iBoxx GBP High Yield Index

The iBoxx GBP High Yield Index is designed to provide a balanced representation of the GBP denominated high yield market. The index is rebalanced on a monthly basis and is market-value-weighted.

The iBoxx GBP High Yield Index covers a wide range of issuers which in the high yield market and comprises:

— Corporates
— Covered and securitized bonds
— Sub-sovereigns
— Sovereigns

The search for yield makes GBP High Yield market an attractive play. Although small compared to the USD and EUR High Yield market, the GBP High Yield market has grown and shown a robust performance in the recent past.

The indices enable investors to review and compare investment attributes and performance in the GBP high yield market.

Transparency
Publicly available documentation on rules-based methodology used for constituent selection, monthly rebalancing and daily total return calculations, with freely accessible index levels.

Independent
IHS Markit uses an independent, multi-source pricing subject to rigorous quality testing with a fully documented price challenge process. This is complemented by IHS Markit reference data.

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

Multi-dimensional analysis
Wide range of analytical values is published to support performance measurement and attribution analysis.

Depth of data
Index history dates back to 31st December, 2011.
Inclusion criteria

**Bond types**

Eligible:
- Fixed coupon bonds ("plain vanilla bonds")
- Zero coupon bonds
- Amortizing bonds and sinking funds with a fixed sinking schedule
- Bonds with American and European call/put options, including extendable bonds
- Event driven bonds such as rating and registration-sensitive bonds
- Callable perpetual bonds
- Callable fixed-to-floater bonds
- Floating-rate notes linked to LIBOR with coupon reset at least once per year (including floors at 0% and/or regulatory caps set at the rate defined by the usury laws of the relevant jurisdiction)
- Financial subordinated debt with a contingent conversion feature at the point of non-viability, in line with the capital adequacy requirements of Basel III

Excluded:
- Structured notes (CDO, CLO, etc.)
- Pay-in-kind bonds
- Index-linked notes
- Bonds with redemption linked to an entity other than the issuer
- Floating rate notes with floors that are not set at 0% or with caps that are not regulated by the usury laws of the relevant jurisdiction
- Preferred shares
- Bonds with other equity features attached (e.g. options/warrants)
- Asset backed securities where redemption payments may not follow original schedule or payment of principal / interest is junior to other share classes
- Optionally and mandatory convertibles bonds other than the one described above
- 144A offerings
- Private placements
- Retail bonds

Minimum time to maturity 
1 year

Amount outstanding

- >=£ 250m  –  for bonds that were issued after 31st Dec 2010
- >=£ 100m  –  for bonds that were issued before or on 31st Dec 2010

Rating

High yield average rating based on
- Fitch Ratings
- Moody’s Investor Service
- S&P Global Ratings

Currency

GBP

Rebalancing frequency 
Monthly

### Sector Breakdown

<table>
<thead>
<tr>
<th>Sector</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Consumer Services</td>
<td>22.5%</td>
</tr>
<tr>
<td>Financials</td>
<td>19.1%</td>
</tr>
<tr>
<td>Whole Business Securitized</td>
<td>16.9%</td>
</tr>
<tr>
<td>Telecommunications</td>
<td>15.1%</td>
</tr>
<tr>
<td>Oil &amp; Gas</td>
<td>6.7%</td>
</tr>
<tr>
<td>Consumer Goods</td>
<td>6.6%</td>
</tr>
<tr>
<td>Industrials</td>
<td>6.2%</td>
</tr>
<tr>
<td>Utilities</td>
<td>4.7%</td>
</tr>
<tr>
<td>Non-Financials</td>
<td>1.7%</td>
</tr>
<tr>
<td>Health Care</td>
<td>0.5%</td>
</tr>
</tbody>
</table>

### Rating Breakdown

- BB 71.7%
- B 27.7%
- CC 0.6%