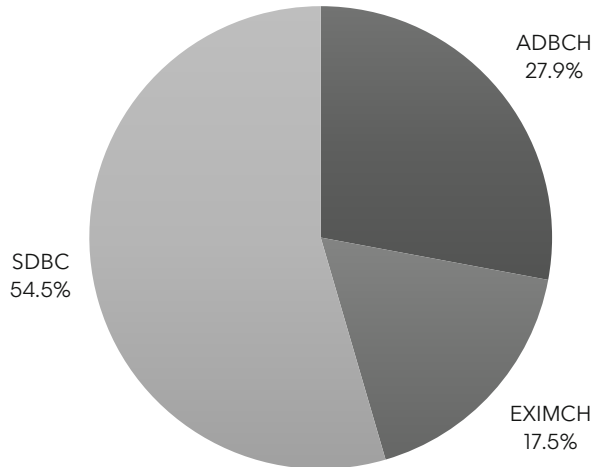


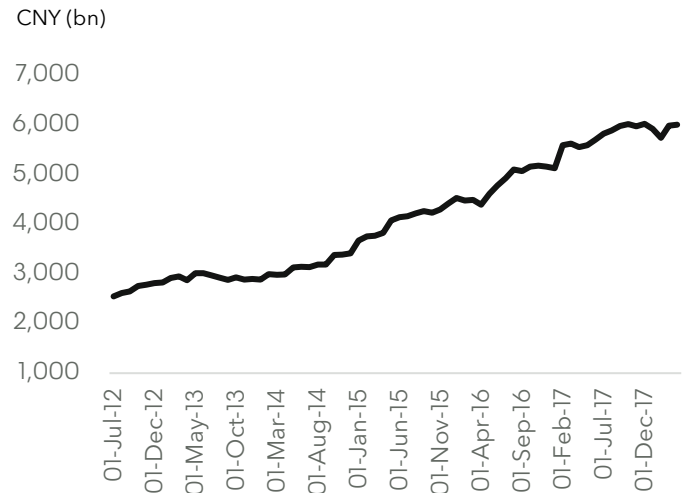
# China Policy Bank 3-10 Years Index

The Bloomberg Barclays China Policy Bank 3-10 Years Index was launched in April 2018, with an inception date of July 1, 2012. It contains fixed-rate Policy Bank CNY-denominated securities with a maturity between 3 and 10 years that are listed on the China Interbank Market.

Composition by Ticker (MV%) - As of April 30, 2018



Index Market Value since Inception



## Rules for Inclusion

<b>Eligible Currencies</b>	Principal and interest must be denominated in CNY.	
<b>Quality</b>	Bonds should not be in default to be included in the index.	
<b>Amount Outstanding</b>	Par value of at least CNY 5bn of Policy Bank debt.	
<b>Maturity</b>	At least three years remaining but up to 10 years to final maturity.	
<b>Coupon</b>	Fixed Rate.	
<b>Exchange</b>	Debt issued in China Interbank market.	
<b>Security Types</b>	Included <ul style="list-style-type: none"> <li>• Fixed-rate bullet debt issued by Policy Banks</li> </ul>	Excluded <ul style="list-style-type: none"> <li>• Floating-rate</li> <li>• Zero coupon</li> <li>• Convertibles</li> <li>• Inflation-Linked</li> <li>• Derivatives</li> <li>• Structured products</li> <li>• Securitized</li> <li>• Warrants</li> <li>• Private Placements</li> <li>• Retail Bonds</li> </ul>

## Rules for Inclusion

- Bonds issued on Shanghai and Shenzhen exchanges

## 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 for the next month. 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, and ticker changes) are reflected daily in 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 inclusion in the following month's index if the required security reference information and pricing are readily available.

## Pricing and Related Issues

<b>Sources &amp; Frequency</b>	Bonds are priced on a daily basis by Bloomberg's evaluated pricing service, BVAL.
<b>Pricing Quotes</b>	Bonds are quoted as a percentage of par.
<b>Timing</b>	4pm (Shanghai time) for all securities.
<b>Bid or Offer Side</b>	Bonds in the index are priced on the bid side.
<b>Settlement Assumptions</b>	T+1 calendar day settlement basis for all bonds. 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.
<b>Verification</b>	Daily price moves for each security are analyzed by the index pricing team to identify outliers. Index users may also challenge price levels, which are then reviewed and updated as needed using input from various sources.
<b>Currency Hedging</b>	Returns hedged to various non-CNY currencies are published for the China Policy Bank 3-10 Years Index. The indices' 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 Policy Bank 3-10 Years Index follows the China bond market holiday schedule.

## Monthly Returns in CNY, 2012-2018 (%)

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
<b>2012</b>	-	-	-	-	-	-	0.55	-0.15	-0.05	-0.17	0.15	0.29	0.62
<b>2013</b>	0.56	0.47	0.36	1.01	0.42	-0.67	-0.48	-1.30	0.17	-1.27	-0.74	-0.55	-2.03
<b>2014</b>	0.40	2.17	-0.53	1.23	2.04	0.51	-0.41	1.04	1.63	2.02	1.88	-0.60	11.94
<b>2015</b>	1.05	0.98	-1.80	1.71	0.51	0.43	1.07	0.82	0.50	1.20	0.32	2.18	9.29
<b>2016</b>	0.12	-0.09	0.40	-0.87	0.77	1.02	0.92	0.39	0.43	0.38	-0.83	-2.41	0.17
<b>2017</b>	-0.05	-0.68	0.18	-0.50	-0.57	1.59	0.43	-0.37	0.46	-0.76	-1.25	0.26	-1.27
<b>2018</b>	-0.40	1.22	1.39	1.68	-	-	-	-	-	-	-	-	3.93

## Accessing Index Data

<b>Bloomberg Professional® service</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 landing page is a dashboard for index-related information on the terminal. Find daily and monthly index returns for key indices from 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. Analyze the performance of a portfolio versus a benchmark or use 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 an individual index including membership information, aggregated characteristics and returns and historical performance.</li> </ul>
<b>Bloomberg Indices Website (www.bloombergindices.com)</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 Value Tickers: China Policy Bank 3-7 Years Index

Ticker (CNY Unhedged)	Index
I33856CN	Bloomberg Barclays China Policy Bank 3-7 Years Index

Total Return Index Values are available in other currencies and on a hedged basis. Attributes such as yield and duration, are also available. Please refer to Accessing Bloomberg Barclays Index Data Using Bloomberg Tickers for a full list of tickers and attributes that are available.

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May 14, 2018

**New York**

+1-212-318-1000

**London**

+44-20-7330-7500

**Singapore**

+65-6212-1000

**Hong Kong**

+852-2977-6000

**Tokyo**

+81-3-3201-8900

**Sydney**

+61-2-9777-8600

[indexhelp@bloomberg.net](mailto:indexhelp@bloomberg.net)

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