

# **Multi-Asset Indexes Calculation and Maintenance Methodology of China Securities Index Company Limited**

V2.0

Mar 2024

Version Number	Change Time	Change Scope
1.0	201809	Rulemaking
2.0	202403	Adjust the structure and part of expression of rules

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## **1. Introduction**

The “Multi-asset Indexes Calculation and Maintenance Methodology of China Securities Index Company Limited” (hereinafter referred to as the “Methodology”) aims to explain the rules followed by China Securities Index Company Limited (hereinafter referred to as “CSI”) during the periodical or temporary adjustment of multi-asset indices. The main objective is to maintain the representativeness and investability of the indices, while also taking into account the stability of the indices.

The “Methodology” is in principle applicable to the multi-asset indices managed by CSI. When there are other instructions on the treatment rules in the index methodology, the rules stated in the methodology shall prevail. For other special circumstances not covered by the “Methodology”, CSI will determine the appropriate treatment methods according to the “Statement of Principles for Index Construction and Management of China Securities Index Company Limited”.

## **2. Index Adjustment**

### **2.1 Index Periodical Adjustment**

The index constituents are adjusted periodically based on a pre-determined schedule, with commonly used cycles being semi-annual, quarterly and monthly, as detailed in the index methodology.

#### **2.1.1 Effective Date of Periodical Adjustments**

The effective date of periodical adjustments can be found in each index methodology..

#### **2.1.2 Data Cut-off Date of Periodical Adjustments**

Generally, the data cut-off date for periodical adjustments is the last natural day of the month before the effective date of the periodical adjustment.

### **2.2 Index Temporary Adjustment**

#### **2.2.1 Temporary Adjustment Mechanism**

Some multi-asset indexes are subject to temporary adjustment mechanism. When the mechanism is triggered, constituents shall be adjusted according to the index methodology.

## 2.2.2 Termination of Constituent

If a constituent is terminated or delisted, it shall be removed from the index, and whether the vacancy should be filled shall depend on the index methodology.

# 3. Index Calculation

## 3.1 Index Calculation Formula

Generally, multi-asset indexes are calculated as the following formula:

$$\text{Index}_t = \text{Index}_{t_0} \times \sum_{i=1}^N [w_{i,t_0} \times (1 + \text{Sub - Class Asset Return Rate}_{i,[t_0,t]})]$$

$w_{i,t_0}$ ,  $i = 1 \dots N$  represent the weight for all sub-class assets, and  $\sum_{i=1}^N w_{i,t_0} = 1$ .

## 3.2 Index Publication Frequency

The update frequency of the real-time index is determined by the specifications of the INDEXPRESS, exchanges, or other third-party market data publishing systems.

The closing index is generally published daily on each trading day.

# 4. Data Resources

The calculation of multi-asset indexes is generally based on price data, basic information data, and the index points calculated by CSI. All the data are publicly available or can be obtained through arms-length transactions. There were no disregards of input data where it conformed to the requirements of the index methodology.

## Appendix A: Glossary of Terms

Key Term	Definition
Effective Date of the Index Adjustment	The date on which the index periodical or temporary index adjustments officially take effect.
Trading Day	Refers to the date of trading on securities exchanges such as Shanghai, Shenzhen, and Beijing Stock Exchange, unless otherwise stated.

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