|  |  |
| --- | --- |
| **APPROVED**  Executive Board  Moscow Exchange  02 June 2023, Minutes No. 34  Yu. Denisov  CEO  Moscow Exchange |  |

**PENSION INDICES**

**CALCULATION METHODOLOGY**

**Moscow, 2023**

**CONTENTS**

[1. Introduction 3](#_Toc62143957)

[1.1. Terms and definitions 3](#_Toc62143958)

[1.2. List of Indices 3](#_Toc62143959)

[1.3. Calculation method 3](#_Toc62143960)

[2. Index calculation 3](#_Toc62143961)

[2.1. Index calculation procedure 3](#_Toc62143962)

[2.2. Calculation of restrictive factors 4](#_Toc62143963)

[3. Calculation rules and disclosure 4](#_Toc62143964)

[3.1. Debt Market Benchmarks Committee 4](#_Toc62143965)

[3.2. Calculation schedule 5](#_Toc62143966)

[3.3. Control over the calculation of the Indices 5](#_Toc62143967)

[3.4. Disclosure 5](#_Toc62143968)

[3.5. Transition provision 5](#_Toc62143969)

[Appendix 1 6](#_Toc62143970)

[Appendix 2 7](#_Toc62143971)

[Appendix 3 10](#_Toc62143972)

# Introduction

* 1. Terms and definitions

For the purposes of this Methodology for the calculation of Pension Assets Indices by Public Joint Stock Company Moscow Exchange MICEX-RTS (the “Methodology”), the following terms and definitions apply:

* + - * + Index Constituents – the list of securities used to calculate the Sub index.
        + The Exchange, Moscow Exchange – Public Joint Stock Company Moscow Exchange MICEX-RTS.
        + The MOEX Pension Index, Index – the securities index calculated based on the Sub-indices that can be used as an investment vehicle for pension savings.
        + Debt Market Benchmarks Committee – the permanent consultative body of the Exchange.
        + Sub-index – the measure of a section of securities calculated based on trades in the securities executed on the Exchange. The securities are valued in RUB.
        + Weight – is a percentage of a security in the total value of all securities in the Index.
        + Issuer – an issuer of ordinary, preferred, represented shares, bonds or OFZ.

Terms not specifically defined herein shall have meanings ascribed to them in the internal documents of the Exchange and laws and regulatory acts of the Bank of Russia.

* 1. List of Indices

According to this Methodology, Pension Indices are the following indices:

* + - * The Conservative Index. Its name is «Индекс МосБиржи активов пенсионных накоплений консервативный» in Russian and “MOEX Pension Conservative Index in English. The index code is RUPCI.
      * The Moderate Index. Its name is «Индекс МосБиржи активов пенсионных накоплений сбалансированный» in Russian and “MOEX Pension Moderate Index” in English. The index code is RUPMI.
      * The Aggressive Index. Its name is «Индекс МосБиржи активов пенсионных накоплений агрессивный» in Russian and “MOEX Pension Aggressive Index” in English. The index code is RUPAI.

Wordmark *Индекс МосБиржи* is MOEX’s trademark registered in the Public Register of Trademarks and Service Marks of the Russian Federation on 18 September 2017 (trademark certificate No.630519). Wordmark MOEX is MOEX’s trademark registered Federal Intellectual Property Service in the Public Register of Trademarks and Service Marks of the Russian Federation on 29 August 2014 (trademark certificate No. 521450).

* 1. Calculation method
     1. This Methodology as well as any amendments and supplements thereto are created subject to recommendations by the Debt Market Benchmarks Committee.
     2. This Methodology as well as any amendments and supplements thereto are subject to approval by the Exchange. The effective date is set by the Exchange. The Methodology may be amended or supplemented once a quarter, or less frequently. The approaches proposed in the Methodology are updated annually.
     3. The text of the Methodology is made available by the Exchange at least three business days before the effective date.

# Index calculation

* 1. Index calculation procedure
     1. The Indices are calculated as follows:

where:

In – the Index value as of the nth moment of calculation;

– the value of Sub-index i, calculated on day n;

– the restrictive factor for Sub-index I which is updated on day n-m, i.e. the date preceding the last review date for the Sub-index, according to the procedure set out in clause 2.2 below;

−the total number of Sub-Indices.

* + 1. The index was first calculated on 28 December 2007 with the base value of I1 = 1,000.
    2. The Sub-indices are given in Appendix 1 hereto. They are calculated according to the procedure set out in Appendices 2 and 3 hereto.
    3. The Indices are expressed in points and rounded to two decimal places.
  1. Calculation of restrictive factors
     1. The Weight (Wghti) of the ith Sub-index is calculated as follows:
     2. To keep the proper relation between the Sub-indices, weighting factors are used which are calculated in a manner to ensure the Sub-index Weight as of date n-m equals to the Sub-index’s target weight set in Appendix 1 hereto.
     3. The restrictive factors are calculated as follows:

where - the target weight of Sub-index i.

* + 1. The restrictive factors are reviewed once a quarter at the end of the trading day preceding the last review date for a Sub-index. The newly calculated factors take effect from the next trading day.

# Calculation rules and disclosure

* 1. Debt Market Benchmarks Committee
     1. The Debt Market Benchmarks Committee performs the following functions:
        + - Delivery of expert opinions, proposals and recommendations to executive bodies and the Supervisory Board of the Exchange on the matters concerning Pension Indices management;
          - Modification of methodology for Indices calculation,
          - Making proposals about new technology and calculation methods for the Exchange and making the relevant recommendations;
          - Making recommendations regarding disclosure of information about the Indices and other benchmarks;
          - Consideration of claims and proposals from the users, and, in the event that there are substantiated and considerable claims, development and implementation of relevant changes jointly with the Exchange.
          - Making proposals about the effectiveness of the index management, discussion of the relevant issues and making appropriate recommendations.
     2. The Indices are constructed, calculated, reviewed and updated as well as this Methodology is amended in accordance with the administrative principles and rules set out in the Moscow Exchange Index Management Policy.
  2. Calculation schedule
     1. The Indices are calculated once a day at the close of the main trading session. The only daily values of the Indices are also their current and closing values valid till their next calculation on the next trading day.
     2. The Exchange may change the frequency of calculation of the Indices subject to terms set out in the Bank of Russia’s regulations.
  3. Control over the calculation of the Indices
     1. Where a technical failure occurs while the Indices is being calculating, or on-Exchange trades in securities, which has resulted in corruption of data used to calculate indices, recalculation of the previous index values is possible. Such recalculation is carried out within the shortest possible time from the moment the technical failure has been detected. Information on the Indices as recalculated is published on the Exchange’s website.
     2. If circumstances occur that may have an adverse impact on the Indices’ ability to effectively represent the pension investment vehicles market, the Exchange can take any measures necessary to ensure representativeness of the Indices, also by removing a Stock from the Equity Sub-Index and/or a bond from the Bond Sub-Index and/or an OFZ from the OFZ Sub-Index or setting parameters used to calculate values set out in this Methodology.

* 1. Disclosure
     1. This Methodology, values of the Indices for their entire lifetime, information about Constituents of the Bond Sub-Index, Equity Sub-Index and OFZ Sub-Index used to calculate the Indices as well as other information including that which is required to be disclosed by regulatory acts in the area of financial markets, are published on the Exchange website.
     2. When changing values used to calculate the Index that are based on expert opinion, the Exchange gives a notice on its website concerning circumstances taking into account in changing the values and the ground for these changes, within one day after the changes took effect.
     3. The Indices’ values for the previous trading day are announced by 12:00 noon MSK.
     4. Results of regular reviews of the Bond Sub-Index, Equity Sub-Index and OFZ Sub-Index are published on the Exchange website at least two calendar weeks before they take effect.
     5. Results of extraordinary reviews of the Bond Sub-Index, Equity Sub-Index and OFZ Sub-Index are published before or on the date they take effect.
     6. Information to be disclosed under to this Methodology may also be disseminated in other ways, e.g. through information agencies spreading information on on-Exchange trades in securities.
  2. Transition provision
     1. The Indices’ Constituents which were approved for the Indices pursuant to the previous version of the Methodology, remain valid for the period from the effective date of this Methodology until the next regular review of the Sub-Indices. Equity Sub-Index’s Constituents take effect on the effective date of this version of the Methodology and are announced no later than the date of publication of this version of the Methodology.

# Appendix 1

**List of Sub-Indices**

| **Sub-index code** | **Sub-index name** | **Target weight in the Index as at the date of restriction** | | |
| --- | --- | --- | --- | --- |
| **RUPCI** | **RUPMI** | **RUPAI** |
| BPSI | Bond sub-index | 75% | 70% | 40% |
| BPSIG | Government bond sub-index | 25% | 20% | 20% |
| EPSITR | Equity sub-index | - | 10% | 40% |

# Appendix 2

**Calculation guide to Bond Sub-Index (BPSI) and Government Bond Sub-Index (BPSIG)**

1. **Terms and definitions** 
   * + - * Government Bonds, OFZ – Russian government bonds excluding Eurobonds, admitted to trading on MOEX.
         * Maturity Date – the maturity or early redemption (a put option) date of the Bond issue if early redemption is provided for in the issue prospectus.
         * Index Review Date – the day as of which statistical data for compiling the Index is calculated. These dates are 15 February, 15 May, 15 August and 15 November. If the date is a non-trading day, the Index Review Date is a trading day preceding the 15th day of the relevant month.
         * Corporate Bonds – bonds issued by Russian corporate issuers, exclusive of Eurobonds.
         * Municipal Bonds – bonds of a local government or territory of Russia.
         * Bonds – Corporate Bonds and Municipal Bonds admitted to trading on MOEX.
         * Call Option – an option for early redemption of a Bond at the initiative of the Bond Issuer.
         * Trading Day – a trading day on which the trading volume of a Bond for the Main Trading Session in the Central Order Book T+ Mode (the “T+ Central Order Book”) is min. RUB 100,000.
2. **Calculation method** 
   1. The Bond Sub-Index and Government Bond Sub-Index are calculated every trading day at the close of trading in the T+ Central Order Book based on MOEX’s market data for Bonds and OGZs
   2. The Sub-Indices are total return indices, i.e. they reference the price and ACI of the Bonds or OFZ, subject to reinvested coupon payments.
   3. The Bond Sub-Index code is BPSI. The Government Bond Sub-Index code is BPSIG.
   4. The Bond and Government Bond Sub-Indices are calculated as per the following formula:

where:

Sub\_In – the value of the Sub-Index at time n;

Pi,n – the weighted average price of the Bond or OFZ of the ith issue at time n, in percent of the notional amount;

FVi,n – the notional amount of the Bond or OFZ of the ith issue at time n, in RUB;

Ai,n – accrued coupon income for the Bond or OFZ of the ith issue at time n, in RUB;

Gi,n – the amount of coupon payment for the Bond or OFZ of the ith issue on day n, in RUB;

Ni,n – the volume of the ith issue at time n, in units of the security;

Wi,n – the coefficient used to restrict capitalization of the ith Issuer of the Bond (the Weighting Factor). It is set to 1 unless otherwise set out in para 2.9, Appendix 2. It is set to 1 for all OFZ issues.

* 1. The starting date of the Sub-indices calculation is December 28, 2007. The starting values of the Sub-indices calculation as of December 28, 2007 equals 1,000 points.
  2. If, on the Sub-Index calculation day, the weighted average price was not calculated for the Bond, the price Pi of the ith Bond or OFZ on the calculation day for the relevant Sub-Index is set equal to the last available weighted average price Pi of the ith Bond or OFZ.
  3. If trading in a Bond or OFZ issue is suspended (terminated), the last available weighted average price of the issue is used to calculate the Sub-Index while the Bond or OFZ is suspended (until trading is resumed or the issue is removed from the Sub-Index).
  4. The weight of the ith Bond or OFZ in the Sub-Index is calculated as follows:

where:

Wghti – the weight of the ith bond or OFZ;

MCi – Capitalisation of the ith Bond or OFZ as per the formula:

N – the total number of Bonds or OFZs.

The weight of an Issuer in the Sub-Index is calculated as the sum of Weights of all Bond Issues of the Issuer.

* 1. To diminish the impact of Bonds of certain Issuers on the Bond Sub-Index, Weighting Factor Wi is used which is calculated in such a way that the Weight of the Bonds of each Issuer on the Index Review Date does not exceed 10% (S1=10%), and the Weight of Financial Sector Issuers does not exceed 30% in total (S2=30%). To comply with these limits, the Issuers Weights are adjusted as follows:
     + - * If the Issuer's Weight or the sum of the Issuers' Weights in the Bond Sub-Index exceeds S1 or S2, the Weight is set equal to this value.
         * The difference between the Weights before and after the adjustment is proportionally distributed among the Issuers whose Weights have not been restricted.
         * The above steps are repeated iteratively until there are Issuers with the Weight exceeding S1 and S2.
  2. Weights Wi can range from 0 to 1 accurate to seven decimal places according to the mathematical rounding rule.
  3. Calculation of the Bond Sib-Index and OFZ Sub-Index shall be performed with the accuracy of up to two decimal places.

1. **Principles of the Bond Sub-Index and OFZ Sub-Index Construction**
   1. The list of Bond Sub-Index and OFZ Sub-index Constituents includes the Issuers names and issue codes.
   2. The number of Bonds or OFZs in the relevant Sub-index is determined based on the number of these securities traded on the Exchange.
   3. Bonds that meet the following requirements as of the Index Review Date shall be included in the Bond Sub-index:
      * + - The Issuer of the Bonds fulfilled in full the coupon payment obligations, redemption under the offer, redemption of all issues of Bonds admitted to trading on the Exchange. If the issuer has outstanding obligations on a previous technical default and/or default on an issue of Bonds admitted to trading on the Exchange, the Bonds may be included in the index, provided that the issuer fully discharges its outstanding obligations on the technical default and/or default on all issues of Bonds admitted to trading on the Exchange as well as discloses the corporate action in the manner and within the timeframes set forth by regulations of the Bank of Russia.
          - The bonds meet the credit rating requirements set by the Bank of Russia for the purposes of pension savings investment.
          - The nominal volume of the bond issue is at least RUB 5 billion for corporate bonds and at least RUB 2 billion for municipal bonds.
          - The number of trading days in three months preceding 1 February, 1 May, 1 August and 1 November on which trades in the bond issue were executed in the Main Trading Session in the T+ Main Trading Mode is at least 20 for corporate bonds and at least 10 for municipal bonds.
          - The time during which both bids and orders (two-sided quotes) in a bond issue is available is at least 20% - for corporate bonds and at least 10% - for municipal bonds of the total trading hours in the Main Trading Mode T+ over three months preceding 1 February, 1 May, 1 August and 1 November.
          - The index includes only bonds for which the rates of all coupon payments stipulated in the issue documents until maturity or the nearest early redemption (if any) have been set as of the Index Review Date.
          - The term to maturity of the Bonds shall be at least one year.
          - The issue terms and conditions do not provide for a call option within one year of the date the reviewed index takes effect.
      1. If the number of Bond issuers whose Bonds comply with clause 3.3 of the Methodology is less than 10, the Exchange may decide to include Bond issues that do not comply with the requirements stipulated in clause 3.3 of the Methodology in the Bond Sub-Index.
   4. The OFZ Sub-Index includes OFZs included in the Government Bond Index RGBI as of the Sub-Index Review Date.
   5. The Exchange can decide to include Bonds and OFZs that do not meet the requirements described in clauses 3.3 and 3.4 of the Methodology in the subindex calculation base.
2. **Bond Sub-Index OFZ Sub-Index review procedure**

* 1. Bonds and OFZs are included to and excluded from the Sub-Indices at the Sub-Index review by virtue of a decision of the Exchange.
  2. A regular review of the Sub-Index shall be carried out once a quarter or less frequently, except for the cases stipulated by this Methodology. The reviewed Sub-Index takes effect from the beginning of the main trading session of the trading day following the third Thursday of March, June, September and December. The Exchange may decide to set other effective dates for the Sub-Index as reviewed.
  3. At a regular index review, the Sub-Index is constructed in accordance with clause 3 of Appendix 2 to this Methodology.
  4. Bonds already in the Bond Sub-Index may be excluded from the index not earlier than 1 year after the date of their inclusion in the index, except as provided in clause 4.5.
  5. An extraordinary review of the Bond Sub-Index may be carried out if the following events occur:
     + - * a Bond issue is delisted from MOEX (termination of trading of the relevant bond on the Exchange).
         * In case of non-fulfillment by the bond issuer, included into the Sub-Index, of liabilities on coupon yield payment, redemption by offer, redemption of this issue and/or other
         * In case of assignment of a credit rating to the Bond issuer and/or Bond issue included into the Bond Sub-Index, which does not meet the minimum credit rating requirements set by the Bank of Russia for the purposes of pension savings investment.
         * In case of other events not stipulated by this Methodology, the results of which may have a significant impact on the Bond Sub-Index calculation, the Bond Sub-Index and/or parameters of Bond issues included in the Bond Sub-Index may be amended as necessary.
  6. An extraordinary review of the OFZ Sub-Index may be carried out if the following events occur:
     + - * Where an OFZ issue is excluded from the list of securities admitted to trading on the Exchange (trading in the relevant OFZ issue is terminated on the Exchange), the Exchange may decide to exclude this OFZ issue from the OFZ Sub-Index.
         * In case of other events, not stipulated by this Methodology, the results of which can have a significant impact on the calculation of the OFZ Subindex, the OFZ Sub-Index Constituents and/or parameters of OFZ issues included in the OFZ Sub-Index can be changed accordingly.

# Appendix 3

**Calculation guide to Pension Savings Equity Sub-Index (EPSITR)**

1. **Sub-Index calculation** 
   1. **Terms and definitions**
      * + - Stocks – shares of Russian issuers admitted to trading on MOEX. Shares do not refer to shares issued by joint-stock investment funds.
          - Index Review Date – the day as of which statistical data for compiling the Index is calculated. These dates are 15 February, 15 May, 15 August and 15 November. If this date is a non-trading day, the Index Review Date is a trading day preceding the 15th day of the relevant month.
          - Free-float – an adjustment coefficient measuring the amount (percentage) of shares or represented shares in free float.
   2. **Equity Sub-Index calculation method**
      1. The Equity Price Sub-Index is calculated once a day at the end of the main trading session.
      2. The Equity Price Sub-Index code is EPSI.
      3. The Equity Price Sub-Index is calculated as the ratio of the total value (capitalisation) of all Shares as at the moment of calculation to the value of the Divisor, according to the following formula:

where:

Sub\_In – the value of the Equity Price Sub-Index at time n;

MCn – the total value (capitalisation) of all Stocks at time n determined in accordance with clause 1.2.5 of Appendix 3 to this Methodology;

Dn – the Divisor value at time n;

The Divisor is the value of the total value (capitalisation) of all the Shares as of the first calculation day adjusted for the changes in the Constituents and the initial value of the Equity Price Sub-Index.

On the first day of calculation of the Equity Price Sub-index, the Divisor is calculated as follows:

where:

MC1 – the total value (capitalisation) of all Stocks on the date of the first Equity Price Sub-Index calculation;

Sub\_I1 – the value of the Equity Price Sub-index on the date of the first calculation.

On subsequent days, the Divisor remains unchanged (Dn=Dn-1), except for the cases described in clause 1.7 of Appendix 3 to this Methodology.

* + 1. The following values as of 28 December 2007 (the date of the first calculation of the Equity Price Sub-Index) shall be used for the calculation of the sub-index:

1) the value of the Equity Price Sub-Index (Sub\_I1) = 1,000;

2) Total value of all the Shares (MC1) = RUB 224,485,636,170.28;

3) the value of the Divisor (D1) = 224,485,636,1703.

* + 1. The aggregate value of all the Shares at time n shall be calculated according to the formula:

Where:

N – the total amount of Stocks;

MCi – the ith stock cap.

* + 1. The value (cap) of the ith Stock is calculated as follows:

where:

Pi – the price of the ith Stock in RUB;

Qi – the total amount of the ith Stocks of one category (type) of an Issuer;

FFi– the free-float of the ith Stock;

Wi – the coefficient restricting the share of the ith Stock cap (the Weighting Factor), which is set to 1 unless otherwise set out in clause 1.6, Appendix 3 to the Methodology.

* + 1. The capitalization of an issue is calculated as the sum of caps of the issuer’s Stocks of all categories.
    2. MCi is calculated to four decimal places.
    3. The Equity Price Sub-Index is expressed in points to two decimal places.
  1. **Equity Total Return Sub-Index calculation method** 
     1. The Equity Total Return Sub-Index shall be calculated using the Constituents, values and parameters of the Equity Price Sub-index, taking into account dividend payments on the Stocks included in the Equity Price Sub-Index.
     2. Dividends are included in calculation of the Equity Total Return Sub-Index on the trading day preceding the date on which the persons entitled to receive dividends are determined in accordance with the law (the "Record Date"). If the Record Date is not a trading day, dividends will be counted two trading days before the Record Date.
     3. If the Exchange becomes aware of the decision made by the Issuer regarding the dividend payment after the date dividends must have been accounted in accordance with clause 1.3.2, dividend shall be included in the index on the date the Exchange receives the said information.
     4. Information agencies authorised to disclose information and Issuers are sources of information on dividend payments.
     5. The total return index does not include taxes on dividend income.
     6. The date of the first calculation of the Equity Total Return Sub-Index is the trading day preceding the effective date of this Methodology, the value of the Equity Total Return Sub-Index on the first calculation day equals the value of the share price Sub-Index on this trading day.
     7. The code of the Equity Total Return Sub-Index is EPSITR.
     8. The values of the Equity Total Return Sub-Index are expressed in points and are calculated to two decimal places.
     9. The amount of dividends taken into account to calculate the Equity Total Return Sub-Index shall be determined according to the formula:

where:

TDn - total dividends on Stocks in the Equity Price Sub-Index, accounted for on day n;

N - the number of Stocks in the Equity Price Sub-index Base;

Divin - the amount of dividends on the ith Stock in RUB;

Qin - the total number of ith Stocks of one category (type) of one Issuer in the Equity Price Sub-Index on day n;

FFin - the free-float coefficient of the ith Stock in the Equity Price Sub-index on day n;

Win - the weighting factor applied to the Equity Price Sub-index on day n.

* + 1. Dividend expressed in the Equity Total Return Sub-Index points:

where:

Dn – the value of the Divisor applied to the Equity Price Sub-Index at time n.

* + 1. The reinvested dividend return is calculated as follows:

where:

In – the value of the Price Sub-Index on day n;

In-1 – the value of the Price Sub-Index on day n-1.

* + 1. The Total Return Equity Index is determined as follows:
  1. **Stock price calculation** 
     1. The closing price (Pi) of the ith Stock determined in accordance with the Moscow Exchange Trading Rules for the Equity & Bond and Deposit Market is used as the price of this Stock.
     2. The price (Pi) of the ith Stock is determined with the accuracy of the tick set for this Stock in the Moscow Exchange Trading Rules for the Equity & Bond and Deposit Market.
     3. The procedure for determining the price (Pi) of the ith Stock stipulated in clauses 1.4.1 - 1.4.1 of the Methodology is not applicable in the case stipulated in clause 2.3.2 of this Appendix to the Methodology.
  2. **Calculation of number of stocks and free float** 
     1. For the purpose of this Methodology, the total number of Stocks (Qi) shall be determined as the total number of the ith shares of the primary issue minus the redeemed (cancelled) shares, unless otherwise decided.
     2. The total number of the ith Stocks (Qi) shall be calculated based on the results of the trading day preceding the day the Index as reviewed is announced.
     3. The free float factors are set, reviewed and announced pursuant to the Free Float Calculation Methodology approved by the Exchange.
  3. **Calculation of Weights**
     1. The weight of the ith Stock in the Equity Price Sub-Index is calculated as follows:

where:

Wghti – the Weight of the ith Stock;

MCi – the cap of the ith Stock;

N – the total number of Stocks.

* + 1. The Weight of the Stocks of an Issuer is calculated as the sum of the Weights of the Stocks of all categories of this Issuer.
    2. In order to reduce the impact of the Stocks of certain Issuer on the value of the Equity Price Sub-Index and the Total Return equity Sub-Index, the weighting coefficient Wi is used, which is calculated so that the Weight of the Stocks of each Issuer does not exceed 12.5% (S=12.5%) as of the Index Review Date.
    3. In order to comply with clause 1.6.3 of Appendix 3 to the Methodology, the Weights are adjusted as follows:
       - * If the Issuer's Weight in the Equity Sub-Index exceeds the value set forth in clause 1.6.3 of Appendix 3 to the Methodology, the Issuer's Weight is set equal to this value.
         * The difference between the Weights before and after the adjustment is proportionally distributed among the Issuers whose Weights have not been restricted.
         * The above actions are repeated iteratively until Issuers are available whose Weight exceeds the value set out in clause 1.6.3 of this Appendix 3.
         * The minimum Weight of a Stock is set at 0.2%.
    4. Weights Wi can range from 0 to 1 accurate to seven decimal places according to the mathematical rounding rule.
  1. **Calculation of Divisor** 
     1. Divisor Dn is calculated in case of changes in the Constituents, Free-Float Coefficients, Weighting Factors Wi and/or upon occurrence of corporate events as stipulated in the Methodology.
     2. Divisor Dn is calculated according to the following formula:

where:

Dn+1 – new value of Divisor D;

Dn – current value of Divisor D;

MCn – the total value of all Stocks before circumstances giving rise to recalculation of Divisor occur;

MCn' – the total value of all Stocks after circumstances giving rise to recalculation of Divisor occur.

* + 1. Divisor Dn is calculated accurate to four decimal places according to the mathematical rounding rules.

1. **Equity Price Sub-Index construction and review**
   1. **Principles of the Sub-Index construction** 
      1. The list of index Constituents shall contain the names of Issuers, as well as the category (type) of Stocks.
      2. Constituents are selected from the Stocks that meet the criteria specified in clauses 2.1.3-2.1.7 below.
      3. The Equity Sub-Index consists of a main part and a special part.
      4. The main part of the Sub-Index shall be selected from Stocks that simultaneously satisfy two criteria:
         * + a Stock is in MOEX’s Level 1 List;
           + a Stock is in the MOEX Russian Index.
      5. The special part of the Equity Sub-Index is formed from the Stocks that satisfy one of the two criteria specified in clause 2.1.4 above. The aggregate weight of the Stocks in the special part shall not exceed 5 per cent.
      6. The median of the daily trading volume in the Stocks over the three months preceding the date of selecting the Sub-Index Constituents shall not be less than RUB 50 million.
      7. The free float of a Stock shall be no less than 5 per cent.
   2. **Index review**
      1. Stocks are included to and excluded from the Equity Price Sub-Index at the Sub-Index review by virtue of a decision of the Exchange.
      2. A regular review of the Sub-Index shall be carried out once a quarter or less frequently, except for the cases stipulated by this Methodology. The reviewed Sub-Index takes effect from the beginning of the main trading session of the trading day following the third Thursday of March, June, September and December. The Exchange may decide to set other effective dates for the Sub-Index as reviewed.
      3. At a regular index review, the Sub-Index is constructed in accordance with clause 2.1 of Appendix 3 to the Methodology.
      4. An extraordinary review of the Sub-Index may be carried out if the following events occur:
         * + A Stock is delisted from MOEX;
           + Trading in a Stock is restricted in the section/trading mode used in the calculation of the Equity Price Sub-Index or Equity Total Return Sub-Index;
           + An Issuer has been reorganised or wound up, the further security issue has been placed, a security has been cancelled (redeemed) also as a result of its conversion or the redemption or buyback (purchase) of the security by the Issuer;
           + In other cases which may have a significant impact on the calculation of the Equity Price Sub-Index and/or the Equity Total Return Sub-Index.
   3. **Treatment of corporate events**
      1. If trading in the ith Stock has been suspended for more than one trading day, the price measured in Indices shall remain equal to the last price that had been calculated before the suspension.
      2. In case of a split or reverse split of the ith Stocks on the day the resulting stocks issue, which the mentioned Stock was converted into due to their consolidation or split, is admitted to trading the Exchange recalculates the total number of ith Stocks (Qi) and the price of the ith Stock (Pi), that was computed by the results of trading on the day preceding the day specified. During the recalculation the total number of ith Stocks (Qi) is multiplied by the split ratio or divided by the reverse split ratio, and the ith Stock’s price (Pi) is divided by the split ratio or multiplied by the reverse split ratio.
      3. Upon the reorganization of a joint stock company, the price of the company’s stock is set to be the closing price of the previous day. Depending on the results of the reorganisation, the price and/or other parameters of the stock can be then adjusted. The day the parameters are fixed as well as terms on which the parameters are allowed to be changed again are based on expert opinion.