iBoxx® USD Liquid Investment Grade Interest Rate Hedged Index

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

The iBoxx USD Liquid Investment Grade Interest Rate Hedged index reflects the duration hedged performance of USD denominated investment grade corporate debt. The index aims to achieve a neutral duration, equal to zero, by taking a long position in the iBoxx USD Liquid Investment Grade Index and short positions in US Treasury bond 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>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 Investment Grade Interest Rate Hedged Index</td>
<td>GB00BC5ZDX70</td>
<td>IBXXH1US</td>
<td>JBXXH1US</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:** 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.

Bond types

**Included for the long position:** 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-floating bonds issued by banks with a call option up to 25 months prior to maturity, rule 144A offerings with a registration right (Only 144A bonds where the Registration S version of the bond is eligible for the iBoxx USD Benchmark Index are eligible), callable bonds, putable bonds

**Excluded for the long position:** 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), perpetual bonds, fixed-to-floating bonds (except Senior fixed-to-floating bonds issued by banks with a call option up to 25 months prior to maturity), zero coupon bonds, zero step-ups (GAINS), bonds with differences between accrual and coupon payment periods and monthly-paying bonds, private placements, retail bonds

**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 3 years expected remaining life for all bonds, 3.5 years expected remaining life for new insertions

Amount outstanding

Minimum $750 million

Issuer size

Minimum $2 billion

Issuer cap

3%

Rating

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

Currency

US Dollar (USD)

Lockout period

3 months

Minimum run

6 months, provided the bond is not downgraded to sub-investment grade, defaulted, or fully redeemed in that period

Index Details

Pricing sources

Multi-source pricing

Calculation

Daily

Rebalancing

Monthly

Calculation time

Close of Business 16.00 (EST/EDT)

Please refer to the SFTP guide for standard publication times available on our [website](https://ihsmarkit.com/)

History start date

30 September 2009

Weighting

Market capitalisation with an issuer cap at 3%

For further detailed information, please refer to the index guide on: [ihsmarkit.com/iBoxx](https://ihsmarkit.com/iBoxx)

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