The Markit iBoxx EUR Liquid Investment Grade Ultrashort Index is designed to provide a balanced representation of the EUR denominated investment grade ultrashort credit market.

The index currently offers exposure to ultrashort corporate bonds, but is designed to include additional fixed income instruments over time as warranted.

The index covers fixed rate bonds maturing between 0 and 1 year and floating rate securities with a time to maturity between 0 and 3 years.

The index is rebalanced on a monthly basis and uses a market-value weighted methodology with a 3% cap on each issuer.

### Inclusion criteria

#### Bond types

**Eligible:** Fixed coupon bonds, step-up bonds with coupons schedules known at issuance (or as functions of the issuer's rating), medium term notes (MTNs), rating-driven bonds, callable senior bonds including those with cleanup calls, puttable senior bonds, non-callable Lower Tier 2 bonds and floating rate notes (FRNs) linked to LIBOR or EURIBOR with coupon reset at least once per year.

**Excluded:** Preferred shares, convertible bonds, bonds with other equity features attached (such as options/warrants), private placements and retail bonds, perpetual bonds, sinking funds, amortizing bonds, structured bonds, subordinated debt except non-callable Lower Tier 2 bonds, fixed-to-floaters, leveraged floaters, floaters with a cap and/or floor, reverse floaters, pay-in-kind bonds (during the pay-in-kind period), zero coupon bonds and zero step-ups (GAINS), bonds with differences between accrual and coupon payment periods and monthly-paying bonds.

#### Issuer type

Corporate debt only. Debt issued by governments, sovereigns, quasi-sovereigns, and government-backed or guaranteed entities are not eligible.

#### Time to maturity

- Between 0 and 1 year for fixed rate bonds
- Between 0 and 3 years for floating rate notes

#### Time to maturity at issuance

At least 1 year

#### Rating

All bonds need to average an investment grade rating. Ratings from Fitch Ratings, Moody's Investor Service and Standard & Poor's Rating Services are considered. The average of the rating from those credit agencies determines the bond rating.

#### Amount outstanding

EUR 500 million

#### Issuer cap

3%

#### Lockout period

3 months

#### Minimum run

6 months

### More information

For more information on Markit indices, including access to index constituent data or to license any index for use as the basis of a financial product, please contact us at iboxx@markit.com, visit our website at markit.com/indices or call one of our regional offices:

- **London** +44 20 7260 2000
- **New York** +1 917 441 6658
- **Dallas** +1 972 560 4420
- **Sydney** +61 2 8076 1100
- **Tokyo** +81 3 6402 0130
- **Singapore** +65 6922 4200
- **Frankfurt** +49 69 299 868 140
- **Amsterdam** +31 20 502 5800

### Clients

- Investment banks
- Asset managers
- Hedge funds
- Insurance companies
- ETF issuers
Index details

<table>
<thead>
<tr>
<th>Pricing sources</th>
<th>Bonds are priced using multi-source pricing in accordance with the methodology available on <a href="http://www.markit.com/indices">www.markit.com/indices</a>.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Calculation frequency</td>
<td>Daily after 5:15pm CET</td>
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<tr>
<td>Rebalancing</td>
<td>Monthly in accordance with rules available on <a href="http://www.markit.com/indices">www.markit.com/indices</a></td>
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<tr>
<td>Base date</td>
<td>July 31st 2013</td>
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<tr>
<td>Bond weighting</td>
<td>Market capitalisation</td>
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</tbody>
</table>

Construction

Markit iBoxx Indices multi-dealer pricing contributions and rigorous data checks provide the clearest view of the market.

Raw data points

Validating, verifying and parsing

Publication

Internet
Vendors
Index calculation
FTP

Construction

Research & design

- Index rules
- Market research documentation
- Index calculation methodology
- Data procurement
- Prototyping and testing
- Project management

Index development and administration

- Manage rebalancing process
- Index research and previews
- Custom index development
- Daily control of constituent lists
- Client services
- Reference database control

Receive daily price data

Price cleaning and control

Price consolidation

Quality reporting and control

Index and analytics calculation

Challenge process

Distribution

- Index and data publication
- Feeds to vendors
- Vendor management