

**S&P Dow Jones
Indices**

A Division of **S&P Global**

Markit iBoxx EUR Liquid Corporates 100 Indices Guide

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1) Markit iBoxx EUR Liquid Corporates 100 Indices

The Markit iBoxx EUR Liquid Corporates 100 indices consist of a subset of the bonds from the Markit iBoxx EUR index family of benchmark indices. The index rules have been designed to offer targeted coverage of the overall market with emphasis on liquidity to be suitable for OTC and exchanged-traded derivatives, and Exchange Traded Funds (ETFs). The indices are an integral part of the global suite of Markit iBoxx Liquid Indices which provide the marketplace with liquid and investable versions of the broader Markit iBoxx benchmark index families.

Broad benchmark indices generally consist of a large number of bonds, especially within the corporate sector. Portfolio managers tracking an index from the broad benchmark Markit iBoxx EUR index family may therefore incur substantial costs in attempting to replicate or hedge the individual bonds in the portfolio. Furthermore, bonds with special features or smaller amounts outstanding usually suffer from illiquid trading, resulting in relatively large bid-ask spreads.

The Markit iBoxx EUR Liquid indices are intended to address these deficiencies by limiting the number of bonds per index and excluding special bond types, thus reducing tracking and hedging costs.

All iBoxx indices are priced based on multiple data inputs. The Markit iBoxx EUR Index family uses multi-source prices as described in the document “Markit iBoxx Pricing Rules” publicly available under Methodology on www.ihsmarkit.com. Additionally, the index rules and their application will be governed by two Index Advisory Committees.

This document covers the index rules and calculation methodology.

1.1) Index family structure

Three indices are published as part of the Markit iBoxx EUR Liquid Corporates 100 indices. These consist of an overall index of up to 100 corporate bonds and two sub-indices, one containing all financial bonds included in the overall index, and one containing all the non-financial bonds:

- Markit iBoxx EUR Liquid Corporates 100 index
- Markit iBoxx EUR Liquid Corporates 100 Financials sub-index
- Markit iBoxx EUR Liquid Corporates 100 Non-financials sub-index

2) Bond selection rules

Only bonds eligible for the Markit iBoxx EUR benchmark index are eligible for the index. The bond selection criteria follow the criteria for the Markit iBoxx EUR indices except as stated below. The following selection criteria have been amended to reduce the number of bonds for the Markit iBoxx EUR Liquid Corporates 100 index:

- Bond type
- Issuer type
- Time to maturity
- Age
- Amount outstanding
- Maximum permissible minimum lot size/increment
- Minimum run

2.1) Bond type

The Markit iBoxx EUR Liquid Corporates 100 indices include only Euro and legacy currency denominated bonds.

The list of eligible bond types is as follows:

- Bullet fixed coupon bonds (plain vanilla bonds)
- Zero-coupon bonds
- Bonds with call options where the first and subsequent call dates are on a date when the bond is otherwise no longer eligible for the index. This would apply, for example, to American call options that can be exercised by the issuer only in the last year prior to maturity when a bond is no longer eligible for the indices due to its remaining time to maturity
- Rating-driven bonds
- Step-up bonds
- Subordinated financial debt with a contingent conversion feature at the point of non-viability, in line with the capital adequacy requirements of Basel III
- Senior bank bonds with call options where the first call date is 25 months or less prior to maturity.

The following bond types are specifically excluded from the index:

- All other callable debt – including callable dated and undated hybrid bank/insurance capital
- Bonds with odd last coupons
- Sinking funds
- Amortizing bonds
- Optionally and mandatory convertible bonds from non-financial issuer
- Subordinated financial debt with mandatory contingent conversion features that are based on an observable trigger
- Retail bonds and private placements

For retail bonds and private placements, publicly available information is not always conclusive and the classification of a bond as a retail bond or a private placement will be made at IHS Markit's discretion based on the information available at the time of determination. IHS Markit may consult with the specific Index Advisory Committees to review potential retail bonds or private placements. Any bond classified as retail or private placement is added to the list of excluded private placements and retail bonds. The list is

published on www.ihsmarket.com under News & Information for future reference and to ensure decision's consistency.

In instances where a new bond type is not specifically excluded or included according to the published index rules, IHS Markit will analyze the features of such securities in line with the principles set out in 2.1 of this guide. IHS Markit may consult the specific Index Advisory Committees. Any decision as to the eligibility or ineligibility of a new bond type will be published and the index rules will be updated accordingly.

2.2) Credit rating

All bonds in the Markit iBoxx EUR Liquid Corporates 100 Indices must have an iBoxx Rating of investment grade. Ratings from the following three credit rating agencies are considered for the calculation of the iBoxx Rating:

- Fitch Ratings
- Moody's Investor Service
- S&P Global Ratings

Investment grade is defined as BBB- or higher from Fitch Ratings and S&P Global Ratings and Baa3 or higher from Moody's Investor Service.

If a bond is rated by more than one of the above agencies, then the iBoxx rating is the average of the provided ratings. The rating is consolidated to the nearest rating grade. Rating notches are not used. For more information on how the average rating is determined, please refer to the *iBoxx Rating Methodology* document. The methodology can be found on www.ihsmarket.com under *Methodology*.

2.3) Issuer type

Only issuers classified as corporates are eligible for the index. Bonds must be issued in EUR or legacy currency. The issuer domicile is not relevant.

2.4) Time to maturity

To qualify for the Markit iBoxx EUR Liquid Corporates 100 index all eligible bonds must have a remaining time to maturity of at least 2 years measured from the respective rebalancing date to the maturity date. The bonds must have a minimum time to maturity of 3 years when they enter the index. The time to maturity for substitutes is measured from the substitution date to the maturity date of the bond.

Bonds in the liquid indices with a remaining time to maturity of less than 2 years will be excluded from the indices at the next rebalancing.

The expected remaining life is expressed in years and calculated as follows:

- For plain vanilla bonds, the expected workout date is the final maturity date
- For dated and undated callable hybrid capital bonds, the first call date is always assumed to be the expected workout date
- For soft bullets, the expected workout date is determined using the first call date
- For senior callable bank bonds, the first call date will be considered as the workout date if the call date is more than 11 months prior to the final maturity. In case the first call date is 11 months or less prior to the maturity date, the final maturity date will be assumed as the workout date to calculate the time to maturity

2.5) Amount outstanding

All bonds must have a minimum amount outstanding of EUR 750 million in order to be eligible for the indices.

The amount outstanding of each bond is used to calculate its index weight. The indices are market value weighted.

2.6) Age

There is no maximum age restriction for bonds. For exchanges of bonds from the same issuer, the age of the new bond to be included needs to be at least 2 years less than the age of the bond already in the index. The age of a bond is measured from the first settlement date of the bond to the rebalancing date.

2.7) Maximum of minimum lot size and maximum of minimum increment

The maximum permissible minimum lot size is EUR 100,000. The upper limit for the minimum increment is EUR 1,000.

2.8) Minimum run

For the Markit iBoxx EUR Liquid Corporates 100 indices each bond has a minimum run of one year. The minimum run supersedes the age and ranking criteria.

2.9) Index size, bond ordering and bond selection

Index Size

To facilitate the replication of the indices, the maximum number of bonds in overall Markit iBoxx EUR Liquid Corporates 100 index is limited to 100. In the event that the number of eligible bonds is less than or equal to the maximum number, all available bonds will be included in the index.

Ranking Criteria

Should more than the maximum number of bonds be available for an index, ordering criteria are applied in order to rank the eligible bonds.

The following criteria are applied:

1. Minimum lot size of EUR 50,000 or less
2. Higher amount outstanding
3. More recent first settlement date
4. Longer time to maturity
5. Higher rating
6. Lower coupon

These criteria are applied to each pair of bonds in the order stated above until a difference can be established (i.e. if two bonds have identical amounts outstanding and first settlement dates, but one has a longer time to maturity, then criteria 1 to 4 are applied, but 5 and 6 are not). With the help of the ranking criteria, a bond hierarchy can be defined, with the bond that has the highest amount outstanding at the top of the hierarchy.

If there is still a tie after these criteria are applied, the bond with the higher ISIN (ranked in alpha-numerical order) is selected. The top 100 ranked bonds, subject to the issuer limit (see below) are selected for the index.

Limit on Number of Bonds from Any Issuer in an index

The number of bonds from an issuer as identified by its ticker that may enter an index is limited to 2 bonds.

3) Bond classification

All bonds are classified based on the principal activities of the issuer and the main sources of the cash flows used to pay coupons and redemptions. In addition, a bond's specific collateral type or legal provisions are evaluated. Hence, it is possible that bonds issued from different subsidiaries of the same issuer carry different classifications.

The issuer classification is reviewed regularly based on updated information received by S&P DJI, and status changes are included in the indices at the next rebalancing if necessary.

Where the sector classification of a specific entity is not very clear due to the diversified business of the entity, decision will be made at S&P DJI's discretion. S&P DJI will assign the classification according to its evaluation of the business risk presented in the security prospectus and annual reports, if available. S&P DJI will also compare the classification to peers in the potential sectors and may consult with the Index Advisory Committees. Membership lists including classification are published on the FTP server and in the *Indices* section of products.markit.com for registered users.

3.1) Corporates

Bonds issued by public or private corporations. Corporate bonds are further classified into Financials and Non-Financials bonds and then into their multiple-level economic sectors, according to the issuer's business scope. The category insurance-wrapped is added under Financials for corporate bonds whose timely coupon and/or principal payments are guaranteed by a special mono-line insurer such as AMBAC or MBIA. The sector overview is shown in Table 1 below.

Table 1: Overview of Markit iBoxx Corporates Sectors

	Economic Sector	Market Sector	Market Sub-Sector
Financials	Core Financials	Banks	Banks
		Insurance	Life Insurance
			Nonlife Insurance
	Financial Services	Financial Services	General Financial
			Equity Investment Instruments
			Nonequity Investment Instruments
		Insurance-wrapped	*
	Real Estate	Real Estate	Real Estate Investment & Services
			Real Estate Investment Trusts
	Non-Financials	Basic Materials	Basic Resources
Industrial Metals			
Mining			
Chemicals			Chemicals
Consumer Goods		Automobiles & Parts	Automobiles & Parts
		Food & Beverage	Beverages

	Economic Sector	Market Sector	Market Sub-Sector
			Food Producers
		Personal & Household Goods	Household Goods
			Leisure Goods
			Personal Goods
			Tobacco
	Consumer Services	Education	Academic & Educational Services
		Media	Media
		Retail	Food & Drug Retailers
			General Retailers
		Travel & Leisure	Travel & Leisure
	Health Care	Health Care	Health Care Equipment & Services
			Pharmaceuticals & Biotechnology
	Industrials	Construction & Materials	Construction & Materials
		Industrial Goods & Services	Aerospace & Defense
			Electronic & Electrical Equipment
			General Industrials
			Industrial Engineering
			Industrial Transportation
			Support Services
	Oil & Gas	Oil & Gas	Alternative Energy
			Oil Equipment / Services & Distribution
			Oil & Gas Producers
	Technology	Technology	Software & IT Services
			Technology Hardware & Equipment
	Telecommunications	Telecommunications	Integrated Telecommunications
			Wireless Telecommunications
	Utilities	Utilities	Electricity
			Gas / Water & Multiutilities

3.2) Additional classification

Corporate debt is further classified into senior and subordinated debt. Bank senior debt structure additionally differentiates between Bail-in and Preferred bonds. The Bail-in classification captures all senior notes which are subject to write-down or conversion into a subordinated instrument on the occurrence of a resolution event, as well as senior bank debt issued by bank holding companies.

Hybrid capital issued by banking and insurance institutions is further detailed into the respective tiers of subordination.

The market information on the tier of subordination for insurance capital is often less standardized and clear than the equivalent issues by banks. In these cases, the classification is based on the maturity, coupon payment and deferral provisions of the bond from the offering circulars of the bonds. The table below displays the seniority classification of debt issued by both financial and non-financial sectors.

Table 2: Overview of seniority levels

Market Sector	Seniority Level 1	Seniority Level 2	Seniority Level 3	
Bank	SEN	Preferred	*	
		Bail-in	*	
	SUB	T2 (post-Jan '13 issuances)	T2 callable	
			T2 non-callable	
		T2 (pre-Jan '13 issuances)	LT2 callable	
			LT2 non-callable	
			UT2	
		T1	T1 step	
T1 non-step				
Insurance	SEN	*	*	
	SUB	T3	*	
		T2 dated	T2 dated callable	
			T2 dated non-callable	
		T2 perpetual	*	
T1	*			
Other sectors	SEN	*	*	
	SUB	Other	Hybrid**	
			Non-hybrid	

** Bonds will be required to fulfil the following criteria to be considered hybrids:

- Subordinated
- Deferrable coupons
- First non-call period ≥ 5 years
- Either perpetual or 'long-dated', where 'long-dated' is defined as > 25 years of the time to maturity at issuance

4) Index Calculation

4.1) Static data

Information used in the index calculation is sourced from offering circulars and checked against standard data providers.

4.2) Bond prices

For more details please refer to the *Markit iBoxx Pricing Rules* document, available in the *Methodology* section of the iBoxx Documentation page on www.ihsmarkit.com.

4.3) Rebalancing process

The Markit iBoxx EUR Liquid Corporates 100 Indices are rebalanced monthly on the last business day of the month after the close of business. Changes to outstanding amounts are only taken into account if they are publicly known three business days before the end of the month. Changes in ratings are only taken into account if they are publicly known two business days before the end of the month. New bonds issued are taken into account if they are publicly known to settle until the last calendar day of the month, inclusive, and if their rating has become known at least three trading days before the end of the month.

The Markit iBoxx EUR Liquid Corporate 100 indices are rebalanced semi-annually at the end of April and October. A preliminary membership list is published on the 6th calendar day of the month (moved to the next business day in case of holiday/weekend).

Three business days before the end of each month, a membership list with final amount outstanding for each bond is published.

Two business days before the end of each month, the rating information for the constituents is updated and the list is adjusted for all rating changes which are known to have taken place two trading days before the end of the month. Bonds which are known to have been upgraded to investment grade two trading days before the end of the month are not included in the membership, but bonds which are known to have been downgraded to sub-investment grade two trading days before the end of the month do get excluded from the membership. However, if any bonds which are part of the broader EUR universe become eligible two business days prior to rebalancing because of rating or amount changes, they will be included in the Index.

On the last business day of each month, IHS Markit publishes the final membership with closing prices for the bonds, and various bonds analytics based on the index prices of the bonds.

4.3.1) Rebalancing procedure

In a first step the selection criteria are applied to reduce the universe of EUR denominated bonds:

- Bond ratings and amounts outstanding are applied as of three business days before the rebalancing date
- Only bonds with a first settlement date on or before the rebalancing date are included in the selection process

Once the eligible bond universe has been defined, the ranking criteria are employed to determine a distinct hierarchy of bonds in the universe.

Bonds enter the respective index according to their rank in the hierarchy (with the highest rank entering first) until the maximum number of bonds per index has been reached. The ranking is done as described in section 2.

4.3.2) Weekly preview

In addition to the regular rebalancing, a preview list (including sector classification for new bonds) is published each Friday of the rebalancing month with predicted changes to the index constituents at the next rebalancing. The preview list includes the next month's index constituents and shows bonds joining or leaving the indices at the next rebalancing, based on information available on such Fridays.

The first weekly preview will be published on the Friday of the rebalancing month that is at least three business days after the preceding month-end.

4.4) Index data

The calculation of the indices is based on bid prices. New securities are included in the indices at their respective ask prices when they enter the index family. In the event that no price can be established for a particular security, the index continues to be calculated based on the last available price. This might be the case in periods of market stress, or disruption as well as in illiquid or fragmented markets. If the required inputs become impossible to obtain, IHS Markit may consult market participants prior to the next rebalancing date. Decisions are made publicly available on a timely basis and IHS Markit may refer back to previous cases.

The rebalancing takes place after close of market on the last trading day of a rebalancing month.

The indices are transaction cost adjusted. For specific cost factor calculation formulae please refer to the Markit iBoxx Bond Index Calculus document, available in the Methodology section of the Markit iBoxx Documentation page on www.ihsmarkit.com.

4.5) Index calculus

For specific index formulas please refer to the *Markit iBoxx Bond Index Calculus* document, available in the *Methodology* section of the iBoxx Documentation page on www.ihsmarkit.com.

4.6) Treatment of the special intra-month events

Data for the application of corporate actions in the indices may not be fully or timely available at all times, e.g. the final call prices for make-whole calls or the actual pay-in-kind percentage for PIK-payment options. In such cases, S&P DJI will estimate the approximate value based on the available data at the time of calculation.

4.6.1) Index adjustments between scheduled rebalancings

Coupon changes

While most index adjustments are made during the quarterly rebalancing procedure, coupon changes will be effective immediately and the indices are adjusted in the same way.

Bonds no longer in benchmark index

Bonds may drop out of the Liquid index at the end of a month, because they have left the benchmark indices. In this case they are replaced by suitable substitutes, or the proceeds are invested in existing bonds.

Cash investment

Cash from coupon payments and proceeds from bonds that could not be used to buy other suitable bonds is invested in the money market at the end of each month.

4.6.2) Monthly bond substitution between scheduled rebalancings

Bonds can leave the Markit iBoxx EUR Liquid Corporates 100 Indices universe due to:

- Default of the issue or issuer
- Rating downgrade to sub-investment grade of the issue or issuer
- Reduction in the amount outstanding due to repurchases below threshold level
- Other reasons

Bonds dropping out of the benchmark index will also leave the liquid index at month-end. The procedures described below are applied only if a bond has left a liquid index between rebalancing dates.

Substitution list

At the end of the month, the eligible bond universe for the coming month is compiled and published for all liquid indices in accordance with the selection and ranking criteria. These are applied to establish a hierarchy within the eligible bond universe. For each index, all bonds already in the index are eliminated from the hierarchy, resulting in a substitution list for each index.

In case of multiple substitutions, all substitutes and deleted bonds are ranked in order to assign one specific substitute to each deleted bond. Ranking criteria from section 2 are applied. The assignment is essential for the determination of the fictitious amount outstanding.

Bond substitution

If the bonds are no longer in the Markit iBoxx EUR Corporates benchmark index, they will also leave the liquid indices. For each bond that has left, another bond will become a substitute and enter the index. The proceeds from the sale of a dropped bond are invested in its substitute. The substitute will have a fictitious amount outstanding:

$$O_{substitute} = \frac{(P_{dropped}^b + A_{dropped}) \cdot O_{dropped}}{P_{substitute}^a + A_{substitute}}$$

where:

$A_{dropped}$	Accrued interest of a dropped bond
$A_{substitute}$	Accrued interest of a substitute bond
$O_{dropped}$	Amount outstanding of a dropped bond
$O_{substitute}$	Fictitious amount outstanding of a substitute bond
$P_{substitute}^a$	Ask price of a substitute bond
$P_{dropped}^b$	Bid price of a dropped bond

The substitute will have a notional amount outstanding based on formula above.

In the Markit iBoxx EUR Liquid indices a substitute bond enters the index at the ask price.

In the event that no substitute is available, the proceeds from the sale of the dropped bond are invested as cash.

4.6.3) Monthly cash reinvestment between scheduled rebalancing dates

Cash from received coupons and non-substituted bonds is reinvested at the end of each month in the money market until the end of the following month. Cash from earlier months is also re-invested at the end of each month at the 1-month EURIBOR minus 12.5 basis points. At the next scheduled rebalancing cash is invested back in the index.

4.7) Determination of benchmarks

A benchmark bond of the Markit iBoxx EUR Benchmark universe is defined as the most liquid and low risk bond in each of the maturity bands listed below.

The procedure starts at first running a regression algorithm on all bonds in the Markit iBoxx Eurozone index in order to determine the benchmark curve, and bonds with a positive spread to the curve are eliminated. The procedure is then repeated until one of the following is met:

1. R-square above 0.99
2. Standard deviation of yield-spread to curve is less than 3.5 bps
3. Number of bonds left is between 15 and 40.

The bonds remaining after running the procedure above are assigned to Sets A or B depending on their age. An eligible bond is assigned to Set A within a maturity band if it is not older than two years. Otherwise, it is assigned to Set B. The age of a bond is calculated from the first settlement date to the current rebalancing date. The largest bond (by amount outstanding) of all bonds in Set A is selected as the respective benchmark for each defined maturity band. If Set A is empty, then the most recently issued bond of Set B is chosen as the respective benchmark of the band.

Maturity bands are defined as follows:

Benchmark Maturity Bands	Bond Maturity
1 year	< 1.5 years
2 years	1.5 to < 2.5 years
3 years	2.5 to < 3.5 years
4 years	3.5 to < 4.5 years
5 years	4.5 to < 5.5 years
6 years	5.5 to < 6.5 years
7 years	6.5 to < 7.5 years
8 years	7.5 to < 8.5 years
9 years	8.5 to < 9.5 years
10 years	9.5 to < 12.5 years
15 years	12.5 to < 17.5 years
20 years	17.5 to < 25 years
Long	≥ 25 years

For every bond in the Markit iBoxx EUR indices, the benchmark bond with the closest maturity is selected as a benchmark. Therefore, the chosen benchmark is not necessarily the same as the benchmark for the maturity band of the bond. If the time to maturity distance of a bond to its two neighboring benchmarks is exactly the same, then the benchmark bond with the closer coupon is chosen. If the coupon distance of the two neighbouring bonds is also exactly the same, then the younger of the two benchmark bonds is chosen.

4.8) Index history

The Index history starts on 31 October 2005. The indices have a base value of 100 on that date.

4.9) Settlement conventions

All iBoxx indices are calculated using the assumption of T+0 settlement days.

4.10) Calendar

IHS Markit publishes an index calculation calendar in the *iBoxx Calendars* section of the iBoxx Documentation page on www.ihsmarkit.com. This calendar provides an overview of the index calculation holidays of the iBoxx bond index families in a given year.

4.11) Publication of the Index

The Markit iBoxx EUR Liquid Corporates 100 Indices are computed and disseminated once per minute between 9:00 am and 5:15 pm CET every day except on common European bank holidays.

Bond and index analytical values are calculated end of day Monday to Friday using that day's closing prices. In addition, bond and index analytical values are calculated using the previous trading day's closing prices on the last calendar day of each month if that day is not a regular trading day as well as on common bank holidays as published in the iBoxx index calculation calendar. This index calculation calendar is available on www.ihsmarkit.com under *iBoxx Calendars*. Index data is also available from the main information vendors.

Closing index values and key statistics are published at the end of each calculation day in the *Indices* section on www.ihsmarkit.com for registered users. In addition, midday fixing levels for bond prices and indices are also published.

4.12) Data publication and access

The table below summarizes the publication of the Markit iBoxx EUR Liquid Corporates 100 Indices in the *Indices* section of the IHS Markit website www.ihsmarkit.com for registered users and on the FTP server.

Frequency	File Type	Access
Daily	Underlying file – Bond level	IHS Markit FTP Server
	Indices files – Index level	IHS Markit FTP Server / IHS Markit website / Bloomberg for index levels only
Weekly	Preview components (Rebalancing months only)	IHS Markit FTP Server / IHS Markit website
Daily from the 6th calendar day of the month (or the next index publication day if the 6th calendar day falls on a non-business day)	Forwards	IHS Markit FTP Server
Monthly	End of month components	IHS Markit FTP Server / IHS Markit website
	XREF files	IHS Markit FTP Server

The index identifiers for the publication channels are:

Index name	Return Type	SEDOL	ISIN	Ticker	RIC
Markit iBoxx EUR Liquid Corporates 100 Index	TRi	--	GB00B5N4H244	IBOXLC00	--
	CPi	--	GB00B5NPS682	IBOXLC01	--
Markit iBoxx EUR Liquid Corporates 100 Financials Index	TRi	--	GB00B5T0D955	IBOXLC02	--
	CPi	--	GB00B5T0FF59	IBOXLC03	--
Markit iBoxx EUR Liquid Corporates 100 Non-Financials Index	TRi	--	GB00B5WBQ307	IBOXLC04	--
	CPi	--	GB00B5W43057	IBOXLC05	--

4.13) Annual index review

The rules for the index are reviewed at least once per year during the public annual index review consultation process to ensure that the index provides a balanced representation of the EUR denominated debt market. Decisions made following feedback from market participants, the annual index review and External Advisory Committees (EAC) will be published on www.ihsmarkit.com shortly after the EAC meetings have been held. The publication will contain a detailed overview and timelines for implementation of any rules changes.

5) Governance and regulatory compliance

IHS Markit Benchmark Administration Limited (IMBA UK) is the Index Administrator of iBoxx indices. Information on IMBA UK's governance and compliance approach can be found [here](#). This document covers:

- Governance arrangements, including external committees
- Input data integrity
- Conflicts of interest management
- Market disruption and Force Majeure
- Methodology changes and cessations
- Complaints
- Errors and restatements
- Reporting of infringements and misconduct
- Methodology reviews
- Business continuity

More details about IMBA UK can be found on the [Administrator's website](#).

6) Changes to the Markit EUR Liquid Corporates 100 Indices

30 Jun 2022	<ul style="list-style-type: none"> Monthly forward start date updated from 10th calendar day to 6th calendar day
31 Mar 2022	Annual Index Review 2021 <ul style="list-style-type: none"> Introduction of new market sector classification "Education" with market sub-sector classification "Academic & Educational Services"
01 Sep 2021	<ul style="list-style-type: none"> Monthly forward start date updated from 12th calendar day to 10th calendar day
31 Mar 2021	<ul style="list-style-type: none"> Governance and Regulatory Compliance section added
28 Feb 2021	Annual Index Review 2020 <ul style="list-style-type: none"> New securities enter at their respective ask prices
23 Sep 2020	<ul style="list-style-type: none"> Corrected rebalancing months to April and October in accordance with already existing rebalancing schedule
31 Jul 2020	Annual Index Review 2019 <ul style="list-style-type: none"> Introduction of updated corporate classification schema Implementation of updated Bank Tier Classification Updates as part of the changes in definition and treatment of hybrid bonds
31 Jan 2020	Annual Index Review 2019 <ul style="list-style-type: none"> Definition update of 'Other Sub-Sovereigns' classification Addition of German structural covered bonds as eligible bond type under 'Covered bonds' Inclusion of zero coupon bonds into EUR Liquid indices
30 Sep 2018	Annual Index Review 2018 <ul style="list-style-type: none"> Treatment of bond rating upgrades on t-2 Clarification on bond eligibility during tender Clarification of treatment of called bonds
31 Jul 2017	Annual Index Review 2017 <ul style="list-style-type: none"> Inclusion of Senior Callable Bank bonds Classification of Insurance Tier 3 notes
30 Nov 2016	Annual Index Review 2016 <ul style="list-style-type: none"> Update of seniority levels for Markit iBoxx indices

30 Nov 2016	Annual Index Review 2015 <ul style="list-style-type: none"> Eligibility of subordinated financial debt with a contingent conversion feature at the point of non-viability
01 May 2015	<ul style="list-style-type: none"> Change to Markit iBoxx tier classification of subordinated debt issued by insurance entities
01 Dec 2014	<ul style="list-style-type: none"> Markit iBoxx EUR Liquid Corporate 100 indices will follow the pricing methodology described in the document 'Markit iBoxx Pricing Rules' Index restatement, complaints sections added. Additional clarifications on bond eligibility, classification and corporate actions.
01 May 2014	<ul style="list-style-type: none"> Rule change for the minimum lot size of the bonds eligible for the Markit iBoxx EUR Liquid Corporates 100 indices linked with an additional ranking criterion Inclusion of bonds with call options that can only be exercised in the last year prior to maturity
01 Feb 2010	<ul style="list-style-type: none"> Launch of Markit iBoxx EUR Liquid Corporates 100 Indices

7) Further information

Glossary of key terms

The Markit iBoxx Glossary document of key terms is available in the *Methodology* section of the iBoxx *Documentation* page on www.ihsmarkit.com.

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EXPLANATION OF HOW ENVIRONMENTAL, SOCIAL & GOVERNANCE (ESG) FACTORS ARE REFLECTED IN THE KEY ELEMENTS OF THE BENCHMARK METHODOLOGY [1]		
1	Name of the benchmark administrator.	IHS Markit Benchmark Administration Limited (IMBA)
2	Underlying asset class of the ESG benchmark. [2]	N/A
3	Name of the S&P Dow Jones Indices benchmark or family of benchmarks.	iBoxx Benchmark Statement
4	Do any of the indices maintained by this methodology take into account ESG factors?	No
Appendix latest update:		May 2023
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[1] The information contained in this Appendix is intended to meet the requirements of the European Union Commission Delegated Regulation (EU) 2020/1817 supplementing Regulation (EU) 2016/1011 of the European Parliament and of the Council as regards the minimum content of the explanation of how environmental, social and governance factors are reflected in the benchmark methodology and the retained EU law in the UK (The Benchmarks (amendment and Transitional Provision) (EU Exit) Regulations 2019).

[2] The ‘underlying assets’ are defined in European Union Commission Delegated Regulation (EU) 2020/1816 supplementing Regulation (EU) 2016/1011 of the European Parliament and of the Council as regards the explanation in the benchmark statement of how environmental, social and governance factors are reflected in each benchmark provided and published.

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Please refer to the methodology for the Index for more details about the index, including the manner in which it is rebalanced, the timing of such rebalancing, criteria for additions and deletions, as well as all index calculations.

Information presented prior to an index’s launch date is hypothetical back-tested performance, not actual performance, and is based on the index methodology in effect on the launch date. However, when creating back-tested history for periods of market anomalies or other periods that do not reflect the general current market environment, index methodology rules may be relaxed to capture a large enough universe of securities to simulate the target market the index is designed to measure or strategy the index is designed to capture. For example, market capitalization and liquidity thresholds may be reduced. In addition, forks have not been factored into the back-test data with respect to the S&P Cryptocurrency Indices. For the S&P Cryptocurrency Top 5 & 10 Equal Weight Indices, the custody element of the methodology was not considered; the back-test history is based on the index constituents that meet the custody element as of the Launch Date. Back-tested performance reflects application of an index methodology and selection of index constituents with the benefit of hindsight and knowledge of factors that may have positively affected its performance, cannot account for all financial risk that may affect results and may be considered to reflect survivor/look ahead bias. Actual returns may differ significantly from, and be lower than, back-tested returns. Past performance is not an indication or guarantee of future results.

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