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An LSEG Business



RUSSELL US INDEXES

Russell 2000 Index quarterly chartbook

February 2025

Covering Q4 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 **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 2024
 - Q3 2024
 - Q2 2024
 - Q1 2024

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, 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.



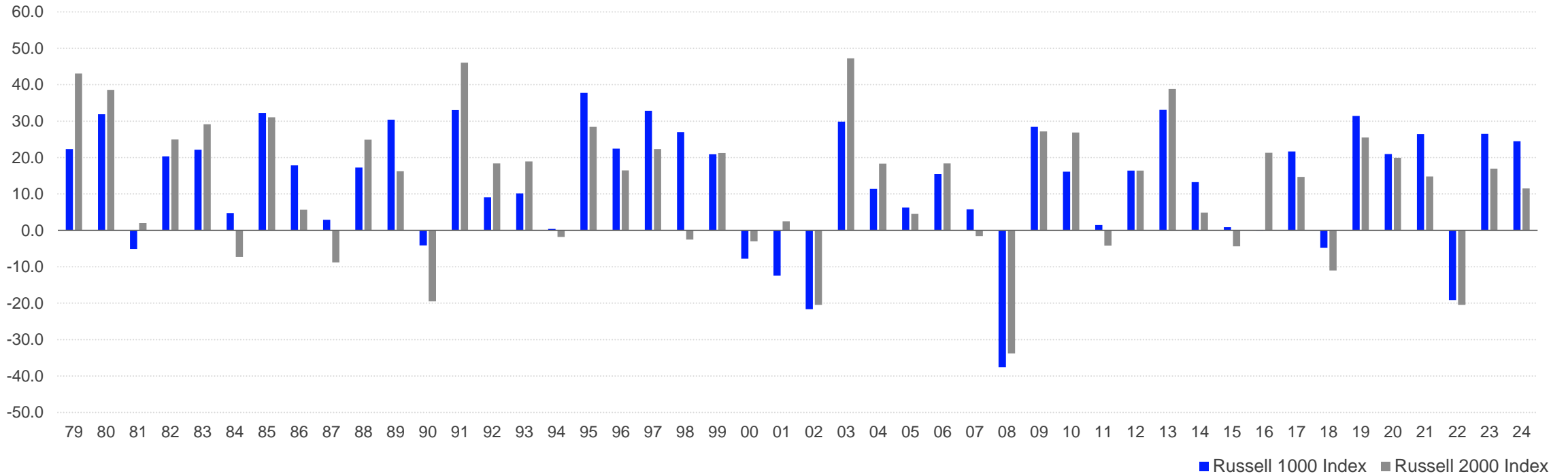
Market performance

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

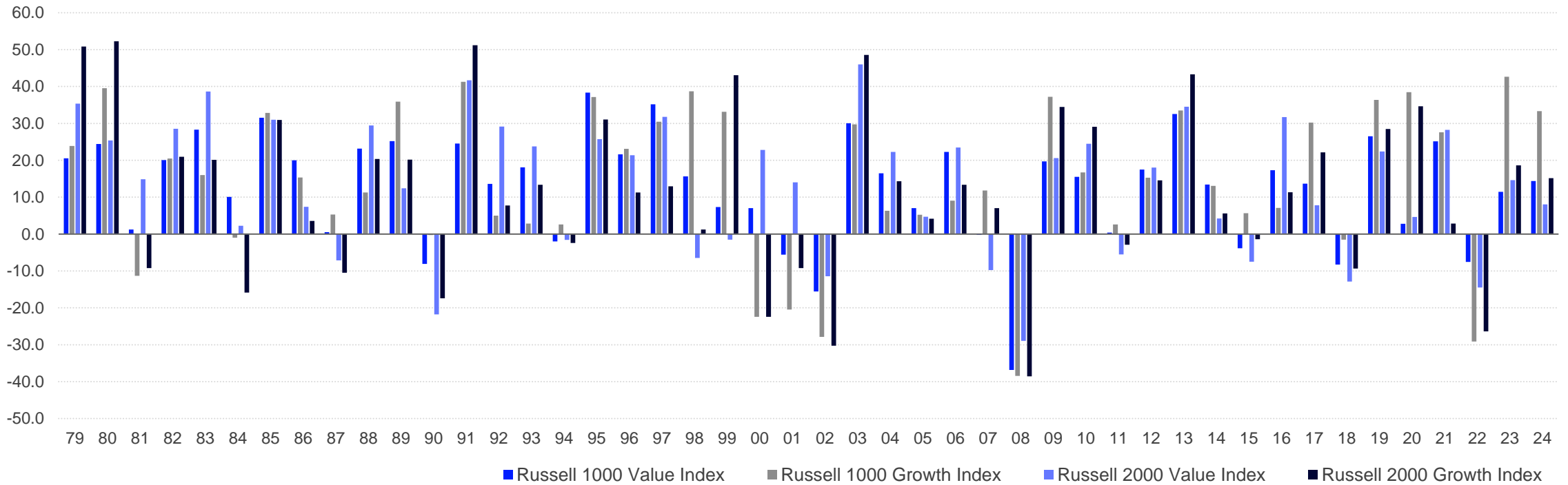
Market cap performance Annual return (%)



Source: FTSE Russell, data as of December 31, 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 (%)

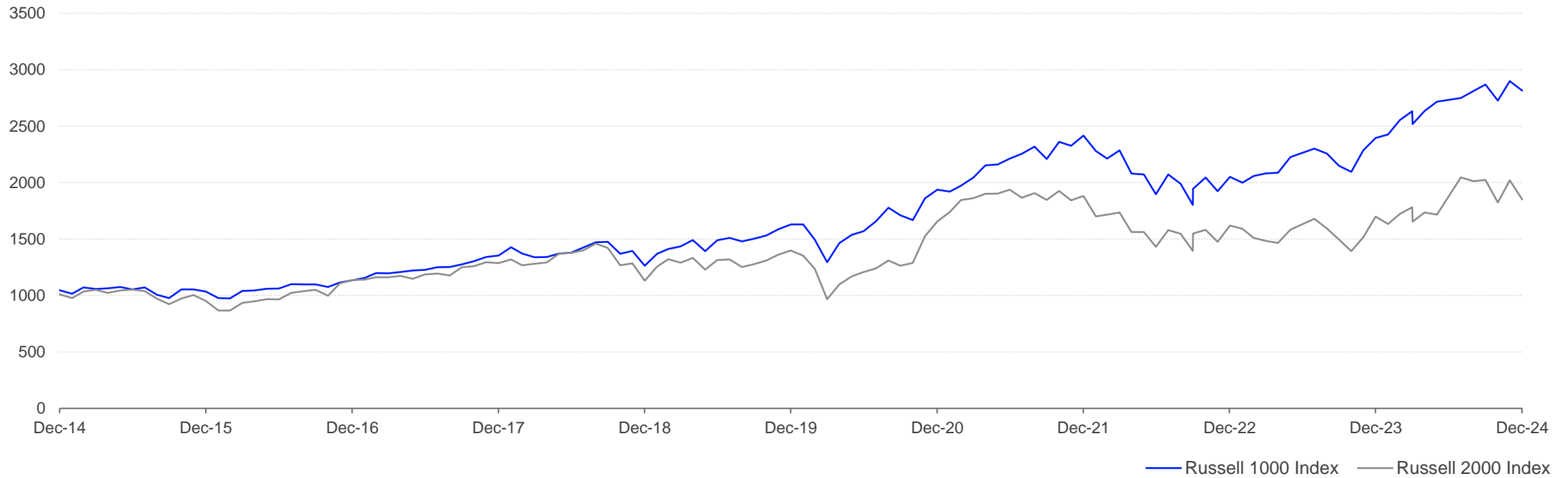


Source: FTSE Russell, data as of December 31, 2024. Past performance is no guarantee of future results. Please see important legal disclosures at the end of this report.

Exhibit 2

Performance: Growth of a unit

Total return (growth of 1,000) 10 years



Source: FTSE Russell, data as of December 31, 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 (%)

	Q4 2024	Q3 2024	Q2 2024	Q1 2024	12 months
Russell 3000® Index	2.6	6.2	3.2	10.0	23.8
Russell Top 200® Index	3.4	5.2	5.7	10.8	27.4
Russell 1000® Index	2.7	6.1	3.6	10.3	24.5
Russell Midcap® Index	0.6	9.2	-3.3	8.6	15.3
Russell 2000® Index	0.3	9.3	-3.3	5.2	11.5
Russell Microcap® Index	8.3	8.3	-5.3	4.7	13.7

Source: FTSE Russell, data as of December 31, 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 (%)

	Q4 2024	Q3 2024	Q2 2024	Q1 2024	12 months
Russell 1000 Growth Index	7.1	3.2	8.3	11.4	33.4
Russell 2000 Growth Index	1.7	8.4	-2.9	7.6	15.2
Russell 1000 Value Index	-2.0	9.4	-2.2	9.0	14.4
Russell 2000 Value Index	-1.1	10.2	-3.6	2.9	8.1
Russell 1000 Defensive Index	0.1	6.5	3.3	7.6	18.5
Russell 2000 Defensive Index	-0.8	10.5	-2.0	3.3	10.9
Russell 1000 Dynamic Index	5.4	5.7	3.8	13.0	30.6
Russell 2000 Dynamic Index	1.5	8.1	-4.5	7.1	12.2

Source: FTSE Russell, data as of December 31, 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
2024			
Large	14.37	24.51	33.36
Mid	13.07	15.34	22.10
Small	8.06	11.54	15.15
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 December 31, 2024. Past performance is no guarantee of future results. Please see important legal disclosures at the end of this report.



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)
Consumer Discretionary	1	0.49
Consumer Staples	1	0.17
Energy	1	0.34
Health care	8	1.79
Real estate	1	0.26
Total	12	3.05

Source: FTSE Russell, data as of December 31, 2024. 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)
Consumer Discretionary	KINDERCARE LEARNING COMP	KLC	0.49
Financials	GUARDIAN PHARMACY SERVIC	GRDN	0.17
Energy	BKV CORP	ALMS	0.34

Source: FTSE Russell, data as of December 31, 2024. 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

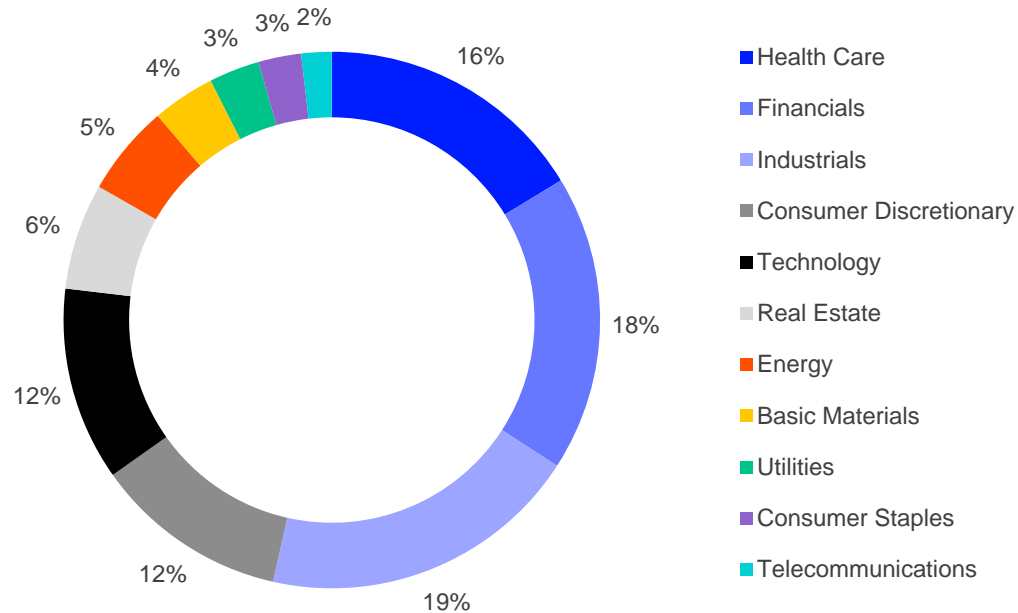
Industry	Company name	Ticker	Total market cap (\$B)
Health care	BICARA THERAPEUTICS	BCAX	0.33
	BIOAGE LABS	BIOA	0.07
	CAMP4 THERAPEUTICS CORP	CAMP	0.04
	CERIBELL	CBLL	0.32
	MBX BIOSCIENCES	MBX	0.21
	SEPTERNA	SEPN	0.42
	UPSTREAM BIO	UPB	0.28
	ZENAS BIOPHARMA	ZBIO	0.12
Real estate	FRONTVIEW REIT INC	FVR	0.26

Source: FTSE Russell, data as of December 31, 2024. Past performance is no guarantee of future results.
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Exhibit 7

Quarterly industry weightings

Quarter end (%)



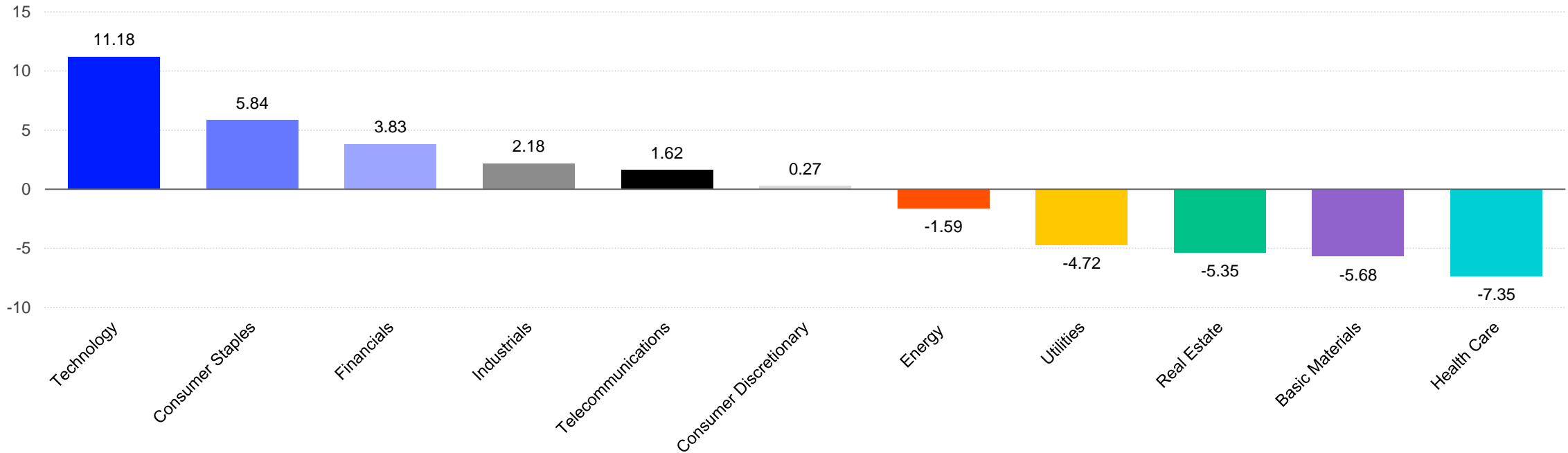
	Q4 2024	Q3 2024	Q2 2024	Q1 2024
Health Care	16.3	17.4	15.1	15.2
Financials	17.8	17.2	15.0	14.8
Industrials	19.4	18.9	18.8	19.0
Consumer Discretionary	11.7	11.9	12.7	13.1
Technology	11.7	10.7	14.0	13.9
Real Estate	6.4	6.7	5.8	5.8
Energy	5.5	5.5	7.8	7.8
Basic Materials	3.8	4.1	3.9	3.9
Utilities	3.0	3.2	2.7	2.6
Consumer Staples	2.6	2.5	2.9	2.7
Telecom	1.8	1.8	1.2	1.2

Source: FTSE Russell, data as of December 31, 2024. Past performance is no guarantee of future results. Please see important legal disclosures at the end of this report.

Exhibit 8

Quarterly industry performance review

Total return (%)

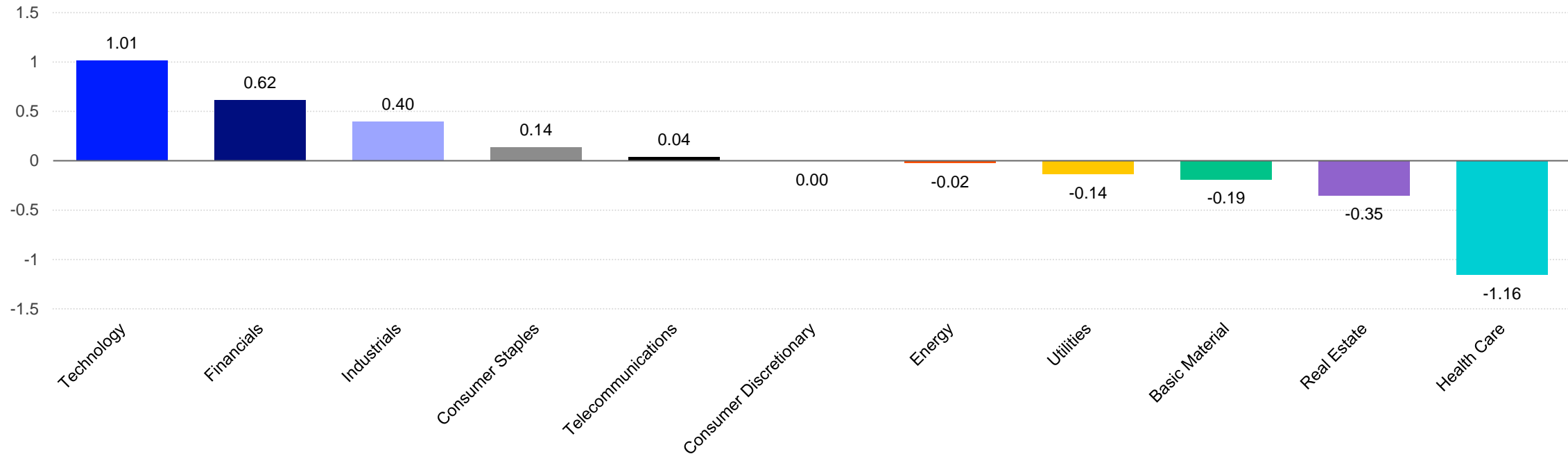


Source: FTSE Russell, data as of December 31, 2024. Past performance is no guarantee of future results. Please see important legal disclosures at the end of this report.

Exhibit 9

Industry contribution to return

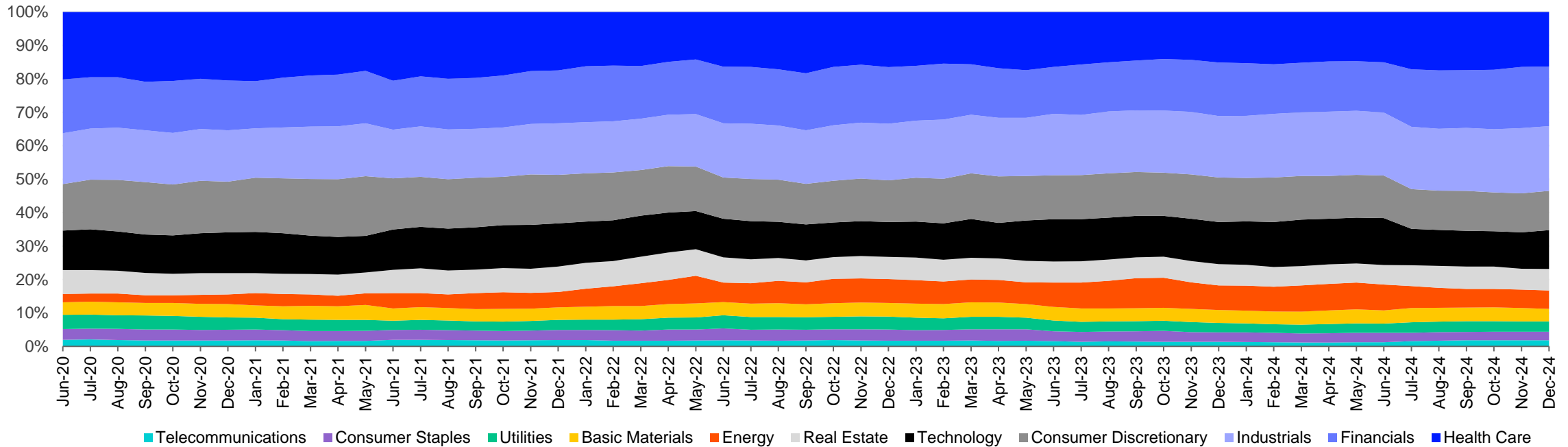
Year to date (%)



Source: FTSE Russell, data as of December 31, 2024. Past performance is no guarantee of future results. Please see important legal disclosures at the end of this report.

Exhibit 10a

Industry history ICB historical monthly weightings (%)

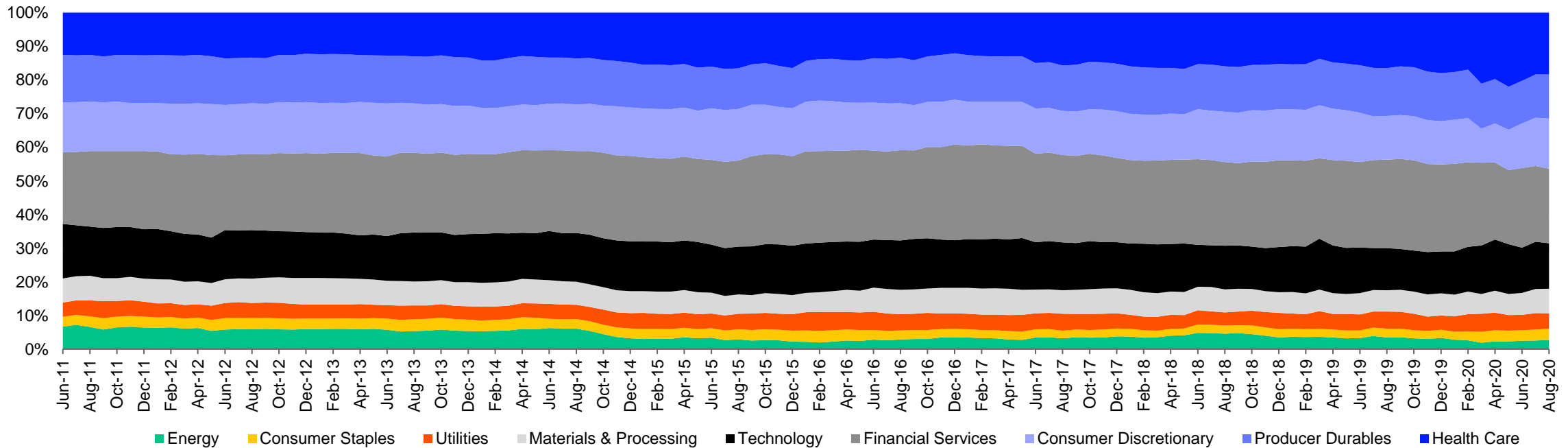


Source: FTSE Russell Industry Classification Benchmark (ICB) data is shown starting June 30, 2020. Historical index weightings reflect Russell Global Sectors. Past performance is no guarantee of future results. Please see important legal disclosures at the end of this report.

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

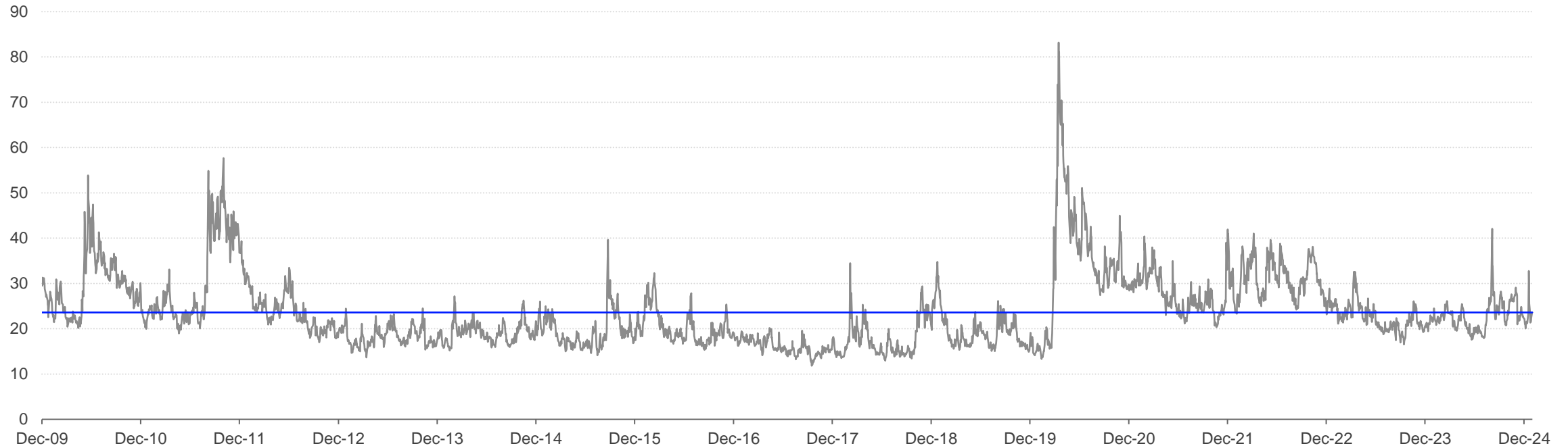
SMALL CAPS REFLECT THE MARKET

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) 12/01/2009 – 12/31/2024



Source: FTSE Russell, data as of December 31, 2024. Past performance is no guarantee of future results.
Please see important legal disclosures at the end of this report.

Exhibit 12a

Fundamental characteristics: Q4 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	8.77	14.04	147.39	2.33	0.65	1.33
Russell 1000 Index	12.49	12.87	116.94	12.44	0.82	1.27

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	16.33	2.14	13.75	20.44	23.30	24.47
Russell 1000 Index	22.27	4.84	17.18	10.57	17.40	18.48

Source: FTSE Russell, data as of December 31, 2024. Past performance is no guarantee of future results. Please see important legal disclosures at the end of this report.

Exhibit 12b

Fundamental characteristics: Q3 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	8.26	14.43	151.44	2.55	0.66	1.33
Russell 1000 Index	11.88	12.39	100.84	13.89	0.81	1.27

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	15.96	2.17	13.81	21.49	22.20	23.75
Russell 1000 Index	21.94	4.84	17.11	11.80	17.45	18.28

Source: FTSE Russell, data as of December 31, 2024. Past performance is no guarantee of future results. Please see important legal disclosures at the end of this report.

Exhibit 12c

Fundamental characteristics: Q2 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	8.40	13.75	152.22	2.93	0.64	1.44
Russell 1000 Index	13.80	15.20	100.15	13.75	0.78	1.32

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	14.65	2.10	12.18	22.32	21.63	23.51
Russell 1000 Index	20.92	4.68	16.39	14.30	17.75	18.32

Source: FTSE Russell, data as of December 31, 2024. Past performance is no guarantee of future results. Please see important legal disclosures at the end of this report.

Exhibit 12d

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 December 31, 2024. Past performance is no guarantee of future results. Please see important legal disclosures at the end of this report.

Focal point

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Perfect for Financial Advisors.**



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can drive better portfolio outcomes for wealth
advisors. Discover additional resources
supporting your index product selection.**

Highlights



Global Investment Research
Market Maps

Russell US Indexes Spotlight

QUARTERLY REPORT | JANUARY 2025

Large caps and Growth reassert themselves in Q4, in line with overall 2024 performance

The US equity rally narrowed in Q4 to a few industries. Rising yields challenged risk-sensitive market segments. Economic growth continued to be a bright spot. However, inflation expectations rose, and a cautious Fed and policy uncertainty weigh equities in 2025.

Large caps lead in Q4
Russell 1000 outperformed Russell 2000 in Q4, in a reversal from Q3, and consistent with the overall leadership for 2024.

Growth outperforms Value
Large-cap and small-cap Growth outperformed their Value counterparts in Q4, similar to the 12-month trend. Russell 1000 Growth outpaced other style indices for the quarter and the year.

Cyclicals lead in narrow Q4 rally
Discretionary, Tech and Financials were among top performing industries across most style indices. Basic Materials, Health Care and Real Estate lagged the most.

Earnings outlook improves for small caps
The 2-year EPS outlook improved notably for Russell 2000 and its Growth and Value cohorts, while moderating a bit for Russell 1000 Growth and Value.

Valuations re-rate
Forward P/Es rose over Q4 and over 12 months for both the headline Russell indices and their style cohorts.

Russell IPO inclusion activity holds steady
Russell 1000 and Russell 2000 included 2 and 12 new IPO names, respectively, in Q4, sustaining the renewal in IPO inclusion activity since Q2.

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Chart 1: Russell US Indexes Performance (1H2024 - 1H2025). The chart shows the performance of Russell 1000 (blue line) and Russell 2000 (grey line) from 1H2024 to 1H2025. Both indices show a general upward trend, with Russell 1000 ending at approximately 118 and Russell 2000 at approximately 112.

Chart 2: US Inflation and Break-even Rates (1H2024 - 1H2025). The chart shows US Inflation (grey line) and US Break-even Rates (blue line) from 1H2024 to 1H2025. Inflation peaked at 4.9% in Q3 2024 and fell to 3.4% by 1H2025. Break-even rates peaked at 2.9% in Q3 2024 and fell to 2.3% by 1H2025.

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Russell IPO inclusion activity holds steady

Russell 1000 and Russell 2000 included 2 and 12 new IPO names, respectively, in Q4 sustaining the renewal in IPO inclusion activity since Q2.

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