iBoxx® USD Liquid Investment Grade Index

Transparent, independent, objective, and multi-dimensional coverage across all asset classes

The Markit iBoxx USD Liquid Investment Grade Index consists of liquid USD investment grade bonds, which provide a balanced representation of the USD liquid investment grade corporate bond universe. The indices are an integral part of the global Markit iBoxx index families, which provide the marketplace with accurate and objective indices by which to assess the performance of bond markets and investments. The index is market-value weighted with an issuer cap of 3%.

Transparency
Publicly available documentation on our rules-based methodology for constituent selection, monthly rebalancing, and daily total return calculations.

Independence
Utilize multi-source independent pricing and reference data subject to rigorous quality testing with a fully documented price challenge process. IHS Markit is committed to administering all financial benchmarks in compliance with IOSCO principles and is an authorized benchmark administrator under the UK Benchmarks Regulation (UK BMR).

Multi-dimensional analysis
A wide range of analytical values are published to support risk, performance measurement and attribution analysis.

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

Depth of Data
History of Index Returns available, and wealth of analytics data and related sub-indices are published to support index analysis.

Key Indices

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<th>Key Indices</th>
<th>ISIN TRi</th>
<th>BBG Ticker TRi</th>
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<td>iBoxx $ Liquid Investment Grade Index</td>
<td>GB00B4K4X773</td>
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INDEX ELIGIBILITY CRITERIA

Issuer type
The bond must be corporate credit, i.e. debt instruments backed by corporate issuers that are not secured by specific assets. Debt issued by governments, sovereigns, quasi-sovereigns, and government-backed or guaranteed entities is excluded.

Bond types
Included: Fixed coupon bonds, step-up bonds with coupon schedules known at issuance (or as functions of the issuer's rating), sinking funds and amortizing bonds, medium term notes (MTNs), senior fixed-to-float bonds issued by banks with a call option up to 25 months prior to maturity, Rule 144A offerings with a registration right, callable bonds, putable bonds

Excluded: Preferred shares, 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, bonds with other equity features attached (e.g., options/warrants), perpetual bonds, fixed-to-floater bonds, floating rate notes, pay-in-kind bonds (during the pay-in-kind period), zero coupon bonds, zero step-ups (GAINS), bonds with differences between accrual and coupon payment periods and monthly-paying bonds, private placements, retail bonds

Country
Bonds from countries classified as developed markets based on the 'Markit Global Economic Development Classification' are eligible for the index.

Time to maturity
At least 3 years expected remaining life for all bonds, 3.5 years expected remaining life for new insertions.

Amount outstanding
Minimum $750 million. In addition, minimum issuer size of $2 billion (based on outstanding face value of all issuer bonds in the broader iBoxx USD Investment Grade benchmark).

Issuer cap
3%

Rating
All bonds need to have an average rating of investment grade. Ratings from Fitch Ratings. Ratings from Moody’s, S&P and Fitch are considered. Investment grade is defined as BBB- or higher from Fitch Ratings or S&P Global Ratings and Baa3 or higher from Moody’s Investor Service. If a bond is rated by more than one of the above agencies, then the iBoxx Rating is the average of the provided ratings.

Currency
US Dollars (USD)

Lockout period
3 months

Minimum run
6 months, provided the bond is not downgraded to sub-investment grade, defaulted, or fully redeemed in that period

INDEX DETAILS

Pricing sources
Multi-source pricing

Calculation
Daily

Rebalancing
Monthly

Index close
16:00 ET (New York)

History start date
31 December 1998

Weighting
Market capitalisation with a 3% issuer cap

For further information, please refer to the relevant guide on:
https://ihsmarkit.com/products/indices.html

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