

Morningstar Indexes

March 4, 2022

Index Announcement

Morningstar Indexes has closed the [consultation](#) issued March 1, 2022 pertaining to index treatment and eligibility of Russian equity and fixed income securities within the Morningstar Indexes in light of Sanctions issued by the [United States](#), [European Union](#), and [United Kingdom](#). As a result of these sanctions and deteriorating investability, Morningstar Indexes will be undertaking the following actions

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Morningstar Equity Indexes

Morningstar Indexes is reclassifying the Russia equity market from emerging market status to unclassified. This will be effective at the rebalance after the close of March 18, 2022. At that time, all Russia equity securities, including ADRs and GDRs, will be removed from the indexes in the Morningstar Global Markets and Target Market Exposure families at a price of zero. This reflects the fact that many investors outside of Russia can no longer trade these securities.

Morningstar Fixed Income Indexes

Morningstar Indexes will remove securities from State Corporation Bank for Development and Foreign Economic Affairs Vnesheconombank (VEB, bond ticker VEBBNK) from the Morningstar Fixed Income Indexes effective at the March 31 rebalance.

We previously announced on [February 28, 2022](#) that newly issued sovereign securities from Central Bank of the Russian Federation, the National Wealth Fund of the Russian Federation, or the Ministry of Finance of the Russian Federation would not be added to the Morningstar Indexes. However, in light of the recent credit ratings downgrades by S&P, Moody's, and Fitch, Russian sovereign debt will no longer be eligible for any Morningstar Fixed Income Index which requires a minimum investment grade composite rating effective at the March 31 rebalance.

Decisions regarding the removal of Russian sovereign bonds from indexes which do not require investment grade quality, as well as decisions regarding any additional removals and the price at removal of sanctioned and non-sanctioned Russian issuers are still under review. Additional client input on these pending decisions can be sent to indexes@morningstar.com.

Morningstar Indexes will continue to monitor the situation and provide additional updates pertaining to our suite of indexes as new information becomes available.

MorningstarIndexesAlerts@morningstar.com is a no-reply email address. For questions concerning this notification, please email us at Indexes@morningstar.com

About Morningstar Indexes

Morningstar Indexes was built to keep up with the evolving needs of investors—and to be a leading-edge advocate for them. Our rich heritage as a transparent, investor-focused leader in data and research uniquely equips us to support individuals, institutions, wealth managers and advisors in navigating investment opportunities across major asset classes, styles and strategies. From traditional benchmarks and unique IP-driven indexes, to index design, calculation and distribution services, our solutions span an investment landscape as diverse as investors themselves.

www.indexes.morningstar.com

Contact Us

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