

S&P Dow Jones Indices

A Division of **S&P Global**

iBoxx[®] MSCI ESG Advanced USD Liquid Investment Grade Index

Transparent, independent, objective, and multi-dimensional coverage across all asset classes.

The iBoxx MSCI ESG Advanced USD Liquid Investment Grade Index is designed to apply climate-based and values-based screens to the iBoxx USD Liquid Investment Grade Index while reflecting the performance of USD denominated investment grade corporate debt issuers with environmental, social, and governance (ESG) ratings that are average or above relative to their sector peers.

The climate-based screens remove issuers with an industry tie to fossil fuels (e.g., thermal coal, oil, and gas) including reserve ownership, related revenues and power generation (as captured by MSCI ESG Research data); issuers classified by iBoxx in the Oil & Gas sector; and issuers scoring below a defined threshold for environmental controversy scores to invest in eligible companies to reduce carbon relative to the parent benchmark.

The values-based screens remove a variety of controversial business activities (as captured by MSCI ESG Research data) including adult entertainment, alcohol, civilian firearms, controversial weapons, conventional weapons, for profit prisons, gambling, genetically modified organisms, nuclear power, nuclear weapons, palm oil, predatory lending, and tobacco; and issuers violating the United Nations Global Compact.

Additionally, the index removes issuers with MSCI ESG ratings of BB and below and issuers below a defined threshold for overall controversy scores. The index is market-value weighted with an issuer cap of 3%.

The index is part of the global iBoxx index families, fueled by multi-source pricing. iBoxx indices offer representative and objective benchmarks for assessing the performance of bond markets and investments.

Transparency

Documentation on our rules-based methodology for constituent selection, monthly rebalancing and daily total return calculations is publicly available.

Independence

iBoxx[®] products utilise independent multi-source pricing and reference data subject to rigorous quality testing, with a fully documented price challenge process in place. We are committed to administering all financial benchmarks in compliance with IOSCO benchmark principles and is an authorised benchmark administrator under the European Benchmark Regulation (BMR).

Multi-dimensional analysis

A wide range of analytical values are published to support risk, performance measurement and attribution analysis.

Flexibility

iBoxx[®] offers the ability to customize indices to meet specific criteria.

Depth of Data

A broad history of index and sub-index returns and analytics are available and published frequently to support index analysis.

Index Identifiers

Index Name	ISIN TRI	BBG Ticker TRI	RIC Code TRI
iBoxx MSCI ESG Advanced USD Liquid Investment Grade	GB00BL0B0Y32	IBXXUQ3T	.IBXXUQ3T

Key Stats

\$5trn+
Total value of derivative trades outstanding (OTC value linked to Indices)

\$140+bn
AUM in ETFs

30,000+
Bonds in Indices

180 +
ETFs linked to Indices

Customers

Asset managers

ETF issuers

Hedge funds

Insurers/Pensions

Investment banks

Index Eligibility Criteria

Issuer types	The bond must be corporate credit, i.e. debt instruments backed by corporate issuers that are not secured by specific assets. Debt issued by governments, sovereigns, quasi-sovereigns, and government-backed or guaranteed entities is excluded
Bond types	<p>Included: Fixed coupon bonds, step-up bonds with coupon schedules known at issuance (or as functions of the issuer's rating), sinking funds and amortizing bonds, medium term notes (MTNs), senior fixed-to-float bonds issued by banks with a call option up to 25 months prior to maturity, Rule 144A offerings with a registration right, callable bonds, puttable bonds</p> <p>Excluded: Preferred shares, optionally and mandatory convertible bonds, subordinated bank or insurance debt with mandatory contingent conversion features or with any conversion options before the first call date, bonds with other equity features attached (e.g., options/warrants), perpetual bonds, fixed-to-floater bonds, floating rate notes, pay-in kind bonds (during the pay-in-kind period), zero coupon bonds, zero step-ups (GAINS), bonds with differences between accrual and coupon payment periods and monthly-paying bonds, private placements, retail bonds</p>
Country	Bonds from countries classified as developed markets based on the "Markit Global Economic Development Classification" are eligible for the index
Time to maturity	At least 3 years expected remaining life for all bonds, 3.5 years expected remaining life for new insertions
Amount outstanding	Minimum \$750 million. In addition, minimum issuer size of \$2 billion (based on outstanding face value of all issuer bonds in the broader iBoxx USD Investment Grade benchmark)
Issuer size	Minimum \$2 billion
Issuer cap	3%
Rating	All bonds need to have an average rating of investment grade. Ratings from Fitch Ratings. Ratings from Moody's, S&P and Fitch are considered. Investment grade is defined as BBB- or higher from Fitch Ratings or S&P Global Ratings and Baa3 or higher from Moody's Investor Service. If a bond is rated by more than one of the above agencies, then the iBoxx Rating is the average of the provided ratings
Currency	US Dollar (USD)
Lockout period	3 months, unless the exclusion is due to a violation of ESG screening criteria
Minimum run	6 months, provided the bond is not downgraded to sub-investment grade, defaulted, or fully redeemed, or violating any of the ESG screening criteria in that period
ESG	Applies MSCI ESG Research data, see above for description. For further details, please refer to the index methodology guide available on ihsmarkit.com

Index Details

Pricing sources	Multi-source pricing
Calculation frequency	Daily
Rebalance frequency	Monthly
Calculation time	Close of Business 16.00 (EST/EDT). Please refer to the SFTP guide for standard publication times available on our website
History start date	31 December 2013
Weighting	Market capitalisation with an issuer cap at 3%

For further information, please refer to the relevant guide on [ihsmarkit.com/iBoxx](https://www.ihsmarkit.com/iBoxx)

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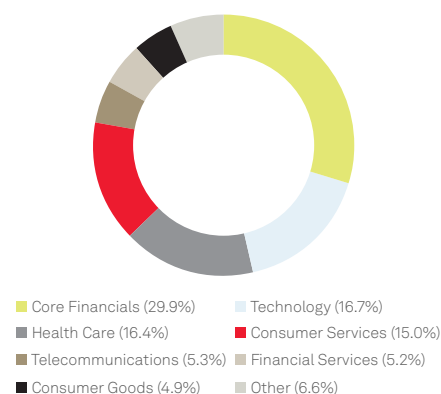
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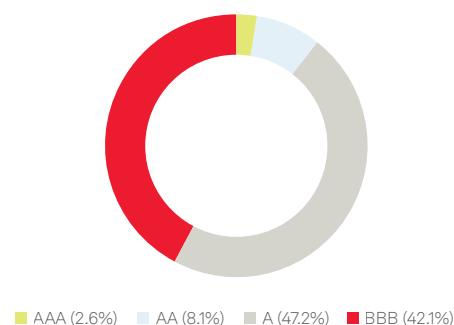
Industry Composition

Index weights as of 31/07/2022



Rating Composition

Index weights as of 31/07/2022



Regional Composition

Index weights as of 31/07/2022

