

Methodology of SSE Market-Making Bond Index Series

SSE Market-Making Bond Index Series selects Shanghai Stock Exchange listed bonds meet SSE market-marking rules as the index constituents, to reflect the performance of targeted bonds with fair liquidity.

1. Index Name and Index Code

Index Name	Shortened Name	Index Code
SSE Market-Making Treasury Bond Index	SSE Market-Making Treasury	950243
SSE Market-Making Corporate Bond Index	SSE Market-Making Corporate Bond	950245

2. Base Date and Base Index

The index series' base date is Jun. 30 2022, and the base index is 100.

3. Index Eligibility

3.1 Index Universe

- Bond Type: Government Bond and Corporate Bond listed on SSE market, excluding private-placement bond. The bond currency is RMB.
- Interest-bearing Pattern: Fixed rate or bullet.
- Issuance Scale: Government Bond: 2 billion and above; Corporate Bond: 3 billion and above.

3.2 Constituents Selection

Within the index universe, select the bonds meet SSE marketing-making bond criterion, as well as the following criteria as the index constituents.

Index Code	Shortened Name	Bond Type	Selection Criteria
950243	SSE Market-Making Treasury	Government Bond	Select the latest two Treasury bonds with issue term of 1-year, 2-year, 3-year, 5-year and 10-year etc.

950245	SSE Market-Making Corporate Bond	Corporate Bond	Credit rating: AAA
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4. Index Calculation

The calculation of this index series conforms to the Paasche weighted composite price index formula:

$$\text{Index} = \left[\frac{\text{Bond Market Value} + \text{Coupon Payments}}{\text{Divisor}} \right] \times 100$$

Where, Bond Market Value == $\sum[(\text{Clean Price} + \text{Accrued Interest}) \times \text{Issued Amount} \times \text{Weight Factor}]$

The price in index calculation is based on CSI bond valuation price. As for other data in index calculation and divisor adjustment, please refer to Index Calculation and Maintenance Methodology for further details.

5. Constituents Adjustment

5.1 Regular Adjustment

The index series is adjusted and rebalanced monthly. The effective date of monthly adjustment is the first trading day of each month.

5.2 Temporary Adjustment

In the event of delisting, the constituents will be removed from the index on the event effective date as appropriate. As for other events, please refer to Index Calculation and Maintenance Methodology for further details.