

# markit<sup>®</sup> iBoxx Indices



The Markit iBoxx Indices rely on multi-source pricing for improved accuracy and reduced tracking error, safeguarding independence of the indices. A rigorous series of quality controls is conducted on the prices used for index calculations. The prices are published for every constituent, together with a range of other analytical information. Markit is responsible for marketing, administration, and index production in accordance with transparent and publicly available rules and standards.



## **Markit is a leading global index services provider. Our coverage includes corporate, municipal and sovereign bonds, as well as loans and securitised products.**

We offer a comprehensive set of benchmark indices for performance measurement and liquid indices for product structuring.

Our capabilities include delivering comprehensive index related services that provide clients a way in which to develop custom indices. Markit's unique approach to index creation leverages innovative technology allowing for robust and accurate index build solutions. Our custom service includes design, selection and weighting of index constituents as well as daily calculation and distribution.

### **Related products**

#### **Markit Credit Indices:**

Markit creates and calculates a range of global credit default swap indices that cover loans as well as corporate, municipal and sovereign debt. These indices are composed of underlying credit default swaps and are tradable products that allow investors to establish long or short credit risk positions in specific credit markets or segments.

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#### **Markit Custom Indices:**

Markit Custom Indices are able to customise Markit iBoxx indices providing customers with the flexibility to produce and calculate Markit iBoxx indices to meet their unique requirements. Customers can customise a range of different index criteria such as composition, calculation methodology and distribution.

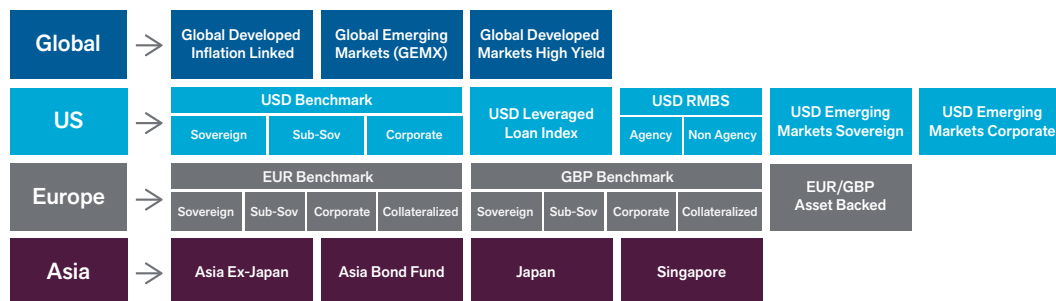
## **The Markit iBoxx fixed income indices are independent and based on multi-source pricing for improved accuracy.**

They serve as tools for passive or active portfolio management, ETFs and structured products. The indices cover major currencies and bond segments. We have established relationships with a wide range of ETF issuers.

By monitoring and adapting to industry changes, we ensure our products align with customers' business and regulatory needs. Publicly available documentation provides transparency, including constituent details and construction, calculation and rebalancing rules.

Markit's standardisation of total return swap (TRS) documentation for select Markit iBoxx index families enables trading between several major dealers for cash fixed income TRS, and can be a tool for transition management or rapidly establishing beta exposure.

## Markit iBoxx Indices Coverage of the Fixed Income Markets



## Key benefits

### Pricing

Markit iBoxx indices are based on multi-source pricing and undergo rigorous data checks to provide the clearest view of the market.

### Liquidity

Monthly re-balancing of most indices and regular reviews of all market segments to ensure constituent selection represents the opportunity set. Broad and liquid index versions are available for many families.

### Flexibility

Rapid customisation of existing indices and building of new indices in collaboration with customers to meet specific investment criteria.

### Reliability

A robust production platform, rigorous and comprehensive quality controls, and 24x7 global customer support.

### Transparency

Index methodologies, daily index levels and index composition information, such as constituents and weights, are publicly available on our website. In addition, daily index levels are also distributed through our FTP service and via many data vendors.

### Industry support

Trusted by dealer banks, ETF issuers, buy-side investment firms and third party vendors.

**Markit iBoxx Indices provide the basis for over 150 ETFs around the world, and Markit is the second largest index provider to global fixed income ETF issuers with over \$80bn in AUM.**

### Largest Markit iBoxx ETFs

ETF Name	ETF Provider	*AUM (USD Mn)
iShares iBoxx \$ Investment Grade Corporate Bond ETF	iShares	17,789
iShares iBoxx \$ High Yield Corporate Bond ETF	iShares	13,666
FlexShares iBoxx 3-Year Target Duration TIPS Index Fund	FlexShares	2,141
db x-trackers iBoxx EUR Sovereigns Euro Yield Plus ETF	db x-trackers	1,976
db x-trackers iBoxx Sovereigns Eurozone ETF	db x-trackers	1,302
Lyxor ETF Euro Corporate Bond ETF	Lyxor	855
db x-trackers iBoxx Global Inflation-Linked ETF	db x-trackers	736
Deka iBoxx EUR Liquid Non-Financials Diversified ETF	Deka ETFs	627
db x-trackers iBOXX Sovereigns Eurozone Yield + 1-3 ETF	db x-trackers	621
db x-trackers iBoxx Sovereigns Eurozone 3-5 ETF	db x-trackers	597
Think iBoxx AAA-AA Government Bond ETF	Think Capital	555
Deka iBoxx EUR Liquid Sovereign Diversified 3-5 ETF	Deka ETFs	535
db x-trackers iBoxx Sovereigns Eurozone 1-3 ETF	db x-trackers	473
db x-trackers iBoxx Sovereigns Eurozone 5-7 ETF	db x-trackers	433
Lyxor ETF iBoxx EUR High Yield 30	Lyxor	399

\* iBoxx ETFs as of May 30th 2014

Source: Markit ETP Analytics

## Markit iBoxx index families

IndexISIN	IndexName	Current Index Value	Number of Bonds (June 2014)	Market Cap (bn)	Return YTD (%)
<b>GB00B05CVW93</b>	iBoxx \$ Overall	218.42	5341	14,471,943	3.4%
<b>GB00B0598748</b>	iBoxx \$ Corporates	245.51	4041	4,224,426	4.8%
<b>GB00B05CVG36</b>	iBoxx \$ Sovereigns & Sub-sovereigns	214.65	981	1,739,467	3.3%
<b>GB00B4K4X773</b>	iBoxx \$ Liquid Investment Grade Index	242.08	1204	1,744,839	5.5%
<b>GB00B05D1P51</b>	iBoxx \$ Treasuries	208.42	245	8,398,170	2.8%
<b>GB00B4K07738</b>	iBoxx \$ Liquid High Yield Index	235.71	904	837,438	4.1%
<b>DE0009682716</b>	iBoxx € Overall	206.32	2874	8,627,225	4.9%
<b>DE0006301161</b>	iBoxx € Corporates	204.55	1476	1,448,314	4.1%
<b>DE0006168552</b>	iBoxx € Collateralized	204.95	641	869,753	3.6%
<b>DE0007670119</b>	iBoxx € Covered	204.32	630	856,656	3.6%
<b>DE0009682831</b>	iBoxx € Sovereigns	207.11	284	5,141,179	5.6%
<b>DE0006168073</b>	iBoxx € Sub-Sovereigns	201.93	473	1,167,977	3.8%
<b>DE0007200321</b>	iBoxx € Liquid Corporates	202.64	40	9,984,720	3.2%
<b>GB00B57G6H43</b>	iBoxx EUR Liquid High Yield Index	169.54	428	239,683	3.6%
<b>DE0007931974</b>	iBoxx £ Overall	259.81	1089	1,640,034	3.7%
<b>DE0005993174</b>	iBoxx £ Corporates	273.48	721	347,346	4.6%
<b>DE0007933376</b>	iBoxx £ Sovereigns & Sub-Sovereigns	257.07	163	117,372	3.3%
<b>DE0001717668</b>	iBoxx £ Liquid Corporates Long Dated	218.44	40	24,123,	4.5%
<b>DE0005706170</b>	iBoxx £ Gilts	257.56	38	1,101,478	3.4%
<b>GB00B2RBNR71</b>	iBoxx Asia	168.67	869	97,233	4.1%
<b>GB00B39DVT63</b>	iBoxx Asia Government	169.35	638	90,106	4.2%
<b>GB00B39DW483</b>	iBoxx Asia Sub-Sovereigns	162.80	231	7,127	3.1%
<b>GB00B0SDL95</b>	iBoxx Global Inflation-Linked Index All USD	190.59	119	2,093,206	4.0%
<b>GB00B0VMH587</b>	iBoxx TIPS Inflation-Linked Index	168.49	35	925,319	3.5%
<b>GB00B0VMMR59</b>	iBoxx Europe Inflation-Linked Index All EUR	140.42	67	795,780	5.3%
<b>GB00B1XK5088</b>	iBoxx UK Gilt Inflation-Linked Index	159.78	23	298,130	4.0%
<b>GB00B0SD4088</b>	iBoxx Japan Inflation-Linked Index	126.99	7	3,131,142	3.1%
<b>GB00B2PRS508</b>	iBoxx GEMX USD	133.71	318	303,011	4.2%
<b>GB00B51SYQ10</b>	Markit iBoxx USD Leveraged Loans Index	147.44	1065	731,582	1.9%

iBoxx Indices as of May 30th, 2014

**Markit Custom Indices provide customers with the flexibility to customise Markit iBoxx indices to meet their unique requirements.**

Customers can customise index composition, calculation methodology and distribution.

Constituents in the Markit iBoxx Index can be ranked, filtered, weighted, capped, hedged or tax-adjusted, and indices can be aggregated, hedged and/or converted to any currency. Markit iBoxx Index levels and composition can be distributed via FTP, [markit.com](http://markit.com) and through our alliance partner data vendors.



## Markit iBoxx index custom creation process

### Index definition

- Bond selection method
  - Filtering
  - Ranking
- Bond characteristics
  - Rating
  - Time to maturity
  - Region
  - Country of issue
  - Country of risk
  - Sector
  - Issuer name
  - Bond type
  - Amount outstanding



### Index calculation

- Weighting/Capping
- Tax adjustment
- Price type (s)
- Local currency
- Foreign currency
- Hedging

### Index distribution

- Output files
- Delivery channels
- Publication frequency

**\$80 billion**

AUM in ETFs

**50+**

Data sources

**14,000+**

Indices

**160**

ETFs

**800**

Custom indices

**500+**

Clients

**2.3 million**

Available bond universe

These numbers are changing as you read this.



## About Markit

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Markit is a leading global diversified provider of financial information services. We provide products that enhance transparency, reduce risk and improve operational efficiency.

Our customers include banks, hedge funds, asset managers, central banks, regulators, auditors, fund administrators and insurance companies. Founded in 2003, we employ over 3,000 people in 10 countries.

For more information, please see [markit.com](http://markit.com)

## More Information

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For more information on the products and services from Markit, please contact us at [sales@markit.com](mailto:sales@markit.com) or call one of our regional offices:

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**scales** volume  
**& transforms** business

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