

Methodology of CSI UnionpaySmart Big Data 100 Index

1. Index Name and Index Code

- Index Name: CSI UnionpaySmart Big Data 100 Index
- Shortened Name: CSI UnionpaySmart 100
- Index Code : 930729
- TRI Code: H20729

2. Base Date and Base Index

The base date is Dec 31, 2010. The base divisor of the index is the adjusted market-cap of all constituents as of the close of the base date. The base index is 1000.

3. Index Eligibility

3.1 Index Universe

Based on CSI All Share Index, the universe of CSI UnionpaySmart Big Data 100 Index is all stocks from CICS Industries such as: Real Estate Management & Development, Automobile Manufacturers, Automotive Retail, Household Appliances, Department Stores, Hypermarkets & Super Centers, Food & Beverage, Restaurants, Hotels, Resorts & Cruise Lines, Airlines etc. which are related to UnionPay's sales-trend statistical data. This data is provided by UnionpaySmart Data Service(Shanghai) Co., Ltd, a subsidiary of China UnionPay Group.

3.2 Constituents Selection

First, rank the stocks in the universe by the daily average trading value of stocks over the past year in descending order and delete the bottom 10% stocks.

Second, rank stocks in the universe by the overall score in descending order, and select the top 100 stocks to compose the CSI UnionpaySmart Big Data 100 Index.

The overall score for each stock is calculated as following steps:

1. Synthetic Financial Factor: first calculate normalized indicators

including PE, PB, PS, total asset to market-cap as well as normalized growth indicators including operating income growth rate, net income growth rate, EPS growth rate, total asset growth rate, and then sum up the weighted value of above indicators to get the exposure level to Synthetic Financial Factor, given the weight is based on each indicator's long-term return and stability.

2. Synthetic Market Factor: first calculate normalized indicators including short-term return rate, long-term return rate, specific volatility, volume change, free-float market cap, and then sum up the weighted value of above indicators to get the exposure level to Synthetic Market Factor, given the weight is based on each indicator's long-term return and stability.

3. Industry Big Data Factor: first, the statistical sales data provided by the UnionpaySmart platform under the China UnionPay Group, is processed to create the industry indicators; second, based on these industry indicators, investigate each industry in terms of prosperity degree such as consumption amount, consumption volume and etc., then sum up the normalized values to get the exposure level to Industry Big Data Factor.

4. Sum up the weighted value of Synthetic Financial Factor, Synthetic Market Factor and Industry Big Data Factor to get an overall score for each stock, given the weight is based on the correlation between the exposure level to each factor and each factor's corresponding return in both short-term and long-term.

4. Index Weights and Calculations

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

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

The calculation of Number of Free Float Adjusted Shares is same as that of CSI 300 Index and the value of Equal Weight Factor is between 0 and 1, and is calculated at each rebalancing so as to make each constituent weight equal.

5. Index Maintenance

Same as that of CSI 300 Index.

6. Constituent's Periodical Review and Ongoing Review

The index is adjusted and rebalanced monthly and the adjustment will be effective as of the 18th calendar day (if it isn't a trading-day, then the effective date will be the first trading day after that) of each month. At each monthly adjustment, a five-stock reserve list is created in case that any constituent's occasional adjustment takes place.

Necessary adjustment will be made when certain corporate event happens so as to maintain the representativeness and investability of the index.

7. Equal Weight Factor's Adjustment

Same as that of CSI 300 Equal Weight Index.