

**S&P Dow Jones
Indices**

A Division of **S&P Global**

Markit iBoxx USD Liquid FRN Investment Grade Corporates 100 Index Guide

May 2023

Table of Contents

1) Markit iBoxx USD Liquid FRN Investment Grade Corporates 100 Index	4
2) Bond selection rules	5
2.1) Issuer country	5
2.1.1) Inclusion and exclusion of countries	5
2.2) Bond type	5
2.3) Credit rating	7
2.4) Time to maturity	7
2.5) Amount outstanding	7
2.6) Lockout period, Minimum run and Liquidity screening	7
2.6.1) Lockout period	7
2.6.2) Minimum run	8
2.6.3) Liquidity screening	8
2.6.4) Bond ranking	8
3) Bond classification	9
3.1) Denomination	9
3.2) Sector	9
3.3) Corporates	9
3.4) Additional classification	11
4) Index Calculation	12
4.1) Static data	12
4.2) Bond prices	12
4.3) Rebalancing process	12
4.3.1) Rebalancing procedure	12
4.4) Index data	12
4.5) Index calculus	13
4.6) Treatment of the special intra-month events	13
4.6.1) Index and analytics weightings	13
4.6.2) Full redemptions: exercised calls, puts and buybacks	13
4.6.3) Bonds trading flat of accrued	13
4.6.4) Multi-coupon bonds	14
4.7) Index history	14
4.8) Settlement conventions	14

4.9) Calendar	14
4.10) Publication of the index	14
4.11) Data publication and access	15
4.12) Index review	15
5) Governance and regulatory compliance	16
6) Changes to the Markit iBoxx USD Liquid FRN Investment Grade Corporates 100 Index	17
7) Further information	18
A) ESG Disclosures	19
Disclaimer	20

1) Markit iBoxx USD Liquid FRN Investment Grade Corporates 100 Index

The Markit iBoxx USD Liquid FRN Investment Grade Corporates 100 Index is designed to provide a balanced representation of the USD denominated investment grade floating rate securities market, selecting at least 40 and no more than 100 of the most liquid bonds based on the criteria as detailed below. Currently, the index offers exposure to Floating Rate Note corporate bonds. The index is rebalanced on a monthly basis and is market-value weighted with a cap on each issuer of 5%. The indices are an integral part of the global Markit iBoxx USD index family, which provides the marketplace with accurate and objective benchmarks by which to assess the performance of bond markets and investments.

The Index is rebalanced once a month at the month-end (the “rebalancing date”) and consists of investment grade USD denominated bonds issued by corporate issuers from developed countries and rated by at least one of the three major rating services: Fitch Ratings, Moody’s Investors Service, or S&P Global Ratings.

The bonds in the Index must meet all the criteria described below as of the close of business three business days prior to the rebalancing date provided that the relevant bond data can be verified, at Markit’s sole discretion, as of such date (“bond selection cut-off date”). The new index composition becomes effective on the first business day of the next month.

All iBoxx indices are priced based on multiple data inputs. The Index uses multi-source prices as described in the document *Markit iBoxx Pricing Rules* publicly available on www.ihsmarkit.com.

This document covers the index selection rules and calculation methodology.

2) Bond selection rules

The following selection criteria are applied to select the constituents for the Index:

- Issuer country
- Bond type
- Credit rating
- Time to maturity
- Amount outstanding
- Classification
- Lockout period
- Minimum run

2.1) Issuer country

Bonds from countries classified as developed markets based on the “Markit Global Economic Development Classification” are eligible for the index.

As of October 2014 the issuer or, in the case of a finance subsidiary, the issuer’s guarantor, must be domiciled, incorporated and the country of risk must be in Andorra, Australia, Austria, Belgium, Bermuda, Canada, Cayman Islands, Cyprus, Denmark, Faeroe Islands, Finland, France, Germany, Gibraltar, Greece, Hong Kong, Iceland, Ireland, Italy, Japan, Jersey, Liechtenstein, Luxembourg, Malta, Monaco, Netherlands, New Zealand, Norway, Portugal, San Marino, Singapore, Spain, Sweden, Switzerland, U.S. or United Kingdom.

2.1.1) Inclusion and exclusion of countries

A new country is added to the index if it is classified as developed market based on the *Markit Global Economic Development Classification*. A country is no longer eligible for the index if it is classified as emerging market based on the *Markit Global Economic Development Classification*. The *Markit Global Economic Development Classification* is updated once per year. The results are published at the end of July. The inclusion/exclusion of a country becomes effective at the end of October.

2.2) Bond type

Only floating rate notes with a coupon reset of at least once per year are eligible for the indices. The indices are comprised solely of bonds. T-Bills and other money market instruments are not eligible. The Index includes only USD denominated bonds.

In particular, bonds with the following characteristics are included:

- Step-up bonds with coupon schedules known at issuance (or as functions of the issuer’s rating)
- Medium term notes (“MTNs”)
- Rule 144A offerings
- Callable senior bonds, including those with cleanup calls (i.e. call option within 6 months of maturity)
- Puttable senior bonds
- Non-callable Lower Tier 2 bonds
- Floating rate notes (FRNs) linked to LIBOR or EURIBOR with coupon reset at least once per year

The following instrument bond types are specifically excluded from the indices:

- Fixed coupon bonds (“plain vanilla bonds”)
- Preferred shares
- Optionally and mandatory convertible bonds
- Subordinated bank or insurance debt with mandatory contingent conversion features or with any conversion options before the first call date
- Bonds with other equity features attached (e.g., options/warrants)
- Private placements and retail bonds. The list of private placements and retail bonds is updated every month and published on www.markit.com/indices under Indices News. Partial private placements where information on the specific amounts publicly placed and privately placed can be ascertained are included in the indices with the amount publicly placed. If the amount publicly placed is below the cut-off, the bond is not included in the indices.
- Perpetual bonds
- Sinking funds
- Amortizing bonds
- Structured bonds
- Subordinated debt except non-callable Lower Tier 2 bonds
- Fixed-to-floaters
- Leveraged floaters
- Regulation S bonds
- Floaters with a cap and/or floor
- Step-up Floaters
- Reverse floaters
- Pay-in kind bonds (during the pay-in-kind period)
- Zero coupon bonds
- Zero step-ups (GAINS)
- Bonds with differences between accrual and coupon payment periods and monthly-paying bonds

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.ihsmarkit.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 analyse the features of such securities in line with the principles set out in this section of the 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.

2.3) Credit rating

All bonds in the Markit iBoxx USD Liquid FRN Investment Grade Corporates 100 Index 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.ihsmarkit.com under *Methodology*.

2.4) Time to maturity

All bonds must have a remaining time to maturity of at least one year at rebalancing. The time to maturity is calculated from the rebalancing date to the assumed workout date of the bond, by using the day count convention of the bond.

The workout date for a bond is determined based on the bond features as follows:

- For plain vanilla bonds, the expected workout date is the final maturity date
- For dated and undated callable financial hybrid capital bonds, the workout date is assumed to be the first call date
- For non-financial hybrid capital bonds with an interest rate reset, the workout date is assumed to be the first reset date
- For soft bullets, the expected workout date is determined using the first call date

var_timetomaturity

2.5) Amount outstanding

All bonds must have a specific minimum amount outstanding in order to be eligible for the indices. The amount outstanding of a bond must be greater than or equal to USD 500 million as of the bond selection cut-off date.

In the case of 144A/RegS securities that are registered as global securities, the remaining amount of the 144A/RegS version and the registered version are recombined if the bond is not exchanged in full.

2.6) Lockout period, Minimum run and Liquidity screening

2.6.1) Lockout period

A bond that drops out of the Index at the rebalancing day is excluded from re-entering the index for a three-month period. The rule for the lockout period takes precedence over the other rules for the Index selection. A locked out bond will not be selected, even if it qualifies for the index.

2.6.2) Minimum run

Any bond that enters the Index must remain in the index for a minimum of three months provided it is not downgraded to sub-investment grade, defaulted or fully redeemed in that period. However, that minimum run period of three months has been applied starting July 2017. This minimum run period of three months is effective starting July 2017. Prior to this, it was six months since inception.

2.6.3) Liquidity screening

TRACE trading volume is used to determine illiquid bonds.

- For securities issued more than 180 days ago, only bonds with at least 90 million trading volume over the last 180 days and at least 24 trades during that period are eligible.
- For securities issued within the last 180 days only bonds with at least 15 million trading volume in the last 30 days and at least 4 trades in the last 30 days are eligible.

If the application of both the above TRACE criteria and the “Bond Ranking” results in less than 100 bonds the thresholds are further reduced. In such a case the following criteria are applied:

- For securities issued more than 180 days ago, only bonds with at least 60 million trading volume over the last 180 days and at least 18 trades during that period are eligible
- For securities issued in the last 180 days only bonds with at least 10 million trading volume in the last 30 days and at least 3 trades in the last 30 days are eligible.

If applying the liquidity screening would result in less than 40 bonds, the liquidity screening based on TRACE data is not applied and only the “Bond Ranking” is applied.

In addition Bonds classified as illiquid by the Technical Committee are excluded from the index.

2.6.4) Bond ranking

The following selection procedure is applied to the bond universe to determine the most liquid bonds for the Index:

1. Bonds are ranked by each category in the following order:
2. Amount Outstanding (prefer higher)
 - a. Bonds entering the index must have a minimum age of more than 30 days prior to entering the Index. The day count of an eligible security is used to determine the age. Age (prefer lower)
 - b. Expected Remaining Life (prefer higher)
 - c. The maximum number of bonds per issuer that may be included in the Index are 3.
3. At least 40 and no more than 100 bonds are selected for the Index.

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 IHS Markit, and status changes are included in the index 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 IHS Markit's discretion. IHS Markit will assign the IHS Markit classification according to its evaluation of the business risk presented in the security prospectus and annual reports, if available. IHS Markit 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 on www.ihsmarkit.com for registered users.

3.1) Denomination

Bonds must be denominated in USD, publicly registered in the U.S. with the Securities and Exchange Commission, clear or settle through DTC. Eurobonds are excluded.

3.2) Sector

The bond must be corporate credit, i.e., debt instruments issued by public or private corporations that are not secured by specific assets. Debt issued by governments, sovereigns, quasi-sovereigns, and government-backed or guaranteed entities is excluded.

For the purposes of selecting candidates for the index, an "issuer" is defined by the ticker (i.e., all bonds sharing a ticker are attributed to the same issuer).

3.3) Corporates

Bonds issued by public or private corporations. Bonds secured by a 'floating charge' over some or all assets of the issuer are considered corporate bonds. 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 Guaranteed & Wrapped is added under Financials for corporate bonds whose timely coupon and/or principal payments are guaranteed by a non-affiliated insurer or through a letter of credit from a non-affiliated bank. Each bond in the index is assigned to one of the following sectors.

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
		Guaranteed & Wrapped	*
	Real Estate	Real Estate	Real Estate Investment & Services
			Real Estate Investment Trusts
Non-Financials	Oil & Gas	Oil & Gas	Oil & Gas Producers
			Oil Equipment / Services & Distribution
			Alternative Energy
	Basic Materials	Chemicals	Chemicals
			Basic Resources
			Industrial Metals
			Mining
		Forestry & Paper	
	Industrials	Construction & Materials	Construction & Materials
		Industrial Goods & Services	Aerospace & Defense
			Electronic & Electrical Equipment
			General Industrials
			Industrial Engineering
			Industrial Transportation
		Support Services	
	Consumer Goods	Automobiles & Parts	Automobiles & Parts
		Food & Beverage	Beverages
			Food Producers
		Personal & Household Goods	Household Goods
			Personal Goods
			Tobacco
			Leisure Goods
	Health Care	Health Care	Pharmaceuticals & Biotechnology
Health Care Equipment & Services			
Consumer Services	Retail	Food & Drug Retailers	
		General Retailers	
	Media	Media	
	Travel & Leisure	Travel & Leisure	

		Education	Academic & Educational Services
	Telecommunications	Telecommunications	Integrated Telecommunications
			Wireless Telecommunications
	Utilities	Utilities	Electricity
			Gas / Water & Multiutilities
	Technology	Technology	Software & IT Services
			Technology Hardware & Equipment

3.4) Additional classification

Corporate debt is further classified into senior and subordinated debt. Hybrid capital issued by financial institutions is further detailed into the respective tiers of subordination:

- Lower Tier 2

Only non-callable Lower Tier 2 financial debt qualifies for the Index.

Table 2: Overview of Seniority Levels

Market Sector	Seniority Level 2	Seniority Level 3
Bank	Bank Lower Tier 2	Non-Callable
Insurance	Insurance Lower Tier 2	Non-Callable

Seniority Level 1	Seniority Level 2	Seniority Level 3
SEN	*	*
SEN	Bail-in	*
SEN	Preferred	*

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 index is rebalanced monthly on the last business day of the month. Any inclusion after the index cut-off day (t-3) will not be considered in the re-balancing process, but will become effective at the end of the following 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 and amount outstanding has become known at least three trading days before the end of the month.

Three business days before the end of each month one preliminary list of eligible bonds is published in addition to the weekly previews mentioned below.

Two business days before the end of each month, the rating and amount information for the constituents is updated and the list is adjusted for all rating and amount changes which are known to have taken place three business days before the end of the month which could also result in exclusion of the bond. However, if bonds which are part of broader USD indices become eligible into the index two business days prior to rebalancing because of rating and/or amount changes, will be included in the index.

Two business days before the end of the month the final index membership list for the following month is published at the close of business.

4.3.1) Rebalancing procedure

In a first step the selection criteria set out in chapter 2 are applied to the universe of investment grade floating rate note bonds denominated in USD.

- Bond ratings and amount outstanding are used as of the bond selection cut-off date
- Maturity dates remain fixed for the life of the bond
- Only bonds with a first settlement date on or before the rebalancing date are included in the selection process
- Apply the liquidity screening
- Apply the Bond Ranking to determine the membership

4.4) Index data

The calculation of the index is based on bid prices. New securities are included in the index 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 index 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, IHS Markit will estimate the approximate value based on the available data at the time of calculation.

4.6.1) Index and analytics weightings

The Index is volume-weighted, with a bond's market value as the weighting factor. Once the eligible bond universe has been defined, the weight for each bond is determined and an issuer cap of 5% is applied. The weights and capping factors are determined on the last business day of each month using the end-of-month market values.

The amount outstanding of a bond is only adjusted within the monthly rebalancing process at the end of each month. However, bonds that are fully redeemed intra-month are taken into account immediately. Fully redeemed bonds are bonds that are fully called or have been completely repurchased.

All calculations are based on the adjusted amount outstanding that reflects the outstanding bond notional at the last rebalancing. The bond prices relate to the nominal value of 100.

4.6.2) Full redemptions: exercised calls, puts and buybacks

If a bond is fully redeemed intra-month, the bond effectively ceases to exist. In all calculations, the redeemed bond is treated as cash based on the last price, the call price or repurchase price, as applicable. The redemption factor, redemption and the redemption price are used to treat these events in the index and analytics calculation. In addition, the clean price of the bond is set to the redemption price, and the interest accrued until the redemption date is treated as an irregular coupon payment.

4.6.3) Bonds trading flat of accrued

If a bond is identified as trading flat of accrued, the accrued interest of the bond is set to 0 in the total return index calculation and is excluded from the calculation of all bond and index analytical values.

Bonds will be considered trading flat of accrued in any of the following situations:

- a bond has been assigned a default rating and/or
- issuer has announced a failure to pay a coupon and/or
- issuer has announced an intention not to make a payment on an upcoming coupon (grace period).

4.6.4) Multi-coupon bonds

Some bonds have pre-defined coupon changes that lead to a change in the annual coupon over the life of the bond. In all instances, the coupon change must be a fixed amount on top of a fixed coupon, i.e. floating coupon bonds are not eligible for the indices. The two main categories of bonds are step-up bonds and event-driven bonds.

- **Step-up bonds:** These are bonds with a pre-defined coupon schedule that cannot change during the life of the bond. The coupon schedule is used in all bond calculations.
- **Event-driven bonds:** These are bonds whose coupon may change upon occurrence (or non-occurrence) of pre-specified events, such as rating changes, e.g. rating-driven bonds, failure to register (register-driven bonds), or failure to complete a merger (merger-driven bonds). In the calculation of the indices and the analytics, the coupon schedule as of the calculation date is used. That is to say, any events occurring after the calculation date are ignored in the determination of the applicable coupon schedule. *Example of an event-driven bond:* A bond's rating changes on 31 December 2003 from A- to BBB+ and the coupon steps up from 6% to 6.25% from 1 March 2004 onward. The coupon dates are 1 October and 1 April each year. The correct coupon schedule for the bond and index calculations is date dependent. The index calculation on 20 December 2003 uses the 6% coupon for the whole life of the bond, while the calculation on 31 January 2004 uses a 6% coupon for the current coupon period to 29 February 2004, and a 6.25% coupon for all later interest payments. The index calculation on 20 March uses a 6% coupon until 29 February, a 6.25% coupon for the remainder of the current coupon period and a 6.25% coupon for all future coupon payments. The index calculation after 1 April uses a 6.25% coupon.

4.7) Index history

The Index history starts on 8 May 2015. The index has a base value of 100 on that date.

4.8) Settlement conventions

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

4.9) 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.

4.10) Publication of the index

The Markit iBoxx USD Liquid FRN Investment Grade Corporates 100 Index is calculated as end-of-day index and distributed once daily after close of US markets.

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.

4.11) Data publication and access

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

Table 2: Publication types and access

Frequency	File Type	Access
Daily	Underlying files – Bond level	IHS Markit FTP Server
	Indices files – Index level	IHS Markit FTP Server / IHS Markit website/ Bloomberg for index levels only
Monthly	End of Month Components	IHS Markit FTP Server / IHS Markit website
	XREF files	IHS Markit FTP Server

Below is a summary of the IDs for each publication channel:

Table 3: Index identifiers

Index Name	Markit iBoxx USD Liquid FRN Investment Grade Corporates 100 Index	
Return_type	TRI	CPI
ISIN	GB00BL0B0P41	GB00BL0B0Q57
Sedol	BL0B0P4	BL0B0Q5
Ticker	IBXXLFC1	IBXXLFC2
RIC	.IBXXLFC1	.IBXXLFC2

4.12) Index review

The rules for the Index are reviewed on a periodic basis during the public review and 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 index review and External Advisory Committees (EAC) will be published on www.ihsmarkit.com shortly after the EACs 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 iBoxx USD Liquid FRN Investment Grade Corporates 100 Index

31 July 2022	Monthly forward start date updated from 10th calendar day to 6th calendar day
01 Sep 21	Update of monthly forward start date from 12th calendar day to 10th calendar day
31 Mar 21	Governance and Regulatory Compliance section added
30 June 2021	Publication Identifiers changed. Performance history copied over to new ID's.
15 June 2017	Rule Change for Bond Ranking & Minimum Run in section 2.6.4 & 2.6.2
21 Sep 2016	Clarification on amount outstanding of the exchanged bonds in section 2.5
22 Mar 2016	Added classification for Guaranteed & Wrapped
05 Mar 2016	Rebalancing process
27 Mar 2015	Launch of the Markit iBoxx USD Liquid FRN Investment Grade Corporates 100 Index

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.

Contractual and content issues

For contractual or content issues please contact:

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Technical issues and client support

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Licences and data

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Ownership

Markit Indices GmbH is a wholly-owned subsidiary of IHS Markit Limited.

A) ESG Disclosures

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
Appendix first publication		May 2023

[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.

Disclaimer

Performance Disclosure/Back-Tested Data

Where applicable, S&P Dow Jones Indices and its index-related affiliates (“S&P DJI”) defines various dates to assist our clients in providing transparency. The First Value Date is the first day for which there is a calculated value (either live or back-tested) for a given index. The Base Date is the date at which the index is set to a fixed value for calculation purposes. The Launch Date designates the date when the values of an index are first considered live: index values provided for any date or time period prior to the index’s Launch Date are considered back-tested. S&P DJI defines the Launch Date as the date by which the values of an index are known to have been released to the public, for example via the company’s public website or its data feed to external parties. For Dow Jones-branded indices introduced prior to May 31, 2013, the Launch Date (which prior to May 31, 2013, was termed “Date of introduction”) is set at a date upon which no further changes were permitted to be made to the index methodology, but that may have been prior to the Index’s public release date.

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.

Typically, when S&P DJI creates back-tested index data, S&P DJI uses actual historical constituent-level data (e.g., historical price, market capitalization, and corporate action data) in its calculations. As ESG investing is still in early stages of development, certain datapoints used to calculate certain ESG indices may not be available for the entire desired period of back-tested history. The same data availability issue could be true for other indices as well. In cases when actual data is not available for all relevant historical periods, S&P DJI may employ a process of using “Backward Data Assumption” (or pulling back) of ESG data for the calculation of back-tested historical performance. “Backward Data Assumption” is a process that applies the earliest actual live data point available for an index constituent company to all prior historical instances in the index performance. For example, Backward Data Assumption inherently assumes that companies currently not involved in a specific business activity (also known as “product involvement”) were never involved historically and similarly also assumes that companies currently involved in a specific business activity were involved historically too. The Backward Data Assumption allows the hypothetical back-test to be extended over more historical years than would be feasible using only actual data. For more information on “Backward Data Assumption” please refer to the FAQ. The methodology and factsheets of any index that employs backward assumption in the back-tested history will explicitly state so. The methodology will include an Appendix with a table setting forth the specific data points and relevant time period for which backward projected data was used. Index returns shown do not represent the results of actual trading of investable assets/securities. S&P DJI maintains the index and calculates the index levels and performance shown or discussed but does not manage any assets.

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