

# iBoxx Global Developed Markets and USD Liquid High Yield Capped Indices Consultation on TRACE Eligible Bond Weights – Updated

**LONDON, JUNE 2, 2025:** S&P Dow Jones Indices (“S&P DJI”) is conducting a consultation with market participants on potential changes to the iBoxx Global Developed Markets Liquid High Yield Capped Index, iBoxx USD Liquid High Yield Capped Index, and iBoxx USD Liquid High Yield 0-5 Capped Index.

S&P DJI proposes changing the current 144A bonds/RegS bonds (“144A/RegS capped bonds”) weight cap rule to only apply to 144A/RegS bonds that are not TRACE<sup>1</sup> eligible, as defined below.

## iBoxx Global Developed Markets Liquid High Yield Capped Index

Proposed Change	Current	Methodology	Proposed
<b>144A and RegS Weight Cap</b>	<p>If a registered version of the bond is unavailable the 144A bond version of USD, CAD and GBP denominated bonds and the RegS version for EUR denominated bond is eligible for the index.</p> <p>The 144A bonds /RegS bonds (“144A/RegS capped bonds”) should be capped at a max of 10% in the index, if</p> <ul style="list-style-type: none"> <li>• The 144A bond has no registration rights,</li> <li>• The 144A bond has a registration period longer than 365 days,</li> <li>• Information regarding the length of the registration period of the 144A bond is not available,</li> <li>• The 144A bond has a registration period equal or less than 365 days but failed to register within 320 days,</li> <li>• The RegS version of EUR denominated bonds is not listed on a “Recognized Investment Exchange” (For full list of “Recognized Investment Exchanges” please see Appendix.)”</li> </ul>	<p>If a registered version of the bond is unavailable, the respective USD, CAD, or GBP denominated 144A bond, and the RegS bond for EUR denominated bonds, is eligible for the index.</p> <p>Cap the cumulative weight of 144A/RegS <b>that are not trace eligible</b> at 10% of the total index weight, if:</p> <ul style="list-style-type: none"> <li>• The 144A bond has no registration rights</li> <li>• The 144A bond has a registration period longer than 365 days</li> <li>• Information regarding the length of the registration period of the 144A bond is not available</li> <li>• The 144A bond has a registration period equal or less than 365 days but failed to register within 320 days</li> <li>• The RegS version of EUR denominated bonds is not listed on a “Recognized Investment Exchange” (For full list of “Recognized Investment Exchanges” please see Appendix 6.1.)”</li> </ul>	

<sup>1</sup> Please refer to [Trade Reporting and Compliance Engine \(TRACE\) | FINRA.org](https://www.finra.org/trace) for more information on TRACE.

## iBoxx USD Liquid High Yield Capped Index

Proposed Change	Current	Methodology	Proposed
<b>144A Weight Cap</b>	<p>If a registered version of the bond is unavailable, the 144A bond version of the bond is eligible for the index.</p> <p>The 144A bonds (“144A capped bonds”) should be capped at a max of 10% in the index, if</p> <ul style="list-style-type: none"> <li>The 144A bond has no registration rights,</li> <li>The 144A bond has a registration period longer than 365 days,</li> <li>Information regarding the length of the registration period of the 144A bond is not available</li> <li>The 144A bond has a registration period equal or less than 365 days but failed to register within 320 days</li> </ul>	<p>If a registered version of the bond is unavailable, the 144A bond version of the bond is eligible for the index.</p> <p>Cap the cumulative weight of 144A bonds <b>that are not TRACE eligible</b> at 10% of the total index weight, if:</p> <ul style="list-style-type: none"> <li>The 144A bond has no registration rights</li> <li>The 144A bond has a registration period longer than 365 days</li> <li>Information regarding the length of the registration period of the 144A bond is not available</li> <li>The 144A bond has a registration period equal or less than 365 days but failed to register within 320 days</li> </ul>	<p>If a registered version of the bond is unavailable, the 144A bond version of the bond is eligible for the index.</p> <p>Cap the cumulative weight of 144A bonds <b>that are not TRACE eligible</b> at 10% of the total index weight, if:</p> <ul style="list-style-type: none"> <li>The 144A bond has no registration rights</li> <li>The 144A bond has a registration period longer than 365 days</li> <li>Information regarding the length of the registration period of the 144A bond is not available</li> <li>The 144A bond has a registration period equal or less than 365 days but failed to register within 320 days</li> </ul>

## iBoxx USD Liquid High Yield 0-5 Capped Index

Proposed Change	Current	Methodology	Proposed
<b>144A Weight Cap</b>	<p>If a registered version of the bond is unavailable the 144A version of the bond is eligible for the index. The 144A bonds (“144A capped bonds”) should be capped at a max of 10% in the index, if</p> <ul style="list-style-type: none"> <li>The 144A bond has no registration rights,</li> <li>The 144A bond has a registration period longer than 365 days,</li> <li>Information regarding the length of the registration period of the 144A bond is not available</li> <li>The 144A bond has a registration period equal or less than 365 days but failed to register within 320 days</li> </ul>	<p>If a registered version of the bond is unavailable the 144A version of the bond is eligible for the index.</p> <p>Cap the cumulative weight of 144A bonds <b>that are not TRACE eligible</b> at 10% of the total index weight, if:</p> <ul style="list-style-type: none"> <li>The 144A bond has no registration rights</li> <li>The 144A bond has a registration period longer than 365 days</li> <li>Information regarding the length of the registration period of the 144A bond is not available</li> <li>The 144A bond has a registration period equal or less than 365 days but failed to register within 320 days</li> </ul>	<p>If a registered version of the bond is unavailable the 144A version of the bond is eligible for the index.</p> <p>Cap the cumulative weight of 144A bonds <b>that are not TRACE eligible</b> at 10% of the total index weight, if:</p> <ul style="list-style-type: none"> <li>The 144A bond has no registration rights</li> <li>The 144A bond has a registration period longer than 365 days</li> <li>Information regarding the length of the registration period of the 144A bond is not available</li> <li>The 144A bond has a registration period equal or less than 365 days but failed to register within 320 days</li> </ul>

## IMPACTED INDICES

Index Name	ISIN (TRi)
iBoxx Global Developed Markets Liquid High Yield Capped Index	GB00B884Q230
iBoxx USD Liquid High Yield Capped Index	GB00B3R8ZK26
iBoxx USD Liquid High Yield 0-5 Capped Index	GB00BC5ZF195

## IMPACT ANALYSIS

S&P DJI conducted a historical analysis showing the turnover impact if proposed changes were in place at the March 2024 month end rebalancing. The details of the analysis are below.

Date	iBoxx Global Developed Markets Liquid High Yield Capped Index		Two-way Turnover % iBoxx USD Liquid High Yield Capped Index		iBoxx USD Liquid High Yield 0-5 Capped Index	
	Current	Proposed	Current	Proposed	Current	Proposed
01/31/2025	2.91%	3.91%	1.71%	3.89%	4.40%	6.44%
12/31/2024	3.21%	5.52%	4.62%	5.58%	4.77%	5.01%
11/30/2024	6.45%	5.83%	7.72%	6.08%	7.29%	4.29%
10/31/2024	7.69%	6.98%	9.47%	7.57%	5.98%	5.48%
09/30/2024	4.64%	6.67%	5.33%	6.90%	9.06%	8.12%
08/31/2024	4.07%	6.59%	2.73%	7.22%	3.33%	6.42%
07/31/2024	6.61%	6.29%	5.80%	4.40%	6.28%	5.38%
06/30/2024	4.30%	6.88%	5.18%	8.17%	7.35%	7.88%
05/31/2024	7.91%	8.88%	4.07%	7.26%	3.45%	7.62%
04/30/2024	6.82%	9.13%	6.51%	8.26%	7.98%	14.59%
03/31/2024	8.69%	8.57%	6.52%	6.70%	8.59%	8.70%

Additional data and analysis may be made available in the Client Resource Center [www.spglobal.com/spdji/en/client-services/](http://www.spglobal.com/spdji/en/client-services/), which may be updated from time to time throughout the consultation without notice. The information will be posted for the duration of the consultation and up to 30 days thereafter at S&P DJI's discretion. Additional data and analysis may also be made available upon request.

## IMPLEMENTATION TIMING

S&P DJI proposes to implement the previously described methodology changes, if adopted, according to the proposed implementation timing as described below, beginning with the **July 2025 rebalancing**, which takes effect prior to the market open on **August 1, 2025**. If adopted, the changes will first be visible to clients in preliminary membership files on **July 7, 2025**.

### Proposed Weighting Implementation Process

S&P DJI proposes to implement the previously described weighting changes, if adopted, for each index as follows:

#### iBoxx Global Developed Markets Liquid High Yield Capped Index and iBoxx USD Liquid High Yield Capped Index

The aggregate weight of current constituent TRACE eligible bonds will be increased by 1% per month until the bonds' aggregate market value weight is reached, subject to the issuer cap.

New bonds will be added at each bond's market value weight, subject to the issuer cap. The excess 144A/RegS capping weight will not be redistributed to the new constituents, but will be proportionally allocated to the current non-144A/RegS bonds.

#### iBoxx USD Liquid High Yield 0-5 Capped Index

The aggregate weight of current TRACE eligible bonds will remain capped at 10% until maturity.

## CONSULTATION

New eligible bonds will be added at each bond's market value weight, subject to the issuer cap. The excess 144A capping weight will not be redistributed to the new constituents, but will be proportionally allocated to the current non-144A/RegS bonds.

## QUESTIONS

Please answer the following questions and provide S&P DJI with the reasoning behind your answers:

1. **Do you agree with the proposal to change the capping of 144A bonds /RegS bonds that are TRACE eligible in the iBoxx Global Developed Markets Liquid High Yield Capped Index?**
2. **Do you agree with the proposal to change the capping of 144A bonds that are TRACE eligible in the iBoxx USD Liquid High Yield Capped Index?**
3. **Do you agree with the proposal to change the capping of the 144A bonds that are TRACE eligible in the iBoxx USD Liquid High Yield 0-5 Capped Index?**
4. **Should the proposed methodology changes be adopted, do you agree with the proposed implementation timing?**
5. **Do you have any other comments or feedback regarding the proposed changes outlined above?**

Participation in this consultation is important as S&P DJI gathers information from various market participants to properly evaluate the market participants' views and preferences. Please respond to this survey by **Friday, June 20, 2025**, as S&P DJI does not accept responses post the survey closure date. Prior to the Index Committee's final review, S&P DJI 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 S&P DJI reviews and considers all feedback before a final decision is made. However, S&P DJI 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 S&P DJI 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.

## ABOUT S&P DOW JONES INDICES

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.

S&P Dow Jones Indices is a division of S&P Global (NYSE: SPGI), which provides essential intelligence for individuals, companies and governments to make decisions with confidence. For more information, visit [www.spglobal.com/spdji](http://www.spglobal.com/spdji).

## CONSULTATION

**FOR MORE INFORMATION:**  
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