

# Methodology of SSE STAR Corporate Convertible Bond Index

SSE STAR Corporate Convertible Bond Index selects convertible bonds issued by companies from SSE STAR market, as the index constituents. The index aims to reflect the performance of corresponding sector convertible bonds.

## 1. Index Name and Index Code

- Index Name: SSE STAR Corporate Convertible Bond Index
- Shortened Name: STAR Corporate Convertible Bond
- Index Code: 950387

## 2. Base Date and Base Index

The index base date is Dec. 30, 2022. The base index is 100.

## 3. Index Eligibility

- Bond Type: Convertible bonds issued by companies from SSE STAR market, exclude bonds whose target common stocks are ST or \*ST, and exclude private-placement bonds. The bond currency is RMB.
- Amount Outstanding: No less than 0.3 billion.
- Interest-bearing Pattern: Fixed rate, or step-up coupon, or bullet.

## 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, 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 are 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 second trading day before the effective date.

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. 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.