

Methodology of SSE 180 Bond Index Series

SSE 180 Bond Index Series selects eligible credit bonds listed in SSE market, with corresponding credit rating and residual maturity, issued by entities and their subsidiaries of SSE 180 constituents as the index constituents, to reflect the performance of corresponding credit rating and residual maturity bonds issued by these entities.

1. Index Name and Index Code

Index Name	Shortened Name	Index Code
SSE 180 Bond Index	SSE 180 Bond	950340
SSE 180 AAA Bond Index	SSE 180 AAA Bond	950341
SSE 180 AAA 0-3 Year Bond Index	SSE 180 AAA 0-3 Bond	950342
SSE 180 AAA 0-5 Year Bond Index	SSE 180 AAA 0-5 Bond	950343

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: Enterprise bond, corporate bond and financial bond listed on SSE market, excluding private-placement bond, perpetual bond. The bond currency is RMB.
- Interest-bearing Pattern: Fixed rate or bullet.

3.2 Constituents Selection

Within the index universe, select the bonds issued by entities and their subsidiaries of SSE 180 constituents that meet the following criteria:

Index Code	Shortened Name	Credit Rating	Term to Maturity
950340	SSE 180 Bond	AA and above, CSI implied	Unlimited

		rating A+ above	
950341	SSE 180 AAA Bond	AAA, CSI implied rating AA+ and above	Unlimited
950342	SSE 180 AAA 0-3 Bond		No more than 3 years
950343	SSE 180 AAA 0-5 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 [(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 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.