

## Methodology of SSE Securities Company Bond Index Series

SSE Securities Company Bond Index Series is composed of bonds listed on SSE market issued by Securities Company with different credit ratings and terms to maturity. The index series aims to reflect the performance of the securities company bonds with target credit rating and target term to maturity.

### 1. Index Name and Index Code

Index Name	Shortened Name	Index Code
SSE Securities Company Bond Index	SSE Securities Company Bond	950197
SSE Securities Company Bond AAA Index	SSE Securities Company Bond AAA	950198
SSE Securities Company Bond High Grade Index	SSE Securities Company Bond High Grade	950199
SSE Securities Company Bond 0-3Y AAA Index	SSE Securities Company Bond 0-3 AAA	950200
SSE Securities Company Bond 0-3Y High Grade Index	SSE Securities Company Bond 0-3 High Grade	950201

### 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: Securities Company Bond and Securities Company Commercial Paper 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
950197	SSE Securities Company Bond	More than 1 year	
950198	SSE Securities Company Bond AAA	More than 1 year	Credit Rating AAA Implied Rating above AA+
950199	SSE Securities Company Bond High Grade	More than 1 year	Credit Rating AA+ or above Implied Rating AA+ or above
950200	SSE Securities Company Bond 0-3 AAA	No more than 3 years.	Credit Rating AAA Implied Rating above AA+
950201	SSE Securities Company Bond 0-3 High Grade	No more than 3 years.	Credit Rating AA+ or above Implied Rating AA+ or above

#### 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 =  $\sum(\text{Full Price} \times \text{Issued Amount})$

Full Price = Clean Price + 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.