

**S&P/CLX Chile Sovereign
Bond Indices**
Methodology

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Introduction

Index Objective, Highlights, and Index Family

The S&P/CLX Sovereign Bond Indices track the performance of the local currency bond markets for Chile.

- **S&P/CLX Chile Sovereign Bond Index.** The index tracks the performance of local currency sovereign bonds.
- **S&P/CLX Chile Sovereign Inflation-Linked Bond Index.** The index tracks the performance of local currency inflation-linked sovereign bonds.

Sub-indices by maturity are available and indices will be calculated if there are eligible bonds. For a list of available sub-indices and tickers, please refer to S&P Dow Jones Indices Fixed Income Directory available at www.spdji.com.

Supporting Documents

This methodology is meant to be read in conjunction with supporting documents providing greater detail with respect to the policies, procedures and calculations described herein. References throughout the methodology direct the reader to the relevant supporting document for further information on a specific topic. The list of the main supplemental documents for this methodology and the hyperlinks to those documents is as follows:

Supporting Document	URL
S&P Dow Jones Indices' Fixed Income Policies & Practices Methodology	Fixed Income Policies & Practices
S&P Dow Jones Indices' Fixed Income Index Mathematics Methodology	Index Mathematics Methodology

This methodology was created by S&P Dow Jones Indices to achieve the aforementioned objective of measuring the underlying interest of the indices governed by this methodology document. Any changes to or deviations from this methodology are made in the sole judgment and discretion of S&P Dow Jones Indices so that the indices continue to achieve their objective.

Eligibility Criteria

Eligibility Factors

Country and Market of Issue. Securities must be debt issued by the central government of Chile and must be issued in the domestic or Eurobond markets.

Currency. Securities must be issued according to the following:

- Sovereign Bonds must be issued in the local currency (CLP).
- Sovereign Inflation-Linked Bonds must be issued in the local inflation-linked exchange currency (CLF).

Coupon Type. The following coupon types are eligible:

- Fixed Rate
- Step-up
- Zero Coupon
- Fixed-to-Float

Optionality. Bullets, callable, puttable, and callable-perpetual (provided the first call date is beyond the subsequent rebalancing date) are included.

Exclusions. The following bond types are specifically excluded from the index:

- Bills
- Floating-rate instruments
- STRIPS

Maturity. The maturity date must be greater than one month from the rebalancing date. No bond matures in an index.

Settlement. Bonds issued prior to the rebalancing reference date (regardless of the settlement date). Standard index settlement convention is same-day (e.g. T+0), unless otherwise specified. For month-ends that fall on a weekend, the interest accrued during the month will be reflected within the calendar month, regardless of settlement convention. For rates that are not available at month-end (e.g. a rate with an unknown reset), the accrual will be based on the current rate and adjusted the first business day of the next month.

Size. Securities must satisfy minimum par amounts outstanding as of the rebalancing reference date:

- Sovereign Bonds must have a minimum par amount outstanding of at least 100 billion CLP.
- Sovereign Inflation-Linked Bonds must have a minimum par amount outstanding of at least 10 million CLF.

Pricing. Bid price, terms and conditions must be available through Thomson Reuters.

Index Construction

Index Calculations

The indices are weighted by market value.

The total return is calculated by aggregating the interest return, reflecting the return due to paid and accrued interest, and price return, reflecting the gains or losses due to changes in the end-of-day price and principal repayments.

For further details regarding Index Calculations, please refer to S&P Dow Jones Indices' Fixed Income Index Mathematics Methodology.

Index Maintenance

Rebalancing

Indices are reviewed and rebalanced in accordance with their stated schedule. The Index Committee, nevertheless, reserves the right to make adjustments to an index at any time that it believes appropriate.

Additions, deletions and other changes to the index arising from the rebalancing are made provided the security's reference information and pricing are available by designated pricing and data providers on the rebalancing reference date. Changes to the index are published on the announcement date and become effective on the rebalancing date. Information related to the rebalancing is obtained and disseminated after the close of business.

Rebalancing Schedule	
Rebalancing Frequency	Monthly
Rebalancing Date	Last day of the rebalancing period (T)
Announcement Date	T minus 3
Reference Date	T minus 4

All days reflect after the close and count business days

Ongoing Maintenance

The indices are also reviewed on an ongoing basis to account for the following:

- When an index bond is in default or misses an interest payment, the price reported by the pricing source is used. However, the Index Committee may determine that the bond be removed from the index at a different price and may specify a price of 0.00. The decision of the Index Committee is final.
- If an index bond is no longer priced by the pricing source, the last available price is used. However, the Index Committee may determine that a different price be used. The decision of the Index Committee is final. For clarity, index bonds that are no longer priced by the pricing source fail to meet the pricing eligibility factors and are removed at the next rebalancing date. If the bond is priced for at least one of the five business days prior to the rebalancing announcement date, the bond remains in the index. Otherwise, it is removed from the index at the subsequent rebalancing date.

Currency and Currency Hedged Indices

The indices are calculated as follows:

- **S&P/CLX Chile Sovereign Bond Index** is calculated in Chilean pesos (CLP).
- **S&P/CLX Chile Sovereign Inflation-Linked Bond Index** is calculated in Chilean *Unidad de Fomento* (CLF).

Additional currency and currency hedged versions of the indices, as well as maturity, sector and rating-based sub-indices, may be available. For a list of available sub-indices and tickers, please refer to S&P Dow Jones Indices' Fixed Income Index Directory available at www.spdji.com.

For more information on currency and currency hedged indices, please refer to S&P Dow Jones Indices' Fixed Income Index Mathematics Methodology.

Base Dates and History Availability

Index history availability, base dates and base values are shown in the table below.

Index	Launch Date	First Value Date	Base Date	Base Value
S&P/CLX Chile Sovereign Bond Index	03/31/2017	11/30/2005	11/30/2005	100
S&P/CLX Chile Sovereign Inflation-Linked Bond Index	03/31/2017	11/30/2006	11/30/2006	100

Index Governance

Index Committee

The S&P/CLX Index Committee maintains the indices. All members of the Committee are full-time professionals at S&P Dow Jones Indices or the CLX. The Committee meets regularly.

The Index Committee oversees the management of the indices, including determinations of intra-rebalancing changes, maintenance and inclusion policies, and other matters affecting the maintenance and calculation of the indices.

In fulfilling its responsibilities, the Index Committee has full and complete discretion to (i) amend, apply, or exempt the application of index rules and policies as circumstances may require and (ii) add, remove, or by-pass any bond in determining the composition of an index.

The Index Committee may rely on any information or documentation submitted to it or gathered by it that the Index Committee believes to be accurate. The Index Committee reserves the right to reinterpret publicly available information and to make changes to the indices based on a new interpretation of that information at its sole discretion. All Index Committee discussions are confidential.

The Index Committee is separate from and independent of other analytical groups at S&P Global. In particular, the Index Committee has no access to or influence on decisions by S&P Global Ratings analysts.

S&P Dow Jones Indices' Index Committees reserve the right to make exceptions when applying the methodology if the need arises. In any scenario where the treatment differs from the general rules stated in this document or supplemental documents, clients will receive sufficient notice, whenever possible.

In addition to the daily governance of indices and maintenance of index methodologies, at least once within any 12-month period, the Index Committee reviews the methodology to ensure the indices continue to achieve the stated objectives, and that the data and methodology remain effective. In certain instances, S&P Dow Jones Indices may publish a consultation inviting comments from external parties.

For information on Quality Assurance and Internal Reviews of Methodology, please refer to S&P Dow Jones Indices' Fixed Income Policies & Practices document.

Index Policy

Announcements

Announcements of any relevant information pertaining to the indices are made after market close. Press releases are posted on the S&P Dow Jones Indices Web site at www.spdji.com.

Holiday Schedule

The indices follow the CLX holiday schedule.

A complete holiday schedule for the year is available on S&P Dow Jones Indices' Web site at www.spdji.com.

Rebalancing

The index committee may change the date of a given rebalancing for reasons including market holidays occurring on or around the scheduled rebalancing date. Any such change will be announced with proper advance notice where possible.

End-of-Day Calculation

Index levels are calculated and made available at the end of each business day.

Recalculation Policy

For information on the recalculation policy please refer to S&P Dow Jones Indices' Fixed Income Policies & Practices document.

For information on Calculations and Pricing Disruptions, Expert Judgment and Data Hierarchy, please refer to S&P Dow Jones Indices' Fixed Income Policies & Practices document.

Contact Information

For questions regarding an index, please contact: index_services@spglobal.com.

Index Dissemination

Index levels are available through S&P Dow Jones Indices' website at www.spdji.com, major quote vendors (see codes below), numerous investment-oriented websites, and various print and electronic media.

Tickers

The table below lists headline indices covered by this document. All currency, currency hedged, maturity, sector and rating-based sub-indices as well as return type versions of the below indices that may exist are also covered by this document. Please contact index_services@spglobal.com for a complete list of indices covered by this document.

Total Return Index	Ticker
S&P/CLX Chile Sovereign Bond Index	SPBCCHL
S&P/CLX Chile Sovereign Inflation-Linked Bond Index	SPBCCLI

FTP

Daily index level data is available via FTP subscription.

For product information, please contact S&P Dow Jones Indices, www.spdji.com/contact-us.

Web site

For further information, please refer to S&P Dow Jones Indices' Web site at www.spdji.com.

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