

Russell Reconstitution 2018— Announced Changes By [Robert Sicari](#)

Our Look at 2018’s Russell Reconstitution—June 15th Update

Summary: Every year in June, FTSE Russell reconstitutes their hallmark Russell family of indices, adding, deleting and migrating companies in and out of indices. This year’s reconstitution takes place on the bell on Friday, June 22nd. Attached with this note you will find Weeden’s announced Russell Reconstitution spreadsheet that highlights our predictive flows and changes this year. As always we encourage you to reach out to Weeden’s Program Trading Desk or your salesman with any and all questions you may have regarding this year’s Russell Reconstitution. Please find our review below.

Reconstitution Review

Exhibit 1: Reconstitution Calendar

May				
Mon	Tue	Wed	Th	Fri
	1	2	3	4
7	8	9	10	11
14	15	16	17	18
21	22	23	24	25
28	29	30	31	

June				
Mon	Tue	Wed	Th	Fri
				1
4	5	6	7	8
11	12	13	14	15
18	19	20	21	22
25	26	27	28	29

	Rank Date
	Preliminary Announcement
	List Update
	Final List Update and Reconstitution

- May is classified as the “ranking month”, where FTSE Russell® organizes and ranks its entire eligible universe. This year’s ranking date falls on May 11th.
- June is known as the “transition month”, where FTSE Russell® communicates to the marketplace the preliminary changes and pro-forma reconstructed indices. The first list will be published on June 8th, with updates on June 15th and June 22nd.
- **The 2018 Russell Reconstitution takes place on the bell—June 22nd.**

- The minimum market capitalization for inclusion into the Russell 2000 will be \$159.2M.
- We estimate the trade size to be roughly \$64B in gross notional turnover.
- Apple (AAPL) continues for the sixth year in a row to be the largest company in the Russell 3000 (\$926.9B).
- The smallest company within the Russell 1000 is around \$3.7B. Companies that fall between \$5.0B and \$2.5B will stay within their respective index.
- The largest sell imbalances are held by Financials(\$2.6B for sale) and Energy (\$861M for sale). The largest buy imbalances are Consumer Discretionary (\$2.3B to buy) and Information Technology (\$1.2B to buy).
- Our pro-forma trade estimates there to be five R1 pure additions, 177 R2 pure additions, 37 R1—>R2 migrations and 48 R2—>R1 migrations.

Exhibit 2: Pro-Forma and Historical Market Cap Ranges

	Russell 3000		Russell 1000			Russell 2000		
	Largest	Smallest	Largest	Smallest	Smallest w/ Band	Largest w/ Band	Largest	Smallest
2018	\$926.9B	\$159.2M	\$926.90	\$3.7B	\$2.5B	\$5.0B	\$3.7B	\$159.2M
2017	813.9B	143.3M	813.9B	3.4B	2.4B	4.4B	3.4B	143.6M
2016	549.7B	132.9M	549.7B	2.9B	2.0B	3.9B	2.9B	132.9M
2015	750.5B	176.7M	750.5B	3.4B	2.4B	4.3B	3.4B	176.7M
2014	545.3B	168.7M	545.3B	3.1B	2.2B	4.1B	3.1B	168.7M
2013	422.1B	128.9M	422.1B	2.6B	1.8B	3.3B	2.6B	128.9M

Exhibit 3: Movement Statistics

Movement	# of Changes	Gross Notional Turn	Avg ADV
R1 Add	5	\$751,652,633	2.0
R1 Delete	1	(\$187,986,326)	(5.9)
R1 Rewt Up	359	\$10,566,188,380	0.2
R1 Rewt Down	575	(\$18,487,890,665)	(0.2)
R1--->R2	37	\$3,748,271,664	3.6
R2 Add	177	\$6,042,147,199	13.5
R2 Rewt Up	1526	\$10,637,429,740	0.8
R2 Delete	103	(\$1,166,062,278)	(13.2)
R2 Rewt Down	284	(\$837,835,745)	(0.7)
R2--->R1	48	(\$11,060,650,350)	(4.2)

Exhibit 4: Sector Net Turnover

GICS® Sector	Net Turnover
Information Technology	\$1,239,669,530
Consumer Discretionary	\$2,300,429,920
Financials	(\$2,682,788,792)
Health Care	(\$544,883,264)
Energy	(\$861,906,850)
Consumer Staples	\$194,637,508
Telecommunication Services	(\$142,457,834)
Industrials	\$409,148,251
Materials	\$115,708,710
Utilities	(\$359,608,373)
Real Estate	\$337,315,447

Exhibit 5: Top 25 Buy Names by ADV

Ticker	Name	Sector	Current Index	New Index	\$Notional	Shares	Days	Abs	Movement
ZOM	Zomedica Pharmaceuticals Cor	Health Care	None	R2	\$6,687,049	3,821,171	107.74	107.74	R2 Add
MPB	Mid Penn Bancorp Inc	Financials	None	R2	\$15,983,510	455,371	71.63	71.63	R2 Add
MVBF	Mvb Financial Corp	Financials	None	R2	\$15,134,973	811,962	68.04	68.04	R2 Add
OVLY	Oak Valley Bancorp	Financials	None	R2	\$14,515,701	673,270	55.35	55.35	R2 Add
FDBC	Fidelity D&D Bancorp Inc	Financials	None	R2	\$16,516,848	272,106	54.80	54.80	R2 Add
PRGX	Prgx Global Inc	Information Technology	None	R2	\$18,479,412	2,030,705	46.17	46.17	R2 Add
PDLB	Pdl Community Bancorp	Financials	None	R2	\$13,720,546	854,863	43.50	43.50	R2 Add
SLCT	Select Bancorp Inc	Financials	None	R2	\$14,344,614	1,083,430	39.53	39.53	R2 Add
FCCY	1St Constitution Bancorp	Financials	None	R2	\$15,780,534	712,439	39.42	39.42	R2 Add
FSFG	First Savings Financial Grp	Financials	None	R2	\$12,748,182	177,898	38.82	38.82	R2 Add
FRBA	First Bank/Hamilton Nj	Financials	None	R2	\$20,394,283	1,574,848	37.26	37.26	R2 Add
DZSI	Dasan Zhone Solutions Inc	Information Technology	None	R2	\$5,824,538	573,281	36.43	36.43	R2 Add
AMEH	Apollo Medical Holdings Inc	Health Care	None	R2	\$62,407,666	2,413,289	32.91	32.91	R2 Add
SBPH	Spring Bank Pharmaceuticals	Health Care	None	R2	\$15,056,040	1,073,132	32.60	32.60	R2 Add
FCCO	First Community Corp	Financials	None	R2	\$17,018,104	693,202	32.23	32.23	R2 Add
ESQ	Esquire Financial Holdings I	Financials	None	R2	\$15,340,290	577,789	31.05	31.05	R2 Add
BPRN	The Bank Of Princeton	Financials	None	R2	\$18,391,794	562,440	29.29	29.29	R2 Add
AUBN	Auburn Natl Bancorporation	Financials	None	R2	\$11,675,593	229,744	28.66	28.66	R2 Add
BBX	Bbx Capital Corp	Consumer Discretionary	None	R2	\$55,965,216	6,359,684	28.17	28.17	R2 Add
BRT	Brt Apartments Corp	Real Estate	None	R2	\$10,521,224	807,462	27.87	27.87	R2 Add
DWSN	Dawson Geophysical Co	Energy	None	R2	\$15,962,540	2,054,381	26.38	26.38	R2 Add
HBIO	Harvard Bioscience Inc	Health Care	None	R2	\$17,350,226	3,402,005	25.70	25.70	R2 Add
TLRA	Telaria Inc	Information Technology	None	R2	\$18,822,258	4,277,786	25.57	25.57	R2 Add
ARL	American Realty Investors In	Real Estate	None	R2	\$2,834,525	201,030	24.82	24.82	R2 Add
CATC	Cambridge Bancorp	Financials	None	R2	\$31,375,032	358,244	24.82	24.82	R2 Add

For Institutional/Accredited Investors Only

For Institutional/Accredited Investors Only

Exhibit 6: Top 25 Sell Names by ADV

Ticker	Name	Sector	Current Index	New Index	\$Notional	Shares	Days	Abs	Movement
XBIT	Xbiotech Inc	Health Care	R2	None	(\$8,270,808)	(1,837,957)	(42.58)	42.58	R2 Delete
SQBG	Sequential Brands Group Inc	Consumer Discretionary	R2	None	(\$7,140,740)	(3,839,108)	(42.16)	42.16	R2 Delete
RNWK	Realnetworks Inc	Information Technology	R2	None	(\$8,470,672)	(2,346,447)	(41.35)	41.35	R2 Delete
TRCB	Two River Bancorp	Financials	R2	None	(\$12,729,291)	(695,970)	(41.33)	41.33	R2 Delete
PROV	Provident Financial Hldgs	Financials	R2	None	(\$9,583,264)	(531,518)	(39.47)	39.47	R2 Delete
NVLN	Novelion Therapeutics Inc	Health Care	R2	None	(\$5,815,713)	(1,461,234)	(36.95)	36.95	R2 Delete
GSIT	Gsi Technology Inc	Information Technology	R2	None	(\$11,242,262)	(1,439,470)	(35.28)	35.28	R2 Delete
RNGR	Ranger Energy Services Inc	Energy	R2	None	(\$4,865,794)	(570,433)	(35.12)	35.12	R2 Delete
OPOF	Old Point Financial Corp	Financials	R2	None	(\$9,794,561)	(350,181)	(34.61)	34.61	R2 Delete
NNA	Navios Maritime Acquisition	Energy	R2	None	(\$5,578,248)	(7,967,788)	(32.77)	32.77	R2 Delete
AP	Ampco-Pittsburgh Corp	Materials	R2	None	(\$8,065,171)	(840,122)	(31.98)	31.98	R2 Delete
DNBF	Dnb Financial Corp	Financials	R2	None	(\$10,666,660)	(299,625)	(30.63)	30.63	R2 Delete
ORM	Owens Realty Mortgage Inc	Financials	R2	None	(\$15,964,223)	(946,308)	(30.20)	30.20	R2 Delete
DLA	Delta Apparel Inc	Consumer Discretionary	R2	None	(\$11,870,416)	(637,509)	(28.16)	28.16	R2 Delete
HBP	Huttig Building Products Inc	Industrials	R2	None	(\$12,075,576)	(2,274,120)	(27.87)	27.87	R2 Delete
AST	Asterias Biotherapeutics	Health Care	R2	None	(\$5,060,752)	(2,811,529)	(23.51)	23.51	R2 Delete
PMTS	Cpi Card Group Inc	Information Technology	R2	None	(\$982,811)	(388,463)	(22.93)	22.93	R2 Delete
GNE	Genie Energy Ltd-B	Utilities	R2	None	(\$6,661,468)	(1,303,614)	(21.90)	21.90	R2 Delete
LWAY	Lifeway Foods Inc	Consumer Staples	R2	None	(\$2,705,596)	(446,468)	(21.05)	21.05	R2 Delete
ARC	Arc Document Solutions Inc	Industrials	R2	None	(\$7,917,789)	(3,862,336)	(20.26)	20.26	R2 Delete
RSYS	Radisys Corp	Information Technology	R2	None	(\$2,816,861)	(3,552,158)	(19.48)	19.48	R2 Delete
DSPG	Dsp Group Inc	Information Technology	R2	None	(\$24,902,219)	(2,110,358)	(18.44)	18.44	R2 Delete
VOXX	Voxx International Corp	Consumer Discretionary	R2	None	(\$11,235,870)	(1,937,219)	(18.19)	18.19	R2 Delete
LYTS	Lsi Industries Inc	Industrials	R2	None	(\$12,720,577)	(2,377,678)	(17.65)	17.65	R2 Delete
CLCT	Collectors Universe	Consumer Discretionary	R2	None	(\$10,791,005)	(719,400)	(17.34)	17.34	R2 Delete

Exhibit 7: Top 25 Buy Names by \$Notional

Ticker	Name	Sector	Current Index	New Index	\$Notional	Shares	Days	Abs	Movement
MSFT	Microsoft Corp	Information Technology	R1	R1	\$676,521,359	6,756,430	0.24	0.24	R1 Rewt Up
AMZN	Amazon.Com Inc	Consumer Discretionary	R1	R1	\$606,164,215	353,249	0.10	0.10	R1 Rewt Up
JAZZ	Jazz Pharmaceuticals Plc	Health Care	None	R1	\$479,417,806	2,691,846	4.96	4.96	R1 Add
IBM	Intl Business Machines Corp	Information Technology	R1	R1	\$345,388,686	2,375,601	0.59	0.59	R1 Rewt Up
FB	Facebook Inc-A	Information Technology	R1	R1	\$337,037,360	1,720,895	0.10	0.10	R1 Rewt Up
BXMT	Blackstone Mortgage Tru-Cl A	Financials	None	R2	\$320,644,572	9,914,798	10.43	10.43	R2 Add
AVGO	Broadcom Inc	Information Technology	R1	R1	\$309,108,427	1,143,872	0.27	0.27	R1 Rewt Up
MAXR	Maxar Technologies Ltd	Industrials	None	R2	\$277,769,375	5,491,684	19.38	19.38	R2 Add
GOOG	Alphabet Inc-Cl C	Information Technology	R1	R1	\$269,947,958	234,277	0.16	0.16	R1 Rewt Up
LILAK	Liberty Latin Americ-Cl C	Consumer Discretionary	None	R2	\$235,561,497	11,022,999	17.14	17.14	R2 Add
GOOGL	Alphabet Inc-Cl A	Information Technology	R1	R1	\$229,834,719	198,258	0.12	0.12	R1 Rewt Up
AVYA	Avaya Holdings Corp	Information Technology	None	R2	\$220,603,382	10,156,693	6.22	6.22	R2 Add
PYPL	Paypal Holdings Inc	Information Technology	R1	R1	\$207,449,660	2,431,716	0.32	0.32	R1 Rewt Up
ITW	Illinois Tool Works	Industrials	R1	R1	\$183,308,547	1,233,155	0.79	0.79	R1 Rewt Up
ROKU	Roku Inc	Consumer Discretionary	None	R2	\$183,123,070	4,229,170	0.43	0.43	R2 Add
PRSP	Perspecta Inc	Information Technology	R1	R2	\$181,473,708	8,044,047	1.26	1.26	R1-->R2
ACN	Accenture Plc-Cl A	Information Technology	R1	R1	\$177,076,709	1,083,170	0.41	0.41	R1 Rewt Up
NFLX	Netflix Inc	Consumer Discretionary	R1	R1	\$171,800,345	438,289	0.05	0.05	R1 Rewt Up
CARG	Cargurus Inc	Information Technology	None	R2	\$166,665,374	4,796,126	3.79	3.79	R2 Add
SIG	Signet Jewelers Ltd	Consumer Discretionary	R1	R2	\$161,054,891	2,879,065	0.63	0.63	R1-->R2
WYNN	Wynn Resorts Ltd	Consumer Discretionary	R1	R1	\$158,971,094	917,264	0.24	0.24	R1 Rewt Up
CZR	Caesars Entertainment Corp	Consumer Discretionary	R2	R1	\$157,362,601	13,864,546	1.20	1.20	R2-->R1
CLNC	Colony Northstar Credit Re-A	Financials	None	R2	\$157,334,688	8,143,617	16.52	16.52	R2 Add
NEWR	New Relic Inc	Information Technology	R2	R2	\$154,064,092	1,418,377	1.53	1.53	R2 Rewt Up
SWN	Southwestern Energy Co	Energy	R1	R2	\$152,429,934	29,540,685	2.02	2.02	R1-->R2

For Institutional/Accredited Investors Only

For Institutional/Accredited Investors Only

Exhibit 8: Top 25 Sell Names by \$Notional

Ticker	Name	Sector	Current Index	New Index	\$Notional	Shares	Days	Abs	Movement
JPM	Jpmorgan Chase & Co	Financials	R1	R1	(\$608,953,478)	(5,643,684)	(0.38)	0.38	R1 Rewt Down
GRUB	Grubhub Inc	Information Technology	R2	R1	(\$479,072,550)	(4,033,616)	(2.44)	2.44	R2--->R1
AMGN	Amgen Inc	Health Care	R1	R1	(\$451,229,380)	(2,438,946)	(0.83)	0.83	R1 Rewt Down
NKTR	Nektar Therapeutics	Health Care	R2	R1	(\$446,501,087)	(7,716,922)	(0.74)	0.74	R2--->R1
AAPL	Apple Inc	Information Technology	R1	R1	(\$442,240,000)	(2,341,877)	(0.09)	0.09	R1 Rewt Down
BLUE	Bluebird Bio Inc	Health Care	R2	R1	(\$440,652,856)	(2,406,624)	(2.62)	2.62	R2--->R1
CSCO	Cisco Systems Inc	Information Technology	R1	R1	(\$415,410,912)	(9,387,817)	(0.42)	0.42	R1 Rewt Down
BAC	Bank Of America Corp	Financials	R1	R1	(\$390,989,333)	(13,353,461)	(0.21)	0.21	R1 Rewt Down
EXAS	Exact Sciences Corp	Health Care	R2	R1	(\$390,513,776)	(5,698,435)	(2.82)	2.82	R2--->R1
AZPN	Aspen Technology Inc	Information Technology	R2	R1	(\$360,049,807)	(3,684,505)	(9.09)	9.09	R2--->R1
XOM	Exxon Mobil Corp	Energy	R1	R1	(\$355,420,930)	(4,406,409)	(0.33)	0.33	R1 Rewt Down
PFE	Pfizer Inc	Health Care	R1	R1	(\$352,382,492)	(9,691,488)	(0.48)	0.48	R1 Rewt Down
INTC	Intel Corp	Information Technology	R1	R1	(\$350,240,541)	(6,355,299)	(0.24)	0.24	R1 Rewt Down
NTNX	Nutanix Inc - A	Information Technology	R2	R1	(\$343,728,833)	(5,553,867)	(1.52)	1.52	R2--->R1
EHC	Encompass Health Corp	Health Care	R2	R1	(\$330,431,925)	(4,878,664)	(8.72)	8.72	R2--->R1
SAGE	Sage Therapeutics Inc	Health Care	R2	R1	(\$317,253,014)	(1,923,445)	(2.65)	2.65	R2--->R1
WFC	Wells Fargo & Co	Financials	R1	R1	(\$307,598,537)	(5,594,735)	(0.34)	0.34	R1 Rewt Down
JNJ	Johnson & Johnson	Health Care	R1	R1	(\$307,095,413)	(2,504,652)	(0.38)	0.38	R1 Rewt Down
SRPT	Sarepta Therapeutics Inc	Health Care	R2	R1	(\$306,517,054)	(2,996,550)	(1.99)	1.99	R2--->R1
BRK/B	Berkshire Hathaway Inc-C1B	Financials	R1	R1	(\$303,521,366)	(1,582,819)	(0.36)	0.36	R1 Rewt Down
EPAM	Epam Systems Inc	Information Technology	R2	R1	(\$299,584,256)	(2,413,472)	(7.38)	7.38	R2--->R1
FICO	Fair Isaac Corp	Information Technology	R2	R1	(\$297,988,626)	(1,490,167)	(6.06)	6.06	R2--->R1
CW	Curtiss-Wright Corp	Industrials	R2	R1	(\$284,308,816)	(2,219,082)	(8.59)	8.59	R2--->R1
ZEN	Zendesk Inc	Information Technology	R2	R1	(\$281,084,600)	(4,771,424)	(3.91)	3.91	R2--->R1
LFUS	Littelfuse Inc	Information Technology	R2	R1	(\$280,409,992)	(1,195,167)	(5.85)	5.85	R2--->R1

Exhibit 9: Top 25 Buy Names by Shares

Ticker	Name	Sector	Current Index	New Index	\$Notional	Shares	Days	Abs	Movement
RAD	Rite Aid Corp	Consumer Staples	R1	R2	\$94,060,454	52,842,952	4.43	4.43	R1--->R2
SWN	Southwestern Energy Co	Energy	R1	R2	\$152,429,934	29,540,685	2.02	2.02	R1--->R2
PTN	Palatin Technologies Inc	Health Care	None	R2	\$18,686,942	19,260,917	8.77	8.77	R2 Add
TAHO	Tahoe Resources Inc	Materials	R1	R2	\$78,192,416	15,701,288	6.62	6.62	R1--->R2
OPK	Opko Health Inc	Health Care	R1	R2	\$68,886,952	15,656,126	3.19	3.19	R1--->R2
TRXC	Transenterix Inc	Health Care	None	R2	\$56,718,241	15,205,963	2.59	2.59	R2 Add
P	Pandora Media Inc	Information Technology	R1	R2	\$112,496,154	14,114,950	1.77	1.77	R1--->R2
CZR	Caesars Entertainment Corp	Consumer Discretionary	R2	R1	\$157,362,601	13,864,546	1.20	1.20	R2--->R1
FG	Fgl Holdings	Financials	None	R2	\$117,578,113	13,751,826	13.34	13.34	R2 Add
MNKD	Mannkind Corp	Health Care	None	R2	\$25,986,458	13,677,083	6.20	6.20	R2 Add
XXII	22Nd Century Group Inc	Consumer Staples	None	R2	\$24,206,881	11,364,733	7.38	7.38	R2 Add
ENDP	Endo International Plc	Health Care	R1	R2	\$99,814,354	11,240,355	0.88	0.88	R1--->R2
LILAK	Liberty Latin Americ-C1C	Consumer Discretionary	None	R2	\$235,561,497	11,022,999	17.14	17.14	R2 Add
TGNA	Tegna Inc	Consumer Discretionary	R1	R2	\$125,018,540	10,918,650	5.19	5.19	R1--->R2
GRPN	Groupon Inc	Consumer Discretionary	R2	R2	\$50,299,098	10,747,670	1.19	1.19	R2 Rewt Up
NOG	Northern Oil And Gas Inc	Energy	None	R2	\$29,110,509	10,471,406	2.24	2.24	R2 Add
AVYA	Avaya Holdings Corp	Information Technology	None	R2	\$220,603,382	10,156,693	6.22	6.22	R2 Add
BXMT	Blackstone Mortgage Tru-C1A	Financials	None	R2	\$320,644,572	9,914,798	10.43	10.43	R2 Add
AVEO	Aveo Pharmaceuticals Inc	Health Care	None	R2	\$21,885,931	9,903,136	8.03	8.03	R2 Add
PBI	Pitney Bowes Inc	Industrials	R1	R2	\$86,517,729	9,528,384	5.44	5.44	R1--->R2
GPOR	Gulfport Energy Corp	Energy	R1	R2	\$101,358,524	9,472,759	2.28	2.28	R1--->R2
BKD	Brookdale Senior Living Inc	Health Care	R1	R2	\$87,690,219	9,459,571	3.41	3.41	R1--->R2
AMR	Alta Mesa Resources Inc	Energy	None	R2	\$65,050,520	9,292,931	8.63	8.63	R2 Add
NIHD	Nii Holdings Inc	Telecommunication Services	None	R2	\$30,899,685	8,631,197	5.94	5.94	R2 Add
ARWR	Arrowhead Pharmaceuticals In	Health Care	None	R2	\$93,914,661	8,483,709	5.56	5.56	R2 Add

For Institutional/Accredited Investors Only

For Institutional/Accredited Investors Only

Exhibit 10: Top 25 Sell Names by Shares

Ticker	Name	Sector	Current Index	New Index	\$Notional	Shares	Days	Abs	Movement
GSAT	Globalstar Inc	Telecommunication Services	R2	None	(\$29,747,275)	(54,412,429)	(10.47)	10.47	R2 Delete
ESV	Enesco Ple-Cl A	Energy	R2	None	(\$241,666,540)	(41,310,520)	(3.23)	3.23	R2 Delete
GST	Gastar Exploration Ltd	Energy	R2	None	(\$8,988,641)	(17,285,848)	(12.00)	12.00	R2 Delete
BAC	Bank Of America Corp	Financials	R1	R1	(\$390,989,333)	(13,353,461)	(0.21)	0.21	R1 Rewt Down
BW	Babcock & Wilcox Enterpr	Industrials	R2	R2	(\$31,526,001)	(13,081,328)	(7.51)	7.51	R2 Rewt Down
PKD	Parker Drilling Co	Energy	R2	None	(\$4,622,834)	(12,974,556)	(9.78)	9.78	R2 Delete
CLDX	Celldex Therapeutics Inc	Health Care	R2	None	(\$7,412,775)	(12,706,162)	(4.02)	4.02	R2 Delete
UMPQ	Umpqua Holdings Corp	Financials	R2	R1	(\$270,742,626)	(11,428,562)	(5.88)	5.88	R2--->R1
STL	Sterling Bancorp/De	Financials	R2	R1	(\$256,388,188)	(10,464,824)	(5.25)	5.25	R2--->R1
PFE	Pfizer Inc	Health Care	R1	R1	(\$352,382,492)	(9,691,488)	(0.48)	0.48	R1 Rewt Down
CVRS	Corindus Vascular Robotics I	Health Care	R2	None	(\$8,622,697)	(9,688,424)	(6.27)	6.27	R2 Delete
CSCO	Cisco Systems Inc	Information Technology	R1	R1	(\$415,410,912)	(9,387,817)	(0.42)	0.42	R1 Rewt Down
NM	Navios Maritime Holdings Inc	Industrials	R2	None	(\$7,604,010)	(8,853,195)	(16.85)	16.85	R2 Delete
GE	General Electric Co	Industrials	R1	R1	(\$111,493,836)	(8,382,995)	(0.14)	0.14	R1 Rewt Down
NNA	Navios Maritime Acquisition	Energy	R2	None	(\$5,578,248)	(7,967,788)	(32.77)	32.77	R2 Delete
GNCA	Genocea Biosciences Inc	Health Care	R2	None	(\$7,706,624)	(7,856,687)	(13.07)	13.07	R2 Delete
NKTR	Nektar Therapeutics	Health Care	R2	R1	(\$446,501,087)	(7,716,922)	(0.74)	0.74	R2--->R1
MVIS	Microvision Inc	Information Technology	R2	None	(\$9,275,910)	(7,480,573)	(5.52)	5.52	R2 Delete
T	At&T Inc	Telecommunication Services	R1	R1	(\$241,753,379)	(7,292,711)	(0.11)	0.11	R1 Rewt Down
CTLT	Catalent Inc	Health Care	R2	R1	(\$276,320,037)	(6,663,131)	(8.72)	8.72	R2--->R1
INTC	Intel Corp	Information Technology	R1	R1	(\$350,240,541)	(6,355,299)	(0.24)	0.24	R1 Rewt Down
MTNB	Matinas Biopharma Holdings I	Health Care	R2	None	(\$3,915,374)	(6,212,907)	(13.90)	13.90	R2 Delete
KNX	Knight-Swift Transportation	Industrials	R2	R1	(\$254,754,270)	(6,064,134)	(1.73)	1.73	R2--->R1
EXAS	Exact Sciences Corp	Health Care	R2	R1	(\$390,513,776)	(5,698,435)	(2.82)	2.82	R2--->R1
TRVN	Trevena Inc	Health Care	R2	None	(\$9,886,729)	(5,649,559)	(6.42)	6.42	R2 Delete

Russell Methodology Overview (Source: Russell U.S. Equity Indexes V3.2)

Eligible Securities

- U.S Companies (Russell uses a number of ways to assign a company to its specific country).
- Must trade on eligible U.S. exchange (bulletin board, pink sheets and OTC securities not eligible).
- Eligible U.S. exchanges: BATS, IEX, NYSE, NYSE American , NASDAQ, ARCA.
- Stock must have a closing price above \$1.00.
- Companies with a market capitalization less than \$30M are not eligible.
- Companies with a float of 5% or less are not eligible for inclusion.
- Royalty trusts, U.S. limited liability companies, closed-end investment companies including business development companies (BDCs) are not eligible. Blank-check companies, special-purpose acquisition companies (SPACs), limited partnerships, exchange traded funds (ETFs) and mutual funds are also excluded.
- FTSE Russell® excludes any company that has historically generated unrelated business taxable income (UBTI) and has not taken steps to block UBTI to equity holders.
- The following share types are excluded: preferred and convertible preferred stock, redeemable shares, participating preferred stock, warrants, rights, installment receipts and trust receipts.

For Institutional/Accredited Investors Only

For Institutional/Accredited Investors Only

Reconstructing the Index

- FTSE Russell® first determines the eligible universe (see previous) (this becomes the Russell 3000E).
- The Russell 3000E is then sorted in descending order by total market capitalization.
- The total market capitalization of the Russell 3000E is then determined by summing all of the members’ total market capitalization.
- Each company’s percentile is then calculated by dividing its market capitalization by the Russell 3000E cumulative market capitalization.
- A range of five percentiles is calculated around the new market capitalization break points to reduce unnecessary movements +/- 2.5%. Thus, names that fall within each band stay within their respective index (don’t hesitate to call with any banding-related questions).

Exhibit 11: Russell U.S. Indices Company Totals

Index	Companies Included
Russell 3000E Index	Companies #1-4,000 / 100% of eligible securities
Russell 3000 Index	Companies #1-3000
Russell Top 50 Mega Cap	Companies #1-50
Russell Top 200 Index	Companies #1-200
Russell 1000 Index	Companies #1-1000
Russell Midcap Index	Companies #201-1,000
Russell 2000 Index	Companies #1,001-3,000
Russell 2500 Index	Companies #501-3,000
Russell Microcap Index	Companies #2,001-4,000

Sources: FTSE Russell®, Bloomberg, Weeden & Co.

Exhibit 12: Annual Reconstitution Notes

Annual Reconstitution Notes	
2017	Nearly every trade went the right way other than the RI Add/Delete which consisted of only 10 buys and two deletes.
2016	Nearly all right way except for the migration trade which went wrong way big (3.29%). BREXIT DAY.
2015	Relatively boring. Migration trade worked the best.
2014	Wrong Way Day of Event, Especially Add/Del
2013	Mostly Right Way, Especially Migrations
2012	Mostly Right Way, Especially Migrations
2011	Wrong Way
2010	Right Way (Former kick outs allowed to rejoin COV, IR, WFT, and BRK/B added)
2009	Right Way (Big, expected short base never materialized)
2008	Wrong Way
2007	Right Way
2006	Wrong way big; blamed on big short base in ETFs and swaps.

Please reach out to Weeden’s Program Trading Desk with any and all questions you may have.

Contacts

Robert Sicari

Event Driven Desk Analyst
 Program Trading Group
 145 Mason Street
 Greenwich, CT 06830
 Office:203-861-9320
 rsicari@weedenco.com

Patrick J. O'Donohue, CFA

Head of Event Driven Strategy
 Program Trading Group
 145 Mason Street
 Greenwich, CT 06830
 Office:203-861-7680
 odonohue@weedenco.com

Cash Trading Desk: 203-861-7680

Program Trading Desk: 203-861-9320

International Trading Desk: 203-861-7740

Derivatives Trading Desk: 203-861-7725

Algorithmic Trading Desk: 866-502-2546

This publication is prepared by Weeden & Co.'s trading department, and not its research department. This publication is for information purposes only and is based on information and data from sources considered to be reliable, but it is not guaranteed as to accuracy and does not purport to be complete and are subject to change without notice. This publication is neither intended nor should be considered as an offer or the solicitation of an offer to sell or buy any security or other financial product. Nothing contained herein is intended to be, nor shall it be construed as, investment advice. Information contained herein provides insufficient information upon which to base an investment decision. Any comments or statements made herein do not necessarily reflect those of Weeden & Co. LP or its affiliates. ©2018 Weeden & Co. LP. Sources: Bloomberg, S&P, FTSE Russell, Alerian, Nasdaq, Weeden & Co.