.6 trillion as of the June 2026 rank date.
- The breakpoint between large cap and small cap increased to approximately $5.8 billion (Exhibit 2).
- Exhibit 1 shows the ten largest companies by total market capitalization as of the December 2026 rank date, along with their ranks and total market capitalizations at the June 2026 reconstitution. Eight of the ten companies remained in the top ten, with Space Exploration Technologies and Eli Lilly replacing Walmart and Berkshire Hathaway.
- The market capitalization of the ten largest companies increased to nearly $28 trillion, representing approximately 34% of the Russell 3000. Six of the ten increased in size since the June reconstitution, while Alphabet, Amazon.com and Broadcom declined. Even so, all ten companies exceeded $1 trillion in market capitalization. Eli Lilly recorded the largest increase among the group, rising 51.5%, followed by Microsoft with an increase of 27.9% and Apple with an increase of 26.3%.
- Apple regained the top position, rising from third in June, followed by Nvidia, which fell from first to second, and Microsoft, which rose from fourth to third. Alphabet fell from second to fourth, while Amazon.com remained fifth. New entrant Space Exploration Technologies (added to the index after the June reconstitution rank date) ranked sixth, ahead of Tesla, Meta Platforms and Broadcom.
- The “Magnificent Seven” (Apple, Microsoft, Nvidia, Amazon.com, Alphabet, Meta, Tesla) increased their combined market capitalization 3% to $23.0 trillion from $22.4 trillion in June.
- Eli Lilly rounded out the top ten, with its market capitalization increasing 51.5% to $1.3 trillion.

Note: FTSE Russell publishes more granular US index segments based on size, such as the Russell Magnificent 7 and Russell Top 10 indexes as well as broad indexes that exclude these mega cap companies.[4] Additionally, FTSE Russell provides capped indexes for index users who require index weights to remain below certain levels such as the RIC 5/50 diversification limits.

Russell 1000® Index

- Representing the US large cap market segment, the total market cap of the Russell 1000 Index increased from $72.1 trillion in June to $77.5 trillion.
- The flagship US small cap Russell 2000 (+1.0%) remained resilient amid macroeconomic headwinds, including rising rates, but trailed the large cap Russell 1000 (+5.7%) in the six months ended October 30, 2026 (Exhibit 3).
- With banding applied, the smallest company in the Russell 1000 is UWM Holdings (Financials) with a total market capitalization of $2.5 billion (refer to Exhibit 2).
- Twenty-one companies are being added to the Russell 1000: five each from Technology and Health Care, four from Industrials, two from Consumer Discretionary and one each from Telecommunications, Financials, Real Estate, Energy and Utilities.
- Of the nine companies moving up from the Russell 2000, four are classified as Health Care, with one each from Consumer Discretionary, Financials, Industrials, Technology and Telecommunications.
- Twelve companies are joining the Russell 1000 as new additions to the Russell US Indexes universe, including Shopify (Technology), NXP Semiconductors (Technology), Teva Pharmaceuticals (Health Care), Waste Connections (Utilities) and Ferrovial (Industrials).
- Ten companies are migrating from the Russell 1000 to the Russell 2000, including Almonty Industries (Basic Materials), Fervo Energy (Utilities), Euronet Worldwide (Industrials), MSG Rangers (Consumer Discretionary) and Olin Corporation (Basic Materials).

Russell 2000® Index

- Representing the US small cap market segment, the Russell 2000 Index remained broadly unchanged from the June reconstitution with a total market capitalization of $3.5 trillion. This reflects relative stability in the aggregate size of the segment amid a dynamic market environment and reinforces the index's role in representing small cap companies within the broader US equity market.
- With banding applied, Krystal Biotech (Health Care) is the largest company in the Russell 2000, with a total market capitalization of $9.8 billion, 2% higher than the largest company at the previous reconstitution (Exhibit 2).
- Magyar Bancorp (Financials) is the smallest company in the Russell 2000, with a total market capitalization of $144.0 million, 1.6% below the smallest company in June (Exhibit 2). No banding is applied at the bottom of the Russell 2000 (stock #3,000).
- A total of 125 companies are joining the Russell 2000, including 10 from Russell Midcap, 51 from Russell Microcap and 64 from outside the Russell US Indexes universe.
- Health Care accounts for the largest number of new additions (44), followed by Financials (21), Industrials (18), Consumer Discretionary (17) and Technology (11). The remaining additions are classified as Basic Materials (6), Energy and Real Estate (3 each), and Utilities (2).
- Eighteen of the 64 companies joining from outside the Russell US Indexes universe are IPOs, with 13 classified as Health Care, 3 as Industrials and 2 as Financials.

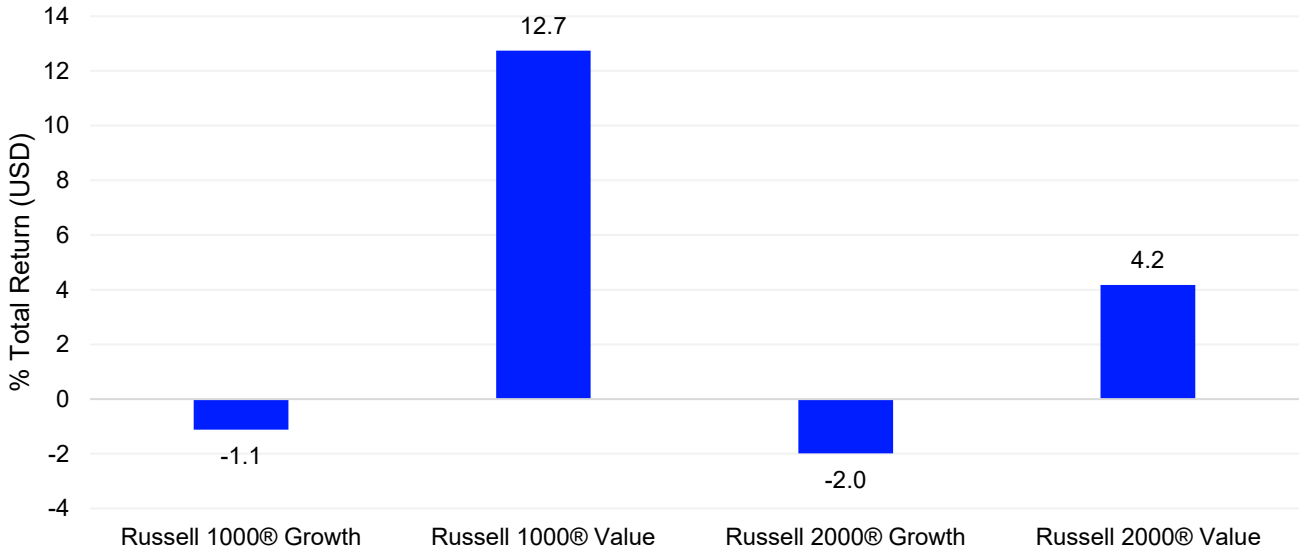
[4] For more information, see: Russell US Market Cap Completion Indexes

- BillionToOne (Health Care) is the largest addition to the Russell 2000 by total market capitalization, now meeting the minimum voting rights requirement.
- A total of 75 companies are departing the Russell 2000 Index. Of these, 9 are moving to the Russell 1000 Index, including 4 Health Care companies, and 66 are moving to the Russell Microcap ex Russell 2000 Index.

Russell US Style Indexes[5]

Style reconstitution implementation clarification: Style probabilities are fully reviewed in June; in December, they generally carry forward for continuing constituents and are updated for new additions, IPOs, spin-offs and companies changing size-index membership.

Exhibit 4: Russell Value Indexes outpaced Growth Indexes in the six-month period ended October 30, 2026



Source: FTSE Russell, data as of October 30, 2026. Past performance is no guarantee of future results. Please see the end for important legal disclosures.

Russell 1000® Growth and Value Indexes

- The Russell 1000 Value Index (+12.7%) posted a higher return than the Russell 1000 Growth Index (-1.1%) during the six-month period ended October 30, 2026 (Exhibit 4).
- New entrant Shopify is being added to the Russell 1000 Growth Index, while NXP Semiconductors and Teva Pharmaceuticals are being added to the Russell 1000 Value Index. Waste Connections and Ferrovial are being added to both indexes but primarily to Value based on their Style probabilities.

Russell 2000® Growth and Value Indexes

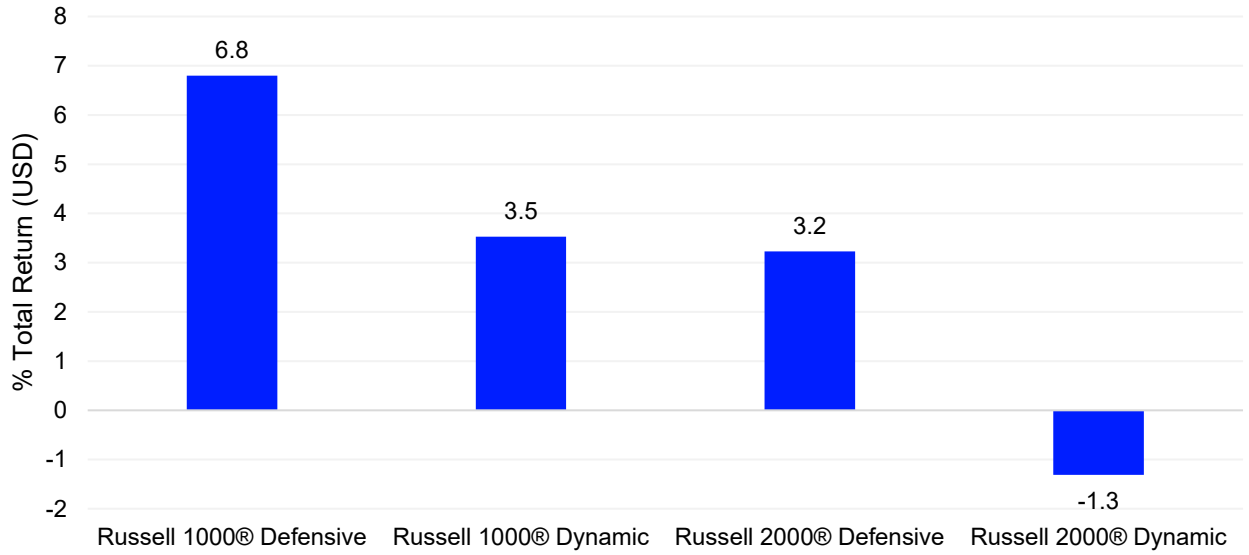
- As observed in the US large cap segment, the Russell 2000 Value Index (+4.2%) posted a higher return than the Russell 2000 Growth Index (-2.0%) during the six-month period ended October 30, 2026 (Exhibit 4).
- The largest addition to the Russell 2000, BillionToOne, is being added to the Russell 2000 Growth Index.

[5] Effective March 2025, Russell US Style Indexes apply a capping methodology in consideration of RIC 5/50 diversification limits. The Russell US Style Indexes that do not apply capping include "Benchmark" in the index name, e.g. Russell 1000 Growth Benchmark Index. For more information on the capping schedule, refer to: ftse-faq-document-russell-us-equity-2026.pdf. For more information on the capping methodology, refer to: Capping Methodology.

Looking ahead to the 40th anniversary of the Russell Style Indexes in 2027, FTSE Russell is consulting on proposed methodology enhancements. The consultation is open through the close of the December reconstitution on December 11, and feedback is welcomed via: Index Market Consultations | LSEG.

Russell US Stability Indexes®

Exhibit 5: Russell Defensive Indexes outpaced Dynamic Indexes in the six-month period ended October 30, 2026



Source: FTSE Russell, data as of October 30, 2026. Past performance is no guarantee of future results. Please see the end for important legal disclosures.

Russell 1000® Defensive and Dynamic Indexes®

- The Russell 1000 Defensive Index (+6.8%) remained resilient in the face of macroeconomic headwinds, outpacing the Russell 1000 Dynamic Index (+3.5%) during the six-month period ended October 30, 2026 (Exhibit 5).

Russell 2000® Defensive and Dynamic Indexes®

- The Russell 2000 Defensive Index (+3.2%) outperformed the Russell 2000 Dynamic Index (-1.3%) over the six-month period ended October 30, 2026, reversing the relationship as of the June reconstitution (Exhibit 5).

Conclusion: A broad, dynamic market continues to evolve

The December 2026 Russell US Indexes reconstitution reflects a resilient and evolving US equity market. Changes in index membership, industry composition and style classifications highlight shifts in market leadership and company fundamentals across the size spectrum.

The outperformance of Value stocks relative to Growth stocks over the six months ended October 30, 2026 further illustrates the shifts occurring within the market against a backdrop of macroeconomic headwinds.

The return to a semi-annual reconstitution schedule beginning in 2026 represents an important evolution in index design. By recalibrating more frequently, the Russell US Indexes are better able to reflect changes in market structure and company fundamentals in a timely and responsive manner.

Together these changes reinforce the role of the Russell US Indexes as a comprehensive and adaptive representation of the US equity market, evolving alongside the market they are designed to measure.

Extending the Russell framework globally

As market participants navigate evolving market dynamics, consistent and transparent equity benchmarks remain essential. Building on the established Russell US methodology, FTSE Russell has extended the Russell framework beyond the US with the Russell 9000 Global Index.

The Russell 9000 Global brings the familiar Russell company-count-based approach to global equity markets. Combining the Russell 3000 Index with Developed World ex US and Emerging market coverage, it provides a comprehensive and consistent view of the core global equity opportunity set. For more information, see Russell 9000 Global Index.

*FTSE Russell has also introduced the **FTSE Russell Index Education Report,** a resource that helps listed companies understand the company-specific data and methodology underpinning index eligibility and membership. Please contact info@ftserussell.com for more information.*

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