



Markit iBoxx USD Liquid High Yield Low Beta Index

The Markit iBoxx USD Liquid High Yield Low Beta index consists of liquid USD high yield bonds with a below average sensitivity to market fluctuations.

The Markit iBoxx USD Liquid High Yield Low Beta Index (the “Index”) is a rules-based index consisting of the historically lower beta portion of U.S. dollar-denominated, high yield corporate bonds derived from constituents of the Markit iBoxx USD Liquid High Yield index (the “Parent Index”). The term “beta” refers to the sensitivity of the index to fluctuations in the general high yield corporate bond market.

Bonds in the Parent Index are grouped by sector; bonds with yields below each sector’s weighted median yield are included in the index. The approach is based on the conclusion that lower yielding bonds tend to have a lower beta. The Index is designed to represent the lower yielding, less credit sensitive portion of the high yield corporate bond market. The Parent Index is a modified market-value weighted index with a cap on each issuer of 3%. The Index is market-value weighted according to each bond’s capped market value in the Parent Index.

The Markit iBoxx USD Liquid High Yield Low Beta Index has been designed to provide a suitable basis for tradable products including Exchange Traded Funds (ETFs).

KEY STATS

\$120+bn
in ETFs on Markit iBoxx indices

15,000+
indices

150+
ETFs

CUSTOMERS

Investment banks

Asset managers

Hedge funds

Insurance companies

Transparency

Publicly available documentation on rules-based methodology used for constituent selection, monthly rebalancing and daily total return calculations, with freely accessible index levels.

Independent

IHS Markit uses an independent, multi-source pricing subject to rigorous quality testing with a fully documented price challenge process. This is complemented by IHS Markit reference data.

Flexibility

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

Multi-dimensional analysis

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

Depth of data

Index history dates back to 31st October, 2006.

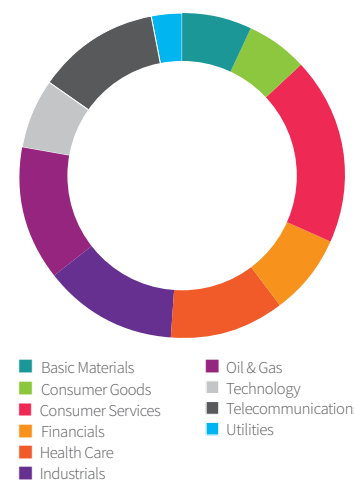
Index details

The inclusion criteria of the parent index are:

Bond types	<p>Eligible: Fixed coupon 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 puttable bonds, callable perpetuals.</p> <p>Excluded: Preferred shares, convertibles, bonds with other equity features attached (e.g., options/warrants), perpetual bonds, floating rate notes, 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, pay-in kind bonds (during the pay-in-kind period), zero coupon bonds, zero step-ups, non-callable perpetuals, regulation S offerings</p>
Issuer domicile	<p>Europe: Austria, Belgium, Denmark, Finland, France, Germany, Greece, Ireland, Italy, Luxembourg, Netherlands, Norway, Portugal, Spain, Sweden, Switzerland, United Kingdom.</p> <p>North America: United States, Canada, Bahamas, Bermuda, Cayman Islands, Netherlands Antilles.</p> <p>Asia-Pacific: Australia, Japan, New Zealand.</p>
Minimum time to maturity	1 year
Amount outstanding	\$400 m or more
Time to maturity at issuance	15 years or less
Rating	All bonds need to have an average rating that is sub-investment grade. Ratings from Fitch Ratings, Moody's Investor Service and Standard & Poor's Rating Services are considered. If more than one agency provides a rating, the average rating is attached to the bond.
Issuer size	\$1 bn or more
Issuer Cap	3 percent
Lockout period	3 months
Minimum run	6 months
Pricing sources	Multi-sourced pricing provided by IHS Markit Evaluated Bond Pricing
Calculation frequency	Once a day, approximately 16.00 EST/EDT
Rebalancing	Monthly in accordance with the rules available on http://www.markit.com/Documentation/Product/Markit iBoxx
Base date	October 31, 2006
Bond weighting	Market capitalization based on the parent index

Sector weights

as of May 31, 2017



More information on IHS Markit products and services

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