

## **INDICES TO MEASURE THE PERFORMANCE OF THE SRI LANKAN CORPORATE BOND MARKET**

*Lalith P. Samarakoon*

### **ABSTRACT**

*This paper develops two indices to measure the overall performance of the Sri Lankan corporate bond market. Sri Lanka Master Corporate Bond Index (SLMCBI) measures the performance of all listed debentures while Sri Lanka Investible Corporate Bond Index (SLICBI) tracks the performance of traded debentures. These indices are value-weighted, assume monthly portfolio rebalancing, and take into account capital appreciation as well as income components of bond returns. In addition to tracking the movements of the corporate bond market, they can be used by investors and portfolio managers as benchmarks for performance comparison and attribution.*