Methodology of SSE Credit Bond Implied Rating Index Series

SSE Credit Bond Implied Rating Index Series is composed of credit bonds listed on SSE market with different implied ratings. The index series aims to reflect the performance of the SSE credit bonds with target implied rating and target maturity.

1. Index Name and Index Code

Index Name	Shortened Name	Index Code
SSE Credit Bond Implied Rating above AA Plus Index	SSE Credit Bond Implied above AA Plus	950205
SSE Credit Bond Implied Rating above AA Index	SSE Credit Bond Implied above AA	950206
SSE Credit Bond 0-1Y Implied Rating above AA Plus Index	SSE Credit Bond 0-1 Implied above AA Plus	950207
SSE Credit Bond 1-3Y Implied Rating above AA Plus Index	SSE Credit Bond 1-3 Implied above AA Plus	950208
SSE Credit Bond 1-5Y Implied Rating above AA Plus Index	SSE Credit Bond 1-5 Implied above AA Plus	950209
SSE Credit Bond 3-5Y Implied Rating above AA Plus Index	SSE Credit Bond 3-5 Implied above AA Plus	950210
SSE Credit Bond 0-1Y Implied Rating above AA Index	SSE Credit Bond 0-1 Implied above AA	950211
SSE Credit Bond 1-3Y Implied Rating above AA Index	SSE Credit Bond 1-3 Implied above AA	950212
SSE Credit Bond 1-5Y Implied Rating above AA Index	SSE Credit Bond 1-5 Implied above AA	950213
SSE Credit Bond 3-5Y Implied Rating above AA Index	SSE Credit Bond 3-5 Implied above AA	950214

2. Base Date and Base Index

The index series' base date is Dec. 30 2016. The base index is 100.

3. Index Eligibility

3.1 Index Universe

- Bond Type: Coporate Bond and Enterprise Bond listed on SSE market, excluding private-placement bond. The bond currency is RMB.
- Interest-bearing Pattern: Fixed rate or bullet.

3.2 Constituents Selection

Index constituents are selected on the following basis from index universe.

Index Code	Shortened Name	Term to Maturity	Credit Rating
950205	SSE Credit Bond Implied above AA Plus	More than 1 year	CSI Implied Rating above AA+
950206	SSE Credit Bond Implied above AA	More than 1 year	CSI Implied Rating above AA
950207	SSE Credit Bond 0-1 Implied above AA Plus	No more than 1 year	CSI Implied Rating above AA+
950208	SSE Credit Bond 1-3 Implied above AA Plus	More than 1 year, no more than 3 years	CSI Implied Rating above AA+
950209	SSE Credit Bond 1-5 Implied above AA Plus	More than 1 year, no more than 5 years	CSI Implied Rating above AA+
950210	SSE Credit Bond 3-5 Implied above AA Plus	More than 3 years, no more than 5 years	CSI Implied Rating above AA+
950211	SSE Credit Bond 0-1 Implied above AA	No more than 1 year	CSI Implied Rating above AA
950212	SSE Credit Bond 1-3 Implied above AA	More than 1 year, no more than 3 years	CSI Implied Rating above AA
950213	SSE Credit Bond 1-5 Implied above AA	More than 1 year, no more than 5 years	CSI Implied Rating above AA
950214	SSE Credit Bond 3-5 Implied above AA	More than 3 years, no more than 5 years	CSI 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,

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

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.