Methodology of SSE Sector Credit Bond Index Series

SSE Sector Credit Bond Index Series selects bonds from the credit bonds listed on Shanghai Stock Exchange with eligible sectors and credit ratings. The index series aims to reflect the performance of the corresponding sector credit bonds.

1. Index Name and Index Code

Index Name	Shortened Name	Index Code
SSE Energy Credit Bond Index	SSE Energy Credit Bond	950272
SSE Materials Credit Bond Index	SSE Materials Credit Bond	950273
SSE Industrials Credit Bond Index	SSE Industrials Credit Bond	950275
SSE Consumer Discretionary Credit Bond Index	SSE Consumer Discretionary Credit Bond	950276
SSE Consumer Staples Credit Bond Index	SSE Consumer Staples Credit Bond	950277
SSE Health Care Credit Bond Index	SSE Health Care Credit Bond	950278
SSE Information Technology Credit Bond Index	SSE Information Technology Credit Bond	950279
SSE Communication Services Credit Bond Index	SSE Communication Services Credit Bond	950280
SSE Utilities Credit Bond Index	SSE Utilities Credit Bond	950281
SSE Real Estate Credit Bond Index	SSE Real Estate Credit Bond	950282

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: Corporate bond and enterprise bond listed on Shanghai Stock Exchange, excluding private-placement bond and urban construction investment 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	Credit Rating	CICS Sector
950272	SSE Energy Credit Bond	Issuer Rating AA and above. Implied Rating above AA-.	Energy
950273	SSE Materials Credit Bond		Materials
950275	SSE Industrials Credit Bond		Industrials
950276	SSE Consumer Discretionary Credit Bond		Consumer Discretionary
950277	SSE Consumer Staples Credit Bond		Consumer Staples
950278	SSE Health Care Credit Bond		Health Care
950279	SSE Information Technology Credit Bond		Information Technology
950280	SSE Communication Services Credit Bond		Communication Services
950281	SSE Utilities Credit Bond		Utilities
950282	SSE Real Estate Credit Bond		Real Estate

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.