

Methodology of SSE Buyback Index

SSE Buyback Index selects 50 securities with high buyback ratio from Shanghai market as index samples to reflect the overall performance of such securities.

1. Index Name and Index Code

- Index Name: SSE Buyback Index
- Shortened Name: SSE Buyback
- Index Code: 950179

2. Base Date and Base Value

The base date is December 28, 2018. The base value is 1000.

3. Index Eligibility

3.1 Index Universe

Same as the Universe of SSE 180 Index

3.2 Eligible Securities

Liquidity Criteria: securities ranked in the top 80% in the index universe in terms of average daily trading value over the past year in descending order are eligible for inclusion.

3.3 Constituents Selection

For the securities that meet the liquidity criteria in the sample space, the top 50 securities are selected as index samples according to buyback ratio from high to low in the past year.

Where, $\text{buyback ratio} = \frac{\text{buyback amount in the past year}}{\text{average daily total market capitalization over the past year}}$.

4. Index Calculations

The index is calculated as according to the following formula:

Current Index = Current Total Adjusted Market-Cap / Divisor × Base Value

Where, Current Total Adjusted Market-Cap = \sum (Security Price × Number of Free Float Adjusted Shares × Weight Factor) . For the calculation of number of free float adjusted shares, please refer to CSI Index Calculation and Maintenance Methodology for further details. The value of Weight Factor is between 0 and 1, which is calculated at each rebalancing date, so that the samples are weighted by the buyback ratio and the weight of each constituent is capped at 10%.

5. Constituents and Index Weights Adjustment

5.1 Constituent's Periodical Review

The index is adjusted and rebalanced quarterly and the adjustment will be effective as of the next trading day after the 2nd Friday in March, June, September and December.

Weight Factor is assigned to each constituent at each rebalancing date. The effective date is the same as that of the constituent adjustment. The Weight Factor stays the same until next rebalancing date.

5.2 Ongoing Review

When special events occur, CSI will review the index accordingly. Delisted securities will be deleted from the constituents. Please refer to Index Calculation and Maintenance Methodology for further details.