Methodology of SSE Short Term High Grade Credit Bond Index

SSE Short Term High Grade Credit Bond Index selects eligible credit bonds listed on Shanghai Stock Exchange, with issuer rating of AA+ or above, implied rating of AA+ or above, and term to maturity no more than 397 days. The index reflects the overall performance of the corresponding credit bonds.

1. Index Name and Index Code

- Index Name: SSE Short Term High Grade Credit Bond Index
- Shortened Name: SSE Short Term High Grade Credit Bond
- Index Code: 950112

2. Base Date and Base Index

The index base date is Dec. 30, 2016. The base index is 100.

3. Index Eligibility

3.1 Index Universe

- Bond Type: Enterprise bond, corporate 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

Within the index universe, select the bonds whose term to maturity is no more than 397 days, with the issuer rating of AA+ or above and the implied rating of AA+ or above.

4. Index Calculation

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

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

Where，

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

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 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

The newly issued security satisfying the criteria will be added into the index on its second trading day. 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.