

Methodology of SSE Asset-Backed Security Index Series

SSE Asset-Backed Security Index Series select asset-backed security listed on Shanghai Stock Exchange. The index series reflect the overall performance of SSE asset-backed securities.

1. Index Name and Index Code

Index Name	Shortened Name	Index Code
SSE Asset-Backed Security Index	SSE ABS	950115
SSE Senior Tranche Asset-Backed Security Index	SSE Senior Tranche ABS	950116

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:

Index Code	Shortened Name	Bond Type
950115	SSE ABS	Asset-backed security listed on SSE market, excluding subordinated tranches
950116	SSE Senior Tranche ABS	Senior tranche asset-backed security listed on SSE market

- Credit Rating: AA and above.
- Term to Maturity: Over 1 month.

3.2 Constituents Selection

Select all bonds in index universe as index constituents.

4. Index Calculation

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

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

Where,

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

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 series are 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 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. 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.