

iBoxx USD High Yield Developed Markets Index Methodology

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Table of Contents

iBoxx USD High Yield Developed Markets Index	3
Selection criteria	4
Bond type	4
Tender offers and calls	5
Credit rating	5
Time to maturity	6
Expected remaining life	6
Amount outstanding	6
Bond classification	7
Denomination	7
Issuer	7
Corporates	7
Additional classification	8
Issuer country	9
Inclusion and exclusion of countries	9
Index calculation	10
Static data	10
Bond prices	10
Rebalancing process	10
Rebalancing procedure	10
Index weights	10
Index Calculus	11
Treatment of the special intra-month events	11
Full redemptions: exercised calls, puts and buybacks	11
Bonds trading flat of accrued	11
Multi-coupon bonds	11
Maturity extension	12
Maturity extension for perpetuals & dated fixed-to-fixed bonds with a reset date	12
Maturity extension for perpetual bonds without a reset date	12
Index history	12
Settlement conventions	12
Calendar	12

Publication of the Indices	12
Data publication and access	12
Index review	13
Index Governance	14
Changes to the iBoxx USD High Yield Developed Markets Index	15
Further Information	16
ESG Disclosures	17
Disclaimer	18
Performance Disclosure/Back-Tested Data	18
Intellectual Property Notices/Disclaimer	19
ESG Indices Disclaimer	21

iBoxx USD High Yield Developed Markets Index

The iBoxx USD High Yield Developed Markets Index is designed to reflect the performance of USD denominated high yield corporate debt from developed countries. The index rules aim to offer a broad coverage of the USD high yield liquid bond universe. The indices are an integral part of the global Markit iBoxx index families, which provide the marketplace with accurate and objective indices by which to assess the performance of bond markets and investments.

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

The bonds in the iBoxx USD High Yield Developed Markets 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 Indices Limited’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 (the “composition month”).

All iBoxx indices are priced based on multiple data inputs. The iBoxx USD High Yield Developed Markets Index follows the pricing methodology as described in the document Markit iBoxx Pricing Rules publicly available under Methodology on <https://www.spglobal.com/spdji/en/>.

This document covers the index selection rules and calculation methodology.

Selection criteria

The following selection criteria are applied to select the constituents for the iBoxx USD High Yield Developed Markets Index:

- Bond type
- Credit rating
- Time to maturity
- Amount outstanding
- Classification

Bond type

Only fixed-rate bonds whose cash flow can be determined in advance are eligible for the indices. The indices are comprised solely of bonds. T-Bills and other money market instruments are not eligible. The iBoxx USD High Yield Developed Markets Index includes only USD denominated bonds.

In particular, bonds with the following characteristics are included:

- Fixed coupon bonds
- Callable and Puttable bonds
- Step-up bonds with coupon schedules known at issuance (or as functions of the issuer's rating)
- Amortizing bonds and sinking funds
- Medium term notes ("MTNs")
- Rule 144A offerings
- Perpetual bonds
- Pay-in kind bonds (during the pay-in-kind period)
- Zero coupon bonds
- Zero step-ups (GAINS)
- Financial subordinated debt with a contingent conversion feature at the point of non-viability, in line with the capital adequacy requirements of Basel III

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

- Floating rate notes
- Preferred shares
- Bonds with other equity features attached (e.g., options/warrants)
- Private placements. 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.

- Bonds with differences between accrual and coupon payment periods and monthly-paying bonds
- Regulation S offerings
- Optionally and mandatory convertible bonds
- Subordinated bank or insurance debt with mandatory contingent conversion features that are based on an observable trigger
- Extended bonds as defined under section 'Maturity extension' in this document

For private placements, publicly available information is not always conclusive and the classification of a bond as a private placement will be made at S&P DJI's discretion based on the information available at the time of determination. Any bond classified as private placement is added to the list of excluded private placements. The list is published on <https://www.spglobal.com/spdji/en/> 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, S&P DJI will analyse the features of such securities in line with the principles set out in the *Bond classification* section of this guide. S&P DJI 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.

Tender offers and calls

Any bond subject to a firm call or tender offer, with the exception of exchange offers, in the month immediately following the rebalancing date will be excluded from the index, provided that S&P DJI is aware of such tender offer or call as of the Bond selection cut-off date.

Credit rating

All bonds in the indices must have an iBoxx Rating of sub-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

Sub-investment grade is defined as BB+ or lower from Fitch Ratings or S&P Global Ratings and Ba1 or lower from Moody's Investor Service, but not in default.

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.

Defaulted bonds are ineligible for the index. Bonds in default, or that trade flat of accrued, are removed from the index at the first rebalancing following the default/start of trading flat of accrued. Issues rated D by Fitch Ratings or S&P Global Ratings, or those subject to a default press release by Moody's Investor Service, cannot enter the index; issues in the index that are subsequently downgraded to D by S&P Global Ratings or Fitch, or are subject to a default press release by Moody's Investor Service (as of the bond selection cut-off date), are removed on the subsequent rebalancing date. In case of an ID change or exchange of a 144A version into a registered bond the ratings from the 144A bond are also used for the registered bond.

Bonds with a rating downgrade to RD/SD remain eligible in the indices until the second rebalancing after the downgrade. If such bonds are not upgraded by T-3 of the second rebalancing following the initial downgrade, the bonds are removed. RD/SD rated bonds remain eligible in the indices for the first rebalancing after their downgrade to allow for sufficient time to complete a distressed debt exchange or change of terms (assuming the bonds meet all other criteria).

For more information average ratings, please refer to the iBoxx Rating Methodology, available at <https://www.spglobal.com/spdji/en/>.

Time to maturity

Expected remaining life

All bonds must have at the rebalancing day an expected remaining life:

- Of at least one year
- All new insertions must have an expected remaining life of at least one year and 6 months

The expected remaining life 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

Amount outstanding

The outstanding face value of a bond must be greater than or equal to USD 200 million as of the bond selection cut-off date. Partial buybacks or increases affect the outstanding face value of a prospective bond. Markit considers changes to the outstanding face value of a candidate bond as a result of partial or full buybacks or increases, provided that Markit is aware of such changes as of the bond selection cutoff date. In the case of 144A securities that are registered as global securities, the remaining amount of the 144A version and the registered version are recombined if the bond is not exchanged in full if the remaining amount of the 144A version reduces the amount outstanding below the eligibility threshold.

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 clear due to the diversified business of the entity, a decision is made at S&P DJI's discretion. S&P DJI assigns the classification according to its evaluation of the business risk presented in the security prospectus and annual reports, if available. S&P DJI also compares the classification to peers in the potential sectors. Membership lists including classification are published on the FTP server and in the *Indices* section of the webpage for registered users.

Denomination

Bonds must be denominated in USD.

Issuer

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

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

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.

	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

	Economic Sector	Market Sector	Market Sub-Sector
Non-Financials	Energy	Oil & Gas	Oil & Gas Producers
			Oil Equipment / Services & Distribution
		Renewable Energy	Renewable Energy
	Basic Materials	Chemicals	Chemicals
			Industrial Metals
		Basic Resources	Mining
			Forestry & Paper
			Construction & Materials
	Industrials	Construction & Materials	Construction & Materials
			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
	Health Care	Health Care	Leisure Goods
			Pharmaceuticals & Biotechnology
			Health Care Equipment & Services
	Consumer Services	Retail	Food & Drug Retailers
			General Retailers
		Media	Media
		Travel & Leisure	Travel & Leisure
	Telecommunications	Telecommunications	Academic & Educational Services
			Integrated Telecommunications
Wireless Telecommunications			
Utilities	Utilities	Electricity	
		Gas / Water & Multiutilities	
Technology	Technology	Software & IT Services	
		Technology Hardware & Equipment	

Additional classification

Corporate debt is further classified into senior and subordinated debt. Non-core-financials senior debt differentiates between Senior Secured and Senior Unsecured bonds. 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 callable
			T2 non-callable	T2 non-callable
		T2 (pre-Jan '13 issuances)	LT2 callable	LT2 callable
			LT2 non-callable	LT2 non-callable
			UT2	UT2
T1	T1 step	T1 step		
	T1 non-step	T1 non-step		
Insurance	SEN	*	*	
	SUB	T3	*	
		T2 dated	T2 dated callable	T2 dated callable
			T2 dated non-callable	T2 dated non-callable
		T2 perpetual	*	*
T1	*	*		
Other sectors	SEN	Senior Secured	*	
		Senior Unsecured	*	
	SUB	Other	Hybrid**	
Market Sector	Seniority Level 1	Seniority Level 2	Seniority Level 3	
			Non-hybrid	

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

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

Issuer country

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

The issuer or, in the case of a finance subsidiary, the issuer's guarantor must have a country of risk listed as developed markets in "iBoxx Country Classifications".

The classification is available at: <https://www.spglobal.com/spdji/en/> under Methodology -> iBoxx Country Classifications

Inclusion and exclusion of countries

A new country is added to the index if it is classified as developed market based on the "Global Economic Development Classification".

A country is no longer eligible for the index if it is classified as emerging market based on the "Global Economic Development Classification". The "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.

Index calculation

Static data

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

Bond prices

For more details, please refer to the *iBoxx Pricing Methodology* document, available at <https://www.spglobal.com/spdji/en/>.

Rebalancing process

The index rebalances monthly after market close on the last business day of the month. Any inclusion after the index cut-off day (T-3) is not considered in the rebalancing process but becomes effective at the end of the following month. New bonds issued are considered if publicly known to settle until the last calendar day of the month, inclusive, and if the rating and amount outstanding has become known at least three trading days before the end of the month.

Preview lists of eligible bonds are published on a weekly basis starting on the first Friday three business days after the previous month-end rebalance, as well as on the sixth calendar day of the month (or next index publication day if the sixth calendar day falls on a non-business day). Preview lists of eligible bonds are additionally published on before the end of the month. Final components are published two business days before the end of the month (T-2).

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 U.S. Dollar indices become eligible into the Index two business days prior to rebalancing because of rating and/or amount changes, the bonds are included in the index.

Rebalancing procedure

In a first step the selection criteria set out in chapter 3 are applied to the universe of USD denominated bonds.

- 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

Index weights

Once the eligible bond universe has been defined, the weight for each bond is determined. The weights are determined on the last business day of each month using the end-of-month market values.

Index Calculus

For specific index formulas please refer to the *iBoxx Bond Index Calculus Methodology* available at [https:// www.spglobal.com/spdji/en/](https://www.spglobal.com/spdji/en/).

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, S&P DJI will estimate the approximate value based on the available data at the time of calculation.

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.

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).

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 nonoccurrence) 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.

Maturity extension

Maturity extension for perpetuals & dated fixed-to-fixed bonds with a reset date

Maturity	Coupon/Call structure	Workout Date at issuance	Updated Workout date if not called
Perpetual	Reset*/Callable	Assume first call date as workout date	Extend workout date until the end of the next reset date*
Dated	Reset/Callable	Assume reset date as workout date	Extend workout date until the end of the next reset date or final maturity date*

*Assumes the bond terms allow for a redemption at the new assumed maturity date

Maturity extension for perpetual bonds without a reset date

Maturity	Coupon/call structure	Workout date at issuance	Updated Workout date if not called
Perpetual	Fixed/ Callable	Assume first call date as workout date	Extend workout date until the assumed next call date - 5 years from first call date*.

*Assumes the terms allow for a redemption at the new assumed maturity date.

Index history

The Index history starts on December 31, 2012. The index has a base value of 100 on that date.

Settlement conventions

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

Calendar

S&P DJI publishes an index calculation calendar available on <https://www.spglobal.com/spdji/en/> under *iBoxx Indices Calendars*. This calendar provides an overview of the index calculation holidays of the iBoxx bond index families each year.

Publication of the Indices

All indices are calculated as end-of-day and distributed once daily. The indices are calculated every day except on common U.S. bank holidays. In addition, the indices are calculated with the previous trading day's close on the last calendar day of each month if that day is not a trading day. Markit publishes an index calculation calendar which is available in the indices section on <https://www.spglobal.com/spdji/en/> under Calendar for data subscribers. Index data and bond price information is also available from the main information vendors.

Bond and index analytical values are calculated each trading day using the daily closing prices. Closing index values and key statistics are published at the end of each business day in the indices section on <https://www.spglobal.com/spdji/en/> for data subscribers.

Data publication and access

The table below summarizes the publication of the iBoxx USD High Yield Developed Markets Index at <https://www.spglobal.com/spdji/en/> for registered users and on the FTP server.

In addition to the indices detailed in this methodology, other indices covered by this document may be available. For a list of available indices, please refer [here](#).

Table 3: Data publication and access

Frequency	File Type	Access
Daily	Underlying file – Bond level	FTP Server
	Indices files – Index level	FTP Server / website / Bloomberg for index levels only
Weekly (Friday) ¹	Preview components	FTP Server / website
T-4, T-3 & T-2	Preview components	FTP Server / website
Monthly	End of month components	FTP Server / website

¹Previews will be published starting from the first Friday that is three business days after the previous month-end rebalance.

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

Index Name	Version	ISIN	SEDOL	BBG	RIC
iBoxx USD High Yield Developed Markets	TRI	GB00BFT1VL61	BFT1VL6	IBXXHYD1	.IBXXHYD1
iBoxx USD High Yield Developed Markets	CPI	GB00BFT1VK54	BFT1VK5	IBXXUHY1	.IBXXUHY1

Index review

In addition to the daily governance of indices and maintenance of index methodologies, at least once within any 12-month period, the Index Committee reviews the methodology to ensure the indices continue to achieve the stated objectives, and that the data and methodology remain effective. In certain instances, S&P Dow Jones Indices may publish a consultation inviting comments from external parties.

Index Governance

Index Committee

An S&P Dow Jones Indices Index Committee maintains the indices. All committee members are full-time professionals at S&P Dow Jones Indices. Meetings are held regularly. The Index Committee oversees the management of the indices, including determinations of intra-rebalancing changes, maintenance and inclusion policies, and other matters affecting the maintenance and calculation of the indices.

In fulfilling its responsibilities, the Index Committee has full and complete discretion to (i) amend, apply, or exempt the application of index rules and policies as circumstances may require and (ii) add, remove, or by-pass any bond in determining the composition of an index.

The Index Committee may rely on any information or documentation submitted to it or gathered by it that the Index Committee believes to be accurate. The Index Committee reserves the right to reinterpret publicly available information and to make changes to the indices based on a new interpretation of that information at its sole discretion. All Index Committee discussions are confidential.

The Index Committee is separate from and independent of other analytical groups at S&P Global. In particular, the Index Committee has no access to or influence on decisions by S&P Global Ratings analysts.

S&P Dow Jones Indices' Index Committees reserve the right to make exceptions when applying the methodology if the need arises. In any scenario where the treatment differs from the general rules stated in this document or supplemental documents, clients will receive sufficient notice, whenever possible.

In addition to the daily governance of indices and maintenance of index methodologies, at least once within any 12-month period, the Index Committee reviews the methodology to ensure the indices continue to achieve the stated objectives, and that the data and methodology remain effective. In certain instances, S&P Dow Jones Indices may publish a consultation inviting comments from external parties.

For more information on index governance policies, please refer [here](#).

Changes to the iBoxx USD High Yield Developed Markets Index

01-Mar-2024	<p>Annual Index Review 2023</p> <ul style="list-style-type: none"> Differentiation of Non-Core-Financials senior debt between Senior Secured and Senior Unsecured bonds
30-Jun-2023	<p>Annual Index Review 2022</p> <ul style="list-style-type: none"> Introduction of 'Maturity extension' section Index eligibility of bonds with extended workout dates Creation of 'Renewable Energy Sector' within the 'Corporates' classification Distressed Debt Exchanges – Rule Update
01-Jul-2022	Monthly Preview start date updated from 10th calendar day to 6th calendar day
31-Mar-2022	<p>Implementation of Annual Index Review 2021</p> <ul style="list-style-type: none"> Introduction of new market sector classification "Education" with market sub-sector classification "Academic & Educational Services"
01-Mar-2021	Governance and Regulatory Compliance section added
28-Feb-2021	<p>Implementation of Annual Index Review 2020</p> <ul style="list-style-type: none"> Updated Insurance classification
31-Jul-2020	<p>Implementation of Annual Index Review 2019</p> <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

Further Information

Client support

For client support please contact index_services@spglobal.com.

Formal complaints

Formal complaints should be emailed to spdji_compliance@spglobal.com.

Please note: spdji_compliance@spglobal.com should only be used to log formal complaints.

General index inquiries

For general index inquiries, please contact index_services@spglobal.com.

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.	S&P Dow Jones Indices Limited
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 by 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. Also, the treatment of corporate actions in back-tested performance may differ from treatment for live indices due to limitations in replicating index management decisions. 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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