

Bloomberg Barclays Liquid China Credit Index

The Bloomberg Barclays Liquid China Credit Index tracks the liquid investment-grade portion of the CNY-denominated credit market. The index contains fixed-rate Government-related (excluding policy banks) and Corporate bonds that are traded in the China Interbank Bond Market. Issuers must have an investment-grade rating by at least one rating agency (Moody's, S&P, and Fitch) and issues must have at least 1 year until final maturity for inclusion. Newly eligible issues are added on a quarterly basis based on past 3 month's reported trade volume. Issuers are capped at 10% weight per issuer. The index was created in November 2020 with history back filled to March 2019.

Rules for Inclusion

Currency	Principal and coupon must be denominated in CNY.
Sector	<ul style="list-style-type: none"> Corporate (Financial Institutions, Industrial, Utilities) Government-related (Agency, Local Authority, Sovereign, Supranational) Under the indices' classification schema, an issuer is classified as government-related (as opposed to corporate) if it is 50% or more government owned, carries a government guarantee or is government sponsored
Amount Outstanding	<ul style="list-style-type: none"> Government-related CNY 5 billion Corporate CNY 1.5 billion
Issue Rating	Investment grade by at least one rating agency (Moody's, S&P, and Fitch). Unrated bonds may use an implied issuer rating when not rated by a credit rating agency.
Maturity	At least 1 year until final maturity for inclusion into the index, bonds exit the index when maturity is less than 1 month.
Coupon	Fixed rate coupon only.
Market	Debt issued in the China Interbank Bond Market.
Seniority of debt	Senior debt only.
Liquidity	<ul style="list-style-type: none"> Lookback period of 3 months excluding trading activity during the first 10 business days after bond issuance Bonds must have reported trade volume on at least 10% of business days Aggregated reported trade volume must be greater than or equal to CNY 250 million

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 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.
Index Changes	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.
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

Rebalancing Rules

reinvested into the returns universe for the following month so that index results over two or more months reflect monthly compounding.

New Issues Eligible issues are added on a quarterly basis to the Returns Universe of March, June, September and December. The Projected Universe will update with new eligible issues 3 days before the prior month end.

Pricing and Related Issues

Sources & Frequency	All bonds in the index are priced daily using Bloomberg's evaluated pricing service, BVAL.
Pricing Quotes	Bonds are quoted as a percentage of par.
Timing	5 pm (Shanghai time) for all securities
Bid or Offer Side	Bonds in the index are priced on the bid side.
Settlement Assumptions	T+1 calendar day settlement basis. At month-end, settlement is assumed to be the first 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 using input from various sources.
Currency Hedging	Returns hedged to various non-USD currencies are published for the index. The 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 index follows the China bond market holiday schedule.

Accessing Index Data

Bloomberg Terminal®	<p>Bloomberg benchmarks are the global standard for capital markets investors.</p> <ul style="list-style-type: none"> • INP<Go> – The Bloomberg Indices publication 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. • PORT<Go> – Bloomberg's Portfolio & 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. • 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 (https://www.bloomberg.com/professional/product/indices/)	<p>The index website makes available limited index information including:</p> <ul style="list-style-type: none"> • Index methodology and factsheets • Current performance numbers for select indices
Data Distribution	<p>Index subscribers may choose to receive index data in files. Files may include:</p> <ul style="list-style-type: none"> • 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

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Accessing Index Data

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- Clients may receive standard files or may customize file contents
 - Index data is also available via authorized redistributors
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Bloomberg Total Return Index Value Tickers: Liquid China Credit and related indices

Ticker (USD Unhedged)	Index	Ticker (CNY Unhedged)	Index
I08271US	China Aggregate	I08271CN	China Aggregate
I35906US	China Aggregate IG	I35906CN	China Aggregate IG
I35912US	Liquid China Credit	I35912CN	Liquid China Credit

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 on the terminal](#) for a full list of tickers and attributes that are available.

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