The Markit iBoxx USD Liquid Investment Grade Index is designed to provide a balanced representation of the USD investment grade corporate market and to meet the investors demand for a USD denominated, highly liquid and representative investment grade corporate index.

The Markit iBoxx USD Liquid Investment Grade Index has been designed to be a subset of the broader USD corporate bond market which can be used as a basis for tradable products, including ETFs. Multiple contributor pricing and support for the index from leading financial institutions ensure that the index is a tradable reflection of the corporate bond market.

### Inclusion criteria

#### Bond types

**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 note ("MTNs"), callable and putable bonds, and 144A bonds with registration rights are candidates for inclusion.

**Excluded:** The following instruments are excluded from the index: preferred shares, convertible bonds, bonds with other equity features attached (e.g., options/warrants), perpetual bonds, floating rate notes, pay-in-kind bonds (during the pay-in-kind period), zero coupon bonds, zero step-ups (GAINS).

#### Issuer domicile

Bonds from countries classified as developed markets based on the "Markit Global Economic Development Classification" are eligible for the index. As of March 2012 the issuer or, in the case of a finance subsidiary, the issuer's guarantor, must be domiciled and the country of risk must be in Andorra, Australia, Austria, Belgium, Bermuda, Canada, Cayman Islands, Cyprus, Denmark, Faeroe Islands, Finland, France, Germany, Gibraltar, Greece, Hong Kong, Iceland, Ireland, Italy, Japan, Liechtenstein, Luxembourg, Malta, Monaco, Netherlands, New Zealand, Norway, Portugal, San Marino, Singapore, Spain, Sweden, Switzerland, United Kingdom, United States.

#### Issuer type

Corporate debt only. Government debt, quasi-sovereign debt, and debt guaranteed or backed by governments is not eligible.

#### Minimum time to maturity

3.5 years to maturity for new bonds, 3 years for existing index constituents.

#### Amount outstanding

The outstanding face value of all bonds denominated in USD from the issuer in the broader Markit iBoxx USD Investment Grade Corporate Index (excluding perpetual bonds) must be greater than or equal to USD two billion as of the bond selection cut-off date.

#### Minimum run

5 years.

#### Rating

All bonds need to have an average rating of 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

$2 billion (excluding perpetual bonds).

#### Issuer cap

3 percent.

#### Lockout period

3 months.

#### Minimum run

6 months.

### Clients

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

### 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 1111
- **Tokyo** +81 3 6402 0130
- **Singapore** +65 6922 4200
- **Frankfurt** +49 69 299 868 140
- **Amsterdam** +31 20 502 5800

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Markit iBoxx USD Liquid Investment Grade Index

**Index details**

**Pricing sources**
Barclays Capital, BNP Paribas, Commerzbank, Deutsche Bank, Goldman Sachs, HSBC, J.P. Morgan, Morgan Stanley, Royal Bank of Scotland and UBS.

**Calculation frequency**
Daily at 15:00 EST/EDT

**Rebalancing**
Monthly in accordance with rules available on [www.markit.com/indices](http://www.markit.com/indices)

**Base date**
Basis is the closing value of the GS $ InvesTop Index at 31 October 2006.

**Bond weighting**
Market capitalisation

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**Construction**

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

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**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

**Distribution**

Index and data publication
Feeds to vendors
Vendor management

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**Raw quotes**

Checking, consolidating and parsing

Individual checks

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Internet
Vendors
Index calculation
FTP

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