

Consultation on Changes to the List of Eligible Markets for the MSCI Frontier Markets 100 and MSCI Frontier Markets 15% Country Capped Indexes

This consultation may or may not lead to the implementation of any or all of the proposed changes in MSCI's indexes. Consultation feedback will remain confidential unless a participant requests that its feedback be disclosed. In that case, the relevant feedback would be published at the same time as the final results of the consultation.

December 2023

Proposals and Consultation Timelines

- In December 2023, MSCI launched a consultation on changes to the list of eligible markets for the MSCI Frontier Markets 100 and MSCI Frontier Markets 15% Country Capped Indexes starting from the May 2024 Index Review. Specifically, MSCI proposes to:
 - Add Latvia as an eligible market, following its inclusion in the MSCI Frontier Markets Indexes at the August 2023 Index Review,
 - Add the West African Economic and Monetary Union (WAEMU) as an eligible market following initial exclusion at the November 2016 Semi-Annual Index Review,
 - Permanently align the list of eligible markets for the MSCI Frontier Markets 100 and MSCI Frontier Markets 15% Country Capped Indexes with their respective parent MSCI Frontier Market Indexes, consequently removing the requirement to consult separately on future changes to these eligible markets lists
- MSCI welcomes feedback from the investment community on this topic until January 26, 2024. MSCI will announce the results of this consultation as part of the February 2024 Index Review
- As a reminder, as per the current methodologies for the MSCI Frontier Markets 100 and the MSCI Frontier Markets 15% Country Capped Indexes, Frontier Markets may become eligible for these indexes as part of a May Index Review, subject to prior public consultation

Simulated Impact on the MSCI Frontier Markets 100 Index

MSCI WAEMU IMI and MSCI Latvia IMI Constituents

Security Short Name	Country Name	FIF Mcap ≥ 109.8	12M ATVR ≥ 10%
SONATEL	SENEGAL	Pass	
ORANGE COTE DIVOIRE	IVORY COAST	Pass	
ECOBANK COTE DIVOIRE	IVORY COAST	Pass	
BANK OF AFRICA BENIN	BENIN		
TOTAL SENEGAL	SENEGAL		
BANK OF AFRICA NG	NIGER		
SOCIETE MULTINATIONALE	IVORY COAST		
AFRICA GLOBAL LOGISTICS	IVORY COAST		
STE CAOUTCHOUC GRAND BER	IVORY COAST		
SOC DISTRIBUTION D EAU	IVORY COAST		
DELFINGROUP	LATVIA		Pass
MADARA COSMETICS	LATVIA		
SAF TEHNIKA	LATVIA		

Based on simulations¹, no securities from WAEMU and Latvia would be added as they did not meet the size and liquidity requirements as described below

- Size requirement based on simulated free float-adjusted market capitalization (“FIF Mcap”) cutoff of 109.8 Million USD
- Liquidity requirement based on 12-Month Annualized Traded Value Ratio (“12M ATVR”) threshold of 10%

¹ Data as of November 20, 2023 with Pro Forma MSCI Frontier Markets Index constituents of the November 2023 Index Review. Assumed exclusion of Nigeria due to upcoming reclassification in the February 2024 Index Review

Simulated Impact on the MSCI Frontier Markets 15% Country Capped Index

	Simulated Index (ex LV, NG, WA)		Simulated Index (ex NG inc LV and WA)	
	# of Constituents	Weight	# of Constituents	Weight
VIETNAM	57	15.0%	57	15.0%
ROMANIA	13	14.5%	13	14.3%
MOROCCO	21	12.7%	21	12.5%
KAZAKHSTAN	3	9.9%	3	9.7%
ICELAND	18	9.7%	18	9.5%
SLOVENIA	6	6.1%	6	6.1%
OMAN	12	5.7%	12	5.6%
PAKISTAN	17	3.7%	17	3.6%
BANGLADESH	7	3.7%	7	3.6%
CROATIA	7	3.5%	7	3.5%
BAHRAIN	5	3.3%	5	3.2%
JORDAN	7	2.6%	7	2.6%
KENYA	3	2.4%	3	2.4%
MAURITIUS	2	2.2%	2	2.2%
TUNISIA	9	1.6%	9	1.6%
ESTONIA	5	1.4%	5	1.3%
SRI LANKA	5	0.9%	5	0.9%
LITHUANIA	2	0.8%	2	0.8%
SERBIA	1	0.2%	1	0.2%
WAEMU	0	0.0%	3	1.3%
LATVIA	0	0.0%	0	0.0%
	200		203	

- No Latvian (“LV”) securities would be added as there are no securities in the Standard Size-Segment²
- 3 WAEMU (“WA”) securities would be added resulting in 1.3% weight in the index
 - 1 Senegal (0.8%)
 - 2 Ivory Coast (0.5%)

²Data as of November 20, 2023 with Pro Forma MSCI Frontier Markets Index constituents of the November 2023 Index Review. Assumed exclusion of Nigeria (“NG”) due to upcoming reclassification in the February 2024 Index Review. The special treatment on Bangladesh and Kenya is not reflected in the simulated capped weights.

Key Questions

- Do you agree with the proposal to include Latvia as an eligible market in the MSCI Frontier Markets 100 and MSCI Frontier Markets 15% Country Capped Indexes (“the Indexes”)?
- Do you agree with the proposal to include WAEMU as an eligible market in the Indexes?
- Do you agree to permanently align the eligible markets of the Indexes with the MSCI Frontier Markets Index?
 - If not, should MSCI align the timing of the consultation on eligible markets for the Indexes with the consultation on reclassification or inclusion of new markets to Frontier Markets?

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