From Benchmarks to Market Infrastructure: Standardization, ETFs and Credit Liquidity

Celebrating 25 Years of iBoxx Indices and the Evolution of the ETF Ecosystem

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Introduction: From Niche Exposure to Market Infrastructure

Corporate bond markets are no longer a collection of isolated products. They operate as a connected chain: transparent index rules standardize a fragmented, over-the-counter universe; ETFs convert those benchmarks into exchange-traded exposures; the ETF primary market links shares back to cash bond baskets; portfolio trading transmits that demand into the underlying securities; and a widening derivatives complex allows the same standardized exposure to be hedged, financed and transferred. Each link makes the next one more efficient.

This framing applies across the credit spectrum. In investment grade (IG), scale and breadth make standardization a tool for core allocation, duration positioning and transition management. In high yield (HY), where bond-level trading is more episodic, standardization is what makes diversified exposure investable at all. **Over 25 years, iBoxx indices have not just built a benchmark series, they have built market infrastructure**.

Industry Perspectives on pages 10 and 13 are provided by BlackRock, Inc. and Jane Street Group, LLC, respectively.

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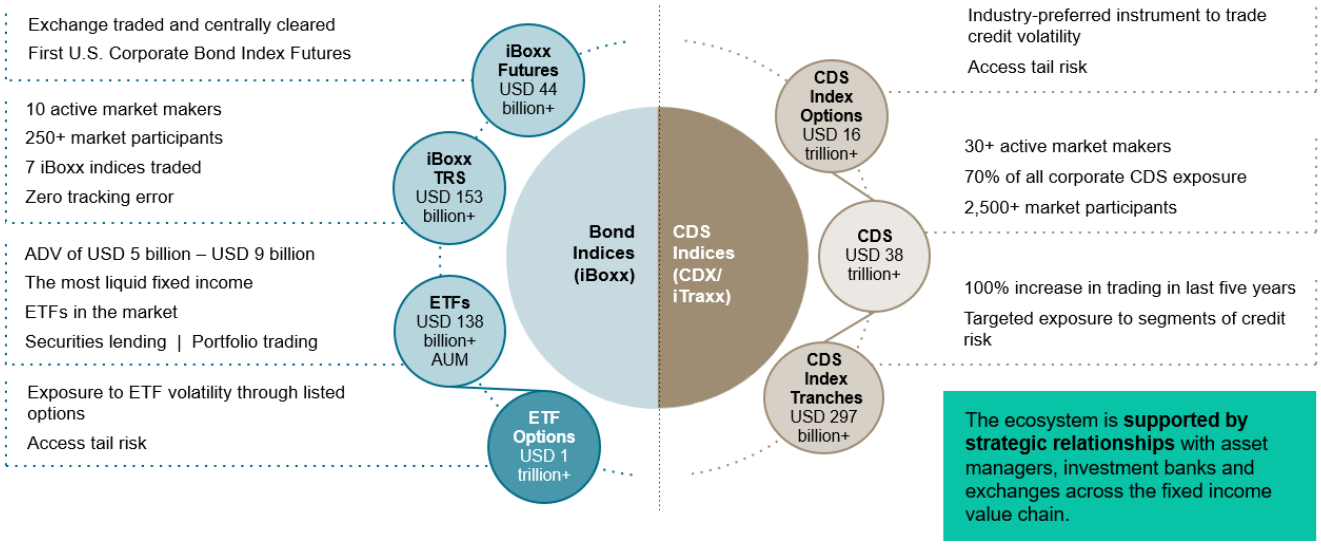
That transformation is most visible in high yield. Once considered a relatively illiquid and operationally intensive asset class, high yield has evolved into a core allocation for many investors, supported by the rapid growth of ETFs. But the same forces have reshaped investment grade, where scale, electronification and standardized index exposure have made benchmark-based implementation central to core allocation, duration management and transition management. The two markets differ in starting point but not in outcome: transparent index rules make credit exposure tradable at scale.

At the center of this evolution is the interplay between **transparent index design, advances in portfolio management and the development of a robust capital markets ecosystem**. Together, these elements have enabled fixed income ETFs to scale, providing investors with efficient, liquid and cost-effective access to markets that remain fragmented at the individual security level.

Just as importantly, the ETF story is not simply an asset growth story. It reflects a broader shift in how credit exposure is defined, transferred and implemented. What was once primarily a bond-by-bond market has increasingly developed around standardized, index-based units of exposure that can be used in multiple wrappers. In that context, the index does more than measure the market: it creates a common reference point for investors, portfolio managers, liquidity providers and derivatives markets. That common reference point is a tool that helps allow credit risk to move more efficiently across the ecosystem.

S&P DJI has played a foundational role in this development. Over 25 years, our indices have evolved alongside the market, supporting innovation, ensuring relevance and enabling implementation at scale.

Exhibit 1: Fixed Income Tradable Ecosystem Linked to S&P Dow Jones Indices



Source: S&P Dow Jones Indices LLC, DTCC, Cboe and OSTTRA. Data as of Dec. 31, 2025. Except where noted otherwise, data refers to annual gross notional traded. Chart is provided for illustrative purposes.

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1. Index Construction: The iBoxx Indices Value Proposition

Bonds from a single issuer can differ by currency, seniority, coupon structure, maturity, optionality, issue size and liquidity. A benchmark provider's first contribution is to convert that heterogeneity into a transparent, rules-based universe that can be measured, replicated and referenced consistently by every participant in the chain. What distinguishes iBoxx indices is the combination of independent governance, published methodologies, consistent classification, evaluated multi-source pricing, disciplined rebalancing and a research process that keeps rules aligned with how the market actually trades. These capabilities are further enhanced by the ability to draw on market intelligence and data from other divisions of S&P Global—evaluated pricing from S&P Global Market Intelligence and ratings from S&P Global Ratings—giving iBoxx indices a depth of pricing and reference data that few index providers can replicate.

The growth of the ETF ecosystem has been underpinned by continuous improvements in index design. Our iBoxx indices began by providing transparent, rules-based benchmarks at a time when fixed income markets lacked standardization. As the investment grade and high yield markets expanded, so too did the indices, evolving to reflect new issuance, improve representativeness and keep pace with changing market structure.

The step from benchmark to tradable index is deliberate. Liquid indices apply higher minimum issue sizes, issuer-size requirements, issuer caps, minimum runs, lockout periods and maturity rules. These features reduce churn, limit idiosyncratic concentration and lower the trading friction embedded in the index itself—while retaining the yield, duration, spread and sector profile of the target market. That balance between representation and implementability is the reason a liquid index can support an ETF, a total return swap, a futures contract and a CDS index at the same time.

This evolution reflects a consistent principle: indices can not only measure the market but also provide a transparent, rules-based reference that can be replicated **in real-world conditions**. Implementability requires a deliberate balance between representation and capacity to trade. A broad benchmark can describe the full opportunity set, but a tradable benchmark must be constructed so that it can be replicated, rebalanced and scaled in live market conditions. Liquidity screens, issuer-size requirements, issuer caps, minimum-run rules and lockout periods are therefore not peripheral methodology choices. They are the features that help translate a fragmented cash-bond universe into a benchmark that can be replicated repeatedly without introducing unnecessary turnover or concentration risk.

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Exhibit 2: Index Rules – iBoxx USD Liquid High Yield Index versus iBoxx USD High Yield Index

Metric	iBoxx USD Liquid High Yield Index	iBoxx USD High Yield Index
Amount Outstanding	USD 400 million	USD 200 million
Issuer Size	USD 1 billion	N/A
Issuer Cap	3%	N/A
Lockout Period	3 months	N/A
Minimum Run	6 months	N/A
Time to Maturity	12 months, 18 months for new insertions	12 months

Source: S&P Dow Jones Indices LLC. Criteria as of Sept. 30, 2026. Table is provided for illustrative purposes.

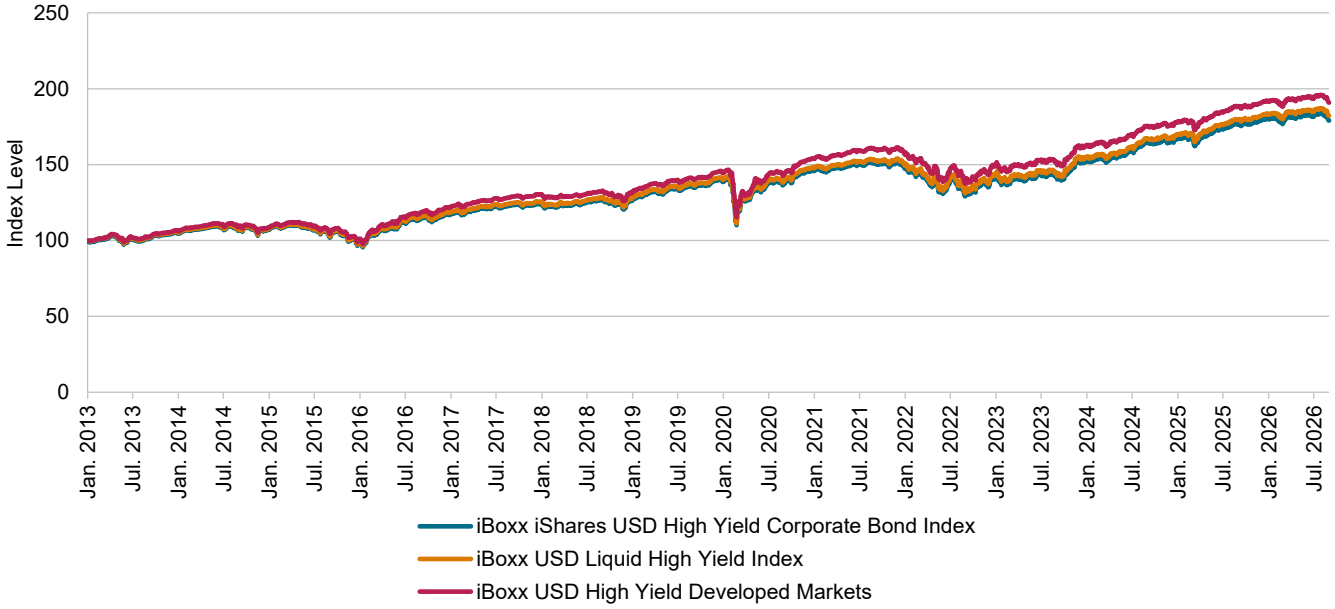
In high yield, this discipline was particularly important. The underlying bond market remains **fragmented, opaque and heterogeneous**, with securities that differ in structure, liquidity and pricing transparency. Against this backdrop, indices such as the iBoxx USD, EUR and Global Liquid High Yield indices have been instrumental in defining a transparent and standardized universe of liquid high yield bonds, embedding liquidity and tradability criteria directly into index construction, and enabling consistent benchmarking and implementation across market participants.

Where markets are inherently fragmented, less transparent and often dealer-driven, robust benchmarking plays a critical role in improving price discovery, comparability and investor confidence. By establishing a clear, rules-based representation of the opportunity set, benchmarks provide a common language for market participants, enabling more accurate risk assessment, performance attribution and relative value analysis.

The key point is that improving liquidity does not need to come at the expense of the exposure investors are seeking. A liquid index can be more selective than the broader market while still retaining the core yield, duration and spread profile of the asset class. That is the practical importance of the liquid index framework: it narrows the universe toward securities that can be more readily accessed, while preserving the broad economic characteristics that make the asset class useful in portfolio construction.

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Exhibit 3: Cumulative Performance



Source: S&P Dow Jones Indices LLC. Data from Jan. 31, 2013, to Sept. 30, 2026. Index performance based on total return in USD. Index levels rebased to 100 on Jan. 31, 2013. The iBoxx USD High Yield Developed Markets was launched on April 30, 2018. The iBoxx iShares USD High Yield Corporate Bond Index was launched on April 30, 2018. All data prior to such date is back-tested hypothetical data. Past performance is no guarantee of future results. Chart is provided for illustrative purposes and reflects hypothetical historical performance. Please see the Performance Disclosure at the end of this document for more information regarding the inherent limitations associated with back-tested performance.

This standardization is foundational to efficient investing: better benchmarks lead to more precise replication, which in turn supports more efficient, lower-cost index strategies and ETFs. In addition to providing an appropriate market measure, high-quality indices can effectively translate market complexity into investable frameworks, with the goal of being practical for use in ETF products that deliver liquidity, transparency and consistent exposure to the intended asset class.

The same design logic applies in investment grade (IG), where the challenge is different in degree rather than in kind. The IG universe is larger, more diverse and more electronically traded, which supports core allocation, duration and curve positioning and sector rotation. But breadth can create uneven tradability across thousands of line items, and the iBoxx USD Liquid Investment Grade Index and its euro and sterling counterparts apply the same principles of scale, concentration control and constituent stability to create reference points that ETFs, standardized total return swaps and corporate bond index futures can all use.

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Exhibit 4: Representation versus Implementability across IG and HY

Market	Market Value (USD Billions)	Number of Bonds	Number of Issuers	Average Issue Size (USD Millions)
USD IG	8,330 → 3,874	9,090 → 3,162	1,285 → 430	1,006 → 1,394
EUR IG	3,521 → 3,416	4,333 → 4,168	787 → 623	850 → 858
USD HY	1,439 → 1,165	1,923 → 1,311	873 → 452	786 → 929
EUR HY	503 → 398	803 → 645	400 → 341	647 → 632

Market	Yield-to-Worst (%)	Duration (Years)	Option-Adjusted Spread (bps)	Higher-Rated Share (iBoxx Rating)
USD IG	6.4 → 6.5	5.8 → 7.4	97 → 99	A or above: 57% → 60%
EUR IG	4.4 → 4.4	4.3 → 4.3	102 → 101	A or above: 53% → 54%
USD HY	8.4 → 8.3	3.2 → 3.2	323 → 313	BB or above: 59% → 63%
EUR HY	6.7 → 6.9	2.9 → 2.8	338 → 359	BB or above: 65% → 57%

Source: S&P Dow Jones Indices LLC. Data as of Sept. 30, 2026. Table is provided for illustrative purposes.
Broad Indices for USD IG - iBoxx USD Corporates Index, EUR IG - iBoxx EUR Corporates Index, USD HY - iBoxx USD High Yield Developed Markets Index, EUR HY - iBoxx EUR High Yield cum-crossover Index.
Liquid Indices for USD IG - iBoxx USD Liquid Investment Grade Index, EUR IG - iBoxx EUR Liquid Corporates Large Cap Index, USD HY - iBoxx USD Liquid High Yield Index, EUR HY - iBoxx EUR Liquid High Yield Index.

2. Implementation through ETFs

An index establishes the reference framework; an ETF turns it into an investable vehicle. By packaging a diversified bond portfolio into a single exchange-traded share, ETFs allow investors to implement strategic allocations, adjust risk intraday, equitize cash, run transitions and manage liquidity without sourcing every underlying security. The quality of the benchmark determines how faithfully that share represents the intended exposure; the depth of the ETF ecosystem determines how cheaply and reliably investors can move in and out of it.

The rise of the ETF wrapper represents a pivotal innovation in the evolution of credit investing, transforming what were once fragmented and operationally complex markets into scalable, accessible asset classes. By packaging hundreds of underlying bonds into a single, exchange-traded instrument, ETFs have the ability to provide diversification, continuous liquidity, and simplified access for both institutional and retail investors. They can also introduce meaningful scale and efficiency, decoupling investor flows from the need to transact in individual, often illiquid, securities, and enabling capital to move more seamlessly across the market.

The ETF wrapper can also function as a liquidity sleeve for credit exposure. Investors can deploy capital quickly, maintain market exposure while sourcing individual bonds and adjust allocations without immediately forcing each decision into the cash bond market. This is valuable for both allocators and active managers: the ETF can bridge the timing gap between a

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portfolio decision and the slower, more bilateral process of building or reducing exposure through individual securities.

ETFs have played a central role in the rapid growth and institutionalization of high yield as an investable asset class, challenging long-standing scepticism around liquidity and resilience. Periods of stress, most notably the COVID-19-driven market dislocation and tariff-related volatility during the trade conflict era, served as real-world proving grounds, where high yield ETFs continued to offer tradability, facilitated price discovery and provided a transparent window into market clearing levels even as underlying bond liquidity deteriorated. This price transparency, particularly in stressed markets, has become a defining feature of the ETF structure, alongside clearer visibility on total costs relative to more opaque fund formats. In doing so, ETFs have reinforced investor confidence by delivering consistent access, execution, and performance outcomes across market cycles.

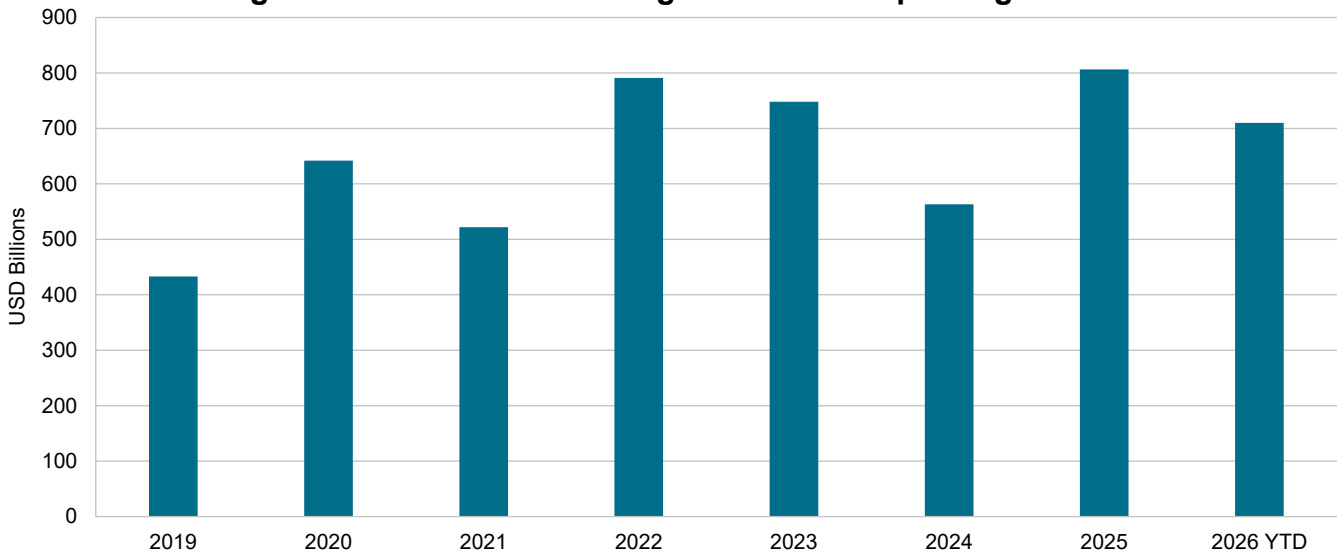
High Yield ETFs: From Access Vehicle to Market Infrastructure

High yield ETFs tracking iBoxx liquid high yield indices are the clearest illustration of the theme. They began as access vehicles for a market that was difficult to trade bond by bond and have become reference instruments for the high yield market itself—used for strategic allocation, tactical positioning, beta management, portfolio transitions, hedging, relative-value expression and as collateral and lending inventory. Asset growth is only part of the story; the more telling development is the widening set of use cases and the number of participants who now price high yield risk off these instruments.

Three measures illustrate this. The first is **trading volumes**. ETFs tracking the iBoxx USD Liquid High Yield and USD Liquid Investment Grade indices traded roughly USD 1.6 trillion in 2025; in 2026, high yield ETFs alone have traded approximately USD 709 billion YTD (as of Oct. 28, 2026). In practice, ETF trading volumes can often exceed those of the underlying bonds, driven by active secondary market trading between investors, reduced reliance on primary bond transactions, and the ability to continuously recycle liquidity within the ETF ecosystem.

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Exhibit 5: Trading Volumes of ETFs Tracking iBoxx USD Liquid High Yield Index



Source: BlackRock. Data from Jan. 1, 2019, to Oct. 28, 2026. Past performance is no guarantee of future results. Chart is provided for illustrative purposes.

The second is **execution cost**. ETFs tracking iBoxx indices have quoted spreads of roughly 1.5-2.3 bps against 25-33 bps for the weighted average of their underlying bonds. This liquidity advantage highlights that the ETF wrapper is not simply passing through bond liquidity one for one. Instead, it concentrates diversified credit exposure into a standardized instrument that multiple participants can price, hedge and transfer more efficiently than a dispersed basket of cash bonds.

Exhibit 6: Trade Efficiency of iBoxx USD Liquid High Yield Instruments by Average Bid-Offer Spread



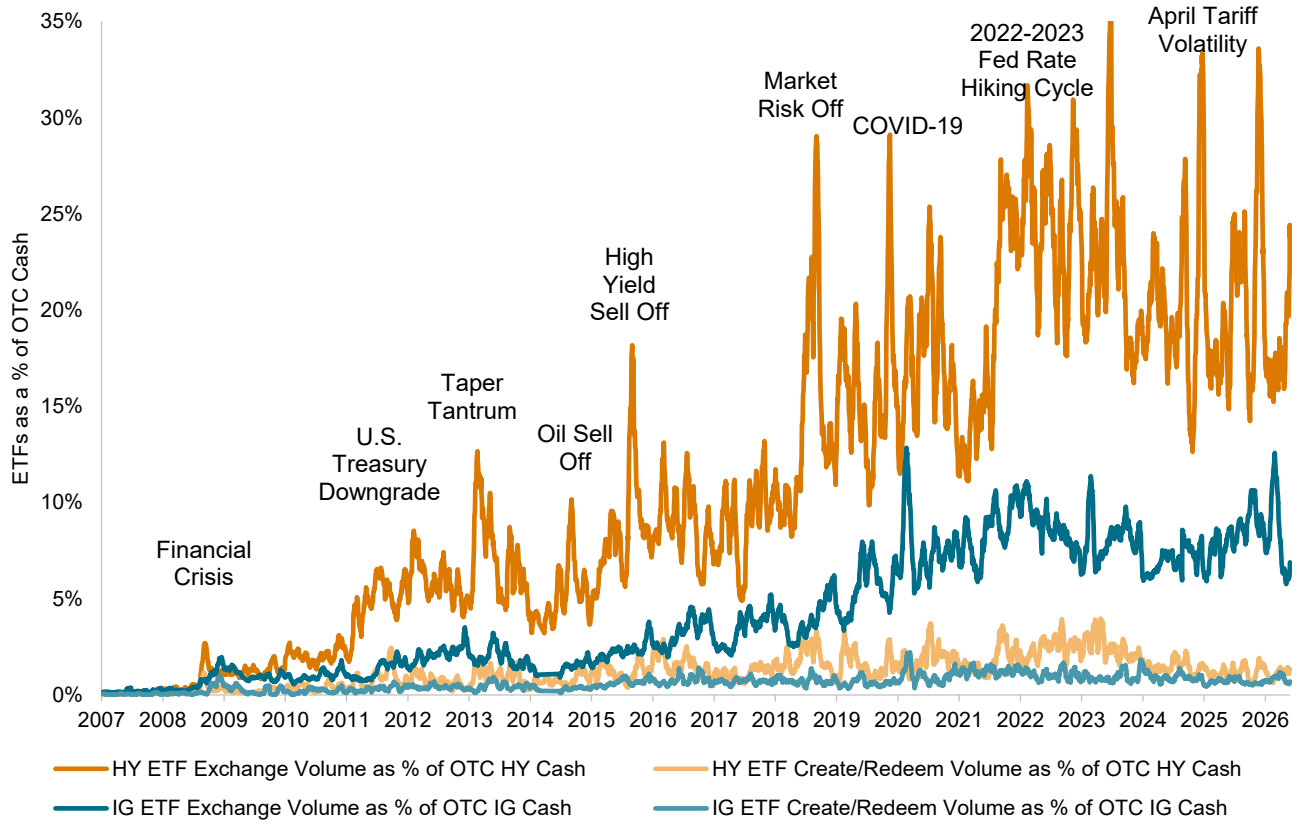
Source: S&P Dow Jones Indices LLC, Cboe, FactSet. Data as of Oct. 28, 2026. Past performance is no guarantee of future results. Chart is provided for illustrative purposes.

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The third is **securities lending**. Deep, standardized ETF inventory allows holders to earn incremental income and allows short sellers, hedgers and market makers to source exposure. That activity supports two-way markets, contributes to tighter spreads and deepens the very liquidity that long-term holders rely on, so the benefit is felt by lenders and by the wider market at the same time. Alongside lending revenue, the total cost of ownership of holding these exposures has trended lower as scale has increased and tracking has become more precise.

The significance of this development lies in the interaction between index design and ETF expertise. iBoxx indices provide a transparent definition of liquid high yield exposure; BlackRock's ETF franchise connects that exposure to investors, exchanges, authorized participants, market makers and the securities-lending market. As usage grows, volumes deepen, spreads tighten and additional financing and hedging applications develop around the same standardized exposure. That is the mechanism by which an index-tracking fund becomes market infrastructure.

Exhibit 7: Two Decades of Growth – ETFs' Expanding Role in Credit Market Liquidity



Source: BlackRock. Data as of Sept. 30, 2026. Past performance is no guarantee of future results. Chart is provided for illustrative purposes.

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Industry Perspective: BlackRock

Investment grade and high yield bond ETFs, amid the growth of the broader fixed income ETF landscape, are a key driver of the broader modernization of fixed income markets. What began as a more efficient way to access diversified credit exposure has become an important component of market structure, providing both investors and their dealer counterparties with a transparent, liquid vehicle through which to access, transfer and manage credit risk.

This evolution is reflected not only in the growth of assets but also in the expanding role these funds play within institutional portfolios. Today, investors use investment grade and high yield ETFs for strategic allocations, tactical positioning, portfolio transitions, cash management, hedging and collateral management. As adoption has broadened, liquidity has increasingly concentrated around these vehicles. BlackRock's U.S. ETFs that track the iBoxx USD Liquid High Yield and Investment Grade indices traded approximately USD 1.6 trillion in 2025, a 43% growth from the start of this decade.

This dynamic is even more apparent during periods of stress. For instance, on April 7, 2025, as fears related to tariff announcements spread through the market, industry-wide fixed income ETFs in the U.S. set a new daily trading record, totalling USD 99 billion in volumes. This is 3.4x the average daily volumes of trading for U.S. fixed income ETFs we saw in full-year 2025. The volume spikes during high volatility periods are indicative of how market participants can leverage the benefits of ETF liquidity during periods of stress. The ETF structure acts as a pressure valve for the bond market, providing an additional layer of liquidity that allows investors to access credit exposure efficiently without requiring transactions in the underlying bond market for every trade.

S&P DJI's approach to constructing liquid, investable high yield benchmarks has helped establish transparent reference portfolios that can support secondary market liquidity at scale. BlackRock's expertise in portfolio management, trading and ETF market structure has enabled investors to access those benchmarks through vehicles that offer deep liquidity, competitive bid-ask spreads and efficient exposure to the asset class.

The benefits extend beyond portfolio exposure alone. Active trading in ETF shares allows liquidity to be recycled among market participants, reducing reliance on transactions in underlying bonds, while simultaneously improving their liquidity through transactions. The structure of the ETF has facilitated the growth of "portfolio trades," both of which allow investors to buy or sell diversified baskets of bonds in a single transaction, improving execution efficiency and liquidity. Together, S&P DJI and BlackRock have helped define the modern framework for accessing investment grade and high yield credit. Through benchmark design that prioritizes liquidity and investability, and ETF implementation that delivers scale, transparency and trading efficiency, they have contributed to the development of an ecosystem that investors increasingly rely upon for portfolio construction, liquidity management and risk transfer across credit markets.

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Balance across the Curve: Investment Grade Implementation

The same architecture underpins investment grade, where the iBoxx USD Liquid Investment Grade Index and iBoxx EUR Liquid Corporates Large Cap Index support large ETF complexes, standardized TRS and, more recently, corporate bond index futures. The use cases skew differently—core allocation, duration and curve positioning, liability-aware portfolios, and cash management for insurers and corporate treasuries—and the underlying cash market is deeper and more electronic, with roughly half of U.S. corporate bond volume now traded electronically and average daily volumes having more than doubled over the past decade. Showing IG and HY together makes the structural argument stronger: index standardization can help improve access, comparability and implementation across credit markets.

The investment grade experience also demonstrates that ETF adoption is not a symptom of illiquidity. IG ETFs have grown alongside a cash market that has become deeper and more electronic, with the ETF wrapper providing a diversified, transparent unit of exposure that can be traded in size, priced continuously and hedged with related instruments. Viewing IG and HY side by side therefore gives a more complete picture of the fixed income landscape, showing that this infrastructure is general rather than specific to one credit segment.

Exhibit 8: ETF Implementation across Investment Grade and High Yield

Instruments	Exposure	Underlying Index	YTD 2026 Volumes (USD)	YTD 2026 Average Daily Volume (USD)
ETFs	EUR IG	iBoxx EUR Liquid Corporates Large Cap Index	2.0 billion	10.0 million
	EUR HY	iBoxx EUR Liquid High Yield Index	38.0 billion	210.0 million
	USD IG	iBoxx USD Liquid Investment Grade Index	733.0 billion	3.6 billion
	USD HY	iBoxx USD Liquid High Yield Index	709.0 billion	3.5 billion

Source: BlackRock. Data as of Oct. 28, 2026. Past performance is no guarantee of future results. Table is provided for illustrative purposes.

3. Ecosystem Expansion: Primary Market, Portfolio Trading and Derivatives

Liquidity Transformation: From Bonds to ETF Ecosystem

A defining feature of credit ETFs is their ability to transform liquidity, bridging the structural inefficiencies of the underlying bond market, often characterized by episodic trading, wide bid-ask spreads and reliance on dealer balance sheets, by offering continuous secondary market liquidity, tighter spreads supported by market makers and a centralized vehicle for aggregating liquidity. Critically, this liquidity is not constrained by the turnover of the underlying bonds, enabling more consistent and scalable access for investors.

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ETF liquidity should therefore be viewed as a market-structure outcome rather than a static property of the underlying bond basket. Secondary-market ETF trading can potentially allow investors to transfer exposure without each trade requiring immediate activity in the underlying securities, creating a “liquidity multiplier” effect in which the wrapper delivers deeper and more scalable tradable liquidity than the underlying market itself. When primary-market activity is required, the creation and redemption process connects ETF demand back to the bond market in a more organized form, increasingly supported by portfolio trading and more sophisticated basket execution. The result is a feedback loop in which ETF trading, primary-market activity and bond-level execution all contribute information to the market.

The Primary Market: Where Transparency and Liquidity Are Manufactured

Most ETF activity never touches the bond market: investors trade existing shares with one another. When net demand requires it, authorized participants create or redeem shares against a published basket, and it is here that the ecosystem generates its distinctive public good. Daily basket transparency, competition among APs and market makers, and arbitrage between the ETF, the basket and related derivatives together produce a continuously executable reference price for a market that would otherwise price only when a bond happens to trade. In stressed conditions that reference price becomes the market’s clearing level—a role high yield ETFs demonstrated in March 2020 and again through subsequent tariff-driven volatility.

This liquidity transformation has been underpinned by the emergence of a sophisticated capital markets ecosystem, where market makers and authorized participants play a pivotal role in delivering continuous liquidity, facilitating efficient creation and redemption activity, and ensuring ETF prices remain closely aligned with underlying asset values. In practice, this is often further strengthened by in-house capital markets teams, which actively coordinate liquidity provision, optimize trading efficiency and support ETF functionality across market conditions, reinforcing the robustness and scalability of the ETF structure.

Capital markets infrastructure is therefore not ancillary to the ETF story; it is the connectivity layer that links ETF shares, cash bond baskets and related hedging instruments. Authorized participants and market makers continuously compare ETF prices with underlying bonds, creation and redemption baskets, and alternative instruments that reference similar exposures. That activity creates a network of executable prices around a market that can still be episodic at the individual bond level. As the network deepens, the ETF becomes more than a vehicle for holding bonds: it becomes a venue through which the market observes, tests and transfers credit risk. The growth of the credit ETF market has been underpinned by the strong support of authorized participants, who play a pivotal role in providing liquidity and enhancing market efficiency.

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Industry Perspective: Jane Street

Portfolio Trading: A Step Change in Execution

Portfolio trading has been an important innovation in fixed income markets and has changed how institutional investors manage large-scale bond transactions. Rather than executing hundreds or thousands of individual trades over days or weeks, portfolio trading allows for simultaneous execution of large baskets of bonds in a single transaction. This can reduce execution risk: the entire basket is priced and trades together, which can be especially valuable when the liquidity profiles of bonds vary, and individual bonds bids or offers are more challenging to find.

Portfolio trading can also reduce information leakage and timing risk, while providing liquidity in segments of portfolios where individual bids or offers may be difficult to find. Trading diversified baskets may lead to tighter pricing than trading individual bonds, as diversification makes it easier for liquidity providers to manage risk and hedge exposures. These efficiencies help institutional investors rebalance portfolios, manage fund flows and transition between investment strategies at scale.

For fixed income ETFs, including high yield ETFs in particular, portfolio trading has been a powerful tool. Portfolio trading complements the creation and redemption process by enabling more efficient execution of underlying bond baskets. Authorized participants can exchange bonds for ETF shares through in-kind creations and receive bonds through redemptions. Market makers combine bonds already in their inventory with bonds acquired in the market to build creation baskets, helping minimize market impact when facilitating large ETF trades. Institutional investors can also transition between bonds and ETFs through paired trades, executing both sides simultaneously rather than selling individual bonds before purchasing ETF shares, or vice versa. By combining a client's portfolio with their own bond and ETF trading, market makers can pass along cost savings from overlapping risk exposures.

As markets have continued to evolve, Jane Street has invested in trading capabilities and operational systems to improve liquidity provision across fixed income products. The ability to commit capital and hold broad bond inventory allows Jane Street's integrated fixed income desk to price single bonds, portfolio trades, bond ETFs and credit futures. Alongside these internal capabilities, Jane Street works with institutional investors and ETF capital markets teams to understand trading objectives, share execution expertise, and navigate the creation and redemption process. This ongoing dialogue helps the firm adapt its liquidity provision to the needs of a growing and more complex market.

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Derivatives: ETF-Based Instruments Alongside CDX and TRS

The credit derivatives complex has broadened well beyond CDS. Standardized total return swaps deliver cash-index performance in unfunded form; CDX and iTraxx remain the primary vehicles for default-risk transfer and macro hedging; options on those indices allow investors to trade credit volatility; and a fast-growing set of ETF-based instruments—listed options on high yield ETFs and credit index futures referencing transparent, rules-based credit benchmarks—is now a meaningful part of the toolkit. Crucially, these instruments are complements rather than substitutes: each has a different funding profile, liquidity pool, basis and operational requirement, but all reference the same standardized units of exposure.

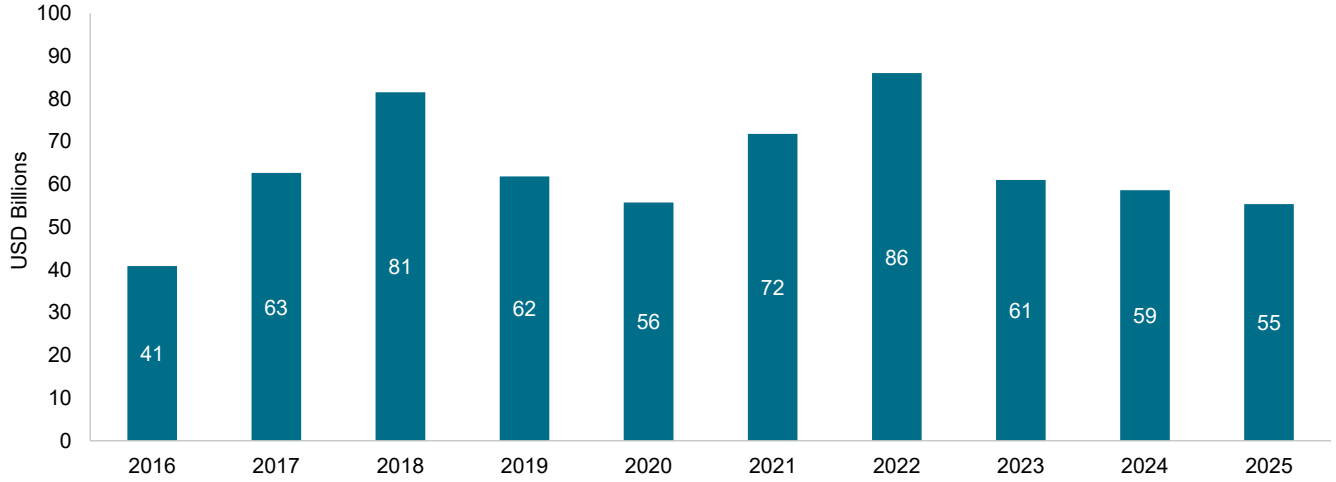
The ETF ecosystem has evolved well beyond cash instruments, extending into a growing suite of derivatives that further enhance flexibility and efficiency. Instruments such as total return swaps on iBoxx indices, alongside corporate bond index futures, are tools designed to enable investors to transfer risk rapidly without the need to transact in the underlying bonds, implement overlay strategies and manage liquidity with greater precision. Options on high yield ETFs add another route for managing directional, volatility and tail risk around an exchange-traded underlying and have become increasingly prominent in high yield alongside more traditional instruments such as CDX and TRS. **iBoxx credit index futures were launched in partnership with Cboe in 2018, and index partnerships with exchanges have continued to expand since.**

The important distinction is that these instruments are not simply substitutes for one another. They represent different implementation choices. ETFs provide funded, exchange-traded access to diversified bond exposure. TRS and futures provide unfunded or margin-based index-level exposure that may be useful for overlays, transitions and capital-efficient positioning. CDS indices and related options provide a channel for expressing credit risk or credit volatility. Each instrument has a different funding profile, liquidity channel and risk expression, but each benefit from the same underlying principle: standardized indices give the market a common unit of measurement around which liquidity can form.

Together with ETFs and portfolio trading, these tools form a multi-layered liquidity framework that has reshaped how investors access credit: ETFs provide scalable, transparent exposure; portfolio trading enables efficient, large-scale execution; and derivatives facilitate agile positioning and risk management. This integrated ecosystem allows investors to engage with high yield and investment grade not as fragmented, dealer-driven markets, but as a liquid, flexible, institutional-grade asset class capable of meeting a wide range of investment objectives.

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Exhibit 9: Standardized TRS Volumes Linked to iBoxx USD Liquid High Yield Index



Source: S&P Dow Jones Indices LLC. Data from Jan. 1, 2016, to Dec. 31, 2025. Past performance is no guarantee of future results. Chart is provided for illustrative purposes.

Conclusion: Standardization Is What Enables Scale

Index construction defines the exposure. ETFs make it investable. An index provides the framework; an ETF makes that framework accessible in the market. The primary market connects it to bonds. Portfolio trading transmits the liquidity. Derivatives multiply the ways it can be hedged and financed. Across investment grade and high yield, that chain has changed what investors can do: compare exposures on a common basis, execute at scale and manage risk through the instrument that best fits the mandate on the day. High yield ETFs tracking iBoxx indices are the most visible proof of the model, but the model itself is general.

The success of the fixed income ETF ecosystem is not the result of a single innovation, but of sustained, coordinated evolution across indices, portfolio management and market structure. Over the past 25 years, the iBoxx indices have been at the center of this journey, continuously adapting to changing market dynamics, embedding client feedback and refining methodologies to ensure benchmarks remain transparent, relevant and fully implementable.

This progress has been driven not only by innovation, but by partnership. **Collaboration with BlackRock,** one of the pioneers of high yield ETF investing, has shaped how index exposure is packaged and delivered, while **liquidity providers such as Jane Street** have shaped how it is priced and traded at scale. Together, these partnerships have bridged the gap between benchmark theory and real-world implementation, accelerating the development of a scalable and investable ecosystem.

Together with asset managers, market makers and the wider dealer community, these collaborations have transformed iBoxx indices from a benchmark suite into core market

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infrastructure, underpinning both ETFs and a growing derivatives ecosystem. Today, investment grade and high yield markets alike are supported by tradable indices, integrated credit derivatives and ETF-led liquidity, marking a decisive shift from fragmentation to connectivity.

Looking ahead, the next phase of growth, driven by portfolio trading, deeper ETF and derivatives integration, and continued expansion of liquidity, will further embed this ecosystem approach. The trajectory is clear: from bonds as individual instruments to a fully developed, interconnected market structure.

After 25 years, the enduring contribution of iBoxx indices is therefore not simply the measurement of bond markets. It is the creation of transparent, adaptable reference points around which asset managers, authorized participants, market makers, lending desks and derivatives users can all operate—a shared language that lets an over-the-counter market behave, increasingly, like an integrated one.

After 25 years of innovation and partnership, iBoxx indices are not just observing this transformation, they are helping lead it.

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