

## **Methodology of SSE New Infrastructure Thematic Index**

SSE New Infrastructure Thematic Index is composed of 100 securities involving 5G infrastructure, artificial intelligence, big data centers, industrial internet, ultra-high voltage, intercity high-speed rails and rail transportation, charging piles for new energy vehicle and other new infrastructure construction from the stocks listed on SSE as the index constituents. The index is to measure the overall performance of the new infrastructure theme securities.

### **1. Index Name and Index Code**

- Index Name: SSE New Infrastructure Thematic Index
- Shortened Name: SSE New Infrastructure
- Index Code: 950189

### **2. Base Date and Base Index**

The base date is Dec 31, 2014. The base level is 1000.

### **3. Index Eligibility**

#### **3.1 Index Universe**

The universe includes all A-share stocks and depository receipts listed on SSE except that:

- The listing time of a security is no more than three months unless the daily average total market cap of a security since its initial listing is ranked top 18 in Shanghai A shares, or
- The stock is a ST or \*ST stock.

#### **3.2 Constituents Selection**

Firstly, rank the securities in the universe by the average daily trading value over the past year in descending order and delete the bottom 20% securities.

Secondly, among the remaining samples, select securities involving new infrastructure construction as the candidate securities, including but not limited to the following fields:

- Providing device materials, equipment networks and other equipment or services for 5G infrastructure construction;
- Providing chips, machine vision, voice recognition semantics and other equipment or services for the development of artificial intelligence;
- Providing construction, server, storage and other equipment or services for big data center construction;
- Providing sensors, numerical control systems, industrial internet platforms and other equipment or services for industrial internet construction;
- Providing transformers, reactors, insulation devices, wires and other equipment or services for ultra-high voltage construction;
- Providing complete vehicles, accessories, construction and other equipment or services for intercity high-speed rail and rail transportation construction;
- Providing charging piles, network operations and other equipment or services for new energy vehicle infrastructure construction;
- Providing health, education, sports, environmental protection and other urban infrastructure facilities for urbanization construction;

Thirdly, rank the candidate securities by daily average total market capitalization over the past year in descending order and select the top 100 securities as the constituents, and the number of constituents of each field is no more than 20.

#### **4. Index Calculations**

The index is weighted as the following calculation formula: Current Index = Current Total Adjusted Market-Cap / Divisor × Base Level

Where Current Total Adjusted Market-Cap =  $\sum$  (Security Price × Number of Free Float Adjusted Shares × Weight Factor) and

For the calculation of number of free float adjusted shares, please refer to CSI Index Calculation and Maintenance Methodology for further details. The value of Weight Factor is between 0 and 1, and is calculated at each rebalancing so as to make single constituent weight no more than 10%.

#### **5. Constituents and Index Weights**

##### **5.1 Constituent's Periodical Review**

The index is adjusted and rebalanced semi-annually and the adjustment will be effective as of the next trading day after the 2nd Friday of June and December.

Weight Factor is assigned to each constituent at each rebalancing. The factor is calculated using the closing data five trading days before the effective date of index rebalancing. The effective date is the same as that of the constituent adjustment. The Weight Factor stays the same until next rebalancing day.

## **5.2 Ongoing Review**

In case that the representativeness and investability is affected due to significant changes beyond periodical reviews, CSI may review the constituent stocks immediately. Delisted stocks will be deleted from the constituents. Please refer to Index Calculation and Maintenance Methodology for further details.