

Ground Rules



FTSE Vietnamese Government Bond Index

v1.2

FTSE Vietnamese Government Bond Index

The FTSE Vietnamese Government Bond Index (VNGBI) measures the performance of fixed-rate, local-currency Vietnamese government bonds.

Sub-indexes are available based on maturity.

Composition and Design Criteria

Figure 1. Design criteria and calculation assumptions for the FTSE Vietnamese Government Bond Index

Coupon	Fixed-rate
Currency	VND
Minimum maturity	One year
Minimum issue size	VND 5,000 billion
Composition	Excludes bonds issued by Vietnam Development Bank (VDB), private placements, and zero coupon bonds
Weighting	Market Capitalization
Rebalancing	Once a month at the end of the month
Reinvestment of cash flow	At daily average of the local currency one-month Eurodeposit rate calculated from the actual scheduled payment date of the cash flow through the end of the reporting period.
Pricing	Refinitiv 6:00 p.m. (Tokyo)
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.
Fixing date	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.
Base date	December 31, 2014

Holiday calendar

The index is calculated Monday through Friday except Christmas Day (observed) and New Year's Day (observed). Each local market will observe its own holiday calendar; if a local market is on holiday, the closing prices used for that day will be the closing prices from the previous day.

Index quality

An index quality is assigned to each index bond as of profile fixing. The quality is first mapped to the Standard & Poor's Financial Services LLC ("S&P") rating. If a bond is not rated by S&P but it is rated by Moody's Investors Service, Inc ("Moody's"), the S&P equivalent of the Moody's rating is assigned to the index quality. If a bond is rated by neither S&P nor Moody's, the bond is not assigned an index quality. If a bond is rated as investment-grade by one rating agency and high-yield by the other, the S&P equivalent of the investment-grade rating is assigned to the index quality. These ratings remain unchanged for the entire performance month.

Return computation

Total returns are computed on the assumption that each security is purchased at the beginning of the period and sold at the end of the period. An issue's total rate of return is the percentage change in its total value over the measurement period (see Figure 2). The components of total return are price change, principal payments, coupon payments, accrued interest, and reinvestment income on intra-month cash flows. The total returns use each individual security's beginning-of-period market value.

Figure 2. Total rate of return calculation methodology

Beginning-of-period value	-	$(\text{Beginning price} + \text{Beginning accrued}) \times \text{Beginning par amount outstanding}$
End-of-period value	-	$[(\text{Ending price} + \text{Ending accrued}) \times (\text{Beginning par amount outstanding} - \text{Principal payments})] + \text{Coupon payments} + \text{Principal payments} + \text{Reinvestment income}$
Total rate of return (%)	-	$[(\text{End-of-period value} / \text{Beginning-of-period value}) - 1] \times 100$

A note on precision: Returns are computed to at least six decimal places but reported to a maximum of four. In addition, owing to rounding errors inherent in computer floating-point arithmetic, the last digit in any reported value may sometimes be off by one from its true value.

Exchange rates

The closing WM/Reuters Spot Rates and The WM/Reuters Forward Rates, provided by Refinitiv, are used. WM takes several snapshots at regular intervals centered on the fixing time of 4:00 p.m. London time and selects the median rate for each currency. All rates are mid-market quotations.

Data availability and accessibility

Index information, including index profiles, analytics and returns, and historical data, for the FTSE Vietnamese Government Bond Index is available on <https://www.yieldbook.com/m/indices>. FTSE Russell also makes data for its indexes available through a number of data and analytic vendors.

Chronological summary of events

FTSE Vietnamese Government Bond Index Event Summary

Year	Highlight
2020	February: FTSE Vietnamese Government Bond Index is introduced.

Index Management and Policies

FTSE Fixed Income LLC is the administrator of the index¹.

The Index Methodology should be read in conjunction with the following policy documents which can be accessed using the following links or by contacting info@ftserussell.com. These policies are reviewed annually and any changes are approved by the FTSE Russell Product Governance Board.

FTSE Russell Complaints Procedures:

[FTSE_Russell_Benchmark_Determination_Complaints_Handling_Policy.pdf](#)

FTSE Russell Statement of Principles:

[Statement_of_Principles_Fixed_Income_Indexes.pdf](#)

FTSE Russell Fixed Income Recalculation Policy and Guidelines:

[Fixed_Income_Recalculation_Policy_and_Guidelines.pdf](#)

FTSE Russell Policy for Benchmark Methodology Changes:

[Policy_for_Benchmark_Methodology_Changes.pdf](#)

¹

The term administrator is used in this document in the same sense as it is defined in Regulation (EU) 2016/1011 of the European Parliament and of the Council of 8 June 2016 on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds (the European Benchmark Regulation) and [The Benchmarks \(Amendment and Transitional Provision\) \(EU Exit\) Regulations 2019](#) (the UK Benchmark Regulation). FTSE Fixed Income LLC administers the Index Series in line with the third country transitional provisions contained within Article 51(5) of the European Benchmark Regulation and the third country transitional provisions as amended by Article 42(5) of the UK Benchmark Regulation.

For more information about our indexes, please visit ftserussell.com.

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