

Markit iBoxx USD Liquid High Yield 0-5 Capped Index

Independent and robust underlying index for tradable products

The Markit iBoxx USD Liquid High Yield 0-5 Capped Index is designed to reflect the performance of USD denominated short duration high yield corporate debt.

The index offers exposure to liquid high yield corporate bonds maturing between 0 and 5 years.

The index is rebalanced on a monthly basis and only bonds with a minimum face value of \$350 million per bond are included in the index. The index is weighted by market value, with a 3% cap on each issuer and a 10% cap for 144A bonds without registration rights or with registration period greater than one year.

\$80 billion

AUM in ETFs

14,000+

indices

20,000+

bonds in indices

50+

price sources

500+

clients

Inclusion criteria

Bond types	<p>Eligible: Fixed coupon bonds, step-up bonds with coupons schedules known at issuance (or as functions of the issuer's rating), sinking funds and amortising bonds, medium term notes, Rule 144A offerings, callable and putable bonds.</p> <p>Excluded: Preferred shares, convertible bonds, bonds with other equity features attached (such as 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>
Issuer domicile	Bonds from countries classified as developed markets based on the Markit Global Economic Development Classification are eligible for the index.
Issuer type	Corporate debt only. Debt issued by governments, sovereigns, quasi-sovereigns and government-backed or guaranteed entities are not eligible.
Minimum time to maturity	6 months for new bonds, zero for existing index constituents
Time to maturity at issuance	At least 1 year and maximum of 15 years as of bonds issuance date
Rating	All bonds need to average a sub-investment grade rating. Ratings from Fitch Ratings, Moody's Investor Service and Standard & Poor's Rating Services are considered. The average of the ratings from those credit agencies determines the bond rating.
Amount outstanding	\$350 million
Capping	<p>Issuer cap: 3%</p> <p>144A bonds cap: 10%</p>
Lockout period	3 months
Minimum run	6 months

Clients

Investment banks
 Asset managers
 Hedge funds
 Insurance companies
 ETF issuers

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

Markit iBoxx USD Liquid Investment Grade 0-5 Index

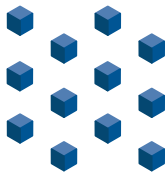
Index details

Pricing sources	Bonds are priced using multi-source pricing in accordance with the methodology available on www.markit.com/indices .
Calculation frequency	Daily after 4:00pm GMT
Rebalancing	Monthly in accordance with rules available on www.markit.com/indices
Base date	April 30 th 2010
Bond weighting	Market capitalisation

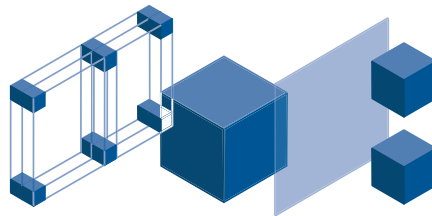
Construction

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

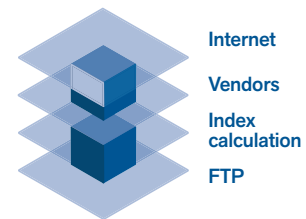
Raw data points



Validating, verifying and parsing



Publication



Construction

Research & design

Index rules
Market research documentation
Index calculation methodology
Data procurement
Prototyping and testing
Project management

Index development and administration

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