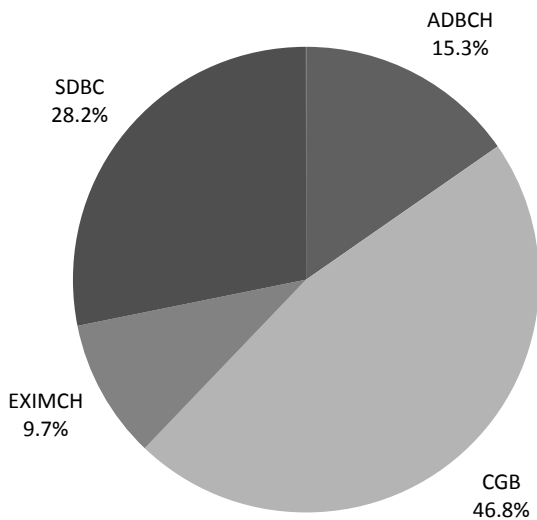


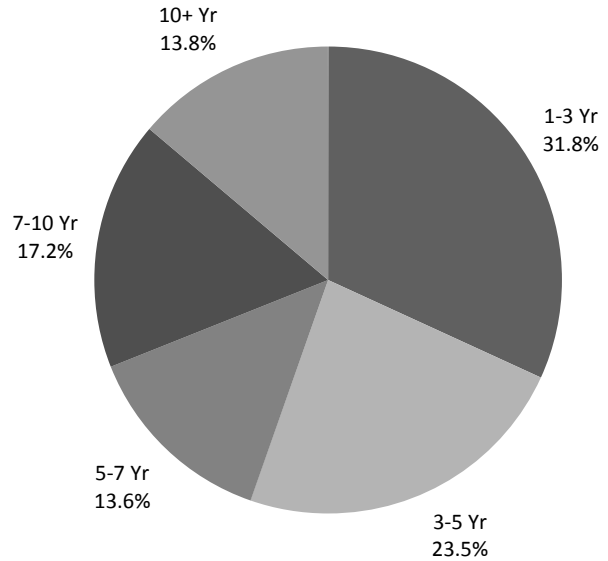
China Treasury + Policy Bank Index

The Bloomberg Barclays China Treasury + Policy Bank Index tracks the performance of the CNY-denominated fixed rate Treasury and Policy Bank securities that are listed on the China Interbank market. The index was launched in November 2016, with an inception date of January 1, 2004.

Ticker Composition (MV%) - as of May 31, 2018



Maturity Composition (MV%) - as of May 31, 2018



Rules for Inclusion

Eligible Currencies	Principal and interest must be denominated in CNY.	
Amount Outstanding	Par value of at least CNY 5Billion for Treasuries & Policy Bank debt.	
Quality	Bonds should not be in default to be included in the index.	
Maturity	At least one year until final maturity.	
Coupon	Fixed rate.	
Exchange	Debt issued in China Interbank market.	
Security Types	Included <ul style="list-style-type: none"> • Fixed rate • Treasuries • Debt issued by Policy Banks 	Excluded <ul style="list-style-type: none"> • Floating-rate • Zero Coupon • Convertibles • Inflation-linked • Derivatives • Structured products • Securitized • Warrants • Private placements

- Retail Bond
- Bonds issued on Shanghai and Shenzhen exchanges
- Special bonds issued by Ministry of Finance in 2007*

*Eight bonds are excluded per this criterion. In 2007, the standing committee of national People's Congress approved MOF to issue a total of CNY1.55 trillion special government bonds.

Rebalancing Rules

Frequency	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.
Index Changes	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.
Reinvestment of Cash Flows	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.
New Issues	Qualifying securities issued/announced, but not necessarily settled, on or before the month-end rebalancing date, qualify for inclusion in the following month's index if required security reference information and pricing are readily available.

Pricing and Related Issues

Sources & Frequency	All index-eligible bonds are priced on a daily basis by Bloomberg's evaluated pricing service, BVAL.
Pricing Quotes	Bonds are quoted as percentage of par.
Timing	<ul style="list-style-type: none"> • 4pm (Shanghai time) for all securities. • If the last business day of the month is a public holiday, prices from the previous business day are used.
Bid or Offer Side	Bonds in the index are priced on the bid side.
Settlement Assumptions	<ul style="list-style-type: none"> • T+1 calendar day settlement basis. • 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.
Verification	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.
Currency Hedging	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.
Calendar	The China Treasury + Policy Bank Index follows the China bond market holiday schedule.

Monthly Returns in USD, 2009-2018 (%)

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2009	-0.56	0.17	0.41	0.36	0.45	-0.06	-0.57	0.35	0.31	0.06	0.29	0.12	1.33
2010	0.33	0.63	0.67	0.60	0.68	0.85	0.53	-0.17	1.82	-0.16	-1.37	1.28	5.82
2011	-0.14	0.63	0.69	1.22	0.52	-0.04	0.27	0.96	0.56	1.40	0.75	2.49	9.68
2012	0.33	0.21	0.20	0.01	0.22	0.64	0.39	-0.01	0.87	0.70	0.44	0.13	4.22
2013	0.56	0.18	0.51	1.67	0.90	-0.48	-0.22	-1.12	-0.20	-0.38	-1.03	0.32	0.69
2014	0.78	0.09	-1.40	0.41	2.09	1.31	-0.12	1.27	1.42	2.53	1.29	-1.55	8.35
2015	0.41	0.73	-0.42	1.36	0.53	0.35	0.83	-1.97	0.84	1.89	-1.18	0.21	3.57
2016	-1.08	0.79	1.96	-0.94	-1.20	-0.13	0.71	0.22	0.56	-0.90	-2.54	-2.84	-5.35
2017	1.04	-0.23	-0.22	-0.60	0.31	1.86	0.89	1.69	-0.29	-0.44	-0.24	1.79	5.66
2018	3.59	0.32	1.75	0.61	-0.65	-	-	-	-	-	-	-	5.70

Accessing Index Data

Bloomberg Professional® service Bloomberg benchmarks are the global standard for capital markets investors.

- INDEX<Go> – 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.
- IN<Go> – 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.
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- DES<Go> – The index description page provides transparency into an individual index including membership information, aggregated characteristics and returns, and historical performance.

Bloomberg Indices Website (www.bloombergindices.com) The index website makes available limited index information including:

- Index methodology and factsheets
- Current performance numbers for select indices

Data Distribution

Index subscribers may choose to receive index data in files. Files may include:

- Index level and/or constituent level returns and characteristics for any indices
- Automatic delivery of files via email or SFTP following the completion of the index production process after market close
- Clients may receive standard files or may customize file contents
- Index data is also available via authorized redistributors

Bloomberg Total Return Index Value Tickers: China Treasury + Policy Bank and Related Indices

Ticker (USD Unhedged)	Index	Ticker (USD Unhedged)	Index
I32561US	China Treasury + Policy Bank	I32563US	China Treasury + Policy Bank 3-5 Year
LACHTRUU	China Aggregate	I32564US	China Treasury + Policy Bank 1-5 Year
I08273US	China Treasury	I32565US	China Treasury + Policy Bank 5-10 Year
I32562US	China Treasury + Policy Bank 1-3 Year	I32566US	China Treasury + Policy Bank 10+ Year

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.

June 13, 2018

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