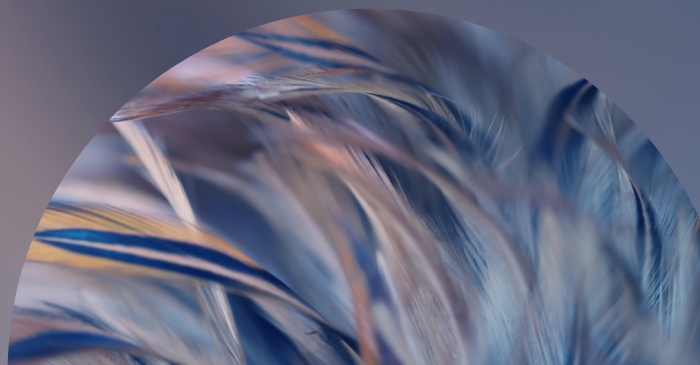


## SOLUTION OVERVIEW

# FTSE Hong Kong Broad Bond Index

Access to Hong Kong Dollar-denominated bonds via an investable index solution



### Overview

The FTSE Hong Kong Broad Bond Index (HKBBI) measures the performance of Hong Kong Dollar-denominated bonds. It includes fixed-rate securities issued in domestic and international markets that are accessible to institutional investors.

The HKBBI includes government, government-related and corporate bonds. The index covers a broad array of asset classes and sub-indices are available in any combination of asset class, maturity, and rating.

FTSE Russell offers a wide range of related indices, including the Hong Kong Broad Investment-Grade Bond Index. It tracks the universe of securities that meet the eligibility criteria for the flagship FTSE Hong Kong Broad Bond Index with minimum credit quality either BBB- by S&P or Baa3 by Moody's.

### Features

#### Comprehensive

A comprehensive coverage of the Hong Kong bond market that provides global investors with access to opportunities that are genuinely available under normal market conditions.

#### Relevant

This index can be segmented into sub-indices that capture the most relevant sectors to investors, including the government sector, the corporate sector and the semi-government sector.

#### Flexible

There is a 0+ year version of the index that tracks the universe of eligible securities through maturity, allowing for a seamless transition for index users looking to better replicate their hold to maturity strategies.

#### Data Analytics and Customisation Capability

Supported by a robust suite of analytics and customisation capabilities through The Yield Book platform. A variety of specifications, including weighting cap, issue-level exclusions and alternative weighting schemes, can be applied.



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## Index methodology

The FTSE Hong Kong Broad Bond Index (HKBBI) measures the performance of Hong Kong Dollar-denominated bonds in domestic and international markets.

<b>Coupon</b>	Fixed-rate, fixed-to-floating rate and zero-coupon
<b>Currency</b>	HKD
<b>Minimum maturity</b>	At least one year Fixed-to-floating bonds are removed one year prior to the fixed-to-floating rate start date
<b>Minimum issue size</b>	Sovereign: HKD 800 Million Other: HKD 300 Million
<b>Minimum credit quality</b>	No minimum S&P or Moody's rating requirements, defaulted bonds are excluded
<b>Composition</b>	Securities included: HK Dollar-denominated debt issued by governments, agencies and corporations.  Securities excluded: <ul style="list-style-type: none"> <li>– Private placements, convertible bonds, fixed-rate perpetual bonds, index-linked notes and certificates of deposits.</li> <li>– Contingent capital securities that convert to common equity or suffer principal write-downs based on explicit balance-sheet or regulatory capital pre-specified triggers<sup>1</sup>.</li> <li>– Asset-backed and mortgage-backed securities.</li> </ul>
<b>Redemption features</b>	Bullet, sinking fund, puttable, extendable, or callable
<b>Weighting</b>	Market capitalisation
<b>Rebalancing</b>	Once a month on the last business day of the month
<b>Reinvestment of cash flow</b>	Intra-month cash flows from interest and principal payments are not reinvested as part of monthly index total return calculations.
<b>Pricing</b>	LSEG Pricing Service bid-side 6:00 p.m. (Tokyo)
<b>Calculation frequency</b>	Daily
<b>Settlement date</b>	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.
<b>Fixing date</b>	Each month, the upcoming month's index constituents are "fixed" on the profile fixing date. Each year's scheduled fixing dates are published on the website.
<b>Base date</b>	September 30, 2018

<sup>1</sup> Securities that can be converted at the discretion of local regulators are eligible provided they meet other index inclusion criteria.

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## About FTSE Russell

FTSE Russell is a leading global provider of index and benchmark solutions, spanning diverse asset classes and investment objectives. As a trusted investment partner we help investors make better-informed investment decisions, manage risk, and seize opportunities.

Market participants look to us for our expertise in developing and managing global index solutions across asset classes. Asset owners, asset managers, ETF providers and investment banks choose FTSE Russell solutions to benchmark their investment performance and create investment funds, ETFs, structured products, and index-based derivatives. Our clients use our solutions for asset allocation, investment strategy analysis and risk management, and value us for our robust governance process and operational integrity.

For over 35 years we have been at the forefront of driving change for the investor, always innovating to shape the next generation of benchmarks and investment solutions that open up new opportunities for the global investment community.

## Contact Us

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