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|  | **APPROVED**  by the Executive Board of Moscow Exchange  \_\_\_ August 2023, Minutes No.\_\_\_  Chairman of the Executive Board  Moscow Exchange  \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ Yu.O. Denisov |

**Calculation Methodology for**

**MOEX Russian Corporate Eurobonds Index**

Moscow Exchange, 2023

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1. **General Provisions**
   1. For the purposes of this Methodology for MOEX Russian Corporate Eurobonds Index (hereinafter, the “Index”) of the Moscow Exchange (hereinafter, the “Methodology”), the following terms and definitions apply:

* Index Constituents means a list of Eurobonds used to calculate the Index as approved by the Exchange in the manner outlined in this Methodology;
* Exchange, Moscow Exchange means Public Joint-Stock Company Moscow Exchange MICEX-RTS;
  + Index Constituents Date means a day on which statistics for the Index Constituents is computed. These days are 15 February, 15 August and 15 November. If any of those days is not a business day, the Index Constituents Date is set to be the trading day following the 15th day of the given month;
  + Eurobonds means the bonds denominated in currencies other that the Russian rouble, issued by Russian issuers and/or on behalf of Special Purpose Vehicles, including the issues of replacement bonds, and specifically Eurobonds issued by government enterprises, except for irredeemable bonds admitted to organised trading (listed) on the Exchange;
* Accumulated Coupon Income means the amount of Eurobond earnings that has accumulated;
  + Put Option, Offer means the right of a holder of Eurobonds call the bonds for early redemption on a specific date;
  + Rating Agencies means Russian rating agencies listed on the Bank of Russia's Register of Accredited Rating Agencies as of the Index Constituents Date or unscheduled Index Constituents revision date;
  + Rating means a credit rating assigned to a Eurobond issuer or an issue of Eurobonds by a rating agency.
  1. The terms not specifically defined herein are used in the meanings ascribed to them in the internal documents of the Exchange, laws and regulatory acts of the Bank of Russia.
  2. The Index calculated under this Methodology has the names and codes below:
* The Index’s name in Russian: «Индекс МосБиржи Корпоративных Российских Еврооблигаций»;
* The Index's name in English: MOEX Russian Corporate Eurobonds Index;
* Code – RUCEU.
  1. The Wording “Индекс МосБиржи” in the Index name is a trademark of Moscow Exchange registered by the Federal Service for Intellectual Property in the Russian Public Register of Trademarks and Service Marks on 18 September 2017 (trademark certificate No. 630519). The wording “MOEX” in the Index name is a trademark of Moscow Exchange registered by the Federal Service for Intellectual Property in the Russian Public Register of Trademarks and Service Marks on 29 September 2014 (trademark certificate No. 521450).
  2. The Exchange shall approve this Methodology and any amendments and supplements thereto and they shall come into effect on the date determined by the Exchange.

1. **General Calculation Method**
   1. The Index is calculated every trading date after the main trading session closure. The Exchange may change the Index calculation frequency.
   2. The Index is calculated based on the value of Eurobonds received by summing up the price and Accumulated Coupon Income of the Eurobond, with coupon payments reinvestment factored in. The Index is calculated according to the following formula:

where:

CIn – Total Return Index value at time n;

Pi,n – the average weighted price of the i-th Eurobond issue calculated at time n,  
in per cent of the par value;

FVi,n – par value of the i-th Eurobond issue calculated at time n, in monetary units;

Ai,n – the Accrued Coupon Income on the i-th Eurobond issue calculated at time n, in monetary units;

Gi,n – the Coupon Income paid on the day n for the i-th Eurobond Bond issue at time n,in monetary units;

Ni,n – the volume of i-th Eurobond issue at time n, in securities units;

Wi,n – the coefficient limiting the share of capitalisation of the i-th Issuer of Eurobonds (the “Weighting Coefficient”) is equal to 1, unless otherwise is provided in paragraphs 5.1 and 5.2 hereof.

* 1. The Index is calculated once a day. This only value of the Indices for the day is both the current value and the closing value before the next calculation of the Indices on the next trading day.
  2. The Index is calculated to two decimal places.
  3. Index inception date is 01/6/2015. Starting Index value is 100.

1. **Eurobond Issue Price Discovery**
   1. The Eurobond pricing sources are the Russian Eurobond market (onshore) quotes published by information agencies, unless otherwise is stipulated in the Exchanges resolution.
   2. The price of the Eurobond of the i-th issue is set equal to the average of the bid price and ask price. The Eurobond price is set in USD based on the par value of the Eurobond.
   3. If bid price and ask price are not available, the last available price of the i-th Eurobond issue is used for the Index calculation.
   4. If the Eurobond pricing source indicated in paragraph 3.1 hereof suspends (terminates) delivering Eurobond issue prices, the Exchange may decide to change the pricing source.
2. **Index Construction and Review**
   1. Eurobonds which meet the following requirements shall be included in the Index:
      1. The Eurobond issue currency is USD.
      2. The total par value of circulating Eurobonds is at least USD 100 million.
      3. As of the effective date of reviewed Index Constituents the term to maturity or to the nearby put option is at least 3-х months.
      4. Only Eurobonds for which fixed rates of all coupon payments up to maturity are defined as at the Index Constituents Date shall be eligible as Index Constituents.
      5. Eurobonds are rated at least BBB+ (RU)[[1]](#footnote-1). The maximum rating assigned by rating agencies counts in adding Eurobond issues to the Index Constituents.
   2. If the number of corporate issuers of Eurobonds compliant with criteria set in section 4.1 hereof totals less than 11, the Exchange may include Eurobonds of the Russian Federation compliant with the requirements outlined in 4.11-4.1.4 hereof with a maximum term to maturity to the Index Constituents.
   3. Eurobonds shall be included in or removed from the Index Constituents when the Index Constituents are reviewed.
   4. Normally, the Index Constituents are reviewed on a quarterly bases, unless otherwise is indicated in this Methodology. The reviewed Index Constituents come into effect from the start of trading in T+ main trading mode on the trading day following the last trading day in February, May, August and November. The Exchange may decide on other dates for the reviewed Index Constituents to come into effect.
   5. The Exchange may decide to include Eurobonds that do not meet requirements set in section 4.1 hereof.
   6. The Exchange may decide to exclude Eurobonds from the Index outside of normal schedule on the date decided by the Exchange if the following occurs:
      1. The Issuer of Eurobonds within the Index Constituents fails to meet coupon payment obligations, redeem the issue through the Offer, or redeem Eurobond and/or other bond issue(s) of the Issuer (default).
      2. The Rating is not compliant with criteria in section 4.1.5 hereof.
      3. If, according to the Exchange's expertise, the Eurobond issue price falls significantly.
      4. If the Eurobond pricing data source indicated in paragraph 3.1 hereof stops (suspends) publishing prices for the Eurobond.
      5. other events not covered by this Methodology, which may substantially impact the Index calculation, have occurred.
   7. If Eurobonds are excluded from the Index constituents, the Exchange may review the Index constituents on a date to be determined by the Exchange.
   8. If the Eurobond issue is excluded from the Index Constituents outside the schedule as per section 4.6 hereof, the Exchange may issue the price of such Eurobond issue different from that calculated as per section 3 hereof.
3. **Limitation on the Share of Eurobond Value in the Index**
   1. If the number of issuers in the Index Constituents is at least 11, the maximum weight of the capitalisation of the Issuer's Eurobonds (total capitalisation of various Eurobond issues of the Issuer, if the Index Constituents include various Eurobonds issues of the Issuer) in the total capitalisation of the Eurobonds within Index Constituents is limited to 10%.
   2. If the number of issuers in the Index Constituents is less than or equals to 11, the issuer’s Eurobonds receive a maximum of 10% share of capitalisation. The share of capitalisation of Eurobonds of the Russian Federation in the Index corresponds to the difference between  
      100% total capitalisation of all Eurobonds in the Index and total weight of corporate Eurobonds.
4. **Information Disclosure**
   1. Information disclosure stipulated in this Methodology is performed on the Exchange’s website.
   2. The text of this Methodology is disclosed on the official website of the Exchange on the Internet no later than three working days of its effective date unless the Exchange's resolution stipulates otherwise.
   3. The Exchange discloses the Index value for the previous trading day every trading day no later than 12:00 MSK.
   4. Announcements on the index periodic review are announced within three working days as from the date of Exchanges resolution on approval of a new List of Constituents, but no later than one week prior to the day on which such resolution becomes effective.
   5. Announcements on the index extraordinary reviews are posted on the Exchange’s official website no later than on the day preceding the day on which a resolution about approval of new List of Constituents becomes effective.
   6. Information to be disclosed according to this Methodology on the website of the Exchange may also be disseminated in other ways, e.g. through information agencies spreading information about on-Exchange trades in securities.

1. Rating according to ACRA or correspondent ratings of Expert RA, National Rating Agency and National Credit Ratings. [↑](#footnote-ref-1)