

iBoxx GBP Collateralized & Corporates ex-T1&UT2 (1% Issuer Cap/25% Sector Cap) Index Consultation

LONDON, MAY 10, 2024: IHS Markit Benchmark Administration Limited (IMBA UK) is conducting a consultation with market participants on potential changes to the iBoxx GBP Collateralized & Corporates ex-T1&UT2 (1% Issuer Cap/25% Sector Cap) index.

PROPOSAL

In order to enhance bond issuer representation and promote a more comprehensive approach to index construction, IMBA UK proposes to incorporate Tier 1 (T1) and Upper Tier 2 (UT2) issuers into the index and eliminate the 1% issuer capping. By removing the 1% issuer capping, IMBA UK seeks to eliminate potential constraints on the representation of certain issuers within the index, fostering a more inclusive and representative index composition. These adjustments are designed to ensure that the index accurately reflects the diversity of the fixed income market.

If these changes are adopted, the updated index name will be updated to the **iBoxx GBP Collateralized & Corporates (25% Sector Cap)** index.

IMPACT ANALYSIS

IMBA UK has conducted an analysis to assess the impact of the proposed implementation based on the April 2024 month-end rebalancing. The proposed methodology changes would have resulted in the inclusion of two additional bonds, bringing the number of constituents to 1,047.

IMPLEMENTATION TIMING

IMBA UK is proposing to implement the previously described methodology changes, if adopted, in conjunction with the May 2024 month-end rebalancing, which takes effect prior to the market open on **Monday, June 3, 2024**.

QUESTIONS

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

- 1. Do you agree with the proposal to include bonds from Tier 1 and Upper Tier 2 issuers in the index?**
- 2. Do you agree with the proposal to remove the 1% issuer cap from the index?**
- 3. Should these proposed methodology changes be adopted, do you agree with the proposed implementation date?**
- 4. Do you have any other comments or feedback regarding the proposed changes outlined above?**

Participation in this consultation is important as IMBA UK gathers information from various market participants in order to properly evaluate market participants' views and preferences on the proposal

herein and the suggested timetable for its implementation. Please respond to this survey by **May 17, 2024**, as IMBA UK does not accept responses post the survey closure date. 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 IMBA UK reviews and considers all feedback before a final decision is made. However, IMBA UK makes no guarantees nor is under any 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, the change(s) will be announced to clients and posted on the S&P DJI website with prior notice ahead of the effective date.

Thank you for taking the time to complete this survey.

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