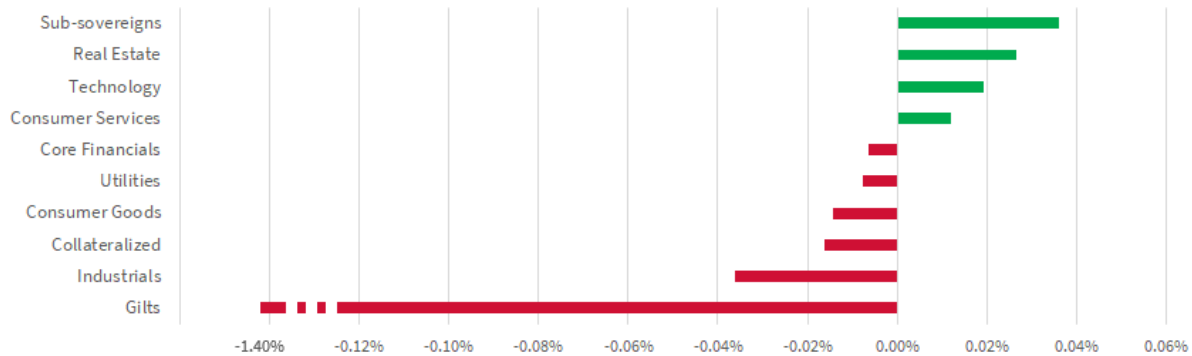


## iBoxx GBP Index Monthly Commentary

### Month-end February 2022 Rebalance

February 2022 Month-End Rebalance Net Changes In Index Weight by Sector



February month-end rebalance of the iBoxx GBP Index, was dominated by a departure of one UK’s government gilt. A total of GBP 37.25 billion of notional departed the index last month, majority of which came from a GBP 33.83 billion single of a UK note with about a year to maturity.

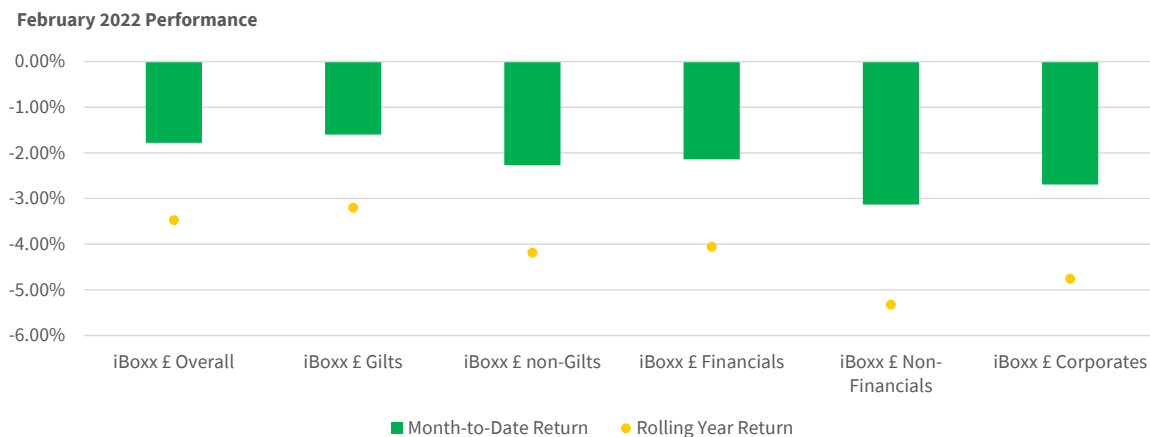
Nine bonds were deleted from the index, and 12 added, with a total notional of GBP 7.95 billion. One bond was impacted by a rating change, with Meadowhall Finance PLC seeing its rating nudged down from AA to BBB.

The iBoxx GBP index has two bonds with Russia as the country of risk, both in the corporate space, including bonds by Gazprom and Russian Railways. The two of them stayed in the index in this rebalance, in accordance with the present state of sanctions. The full communication by iBoxx on the ongoing crisis can be accessed [here](#).

	Yield	Duration	No. of Bonds	Δ Yield	Δ Duration	No. of Bonds
<b>iBoxx £ Overall</b>	1.50	11.31	1,238	-0.08	0.16	3
<b>iBoxx £ Gilts</b>	1.28	12.69	55	-0.10	0.26	0
<b>iBoxx £ Non-Gilts</b>	2.54	7.53	1,183	0.07	-0.11	3
<b>iBoxx £ Financials</b>	2.86	6.33	351	0.12	-0.09	1
<b>iBoxx £ Non-Financials</b>	2.78	8.83	446	0.13	-0.08	0
<b>iBoxx £ Corporates</b>	2.81	7.71	797	0.13	-0.09	1

*Data as of first trading day of March 2022 versus first trading day of February 2022. Weighted average duration to maturity of all constituents in the specific index, in years.*

## February 2022 Performance



Financial markets became gripped with the Russia-Ukraine war end of February, which also reverberated in the sterling debt market.

Last month the iBoxx GBP index extended monthly negative returns, albeit at a slower rate than seen in January. The corporates category led the declines last month, as opposed to gilts in January. The dismal performance of the Oil&Gas sector was led by Gazprom, which saw its bond plunge more than 60% month-on-month. The BBB-rated note with April 2024 maturity also weighed on the returns of other BBB-rated maturities. For the overall iBoxx GBP index shorter duration and higher quality bonds performed better month-on-month. Gilts in the 3-5 maturity bucket even turned a positive return, and all the gains came in the last trading day.

But February started with a different focus for the GBP market, as Bank of England hiked the base rate after UK’s inflation surged in January to 5.5%, the highest since March 1992. Further increases are expected this year, but the rapidly evolving Ukraine crisis is putting a spinner into

this process. Now the trajectory and the peak level for UK’s inflation are becoming more elusive it remains to be seen how quickly central banks – not only BoE – will continue to tighten their policies.

### Sector Month-to-date Performance

Basic Materials -1.80%	Consumer Goods -1.68%	Consumer Services -3.19%
Health Care -3.30%	Industrials -2.37%	Oil&Gas -8.01%
Technology -2.70%	Telecommunications -3.02%	Utilities -3.35%

### Annual Benchmark Spread



## Key Index Analytics

By Rating							
	Index (TRI)	Δ MTD	MV (Bn)	Yield (%)	Spread (bps)	Duration	No. of Bonds
<b>iBoxx £ Overall</b>	343	-1.8%	2,366	1.57	23.98	10.90	1,235
iBoxx £ AAA	322	-0.5%	120	1.61	40.97	5.38	138
iBoxx £ AA	335	-1.6%	1817	1.39	1.82	11.98	202
iBoxx £ A	344	-2.7%	179	2.47	124.09	8.69	377
iBoxx £ BBB	442	-3.0%	250	2.95	196.42	7.42	518
GBP High Yield Index	229	-2.1%	49	5.09	453.47	3.80	108

By Rating							
	Index (TRI)	Δ MTD	MV (Bn)	Yield (%)	Spread (bps)	Duration	No. of Bonds
iBoxx £ Gilts	340	26.2%	1741	1.37	(0.42)	12.16	55
iBoxx £ non-Gilts	363	47.9%	625	2.47	134.90	7.40	1,180
iBoxx £ Financials	375	19.1%	176	2.73	173.62	6.22	350
iBoxx £ Non-Financials	411	-9.2%	221	2.65	155.64	8.63	446
iBoxx £ Corporates	373	-3.7%	396	2.68	162.29	7.55	796

By Maturity							
	Index (TRI)	Δ MTD	MV (Bn)	Yield (%)	Spread (bps)	Duration	No. of Bonds
1-5	245	-0.2%	684	1.36	43.73	2.85	465
5-10	313	-0.7%	506	1.55	31.01	6.64	349
10+	438	-3.2%	1176	1.59	20.86	17.69	421
10-15	380	-1.9%	262	1.73	42.75	10.20	162
15+	461	-3.5%	914	1.57	17.60	19.86	259

Total Return Index Level is based to 100 on 31 December 1997. Yield reflects annual yield. Duration is weighted average duration to maturity of all constituents in the specific index, in years.

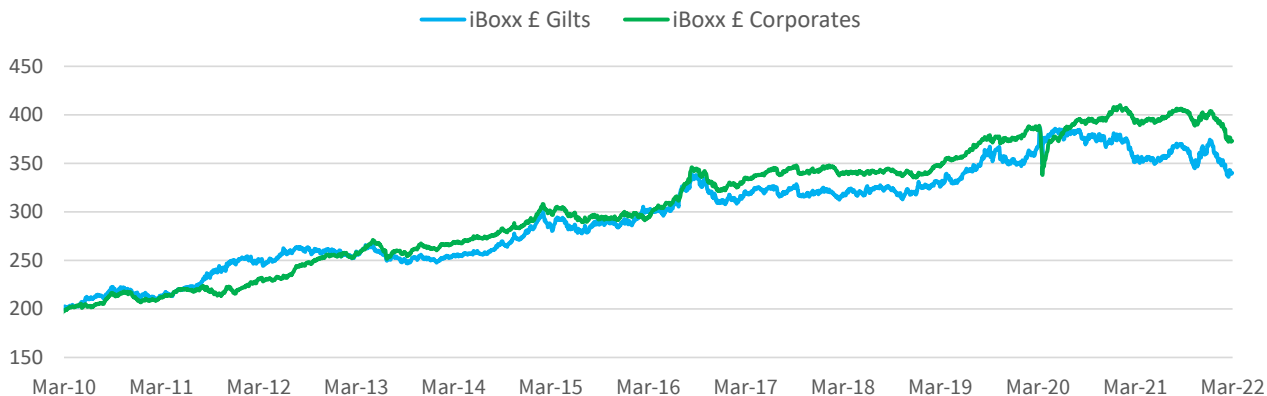
Rating & Maturity MTD Performance							
	Overall	1-3	3-5	5-10	10+	10-15	15+
iBoxx £ Overall	-1.78%	-0.28%	-0.21%	-0.71%	-3.15%	-1.95%	-3.49%
AAA	-0.53%	-0.15%	-0.09%	-0.18%	-2.77%	-1.18%	-4.11%
AA	-1.61%	-0.03%	0.02%	-0.26%	-2.89%	-1.50%	-3.22%
A	-2.70%	-0.43%	-0.81%	-1.56%	-4.72%	-3.32%	-5.37%
BBB	-2.99%	-2.08%	-1.12%	-2.47%	-4.68%	-3.46%	-5.50%
<b>High Yield*</b>	-1.94%	-	-	-	-	-	-

\*High Yield reflects a separate index to iBoxx £ Overall Index benchmark

Sector & Maturity MTD Performance							
	Overall	1-3	3-5	5-10	10+	10-15	15+
iBoxx £ Overall	-1.78%	-0.28%	-0.21%	-0.71%	-3.15%	-1.95%	-3.49%
iBoxx £ Gilts	-1.60%	-0.02%	0.05%	-0.23%	-2.84%	-1.45%	-3.17%
iBoxx £ non-Gilts	-2.27%	-0.82%	-0.63%	-1.69%	-4.50%	-3.08%	-5.31%
iBoxx £ Financials	-2.14%	-0.55%	-1.16%	-1.91%	-4.97%	-3.64%	-5.93%
iBoxx £ Non-Financials	-3.13%	-2.56%	-0.74%	-1.76%	-4.90%	-3.56%	-5.63%
iBoxx £ Corporates	-2.69%	-1.44%	-0.99%	-1.84%	-4.92%	-3.58%	-5.71%

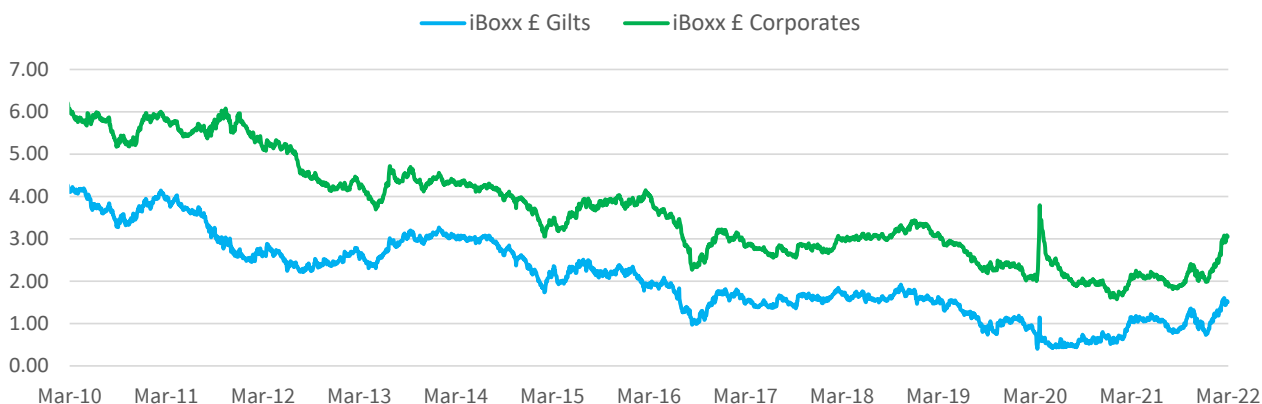
# Appendix

## Total Return Index

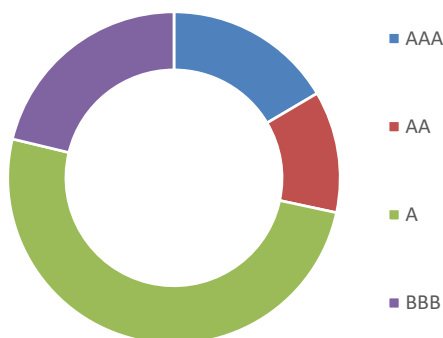


Total Return Index Level is based to 100 on 31 December 1997. Data as of 28 February 2022

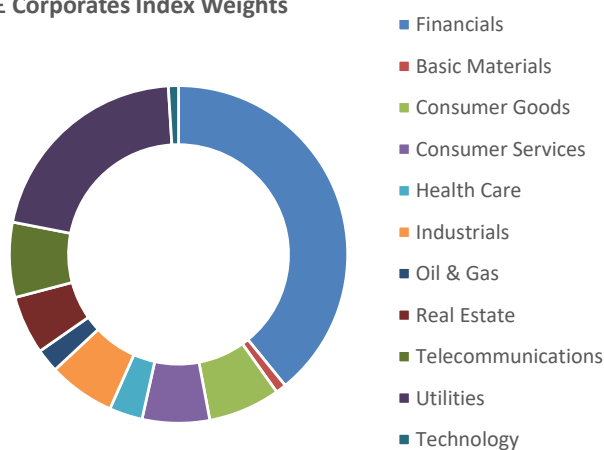
## Annual Yield



### iBoxx £ Overall Weight by Rating



### iBoxx £ Corporates Index Weights



## Insertions and Deletions

Insertions			
Issuer Name	Issuer Country	Coupon	Maturity
Agence France Locale	FRANCE	1.38	20.06.2025
Associated British Foods Plc	UNITED KINGDOM	2.50	16.06.2034
BNP Paribas SA	FRANCE	2.88	24.02.2029
FMS Wertmanagement	GERMANY	1.25	19.06.2025
Go-Ahead Group Plc	UNITED KINGDOM	2.50	06.07.2024
Kreditanstalt fuer Wiederaufbau	GERMANY	1.25	31.07.2026
Landeskreditbank Baden-Wuerttemberg - Foerderbank	GERMANY	0.38	09.12.2024
Prologis International Funding II SA	LUXEMBOURG	2.75	22.02.2032
Prologis International Funding II SA	LUXEMBOURG	3.00	22.02.2042
Severn Trent Utilities Finance Plc	UNITED KINGDOM	2.63	22.02.2033
The Sage Group Plc	UNITED KINGDOM	2.88	08.02.2034
United Kingdom	UNITED KINGDOM	1.13	22.10.2073

Deletions			
Issuer Name	Issuer Country	Coupon	Maturity
First Abu Dhabi Bank PJSC	UNITED ARAB EMIRATES	1.38	19.02.2023
Heathrow Funding Ltd	JERSEY	5.23	15.02.2023
Highbury Finance BV	NETHERLANDS	7.02	20.03.2023
Landeskreditbank Baden-Wuerttemberg - Foerderbank	GERMANY	0.63	15.12.2025
Lloyds Bank Plc	UNITED KINGDOM	13.00	22.01.2029
LVMH Moet Hennessy Louis Vuitton SE	FRANCE	1.00	11.02.2023
Northumbrian Water Finance Plc	UNITED KINGDOM	6.88	06.02.2023
United Kingdom	UNITED KINGDOM	0.13	31.01.2023
Yorkshire Water Finance Plc	UNITED KINGDOM	6.59	21.02.2023

## Key Tickers

Key Indices	ISIN TRI	BBG Ticker TRI	RIC TRI
iBoxx £ Overall	DE0007931974	IXBB	.IBBGB0001
iBoxx £ Gilts	DE0005706170	QX6A	.IBBGB014B
iBoxx £ Non-Gilts	DE0007932279	IXBW	.IBXXNGS1
iBoxx £ Corporates	DE0005993174	IYDU	.IBBGB00A1
Markit iBoxx GBP High Yield Core-bonds	GB00BDRL3P26	BDRL3P2	.IBXXXHL9

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