

**iBoxx USD 10-Year  
Breakeven Inflation  
(Futures) Index  
*Methodology***

April 2026

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# Introduction

The iBoxx USD 10-Year Breakeven Inflation (Futures) Index aims to provide exposure to U.S. 10-year breakeven inflation by entering into long positions in U.S. Treasury Inflation-Protected securities (TIPS) and a short position in the Ultra 10-Year Treasury Note futures contract.

The iBoxx USD 10-Year Breakeven Inflation (Futures) Index is rebalanced once a month at the month-end (the “rebalancing date”). Exposure to any Treasury Inflation-Protected security within the long position is capped at 30% at each rebalancing date. In addition, the iBoxx USD 10-Year Breakeven Inflation (Futures) Index must contain at least six TIPS at any point in time.

# Selection Criteria

The index has long positions in U.S. Treasury Inflation-Protected securities with an average life close to 10 years and short position in the Ultra 10-Year Treasury Note front month quarterly futures contract.

## Long Position

The long position consists of Treasury Inflation-Protected securities (TIPS) with an average life close to 10 years. The base inflation index for the TIPS is US CPI.

## Outstanding amount

The bonds require a minimum amount outstanding of USD 5 billion in order to be eligible for the index.

## Age

Only bonds with an age lower or equal to 20 years at each rebalancing date are eligible for the index.

## Bond selection procedure

The eligible universe for the TIPS position of the iBoxx USD 10-Year Breakeven Inflation (Futures) Index is determined at each rebalancing date by considering the following six scenarios in order of preference from 1 to 6:

- Scenario 1:
  - > Filter the bonds having average life between 8 and 10 years.
  - > Rank the eligible TIPS by distance to 10-year by average life in ascending order and by bond notional in descending order.
  - > Select top 8 of the eligible bonds. If less than 8 bonds are eligible, proceed to Scenario 2.
- Scenario 2:
  - > Filter the bonds having average life between 7 and 13 years.
  - > Rank the eligible TIPS by distance to 10-year by average life in ascending order and by bond notional in descending order.
  - > Select top 8 of the eligible bonds. If less than 8 bonds are eligible, proceed to Scenario 3.
- Scenario 3:
  - > Filter the bonds having average life between 6 and 14 years.
  - > Rank the eligible TIPS by distance to 10-year by average life in ascending order and by bond notional in descending order.
  - > Select top 8 of the eligible bonds. If less than 8 bonds are eligible, proceed to Scenario 4.
- Scenario 4:
  - > Filter the bonds having average life between 8 and 10 years.

> Rank the eligible TIPS by distance to 10-year by average life in ascending order and by bond notional in descending order.

> Select top 6 of the eligible bonds. If less than 6 bonds are eligible, proceed to Scenario 5.

- Scenario 5:

> Filter the bonds having average life between 7 and 13 years.

> Rank the eligible TIPS by distance to 10-year by average life in ascending order and by bond notional in descending order.

> Select top 6 of the eligible bonds. If less than 6 bonds are eligible, proceed to Scenario 6.

- Scenario 6:

> Filter the bonds having average life between 6 and 14 years.

> Rank the eligible TIPS by distance to 10-year by average life in ascending order and by bond notional in descending order.

> Select top 6 of the eligible bonds.

If there is a tie after the above ranking criteria are applied, the bond with the lower age is selected.

### **Bond weight capping**

Exposure to any TIPS is capped at 30% at each rebalancing date. In addition, the iBoxx USD 10-Year Breakeven Inflation (Futures) Index must contain at least six TIPS at any point in time.

### **Short Position**

The short position consists of front month Ultra 10-Year Treasury Note futures contracts. The contracts follow a March quarterly cycle and expire in March, June, September and December. The “cheapest-to-deliver” bond (“CTD”) for the futures contract is determined at every rebalancing.

# Index Calculation

## Bond and Future Prices

The close prices for futures are from CME.

The calculation of the underlying bond index is based on mid prices. New bonds are included in the underlying index at ask price. The underlying bond index is transaction cost adjusted.

*For more information, please refer to the iBoxx Bond Calculus and iBoxx Pricing Methodology, available at [www.spglobal.com/spdji](http://www.spglobal.com/spdji).*

## Rebalancing Process

The iBoxx USD 10-Year Breakeven Inflation (Futures) Index is 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.

Ten business days before the end of each month, a preliminary membership list is published.

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

Two business days before the end of each month, the rating information for the constituents is updated and the list is adjusted for all rating changes which are known to have taken place two trading days before the end of the month. Bonds which are known to have been upgraded to investment grade two trading days before the end of the month are not included in the membership, but bonds which are known to have been downgraded to sub-investment grade two trading days before the end of the month do get excluded from the membership. However, if any bonds which are part of the broader USD 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.

## Rebalancing procedure

On each rebalancing day each TIPS bond is paired to a certain number of Ultra 10-Year Treasury Note futures contract in the short position. These long/short pairs are then aggregated into the iBoxx USD 10 Year Breakeven Inflation (Futures) index.

The rebalancing process follows five steps:

1. Determining the cheapest-to-deliver bond (“CTD”) of the futures contract
2. Determining the duration of the futures contract
3. Determining the number of futures contracts assigned to each bond
4. Determining the ratio of the futures contract
5. Calculating the index

## Cheapest-to-Deliver Bond Determination

The cheapest-to-deliver bond (“CTD”) is the least expensive bond that can be delivered upon expiry to satisfy the requirements of a futures contract. The “CTD” is used as the proxy of a futures contract in determining the number of contracts required to fully hedge the index.

## Futures Contract Duration Determining

The duration of the futures contract is determined as follows:

$$MD_{t-s}^F = MD_{t-s}^{CTD}$$

## Index Calculations

### Step 1: Calculate the number of futures contracts used

The notional of futures contract is determined as:

$$N_{t-s}^F = \frac{CF_{t-s}^{CTD} \sum_{i=1}^n (BMV_{i,t-s}^{Nominal} MD_{i,t-s})}{P_{t-s}^{CTD} MD_{ts}^{CTD}}$$

### Step 2: Calculate the number of futures contracts

The number of futures contracts is determined as:

$$contracts_{t-s} = round\left(\left\{\frac{N_{t-s}^F}{FCS_{t-s}}\right\}, 0\right)$$

and the notional based on this number is calculated as:

$$N_{t-s}^{F,rounded} = contracts_{t-s} FCS_{t-s}$$

### Step 3: Calculate the ratio of the futures contract

$$W_{t-s}^S = \frac{N_{t-s}^{F,rounded}}{\sum_{i=1}^n BMV_{i,t-s}^{Nominal}}$$

### Step 4: Calculate the index level

$$IL_t = IL_{t-s} \cdot \left(1 + \left(\frac{IL_t^{long,Nominal}}{IL_{t-s}^{long,Nominal}} - 1\right) - W_{t-s}^S (P_t^F - P_{t-s}^F)\right)$$

## Roll Process

At the rebalancing day prior to the delivery month the futures contract is rolled into the new front month quarterly futures contract.

## Index history

The Index history starts on 31 January 2016. 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.

## Index Publication

The index calculates as an end-of-day index and distributes once daily after close of U.S. markets.

Bond and index analytical values calculate end of day Monday to Friday using that day's closing prices. In addition, bond and index analytical values calculate 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. Closing index values and key statistics are published, for registered users, at the end of each calculation day, available at [www.spglobal.com/spdji](http://www.spglobal.com/spdji).

## Data Publication and Access

The table below summarizes the publication of the iBoxx USD 10-Year Breakeven Inflation (Futures) Index in the *Indices* section of the website 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 1: Data publication frequency, file types and access**

| Frequency   | File Type                     | Access  |
|---|-------------------------------|---|
| Daily   | Underlying files – Bond level | FTP Server  |
|   | Indices files – Index level   | FTP Server / website/ Bloomberg for index levels only |
| Daily from the 6th calendar day of the month (or the next index publication day if the 6th calendar day falls on a nonbusiness day) | Forwards files                | FTP Server  |
| Monthly   | End of Month Components       | FTP Server / website                                  |

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

| Index Name  | Return Type   | ISIN         | SEDOL   | Ticker   | RIC       |
|---|---------------|--------------|---------|----------|-----------|
| iBoxx USD 10-Year Breakeven Inflation (Futures) Index | TRI           | GB00BHFSRH32 | BHFSRH3 | IBXXUTBI | .IBXXUTBI |
| iBoxx USD 10-Year TIPS Custom TCA                     | TRI (Nominal) | GB00BHFSXF36 |         |          |           |
| iBoxx USD 10-Year TIPS Custom TCA                     | TRI (Real)    | GB00BHFSXH59 |         |          |           |

## Annual 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 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.

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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

|                    |   |
|--------------------|---|
| <b>31 May 2019</b> | Launch of iBoxx USD 10-Year Breakeven Inflation (Futures) Index |
|--------------------|---|

# Glossary

## Annotations

|                         |   |
|-------------------------|---|
| $A_{t-s}^{CTD}$         | denotes the accrued of the CTD of the eligible futures contract at the rebalancing day t-s  |
| $BMV_{i,t-s}^{Nominal}$ | denotes the nominal base market value of the <i>i</i> -th bond constituent in the inflation linked long index at the rebalancing day t-s          |
| $Cash_{i,t-s,t}$        | denotes the cash accumulated of the <i>i</i> -th constituent in the period that starts from the rebalancing day t-s and ends on (including) day t |
| $CF_{t-s}^{CTD}$        | denotes the conversion factor of the CTD bond for the eligible futures contract   |
| $FCS_{t-s}$             | denotes the contract size (\$ face value) of the eligible futures contract <sup>1</sup>   |
| $IL_t$                  | denotes the index level on day t  |
| $IL_t^{long,Nominal}$   | denotes the index level nominal of the inflation linked long index on day t   |
| $MD_{i,t-s}$            | denotes the annual modified duration of the <i>i</i> -th bond constituent at the rebalancing day t-s  |
| $MD_{t-s}^{CTD}$        | denotes the annual modified duration of the CTD bond associated to the eligible futures contract at the rebalancing day t-s                       |
| $MV_{i,t}$              | denotes the market value of the <i>i</i> -th bond constituent at day t  |
| $N_{t-s}^F$             | denotes notional of the eligible futures contract at the rebalancing day t-s  |
| $P_{t-s}^{CTD}$         | denotes the dirty price of the CTD of the eligible futures contract at the rebalancing day t-s  |
| $P_{t-s}^F$             | denotes the price of the eligible futures contract at the rebalancing day t-s   |
| $contracts_{t-s}$       | denotes the number of the eligible futurescontract at the rebalancing day t-s   |
| $W_{t-s}^S$             | denotes the ratio of the eligiblefutures contract in the short position on the rebalancing day t-s  |

1. The contract size is \$100,000 for the Ultra 10-Year Treasury Note futures contract.

# 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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