



Announcement for February 24, 2022 at 11:18 PM GMT

THIS IS AN ANNOUNCEMENT FOR THE MSCI GLOBAL STANDARD INDEXES

**SPECIAL TREATMENT OF RUSSIAN SECURITIES IN THE MSCI EQUITY INDEXES
STARTING FROM THE FEBRUARY 2022 QUARTERLY INDEX REVIEW**

On February 24, 2022, the United States announced new sanctions targeting Russia, including investment sanctions on a number of publicly listed Russian companies. Following the announcement of these new sanctions, as well as feedback received from market participants regarding the investability and replicability of the MSCI Russia Indexes, MSCI will apply a special treatment for Russian securities in the MSCI Equity Indexes starting from the February 2022 Quarterly Index Review (QIR).

More specifically, MSCI will not implement the previously announced changes for Russian securities as part of the February 2022 QIR for the MSCI Russia Indexes or impacted composite indexes. MSCI had announced changes in the Number of Shares for three securities in the MSCI Russia Investable Market Index (IMI) that will no longer take place as part of the February 2022 QIR. Such changes will be implemented at the earliest as part of the May 2022 Semi-Annual Index Review (SAIR), subject to the removal of the special treatment.

MSCI will also not implement any changes (additions, deletions, constraint factor changes) in non-market capitalization weighted indexes and custom indexes such as the MSCI Factor, ESG, Thematic and Capped Indexes for any security classified in Russia.

Note that if as a result of not implementing a constraint factor change on a security in the MSCI Russia Indexes in an MSCI 10/40 Index, MSCI 25/50 Index or MSCI 35/65 Index, the Index were not to be compliant with the concentration constraints described in these index methodologies, the constraint factor change will be implemented regardless of the special treatment mentioned above.

The reversal of the changes from the February 2022 QIR will be reflected in the MSCI Index Product files starting from February 25, 2022.

MSCI will also specifically defer for the MSCI Russia Indexes the implementation of corporate events not requiring a Price Adjustment Factor (PAF), such as placements, block sales, recapitalizations, and sizable IPOs, and will exceptionally freeze potential migrations due to corporate events until further notice. By contrast, MSCI will continue



implementing corporate events requiring PAFs, such as stock splits, consolidations, rights issue, buybacks as well as deletions resulting from delisting, bankruptcies, mergers and acquisitions as well as prolonged suspensions at the time of the event.

All custom index methodologies will follow the same treatment as outlined for the above referenced indexes.

MSCI will continue to closely monitor the Russia/Ukraine developments and welcomes feedback from market participants on the impact of the new sanctions announced by the United States on their investment processes, including any practical implications on the use of MSCI indexes and whether any changes to MSCI indexes in addition to the special treatment described above may be necessary or helpful to maintain the investability of relevant MSCI indexes. MSCI will issue further communication in due course.

MSCI reminds users of its indexes for any purpose, including both indexed and active management, that they are responsible for ensuring compliance with all applicable sanctions and any other rules, regulations, prohibitions, laws and other restrictions applicable to their portfolios, trading and other investment activity.

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End of announcement.

Further announcements may occur as needed.