The Markit iBoxx GEMX Index family represents the market for accessible local currency emerging market sovereign debt.

The index is used as a basis for tradable products, including ETFs. Multi-contributor pricing and support for the index from leading financial institutions ensure that the index is a tradable reflection of the corporate bond market.

**Index structure**

<table>
<thead>
<tr>
<th>Overall</th>
<th>Europe, Middle East &amp; Africa</th>
<th>Latin America</th>
</tr>
</thead>
<tbody>
<tr>
<td>China</td>
<td>Egypt</td>
<td>Brazil</td>
</tr>
<tr>
<td>India</td>
<td>Hungary</td>
<td>Chile</td>
</tr>
<tr>
<td>Indonesia</td>
<td>Kenya</td>
<td>Columbia</td>
</tr>
<tr>
<td>Malaysia</td>
<td>Morocco</td>
<td>Costa Rica</td>
</tr>
<tr>
<td>Philippines</td>
<td>Nigeria</td>
<td>Mexico</td>
</tr>
<tr>
<td>Sri Lanka</td>
<td></td>
<td>Peru</td>
</tr>
<tr>
<td>Thailand</td>
<td></td>
<td>Uruguay</td>
</tr>
</tbody>
</table>

Nominal, inflation-linked and overall indices

Maturity & rating indices

**Inclusion criteria**

**Bond types**

- Only bonds issued by central governments in their domestic currency
- Fixed and zero-coupon bonds, sinking funds and amortising bonds with a fixed redemption schedule, restructured debt
- Bonds whose principal and coupon are linked to a domestic CPI

**Country eligibility**

Countries must meet four criteria in order to be eligible:

1. A medium or low income country according to the GNI per capita World Bank Atlas method calculation. Countries that move from middle income to high income remain eligible for 5 years.
2. A local currency sovereign debt rating from at least one of Fitch Ratings, Moody’s Investor Service and Standard & Poor’s Rating Services. The country must not be in default on its domestic debt.
3. Bond market minimum size of USD 3 billion (USD 2 billion for countries already in the index) and 5 eligible bonds.
4. The country must meet the minimum investability criteria according to the Gemloc Investability Indicator methodology.

**Minimum time to maturity**

- Existing index constituents: 1 year
- New index constituents: 1.5 years, measured from issue date to maturity date

**Number of bonds per country**

Maximum of 15 nominal bonds and maximum 10 inflation-linked bonds per country, representative of the country’s maturity distribution.

**Amount outstanding**

USD 100 million local currency equivalent

**Markit iBoxx GEMX Index family in cooperation with IFC**

$80 billion

AUM in ETFs

14,000+

indices

20,000+

bonds in indices

50+

price sources

500+

clients

**Clients**

Investment banks
Asset managers
Hedge funds
Insurance companies
ETF managers

**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:

<table>
<thead>
<tr>
<th>Location</th>
<th>Phone</th>
</tr>
</thead>
<tbody>
<tr>
<td>London</td>
<td>+44 20 7260 2000</td>
</tr>
<tr>
<td>New York</td>
<td>+1 917 441 6658</td>
</tr>
<tr>
<td>Dallas</td>
<td>+1 972 560 4420</td>
</tr>
<tr>
<td>Sydney</td>
<td>+61 2 8076 1100</td>
</tr>
<tr>
<td>Tokyo</td>
<td>+81 3 6402 0130</td>
</tr>
<tr>
<td>Singapore</td>
<td>+65 6922 4200</td>
</tr>
<tr>
<td>Frankfurt</td>
<td>+49 69 299 868 140</td>
</tr>
<tr>
<td>Amsterdam</td>
<td>+31 20 502 5800</td>
</tr>
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</table>

markit.com
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 at the end of each trading day</td>
</tr>
<tr>
<td>Index rebalancing</td>
<td>Country eligibility: Annual</td>
</tr>
<tr>
<td></td>
<td>Investability scores &amp; weights: Quarterly in Feb, May, Aug &amp; Nov</td>
</tr>
<tr>
<td>Base date</td>
<td>December 31, 2003</td>
</tr>
<tr>
<td>Weighting</td>
<td>Country weights: Fundamentally weighted based on the market capitalisation of the selected bonds adjusted by the investability indicator score. Countries are subject to the following maximum and minimum weights:</td>
</tr>
<tr>
<td></td>
<td>– Min weight: 1%</td>
</tr>
<tr>
<td></td>
<td>– Max weight: 10%</td>
</tr>
<tr>
<td></td>
<td>Bond weighting: 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 quotes

Validating, verifying and parsing

Publication checks

Construction

Research & design

Index rules

Market research documentation

Index calculation methodology

Data procurement

Prototyping and testing

Project management

Quality control

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

Index Weights as of February 28, 2014

Europe

Asia

Latin America

Africa

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