

iBoxx MSCI Scored & Screened Tilted USD Asia ex-Japan High Yield Capped TCA Momentum Factor Consultation

LONDON, FEBRUARY 20, 2026: S&P Dow Jones Indices (“S&P DJI”) is conducting a consultation with market participants on potential changes to the iBoxx MSCI Scored & Screened Tilted USD Asia ex-Japan High Yield Capped TCA index.

PROPOSAL

Due to the MSCI ESG Ratings 2026 Model Update¹ effective in March 2026, S&P DJI proposes temporarily disabling the momentum tilt factor utilized in the iBoxx MSCI Scored & Screened Tilted USD Asia ex-Japan High Yield Capped TCA index.

The momentum methodology for this index uses a 12-month lookback that compares an issuer’s current MSCI ESG Rating with the same issuer’s MSCI ESG Rating from one year earlier. For example, if an issuer’s MSCI ESG Rating improves from BB to BBB, the methodology applies a positive momentum tilt of 1.25x. If an issuer’s MSCI ESG Rating declines from BBB to BB, the methodology applies a negative momentum tilt of 0.8x.

The momentum tilt is designed to increase index weights for issuers with improving ESG Ratings and decrease index weights for issuers with deteriorating ESG Ratings. However, the MSCI ESG Ratings 2026 Model Update may cause ESG Rating changes driven by MSCI methodology updates rather than by issuer ESG performance. Such methodology-driven ratings changes could distort the momentum tilt calculation and lead to unintended index weight changes.

S&P DJI therefore proposes a temporary 12-month suspension of the momentum tilt factor rule from the March 31, 2026 rebalancing through the February 28, 2027 rebalancing. The momentum tilt factor will be reinstated and applied to the March 31, 2027 rebalancing, after 12 months of consecutive MSCI ESG Ratings under MSCI’s updated model are available for the 12-month lookback calculation.

ESG Rating Momentum	Current Tilt	Proposed Tilt From Mar. 31, 2026 to Feb. 28, 2027
Positive	1.25	1
Neutral	1	1
Negative	0.8	1

IMPACTED INDEX

Index Name	ISIN (TRi)	BBG Ticker (TRi)
iBoxx MSCI Scored & Screened Tilted USD Asia ex-Japan High Yield Capped TCA	GB00BL0B0R64	IBXXUJXT

¹ For more information on the MSCI ESG Ratings 2026 Model Update, please see the MSCI announcement [here](#).

IMPACT ANALYSIS

Additional data and analysis may be made available in the Client Resource Center 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 change, if adopted, in conjunction with the March 2026 end-of-month rebalancing, which takes effect prior to the market open on **April 1, 2026**. If adopted, the change will first be visible to clients in preliminary membership files beginning on **March 20, 2026**.

QUESTIONS

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

1. **Do you agree with the proposed temporary 12-month disablement of the momentum tilt factor from the March 31, 2026 index rebalancing through the February 28, 2027 index rebalancing?**
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?**

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, March 6, 2026** 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.

CONSULTATION

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.

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FOR MORE INFORMATION:

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