

**iBoxx GBP High Yield  
Benchmark Indices  
*Methodology***

February 2026

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# iBoxx GBP High Yield Benchmark Indices

The iBoxx GBP High Yield Benchmark Indices are designed to provide a balanced representation of the GBP denominated high yield market. The index covers securities with an outstanding amount of above or equal to 250 million GBP. The index is rebalanced on a monthly basis and is market-value weighted. The iBoxx GBP High Yield Benchmark Indices are an integral part of the global iBoxx index family, which provides the marketplace with accurate and objective indices by which to assess the performance of bond markets and investments.

The iBoxx GBP High Yield Benchmark Indices are rebalanced once a month at the month-end (the “rebalancing date”) and consist of high yield GBP denominated bonds issued by sovereign, other sovereigns, sub-sovereign and corporate issuers rated by at least one of three rating services: Fitch Ratings, Moody’s Investors Service, or S&P Global Ratings.

The bonds in the indices 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 data can be verified as of such date (“bond selection cutoff 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 indices use multi-source prices as described in the document *iBoxx Pricing Methodology* publicly available at [www.spglobal.com/spdji](http://www.spglobal.com/spdji).

This document covers the index rules and calculation methodology.

## Index Family Structure

Overview of iBoxx GBP High Yield Benchmark Indices family. For more detailed information on the classification levels please refer to the Bond classification chapter in this methodology.

| iBoxx GBP High Yield Overall   |   |  |
|--|---|--|
| <b>Sovereigns and Sub-Sovereigns</b> <ul style="list-style-type: none"> <li>• Sovereigns</li> <li>• Sub-Sovereigns                             <ul style="list-style-type: none"> <li>◦ Agencies</li> <li>◦ Public Banks</li> <li>◦ Regions</li> <li>◦ Supranationals</li> <li>◦ Other Sub-Sovereigns</li> </ul> </li> </ul> | <b>Collateralised</b> <ul style="list-style-type: none"> <li>• Covered</li> <li>• Securitised                             <ul style="list-style-type: none"> <li>◦ ABS</li> <li>◦ Housing Associations</li> <li>◦ MBS</li> <li>◦ WBS</li> </ul> </li> <li>• Other Collateralised</li> </ul> | <b>Corporates</b> <ul style="list-style-type: none"> <li>• Financials</li> <li>• Non-Financials                             <ul style="list-style-type: none"> <li>◦ Market sector indices                                     <ul style="list-style-type: none"> <li>▪ Market sub-sector indices</li> </ul> </li> </ul> </li> </ul> |
| Rating and maturity and notional indices (e.g. BB, B, CCC, 1-3, 3-5, 5-7, 7-10, 1-5, 5-10, 5+, 1-10, 10+, 250m+, 500m+,750m+,1bn+)   |   |  |

In addition to the Overall Index several types of sub-indices are calculated:

- Core High Yield Index
- Indices for special bond types
- Corporate sector Indices
- Rating Indices

- Maturity Indices
- Notional Indices

Bond types such as zero coupon bonds, perpetual bonds, and fixed to floater bonds are excluded from the Core Index. All other bond selection rules remain unchanged. The column “Core” in the membership file indicates whether a bond is included in the Core Index. Sector sub-indices are calculated down to level 3, provided that at least one bond is in the respective sector sub-index. Sector sub-indices are calculated for each set of indices Overall and Core. In addition, sub-indices for all possible combinations of Overall / Core, Financials / Non-Financials, Ratings and Maturity bands are calculated.

# Bond Selection Rules

The following selection criteria are applied to select the constituents for the iBoxx GBP High Yield Benchmark Indices:

- Bond Type
- Credit Rating
- Issuer Eligibility
- Time to Maturity
- Amount Outstanding

## Bond Type

Bonds with the following characteristics are included:

- Fixed coupon bonds (“plain vanilla bonds”)
- Zero coupon bonds
- Amortizing bonds and sinking funds with a fixed sinking schedule
- Bonds with American and European call/put options, including extendable bonds
- Event driven bonds such as rating and registration-sensitive bonds
- Callable perpetual bonds
- Callable fixed-to-floater bonds
- Floating-rate notes linked to LIBOR with coupon reset at least once per year (including floors at 0% and/or regulatory caps set at the rate defined by the usury laws of the relevant jurisdiction)
- 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 bond types are specifically excluded from the indices:

- Structured notes (CDO, CLO, etc.)
- Pay-in-kind bonds
- Index-linked notes
- Bonds with redemption linked to an entity other than the issuer
- Floating rate notes with floors that are not set at 0% or with caps that are not regulated by the usury laws of the relevant jurisdiction
- Preferred shares
- Bonds with other equity features attached (e.g. options/warrants)
- Asset backed securities where redemption payments may not follow original schedule or payment of principal / interest is junior to other share classes
- Optionally and mandatory convertibles bonds other than the one described above
- 144A offerings

- Private placements
- Retail bonds
- Extended bonds as defined under section 'Maturity extension' in this document

For retail bonds and private placements, publicly available information is not always conclusive and the classification of a bond as a retail bond or private placement will be made at S&P DJI's discretion based on the information available at the time of determination. 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. Any bond classified as retail or private placement is added to the list of excluded private placement and retail bonds. The list is published at [www.spglobal.com/spdji](http://www.spglobal.com/spdji) for future reference and to ensure consistency.

In instances where a new bond type is not specifically excluded or included according to the published index rules, S&P DJI will analyze the features of such securities in line with the principles set out in this guide. S&P DJI may consult specific Index 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.

### **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. If a new tranche of a bond is not rated, the rating of its parent applies. In case of an ID change or exchange of a Regulation S offerings into a registered bond the ratings from the Regulation S offerings are also used for the registered bond.

If a bond is rated "defaulted" by any agency (D by Fitch Ratings or S&P Global Ratings, or no longer rated by Moody's Investor Service) or if it trades flat the bond is no longer eligible for the indices and is removed at the subsequent rebalancing. Bonds with a rating downgrade to RD/SD remain eligible until the second rebalancing after the downgrade. If such bonds have not been upgraded by T-3 of the second rebalancing following the initial downgrade, the bonds are removed. RD/SD rated bonds remain eligible for the first rebalancing after a downgrade to allow for sufficient time to complete a distressed debt exchange or change of terms (assuming they meet all other criteria).

*For more information on average ratings, please refer to the iBoxx Rating Methodology, available at [www.spglobal.com/spdji](http://www.spglobal.com/spdji).*

### **Issuer Eligibility**

Only GBP denominated debt is eligible, independent of country of risk or origin.

## Time to Maturity

All new insertions in the index must have a remaining time to maturity of at least one year at rebalancing. Bonds in the index are held to maturity. 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
- For sinking funds and amortizing bonds, the workout date is based on the average life

## Amount Outstanding

The following table shows the minimum amount outstanding:

| Classification | First Settlement date      | Insertions      | Downgraded bonds |
|----------------|----------------------------|-----------------|------------------|
| Non-Gilts      | Before or on Dec. 31, 2010 | GBP 250 million | GBP 100 million  |
|                | After Dec. 31, 2010        | GBP 250 million | GBP 250 million  |

S&P DJI considers changes to the outstanding face value of a bond as a result of partial or full buybacks or increases, provided that S&P DJI is aware of such changes as of the bond selection cutoff date.

To distinguish insertions from downgraded bonds the rating before the date the bond enters the index is considered. If a bond was rated investment grade before the entry date, the “downgraded bonds” cutoff applies. If a bond was rated high yield before the entry date, the “insertions” cutoff applies.

# 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.

## Sovereigns

Bonds issued by a central government other than the UK and denominated in Sterling.

## Sub-sovereigns

Bonds issued by entities with explicit or implicit government backing due to legal provision, letters of comfort, or the public service nature of the issuer's business. The issuer requires a strong central government ownership/relationship if its bonds are not explicitly guaranteed by the central government.

The five main sub-sovereign sectors are:

- **Agencies:** Bonds issued by entities with a major focus on government-sponsored, public, noncompetitive services. The issuers are financial in nature and carry out government policies through special development programs, often explicitly government-backed or with a business scope defined by a specific law.
- **Supranationals:** Bonds issued by supranational entities, i.e. entities that are owned by more than one central government (e.g. World Bank, EIB).
- **Public Banks:** Bonds issued by publicly owned and backed banks that provide regular commercial banking services (e.g. NV Bank Nederlandse Gemeenten).
- **Regions:** Bonds issued by local governments (e.g. Isle of Man).
- **Other Sub-Sovereigns:** All remaining bonds considered sub-sovereign, classified into the following three main categories:
  - **Non-Financials:** Bonds issued by entities from the non-financial sector with an explicit or strong implicit debt guarantee from the state. The issuer's credit rating is closely correlated to the sovereign rating and expresses a strong credit uplift based on a high level of government support. S&P DJI expects the issuer's credit rating to be no worse than on par or two notches below the sovereign rating. A 'strong implicit guarantee' means the issuer is 100% owned by the state or public sector with its debt consolidated into state public debt, or the issuer has preexisting access to government financing or funding derived from tax revenues. State-owned issuers that are profit-oriented, provide competitive services, and operate under a regulatory framework are considered Corporates.

- *Guaranteed Financials*: A specific bond issued by a private sector financial institution that is irrevocably guaranteed by a government. Most of these bonds are issued under programs set-up after the 2008 financial crisis.
- Bonds issued by unguaranteed institutions with an irrevocable and explicit guarantee by a central government that covers amount and timeliness of all interest and principal payments until the maturity of the bond.

## **Collateralized**

There are three main categories: covered bonds, securitized bonds and other collateralized bonds.

### **Covered Bonds**

Bonds which are secured by a general pool of assets in case the issuer becomes insolvent, in particular bonds conforming to the criteria specified in UCITS 22.4 or similar directives, e.g. CAD III. In addition, bonds with a structure affording an equivalent risk and credit profile that are considered by the market as covered bonds are also included in the iBoxx covered bond indices. The criteria taken into account in evaluating the status of a bond will be the structure, trading patterns, issuance process, liquidity and spread-levels.

### **Securitized Bonds**

Currently, the following bond types are eligible for the iBoxx GBP Securitized indices:

- ABS: Bonds secured against specific assets or receivables
- Housing Associations: Bonds that are secured against property and issued by non-profit making organizations that provide low-cost social housing
- MBS: Bonds secured against residential or commercial mortgages
- Whole Business Securitized: Bonds secured against cash flows from a whole business segment. However, WBS bonds from utilities or infrastructure providers are classified as 'Corporates'. These issuers operate in highly regulated environments where their debt behaves more like corporate debt rather than securitized debt.

### **Other Collateralized Bonds**

Collateralized bonds not falling into the above two categories.

### **Corporates**

Corporate bonds are issued by public or private corporations. Corporate bonds are further classified into Financials and Non-Financials bonds, and then into 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 as follows.

### **iBoxx Corporates Sector Overview**

|                    | Economic Sector    | Market Sector               | Market Sub-Sector   |                                 |
|--------------------|--------------------|-----------------------------|---|---------------------------------|
| Financials         | Core Financials    | Banks                       | Banks   |                                 |
|                    |                    | Insurance                   | Life Insurance<br>Nonlife Insurance                                 |                                 |
|                    | Financial Services | Financial Services          | Equity Investment Instruments                                       | General Financial               |
|                    |                    |                             | Nonequity Investment Instruments                                    | *                               |
|                    |                    | Insurance-wrapped           |   |                                 |
|                    | Real Estate        | Real Estate                 | Real Estate Investment & Services                                   | Real Estate Investment Trusts   |
|                    |                    |                             |   |                                 |
|                    | Non-Financials     | Basic Materials             | Basic Resources   | Forestry & Paper                |
|                    |                    |                             |   | Industrial Metals               |
|                    |                    |                             |   | Mining                          |
|                    |                    | Chemicals                   | Chemicals   |                                 |
| Consumer Goods     |                    | Automobiles & Parts         | Automobiles & Parts   |                                 |
|                    |                    |                             | Food & Beverage   | Beverages<br>Food Producers     |
|                    |                    | Personal & Household Goods  | Household Goods   |                                 |
|                    |                    |                             | Leisure Goods   |                                 |
|                    |                    |                             | Personal Goods  |                                 |
|                    |                    |                             | Tobacco   |                                 |
|                    |                    | Consumer Services           | Education   | Academic & Educational Services |
| Media              |                    |                             | Media   |                                 |
| Retail             |                    |                             | Food & Drug Retailers<br>General Retailers                          |                                 |
| Travel & Leisure   |                    |                             | Travel & Leisure  |                                 |
| Energy             |                    | Oil & Gas                   | Oil Equipment / Services & Distribution                             |                                 |
|                    |                    |                             | Oil & Gas Producers   |                                 |
|                    |                    | Renewable Energy            | Renewable Energy  |                                 |
| Health Care        |                    | Health Care                 | Health Care Equipment & Services<br>Pharmaceuticals & Biotechnology |                                 |
| Industrials        |                    | Construction & Materials    | Construction & Materials  |                                 |
|                    |                    |                             | Aerospace & Defense   |                                 |
|                    |                    | Industrial Goods & Services | Electronic & Electrical Equipment                                   |                                 |
|                    |                    |                             | General Industrials   |                                 |
|                    |                    |                             | Industrial Engineering  |                                 |
|                    |                    |                             | Industrial Transportation   |                                 |
|                    |                    |                             | Support Services  |                                 |
| Technology         |                    | Technology                  | Software & IT Services<br>Technology Hardware & Equipment           |                                 |
| Telecommunications |                    | Telecommunications          | Integrated Telecommunications<br>Wireless Telecommunications        |                                 |
| Utilities          |                    | Utilities                   | Electricity<br>Gas / Water & Multiutilities                         |                                 |

### 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.

### Seniority Levels Overview

| 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 non-callable      |
|               |                   |                             | UT2                   | UT2                   |
|               |                   | T1                          | T1 step               | T1 non-step           |
| Insurance     | SEN               | *                           | *                     |                       |
| Insurance     | 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**              | Hybrid**              |
|               |                   |                             | Non-hybrid            | Non-hybrid            |

\*\* Bonds must satisfy 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 greater than 25 years of the time to maturity at issuance

Securitized bonds are classified into insurance-wrapped (IW) and non-insurance wrapped (NW). Bonds are considered insurance-wrapped if the timeliness of coupon and/or principal payments is guaranteed by a special mono-line insurer.

# 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*, available at [www.spglobal.com/spdji](http://www.spglobal.com/spdji).

## Rebalancing Process

The iBoxx GBP High Yield Benchmark 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.

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). Four business days before the end of each month, another preliminary membership list is published on FTP server and at [www.spglobal.com/spdji](http://www.spglobal.com/spdji) for registered users.

Three business days before the end of each month, a membership list with final amount outstanding for each bond is published. This list contains the maximum number of constituents for the next month.

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 downgraded to sub-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 upgraded to 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 GBP 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, S&P DJI publishes the final membership with closing prices for the bonds, and various bonds analytics based on the index prices of the bonds.

## Weekly Preview

In addition to the regular monthly rebalancing, a preview list (including sector classification for new bonds) is published each Friday 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 that is at least three business days after the preceding month-end rebalance.

## 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. If 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, S&P DJI may consult market participants prior to the next rebalancing date. Decisions are made publicly available on a timely basis and S&P DJI may refer back to previous cases.

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

## Index Calculus

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

## Index and Analytics Weights

The iBoxx GBP High Yield Benchmark Indices are market-value-weighted. The amount outstanding of a bond is only adjusted within the rebalancing process.

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.

## 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.

## 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.

## Funged Bonds

Bonds may be issued in several tranches. The different tranches are initially legally separate and therefore trade independently for a certain period. On and after the funge date, the tranches will be combined into one bond, i.e. the parent tranche will contain the original security, as well as the additional notional(s) from the new tranche(s). After the funge date, the prices for both the securities are the same, because they constitute one uniform bond. This is reflected in the indices as follows:

### Parent and New Tranche are Both Index Constituents

- After the funge date, the price from the parent tranche is used for the funged tranche; no price for the funged bond
- Funged tranche leaves the index at the next rebalancing and parent amount outstanding increases accordingly

### Parent is an Index Constituent, but the New Tranche is Not

- No special intra-month treatment necessary

- Parent amount outstanding increases at the next rebalancing

#### Parent is Not an Index Constituent but the New Tranche is

- No special intra-month treatment necessary
- Funged tranche leaves the index; parent tranche enters the index at the next rebalancing

#### 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).

#### Maturity Extension

##### 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.

##### 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

#### 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.

### **Ex-Dividend Conventions**

Some markets have ex-dividend conventions. Ex-dividend means that the next coupon is detached from the bond several days in advance of the coupon payment date. The date on which the next coupon is detached is the ex-dividend date and the period between the ex-dividend date and the coupon payment date is the ex-dividend period. If a bond is in the ex-dividend period, the next coupon payment will not be paid to a buyer of this bond, but will be paid to the original bond holder.

The indices and analytics calculations take ex-dividend conventions into account. During the ex-dividend period, the accrued interest of the bond is negative, while the next coupon payment is held separate in the variable coupon adjustment. If the bond enters the index during the ex-dividend period, then the next coupon payment and the coupon adjustment will not accrue to the index. However, if the bond was already in the index, the next coupon payment needs to be included in the total return calculations. This is controlled via the ex-dividend indicator which is 0 if the bond enters the index during the current exdividend period and 1 if not. The same treatment is also applied to all analytics calculation, i.e. the first cash flow is excluded from the calculations if the bond enters during the current ex-dividend period.

### **Index History**

The Index history starts on December 31, 2011. The indices have 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 [www.spglobal.com/spdji](http://www.spglobal.com/spdji) 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 Index**

The iBoxx GBP High Yield Benchmark Indices are calculated as end-of-day indices and distributed once daily after close of UK 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 at [www.spglobal.com/spdji](http://www.spglobal.com/spdji) 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 of the website for registered users.

## Data Publication and Access

The table below summarizes the publication of the indices at [www.spglobal.com/spdji](http://www.spglobal.com/spdji) 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: Frequency, File type and Access**

| Frequency     | File Type                    | Access   |
|---------------|------------------------------|--|
| Daily         | Underlying file – Bond level | FTP Server                                       |
|               | Indices files – Index level  | FTP Server / website / BBG for index levels only |
| T-4, T-3, T-2 | Preview components           | FTP Server / website                             |
| Monthly       | End of month components      | FTP Server / website                             |
|               | XREF files                   | FTP Server                                       |

# 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](#).*

# Further Information

## **Client support**

For client support please contact [index\\_services@spglobal.com](mailto:index_services@spglobal.com).

## **Formal complaints**

Formal complaints should be emailed to [spdji\\_compliance@spglobal.com](mailto:spdji_compliance@spglobal.com).

Please note: [spdji\\_compliance@spglobal.com](mailto: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](mailto:index_services@spglobal.com).

# Methodology Changes

|                |   |
|----------------|---|
| May 01, 2024   | <b>Annual Index Review 2023</b> <ul style="list-style-type: none"> <li>• Update to Agencies' Classification Definition <ul style="list-style-type: none"> <li>◦ Updated definition of 'Agencies'</li> <li>◦ Updated definition for 'Other Sub-Sovereigns'</li> </ul> </li> </ul>                                    |
| Mar. 01, 2024  | <b>Annual Index Review 2023</b> <ul style="list-style-type: none"> <li>• Differentiation of Non-Core-Financials senior debt between Senior Secured and Senior Unsecured bonds</li> </ul>  |
| Aug. 31, 2023  | <b>Annual Index Review 2022</b> <ul style="list-style-type: none"> <li>• Treatment of distressed debt exchanges</li> <li>• Introduction of new economic sector classification "Energy" with new market sector classification "Renewable Energy"</li> <li>• Maturity extension section added</li> </ul>              |
| June 30, 2022  | <ul style="list-style-type: none"> <li>• Monthly forward start date updated from 10th calendar day to 6th calendar day</li> </ul>   |
| March 31, 2022 | <b>Annual Index Review 2021</b> <ul style="list-style-type: none"> <li>• Introduction of new market sector classification "Education" with market sub-sector classification "Academic &amp; Educational Services"</li> </ul>  |
| Sep. 1, 2021   | <ul style="list-style-type: none"> <li>• Monthly forward start date updated from 12th calendar day to 10th calendar day</li> </ul>  |
| March 31, 2021 | <ul style="list-style-type: none"> <li>• Governance and Regulatory Compliance section added</li> </ul>  |
| July 31, 2020  | <b>Annual Index Review 2019</b> <ul style="list-style-type: none"> <li>• Introduction of updated corporate classification schema</li> <li>• Implementation of updated Bank Tier Classification</li> <li>• Updates as part of the changes in definition and treatment of hybrid bonds</li> </ul>                     |
| Jan. 31, 2020  | <b>Annual Index Review 2019</b> <ul style="list-style-type: none"> <li>• Definition update of 'Other Sub-Sovereigns' classification</li> <li>• Addition of German structural covered bonds as eligible bond type under 'Covered bonds'</li> <li>• Inclusion of zero coupon bonds into EUR Liquid indices</li> </ul> |
| Sep. 30, 2018  | <b>Annual Index Review 2018</b> <ul style="list-style-type: none"> <li>• Treatment of bond rating upgrades on t-2</li> <li>• Clarification on bond eligibility during tender</li> <li>• Clarification of treatment of called bonds</li> </ul>   |
| July 31, 2017  | <b>Annual Index Review 2017</b> <ul style="list-style-type: none"> <li>• Classification of Insurance Tier 3 notes</li> </ul>  |
| Feb. 6, 2017   | <ul style="list-style-type: none"> <li>• Launch of Markit iBoxx GBP High Yield Benchmark index</li> </ul>   |

# Related Indices

Unless otherwise specified, the below related indices follow the same methodology as the respective underlying index.

## **iBoxx GBP High Yield 0+ Indices**

**Index Objective.** The index measures the performance of GBP-denominated below-investment-grade bonds with a time to maturity greater than 0.

**Index Eligibility.** At each rebalancing, bonds must satisfy the following criteria to be eligible for index inclusion:

- **Time to Maturity:** be greater than 0.

**Index Data.** The calculation of the index is based on bid prices. For the index calculation, bond insertions and existing bonds follow the same prices as the underlying index.

**Index History.** The index history starts from December 31, 2014 with a base value of 100.

# ESG Disclosures

| EXPLANATION OF HOW ENVIRONMENTAL, SOCIAL & GOVERNANCE (ESG) FACTORS ARE REFLECTED IN THE KEY ELEMENTS OF THE BENCHMARK METHODOLOGY <sup>1</sup> |  |   |
|---|--|---|
| 1   | <b>Name of the benchmark administrator.</b>  | S&P Dow Jones Indices Limited             |
| 2   | <b>Underlying asset class of the ESG benchmark.<sup>2</sup></b>                            | N/A                                       |
| 3   | <b>Name of the S&amp;P Dow Jones Indices benchmark or family of benchmarks.</b>            | <a href="#">iBoxx Benchmark Statement</a> |
| 4   | <b>Do any of the indices maintained by this methodology take into account ESG factors?</b> | 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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