Markit iBoxx Contingent Convertible Indices

Independent, objective and transparent coverage of the contingent convertible (CoCo) bond market

The Markit iBoxx Contingent Convertible index family tracks the performance and emergent issuance of Basel III compliant Additional Tier 1 (AT1) and Tier 2 (T2) CoCos by banks, which as of Q3 2014 stands at $79 billion outstanding.

The European Commission's Capital Requirements Directive IV is the EU implementation of Basel III. This implementation and those by other regulatory bodies worldwide have led to an increase in the issuance of CoCos which are designed to satisfy the loss absorbing capital requirements of banks under Basel III.

The Markit iBoxx Contingent Convertible family provides a broad representation of the developed and emerging market bank CoCo issuance in GBP, EUR and USD. Sub indices for AT1 and T2 capital tiers allow for detailed multi dimensional analysis of the underlying market.

Multidimensional analysis

A wide range of analytical values are published to allow for performance measurement and comparison.

Data quality

Index creation and constituent selection is fueled by pricing data from multiple observable sources.

Custom index solutions

Benchmark index constituents can be used for the creation of custom indices to meet specific investment criteria.

Transparency

Publicly available documentation provides transparency into our rules-based methodology, constituent selection, monthly rebalancing and daily total return calculations.

$75 billion+
AUM in ETFs

14,000+
indices

20,000+
bonds in indices

About Markit

Markit is a leading global diversified provider of financial information services. We offer global indices with coverage that includes equities, fixed income and economic. We leverage more than 10 years of experience in designing, administering and calculating innovative indices across OTC and exchange-listed asset classes to construct and deliver high quality indices.

More information

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

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Dallas	+1 972 560 4420
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Tokyo	+81 3 6402 0130
Toronto	+1 416 777 4485
Singapore	+65 6922 4200
Sydney	+61 2 8076 1100

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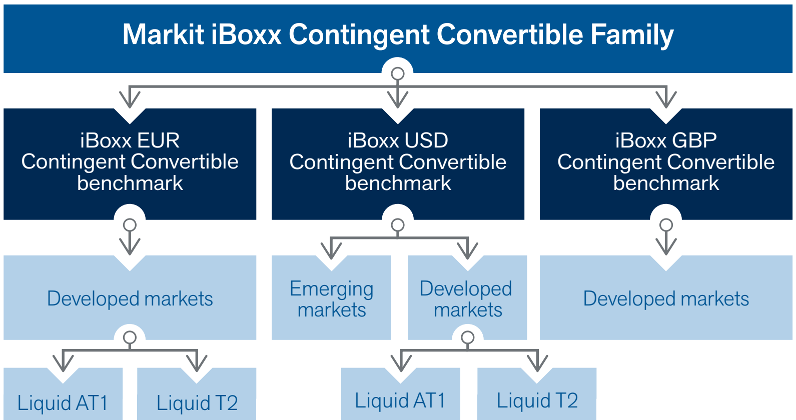
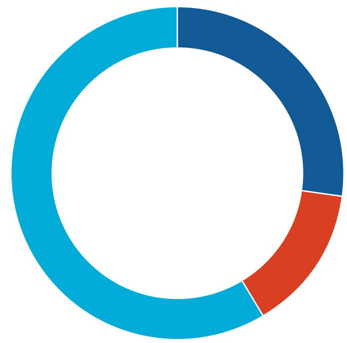
Index structure



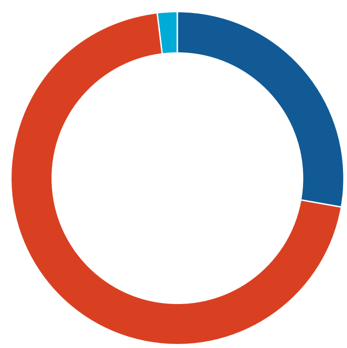
Sector composition



Inclusion criteria

Bond types	**Eligible:** Contingent Convertibles classified as eligible under Basel III, such as Additional Tier 1 and Tier 2, issued after January 1st 2013
	Excluded: Basel III compliant contingent convertibles that do not have an objective prespecified trigger point or write-down mechanism., Certificates of Deposit, zero coupon bonds, private placements and retail bonds, PIKs and structured notes
Minimum maturity	Bonds are held to maturity
Market issue	Global issuance in GBP, EUR and USD
Issuer type	Banks
Rating	Rated contingent convertibles by at least one of the three credit rating agencies: Moody's, S&P or Fitch
Amount outstanding	GBP 250m; USD 400m, Liquid USD 750m; EUR 250m, Liquid EUR 500m

Rating breakdown



Index details

Pricing	Multi source pricing in accordance with the rules published on **www.markit.com/indices**
Calculation frequency	Daily
Rebalancing	Monthly in accordance with the rules available on **www.markit.com/indices**
Base date	December 31st 2013
Bond weighting	Market capitalisation