

CRISIL-IBX AAA Financial Services Index – Sep 2027

Target Date	30 th September 2027
Eligible Period	Securities maturing in 6-month period ending 30 th September 2027
Asset Allocation	AAA- Corporate Bonds: 100%
Base Date	28 th August 2024
Base index value	1000
<p>Index objective: Seeks to track the performance of AAA issuers from the financial services sector maturing near target date of the index. This is a sectoral index consisting of only issuers from financial services sector.</p> <p>Eligibility criteria:</p> <ul style="list-style-type: none"> • AAA-rated corporate bond issuers in the financial services sector with conservative rating of AAA only based on liquidity, and the security nearest to index maturity. • Issuing entity should be domiciled in India and should satisfy either of the following: <ol style="list-style-type: none"> 1) HFC issuers as available in the list mentioned on the nhb.org.in website with minimum outstanding amount of Rs.300 Cr in the eligible bonds of the issuer. 2) NBFC issuers as available in the RBI list of Non-Banking Financial Companies (NBFCs) with minimum Outstanding amount of Rs.300 Cr in the eligible bonds of the issuer. 3) Public Financial Institutions (PFIs) owned and managed by GOI as available in the RBI list of Public Financial Institutions (PFIs) with minimum outstanding amount of Rs.300 Cr in the eligible bonds of the issuer. 4) Private sector banks as per RBI with minimum outstanding amount of Rs.2,500 Cr in the eligible bonds of the issuer. 	
Securities Selection Methodology	
AAA	<p>Issuer Selection:</p> <ol style="list-style-type: none"> 1. All eligible financial services corporate bond issuers with a conservative rating of AAA as evaluated during the inception date of the index maturing in the eligible period will be shortlisted. 2. Up to 20 most liquid issuers with a minimum total amount outstanding as stated in the eligibility criteria above and in the eligible period as evaluated during the inception date of the index will be selected based on liquidity score. If less than 20 issuers are available, remaining issuers will be selected based on total amount outstanding in the eligible period. The count of issuers could be below 20 (minimum count of 8 issuers shall be ensured), in case a smaller number of issuers are available. 3. Liquidity score for issuers will be calculated based on the volume traded (70%), number of trades (15%) and days traded (15%) in the previous quarter. <p>Security Selection:</p> <ol style="list-style-type: none"> 1. Only listed securities will be eligible to be part of the Index. 2. For each issuer selected, security having maturity nearest to the

	<p>target date as evaluated during the inception date of the index shall be selected, from securities maturing in eligible period.</p> <p>3. Perpetual bonds, Floating rate bonds, Tax free bonds, CE/SO Rated, Partly Paid, Partial Redemption, Securitized debt and bonds with embedded call/put options are excluded from the universe of bonds. Bonds with both put & call option on same dates will be excluded too.</p> <p>Weighing Approach</p> <ol style="list-style-type: none"> 1. Weights to individual securities will be divided equally. 2. Weights to the issuers will be subject to group caps of 25% each as evaluated during the inception date of the index. The 25% group caps are not applicable to PSUs, PFIs and PSBs as mentioned in the SEBI circular SEBI/HO/IMD/DOF2/P/CIR/2022/69 3. The weights of the issuers may change due to relative price movements which will be reset on a quarterly basis (on the first business day of the quarter). 4. Each issuer will be subject to a cap of 15% <p>Rebalancing and Downgrade:</p> <ul style="list-style-type: none"> • The rebalancing review will be done on a semi-annual basis. • During the semi-annual rebalancing, if a new issuer meets the eligibility criteria as mentioned above and comes within the top 8 rank based on liquidity score of previous quarter, then only it will be added to the index, i.e. issuers will be only added in the index and no issuers will be removed based on liquidity. The weights of the issuers will be reset as mentioned above during the semi-annual rebalancing (subject to group and issuer caps) • The security of the newly added issuer within the eligibility period and nearest to the target date of the index will be selected. • The selected securities of each issuer in the index will be held till maturity unless there is another security of the same issuer with maturity date nearer to the target date of the index during semi-annual rebalancing in which case it will be replaced by the later. • If the issuer cap or group cap is being breached, additional / excess amount may be proportionately invested in the rest of the securities of the index. • In case if any AAA issuer gets downgraded, such issuer shall be excluded from the index within 5 working days. • When the issuer is excluded in between rebalancing, the weight of the issuer will be redistributed proportionally in rest of the issuers of the index, subject to the caps. • New issuers will be added only during the next
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	<p>rebalancing.</p> <ul style="list-style-type: none"> • Any cash flows accruing to the index on account of coupon cash flows, part redemption of the security or securities, will be reinvested on the same day in the index in the proportion of existing weights. <ol style="list-style-type: none"> 1. As the index includes securities that shall mature during the six-month period ending on the final maturity date of the index, any proceeds from the redemption of securities prior to the final maturity date of the index shall be reinvested according to following waterfall approach: - <ol style="list-style-type: none"> a. The proceeds from security redemption will be reinvested in the longest maturity outstanding security issued by the same issuer (SDL in case of state/UT and Bond/money market instrument in case of corporate bond) and maturing on or just before the index maturity date with the same weightage. This will be subject to single issuer limit in compliance with the Norms for Debt Exchange Traded Funds (ETFs)/Index Funds announced by SEBI vide circular no. SEBI/HO/IMD/DOF2/P/CIR/2022/69 on May 23, 2022. b. In case a replacement in the form of outstanding security of the same issuer cannot be found for reinvestment then the proceeds from such redemption shall be reinvested in the remaining portfolio on the same date in the proportion of the existing weights. This will be subject to single issuer limit in compliance with the Norms for Debt Exchange Traded Funds (ETFs)/Index Funds announced by SEBI vide circular no. SEBI/HO/IMD/DOF2/P/CIR/2022/69 on May 23, 2022 c. In case due to any reason, it is not possible to meet any norms as prescribed by SEBI vide circular no. SEBI/HO/IMD/DOF2/P/CIR/2022/69 dated May 23, 2022, then the proceeds from such redemption shall be reinvested in a T-Bill maturing on or just before the index maturity date d. If the last outstanding security (including T-Bill) in the index matures before the final index maturity date, all redemption proceeds shall be re-invested in The Clearing Corporation of India Ltd.'s (CCIL) TREPS overnight rate tracked by CRISIL Overnight index for any subsequent days till the maturity of the index. <p>The effective date of rebalancing shall be first working day of the rebalancing Period.</p> <p>Any index having maturity date on a weekend (Saturday or Sunday), on a</p>
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	holiday, or on an unplanned market off, will mature on the next working day.
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