

Methodology of CSI Fintech Theme Index

CSI Fintech Theme Index is composed of A-Share stocks which relate to Fintech theme, including but not limited to payment & settlement, capital raising, wealth management, retail banking, insurance, transaction settlement and other companies take part in financial products or services presenting improvement from the services related to information technologies, such as cloud computing, big data, artificial intelligence and Blockchain. The index is to measure the price performance of the theme.

1. Index Name and Index Code

- Index Name: CSI Fintech Theme Index
- Shortened Name: CSI Fintech
- Index Code: 930986

2. Base Date and Base Index

The base date is June 30, 2014. The base level is 1000.

3. Index Eligibility

3.1 Index Universe

CSI All share Index stocks.

3.2 Constituents Selection

First, rank the stocks in the universe by the average daily trading value over the past year in descending order and delete the bottom 20% stocks.

Second, select the stocks in the universe which relate to Fintech theme, including but not limited to payment & settlement, capital raising, wealth management, retail banking, insurance, transaction settlement and other companies take part in financial products or services presenting improvement from the services related to information technologies, such as cloud computing, big data, artificial intelligence and Blockchain..

4. Index Calculations

The index is weighted as the following calculation formula: Current Index = Current Total Adjusted Market-Cap / Divisor × Base Level

Where Current Total Adjusted Market-Cap = \sum (Stock Price × Number of Free Float Adjusted Shares × Weight Factor)

For the calculation of number of free float adjusted shares, please refer to CSI Index Calculation and Maintenance Methodology for further details. The value of Weight Factor is between 0 and 1, and is calculated at each rebalancing so as to make individual constituent weight less than 10%.

5. Constituents and Index Weights

5.1 Constituent's Periodical Review

The index is adjusted and rebalanced twice a year and the adjustment will be effective as of the next trading day after the 2nd Friday in June and December.

Weight Factor is assigned to each constituent at each rebalancing. The factor is calculated using the closing data five trading days before the effective date of index rebalancing. The effective date is the same as that of the constituent adjustment. The Weight Factor stays the same until next rebalancing day.

5.2 Ongoing Review

In case that the representativeness and investability is effected due to significant changes beyond periodical reviews, CSI may review the constituent stocks immediately. For stock suspension, CSI will judge whether to delete the stock based on specific causes. Suspended or delisted stocks will be deleted from the constituents. Necessary adjustment will be made when certain corporate event happens so as to maintain the representativeness and investability of the index. Please refer to CSI Index Calculation and Maintenance Methodology for further details.