

## Annual Russell Reconstitution is Friday, June 22, 2007



**Please Route To:** NASDAQ-Listed Companies

### What You Need to Know:

- On Friday, June 22, 2007, Russell will reconstitute its 25 indexes in order to accurately weight the 4,000 largest companies in the U.S. stock markets by market capitalization (of float).
- The annual Russell Reconstitution is usually one of the most highly-anticipated and heaviest trading days in the U.S. equity markets.

Each year, the Russell Investment Group rebalances its indexes during its annual reconstitution — known as the “Russell Reconstitution.” On Friday, June 22, 2007, Russell will reconstitute its 25 indexes in order to accurately weight the 4,000 largest companies in the U.S. stock markets by market capitalization (of float). Russell also has global indexes which will be reconstituted at the same time. These reconstitutions allow the indexes to provide a truer reflection of stock market activity and performance.

The annual Russell Reconstitution represents a significant event for the equity markets. It is usually one of the most highly-anticipated and heaviest trading days in the U.S. equity markets, as asset managers seek to reconfigure their portfolios to reflect the composition of Russell's indexes. Buying and selling activity by asset managers will be influenced by companies being added and deleted from the Russell 3000 and Microcap Indexes as well as the changes in the weightings among Russell 3000 and Microcap companies.

### 2007 Reconstitution Schedule

|                         |  |
|-------------------------|--|
| <b>June 11</b>          | Preliminary lists of additions and deletions to the Russell 3000, Russell Microcap, and Russell Global Indexes are published                 |
| <b>June 15 &amp; 22</b> | Updates to the lists of additions and deletions  |
| <b>June 22</b>          | Reconstitution final after the close of the U.S. markets   |
| <b>June 25</b>          | Final membership lists posted for the Russell 3000, Russell 1000, Russell 2000, Russell Midcap, Russell Microcap, and Russell Global indexes |

Composition of the Russell 3000 and Microcap Indexes are as follows: The Russell 3000 Index consists of the Russell 1000 and 2000 Indexes. The Russell 1000 is comprised of the first 1000 companies in the Russell 3000 and represents the largest U.S. companies. The Russell 2000 is comprised of companies numbered 1001 through 3000 within the Russell 3000 and is generally viewed as the benchmark index for small- and mid-cap companies. The Russell Microcap Index includes the smallest 1,000 securities in the Russell 2000 plus the next 1,000 securities.

A significant portion of the trading activity surrounding the rebalancing will occur on Friday, June 22, during the NASDAQ Closing Cross. The NASDAQ Official Closing Price (NOCP) will be used as the closing price for NASDAQ-listed stocks in the Russell Indexes. Just after 4:00 p.m., Eastern Time, on June 22, there may be an increase in individual company volumes. This occurs because the funds that track the Russell Indexes will adjust their holdings at the closing price on Friday. Since NASDAQ's Closing Cross determines the closing price for NASDAQ-listed securities, many funds will elect to send their rebalancing trades through the NASDAQ trading system for execution. In fact, during

the Russell Reconstitution Day in 2006, NASDAQ attained its largest trading volume with the Closing Cross, executing a record high 690.8 million shares, representing \$10.5 billion, in the cross in 5.1 seconds.

The below links provide more information about NASDAQ's Closing Cross and the Russell Reconstitution:

- Learn more about the [NASDAQ Closing Cross](#)
- Visit the [Russell website](#) for more information regarding the Russell Reconstitution

If you have any questions please contact your NASDAQ Relationship Manager or your NASDAQ Market Intelligence Desk Director.

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