

## Methodology of SSE Investment Grade Corporate Credit Bond Index Series

SSE Investment Grade Corporate Credit Bond Index Series selects eligible credit bonds listed on Shanghai Stock Exchange, with corresponding credit rating and residual maturity, issued by issuers who meet the investment grade company standards of the Capital Management Measures for Commercial Banks as the index constituents, to reflect the performance of corresponding investment grade corporate credit bonds.

### 1. Index Name and Index Code

Index Name	Shortened Name	Index Code
SSE Investment Grade Corporate Credit Bond Index	SSE IG Corporate Credit Bond	950292
SSE Investment Grade Corporate AAA Credit Bond Index	SSE IG Corporate AAA Credit Bond	950293
SSE Short Term Investment Grade Corporate AAA Credit Bond Index	SSE Short Term IG Corporate AAA Credit Bond	950295
SSE 0-3 Year Investment Grade Corporate AAA Credit Bond Index	SSE 0-3 IG AAA Corporate Credit Bond	950296
SSE 0-5 Year Investment Grade Corporate AAA Credit Bond Index	SSE 0-5 IG AAA Corporate Credit Bond	950297
SSE Investment Grade Corporate Industrial Bond Index	SSE IG Corporate Industrial Bond	950298
SSE Investment Grade Corporate AAA Industrial Bond Index	SSE IG Corporate AAA Industrial Bond	950299
SSE Short Term Investment Grade Corporate AAA Industrial Bond Index	SSE Short Term IG Corporate AAA Industrial Bond	950300
SSE 0-3 Year Investment Grade Corporate AAA Industrial Bond Index	SSE 0-3 IG AAA Industrial Credit Bond	950301
SSE 0-5 Year Investment Grade Corporate AAA Industrial Bond Index	SSE 0-5 IG AAA Industrial Credit Bond	950302

### 2. Base Date and Base Index

The index base date is Dec. 29, 2017. The base index is 100.

### 3. Index Eligibility

#### 3.1 Index Universe

Index constituents are selected on the following basis:

- Bond Type: Corporate bond and enterprise bond listed on Shanghai Stock Exchange market, excluding private-placement bond, government-sponsored agency bond. The bond currency is RMB.
- Interest-bearing Pattern: Fixed rate or bullet.
- Issuer: Pass in CSI Investment Grade Company Classification Reference results.

#### 3.2 Constituents Selection

Index Code	Shortened Name	Issuer	Credit Rating	Term to Maturity
950292	SSE IG Corporate Credit Bond	Unlimited	AA+ and above, CSI implied rating AA and above	Unlimited
950293	SSE IG Corporate AAA Credit Bond		Unlimited	
950295	SSE Short Term IG Corporate AAA Credit Bond		AA+ and above, CSI implied rating AA and above	No more than 397 days
950296	SSE 0-3 IG AAA Corporate Credit Bond		AA+ and above, CSI implied rating AA and above	No more than 3 years
950297	SSE 0-5 IG AAA Corporate Credit Bond		AA+ and above, CSI implied rating AA and above	No more than 5 years
950298	SSE IG Corporate Industrial Bond	Exclude urban construction investment company, issuer with CSI industry classifications of financial and real estate	AA+ and above, CSI implied rating AA and above	Unlimited
950299	SSE IG Corporate AAA Industrial Bond		AA+ and above, CSI implied rating AA and above	Unlimited
950300	SSE Short Term IG Corporate AAA Industrial Bond		AA+ and above, CSI implied rating AA and above	No more than 397 days
950301	SSE 0-3 IG AAA		AA+ and above, CSI implied rating AA and above	No more

	Industrial Credit Bond			than 3 years
950302	SSE 0-5 IG AAA Industrial Credit Bond			No more than 5 years

#### 4. Index Calculation

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

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

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

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.

##### 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.