Methodology of SSE Target Maturity Bond Index Series

SSE Target Maturity Bond Index Series selects eligible bonds listed on SSE market, with target maturity dates as the index constituents, to reflect the performance of bonds with target maturity dates.

1. Index Name and Index Code

Index Name	Shortened Name	Index Code
SSE 2027 Maturity Credit Bond Index	SSE 2027 Maturity Credit Bond	950319
SSE 2028 Maturity Credit Bond Index	SSE 2028 Maturity Credit Bond	950320
SSE 2029 Maturity Credit Bond Index	SSE 2029 Maturity Credit Bond	950321
SSE 2030 Maturity Credit Bond Index	SSE 2030 Maturity Credit Bond	950322
SSE 2031 Maturity Credit Bond Index	SSE 2031 Maturity Credit Bond	950323
SSE 2032 Maturity Credit Bond Index	SSE 2032 Maturity Credit Bond	950325
SSE 2027 Maturity Treasury and Policy Bank Bond Index	SSE 2027 Maturity Treasury and Policy Bank Bond	950326
SSE 2028 Maturity Treasury and Policy Bank Bond Index	SSE 2028 Maturity Treasury and Policy Bank Bond	950327
SSE 2029 Maturity Treasury and Policy Bank Bond Index	SSE 2029 Maturity Treasury and Policy Bank Bond	950328
SSE 2030 Maturity Treasury and Policy Bank Bond Index	SSE 2030 Maturity Treasury and Policy Bank Bond	950329
SSE 2031 Maturity Treasury and Policy Bank Bond Index	SSE 2031 Maturity Treasury and Policy Bank Bond	950330
SSE 2032 Maturity Treasury and Policy Bank Bond Index	SSE 2032 Maturity Treasury and Policy Bank Bond	950331

2. Base Date and Base Index

Index Code	Shortened Name	Base Date	Base index
950319	SSE 2027 Maturity Credit Bond	2018/12/28	100
950320	SSE 2028 Maturity Credit Bond	2018/12/28	100

950321	SSE 2029 Maturity Credit Bond	2018/12/28	100
950322	SSE 2030 Maturity Credit Bond	2018/12/28	100
950323	SSE 2031 Maturity Credit Bond	2018/12/28	100
950325	SSE 2032 Maturity Credit Bond	2022/12/30	100
950326	SSE 2027 Maturity Treasury and Policy Bank Bond	2018/12/28	100
950327	SSE 2028 Maturity Treasury and Policy Bank Bond	2018/12/28	100
950328	SSE 2029 Maturity Treasury and Policy Bank Bond	2018/12/28	100
950329	SSE 2030 Maturity Treasury and Policy Bank Bond	2018/12/28	100
950330	SSE 2031 Maturity Treasury and Policy Bank Bond	2018/12/28	100
950331	SSE 2032 Maturity Treasury and Policy Bank Bond	2018/12/28	100

3. Index Eligibility

3.1 Index Universe

Index constituents are selected on the following basis:

- Bond Type: Enterprise bond, corporate bond, treasury and policy bank bond listed on SSE market, excluding private-placement bond, perpetual bond, option-embedded bond, government-sponsored agency bond. The bond currency is RMB.
- Interest-bearing Pattern: Fixed rate or bullet.
- Credit Rating: Policy bank bond: unlimited, other bonds: issuer rating AAA, CSI implied rating AA+ and above.

3.2 Constituents Selection

Index Code	Shortened Name	Bond Type	Target Maturity Year
950319	SSE 2027 Maturity Credit Bond	Enterprise bond, corporate bond,	2027
950320	SSE 2028 Maturity Credit Bond		2028
950321	SSE 2029 Maturity Credit Bond		2029
950322	SSE 2030 Maturity Credit Bond		2030
950323	SSE 2031 Maturity Credit Bond		2031
950325	SSE 2032 Maturity Credit Bond		2032
950326	SSE 2027 Maturity Treasury and	Treasury and	2027

	Policy Bank Bond	Policy bank bond	
950327	SSE 2028 Maturity Treasury and Policy Bank Bond		2028
950328	SSE 2029 Maturity Treasury and Policy Bank Bond		2029
950329	SSE 2030 Maturity Treasury and Policy Bank Bond		2030
950330	SSE 2031 Maturity Treasury and Policy Bank Bond		2031
950331	SSE 2032 Maturity Treasury and Policy Bank Bond		2032

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

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 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 last second trading day of the effective date.

Within the target maturity year, when the constituents mature, select policy bank bond with term to maturity no more than 1 year as the index constituents, and inherit the weight of the maturing constituent.

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.