Methodology of SSE ESG Leaders AAA Bond Index

SSE ESG Leaders AAA Bond Index selects eligible bonds listed on SSE market, with credit rating of AAA and CSI implied rating of AA+ or above, issued by issuers with high ESG ratings to reflect the overall performance of high credit rating bonds issued by issuers with high ESG rating.

1. Index Name and Index Code

- Index Name: SSE ESG Leaders AAA Bond Index
- Shortened Name: SSE ESG Leaders AAA Bond
- Index Code: 950385

2. Base Date and Base Index

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

3. Index Eligibility

3.1 Index Universe

- Bond Type: Corporate bond, enterprise bond and financial bond listed on SSE market, excluding private-placement bond and subordinated bond. The bond currency is RMB.
- Credit Rating: AAA, CSI implied rating AA+ and above.
- Interest-bearing Pattern: Fixed rate or bullet.

3.2 Constituents Selection

Within the index universe, select bonds issued by issuers with ESG rating of A or above as index constituents.

4. Index Calculation

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

$$\text{Index} = \left[\frac{\text{Bond Market Value} + \text{Coupon Payments}}{\text{Divisior}}\right] \times 100$$

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 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 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.