

FTSE Chinese Government and Policy Bank Bond Index (CNGPBI)

Multi-Sector | Chinese Yuan

The FTSE Chinese Government and Policy Bank Bond Index (CNGPBI) measures the performance of Yuan-denominated fixed-rate book-entry government bonds and policy bank bonds issued in mainland China. The eligible Chinese policy bank bonds are those issued by the China Development Bank, the Agricultural Development Bank of China, and the Export-Import Bank of China. These policy banks are state-owned and their objectives typically include providing social benefit, stimulating the economy, and supporting growing local industries. To improve liquidity, any bonds whose maturity is greater than 30 years from issuance are excluded from the index. A more liquid version of the index is also available where eligibility of securities is limited to government and policy bank bonds issued within the last 12 months.

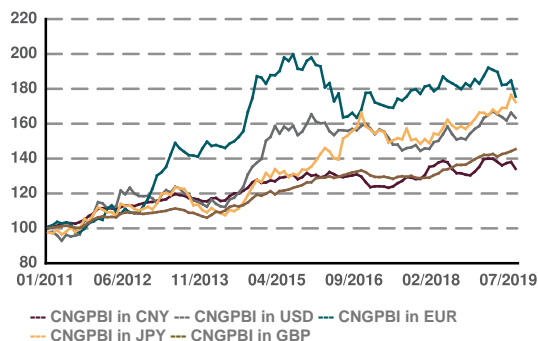
INDEX PROFILE

| Description | # of Issues | Par Amount* | Market Value* | Market Weight (%) | Average Coupon (%) | Average Life (Years) | Yield to Maturity (%) | Effective Duration |
|---------------|-------------|------------------|------------------|-------------------|--------------------|----------------------|-----------------------|--------------------|
| CNGPBI | 296 | 21,715.57 | 22,608.78 | 100.00 | 3.74 | 6.37 | 3.15 | 5.20 |
| 1-3 Years | 115 | 7,136.14 | 7,353.69 | 32.53 | 3.62 | 2.00 | 2.83 | 1.90 |
| 3-5 Years | 58 | 4,609.25 | 4,796.56 | 21.22 | 3.75 | 4.00 | 3.08 | 3.67 |
| 5-7 Years | 39 | 4,022.03 | 4,153.33 | 18.37 | 3.64 | 6.09 | 3.31 | 5.39 |
| 7-10 Years | 32 | 3,633.08 | 3,802.43 | 16.82 | 3.88 | 8.57 | 3.42 | 7.25 |
| 10-20 Years | 25 | 896.30 | 965.50 | 4.27 | 4.09 | 14.67 | 3.50 | 11.00 |
| 20+ Years | 27 | 1,418.77 | 1,537.26 | 6.80 | 4.06 | 26.03 | 3.60 | 16.56 |
| Government | 132 | 9,912.82 | 10,328.56 | 45.68 | 3.49 | 7.72 | 2.96 | 6.02 |
| Policy Bank | 164 | 11,802.75 | 12,280.23 | 54.32 | 3.95 | 5.24 | 3.31 | 4.52 |

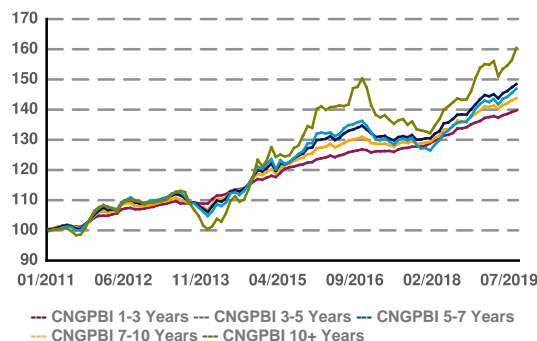
*In CNY billions

HISTORICAL INDEX LEVEL

By Currency, Unhedged



By Maturity Sector, in CNY



| | Return* | Standard Deviation* |
|---------------|---------|---------------------|
| CNGPBI in CNY | 4.41 | 2.66 |
| CNGPBI in USD | 3.44 | 4.06 |
| CNGPBI in EUR | 5.83 | 8.65 |
| CNGPBI in JPY | 6.70 | 9.32 |
| CNGPBI in GBP | 6.49 | 8.65 |

*Annualized Since Base Date (in %)

| | Return* | Standard Deviation* |
|------------|---------|---------------------|
| 1-3 Years | 3.93 | 1.36 |
| 3-5 Years | 4.28 | 2.32 |
| 5-7 Years | 4.67 | 2.92 |
| 7-10 Years | 4.54 | 3.84 |
| 10+ Years | 5.61 | 5.84 |

ANNUALIZED RETURNS (in %)

| | CNY | USD | | EUR | | JPY | | GBP | |
|---------|------|----------|--------|----------|--------|----------|--------|----------|--------|
| | | Unhedged | Hedged | Unhedged | Hedged | Unhedged | Hedged | Unhedged | Hedged |
| YTD* | 3.17 | -0.87 | 3.13 | 2.91 | 1.07 | -4.09 | 1.15 | 3.67 | 1.90 |
| 1 Year | 6.63 | 1.92 | 6.57 | 7.68 | 3.41 | -2.43 | 3.49 | 8.78 | 4.71 |
| 2 Years | 5.96 | 1.81 | 5.06 | 5.79 | 2.26 | -0.01 | 2.47 | 4.73 | 3.41 |
| 3 Years | 3.26 | 0.96 | 1.98 | 1.34 | -0.42 | 1.83 | -0.25 | 3.44 | 0.59 |

*Not annualized.

DESIGN CRITERIA AND CALCULATION METHODOLOGY

| | |
|-------------------------|--|
| Coupon: | Fixed rate |
| Currency: | CNY |
| Minimum Maturity: | At least one year |
| Minimum Issue Size: | Government: CNY 20 billion; Policy Bank: CNY 15 billion |
| Composition: | <p>Government: Includes fixed-rate book-entry government bonds. Excludes zero-coupon bonds, saving bonds, special government bonds, bonds with maturity greater than 30 years from issuance, and bonds issued prior to January 1, 2005.</p> <p>Policy Bank: Includes bonds issued by the three Chinese policy banks. Excludes central bank bills, private placements, callable and puttable bonds, bonds with maturity greater than 30 years from issuance, and bonds issued prior to January 1, 2005.</p> |
| Weighting: | Market capitalization |
| Rebalancing: | Once a month at month end |
| Cash Reinvestment Rate: | At daily average of the savings deposit rate published by the People's Bank of China, calculated from actual scheduled payment date of the cash flow through the end of the reporting period. |
| Pricing: | Refinitiv |
| Calculation Frequency: | Daily |
| Settlement Date: | Monthly – Settlement is on the last calendar day of the month. Daily – Same day settlement except if the last business day of the month is not the last calendar day of the month; then, settlement is on the last calendar day of the month. |
| Base Date: | December 31, 2010 |

*External pricing source was used for the policy bank bonds from December 31, 2010 to April 30, 2013.

VENDOR CODES

- Bloomberg SBI <GO>; SBBI <GO>
 - CNGPBI in CNY - SBCNGL
 - CNGPBI in USD - SBCNGU
- Reuters
 - CNGPBI in CNY - .SBCNGL
 - CNGPBI in USD - .SBCNGU

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