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| **APPROVED**By the Moscow Exchange Executive Board26 January 2024, Minutes No. 6Chairman of the Executive BoardMoscow Exchange\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ Yury Denisov |  |

**Calculation methodology for MOEX Floater Bond Index**

MOSCOW EXCHANGE 2024

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1. **Overview**
	1. Terms and definitions
		1. The following terms and definitions shall apply in this MOEX Floater 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 the 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 redemption or the date of the nearest early redemption of the Bond issue, if early redemption is provided for in the issue documents;

- *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.

- *Corporate Bonds* means corporate and exchange-registered bonds issued by Russian issuers and admitted to trading on the Exchange, including Bonds issued by state-owned enterprises (except for subordinated, perpetual, mortgage-backed, structured bonds, and Eurobonds);

- *Bonds* means OFZ-PK and Corporate Bonds;

- OFZ-PK means Russian federal bonds with variable coupon offered since 2019;

- *Rating agencies* means national rating agencies Analytical Credit Rating Agency (ACRA), Expert RA Rating Agency (Expert RA), National Credit Ratings (NCR), National Rating Agency (NRA);

- *RUONIA rate* means the weighted average interest rate of overnight interbank ruble loans (deposits) set by the Bank of Russia.

- *Credit Rating* means the creditworthiness rating of the issuer of the Bonds or issue of Corporate Bonds according to the national scale assigned by a rating agency;

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

- *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.

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

*- 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 sets out the procedure for calculating the Floater Bond Index (the "Index") for Bonds admitted to trading on Moscow Exchange, as well as the procedure for selecting the Bonds the trade prices of which are used to calculate the Index.
	2. The Index calculated in accordance with the Methodology shall have the following names and codes:
* Total Return Index name in Russian: "Индекс МосБиржи Облигаций с переменным купоном RUFLBITR";
* Total Return Index name in English: "MOEX Floater Bond index RUFLBITR";
* Price Index name in Russian: "Индекс МосБиржи Облигаций с переменным купоном RUFLBICP";
* Price Index name in English: "MOEX Floater Bond index RUFLBICP";
* Total Return Index code is RUFLBITR;
* Price Index code is RUFLBICP.
	1. 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).
	2. 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.
	3. 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 is calculated every trading day after closing of the main trading session. The Exchange is entitled to set other frequency of calculation of the Index.
	2. This Methodology provides for the following procedure for calculation of the Index:
		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 on day n;

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

FVi,n - the principal value of the Bond of the ith issue on day n, expressed in roubles;

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

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

Ni,n - volume of the ith Bond issue on day 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. 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 on day n;

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

FVi,n - the principal value of the Bond of the ith issue on day n, expressed in roubles;

Ni,n - volume of the ith Bond issue on day 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. The Index values are calculated accurate to two decimal places.
		2. The start date of calculation of the Index is 30 Dec 2022. 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. Coupon interest rates for a Bond issue are determined using the RUONIA rate or the key rate of the Bank of Russia in accordance with the procedure stipulated in the issue documents.
		4. The term to maturity of the Bond is not less than one year.
		5. Coupon interest is paid at least four times a year.
		6. The Credit Rating assigned to the Corporate Bond issuer is not lower than AAA(RU) on the national scale of ACRA or the corresponding level of Credit Ratings by Expert RA, National Rating Agency and National Credit Ratings. When selecting Bonds to the Index, the highest credit rating assigned by the Rating Agencies is considered.
		7. The volume of the Bond issue at face value is not less than RUB 5 billion.
		8. The number of trading days in the three months preceding the Index Review Date, on which trades in the Bond issue were concluded in the Main Trading Session and the Additional Trading Session on the Central Order Book and the Central Order Book T+ (hereinafter both modes "Central Order Book T+") is at least 30% of the total number of days on which the Central Order Book T+ was open.
		9. The duration of two-sided quoting in the Bond issue is at least 30% for OFZ-PK and at least 20% for Corporate Bonds of the total trading hours of the Central Order Book T+ for three months preceding the Index Review 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 clause 3.1 and in a manner different from that set out in clause 3.1 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 the Methodology. The revised Index Constituents are implemented from the beginning of the main trading session of the first trading day of March, June, September and December. The Exchange may decide to set other date of coming into effect of the revised Index Constituents.
	3. Extraordinary revision of the Index may occur on the date determined by the Exchange's decision in case of the following events:

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

- if a bond issuer is assigned a credit rating that does not meet the requirements specified in clause 3.1.6 of the Methodology, the Exchange is entitled to take a decision to exclude bond issues of that issuer from the relevant Index on a date determined by the Exchange;

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

* + 1. From the date of revision of the Index, the Index is calculated using the new values of the weighting coefficients of the Bonds 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 relevant 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 Indices**
	1. If the Index contains any Corporate Bond, the maximum share of the capitalisation of the Issuer's Bonds (total capitalisation of different issues of Bonds of this issuer, if the different issues of the Issuer's Bonds are included in the Index) in the aggregate capitalisation of the Bonds in the Index is limited to 10% (K=10%).
	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 restrictions set out in Clauses 5.1 and 5.2, 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 this value.
				* The difference between limited and unlimited Weights is divided between Issuers with an unlimited Weight on a pro rata basis.
				* If the Weight of Corporate Bonds in the Index exceeds K, the respective weight of the issuers of Corporate Bonds is set equal to this value.
				* The difference between limited and unlimited Weights is divided between Issuers with an unlimited Weight on a pro rata basis.
				* The above actions are repeated until there are Issuers with the Weight exceeding S, and the Weight of Bonds of credit organisations exceeds the value of K.
	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.

1. **Disclosure**
	1. Values of the Index 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 Indices, 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 the 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.