

## Methodology of SSE Market-Making Bond Index Series

SSE Market-Making Bond Index Series selects Shanghai Stock Exchange listed bonds meet SSE market-marking rules as the index constituents, to reflect the performance of targeted bonds with fair liquidity.

### 1. Index Name and Index Code

Index Name	Shortened Name	Index Code
SSE Market-Making Treasury Bond Index	SSE Market-Making Treasury	950243
SSE Market-Making Local Government Bond Index	SSE Market- Local Government Bond	950375
SSE Market-Making Interest Rate Bond Index	SSE Market- Interest Rate Bond	950376
SSE 0-5Year Market-Making Interest Rate Bond Index	SSE 0-5 Market-Making Interest Rate Bond	950377
SSE 5Year Above Market-Making Interest Rate Bond Index	SSE 5+ Market-Making Interest Rate Bond	950378
SSE Market-Making Corporate Bond Index	SSE Market-Making Corporate Bond	950245
SSE 0-3Year Market-Making Credit Bond Index	SSE 0-3 Market-Making Credit Bond	950379
SSE 0-5Year Market-Making Credit Bond Index	SSE 0-5 Market-Making Credit Bond	950380
SSE 5Year Above Market-Making Credit Bond Index	SSE 5+ Market-Making Credit Bond	950381
SSE Market-Making Sci-Tech Innovation Corporate Bond Index	SSE Market-Making Sci-Tech Bond	950382
SSE 0-5Year Market-Making Sci-Tech Innovation Corporate Bond Index	SSE 0-5 Market-Making Sci-Tech Bond	950383

### 2. Base Date and Base Index

Index Code	Shortened Name	Base Date	Base Index
950243	SSE Market-Making Treasury	2022/6/30	100
950375	SSE Market- Local Government Bond	2024/6/28	100

950376	SSE Market- Interest Rate Bond	2022/6/30	100
950377	SSE 0-5 Market-Making Interest Rate Bond	2022/6/30	100
950378	SSE 5+ Market-Making Interest Rate Bond	2022/6/30	100
950245	SSE Market-Making Corporate Bond	2022/6/30	100
950379	SSE 0-3 Market-Making Credit Bond	2022/6/30	100
950380	SSE 0-5 Market-Making Credit Bond	2022/6/30	100
950381	SSE 5+ Market-Making Credit Bond	2022/6/30	100
950382	SSE Market-Making Sci-Tech Bond	2023/6/30	100
950383	SSE 0-5 Market-Making Sci-Tech Bond	2023/6/30	100

### 3. Index Eligibility

#### 3.1 Index Universe

- Bond Type: Treasury, Local Government Bond, Financial Bond and Corporate Bond listed on SSE market, excluding 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 that meet the following criteria within the SSE benchmark market-making bond varieties list as index constituents.

Index Code	Shortened Name	Bond Type	Remaining Maturity
950243	SSE Market-Making Treasury	Treasury	Unlimited
950375	SSE Market- Local Government Bond	Local Government Bond	Unlimited
950376	SSE Market- Interest Rate Bond	Treasury, Policy Bank Bond, Local Government Bond	Unlimited
950377	SSE 0-5 Market-Making Interest Rate Bond		No more than 5 years
950378	SSE 5+ Market-Making Interest Rate Bond		Above 5 years
950245	SSE Market-Making Corporate Bond	Corporate Bond	Unlimited
950379	SSE 0-3 Market-Making Credit Bond		No more than 3 years
950380	SSE 0-5 Market-Making Credit Bond		No more than 5 years
950381	SSE 5+ Market-Making Credit Bond		Above 5 years
950382	SSE Market-Making Sci-Tech Bond	Sci-Tech Innovation Corporate Bond	Unlimited
950383	SSE 0-5 Market-Making Sci-Tech 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.

The value of weight factor is between 0 and 1, so as to make the weight cap of single issuer for each index as below.

Index Code	Shortened Name	Issuer Weight Cap
950243	SSE Market-Making Treasury	Unlimited
950375	SSE Market- Local Government Bond	Unlimited
950376	SSE Market- Interest Rate Bond	Unlimited
950377	SSE 0-5 Market-Making Interest Rate Bond	Unlimited
950378	SSE 5+ Market-Making Interest Rate Bond	Unlimited
950245	SSE Market-Making Corporate Bond	10%
950379	SSE 0-3 Market-Making Credit Bond	10%
950380	SSE 0-5 Market-Making Credit Bond	10%
950381	SSE 5+ Market-Making Credit Bond	10%
950382	SSE Market-Making Sci-Tech Bond	10%
950383	SSE 0-5 Market-Making Sci-Tech Bond	10%

## 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.

Weight Factor is assigned to each constituent at each regular adjustment. The effective date is the same as that of the constituent adjustment. The Weight Factor stays the same until next rebalancing day.

### 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.