

Changes in Hybrid Segment of Indices

CRISIL Funds and Fixed Income Research

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Background

CRISIL presently maintains 49 standard debt and hybrid indices and over a 100 customized indices that track various aspects of fixed income markets in India. CRISIL Indices are used as performance benchmarks by asset managers including mutual funds, insurance companies, wealth advisors, banks and corporate entities. In our endeavour to keep the indices representative and replicable, we continuously analyse new developments and propose new indices as well as review the criteria of our existing indices. As a result of this exercise and in order to align our indices to the newly declared SEBI Categories for mutual funds, as well as the recent circular released by SEBI mandating the use of total return indices, we are incorporating the following changes in our hybrid segment of indices:

- Introduction of new hybrid indices
- Changes in existing hybrid indices

Introduction of New Hybrid Indices

We are introducing the following new additions to our hybrid segment of indices:

Index	Debt Index	Equity Index	Debt Allocation	Equity Allocation	Gold	Base Date
CRISIL Hybrid 25+75 - Aggressive Index	CRISIL Composite Bond Fund Index	S&P BSE - 200	25%	75%	NA	31-Mar-2002
CRISIL Hybrid 50+50 - Moderate Index	CRISIL Composite Bond Fund Index	S&P BSE - 200	50%	50%	NA	31-Mar-2002
CRISIL Hybrid 75+25 - Conservative Index	CRISIL Composite Bond Fund Index	S&P BSE - 200	75%	25%	NA	31-Mar-2002

These new indices shall possess the following common characteristics:

1. Equity component will be represented by S&P BSE - 200
2. Total Return Indices (TRI):
 - The indices will be total return indices in the equity component from 1st Aug 2006
 - Price return of S&P BSE - 200 (equity component) will be used for computing index values prior to 1st Aug 2006
 - Debt component will be total return since inception

Changes in Existing Hybrid Indices

Going forward, we would incorporate the following changes in our existing hybrid indices:

1. Replacing NIFTY 50 by **S&P BSE – 200**
2. Switching completely to Total Return Indices (TRI):
 - **Total return variant of S&P BSE - 200** will represent the equity component
 - This will effectively convert our current hybrid indices to total return variants in debt as well as equity
 - The indices will be total return indices in the equity component from 1st Aug 2006 while the debt component will be total return since inception
 - Price return of S&P BSE - 200 (equity component) will be used for computing index values prior to 1st Aug 2006
 - Currently, only the debt component of the index is total return.

We are also **renaming** our current hybrid indices and the same is summarized in the following table:

Current Index Name	New Index Name	Debt Index	Equity Index	Debt Allocation	Equity Allocation
CRISIL Balanced Fund - Aggressive Index	CRISIL Hybrid 35+65 - Aggressive Index	CRISIL Composite Bond Fund Index	S&P BSE - 200	35%	65%
CRISIL Balanced Fund - Conservative Index	CRISIL Hybrid 65+35 - Conservative Index	CRISIL Composite Bond Fund Index	S&P BSE - 200	65%	35%
CRISIL MIP Blended Fund Index	CRISIL Hybrid 85+15 - Conservative Index	CRISIL Composite Bond Fund Index	S&P BSE - 200	85%	15%
CRISIL Debt Hybrid 75+25 Fund Index	CRISIL Short Term Debt Hybrid 75+25 Fund Index	CRISIL Short Term Bond Fund Index	S&P BSE - 200	75%	25%
CRISIL Debt Hybrid 60+40 Fund Index	CRISIL Short Term Debt Hybrid 60+40 Fund Index	CRISIL Short Term Bond Fund Index	S&P BSE - 200	60%	40%
CRISIL Balanced Fund – Moderate Index		This series shall be replaced by the new CRISIL Hybrid 50+50 - Moderate Index			

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