The Markit iBoxx GBP Liquid Corporates Large Cap Interest Rate Hedged Index is designed to reflect the duration hedged performance of GBP denominated investment grade corporate debt.

The index aims to achieve a neutral duration, equal to zero, by taking a long position in the Markit iBoxx GBP Liquid Corporates Large Cap Index and short positions in Gilt bond futures contracts. Multi-source pricing and support for the index from leading financial institutions ensure that the index is a tradable reflection of the corporate bond market.

**Short position**

Futures contracts: Long Gilt futures

**Long position**

<table>
<thead>
<tr>
<th>Bond types</th>
<th>Eligible: Fixed coupon bonds, step-up bonds, rating-driven bonds, non-callable lower tier 2 bonds.</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Excluded: Zero coupon, sinking funds, perpetual bonds, floating rate notes, fixed-to-floater bonds and other callable bonds.</td>
</tr>
<tr>
<td>Minimum time to maturity</td>
<td>18 months at index inclusion, 1 year for existing index bonds</td>
</tr>
<tr>
<td>Rating</td>
<td>All bonds need to have an average rating of investment grade. Ratings from Fitch Ratings, Moody’s Investor Service and Standard &amp; Poor’s Rating Services are considered. The average of the ratings from those credit agencies determines the bond rating.</td>
</tr>
<tr>
<td>Amount outstanding</td>
<td>GBP 300 million</td>
</tr>
<tr>
<td>Issuer size</td>
<td>GBP 750 million</td>
</tr>
<tr>
<td>Issuer cap</td>
<td>4%</td>
</tr>
<tr>
<td>Lockout period</td>
<td>3 months</td>
</tr>
<tr>
<td>Minimum run</td>
<td>6 months</td>
</tr>
</tbody>
</table>

**Clients**

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

**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:

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- 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

markit.com
Markit iBoxx GBP Liquid Corporates Large Cap Interest Rate Hedged Index

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>. Futures contracts prices are sourced from NYSE Liffe.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Calculation frequency</td>
<td>Daily after 4:15 pm GMT</td>
</tr>
<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>
</tr>
<tr>
<td>Base date</td>
<td>September 30th 2009</td>
</tr>
<tr>
<td>Bond weighting</td>
<td>Market capitalisation</td>
</tr>
</tbody>
</table>

Pricing

Markit iBoxx indices multi-source pricing and rigorous data checks provide the clearest view of the market.

Raw data points

Validating, verifying and parsing

Publication

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

Daily price data collection
Quality reporting and control
Index and analytics calculation
Challenge process

Distribution

Index and data publication
Feeds to vendors
Vendor management

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