

Methodology of SSE Convertible Bond and Exchangeable Bond Index Series

SSE Convertible Bond and Exchangeable Bond Index Series selects convertible bonds and exchangeable bonds listed on SSE market with corresponding credit rating, to reflect the overall performance of corresponding credit rating convertible bonds and exchangeable bonds.

1. Index Name and Index Code

Index Name	Shortened Name	Index Code
SSE AAA Convertible Bond and Exchangeable Bond Index	SSE AAA Convertible Bond and Exchangeable Bond	950365
SSE High Grade Convertible Bond and Exchangeable Bond Index	SSE High Grade Convertible Bond and Exchangeable Bond	950367
SSE Medium-High Grade Convertible Bond and Exchangeable Bond Index	SSE Medium-High Grade Convertible Bond and Exchangeable Bond	950366

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

Index constituents are selected on the following basis:

- Bond Type: Convertible Bond and Exchangeable Bond listed on SSE market, excluding bonds whose target common stocks are ST or *ST, private-placement bond. The bond currency is RMB.
- Interest-bearing Pattern: Fixed rate or bullet.

3.2 Constituents Selection

Within the index universe, select bonds whose credit ratings meet the following conditions as the index constituents.

Index Name	Shortened Name	Credit Rating
950365	SSE AAA Convertible Bond and Exchangeable Bond	AAA
950367	SSE High Grade Convertible Bond and Exchangeable Bond	AA+ and above
950366	SSE Medium-High Grade Convertible Bond and Exchangeable Bond	AA and above

4. Index Calculation

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

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

Where,

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

The price in index calculation is based on trading 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 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 suspension from listing or delisting, the constituents will be removed from the index on the event effective date as appropriate. In the event of redemption, constituents will be removed from the index on the fifth trading day after the redemption announcement date. As for other events, please refer to Index Calculation and Maintenance Methodology for further details.