

# China Treasury 1-10 Years Index

The Bloomberg Barclays China Treasury 1-10 Years Index tracks the performance of the CNY-denominated Treasuries with between 1 and up to, but not including, 10 years remaining years to maturity, listed on the China Interbank market. The China Treasury 1-10 Years Index was launched in January 2018, with history backfilled to January 1, 2004.

## Rules for Inclusion

<b>Eligible Currencies</b>	Principal and interest must be denominated in CNY.	
<b>Sector</b>	Treasury bonds only.	
<b>Amount Outstanding</b>	Par value of at least CNY 5Billion.	
<b>Quality</b>	Bonds should not be in default to be included in the index.	
<b>Maturity</b>	Between 1 and up to, but not including, 10 years remaining until final maturity.	
<b>Coupon</b>	Fixed-rate coupon.	
<b>Exchange</b>	Debt issued in China Interbank market.	
<b>Security Types</b>	<b>Included</b> <ul style="list-style-type: none"> <li>• Fixed-rate coupon securities</li> </ul>	<b>Excluded</b> <ul style="list-style-type: none"> <li>• Floating-rate and zero coupon securities</li> <li>• Bonds with equity type features (e.g., convertibles, warrants)</li> <li>• Inflation-linked bonds</li> <li>• Derivatives, structured products</li> <li>• Securitized bonds</li> <li>• Private placements, retail bonds</li> <li>• Bonds issued on Shanghai and Shenzhen exchanges</li> <li>• Special bonds issued by Ministry of Finance</li> </ul>

## Rebalancing Rules

<b>Frequency</b>	For each index, Bloomberg maintains two universes of securities: the Returns (Backward) and the Projected (Forward) Universes. The composition of the Returns Universe is rebalanced at each month-end and represents the fixed set of bonds on which index returns are calculated. The Projected Universe is a forward-looking projection that changes daily to reflect issues dropping out of and entering the index but is not used for return calculations. On the last business day of the month (the rebalancing date), the composition of the latest Projected Universe becomes the Returns Universe for the following month.
<b>Index Changes</b>	During the month, indicative changes to securities (credit rating change, sector reclassification, amount outstanding changes, corporate actions, ticker changes, etc.) are reflected daily in both the Projected and Returns Universe of the index. These changes may cause bonds to enter or fall out of the Projected Universe of the index on a daily basis, but will affect the composition of the Returns Universe at month-end only, when the index is next rebalanced.
<b>Reinvestment of Cash Flows</b>	Intra-month cash flows from interest and principal payments contribute to monthly index returns but are not reinvested at a short-term reinvestment rate between rebalance dates. At each rebalancing, cash is effectively reinvested into the Returns Universe for the following month so that index results over two or more months reflect monthly compounding.
<b>New Issues</b>	Qualifying securities issued, but not necessarily settled on or before the month-end rebalancing date, qualify for

## Rebalancing Rules

inclusion in the following month's index if required security reference information and pricing are readily available.

## Pricing and Related Issues

<b>Sources &amp; Frequency</b>	All index-eligible bonds are priced on a daily basis by Bloomberg's evaluated pricing service, BVAL.
<b>Pricing Quotes</b>	Bonds are quoted as percentage of par.
<b>Timing</b>	<ul style="list-style-type: none"> <li>• 4pm (Shanghai time) for all securities.</li> <li>• If the last business day of the month is a public holiday, prices from the previous business day are used.</li> </ul>
<b>Bid or Offer Side</b>	Bonds in the index are priced on the bid side.
<b>Settlement Assumptions</b>	<ul style="list-style-type: none"> <li>• T+1 calendar day settlement basis.</li> <li>• At month-end, settlement is assumed to be the first calendar day of the following month, even if the last business day is not the last day of the month, to allow for one full month of accrued interest to be calculated.</li> </ul>
<b>Verification</b>	Daily price moves for each security are analyzed by the index pricing team. Index users may also challenge price levels, which are then reviewed and updated as needed.
<b>Currency Hedging</b>	Returns hedged to various non-CNY currencies are published for the China Treasury 1-10 Years Index. Bloomberg Barclays' FX hedging methodology takes rolling one-month forward contracts that are reset at the end of each month and hedges each non-reporting currency denominated bond in the index into the reporting currency terms. No adjustment is made to the hedge during the month to account for price movements of constituent securities in the Returns Universe of the index.
<b>Calendar</b>	The China Treasury 1-10 Years Index follows the China bond market holiday schedule.

## Monthly Returns in CNY Unhedged, 2009-2018 (%)

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2009	-0.61	0.18	0.31	0.30	0.71	-0.10	-0.70	0.32	0.22	0.02	0.46	0.12	1.22
2010	0.21	0.74	0.52	0.55	0.71	0.03	0.25	0.35	-0.05	-0.67	-1.51	-0.11	0.99
2011	0.11	0.29	0.39	0.39	0.56	-0.15	-0.22	-0.10	0.90	0.72	1.03	0.99	5.01
2012	0.52	-0.07	0.39	0.36	1.33	0.37	0.55	-0.39	-0.16	-0.02	0.36	0.25	3.52
2013	0.14	0.14	0.43	0.86	0.27	-0.29	-0.97	-0.93	0.42	-0.45	-0.68	-0.35	-1.44
2014	1.37	1.04	0.01	0.61	1.13	0.61	-0.51	0.49	1.00	1.53	1.28	-0.34	8.53
2015	1.02	1.00	-0.90	1.23	0.16	0.52	0.49	0.51	0.54	1.06	0.20	1.16	7.18
2016	0.19	0.38	0.70	-0.53	0.20	0.45	0.58	0.45	0.24	0.57	-0.56	-0.79	1.89
2017	0.05	0.02	0.11	-0.62	-1.01	0.96	0.12	0.02	0.34	-0.64	0.10	0.44	-0.13
2018	0.39	0.65	0.66	1.21	0.16	0.32	0.74	-0.12	0.07	0.87	-	-	5.05

## Accessing Index Data

<b>Bloomberg Terminal®</b>	<p>Bloomberg benchmarks are the global standard for capital markets investors.</p> <ul style="list-style-type: none"> <li>• INDEX&lt;Go&gt; - The Bloomberg Indices Introduction page is a dashboard for index-related information on the Terminal. Find daily and monthly index returns for key indices for each index family as well as index publications including methodologies, factsheets, monthly reports, updates and alerts.</li> <li>• IN&lt;Go&gt; - The Bloomberg Index Browser displays the latest performance results and statistics for the indices as well as history. IN presents the indices that make up Bloomberg's global, multi-asset class index families into a hierarchical view, facilitating navigation and comparisons. The "My Indices" tab allows a user to focus on a set of favorite indices.</li> <li>• PORT&lt;Go&gt; - Bloomberg's Portfolio &amp; Risk Analytics solution includes tools to analyze the risk, return, and current structure of indices. PORT includes tools to analyze performance of a portfolio versus a benchmark as well as models for performance attribution, tracking error analysis, value-at-risk, scenario analysis, and optimization.</li> <li>• DES&lt;Go&gt; - The index description page provides transparency into the current and projected index universe including membership information, aggregated characteristics and returns, and historical data.</li> </ul>
<b>Bloomberg Indices Website (www.bloomberg.com/professional/product/indices)</b>	<p>The index website makes available limited index information including:</p> <ul style="list-style-type: none"> <li>• Index methodology and factsheets</li> <li>• Current performance numbers for select indices</li> </ul>
<b>Data Distribution</b>	<p>Index subscribers may choose to receive index data in files. Files may include:</p> <ul style="list-style-type: none"> <li>• Index level and/or constituent level returns and characteristics for any indices.</li> <li>• Automatic delivery of files via email or SFTP following the completion of the index production process after market close.</li> <li>• Clients may receive standard files or may customize file contents.</li> <li>• Index data is also available via authorized redistributors.</li> </ul>

## Bloomberg Total Return Index Tickers: China Treasury 1-10 Years and Related Indices

Ticker (CNY Unhedged)	Name	Ticker (CNY Unhedged)	Index
I33620CN	China Treasury 1-10 Years	I32565CN	China Treasury + Policy Bank 5-10 Year
I08273CN	China Treasury	I32441CN	China Treasury and Policy Banks Index 1-10 Year
I32561CN	China Treasury + Policy Bank	I32566CN	China Treasury + Policy Bank 10+ Year
I32564CN	China Treasury + Policy Bank 1-5 Year	I08271CN	China Aggregate

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Bloomberg requires index data licenses for services and products linked to the Indices

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November 30, 2018

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