

IHS Markit Benchmark Administration Limited Consultation on Certain iBoxx Custom Indices

LONDON, NOVEMBER 13, 2023: IHS Markit Benchmark Administration Limited (“IMBA UK”) is conducting a consultation with market participants on potential changes to four iBoxx custom indices.

BACKGROUND & PROPOSAL

The four custom indices listed below are based on standard sub-indices from the iBoxx EUR Benchmark and iBoxx GBP Benchmark index families. For the custom index calculation, bond insertions and existing bonds follow the same prices as referred in the respective benchmark index.

Index Name	ISIN (CPI)	ISIN (TRi)
iBoxx EUR Corporates Custom Weighted 1	GB00BL09ZV95	GB00BL09ZW03
iBoxx EUR Corporates Custom Weighted 2	GB00BL09ZX10	GB00BL09ZY27
iBoxx GBP Corporates Custom Weighted 1	GB00BL0BH424	GB00BL0BH531
iBoxx GBP Corporates Custom Weighted 2	GB00BL0BH648	GB00BL0BH754

The sub-indices and their respective weights are highlighted in the below table. In order to exclude issuers from the Oil & Gas industry and include bonds with 12 months or less to maturity, IMBA UK proposes to update the index methodologies according to the below details. The methodology update aims to enhance the precision and relevance of the indices, aligning them more closely with the evolving preferences and considerations of users.

Index	Current Sub-Indices	Current Weights	Proposed Sub-Indices	Proposed Weights
iBoxx EUR Corporates Custom Weighted 1	iBoxx € Non-Financials 1-3	33.16%	iBoxx EUR Non-Financials ex-Oil & Gas 0-3	37.29%
	iBoxx € Non-Financials 3-5	38.54%	iBoxx EUR Non-Financials ex-Oil & Gas 3-5	35.98%
	iBoxx € Non-Financials 5-7	18.30%	iBoxx EUR Non-Financials ex-Oil & Gas 5-7	18.30%
	iBoxx € Financials 1-3	3.68%	iBoxx EUR Financials 0-3	3.29%
	iBoxx € Financials 3-5	4.28%	iBoxx € Financials 3-5	3.55%
	iBoxx € Financials 5-7	2.04%	iBoxx € Financials 5-7	1.59%
iBoxx EUR Corporates Custom Weighted 2	iBoxx € Non-Financials 1-3	30.72%	iBoxx EUR Non-Financials ex-Oil & Gas 0-3	30.98%
	iBoxx € Non-Financials 3-5	29.74%	iBoxx EUR Non-Financials ex-Oil & Gas 3-5	29.74%
	iBoxx € Non-Financials 5-7	15.98%	iBoxx EUR Non-Financials ex-Oil & Gas 5-7	15.87%
	iBoxx € Non-Financials 7-10	13.56%	iBoxx EUR Non-Financials ex-Oil & Gas 7-10	13.27%
	iBoxx € Financials 1-3	3.42%	iBoxx EUR Financials 0-3	3.48%
	iBoxx € Financials 3-5	3.30%	iBoxx € Financials 3-5	3.35%
	iBoxx € Financials 5-7	1.78%	iBoxx € Financials 5-7	1.80%
	iBoxx € Financials 7-10	1.50%	iBoxx € Financials 7-10	1.51%

Index	Current Sub-Indices	Current Weights	Proposed Sub-Indices	Proposed Weights
iBoxx GBP Corporates Custom Weighted 1	iBoxx £ Non-Financials 1-3	45.00%	iBoxx GBP Non-Financials ex-Oil & Gas 0-3	45.12%
	iBoxx £ Non-Financials 3-5	45.00%	iBoxx GBP Non-Financials ex-Oil & Gas 3-5	44.93%
	iBoxx £ Banks Senior	10.00%	iBoxx GBP Banks Senior 0+	9.95%
iBoxx GBP Corporates Custom Weighted 2	iBoxx £ Non-Financials 1-3	18.99%	iBoxx GBP Non-Financials ex-Oil & Gas 0-3	19.57%
	iBoxx £ Non-Financials 3-5	21.10%	iBoxx GBP Non-Financials ex-Oil & Gas 3-5	21.50%
	iBoxx £ Non-Financials 5-7	17.52%	iBoxx GBP Non-Financials ex-Oil & Gas 5-7	17.56%
	iBoxx £ Non-Financials 7-10	18.84%	iBoxx GBP Non-Financials ex-Oil & Gas 7-10	18.50%
	iBoxx £ Non-Financials 10-15	4.38%	iBoxx GBP Non-Financials ex-Oil & Gas 10-15	4.20%
	iBoxx £ Non-Financials 15+	9.17%	iBoxx GBP Non-Financials ex-Oil & Gas 15+	8.51%
	iBoxx £ Banks Senior	10.00%	iBoxx GBP Banks Senior 0+	10.17%

IMPLEMENTATION TIMING

IMBA UK is proposing to implement the previously described methodology changes, if adopted, in conjunction with the November 2023 month-end rebalancing, which takes effect prior to the market open on **December 1, 2023**.

QUESTIONS

Please answer the following questions and provide IMBA UK with the reasoning behind your answers:

- 1. Do you agree with the proposed methodology changes for the four iBoxx custom indices?**
- 2. Should these proposed methodology changes be adopted, do you agree with the proposed implementation date?**
- 3. Do you have any other comments or feedback regarding the proposed changes outlined above?**

Your participation in this consultation is important as we gather information from various market participants in order to properly evaluate your views and preferences on the proposal herein and the suggested timetable for its implementation. Please respond to this survey by **November 20, 2023**. After this date, IMBA UK will no longer accept survey responses. Prior to the Index Committee's final review, IMBA UK may request clarifications from respondents as part of that review.

To participate in this consultation, please visit the online survey available [here](#).

Please be advised that all comments will be reviewed and considered before a final decision is made; however, IMBA UK makes no guarantees and is under no obligation to comply with any of the responses. The consultation may result in no changes or outcome of any kind. If IMBA UK decides to change the index methodology, an announcement will be posted on our website. IMBA UK reserves the right to make a final decision on the proposal.

CONSULTATION

Thank you for taking the time to complete this survey.

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S&P Dow Jones Indices is the largest global resource for essential index-based concepts, data and research, and home to iconic financial market indicators, such as the S&P 500® and the Dow Jones Industrial Average®. More assets are invested in products based on our indices than products based on indices from any other provider in the world. Since Charles Dow invented the first index in 1884, S&P DJI has been innovating and developing indices across the spectrum of asset classes helping to define the way investors measure and trade the markets.

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