

## Methodology of SSE Credit Bond 100 Index

SSE Credit Bond 100 Index is composed of credit bonds listed on SSE market whose credit rating are AA or above, term to maturity no less than 1 year and amount outstanding no less than 0.8 billion. The index is weighted by market capitalization.

### 1. Index Name and Index Code

- Index Name: SSE Credit Bond 100 Index
- Shortened Name: SSE Credit Bond 100
- Index Code: 000116

### 2. Base Date and Base Index

The index base date is Dec. 31, 2007. The base index is 100.

### 3. Index Eligibility

#### 3.1 Index Universe

- Bond Type: Non-equity-linked credit bond listed on SSE market, including enterprise bond, corporate bond and detachable convertible bond. The bond currency is RMB.
- Credit Rating: AA or above.
- Amount Outstanding: No less than 0.8 billion.
- Term to Maturity: No less than 1 year.
- Interest-bearing Pattern: Fixed rate or bullet.

#### 3.2 Constituents Selection

First, delete the bonds with no transactions during data interval from the index universe, then rank the remaining bonds by average daily turnover and number of trading days in descending order and delete the bottom 50% bonds.

Second, according to actual number of trading days, daily average trading value and amount outstanding, calculate the overall ranks and select the top 100 as index constituents.

### 4. Index Calculation

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

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

Where, Bond Market Value =  $\sum (\text{Full Price} \times \text{Issued Amount})$

Full Price = Clean Price + Accrued Interest

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 quarterly. The effective date of quarterly adjustment is the first trading day of each January, April, July and October. The data interval is 3 months prior to adjustment.

### **5.2 Temporary Adjustment**

Confronted with special cases, temporary adjustments will be taken. Please refer to Index Calculation and Maintenance Methodology for further details.