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| **APPROVED**By the Moscow Exchange Executive Board2 October 2023, Minutes 64Chairman of the Executive BoardMoscow Exchange\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ Yury Denisov |  |

**MOEX Growth Sector Bond Index**

**Calculation Methodology**

Moscow Exchange 2023

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**General provisions**

* 1. Terms and definitions
		1. The following terms and definitions shall apply in this MOEX Growth Sector Bond Index Calculation Methodology by Public Joint-Stock Company Moscow Exchange MICEX-RTS (the "Methodology"):

- *Index Constituents* means the list of bonds used for calculation of the Index, approved by the Exchange according to the procedure stipulated by this Methodology;

*- The Exchange, Moscow Exchange* means Public Joint-Stock Company Moscow Exchange MICEX-RTS;

- *Date of Index Constituents* means 1 February, 1 May, 1 August and 1 November;

- *Maturity Date* means the date of maturity or the date of the nearest put option, if the put option is stipulated by the issue documents;

- *Additional Factors* means Weighted Average Return and Duration of the Index.

- *Total Return Index* means the Index calculated on the basis of the value of the Bonds, determined as the sum of the price and the Accumulated Coupon Income of the Bond, subject to coupon reinvestment.

- *Zero Coupon Yield Curve, the Curve* means the zero coupon yield curve for the government bond market, calculated in accordance with the Moscow Exchange's Zero Coupon Yield Curve Methodology for Government Securities (Federal Government Bonds (OFZ)).

- *Accrued Coupon Income, ACI* means the earnings accumulated on the Bond in rubles.

- *Bonds* means bonds issued by Russian issuers, admitted to trading on the Exchange and admitted to the MOEX Growth Sector in accordance with the Moscow Exchange Listing Rules;

- *Call Option* means the possibility of early redemption of the Bonds at the initiative of the Bond Issuer.

- *Put Option, Offer* means the possibility of early redemption of the Bonds issue at the initiative of the Bondholders.

- *Weighted Average Return* means the weighted average return of Bonds issues in the Index Constituents.

- *Weighted Average Duration* means the weighted average duration of Bonds issues in the Index Constituents.

- *Average Return* means return of the Bonds issue determined as the average of returns at the weighted average price of the Bonds issue calculated for ten trading days preceding the date of revision of the Index;

- *Time to Maturity* means the period until the maturity date of the Bond issue or the date of the nearest offer;

*- Weight* means the percentage of the Bond issue value in the total value of all Bonds in the Index;

- *Price Index* means the Index calculated on the basis of the prices of the Bonds net of ACI or coupon reinvestment.

* + 1. Terms and definitions used in the Methodology shall be used in accordance with their meanings given in internal documents of the Exchange, as well as the laws of the Russian Federation, the Bank of Russia regulations and other legal acts of the Russian Federation.
	1. This Methodology defines the procedure for calculating the MOEX Growth Sector Bond Index covering bonds admitted to trading on Moscow Exchange, as well as the procedure for selecting bonds whose trading prices are used to calculate the Index and Additional Factors.
	2. The Index calculated in accordance with this Methodology shall have the following names and codes:
* Name in Russian: "Индекс МосБиржи Облигаций Сектора роста";
* Name in English: "MOEX Growth Sector Bond index";
* The Total Return Index code is RUGROWTR;
* The Price Index code is RUGROWCP.

The word mark "MOEX Index" is a trademark of Moscow Exchange registered by the State Register of Trademarks and Service Marks of the Russian Federation on 18 September 2017 (Trademark Certificate No. 630519). The word mark "MOEX" is a trademark of Moscow Exchange registered by the Federal Service for Intellectual Property in the State Register of Trademarks and Service Marks of the Russian Federation on 29 August 2014 (trademark certificate No. 521450).

* 1. This Methodology, as well as all amendments and additions thereto, shall be approved by the Exchange and shall come into effect on a date determined by the Exchange. It may be amended and supplemented no more frequently than once a quarter.
	2. The Methodology as approved (with amendments and supplements thereto) shall be published on the official website of Moscow Exchange not later than three working days prior to its effective date, unless the Exchange resolves otherwise.
1. **General Index Calculation Overview**
	1. The Index is calculated on the basis of trades in the Bonds executed on MOEX. The Index and Additional Factors are calculated every trading day after closing of the main trading session. The Exchange is entitled to set other frequency of calculation of the Index and Additional Factors.
	2. This Methodology provides for the following procedure for calculation of the Index:
		1. The Price Index shall be calculated using the following formula:

$$PI\_{n}=PI\_{n-1} ∙\frac{\sum\_{i=1}^{N}\frac{P\_{i,n}}{100}∙FV\_{i,n}∙ N\_{i,n}∙ W\_{i,n},}{\sum\_{i=1}^{N}\frac{P\_{i,n-1}}{100}∙FV\_{i,n-1}∙ N\_{i,n},∙ W\_{i,n}}$$

where:

PI n – the Price Index value at time n;

Pi,n - the weighted average price of the Bond of the ith issue at time n, expressed as a percentage of the principal value;

FVi,n - the principal value of the Bond of the ith issue at time n, expressed in roubles;

Ni,n - volume of the ith Bond issue at time n, expressed in units of securities;

Wi – a coefficient restricting the proportion of capitalisation of the ith Bond Issuer (the Weighting Factor). It equals one unless otherwise set out in Clause 5.

* + 1. The Total Return Index shall be calculated using the following formula:

$$CI\_{n}=CI\_{n-1} ∙\frac{\sum\_{i=1}^{N}(\frac{P\_{i,n}}{100}∙FV\_{i,n}+A\_{i,n}+G\_{i,n})∙ N\_{i,n}∙ W\_{i,n},}{\sum\_{i=1}^{N}(\frac{P\_{i,n-1}}{100}∙FV\_{i,n-1}+A\_{i,n-1})∙ N\_{i,n},∙ W\_{i,n}}$$

where:

CIn – the value of the Total Return Index at time n;

Pi,n - the weighted average price of the Bond of the ith issue at time n, expressed as a percentage of the principal value;

FVi,n - the principal value of the Bond of the ith issue at time n, expressed in roubles;

Ai,n - the accrued coupon income of the Bond of the ith issue at time n, expressed in roubles;

Gi,n - the amount of coupon income paid on day n on the Bond of the ith issue at time n, expressed in roubles;

Ni,n - volume of the ith Bond issue at time n, expressed in units of securities;

Wi,n – a coefficient restricting the proportion of capitalisation of the ith Bond Issuer (the Weighting Factor). It equals one unless otherwise set out in Clause 5.

* + 1. Additional Factors are calculated according to the following formulas:
			1. The Weighted Average Duration is calculated using the following formula:

$$D\_{n}=\frac{\sum\_{i=1}^{N}D\_{i,n}(\frac{P\_{i,n}}{100}∙FV\_{i,n}+A\_{i,n}+G\_{i,n})∙ N\_{i,n}∙ W\_{i,n},}{\sum\_{i=1}^{N}(\frac{P\_{i,n}}{100}∙FV\_{i,n}+A\_{i,n})∙ N\_{i,n},∙ W\_{i,n}}$$

where:

D n – the value of the Weighted Average Duration at time n;

Di,n - the duration of the Bond of the ith issue at time n, expressed in roubles;

Pi,n - the weighted average price of the Bond of the ith issue at time n, expressed as a percentage of the principal value;

FVi,n - the principal value of the Bond of the ith issue at time n, expressed in roubles;

Ai,n - the accrued coupon income of the Bond at time n, expressed in roubles;

Gi,n - the amount of coupon income paid on day n on the Bond of the ith issue at time n, expressed in roubles;

Ni,n - volume of the ith Bond issue at time n, expressed in units of securities;

Wi – a coefficient restricting the proportion of capitalisation of the ith Bond Issuer (the Weighting Factor). It equals one unless otherwise set out in Clause 5.

* + - 1. The Weighted Average Return is calculated according to the following formula:

$$Y\_{n}=\frac{\sum\_{i=1}^{N}Y\_{i,n}(\frac{P\_{i,n}}{100}∙FV\_{i,n}+A\_{i,n}+G\_{i,n})∙ N\_{i,n}∙ W\_{i,n},}{\sum\_{i=1}^{N}(\frac{P\_{i,n}}{100}∙FV\_{i,n}+A\_{i,n})∙ N\_{i,n},∙ W\_{i,n}}$$

where:

Y n – the value of the Weighted Average Return at time n;

Yi,n - the duration of the Bond of the ith issue at time n, expressed in roubles;

Pi,n - the weighted average price of the Bond of the ith issue at time n, expressed as a percentage of the principal value;

FVi,n - the principal value of the Bond of the ith issue at time n, expressed in roubles;

Ai,n - the accrued coupon income of the Bond at time n, expressed in roubles;

Gi,n - the amount of coupon income paid on day n on the Bond of the ith issue at time n, expressed in roubles;

Ni,n - volume of the ith Bond issue at time n, expressed in units of securities;

Wi,т – a coefficient restricting the proportion of capitalisation of the ith Bond Issuer (the Weighting Factor). It equals one unless otherwise set out in Clause 5.

* + 1. Values of the Index and the Weighted Average Return are calculated to two decimal places. The Weighted Average Duration is calculated to the nearest integer.
		2. The start date of calculation of the Index is 30 Dec 2019. The initial value of the Index is 100.
		3. In case of suspension (termination) of trading in a Bond issue in the Index, the last value of the weighted average price of the issue shall be used to calculate the Index during the period of suspension of trading in the issue (until resumption of trading or until the date of exclusion of the issue from the Index).
1. **Index Construction Principles**
	1. Bonds, which prices are used to calculate the Index, are included in Index Constituents if they meet the following requirements as of the date the Index Constituents are selected:
		1. - the issuer has fully discharged its obligations to pay coupon income, redeem on offer, and repay all Bond issues admitted to trading on MOEX. If the issuer has an outstanding obligation on the previously admitted technical default and/or default on the Bond issue admitted to trading on the Exchange, Bonds may be included in the Index provided that the issuer fully fulfils its outstanding obligations under the technical default and/or default on all issues of Bonds admitted to trading on the Exchange, and the issuer discloses the relevant notice of corporate action in accordance with the procedure and within the terms established by the regulations of the Bank of Russia.
		2. The Bond issue is denominated in Russian roubles.
		3. In order for the Bonds to be included in the Index, the issuer of the Bond must be a small and medium-sized enterprise ("SME"). SME issuers of a group with consolidated financial statements and annual revenue (income) of the group exceeding RUB 2 billion shall not be included in the Index.
		4. The rates of all coupons stipulated in the issue documents for the period until the Maturity Date have been determined.
		5. The term to maturity is at least six months.
		6. The terms of the Bond issue do not provide for the expiry of the call option earlier than three months after the Index Constituents become effective.
		7. The number of trading days for the Bond issue in the Main Trading Session of the Main Trading Mode T+ is not less than ten for three months preceding the date the Index Constituents are selected.
		8. The value of the Average Return of the Bonds does not exceed the sum of 15% and the Curve value calculated as of the Bond Maturity Date.
	2. The Exchange is entitled to make a decision on inclusion in the Index of Bond Issues that do not meet requirements specified in clauses 3.1.3-3.1.8 of the Methodology.
2. **Index Review**
	1. Bonds are added to and removed from the Index at Index Review by the Exchange's decision.
	2. Regular Index Reviews shall be carried out no more frequently than once a quarter, except as provided for in this Methodology. The revised Index Constituents are implemented from the beginning of the main trading session of the first trading day of March, June, September, December. The Exchange may decide to set other dates of coming into effect of the adjusted Constituent Stocks.
	3. Extraordinary revision of the Index may occur on the date determined by the Exchange's decision in case of the following events:

- in case of delisting of the Bond issue from MOEX (termination of trading in the relevant Bond issue on MOEX);

- in case the issuer's failure to fulfil in full the obligation to pay coupon interest, buyback on offer, redemption of the issue or issues of the issuer’s Bonds admitted to trading on the Exchange;

- in case of delisting of the Bond issue from the MOEX Growth Sector;

- in other cases that may have a material impact on the calculation of the Index.

* + 1. From the date of revision of the Index, the calculation of the Index is made using the new values of the weighting coefficients of the Bonds included in the Index, calculated on the basis of information on the Bonds as of the date preceding the date the new Index Constituents are implemented.
		2. In case of suspension (termination) of trading in a Bond issue in the Index, the last value of the weighted average price of the issue shall be used to calculate the Index during the period of suspension of trading (until resumption of trading or until the date of exclusion of the issue from the Index).

1. **Limitation of the Bond Value in the Index**
	1. If the number of issuers included in the Index is at least 8, the maximum share of the capitalisation of the Issuer's Bonds (total capitalisation of different issues of Bonds of this issuer, if different issues of the Issuer's Bonds are included in the Index) in the aggregate capitalisation of the Bonds included in the Index is limited to 13% (S=13%).
	2. The Weight of the ith Bond in the Index is calculated according to the following formula:

$$Wght\_{i}=\frac{MC\_{i}}{\sum\_{i=1}^{N}MC\_{i} }∙100\%,$$

where:

Wghti – the weight of the ith Bond;

MCi – capitalisation of the ith Bond, determined according to the formula:

$$MC\_{i}=(\frac{P\_{i}}{100}∙FV\_{i}+A\_{i})∙ N\_{i}∙ W\_{i}$$

N – the total number of Bonds.

The Weight of Bonds of one Issuer is calculated as the sum of Weights of Bonds of all issues of such Issuer.

* 1. To effect the restriction set out in Clause 5.1, the Weights of Issuers are adjusted as follows:
		+ - * If the Issuer's Weight in the Index exceeds S, the relevant Weight shall be set equal to S.
				* The difference between limited and unlimited Weights is divided between Issuers with an unlimited Weight on a pro rata basis.
				* The above steps are repeated iteratively until there are issuers whose specific weights exceed the S value.
	2. Weighting factors Wi can be anything between 0 and 1, with accuracy to seven decimal places according to the rounding rule.
	3. If, as of the Index Review date, the share of the Bond issue in the Index does not meet the requirements of clause 5.1, the Exchange is entitled to set the volume Ni,t-1 of Bond issue used for calculation of the Index in accordance with clause 2.2 of the Methodology, so that the share of the Bond issue in the Index does not exceed the value set by clause 5.1.
1. **Control Over Calculation of the Index**
	1. In case of technical failure upon calculation of the Index or technical failure in the course of securities trading on the Exchange, which resulted in distortion of data used for calculation of the Index, recalculation of previously calculated index values is allowed. This recalculation shall be carried out within the shortest possible time from the moment of detection of the technical failure. Upon recalculation of the Index, the Exchange posts the relevant announcement on its website.
	2. In the event of circumstances that may adversely affect the adequacy of the Index in representing the real state of the Russian fixed income market, the Exchange may take any actions necessary to ensure adequacy of the Index, including exclusion of a Bond from the Index, etc.
2. **Disclosure**
	1. Values of the Index and Additional Factors for the previous trading day are disclosed every trading day not later than 12:00 Moscow time.
	2. Notifications on scheduled Index Reviews are disclosed within three working days from the date of the Exchange's decision to approve the new Index Constituents, but not later than one week before the date of coming into effect of such Exchange's decision.
	3. Notification on extraordinary Index Reviews are disclosed not later than the day preceding the effective date of the Exchange's decision on approval of the new Index Constituents.
	4. Information subject to disclosure in accordance with this Methodology shall be disclosed on the Exchange's official website. Such information may be disseminated in other ways, including through news agencies that distribute MOEX market data.