

Rapid Response

The Russell 1000® Value Index Is Becoming Growthy Again

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FTSE Russell Equity Index Reconstitution

Russell makes changes to its equity indices on an annual basis to ensure that they represent the current equity market. Historically, this has occurred on the last Friday in June.

What to Expect on June 27, 2025

Based on preliminary securities lists, which were published by FTSE Russell on June 13, the Russell 1000® Value Index is expected to become 'growthy' again as evidenced by (1) a higher allocation to both information technology and communication services and (2) the addition of three high profile companies.

Expected Change in Sector Weight		High Profile Companies Being Added	
Communication Services	+3.0%	Amazon	2.1%
Information Technology	+0.8%	Alphabet	2.4%
Industrials	-2.3%	Meta	1.0%
Financials	-1.2%	Total	~5.5%

The combined weight of Amazon, Alphabet and Meta in the Russell 1000® Value Index is expected to go from 0.0% to about 5.5%.

We Have Seen This Before

Let's learn from history. Growth-oriented stocks generally underperformed in 2022. How did this impact value indices? During the reconstitution process, both Meta and Netflix, previously high-flying stocks, were added to the Russell 1000® Value Index for the first time. This was a clear example of the value index becoming growthy. Then growth stocks rebounded in 2023 as hype around artificial intelligence (AI) got rolling. As a result, during the next reconstitution in 2023, Meta, Netflix and Alphabet were removed from the Russell 1000® Value Index. A classic whipsaw.

History of Major Additions/Drops from the Russell 1000® Value Index

	Additions	Drops
2022	Meta, Netflix	
2023		Alphabet, Meta and Netflix
2024		
Expected 6/27/2025	Alphabet, Amazon and Meta	

Market Insights

20 June 2025



The Russell reconstitution is an important dynamic for investors to monitor. We believe that a value investment should act and look like a value investment and encourage investors to look at their portfolio holdings to ensure proper diversification. ▲

Source: The FTSE Russell reconstitution date is June 27, 2025. Preliminary index changes provide by FTSE Russell as of June 13, 2025. History of Major Additions/Drops for the Russell 1000® Value from FactSet as of the following reconstitution dates: 6/24/2022, 6/23/2023, 6/28/2024.

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