iBoxx® USD Liquid High Yield Interest Rate Hedged Index

Transparent, independent, objective, and multi-dimensional coverage across all asset classes.

The iBoxx USD Liquid High Yield Interest Rate Hedged index reflects the duration hedged performance of USD denominated high yield corporate debt. The index aims to achieve a neutral duration (i.e. duration equal to zero) by taking a long position in the Underlying Index and short positions in U.S. Treasury futures contracts. The index is market-value weighted with an issuer cap of 3%.

The index is part of the global iBoxx index families, fueled by multi-source pricing. iBoxx indices offer representative and objective benchmarks for assessing the performance of bond markets and investments.

Transparency
Documentation on our rules-based methodology for constituent selection, monthly rebalancing and daily total return calculations is publicly available.

Independence
iBoxx® products utilise independent multi-source pricing and reference data subject to rigorous quality testing, with a fully documented price challenge process in place. We are committed to administering all financial benchmarks in compliance with IOSCO benchmark principles and is an authorised benchmark administrator under the European Benchmark Regulation (BMR).

Multi-dimensional analysis
A wide range of analytical values are published to support risk, performance measurement and attribution analysis.

Flexibility
iBoxx® offers the ability to customize indices to meet specific criteria.

Depth of Data
A broad history of index and sub-index returns and analytics are available and published frequently to support index analysis.

Index Identifiers

<table>
<thead>
<tr>
<th>Index Name</th>
<th>ISIN TRI</th>
<th>BBG Ticker TRI</th>
<th>RIC Code TRI</th>
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<tbody>
<tr>
<td>iBoxx USD Liquid High Yield Interest Rate</td>
<td>GB00BHB2B775</td>
<td>IBXXHYIR</td>
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<td>Hedged Index</td>
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Key Stats

$5trn+
Total value of derivative trades outstanding (OTC value linked to Indices)

$140+bn
AUM in ETFs

30,000+
Bonds in Indices

180 +
ETFs linked to Indices

Customers

Asset managers
ETF issuers
Hedge funds
Insurers/Pensions
Investment banks
Index Eligibility Criteria

Issuer types
Long position: Corporate debt only. Government debt, quasi-sovereign debt, and debt guaranteed or backed by governments is not eligible

Bond types
Included for the long position: Fixed coupon bonds ("plain vanilla bonds"), step-up bonds with coupon schedules known at issuance (or as functions of the issuer’s rating), bonds with sinking funds, medium term notes (MTNs), Rule 144A offerings, callable and putable bonds are candidates for inclusion

Excluded for the long position: Preferred shares, convertible bonds, subordinated bank or insurance debt with mandatory contingent conversion features or conversion options prior first call date, bonds with other equity features attached (e.g., options/warrants), private placements, perpetual bonds, floating rate notes, pay-in-kind bonds during the pay-in-kind period, zero coupon bonds, zero step-ups (GAINS), bonds with differing accrual/coupon payment periods, and Reg S offerings

Included for the short position: The eligible front month contracts for the short position include the 2-Year T-Note, 5-Year T-Note, 10-Year T-Note, T Bond and Ultra T-Bond Futures (for the period prior to February 28th 2010 the T-Bond futures is used instead of the Ultra T. The Ultra T-Bond futures contract was launched January 11th 2010). The contracts follow a March quarterly cycle and expire in March, June, September and December

The “Cheapest-To-Deliver” bond ("CTD") for each futures contract is determined at every rebalancing

Country
Bonds from countries classified as developed markets based on the “Markit Global Economic Development Classification” are eligible for the index

Time to maturity
At least 12 months expected remaining life for all bonds, 18 months expected remaining life for new insertions

Amount outstanding
Minimum $400 million

Issuer size
Minimum $1 billion

Issuer cap
3%

Rating
All bonds must have an iBoxx Rating of sub-investment grade. Ratings from Moody’s, S&P and Fitch are considered. 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

Currency
US Dollar (USD)

Lockout period
3 months

Minimum run
6 months, provided the bond is not upgraded to investment grade, defaulted or fully redeemed

Index Details

Pricing sources
Multi-source pricing

Calculation frequency
Daily

Rebalance frequency
Monthly

Calculation time
Close of Business 16.00 (EST/EDT). Please refer to the SFTP guide for standard publication times available on our website

History start date
17 March 2014

Weighting
Market capitalisation with an issuer cap at 3%

For further information, please refer to the relevant guide on ihsmarkit.com/iBoxx

CONTACT US

The Americas  EMEA  Asia-Pacific
+1-877-863-1306  +44-20-7176-1234  +852-2533-3565

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