

iBoxx USD Liquid High Yield 0-5 Capped Index Methodology

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iBoxx USD Liquid High Yield 0-5 Capped Index

The iBoxx USD Liquid High Yield 0-5 Capped Index is designed to reflect the performance of USD denominated short duration high yield corporate debt. The index offers exposure to liquid high yield corporate bonds maturing between 0 and 5 years and is rebalanced on a monthly basis. Only bonds with \$350 million minimum face value per bond are included in the index, provided they are trading at a minimum price in accordance with the index provider's liquidity screens. The index uses a market value weighted methodology with a cap on each issuer of 3% and a 10% cap for 144A bonds without registration rights or with a registration period greater than one year. The indices are an integral part of the global iBoxx index families, which provide the marketplace with accurate and objective indices by which to assess the performance of bond markets and investments.

The iBoxx USD Liquid High Yield 0-5 Capped Index is rebalanced once a month at the month end (the "rebalancing date") and consists of sub-investment grade USD denominated bonds issued by corporate issuers from developed countries and rated by at least one of three rating services: Fitch Ratings, Moody's Investors Service, or Standard & Poor's Rating Services.

The bonds in the iBoxx USD Liquid High Yield 0-5 Capped Index must meet all the criteria described below as of the close of business three business days prior to the rebalancing date provided that the relevant bond data can be verified, at S&P DJI's sole discretion, as of such date ("bond selection cut-off date"). The new index composition becomes effective on the first business day of the next month (the "composition month").

Data Source

For more information on pricing data, please refer to the *iBoxx Pricing Methodology*, available at www.spglobal.com/spdji.

This document covers the index selection rules and calculation methodology.

Bond Selection Rules

The following selection criteria are used to determine the index constituents:

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

Bond Type

Only fixed-rate bonds whose cash flow can be determined in advance are eligible for the indices. The indices are comprised solely of bonds. T-Bills and other money market instruments are not eligible. The iBoxx USD Liquid High Yield 0-5 Capped Indices include only USD denominated bonds.

In particular, bonds with the following characteristics are included:

- Fixed coupon bonds
- Step-up bonds with coupon schedules known at issuance (or as functions of the issuer's rating)
- Sinking funds and amortizing bonds
- Medium term notes ("MTNs")
- Rule 144A offerings
- Callable bonds
- Puttable bonds
- Pay-in kind bonds

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

- Preferred shares
- Optionally and mandatory convertible bonds
- Subordinated bank or insurance debt with mandatory contingent conversion features or with any conversion options before the first call date is ineligible for the index
- Bonds with other equity features attached (e.g., options/warrants)
- Private placements. The list of private placements is updated every month and published on www.spglobal.com/spdji under *Indices News*. Partial private placements where information on the specific amounts publicly placed and privately placed can be ascertained are included in the indices with the amount publicly placed. If the amount publicly placed is below the cut-off, the bond is not included in the indices.
- Perpetual bonds (unless callable with eligible expected remaining life)
- Floating rate notes

- Zero coupon bonds
- Zero step-ups (GAINS)
- Bonds with differences between accrual and coupon payment periods and monthly-paying bonds.
- Regulation S offerings
- Extended bonds as defined under section 'Maturity extension' in this document

For private placements, publicly available information is not always conclusive and the classification of a bond as a private placement will be made at S&P DJI's discretion based on the information available at the time of determination. Any bond classified as private placement is added to the list of excluded private placements. The list is published on www.spglobal.com/spdji/en/ under *Indices News* for future reference and to ensure decision's consistency.

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

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

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

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

Time to Maturity

All bonds must have at the rebalancing day a final maturity:

- Of at most five years, and
- All new insertions must have at least 6 months to final maturity from the rebalancing date Bonds are kept in the index until maturity.

Time to Maturity at Issuance

All bonds must have at issuance a time to final maturity of at least 1 year and maximum 15 years.

Issue Amount outstanding

The outstanding face value of a bond must be greater than or equal to USD 350 million as of the bond selection cut-off date. Partial buybacks or increases affect the outstanding face value of a prospective bond. S&P DJI considers changes to the outstanding face value of a candidate 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 cut-off date.

Capping

Issuer Cap

An issuer cap of 3% is applied. The capping is based on the ticker.

144A Cap

If a registered version of the bond is unavailable the 144A version of the bond is eligible for the index.

Cap the cumulative weight of 144A bonds that are not TRACE eligible at 10% of the total index weight, if:

- The 144A bond has no registration right,
- The 144A bond has a registration period longer than 365 days,
- Information regarding the length of the registration period of the 144A bond is not available
- The 144A bond has a registration period equal or less than 365 days but failed to register within 320 days

Lockout Period

A bond that drops out of the iBoxx USD Liquid High Yield 0-5 Capped Index at the rebalancing day is excluded from re-entering the index for a three-month period.

The rule for the lockout period takes precedence over the other rules for the iBoxx USD Liquid High Yield 0-5 Capped Index selection. A locked out bond will not be selected, even if it qualifies for the index.

Exclusion of Low Price Bonds

Bonds with a price of less than 60 as of the last trading day of the month are excluded from the index at the rebalancing date.

Bond Classification

All bonds are classified based on the principal activities of the issuer and the main sources of the cash flows used to pay coupons and redemptions. In addition, a bond's specific collateral type or legal provisions are evaluated. Hence, it is possible that bonds issued from different subsidiaries of the same issuer carry different classifications.

The issuer classification is reviewed regularly based on updated information received by S&P DJI, and status changes are included in the indices at the next rebalancing if necessary.

Where the sector classification of a specific entity is not clear due to the diversified business of the entity, a decision is made at S&P DJI's discretion. S&P DJI assigns the classification according to its evaluation of the business risk presented in the security prospectus and annual reports, if available. S&P DJI also compares the classification to peers in the potential sectors. Membership lists including classification are published on the FTP server and in the *Indices* section of the webpage for registered users.

Denomination

Bonds must be denominated in USD.

Issuer

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

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

Corporates

Bonds issued by public or private corporations. Bonds secured by a 'floating charge' over some or all assets of the issuer are considered corporate bonds. Corporate bonds are further classified into Financials and Non-Financials bonds and then into their multiple-level economic sectors, according to the issuer's business scope. The category Guaranteed & Wrapped is added under Financials for corporate bonds whose timely coupon and/or principal payments are guaranteed by a non-affiliated insurer or through a letter of credit from a non-affiliated bank. Each bond in the index is assigned to one of the following sectors.

iBoxx Corporates Sector Overview

	Economic Sector	Market Sector	Market Sub-Sector
Financials	Core Financials	Banks	Banks
		Insurance	Life Insurance
			Nonlife Insurance
	Financial Services	Financial Services	General Financial
			Equity Investment Instruments
			Nonequity Investment Instruments
		Guaranteed & Wrapped	*
	Real Estate	Real Estate	Real Estate Investment & Services

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

Additional Classification

Corporate debt is further classified into senior and subordinated debt. Non-core-financials senior debt differentiates between Senior Secured and Senior Unsecured bonds. Bank senior debt structure additionally differentiates between Bail-in and Preferred bonds. The Bail-in classification captures all senior notes which are subject to write-down or conversion into a subordinated instrument on the occurrence of a resolution event, as well as senior bank debt issued by bank holding companies.

Hybrid capital issued by banking and insurance institutions is further detailed into the respective tiers of subordination.

The market information on the tier of subordination for insurance capital is often less standardized and clear than the equivalent issues by banks. In these cases, the classification is based on the maturity, coupon payment and deferral provisions of the bond from the offering circulars of the bonds. The table below displays the seniority classification of debt issued by both financial and non-financial sectors.

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 non-callable
		T2 (pre-Jan '13 issuances)	LT2 callable
			LT2 non-callable
			UT2
		T1	T1 step
			T1 non-step
Insurance	SEN	*	*
	SUB	T3	*
		T2 dated	T2 dated callable
			T2 dated non-callable
		T2 perpetual	*
		T1	*
Financial Services	SEN	*	*
	SUB	T3	*
		T2	T2 callable
			T2 non-callable
		T2 dated	T2 dated callable
			T2 dated non-callable
		T2 perpetual	*
		T1	*
			T1 step
			T1 non-step
		Other	Hybrid**
			Non-hybrid
Other sectors	SEN	Senior Secured	*
		Senior Unsecured	*
	SUB	Other	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

Issuer Country

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

The issuer or, in the case of a finance subsidiary, the issuer's guarantor, must be domiciled, incorporated and the country of risk must be in the countries listed as developed markets in "S&P iBoxx Country

Classifications". The classification is available at: www.spglobal.com/spdji under Methodology > S&P iBoxx Country Classifications

Inclusion and Exclusion of Countries

A new country is added to the index if it is classified as developed market based on the “S&P Global iBoxx Global Economic Development Classification Methodology”.

A country is no longer eligible for the index if it is classified as emerging market based on the “S&P

Global iBoxx Global Economic Development Classification Methodology”. The “S&P Global iBoxx Global Economic Development Classification Methodology” is updated once per year. The results are published at the end of July. The inclusion/exclusion of a country becomes effective at the end of October.

Index Calculation

Static Data

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

Bond Prices

For more details, please refer to the *iBoxx Pricing Methodology* document, available in the *Methodology* section of the webpage at www.spglobal.com/spdji/en/.

Rebalancing Process

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

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

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

Rebalancing Procedure

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

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

Index Weights

Once the eligible bond universe has been defined, the weight for each bond is determined and if necessary capped; applying an issuer cap of 3% and a “144A Cap” of 10%. The weights and capping factors are determined on the last business day of each month using the end-of-month market values.

Index Data

The calculation of the index is based on bid prices. New securities are included in the index at their respective ask prices when they enter the index family. 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

The total return calculation components include price changes, accrued interest, coupon payments, and reinvestment income on cash flows received during the composition month.

$$TR_t = TR_{t-s} \frac{\sum_{i=1}^n [(P_{i,t} + A_{i,t} + XD_{i,t-s} \cdot (CP_{i,t} + G_{i,t})) \cdot N_{i,t-s} + CASH_{t-1} \cdot [1 + SOFR_{t-2USBD} \cdot days_{ACT/360}(t-1,t)]]}{\sum_{i=1}^n (P_{i,t-s} + A_{i,t-s} + XD_{i,t-s} \cdot CP_{i,t-s}) \cdot N_{i,t-s}}$$

where:

$A_{i,t}$	is the accrued interest of bond i on calculation day t
$A_{i,t-s}$	is the accrued interest of bond i on rebalancing day t-s
$CASH_{t-1}$	is the cash on the previous business day
$CP_{i,t}$	is the value of the next coupon payment of bond i during an ex-dividend period. Outside the ex-dividend period, this value is 0
$G_{i,t}$	is the value of any coupon payment received from bond i at time t. If there is no payment the value is 0
$N_{i,t-s}$	is the amount outstanding of bond i on the previous rebalancing day t-s
$days_{ACT/360}(t-1,t)$	is the number of days between the previous calculation date (t-1) and the current calculation date t
$P_{i,t}, P_{i,t}$	is the closing price of bond i on the last business day on or before the previous rebalancing day
$P_{i,t-s}$	is the closing price of bond i on the last business day on or before the previous rebalancing day
$SOFR_{t-2USBD}$	is the SOFR rate falling two U.S. Government Securities Business Days prior to the calculation day i
TR_t	is the total return index level on day t
TR_{t-s}	is the closing total return index level on the previous rebalancing day
$XD_{i,t-s}$	is ex-dividend indicator flag. The value is 0, if the bond enters the index at the ex-dividend period. The value is 1, if (a) coupon payments are not ex-dividend, (b) has not entered the index during an ex-dividend period, or (c) entered the index during a previous ex-dividend period

For more information please refer to iBoxx Bond Index Calculus, available at www.spglobal.com/spdji.

Treatment of the Special Intra-Month Events

Data for the application of corporate actions in the index may not be fully or timely available at all times, e.g. the final call prices for make-whole calls or the actual pay-in-kind percentage for PIK-payment

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

Full Redemptions: Exercised Calls, Puts, and Buybacks

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

Bonds Trading Flat of Accrued

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

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

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

Multi-Coupon Bonds

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

- **Step-up bonds:** These are bonds with a pre-defined coupon schedule that cannot change during the life of the bond. The coupon schedule is used in all bond calculations.
- **Event-driven bonds:** These are bonds whose coupon may change upon occurrence (or 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.

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	Extend workout date until the

Maturity	Coupon/call structure	Workout date at issuance	Updated Workout date if not called
		workout date	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*/Callabl e	Assume first call date as workout date	Extend workout date until the end of the next reset date*
Dated	Reset/Callabl e	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

Index History

The Index history starts on 30 April 2010. 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 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 iBoxx USD Liquid High Yield 0-5 Capped Indices

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

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

Data Publication and Access

The table below summarizes the publication of the indices for registered users and on the FTP server, available at www.spglobal.com/spdji.

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](#).

Frequency, File Type, and Access

Frequency	File Type	Access
Daily	Underlying file – Bond level	FTP Server
	Indices file – Index level	FTP Server / website / BBG for index levels only

Frequency	File Type	Access
Daily from the 6th calendar day of the month (or the next index publication day if the 6th calendar day falls on a non-business day)	Forwards	FTP Server
Monthly	End of Month Components	FTP Server / website
	XREF files	FTP Server

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

Index Name	Version	ISIN	SEDOL	BBG	RIC
iBoxx USD Liquid High Yield 0-5 Capped Index	TRI	GB00BC5ZF195	BC5ZF19	IBXXSHC1	.IBXXSHC1
iBoxx USD Liquid High Yield 0-5 Capped Index	CPI	GB00BC5ZF757	BC5ZF75	IBXXSHC2	.IBXXSHC2

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.

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.

Formal Complaints

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

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

General Index Inquiries

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

Methodology Changes

27-Jul-2026	Where applicable, S&P DJI updated the index naming conventions: • Removed “Markit” • Added “Index” • Replaced currency symbols with written references • Included “Years” or “Months” for maturity-based sub-indices
31-May-2026	• New and re-entering eligible bonds are added at each bond’s T-3 market value weight, subject to the issuer cap. The excess 144A capping weight is not redistributed to the new constituents but is proportionally allocated to the current non-144A bonds.
31-Mar-2026	Annual Index Review 2025 • Introduction of subordinated debt classification tiers for Financial Services
31-Jul-2025 ¹	• Updated the 144A Weight Cap eligibility to only apply to bonds that are not TRACE eligible
31-Mar-2025	Annual Index Review 2024 • Removal of the minimum run rule
01-Mar-2024	Annual Index Review 2023 • Inclusion of payment-in-kind (PIK) bonds • Differentiation of Non-Core-Financials senior debt between Senior Secured and Senior Unsecured bonds
30-Jun-2023	Annual Index Review 2022 • Introduction of ‘Maturity extension’ section • Index eligibility of bonds with extended workout dates • Creation of ‘Renewable Energy Sector’ within the ‘Corporates’ classification • Distressed Debt Exchanges – Rule Update
01-Jul-2022	• Monthly forward start date updated from 10th calendar day to 6th calendar day
31-Mar-2022	Annual Index Review 2021 • Introduction of new market sector classification “Education” with market sub-sector classification “Academic & Educational Services”
31-Dec-2021	• Cash re-investment reference rate changed to SOFR
01-Sep-2021	• Monthly forward start date updated from 12th calendar day to 10th calendar day
01-Mar-2021	• Governance and Regulatory Compliance section added
28-Feb-2021	Implementation of Annual Index Review 2020 • Removed Rating Stabilization Rule

1. The aggregate weight of current constituent TRACE eligible bonds remained capped at 10% until maturity. New and re-entering eligible bonds were added at each bond’s T-3 market value weight, subject to the issuer cap. The excess 144A capping weight was not redistributed to the new constituents but was proportionally allocated to the current non-144A bonds.

	• Updated Insurance classification
31-Jul-2020	Implementation of Annual Index Review 2019 • Introduction of updated corporate classification schema • Implementation of updated Bank Tier Classification • Updates as part of the changes in definition and treatment of hybrid bonds
01-Feb-2015	• Defaulted or Flat Trading bonds treatment added
01-Oct-2014	• Index restatement, complaints sections added. • Additional clarifications on bond eligibility, classification and corporate actions
31-Aug-2013	• Launch of the iBoxx USD Liquid High Yield 0-5 Capped Index

ESG Disclosures

EXPLANATION OF HOW ENVIRONMENTAL, SOCIAL & GOVERNANCE (ESG) FACTORS ARE REFLECTED IN THE KEY ELEMENTS OF THE BENCHMARK METHODOLOGY ¹		
1	Name of the benchmark administrator.	S&P Dow Jones Indices Limited
2	Underlying asset class of the ESG benchmark. ²	N/A
3	Name of the S&P Dow Jones Indices benchmark or family of benchmarks.	iBoxx Benchmark Statement
4	Do any of the indices maintained by this methodology take into account ESG factors?	No
Appendix latest update:		May 2023
Appendix first publication:		May 2023

1. The information contained in this Appendix is intended to meet the requirements of the European Union Commission Delegated Regulation (EU) 2020/1817 supplementing Regulation (EU) 2016/1011 of the European Parliament and of the Council as regards the minimum content of the explanation of how environmental, social and governance factors are reflected in the benchmark methodology and the retained EU law in the UK (The Benchmarks (amendment and Transitional Provision) (EU Exit) Regulations 2019).
2. The 'underlying assets' are defined in European Union Commission Delegated Regulation (EU) 2020/1816 supplementing Regulation (EU) 2016/1011 of the European Parliament and of the Council as regards the explanation in the benchmark statement of how environmental, social and governance factors are reflected in each benchmark provided and published.

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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.

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