

IHS Markit Benchmark Administration Limited Consultation on the iBoxx SGD Non-Sovereigns Large Cap Investment Grade Index

LONDON, DECEMBER 13, 2023: IHS Markit Benchmark Administration Limited (“IMBA UK”) is conducting a consultation with market participants on potential changes to the iBoxx SGD Non-Sovereigns Large Cap Investment Grade index.

BACKGROUND

The iBoxx SGD Non-Sovereigns Large Cap Investment Grade index is designed to reflect the performance of non-sovereign large cap Singapore dollar (SGD) denominated debt. As of November 30, 2023, the index is made up of 127 bonds from 50 issuers and currently excludes zero coupon bonds and covered bonds.

Index Name	ISIN (TRi)	BBG Ticker (TRi)
iBoxx SGD Non-Sovereigns Large Cap Investment Grade	GB00BF9QLB19	IBXXSNS5

PROPOSAL

In order to align the index methodology with the main benchmark index (iBoxx SGD Overall), IMBA UK proposes to make zero coupon bonds eligible for the iBoxx SGD Non-Sovereigns Large Cap Investment Grade index. Covered bonds will remain ineligible for the index. The table below details the change.

Proposed Change	Current	Methodology	Proposed
Eligible Bond Types	<ul style="list-style-type: none"> Fixed coupon plain vanilla bonds Callable and puttable bonds Amortizing bonds and sinking funds with fixed sinking schedules Step-ups and event-driven bonds such as rating-driven or registration-driven bonds Dated and undated fixed-to-floater bonds 		<ul style="list-style-type: none"> Fixed coupon plain vanilla bonds Callable and puttable bonds Amortizing bonds and sinking funds with fixed sinking schedules Step-ups and event-driven bonds such as rating-driven or registration-driven bonds Dated and undated fixed-to-floater bonds Zero coupon bonds

IMPACT ANALYSIS

Using data as of November 30, 2023, there was no impact on the index membership, since there were no eligible zero coupon bonds in the market. The intention is to capture such bonds in the index if such issuances occur in the future.

IMPLEMENTATION TIMING

IMBA UK is proposing to implement the previously described methodology changes, if adopted, in conjunction with the March 2024 month-end rebalancing, which takes effect prior to the market open on **April 1, 2024**. If adopted, the changes will first be visible to clients in preliminary membership files beginning on **March 1, 2024**.

QUESTIONS

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

- 1. Do you agree with the proposal to make zero coupon bonds eligible for the iBoxx SGD Non-Sovereigns Large Cap Investment Grade index?**
- 2. Should this proposed methodology change be adopted, do you agree with the proposed implementation date?**
- 3. Do you have any other comments or feedback regarding the proposed change 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 **January 10, 2024**. 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 from this consultation 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 survey 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.

Thank you for taking the time to complete this survey.

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CONSULTATION