Methodology of SSE 2-Year China Treasury Note (Futures Deliverables) Index

This index is composed of Treasury Notes trading in SSE, which shall satisfy the deliverable bonds criterion of 2-year treasury bond futures nearby contract. The index is weighted by market capitalization. The index aims to reflect the performance of treasury bond, with target terms to final marturity, listed on SSE market.

1. Index Name and Index Code

- Index Name: SSE 2-Year China Treasury Note (Futures Deliverables) Index
- Shortened Name: 2-Year China Treasury Note
- Index Code: 950084

2. Base Date and Base Index

The index base date is Dec. 31, 2008. The base index is 100.

3. Index Eligibility

3.1 Index Universe

- Bond Type: Treasury Note listed on SSE market, which meet the designation transfer requirements on every delivery day in the delivery months of Treasury Note futures. The bond currency is RMB.
- Term to Maturity: More than 1.5 years and less than 2.25 years on the first day of the delivery month of Treasury note futures.
- Interest-bearing Pattern: Fixed rate.

3.2 Constituents Selection

Bonds which satisfy the deliverable bonds criterion of 2-year treasury bond futures nearby contract shall be selected as index constituents.

4. Index Calculation

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

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

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

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

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 is adjusted and rebalanced quarterly. The effective date of quarterly adjustment is the first trading day after the second Friday of each delivery month of Treasury note futures. The data cutoff date is the previous trading day before the effective date.

5.2 Temporary Adjustment

The newly issued security satisfying the criteria will be added into the index on its second trading day. Confronted with special cases, temporary adjustment will be taken. Please refer to Index Calculation and Maintenance Methodology for further details.