

FTSE Russell China Government Bond Index selected by CSOP Asset Management for landmark ETF listing

- The FTSE Chinese Government Bond Index (CGBI) will serve as the basis of China's first onshore Bond ETF listed in Singapore
- Trading starts on 21 September on Singapore Exchange (SGX)
- Strong investor interest in CSOP Asset Management's new ETF resulted in US\$ 676 million initial seeding at the end of the subscription period
- China is world's second largest bond market with c.\$16 trillion issued

FTSE Russell, the global index, data and analytics provider, has been selected by CSOP Asset Management (CSOP) as the index provider for its ICBC CSOP FTSE Chinese Government Bond Index ETF. The ETF is being launched by CSOP in partnership with ICBC Asset Management.

The ETF, which will commence trading on SGX from 21 September 2020, replicates the performance of fixed-rate government bonds issued in mainland China as measured by the FTSE Chinese Government Bond Index (CGBI). The listing is the first ETF to track a China onshore bond index in Singapore and has attracted strong interest with initial seed funding confirmed at US\$ 676 million.

There is growing demand from international investors to access China's bond market, which is the second largest in the world with c.\$16 trillion issued. Approximately 98.5% of China's government bond market remains on-shore and denominated in Renminbi – inhibiting access by international investors. Greater access and an internationalization of RMB assets will provide investors with much desired new return and diversification opportunities.

The ETF listing is the first since FTSE Russell agreed a long-term strategic partnership to serve as the index provider for a broad index derivatives offering on Asian and Emerging Markets single country and regional equity derivatives, in addition to Environmental, Social and Governance (ESG) and Listed Real Estate index derivatives, as well as ETF products.

Jessie Pak, Managing Director, FTSE Russell and Head of Information Services, APAC, LSEG:

“As a leading provider of China-linked benchmarks across a range of asset classes, this listing marks an important development for international investors seeking access to the Chinese bond market and has already seen significant seed support. The new ETF also comes at a time of on-going financial reform in China designed to improve access for foreign investors and also reflects FTSE Russell's long-term partnership with SGX to provide indexes that will underpin a range of products from ETFs to index futures contracts.”

Ms. Ding Chen, CEO of CSOP Asset Management:

“We are very pleased to further our partnership with FTSE Russell by launching the ICBC CSOP FTSE Chinese Government Bond Index ETF in Singapore. The successful listing of this product will contribute to the internationalization of RMB and the development of Singapore's offshore RMB market.”



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Mr Loh Boon Chye, CEO of SGX:

"The listing of this landmark ETF on SGX is the outcome of a successful collaboration with FTSE Russell, CSOP Asset Management, ICBC and the Monetary Authority of Singapore. SGX provides a multi-asset platform that supports the internationalisation of China and investor access to Asia's largest economy. Global fixed income investors have been turning to Chinese sovereign bonds for added diversification and yields, and this product is a strong addition to our platform. SGX will continue to work with issuers and business partners to develop a multi-asset ETF product shelf that meets the demands of the investment community."

The (CGBI) includes Chinese government bonds with a minimum market size of CNY 20 billion, while, excluding bonds with a maturity greater than 30 years from issuance to improve liquidity. As of 31 July 2020, the index consisted of 125 issues, with a market cap of 12,144 billion CNY and yielded an average annual coupon of 3.31%.

More information on the FTSE Chinese Government Bond Index (CGBI) can be found [here](#) and FTSE Russell's latest research paper on China bond markets can be viewed [here](#).

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For further information:

Media contacts

Oliver Mann/ Lucie Holloway

+44 (0)20 7797 1222

newsroom@lse.com

Notes to editors:

About FTSE Russell:

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FTSE Russell index expertise and products are used extensively by institutional and retail investors globally. Approximately \$16 trillion is currently benchmarked to FTSE Russell indexes. For over 30 years, leading asset owners, asset managers, ETF providers and investment banks have chosen FTSE Russell indexes to benchmark their investment performance and create ETFs, structured products and index-based derivatives.

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