

# Markit iBoxx USD Liquid High Yield Index

Independent, objective and transparent coverage and insight across all asset classes

The Markit iBoxx USD Liquid High Yield Index consists of liquid USD high yield bonds, selected to provide a balanced representation of the broad USD high yield corporate bond universe.

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 high yield bond market.

**\$1 Trillion**

OTC value linked to Markit Indices

**\$47 Billion**

in ETFs with Markit Fixed Income

**8,000**

bonds priced daily by  
10 contributing banks

**100+**

licensed banks globally

## Inclusion criteria

<b>Bond types</b>	<p><b>Eligible:</b> 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 notes (MTNs), Rule 144A offerings, callable and puttable bonds are candidates for inclusion.</p> <p><b>Excluded:</b> 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) and Reg S offerings.</p>
<b>Issuer domicile</b>	Bonds from countries classified as developed markets based on the Markit Global Economic Development Classification are eligible for the index. 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, Jersey, Liechtenstein, Luxembourg, Malta, Monaco, Netherlands, New Zealand, Norway, Portugal, San Marino, Singapore, Spain, Sweden, Switzerland, U.S. or United Kingdom.
<b>Issuer type</b>	Corporate debt only. Government debt, quasi-sovereign debt, and debt guaranteed or backed by governments is not eligible.
<b>Minimum time to maturity</b>	1.5 years to maturity for new bonds, 1 year for existing index constituents
<b>Time to maturity at issuance</b>	15 years or less as of bonds issuance date
<b>Amount outstanding</b>	\$400 million
<b>Rating</b>	All bonds need to have an average rating of sub-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.
<b>Issuer size</b>	\$1 billion
<b>Issuer cap</b>	3 percent
<b>Lockout period</b>	3 months
<b>Minimum run</b>	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](mailto:iboxx@markit.com), visit our website at [markit.com/indices](http://markit.com/indices) or call one of our regional offices:

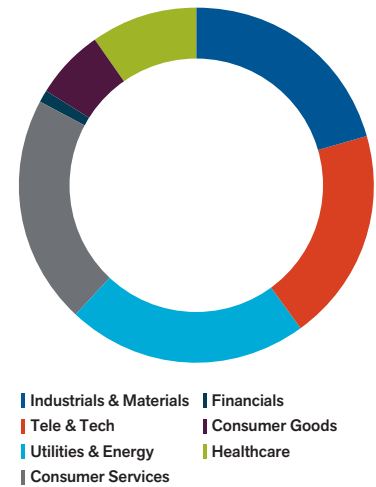
<b>London</b>	+44 20 7260 2000
<b>New York</b>	+1 917 441 6658
<b>Dallas</b>	+1 972 560 4420
<b>Sydney</b>	+61 2 8076 1100
<b>Tokyo</b>	+81 3 6402 0130
<b>Singapore</b>	+65 6922 4200
<b>Frankfurt</b>	+49 69 299 868 140
<b>Amsterdam</b>	+31 20 502 5800

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## Index details

<b>Pricing sources</b>	Barclays Capital, BNP Paribas, Deutsche Bank, Goldman Sachs, JP Morgan, Morgan Stanley, Royal Bank of Scotland and UBS.
<b>Calculation frequency</b>	Approximately 4:00pm EST/EDT
<b>Rebalancing</b>	Monthly in accordance with rules available on <a href="http://www.markit.com/indices">www.markit.com/indices</a> .
<b>Base date</b>	Basis is the closing value of the GS \$ HyTop Index at 31 October 2006.
<b>Bond weighting</b>	Market capitalisation

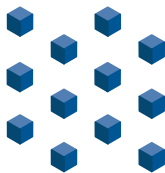
Index Weightings as of December 31, 2012



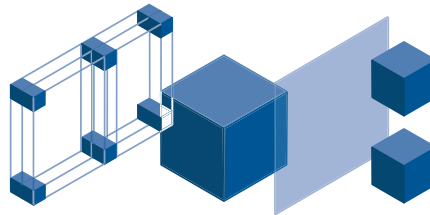
## Construction

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

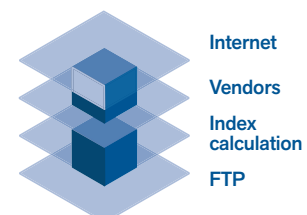
### Raw quotes



### Checking, consolidating and parsing



### Individual checks



### 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

Receive daily price data
Price cleaning and control
Price consolidation
Quality reporting and control
Index and analytics calculation
Challenge process

### Distribution

Index and data publication
Feeds to vendors
Vendor management