

# Major US Equity Indexes IPO Treatments

## Eligibility and Inclusion Rules for Initial Public Offerings

Summary of relevant index methodology rules as of June 4, 2026

### About this piece

This piece compares IPO treatment across five major US equity indexes, including fast entry exceptions to standard rules.

The summary table covers the current rules as of June 2026. Please see individual sections for more specific detail on individual index methodologies.

### Key index developments in 2026

In May 2026, the Nasdaq-100 Index updated its methodology to add a Fast Entry rule for initial public offerings (IPOs) meeting certain criteria. This update has reignited interest in how different major US equity indexes, such as the S&P 500 and Russell 1000, handle the eligibility, inclusion, weighting, and timing of these securities.

The table below summarizes the current treatment of IPO securities by different major US equity indexes. After issuing a consultation and reviewing feedback, FTSE Russell updated the methodology for the Russell US Equity Indexes, effective May 26, 2026. Additionally, please note that S&P Dow Jones Indices issued a consultation on possible updates to the S&P U.S. Indices methodologies, but on June 4, 2026, announced that there would be no changes to the S&P 500 methodology<sup>1</sup>.

### Index Treatment of IPO Securities

Feature	S&P 500	Nasdaq-100	Russell 1000	MSCI USA	CRSP US Total Market
<i>IPO Fast Entry</i>	No	Yes	Yes	Yes	Yes
<i>Fast Entry Threshold</i>	N/A	Full market cap in top 40 of current index constituents	Investable market cap greater than Russell Top 500 breakpoint	Full market cap $\geq$ 1.8x MSCI large/mid-cap size cutoff	Full market cap greater than CRSP US Small Cap breakpoint
<i>Fast Entry Timing</i>	N/A	~15 trading days	~5 trading days	~10 trading days	~5 trading days
<i>Seasoning Requirement</i>	12 months	3 calendar months (waived for fast entry)	None	3 months (waived for fast entry)	20 trading days
<i>Standard IPO Inclusion Timing</i>	At Index Committee discretion (12+ months)	~3-15 months (December annual reconstitution)	~2-5 months (quarterly index maintenance)	~3-6 months (quarterly index maintenance)	~2-5 months (quarterly index maintenance)
<i>Float Requirement</i>	~10% minimum	None	5% minimum	Relative minimum (float-adjusted market cap $\geq$ 50% of minimum size requirement)	10% minimum for Fast Entry, 12.5% for others
<i>Alternative to Float Requirement</i>	None	N/A	IPOs estimated to surpass 5% float within 12 months from index inclusion due to expiry of lock ups	N/A	Float-adjusted market cap represents at least 0.005% of float-adjusted market cap of index-eligible universe
<i>Weighting</i>	Float-adjusted market cap	Modified listed market cap	Float-adjusted market cap	Float-adjusted market cap	Float-adjusted market cap

Note that the MSCI USA Index is categorized within MSCI Global Investable Market Indexes, not as an MSCI US Equity Index. The MSCI US Equity Index family has different rules and requirements. See "Appendix Information" for sources.

## S&P 500<sup>2</sup>

### Standard IPO inclusion path

Securities must trade on an eligible exchange for at least 12 months before being considered for index inclusion. Final constituent selection is at the discretion of the Index Committee, even after satisfying all eligibility criteria.

### Fast entry rules for certain IPOs

None.

### Minimum requirements for index inclusion

Securities must pass a financial viability screen (positive GAAP net income from continuing operations in the most recent quarter and in the sum of the most recent four quarters) and maintain an Investable Weight Factor of at least 0.1 (i.e., minimum ~10% float). There is no Fast Entry exception to these rules.

---

## S&P 500<sup>1</sup> (cont.)

### Eligibility sizing

Eligibility for index inclusion for all securities, including IPOs, is based on total market capitalization, which includes listed and unlisted shares.

### Weighting

Securities are weighted by float-adjusted market capitalization, which is calculated based on security price, shares outstanding, and investable weight factor.

---

## Nasdaq-100<sup>3,4</sup>

### Standard IPO inclusion path

Securities must trade on an eligible exchange for at least three full calendar months before inclusion. This seasoning requirement has been in place since 2012.

### Fast entry rules for certain IPOs

Companies with full market capitalizations (listed and unlisted shares) within the top 40 of current index constituents may bypass the three-month seasoning requirement. Securities are assessed for inclusion at the end of their 7<sup>th</sup> trading day, announced after the 10<sup>th</sup>, and added after the 15<sup>th</sup>.

This fast entry timeline also applies to companies that have changed their exchange listing. Fast entry additions do not require the removal of another index constituent.

### Minimum requirements for index inclusion

The previous minimum 10% float requirement that was introduced in June 2024 has been eliminated. The modified market capitalization weighting methodology (see below) addresses investability for low-float securities.

### Eligibility sizing

Securities, including fast entry IPOs, are assessed for index inclusion and size categorization based on their full market capitalization.

### Weighting

Securities are weighted by modified market capitalization, not float-adjusted market capitalization.

Modified market capitalization is calculated as the lesser of price times total shares outstanding, or price times free-floating shares times three, effectively capping any security's weight at 3x its float. Securities with float above 33.3% are weighted at full eligible listed market cap, while those with less than 33.3% float are weighted proportionally less. This applies to all constituents, not just fast entry securities.

The prior weighting methodology (weighting by market cap), when combined with the 10% float minimum, could produce edge cases where a low-float security's index weight was up to 10x its free float.

---

## Russell 1000<sup>5,6</sup>

### Standard IPO inclusion path

IPOs are added during quarterly index maintenance, based on their listing date relative to the index's rank day (the last business day of January, April, July, or October). June and December additions coincide with the semiannual reconstitutions, while March and September additions take effect after close on the third Friday of the month. Typical timing from IPO to index inclusion is therefore ~2-5 months; there is no explicit seasoning requirement outside of this timeline.

### Fast entry rules for certain IPOs

Effective May 26, 2026, Russell US Equity Indexes added a fast entry rule for certain IPOs. To be eligible, IPOs must have investable market caps (i.e., float market caps) greater than the market-adjusted total market capitalization breakpoint for the Russell Top 500 as of the previous reconstitution, based on price and free float shares outstanding at the end of the IPO's first day of trading. Eligible IPOs will be added to the relevant indexes after their fifth day of trading.

### Minimum requirements for index inclusion

Securities must meet 5% minimum free float and 5% voting rights thresholds to be eligible for index inclusion. As of May 2026, these thresholds are waived for fast entry IPOs if lock-up expirations are expected to bring the amounts above 5% within 12 months of the date of index inclusion.

### Eligibility sizing

Generally, securities are assessed for index eligibility and size category based on their total market capitalization. However, an IPO's eligibility for inclusion as a fast entry is based on its investable market cap.

### Weighting

Securities, including fast entry IPOs, are weighted by float-adjusted market capitalization.

---

## MSCI USA<sup>7,8</sup>

### Standard IPO inclusion path

The MSCI USA Index is constructed under the MSCI Global Investable Market Indexes (GIMI) methodology. Newly listed securities that do not qualify for fast entry are considered for inclusion during quarterly Index Reviews, subject to a seasoning period of at least three calendar months.

### Fast entry rules for certain IPOs

IPOs may qualify for early inclusion if, as of the close of their first or second trading day, their full market capitalization is at least 1.8 times the Standard Size-Segment Cutoff (the market cap threshold separating the large/mid-cap universe from the small-cap universe) for the US and their free float-adjusted market capitalization is at least 1.8 times one-half of this cutoff. Eligible fast entry IPOs are added as of the close of their tenth trading day.

Cutoffs are defined relative to the Market Investable Equity Universe. For the MSCI USA Index, the Standard Size-Segment Cutoff would be calculated relative to US equities and is roughly the full market capitalization of the smallest security among those that account for 85% of the eligible free float-adjusted market capitalization within the US.

### Minimum requirements for index inclusion

A security's free float-adjusted market capitalization must be at least 50% of the minimum size requirement for the relevant market. The three-month seasoning period is waived for fast entry IPOs.

### Eligibility sizing

Securities, including fast entry IPOs, are assessed for index inclusion and size categorization based on their full market capitalization.

### Weighting

Securities, including fast entry IPOs, are weighted by float-adjusted market capitalization.

### MSCI index families

The MSCI USA Index is constructed under the MSCI Global Investable Market Indexes (GIMI) methodology, which is a separate index family from the MSCI US Equity Indexes, which follow a different methodology with different eligibility and inclusion rules and timing. *The rules summarized above apply to indexes in the MSCI Global Investable Market Indexes family only.*

# CRSP US Total Market<sup>9</sup>

## Standard IPO inclusion path

Securities must trade on an eligible exchange for at least 20 trading days prior to the ranking day. If they meet all other relevant index criteria, they are added at the next quarterly index maintenance event.

## Fast entry rules for certain IPOs

IPOs are eligible for fast entry if their total market capitalization (shares outstanding times first-day closing price) is at least as large as the breakpoint of the CRSP US Small Cap Index. If an IPO meets this threshold, it may be added to the appropriate indexes after the close of its fifth day of trading.

## Minimum requirements for index inclusion

Securities must meet a 12.5% minimum float requirement (10% minimum for fast entry IPOs). Alternatively, a security's float-adjusted market cap must be at least 0.005%, or ½ bps, of the float-adjusted market cap of the index-eligible universe.

## Eligibility sizing

Securities, including fast entry IPOs, are assessed for index inclusion and size categorization based on their full market capitalization.

## Weighting

Securities, including fast entry IPOs, are weighted by float-adjusted market capitalization.

## Investment Risks

The value of investments and any income will fluctuate (this may partly be the result of exchange-rate fluctuations), and investors may not get back the full amount invested.

## Appendix information

<sup>1</sup>Source: S&P, June 2026. [S&P Dow Jones Indices Consultation on Treatment of MegaCap Companies - Results](#). Retrieved 06/06/2026.

<sup>2</sup>Source: S&P, April 2026. [S&P U.S. Indices Methodology](#). Retrieved 05/28/2026.

<sup>3</sup>Source: Nasdaq, 05/01/2026. [Nasdaq-100 Index Methodology](#). Retrieved 05/28/2026.

<sup>4</sup>Source: Nasdaq, May 2026. [Nasdaq-100 Index Methodology Changes - Frequently Asked Questions](#). Retrieved 05/28/2026.

<sup>5</sup>Source: FTSE Russell, 05/26/2026. [Russell US Equity Indexes - Construction and Methodology](#). Retrieved 05/28/2026.

<sup>6</sup>Source: FTSE Russell, 05/26/2026. [Market Consultation: Russell US Equity Indexes IPO Fast Entry and Minimum Eligibility Requirements](#). Retrieved 05/28/2026.

<sup>7</sup>Source: MSCI, May 2026. [MSCI Global Investable Market Indexes Methodology](#). Retrieved 05/28/2026.

<sup>8</sup>Source: MSCI, February 2026. [MSCI Corporate Events Methodology](#). Retrieved 05/28/2026.

<sup>9</sup>Source: CRSP, April 2026. [CRSP Market Indexes Methodology Guide](#). Retrieved 05/28/2026.

## Important information

This does not constitute a recommendation of any investment strategy or product for a particular investor. Investors should consult a financial professional before making any investment decisions. The mention of specific companies, industries, sectors, or issuers does not constitute a recommendation by Invesco Ltd. and its subsidiaries.

---

## Important information

This document is intended only for professional investors in Hong Kong, for Institutional Investors and/or Accredited Investors in Singapore, for certain specific sovereign wealth funds and/or Qualified Domestic Institutional Investors approved by local regulators only in the People's Republic of China, for certain specific Qualified Institutions and/or Sophisticated Investors only in Taiwan, for Qualified Professional Investors in Korea, for certain specific institutional investors in Brunei, for Qualified Institutional Investors and/or certain specific institutional investors in Thailand, for certain specific institutional investors in Malaysia upon request, for certain specific institutional investors in Indonesia and for qualified buyers in Philippines for informational purposes only. This document is not an offering of a financial product and should not be distributed to retail clients who are resident in jurisdiction where its distribution is not authorized or is unlawful. Circulation, disclosure, or dissemination of all or any part of this document to any unauthorized person is prohibited.

This document may contain statements that are not purely historical in nature but are "forward-looking statements," which are based on certain assumptions of future events. Forward-looking statements are based on information available on the date hereof, and Invesco does not assume any duty to update any forward-looking statement. Actual events may differ from those assumed. There can be no assurance that forward-looking statements, including any projected returns, will materialize or that actual market conditions and/or performance results will not be materially different or worse than those presented.

All material presented is compiled from sources believed to be reliable and current, but accuracy cannot be guaranteed. Investment involves risk. Please review all financial material carefully before investing. The opinions expressed are based on current market conditions and are subject to change without notice. These opinions may differ from those of other Invesco investment professionals.

The distribution and offering of this document in certain jurisdictions may be restricted by law. Persons into whose possession this marketing material may come are required to inform themselves about and to comply with any relevant restrictions. This does not constitute an offer or solicitation by anyone in any jurisdiction in which such an offer is not authorised or to any person to whom it is unlawful to make such an offer or solicitation.

### **This document is issued in the following countries:**

- in Hong Kong by Invesco Hong Kong Limited 景順投資管理有限公司, 45/F, Jardine House, 1 Connaught Place, Central, Hong Kong.
- in Singapore by Invesco Asset Management Singapore Ltd., 9 Raffles Place, #18-01 Republic Plaza, Singapore 048619.
- in Taiwan by Invesco Taiwan Limited, 22F, No.1, Songzhi Road, Taipei 11047, Taiwan (0800-045-066). **Invesco Taiwan Limited is operated and managed independently.**