

CONSULTATION ON THE CLOSING PRICE POLICY FOR SECURITIES TRADED ON THE MOSCOW EXCHANGE

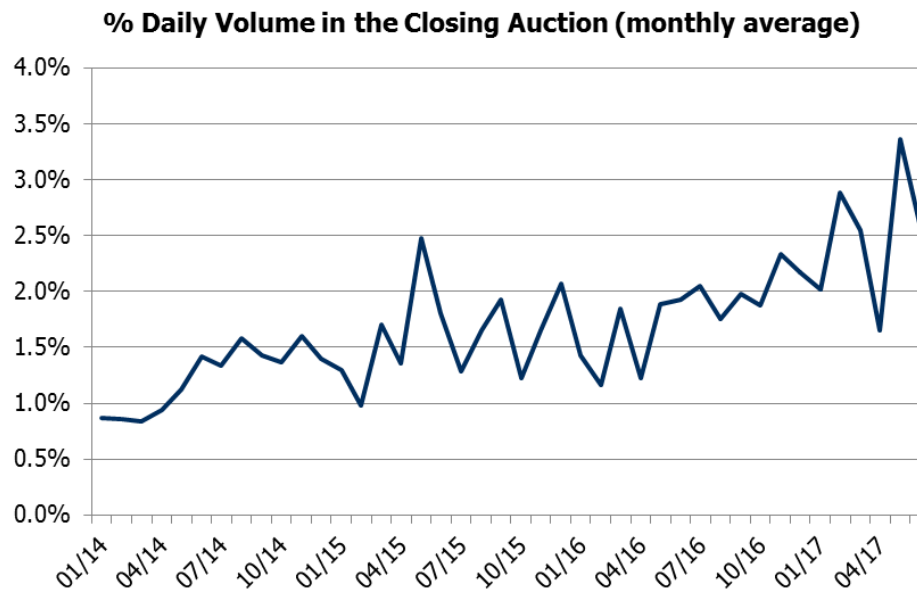
July 2017

PROPOSAL AND BACKGROUND

- **Proposal:** Use the Closing Auction Price for securities traded on the Moscow Exchange for the calculation of the MSCI Global Investable Market Indexes (GIMI)
 - MSCI welcomes feedback until **August 31, 2017** and will announce its final decision as well as the potential implementation date by **September 7, 2017**
 - This consultation may or may not result in changes in the MSCI Equity Indexes
- **Background:** MSCI already consulted on the use of the Closing Auction Price in February 2014, following the introduction of the Closing Auction by the Moscow Exchange in September 2013
 - At that time, some market participants raised concerns about the liquidity levels observed on the Closing Auction, and expressed the need for additional time to assess its operational efficiency
 - MSCI announced in February 2014 that it would continue using the Last Traded Price for calculation of the MSCI GIMI until further notice

LIQUIDITY AT THE CLOSING AUCTION SINCE 2014

- Since 2014, the trading liquidity observed at the Moscow Exchange's Closing Auction has gradually increased

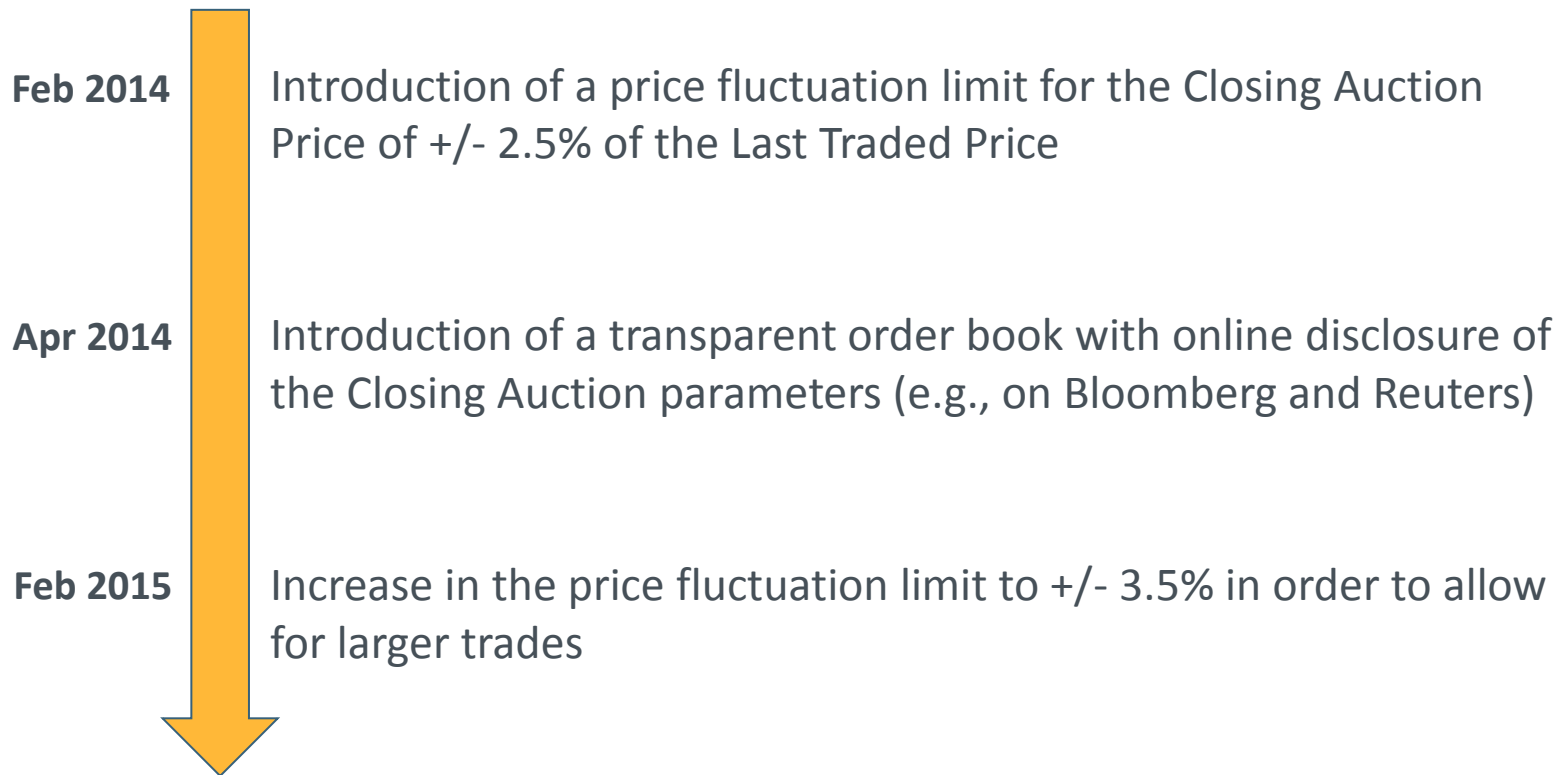


Source: Moscow Exchange

- The liquidity remains generally lower compared to the levels observed at the closing auctions in Developed and Emerging Markets

CHANGES IN THE CLOSING AUCTION SINCE 2014

- There have been a number of enhancements to the Closing Auction Price mechanism since 2014, such as:

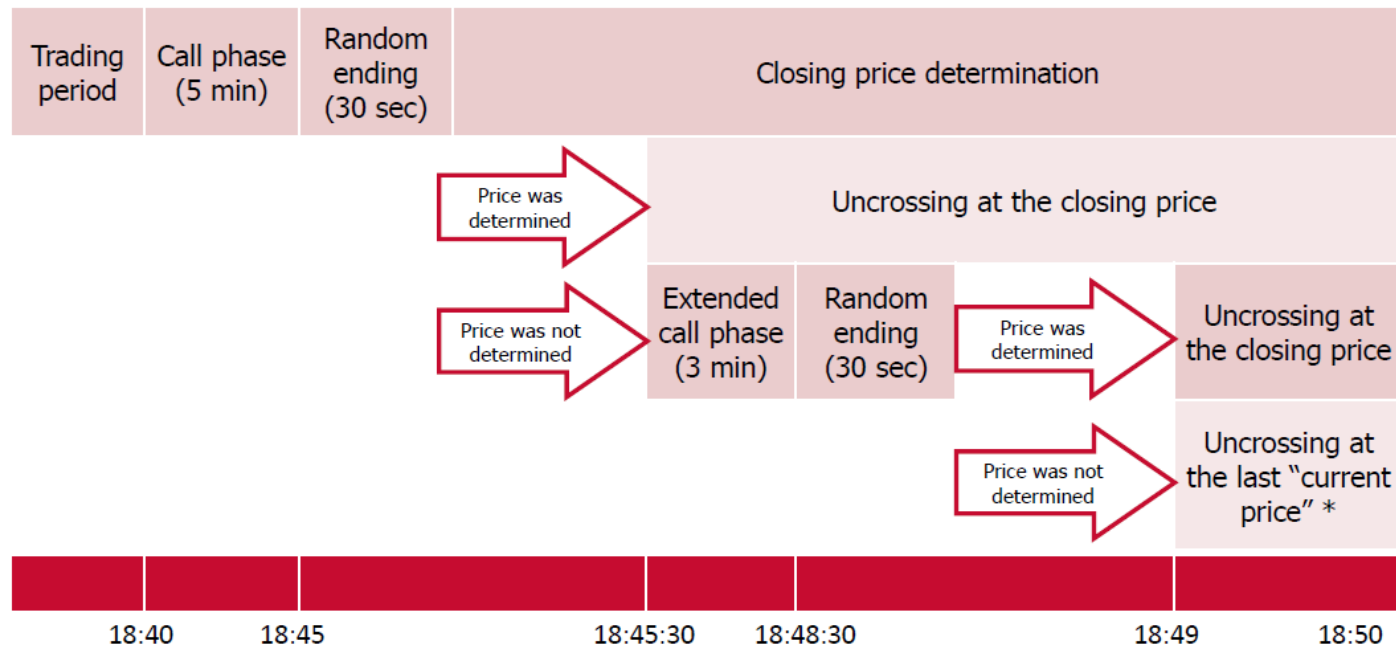


DISCUSSION POINTS

- Is the liquidity at the Closing Auction on the Moscow Exchange sufficient to support the potential use of the Closing Auction Price for the calculation of the MSCI GIMI?
- Are there any remaining issues that should be addressed by the exchange before MSCI changes its closing price policy for the MSCI Russia Indexes?

APPENDIX

CLOSING AUCTION PRICE DETERMINATION



Source: Moscow Exchange

- Conditions for the Auction Price to be determined at the end of the call phase:
 - Auction order book is crossed (no spread exists)
 - Auction Price is within the price range (+/- 3.5% from the Last Traded Price)
- The Auction Price is the price that maximizes executable volume

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