Methodology of SSE State-owned Enterprises Credit Bond Index Series

SSE State-owned Enterprises Credit Bond Index Series is composed of eligible corporate bonds and enterprise bonds listed on SSE market issued by state-owned enterprises. The index series aims to reflect the performance of the corresponding state-owned enterprises credit bonds.

1. Index Name and Index Code

Index Name	Shortened Name	Index Code
SSE State-owned Enterprises Credit Bond Index	SSE SOEs Bond	950246
SSE 0-3 Year State-owned Enterprises Credit Bond Index	SSE 0-3 SOEs Bond	950247
SSE 0-5 Year State-owned Enterprises Credit Bond Index	SSE 0-5 SOEs Bond	950248
SSE AAA State-owned Enterprises Credit Bond Index	SSE AAA SOEs Bond	950249
SSE Short Term AAA State-owned Enterprises Credit Bond Index	SSE Short Term AAA SOEs Bond	950250
SSE 0-3 Year AAA State-owned Enterprises Credit Bond Index	SSE 0-3 AAA SOEs Bond	950251
SSE 0-5 Year AAA State-owned Enterprises Credit Bond Index	SSE 0-5 AAA SOEs Bond	950252

2. Base Date and Base Index

Index Code	Shortened Name	Base Date	Base Index
950246	SSE SOEs Bond	2013/12/31	100
950247	SSE 0-3 SOEs Bond	2013/12/31	100
950248	SSE 0-5 SOEs Bond	2013/12/31	100
950249	SSE AAA SOEs Bond	2016/12/30	100
950250	SSE Short Term AAA SOEs Bond	2016/12/30	100
950251	SSE 0-3 AAA SOEs Bond	2016/12/30	100
950252	SSE 0-5 AAA SOEs	2016/12/30	100

	Bond		

3. Index Eligibility

3.1 Index Universe

- Bond Type: Corporate Bond and Enterprise Bond listed on SSE market, excluding private-placement bond. The bond currency is RMB.
- Issuer Nature: Central state-owned enterprises and local state-owned enterprises.
- Interest-bearing Pattern: Fixed rate or bullet.

3.2 Constituents Selection

Index Code	Shortened Name	Term to Maturity	Credit Rating
950246	SSE SOEs Bond		Issuer Rating AA and above
950247	SSE 0-3 SOEs Bond	No more than 3 years	Issuer Rating AA and above
950248	SSE 0-5 SOEs Bond	No more than 5 years	Issuer Rating AA and above
950249	SSE AAA SOEs Bond		Issuer Rating AAA, Implied Rating above AA+
950250	SSE Short Term AAA SOEs Bond	No more than 397 days	Issuer Rating AAA, Implied Rating above AA+
950251	SSE 0-3 AAA SOEs Bond	No more than 3 years	Issuer Rating AAA, Implied Rating above AA+
950252	SSE 0-5 AAA SOEs Bond	No more than 5 years	Issuer Rating AAA, Implied Rating above AA+

4. Index Calculation

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

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

Where, $\text{Bond Market Value} = \sum(\text{Full Price} \times \text{Issued Amount})$

$$\text{Full Price} = \text{Clean Price} + \text{Accrued Interest}$$

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. The data cutoff date of monthly adjustment is the previous trading day of the effective date.

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.