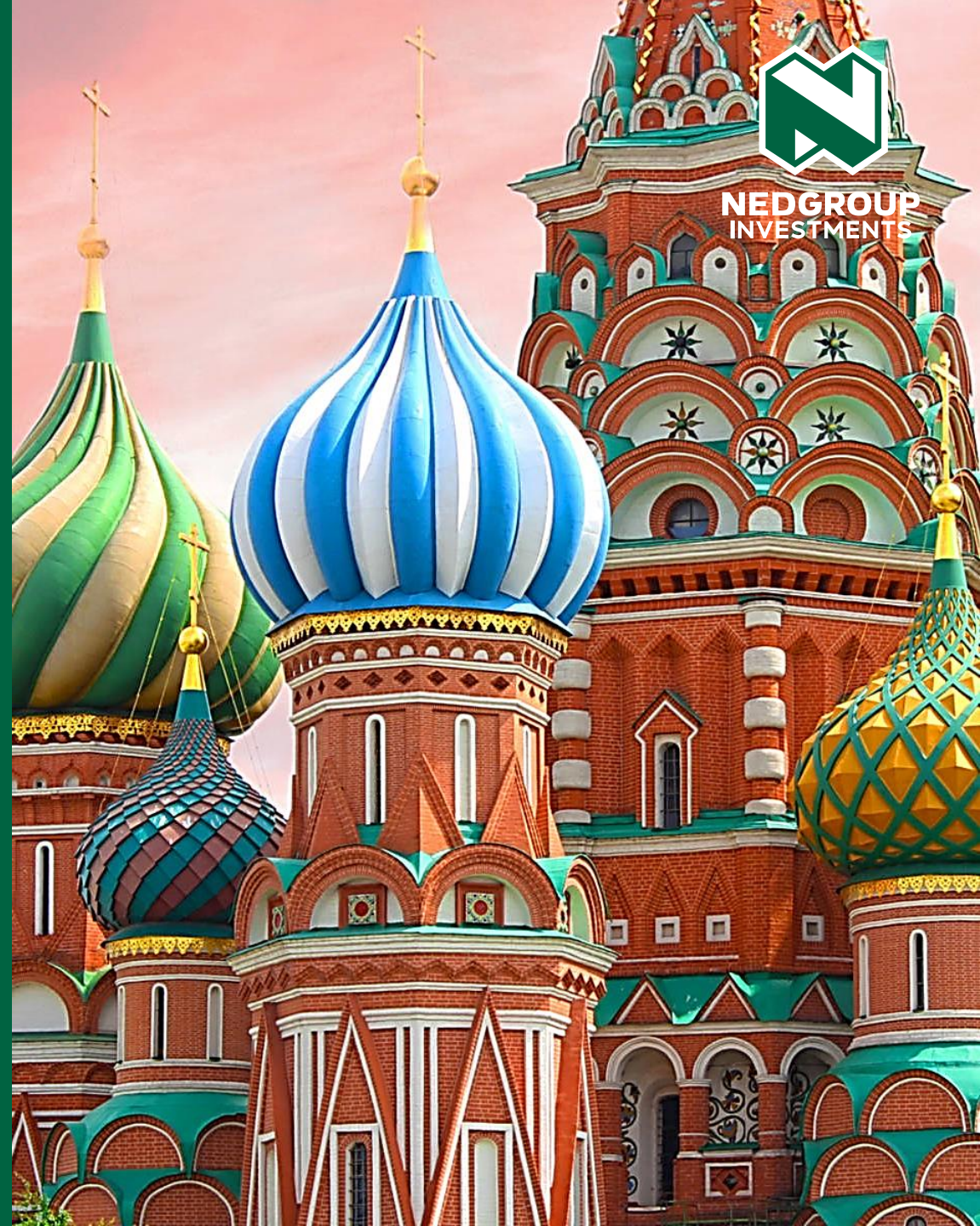


# Russia Country Profile

▶ Snapshot

February 2022

see money differently



## Index returns to 31 January 2022

Index	1 yr	3 yr (ann)	5 yr (ann)	10 yr (ann)
MSCI Russia	15,6%	15,5%	15,3%	13,7%
MSCI EM	-4,5%	13,7%	14,3%	14,8%
MSCI ACWI	15,7%	22,2%	18,7%	22,1%

Source: MSCI

With Russia's invasion of Ukraine by land, sea and air resulting in the biggest attack on a European state since WWII, sanctions against the country and politically connected individuals have spooked global investors.

At the time of writing, the MOEX experienced its largest one day fall on record and has dropped by more than 40% this month to date (February 2022).

## Population size and age comparison

Rank	Country	Size (m)	Median Age
1	China	1 439	38
2	India	1 380	28
3	United States	331	38
4	Indonesia	274	30
5	Pakistan	221	23
6	Brazil	213	33
7	Nigeria	206	18
8	Bangladesh	165	28
9	Russia	146	40
10	Mexico	129	29

Source: Worldometer

Russia remains among the most populated countries in the world. Although median population age is not as high as Japan (48) or Italy (47), Russia also falls amongst the highest in the world based on this metric and particularly so when compared to the largest emerging markets. Life expectancy (73) is in line with global averages.

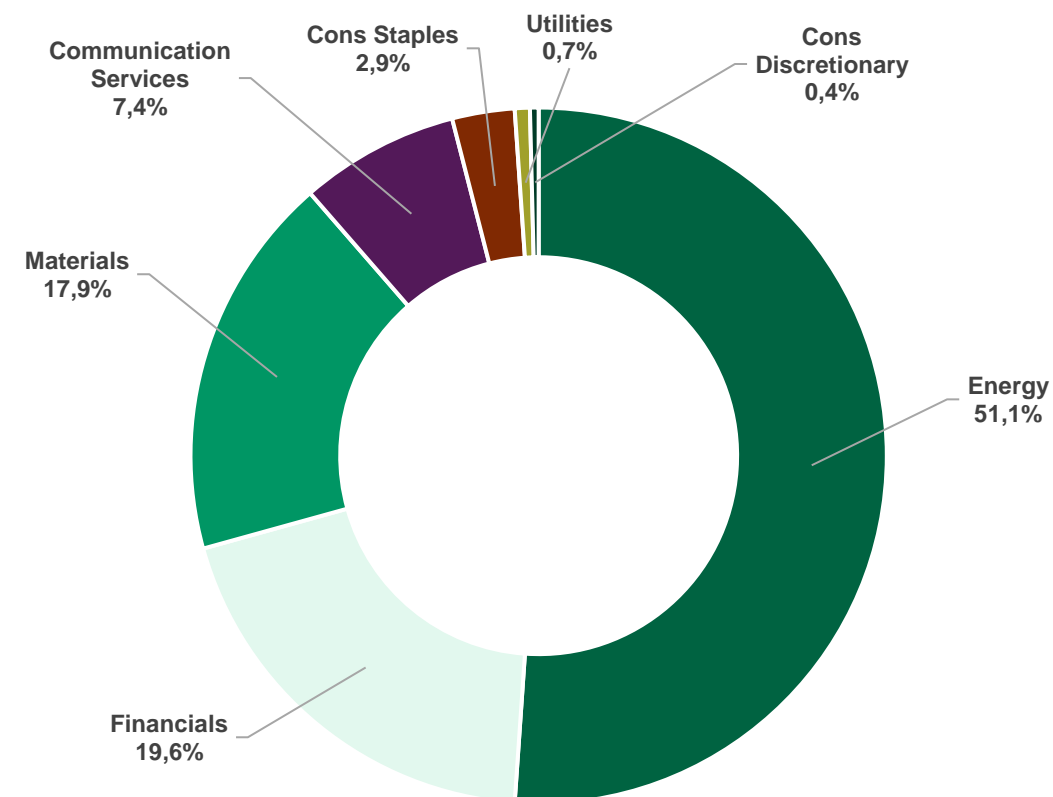
## Top 10 Constituents

Stock	Mkt Cap (RUB Bn)	Index Weight	Sector
Gazprom	3 919	19,82%	Energy
Sberbank	2 855	14,44%	Financials
Lukoil	2 839	14,36%	Energy
Novatek	1 480	7,49%	Energy
Norilsk Nickel	1 374	6,95%	Materials
Yandex	1 120	5,66%	Com Srvc
Tatneft	701	3,54%	Energy
Rosneft	668	3,38%	Energy
TCS Group	660	3,34%	Financials
Polyus	411	2,08%	Materials

Source: MSCI (By float-adjusted market cap)

Even among the Top 10 constituents, there is a concentration of the Top 3 largest stocks in the index. As can be seen, the Top 10 is filled with stocks from the energy and financial sectors. Yandex is perhaps odd in this grouping, successfully undertaking activities similar to that of the well-known US-domiciled company Alphabet.

## Index Sector Weights



Source: MSCI (By float-adjusted market cap)

The energy sector makes up just over half of the index weighting, followed by financials at just under 20% and materials at ~18%. Notably, there is a low to zero weighting in sectors such as consumer staples, utilities, consumer discretionary, industrials, healthcare, IT and real estate.

## Interest Rates and Inflation

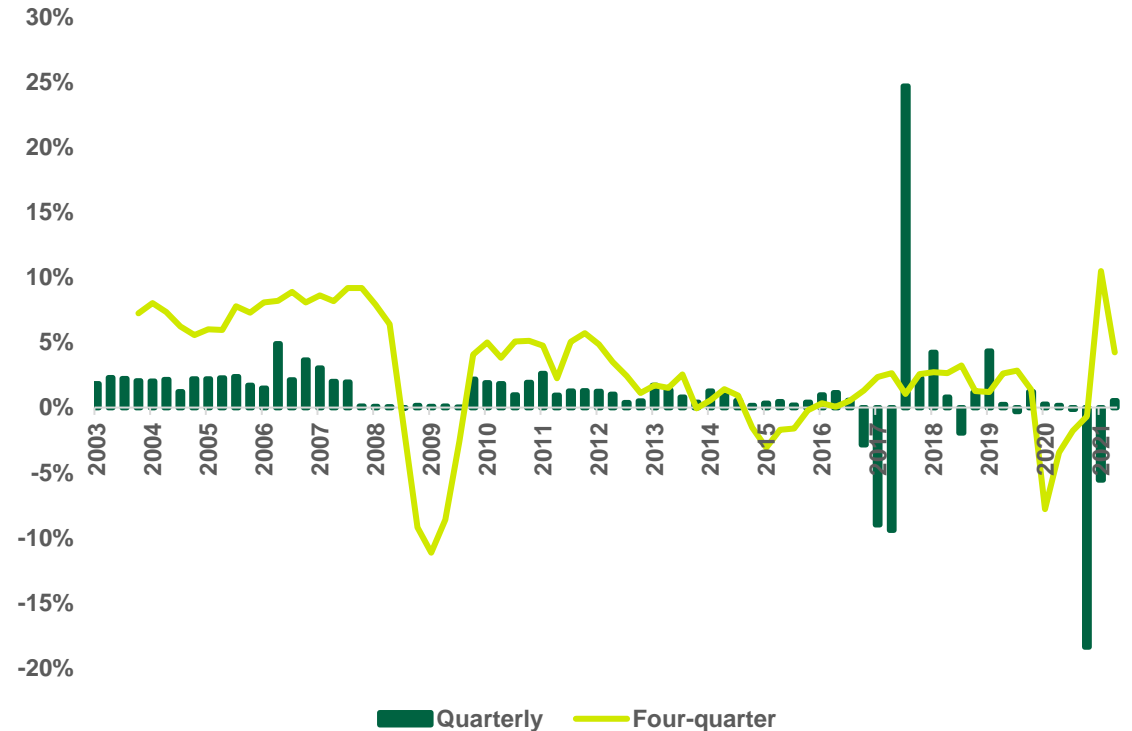


Source: Refinitiv

In reaction to the COVID-induced market crash of early 2020, policy rates were reduced to stimulate the economy. These have been raised fairly rapidly as the economy has recovered along with rising employment and inflation.

Over the past few months, the bond market and the USDRUB exchange rate have reacted strongly to the increasing risks, and culmination, of a Russian invasion of Ukraine.

## GDP Growth



Source: Refinitiv

Generally strong industrial production over time has had a positive impact on GDP growth, enabling the accumulation of foreign reserves totaling more than USD 600bn as at December 2021. As a share of GDP, this amounts to approximately 40%.

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