



## iBoxx<sup>®</sup> MSCI ESG Advanced USD Liquid Investment Grade

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

### KEY STATS

**\$5trn+**

Total value of derivative trades outstanding (OTC value linked to IHS Markit Indices)

**\$150+bn**

AUM in ETFs

**20,000+**

Bonds in iBoxx indices

**500+**

Clients

### CUSTOMERS

**Asset managers**

**ETF issuers**

**Hedge funds**

**Insurers/  
Pensions**

**Investment bank**

The iBoxx MSCI ESG Advanced USD Liquid Investment Grade Index is designed to apply climate-based and values-based screens to the Markit iBoxx USD Liquid Investment Grade Index while reflecting the performance of USD denominated investment grade corporate debt issuers with environmental, social, and governance (ESG) ratings that are average or above relative to their sector peers.

The **climate-based screens** remove issuers with an industry tie to fossil fuels (e.g., thermal coal, oil, and gas) including reserve ownership, related revenues and power generation (as captured by MSCI ESG Research data); issuers classified by IHS Markit in the Oil & Gas sector; and issuers scoring below a defined threshold for environmental controversy scores to invest in eligible companies to reduce carbon relative to the parent benchmark.

The **values-based screens** remove a variety of controversial business activities (as captured by MSCI ESG Research data) including adult entertainment, alcohol, civilian firearms, controversial weapons, conventional weapons, for profit prisons, gambling, genetically modified organisms, nuclear power, nuclear weapons, palm oil, predatory lending, and tobacco; and issuers violating the United Nations Global Compact.

Additionally, the index removes issuers with MSCI ESG ratings of BB and below and issuers below a defined threshold for **overall controversy scores**. The index is market-value weighted with an issuer cap of 3%.

The iBoxx MSCI ESG Advanced USD Liquid Investment Grade Index is rebalanced once a month at the month-end and consists of 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 S&P Global Ratings.

### Transparency

Publicly available documentation on our rules-based methodology for constituent selection, monthly rebalancing, and daily total return calculations.

### Independence

Utilize multi-source independent pricing and reference data subject to rigorous quality testing with a fully documented price challenge process. IHS Markit is committed to administering all financial benchmarks in compliance with IOSCO principles and is an authorized benchmark administrator under the UK Benchmarks Regulation (UK BMR).

### Multi-dimensional analysis

Wide range of analytical values is published to support risk, performance measurement, and attribution analysis.

### Flexibility

Ability to customise and deliver standard indices to meet specific criteria.

### Depth of Data

History of Index Returns available, and wealth of analytics data published to support index analysis.

### Index Identifiers

Name	ISIN	BBG Ticker	RIC
iBoxx MSCI ESG Advanced USD Liquid Investment Grade (TRI)	GB00BL0B0Y32	IBXXUQ3T	.IBXXUQ3T
iBoxx MSCI ESG Advanced USD Liquid Investment Grade (CPI)	GB00BL0B0Z49	IBXXUQ3P	.IBXXUQ3P

## INDEX ELIGIBILITY CRITERIA

<b>Issuer type</b>	Bonds 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
<b>Bond types</b>	<p><b>Included:</b> 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), senior fixed-to-float bonds issued by banks with a call option up to 25 months prior to maturity, Rule 144A offerings with a registration right, callable bonds, puttable bonds</p> <p><b>Excluded:</b> 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, bonds with other equity features attached (e.g., options/warrants), perpetual bonds, fixed-to-floater bonds, floating rate notes, pay-in kind bonds (during the pay-in-kind period), zero coupon bonds, zero step-ups (GAINS), bonds with differences between accrual and coupon payment periods and monthly-paying bonds, private placements, retail bonds</p>
<b>Country</b>	Bonds from countries classified as developed markets based on the 'Markit Global Economic Development Classification' are eligible for the index
<b>Time to maturity</b>	At least 3 years expected remaining life for all bonds, 3.5 years expected remaining life for new insertions
<b>Amount outstanding</b>	Minimum \$750 million. In addition, minimum issuer size of \$2 billion (based on outstanding face value of all issuer bonds in the broader iBoxx USD investment grade benchmark)
<b>Issuer cap</b>	3%
<b>Rating</b>	All bonds need to have an average rating of investment grade. Ratings from Fitch Ratings. Ratings from Moody's, S&P and Fitch are considered. Investment grade is defined as BBB- or higher from Fitch Ratings or S&P Global Ratings and Baa3 or higher from Moody's Investor Service. If a bond is rated by more than one of the above agencies, then the iBoxx Rating is the average of the provided ratings
<b>Currency</b>	US Dollar (USD)
<b>Lockout period</b>	3 months, unless the exclusion is due to a violation of an ESG screening criteria
<b>Minimum run</b>	6 months, provided the bond is not downgraded to sub-investment grade, defaulted, fully redeemed, or violating any of the ESG screening criteria in that period
<b>ESG</b>	Applies MSCI ESG Research data, see above for description. For further details, please refer to the index methodology guide available on <a href="https://ihsmarkit.com">ihsmarkit.com</a>

## INDEX DETAILS

<b>Pricing sources</b>	Multi-source pricing
<b>Rebalancing</b>	Monthly
<b>Calculation Time</b>	Close of Business, 16.00 (ET). Please refer to the iBoxx Indices SFTP guide for standard publication times, available on <a href="https://ihsmarkit.com">ihsmarkit.com</a>
<b>History start date</b>	31 December 2013
<b>Weighting</b>	Market capitalization with a 3% issuer cap

For further information, please refer to the relevant guide on:

<https://ihsmarkit.com/products/indices.html>

AMERICAS  
+1 212 931 4900

[sales@ihsmarkit.com](mailto:sales@ihsmarkit.com)

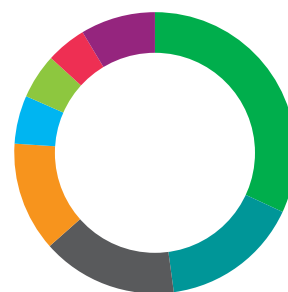
EMEA  
+44 20 7260 2000

[ihsmarkit.com/iBoxx](https://ihsmarkit.com/iBoxx)

APAC  
+65 6922 4200

## Industry Composition

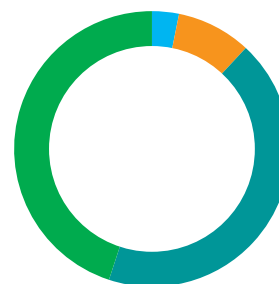
(as of 31/07/2021)



■ Core Financials
 ■ Technology
 ■ Health Care
 ■ Consumer Services
 ■ Telecommunications
 ■ Consumer Goods
 ■ Industrials
 ■ Other

## Rating Composition

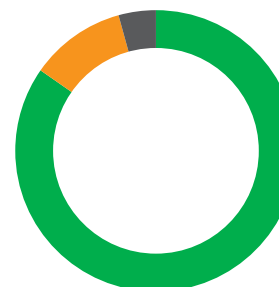
(as of 31/07/2021)



■ AAA
 ■ AA
 ■ A
 ■ BBB

## Region Composition

(as of 31/07/2021)



■ North America
 ■ Europe
 ■ Asia

## Disclaimer

The intellectual property in the index referenced herein is owned by or licensed to IHS Markit Indices GmbH and/or its affiliates (IHS Markit). This document and information herein is not sponsored, promoted or endorsed by IHS Markit or any third party data providers. Neither IHS Markit nor any third party data providers make any warranties or representations of any kind as to the accuracy, completeness, fitness for a particular purpose or results to be obtained by using the index or information contained herein. Neither IHS Markit nor any third party data providers shall in any way be liable to any recipient for any inaccuracies, errors or omissions in the IHS Markit's (or as the case may be, third party data providers') data, regardless of cause, or for any damages (whether direct or indirect) resulting therefrom. This document does not constitute any express or implied financial, investment, legal, tax or any other advice of any kind or recommendation by IHS Markit or any third party data providers.