

CRISIL-IBX AAA Financial Services Index – Dec 2026

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Target Date	31 st December 2026
Eligible Period	Securities maturing in 6-month period ending 31 st December 2026
Asset Allocation	AAA - Corporate Bonds: 100%
Base Date	6 th October 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. • Perpetual bonds, Floating rate bonds, Tax free bonds, CE/SO Rated, Partly Paid, Partial Redemption, Securitised debt and bonds with embedded call/put options are excluded from the universe of bonds. • Issuing entity should be domiciled in India and should satisfy either of the following amount outstanding criteria: <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.7000 Cr in all the bonds of the issuer across maturity. 2. NBFC issuers as available in the RBI list of Non-Banking Financial Companies (NBFCs) with minimum Outstanding amount of Rs.7000 Cr in all the bonds of the issuer across maturity. 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.7000 Cr in all the bonds of the issuer across maturity. 4. Private and public sector banks as per RBI with minimum outstanding amount of Rs.3,30,000 Cr in all the bonds of the issuer across maturity. 	
Securities Selection Methodology	
AAA	<p>Issuer Selection:</p> <ol style="list-style-type: none"> 4. All eligible financial services corporate bond issuers as per the eligibility criteria listed above and having bonds maturing in the eligible period will be shortlisted as on 27th September 2024. 5. Up to 20 most liquid issuers will be selected based on liquidity score. If less than 8 issuers are available, remaining issuers will be selected based on the total amount outstanding of issuers having securities in the eligible period. 6. Liquidity score for issuers will be calculated based on the volume traded (70%), number of trades (15%) and days traded (15%), for all the securities of the issuer across maturity, in the previous 12 months, as on 27th September 2024. <p>Security Selection:</p> <ol style="list-style-type: none"> 4. Only listed securities will be eligible to be part of the Index. 5. For each issuer selected, one security having maturity nearest to the target date as evaluated during the inception date of the index shall be selected, from securities maturing in eligible period, with

	<p>minimum amount outstanding of Rs. 100 crores.</p> <p>Weighing Approach</p> <ol style="list-style-type: none"> 5. Weights to individual securities will be divided equally. 6. 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 7. The weights of the issuers may change due to relative price movements which will be reset on a semi annual basis (on the first business day of the semi annual period). 8. Any cash flows accruing to the index on account of coupon cash flows, will be reinvested on the same day in the index in the proportion of existing weights. 9. 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(April, October). • During the semi-annual rebalancing, if the count of issuers is below 20 and a new issuer meets the eligibility criteria as mentioned above and comes within the top 8 rank based on liquidity score of previous 12 months, then only it will be added to the index till the count becomes 20. 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. If an issuer gets excluded in between rebalancing, new issuer will be added during the next rebalancing based on the issuer addition criteria mentioned above. <ol style="list-style-type: none"> 2. 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
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	<p>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.</p> <p>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</p> <p>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</p> <p>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> <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 holiday, or on an unplanned market off, will mature on the next working day.</p>
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