

MSCI FRONTIER MARKETS 100 INDEX METHODOLOGY

February 2024

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1 Introduction

The MSCI Frontier Markets 100 Index¹ is based on the MSCI Frontier Markets (FM) Investable Market Index (IMI) (the “Parent Index”). The MSCI Frontier Markets 100 Index aims to reflect the performance of frontier markets while putting stronger emphasis on tradability compared to the Parent Index. This is achieved through six main features:

- A minimum liquidity level² is required for securities to be included in the MSCI Frontier Markets 100 Index
- Only stocks exhibiting sufficient foreign room³ are eligible for inclusion
- A higher minimum free float-adjusted market capitalization requirement is applied compared to the Parent Index
- An additional minimum length of trading requirement is applied compared to the Parent Index
- The number of constituents can fluctuate within a specific target range at the time of an Index Review
- The eligibility of new Frontier Markets for the MSCI Frontier Markets 100 Index is subject to prior public consultation

In addition, a country cap is applied in the MSCI Frontier Markets 100 Index in order to avoid excessive country concentration.

¹ The Indexes are governed by a set of methodology and policy documents (“Methodology Set”), including the present index methodology document. The Methodology Set for the Indexes can be accessed from MSCI’s webpage <https://www.msci.com/index-methodology> in the section ‘Search Methodology by Index Name or Index Code’.

² Measured by the 12-month Annualized Traded Value Ratio (ATVR). Please refer to the MSCI Global Investable Market Indexes Methodology at <https://www.msci.com/index/methodology/latest/GIMI> for more details.

³ Foreign room is defined as the proportion of shares still available to foreign investors relative to the maximum allowed. Please refer to the MSCI Global Investable Market Indexes Methodology at <https://www.msci.com/index/methodology/latest/GIMI> for more details.

2 Index Construction

2.1 ELIGIBLE UNIVERSE

The Eligible Universe for the MSCI Frontier Markets 100 Index is derived by applying investability screens to securities in the Parent Index. In order to be included in the Eligible Universe, a security:

- Must not be subject to a Limited Investability Factor (LIF) due to low foreign room;
- Must have a 12-month Annualized Traded Value Ratio (ATVR)⁴ above 10% and;
- Must have started trading at least two months before the implementation date of the Index Review.

2.2 MINIMUM FREE FLOAT-ADJUSTED MARKET CAPITALIZATION REQUIREMENT

In order to be included in the MSCI Frontier Markets 100 Index, a security from the Eligible Universe must meet a specific Minimum Free Float-Adjusted Market Capitalization Requirement.

The Minimum Free Float-Adjusted Market Capitalization Requirement is derived as follows:

- First, the securities in the Parent Index are sorted in descending order of free float-adjusted market capitalization and the cumulative coverage of the free float-adjusted market capitalization of the parent index is calculated at each security.
- Second, when the cumulative free float-adjusted market capitalization coverage of 90% of the sorted Parent Index is achieved the free float-adjusted market capitalization of the security at that point defines the Minimum Free Float-Adjusted Market Capitalization Requirement.

⁴ For securities traded on Saturdays and/or Sundays, MSCI may adjust ATVR values by including the trading volumes on those days. Liquidity values published in the MSCI product files currently do not consider trading volumes on Saturdays and/or Sundays.

2.3 INCLUDING SECURITIES IN THE MSCI FRONTIER MARKETS 100 INDEX

First, the securities in the Eligible Universe that have a free float-adjusted market capitalization above or equal to the Minimum Free Float-Adjusted Market Capitalization Requirement are counted.

Then, if the resulting number is:

- Between 85 and 115: all the securities counted are included in the MSCI Frontier Markets 100 Index.
- Above 115: the securities in the Eligible Universe are ranked by decreasing free float-adjusted market capitalization and the top 115 securities are selected for inclusion in the MSCI Frontier Markets 100 Index.
- Below 85: the securities in the Eligible Universe are ranked by decreasing free float-adjusted market capitalization and the top 85 securities are selected for inclusion in the MSCI Frontier Markets 100 Index, even if the smallest securities fail the Minimum Free Float-Adjusted Market Capitalization Requirement.

2.4 COUNTRY CAP

A cap of 40% is applied to the cumulative weight of the two largest countries in the MSCI Frontier Markets 100 Index.

If the total free float-adjusted market capitalization weight of the largest two countries is greater than 40% after application of the rules described in Section 2.3, the weights of these two countries (and their respective securities) are proportionally decreased in order to achieve a cumulative weight of exactly 40%. The weights of the other countries (and their respective securities) are then proportionally increased but not beyond the capped weight of the second largest country prior to the capping step.

The security capped weights in the MSCI Frontier Markets 100 Index are determined by applying a capping factor to the security free float-adjusted market capitalizations. The capping factor is the same for all securities classified in a given country.

2.5 DIVERSIFICATION CONSIDERATIONS

The MSCI Frontier Markets 100 Index is designed to take into account certain fund diversification rules and guidance. After application of the rules described in section 2.4 the following steps are performed.

- The sum of the weights of all group entities representing more than 5% weight will be constrained at 25%;
- A buffer of 10% of the value is applied on the aggregation factor of 5% and the aggregation constraint of 25%. More specifically, as part of a rebalancing, the aggregated weight of all group entities with weight above 4.5%, cannot exceed 22.5% of the Index weight;
- Between two Quarterly Index Review effective dates, the Index is rebalanced at the end of any business day on which the constraints of 25% for group entities representing more than 5% are breached;
- The reweighting resulting from group entity capping would take priority over any other methodological requirement such as the country capping.

While the MSCI Frontier Markets 100 Index is designed to take into account fund diversification rules, the MSCI Frontier Markets 100 10/40 Index is designed to take into account the rules applicable for UCITS III compliant funds. Therefore, for the MSCI Frontier Markets 100 10/40 Index, the MSCI 10/40 Index Methodology is applied after the step described in section 2.4 in place of the diversification steps described above in this Section 2.5.

The details of the MSCI 10/40 Index Methodology are available at <http://www.msci.com/index-methodology>.

3 Index Maintenance

3.1 MAY AND NOVEMBER REVIEWS

The composition of the MSCI Frontier Markets 100 Index is fully reviewed on a semi-annual basis coinciding with the May and November Index Reviews of the MSCI Global Investable Market Indexes.

Changes in Foreign Inclusion Factors (FIFs) and updates in number of shares for existing constituents effective at the May and November Index Reviews as per the MSCI Global Investable Market Indexes methodology are reflected in the MSCI Frontier Markets 100 Index.

3.1.1 ELIGIBLE MARKETS

MSCI maintains a list of Eligible Markets for the MSCI Frontier Markets 100 Index. Changes to the list are announced coinciding with the February Index Reviews following a public consultation and are implemented as part of subsequent May Index Reviews. The list of Eligible Markets can be found in Appendix I.

3.1.2 UPDATING THE ELIGIBLE UNIVERSE

During May and November Index Reviews, the Eligible Universe is reviewed according to the rules described in Section 2.1. Only securities from Eligible Markets can be included in the updated Eligible Universe. In addition, to minimize index turnover, an existing constituent of the MSCI Frontier Markets 100 Index may remain in the Eligible Universe if its 12-month ATVR falls below the minimum level requirement of 10% as long as it is above 2/3rd of that level.

3.1.3 UPDATING THE MINIMUM FREE FLOAT-ADJUSTED MARKET CAPITALIZATION REQUIREMENT

During a May and November Index Reviews, the Minimum Free Float-Adjusted Market Capitalization Requirement is updated using the rules described in Section 2.2.

3.1.4 INCLUDING THE SECURITIES IN THE MSCI FRONTIER MARKETS 100 INDEX

This section describes the rules used for including securities in the MSCI Frontier Markets 100 Index during May and Novembers.

As a first step, the following securities in the updated Eligible Universe are counted:

- Existing constituents of the MSCI Frontier Markets 100 Index that have a free float-adjusted market capitalization above or equal to 2/3rd of the Minimum Free Float-Adjusted Market Capitalization Requirement
- Securities not currently constituents of the MSCI Frontier Markets 100 Index that have a free float-adjusted market capitalization above or equal to the Minimum Free Float-Adjusted Market Capitalization Requirement

Then, if the resulting number is:

- between 85 and 115: all the securities counted are included in the MSCI Frontier Markets 100 Index.
- above 115: the following securities in the updated Eligible Universe are selected for inclusion in the MSCI Frontier Markets 100 Index with the following priority until 115 securities are selected:
 - Existing constituents of the MSCI Frontier Markets 100 Index that have a free float-adjusted market capitalization above or equal to the Minimum Free Float-Adjusted Market Capitalization Requirement
 - Securities not currently constituents of the MSCI Frontier Markets 100 Index that have a free float-adjusted market capitalization above or equal 1.5x the Minimum Free Float-Adjusted Market Capitalization Requirement
 - Existing constituents of the MSCI Frontier Markets 100 Index that have a free float-adjusted market capitalization above or equal to 2/3rd of the Minimum Free Float-Adjusted Market Capitalization Requirement
 - Securities not currently constituents of the MSCI Frontier Markets 100 Index that have a free float-adjusted market capitalization above or equal to the Minimum Free Float-Adjusted Market Capitalization Requirement

Within each of the above steps, the securities are selected in descending order of free float-adjusted market capitalization.

- below 85: the following securities in the updated Eligible Universe are selected for inclusion in the MSCI Frontier Markets 100 Index with the following priority until 85 securities are selected:
 - Existing constituents of the MSCI Frontier Markets 100 Index that have a free float-adjusted market capitalization above or equal to 2/3rd of the Minimum Free Float-Adjusted Market Capitalization Requirement

- Securities not currently constituents of the MSCI Frontier Markets 100 Index that have a free float-adjusted market capitalization above or equal to the Minimum Free Float-Adjusted Market Capitalization Requirement
- Existing constituents of the MSCI Frontier Markets 100 Index that have a free float-adjusted market capitalization between 1/3rd and 2/3rd of the Minimum Free Float-Adjusted Market Capitalization Requirement
- Securities not currently constituents of the MSCI Frontier Markets 100 Index that have a free float-adjusted market capitalization between 2/3rd and one time of the Minimum Free Float-Adjusted Market Capitalization Requirement
- Existing constituents of the MSCI Frontier Markets 100 Index that have a free float-adjusted market capitalization below 1/3rd of the Minimum Free Float-Adjusted Market Capitalization Requirement
- Securities not currently constituents of the MSCI Frontier Markets 100 Index that have a free float-adjusted market capitalization below 2/3rd of the Minimum Free Float-Adjusted Market Capitalization Requirement

Within each of the above steps, the securities are selected in descending order of free float-adjusted market capitalization.

3.1.5 COUNTRY CAP

During May and November Index Reviews, a cap of 40% is applied to the cumulative weight of the two largest countries in the MSCI Frontier Markets 100 Index as described in section 2.4.

3.2 FEBRUARY AND AUGUST INDEX REVIEWS

The composition of the MSCI Frontier Markets 100 Index is partially reviewed at the time of the February and August Index Reviews of the MSCI Global Investable Market Indexes.

Changes in Foreign Inclusion Factors (FIFs) and updates in number of shares for existing constituents effective at the February and August Index Reviews as per the MSCI Global Investable Market Indexes methodology are reflected in the MSCI Frontier Markets 100 Index.

3.2.1 UPDATING THE MINIMUM FREE FLOAT-ADJUSTED MARKET CAPITALIZATION REQUIREMENT

During February and August Index Reviews, the Minimum Free Float-Adjusted Market Capitalization Requirement is updated using the rules described in Section 2.2.

3.2.2 ADDITIONS DURING FEBRUARY AND AUGUST INDEX REVIEWS

During February and August Index Reviews, securities from the pro forma Parent Index are added to the MSCI Frontier Markets 100 Index if they:

- Meet the investability screens described in section 2.1 and;
- Have a free float-adjusted market capitalization above 1.8 times the Minimum Free Float-Adjusted Market Capitalization Requirement.

The securities are added to the MSCI Frontier Markets 100 Index with a capping factor equal to the capping factor determined at the previous Index Review (May or November) for securities classified in the same country.

3.2.3 DELETIONS DURING FEBRUARY AND AUGUST INDEX REVIEWS

Deletions from the Parent Index at the time of February and August Index Reviews are simultaneously deleted from the MSCI Frontier Markets 100 Index.

3.3 POLICY REGARDING TRADING SUSPENSIONS FOR INDIVIDUAL SECURITIES DURING INDEX REVIEWS

If a security that is scheduled to be added to or deleted from the MSCI Frontier Markets 100 Index is suspended from trading on the day before the effective implementation date of the index review, MSCI will cancel the implementation for the security. When the implementation of a deletion from the Parent Index is postponed, the implementation of the deletion from the MSCI Frontier Markets 100 Index will also be postponed. When the deletion is implemented in the Parent Index after the security resumes trading, the security will be simultaneously deleted from the MSCI Frontier Markets 100 Index.

3.4 CUTOFF DATE FOR MARKET CAPITALIZATION AND PRICES USED FOR THE REBALANCING

MSCI uses pro forma data as of the close of the announcement date (nine business days before the effective date of each Index Review) to derive the pro forma MSCI Frontier Markets 100 Index for each Index Review.

3.5 ANNOUNCEMENT POLICY

The pro forma MSCI Frontier Markets 100 Index is announced nine business days before the effective date of each Index Review.

3.6 ONGOING EVENT RELATED CHANGES

With the exception of the treatment as described below, the MSCI Frontier Markets 100 Index follows the event maintenance of the Parent Index. Details regarding the treatment of corporate events not covered below can be found in the MSCI Corporate Events Methodology Book, available at:

<https://www.msci.com/index/methodology/latest/CE>

3.6.1 SPIN-OFFS, IPOs AND OTHER EARLY INCLUSIONS

Companies spun off from existing constituents of the MSCI Frontier Markets 100 Index that are added to the Parent Index at the time of the event will be simultaneously added to the MSCI Frontier Markets 100 Index.

Other early inclusions, including IPOs, will only be considered for inclusion in the MSCI Frontier Markets 100 Index at the Index Review following the event.

3.6.2 NUMBER OF SECURITIES IN THE INDEX FOLLOWING CORPORATE EVENTS

In the event that the number of securities in the MSCI Frontier Markets 100 Index would fall below 85 or rise above 115 due to corporate events, no additions or deletions would be made to restore the number of securities to 85 or 115 until the next Index Review (May or November).

Appendix I: List of Eligible Markets

List of Eligible Markets for the MSCI Frontier Markets 100 Index:

Bahrain	Morocco
Bangladesh	Oman
Croatia	Pakistan
Estonia	Romania
Iceland	Serbia
Jordan	Slovenia
Kazakhstan	Sri Lanka
Kenya	Tunisia
Lithuania	Vietnam
Mauritius	

Appendix II: Methodology Changes and Phasing in the Context of the Reclassification of Qatar and UAE

The reclassifications of Qatar and UAE from Frontier Markets to Emerging Markets were implemented as part of the May 2014 Semi-Annual Index Review. MSCI revised the methodology for the MSCI Frontier Markets 100 Index in order to address the impact on the Index of these reclassifications.

	Previous Methodology	Revised Methodology
Parent Index	MSCI Frontier Markets (FM) Index	MSCI Frontier Markets (FM) Investable Market Index (IMI)
Free float-adjusted market capitalization requirement	No additional minimum free float-adjusted market capitalization requirement compared to the Parent Index	Application of a higher minimum free float-adjusted market capitalization requirement compared to the Parent Index
Number of constituents	Number of constituents set to 100 at the time of an Index Review	Number of constituents allowed to fluctuate between 85 and 115 at the time of an Index Review
Country cap	Cap of 50% applied to the weight of a country in the MSCI Frontier Markets 100 Index	Cap of 40% applied to the cumulative weight of the two largest countries in the MSCI Frontier Markets 100 Index

The revised methodology for the MSCI Frontier Markets 100 Index became effective starting from the May 2014 Semi-Annual Index Review. The transition from the previous methodology for the MSCI Frontier Markets 100 Index occurred in seven monthly phases:

- Phase 1: as of the close of May 30, 2014 (effective June 2, 2014) to coincide with the May 2014 Semi-Annual Index Review
- Phase 2: as of the close of June 30, 2014 (effective July 1, 2014)
- Phase 3: as of the close of July 31, 2014 (effective August 1, 2014)
- Phase 4: as of the close of August 29, 2014 (effective September 1, 2014)
- Phase 5: as of the close of September 30, 2014 (effective October 1, 2014)
- Phase 6: as of the close of October 31, 2014 (effective November 3, 2014)
- Phase 7: as of the close of November 25, 2014 (effective November 26, 2014) to coincide with the November 2014 Semi-Annual Index Review

Each phase involved the following activities:

- Determine the post-transition MSCI Frontier Markets 100 Index
- Determine the difference between the current MSCI Frontier Markets 100 Index (at the time of each phase) and the post-transition MSCI Frontier Markets 100 Index
- Implement only a portion of this difference in the MSCI Frontier Markets 100 Index (except for phase 7 when the MSCI Frontier Markets 100 Index converged with the post-transition MSCI Frontier Markets 100 Index)

In order to minimize reverse turnover, only the final step of the transition to the revised methodology was implemented as part of the November 2014 Semi-Annual Index Review, i.e. the MSCI Frontier Markets 100 Index was not rebalanced. The Semi-Annual Index Reviews for the MSCI Frontier Markets 100 Index, as described in this methodology book, will resume at the time of the May 2015 Semi-Annual Index Review.

Changes in the number of shares and Foreign Inclusion Factors (FIFs) for the Parent Index resulting from regular Index Reviews or corporate events were implemented simultaneously in the MSCI Frontier Markets 100 Index. In addition, companies deleted from the Parent Index due to corporate events or Index Reviews (as defined in the MSCI GIMI methodology) were also deleted from the MSCI Frontier Markets 100 Index during this transition period.

Details on each phase are provided in the table below:

	Post-transition index	Data used	Changes implemented
Phase 1	The post-transition index was derived from applying the revised index maintenance methodology as described in Section 3.	Pro forma data of the parent index (i.e. reflecting the results of the May 2014 Semi-Annual Index Review) as of the close of the business day before the announcement date of phase 1.	1/7th of the difference (measured by security index market cap) between the current index and the post-transition index was implemented.
Phase 2	At each phase from phase 2 to phase 7, securities in the post-transition index were updated to reflect market performance as well as changes in the parent index due to past corporate events and index reviews. The list of constituents in the post-transition index remained unchanged, with the exception of securities deleted from the parent index due to past corporate events or index reviews which were excluded from the post-transition index.	Data of the parent index as of the close of the business day before the announcement date of phase 2.	1/6th of the difference between the current index and the post-transition index was implemented.
Phase 3		Data of the parent index as of the close of the business day before the announcement date of phase 3.	1/5th of the difference between the current index and the post-transition index was implemented.
Phase 4		Pro forma data of the parent index (i.e. reflecting the results of the August 2014 Quarterly Index Review) as of the close of the business day before the announcement date of phase 4.	1/4th of the difference between the current index and the post-transition index was implemented.
Phase 5		Data of the parent index as of the close of the business day before the announcement date of phase 5.	1/3rd of the difference between the current index and the post-transition index was implemented.
Phase 6		Data of the parent index as of the close of the business day before the announcement date of phase 6.	One half of the difference between the current index and the post-transition index was implemented.
Phase 7		Pro forma data of the parent index (i.e. reflecting the results of the November 2014 Semi-Annual Index Review) as of the close of the business day before the announcement date of phase 7.	The full difference between the current index and the post-transition index was implemented.

Appendix III: Methodology Change and Phasing in the Context of the Reclassification of Pakistan

The reclassification of Pakistan from Frontier Markets to Emerging Markets was implemented as part of the May 2017 Semi-Annual Index Review. In this context, the Minimum Free Float Adjusted Market Capitalization Requirement was lowered to correspond to a cumulative coverage of 90% of the Parent Index instead of the previous threshold of 80%.

MSCI phased the May 2017 Semi-Annual Index Review changes for the MSCI Frontier Markets 100 Index over four successive months:

- Phase 1: as of close of May 31, 2017 (effective June 1, 2017) to coincide with the May 2017 Semi-Annual Index Review
- Phase 2: as of close of June 30, 2017 (effective July 3, 2017)
- Phase 3: as of close of July 31, 2017 (effective August 1, 2017)
- Phase 4: as of close of August 31, 2017 (effective September 1, 2017) to coincide with the August 2017 Quarterly Index Review

A larger proportion of the changes (40% of the weight difference) was implemented in the first phase in May, while the remaining changes were spread over three subsequent phases of 20% each.

Each phase involved the following activities:

- Determining the post-reclassification MSCI Frontier Markets 100 Index (see table below for details)
- Calculating the difference between the current security weights in the MSCI Frontier Markets 100 Index and the security weights in the post-reclassification MSCI Frontier Markets 100 Index («Weight Difference»)
- Calculating the pro forma security weights in the MSCI Frontier Markets 100 Index («Pro Forma Weights»)
 - Phase 1 => Pro Forma Weight = Current Weight + (Weight Difference * 40%)
 - Phase 2 => Pro Forma Weight = Current Weight + (Weight Difference * 33.3%)

- Phase 3 => Pro Forma Weight = Current Weight + (Weight Difference * 50%)
- Phase 4 => Pro Forma Weight = Post-Reclassification Weight

The pro forma MSCI Frontier Markets 100 Index was announced nine business days before the effective date of each phase. For each phase, MSCI used data as of the close of the business day prior to the announcement to derive the pro forma weights.

During the phasing period, corporate events were implemented as usual in the MSCI Frontier Markets 100 Index as per Section 3.3.

Details on the calculation of the post-reclassification index for each phase are provided in the table below:

	Post-reclassification index
Phase 1	The post-reclassification index was derived from applying the Semi-Annual Index Review methodology described in Section 3.1.
Phases 2 and 3	At phases 2 and 3, securities in the post-reclassification index were updated to reflect market performance, as well as corporate events implemented in the MSCI Frontier Markets 100 Index. The country cap described in Section 2.4 was then applied to the post-reclassification index.
Phase 4	The post-reclassification index was updated to reflect market performance, corporate events implemented in the MSCI Frontier Markets 100 Index, as well as the results of the August 2017 Quarterly Index Review. The country cap described in Section 2.4 was then applied to the post-reclassification index.

Appendix IV: Phasing in the Context of the Reclassification of Argentina

The reclassification of Argentina from Frontier Markets to Emerging Markets was implemented as part of the May 2019 Semi-Annual Index Review. In this context, MSCI phased the May 2019 Semi-Annual Index Review changes for the MSCI Frontier Markets 100 Index over four successive months:

- Phase 1: as of close of May 28, 2019 (effective May 29, 2019) to coincide with the May 2019 Semi-Annual Index Review
 - Phase 2: as of close of June 27, 2019 (effective June 28, 2019)
 - Phase 3: as of close of July 31, 2019 (effective August 1, 2019)
- Phase 4: as of close of August 27, 2019 (effective August 28, 2019) to coincide with the August 2019 Quarterly Index Review

A larger proportion of the changes (40% of the weight difference) was implemented in the first phase in May, while the remaining changes were spread over three subsequent phases of 20% each.

The determination of the pro forma security weights at each phase followed the steps described in Appendix III as part of the phasing implemented in the context of Pakistan.

The pro forma MSCI Frontier Markets 100 Index was announced nine business days before the effective date of each phase. For each phase, MSCI used data as of the close of the business day prior to the announcement to derive the pro forma weights.

During the phasing period, corporate events were implemented as usual in the MSCI Frontier Markets 100 Index as per Section 3.6.

Appendix V: Phasing in the Context of the Reclassification of Kuwait

The reclassification of Kuwait from Frontier Markets to Emerging Markets will be implemented as part of the November 2020 Semi-Annual Index Review. In this context, MSCI will phase the deletion of securities classified in Kuwait from the MSCI Frontier Markets 100 Index, targeting equal steps over five successive Index Reviews starting from the November 2020 Semi-Annual Index Review.

In addition, as part of each phase, MSCI will keep unchanged the index weights of securities classified in Bangladesh⁵, Lebanon and Nigeria, subject to maintaining compliance with diversification rules and guidance in Section 2.5.

The pro forma MSCI Frontier Markets 100 Index will be announced nine business days before the effective date of each phase. For each phase, MSCI will use data as of the close of the business day prior to the announcement to derive the pro forma weights.

During the phasing period, corporate events will be implemented as usual in the MSCI Frontier Markets 100 Index as per Section 3.6.

The detailed treatment at each phase is as follows:

Detailed Treatment at Each Phase		
Step 1	Apply MSCI Frontier Markets 100 Index Maintenance methodology	<ul style="list-style-type: none"> - Apply regular Index Maintenance Rules (SAIR rules at Phases 1, 3 and 5 or QIR rules at Phases 2 and 4). See Sections 3.1 and 3.2 of the MSCI Frontier Markets 100 Index methodology for SAIR and QIR maintenance rules respectively. - This results in Preliminary Weights.
Step 2	Revert weights of Bangladesh, Lebanon and Nigeria securities	<ul style="list-style-type: none"> - Revert weights of Bangladesh⁴, Lebanon and Nigeria securities to their Current Weights (pre-rebalance). - Reallocate reverted weight changes to other securities on a pro-rated basis based on Preliminary Weights. - This results in Post-Reclassification Weights.
Step 3	Apply Phasing Factors	<ul style="list-style-type: none"> - For each security, determine the Weight Difference between the Post-Reclassification Weight and the Current Weight.

⁵As announced on July 12, 2021, starting at the August 2021 Quarterly Index Review, MSCI will no longer apply the special treatment announced on June 23, 2020 for the MSCI Bangladesh Indexes and indexes which Bangladesh is a component of. As such, the weights of Bangladesh securities will no longer be reverted to their pre-rebalance, Current Weights in the MSCI Frontier Markets 100 Index starting at the August 2021 QIR.

		- Apply phasing factors to the Weight Difference per the Phasing Schedule below to arrive at Pre-Diversification Capping Weights.
Step 4	Apply Diversification Rules	<ul style="list-style-type: none"> - Apply Diversification Rules and Guidance from Section 2.5 on the Pre-Diversification Capping Weights. - This results in final Pro Forma Weights for each phase.

The calculation of the Pre-Diversification Capping Weights at each phase is as follows:

Phasing Schedule		
Phase	Index Review	Calculation of Pre-Diversification Capping Weights
Phase 1	November 2020 Semi-Annual Index Review	Pre-Diversification Capping Weight = Current Weight + (Weight Difference * 20%)
Phase 2	February 2021 Quarterly Index Review	Pre-Diversification Capping Weight = Current Weight + (Weight Difference * 25%)
Phase 3	May 2021 Semi-Annual Index Review	Pre-Diversification Capping Weight = Current Weight + (Weight Difference * 33%)
Phase 4	August 2021 Quarterly Index Review	Pre-Diversification Capping Weight = Current Weight + (Weight Difference * 50%)
Phase 5	November 2021 Semi-Annual Index Review	Pre-Diversification Capping Weight = Current Weight + (Weight Difference * 100%)

Changes to the Methodology Book

The following sections have been modified since April 2012:

The following changes were made in the context of the implementation of a new methodology for the MSCI Frontier Markets 100 Index which became effective at the time of the May 2014 Semi-Annual Index Review:

1: Introduction

- Updates in this section

2: Index Construction

- Updates in this section

3: Index Maintenance

- Updates in this section

Appendix I: Transition

- New section

Appendix II: Differences Between the Previous and the Current MSCI Frontier Markets 100 Methodology

- New section

The following sections have been modified since April 2014:

The following changes were made following the transition to the new methodology for the MSCI Frontier Markets 100 Index which was completed at the time of the November 2014 Semi-Annual Index Review:

Appendix I: Transition

- Updates in this section

Appendix II: Differences Between the Previous and the Current MSCI Frontier Markets 100 Methodology

- Updates in this section

The following sections have been modified since November 2014:

3.1: Semi-Annual Index Reviews

- Updates in this section

3.2: Quarterly Index Reviews

- Updates in this section

The following sections have been modified since February 2015:

- 2.4: Country Cap
- Updates in this section

The following sections have been modified since November 2016:

1: Introduction

- Updates in this section

3.1.1: Eligible Markets

- New section

3.1.2: Updating the Eligible Universe

- Updates in this section

3.1.5: Inclusion of New Markets

- Section deleted

Appendix I: List of Eligible Markets

- New section

The following sections have been modified since March 2017:

1: Introduction

- Added minimum length of trading requirement

2.1: Eligible Universe

- Added minimum length of trading requirement

2.2: Minimum Free Float-Adjusted Market Capitalization Requirement

- Cumulative free float-adjusted market capitalization coverage threshold increased from 80% to 90%

2.4: Country Cap

- Last paragraph added

3.2: Quarterly Index Reviews

- Updates in this section

3.2.1: Updating the Minimum Free Float-Adjusted Market Capitalization Requirement

- New section

3.2.2: Additions During Quarterly Index Reviews

- New section

3.2.3: Deletions During Quarterly Index Reviews

- New section

3.3: Policy Regarding Trading Suspensions for Individual Securities during Index Reviews

- New section (previously included in sections 3.1 and 3.2)

3.4.1: Spin-offs, IPOs and Other Early Inclusion

- Updates in this section

Appendix III: Methodology Change and Phasing in the Context of the Reclassification of Pakistan

- New appendix

The following sections have been modified since May 2017:

Appendix I: List of Eligible Markets

- Removed Pakistan from the list

The following sections have been modified since September 2017:

Section 3.4 Cutoff Date for Market Capitalization and Prices Used for the Rebalancing

- Added new section

Section 3.5 Announcement Policy

- Added new section

The following sections have been modified since May 2019:

Appendix I: List of Eligible Markets

- Removed Argentina from the list

Appendix IV: Phasing in the Context of the Reclassification of Argentina

- New appendix

The following sections have been modified since August 2019:

Appendix IV: Phasing in the Context of the Reclassification of Argentina

- Updated effective dates

The following sections have been modified since May 2020:

Section 2.5: Diversification considerations

- Enhancement to the capping rules

Appendix I: List of Eligible Markets

- Removed Kuwait from the list

Appendix V: Phasing in the Context of the Reclassification of Kuwait

- New Appendix

The following sections have been modified since November 2020:

Appendix I: List of Eligible Markets

- Removed Lebanon from the list

The following sections have been modified since February 2021:

Appendix I: List of Eligible Markets

- Added Iceland to the list

The following sections have been modified since May 2021:

Appendix V: Phasing in the Context of the Reclassification of Kuwait

- Added footnote for Bangladesh

The following sections have been modified as of May 2022:

Appendix I: List of Eligible Markets

- Added Pakistan to the list

The following sections have been modified as of November 2022:

Section 3.4: Cutoff Date for Market Capitalization and Prices Used for the Rebalancing

- Revised cutoff date

The following sections have been modified as of May 2023:

Methodology book was updated to reflect the transition of the MSCI Global Investable Market Indexes (GIMI) to Quarterly Comprehensive Index Reviews.

All references to “Semi-Annual Index Reviews” and “Quarterly Index Reviews” of the MSCI GIMI were replaced with “Index Reviews.”

Section 2.1: Eligible Universe

- Added footnote to clarify ATVR treatment for securities traded on Saturdays and/or Sundays

The following sections have been modified as of August 2023:

Appendix I: List of Eligible Markets

- Removed footnote for Serbia

The following sections have been modified as of February 2024:

Appendix I: List of Eligible Markets

- Removal of Nigeria

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