



Navigating Fixed Income with Indices

**S&P Dow Jones
Indices**

A Division of **S&P Global**

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March 6, 2024

S&P Dow Jones Indices - For Financial Professionals Only

Disclaimer

S&P Dow Jones Indices does not sponsor, endorse, sell, or promote any product based on an S&P Dow Jones index nor does it make any representation regarding the advisability of investing in any products.

Overview and Value Proposition

S&P DJI Navigates the Fixed Income Market's Greatest Challenges on Behalf of Clients

Through our fixed income index solutions, we deliver the benefits clients are seeking.



Unmatched fixed income index offerings, experience and resources

Clients have access to a broad suite of world-class fixed income index capabilities

We provide clients with regional insights by leveraging our global platform and knowledge of local markets



Solutions that go beyond traditional benchmarks, using multi-sourced and independent data

Ecosystem of liquid fixed income instruments provides clients with ease of trading, hedging, and exposure

Clients can customize indices using existing index data or across a wide range of fundamental and economic factors



Clients can express their specific sustainability preferences

Extensive partnerships with sustainability data providers allow us to provide clients with best-in-class index concepts

Granular customizations of ESG indices can match each client's unique ESG perspectives

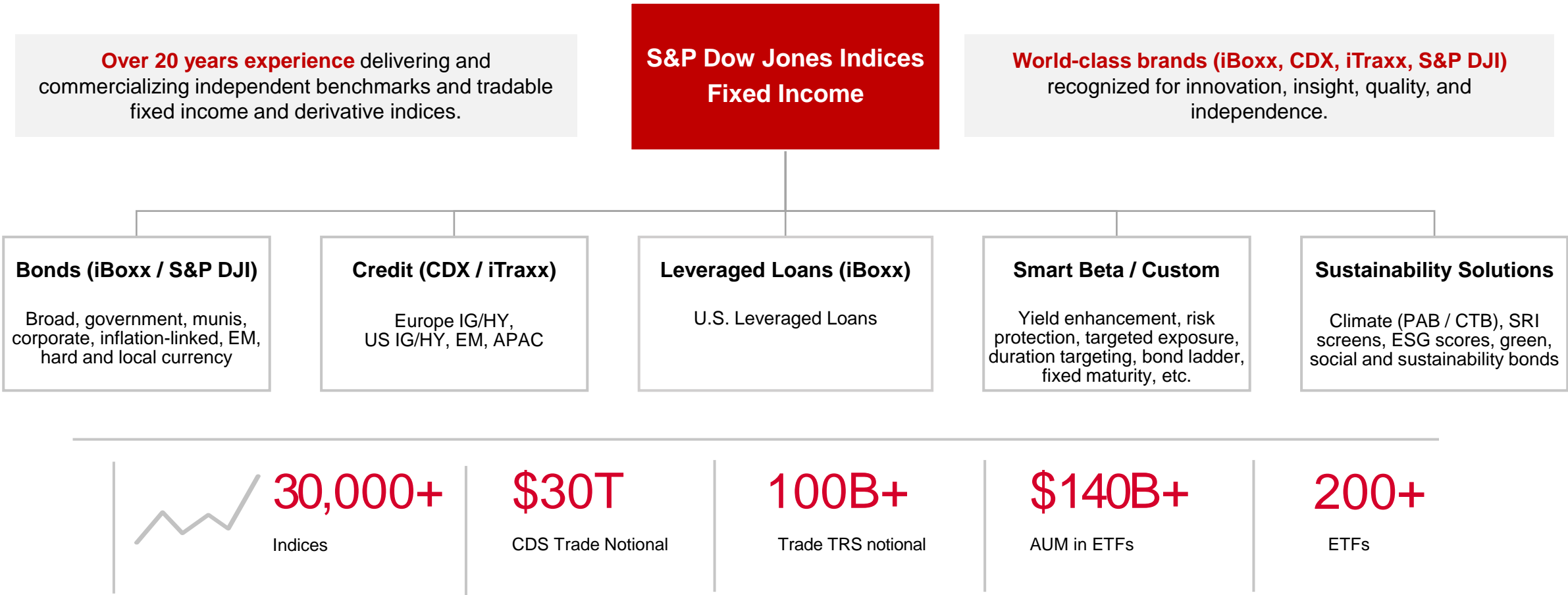


High-touch service and marketing support at every phase of the client relationship

We support index users with extensive services from product development through post-launch

Services include access to research and education plus promotional efforts across digital and in-person platforms

We Offer Clients a Broad Suite of Fixed Income Indices



Clients Have Access to Efficient and Targeted Credit Exposure

Our solutions feature transparent, objective pricing and reliable data.

We have a proven track record of creating **bespoke outcome-oriented indices** that go beyond broad benchmarks.

- Extensive customization across wide range of fundamental and economic factors
- Can include best-in-class multi-asset and sustainability capabilities
- Over 800 custom indices for 70+ clients

Clients can customize solutions according to their objectives

Yield Enhancement

Risk Management

Thematic

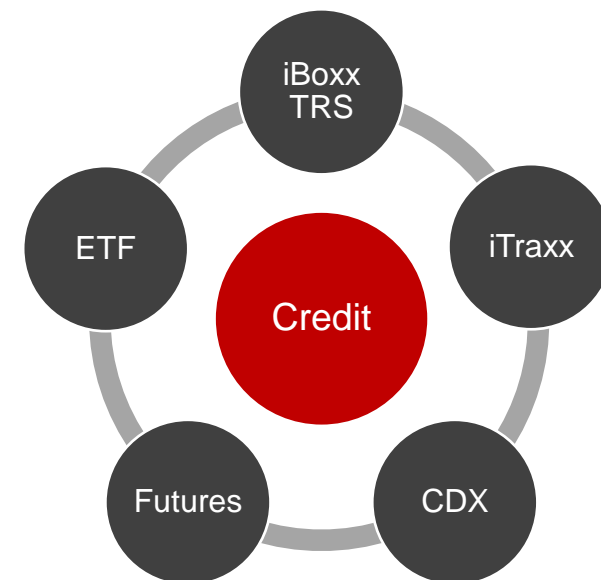
Targeted Exposures

We provide clients with **multi-sourced and independent pricing and reference data** that features:

- Bond pricing service that is evaluated by S&P Global Market Intelligence
- Rigorous series of quality controls
- Real-time bond data
- A wide range of published analytical values
- Data distribution via flat file, Excel add-in, and API
- Partnerships with key desktop platforms and all major third-party vendors

Our ecosystem of liquid fixed income instruments provides ease of trading, hedging, and exposure.

The ecosystem is supported by strategic relationships with asset managers, investment banks, and exchanges across the fixed income value chain.



SPIVA® Results 2022

SPIVA – S&P Indices Versus Active

- Over 20 years of data of Active vs Passive
- Inclusion of fixed income comparison indices after the merger of S&P and IHS Markit in 2022
- In years of market downturn, skills of active managers can be valuable

Percentage of funds underperforming their benchmarks (absolute return)

Asset Class	SPIVA Category	Comparison Index	1Y (%)	3Y (%)	5Y (%)	10Y (%)	15Y (%)	20Y (%)
Equities	Large Cap Funds	S&P 500	51.08	74.27	86.51	91.41	93.40	94.79
Equities	Global Funds	S&P Global 1200	69.09	83.77	82.98	89.13	88.98	88.50
Fixed Income	General IG Funds	iBoxx \$ Liquid Investment Grade	20.73	35.23	73.56	84.82	93.81	-
Fixed Income	High Yield Funds	iBoxx \$ Liquid High Yield	52.94	42.95	72.38	73.40	80.88	-

Source: S&P DJI. Data as of May 31, 2023. Past performance is not an indication or guarantee of future results.

Cash Bond Indices

Headline iBoxx and S&P DJI Fixed Income Index Families

Global

- Global Government
- Global Inflation Linked*
- Global Developed Markets High Yield*
- Contingent Convertibles (CoCo)*
- Infrastructure

North America

- USD Investment Grade*
 - Sovereign
 - Corporate
- USD High Yield*
- USD FRN IG*
- USD Leveraged Loan*
- Collateralised
 - Non-Agency RMBS
 - iBoxx Trepp CMBS
- S&P Municipal Bond
 - AMT-Free*
 - Muni Series*
- S&P Canada
 - S&P/TSX Preferred*

Europe

- EUR Investment Grade*
 - Sovereign
 - Corporate
- EUR High Yield*
- GBP Investment Grade*
- GBP High Yield
- EUR FRN IG*
- European ABS

Latin America

- S&P/BMV Mexico*
- S&P/BVL Peru*
- S&P/B3 Brazil*
- S&P/CLX Chile

Asia-Pacific

- Asia Bond Fund (ABF)*
- ALBI (Asia Local)
- Asia ex-Japan
- iBoxx ChinaBond
- Hang Seng Markit iBoxx Offshore RMB Bond Index
- SGD*
- USD Asia Ex-Japan*
- USD Asia-Pacific*
- ADBI
- One Belt One Road
- S&P/ASX*
- AUD Large Cap*
- S&P/NZX*

Emerging Markets

- USD Emerging Markets Broad*
 - Sovereigns & Sub-sovereigns
 - Corporates & Covered
- Dow Jones Sukuk*
- iBoxx USD Sukuk
- Global Emerging Markets (GEMX)
- S&P Africa Bond*
- iBoxx Tadawul SAR Government Sukuk*

For most index families, the following sub-index breakdowns would be provided as a standard offering, catering to index users who, for example, are looking for long/short dated solutions or targeting a particular investment segment such as A-rated Financials.

- Maturity breakdown (1-3, 3-5, 5-7, 7-10, 10+)
- Ratings breakdown (IG, HY, AAA, BBB, BB, CCC, etc.)
- Sector breakdown (Financials, Non-Financials, Real Estate, Consumer Goods, Technology, Telecommunications, etc.)
- Country (Territory) of Risk breakdown (Germany, United Kingdom, China, United States, Australia, Brazil, etc.)

* Denotes indices tracked by an ETF

**S&P Dow Jones
Indices**

A Division of **S&P Global**

S&P DJI Sustainable Fixed Income Index Solutions

We offer solutions in the four key pillars of sustainable investing across asset classes.



ESG Screened

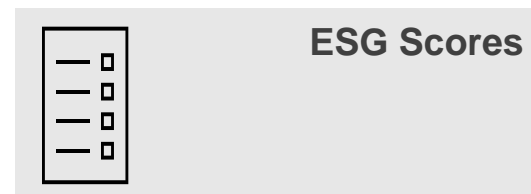
Indices with ESG company **activity-based exclusions**; can combine with ESG scores

Broad benchmarks solutions

- iBoxx Corporates SRI Screened (EUR, USD, GBP Investment Grade & High Yield)

Custom solutions

- iBoxx MSCI ESG EUR/GBP/USD Corporates
- Investment Grade/High Yield, Liquid, Ultrashorts, non-gilts, Floating Rate Notes
- EUR, GBP, USD Asia ex-Japan Corporates Investment Grade



ESG Scores

Best-in-class and broad market approaches that target leaders in ESG criteria

Broad benchmarks solutions

- iBoxx Corporates ESG* EUR, USD, GBP
- iBoxx Global Government ESG Tilted (Concept)*

Custom solutions

- iBoxx MSCI EUR Corporates Carbon and Governance Tilted
- iBoxx SD-KPI EUR / GBP / USD Corporates
- iBoxx MSCI ESG USD AxJ HY
- iBoxx EUR Sovs ESG Tilted
- iBoxx MSCI ESG USD EM Sovereigns Quality Weighted



Climate

Indices designed to address **climate change** and **transition** to a low carbon economy

Broad benchmarks solutions

- iBoxx EUR Corporates Net Zero 2050 Paris-Aligned ESG
- iBoxx EUR Corporates Net Zero 2050 Climate Transition Benchmark ESG (Concept)*
- iBoxx Global Government Climate Tilted (Concept)*

Custom solutions

- iBoxx MSCI PAB EUR HY, USD HY, GBP IG



ESG Thematics

Indices focused on specific ESG issues, with a **narrow objective**, including **impact finance**

Broad benchmarks solutions

- iBoxx Global Green Bonds Select
- iBoxx Global Green, Social & Sustainability Bonds
- iBoxx Global Sustainability-Linked Bonds
- iBoxx EUR Eurozone Sovereigns Green Bonds Capped
- S&P U.S. Municipal Green Bond Index

* Q1 2024 launches

S&P Dow Jones Indices

A Division of **S&P Global**

■ Global ■ Sovereign & Sub-Sovereign ■ Corporate

EMEA Highlights

S&P DJI carries a reputation as a first-in-class index provider and is a provider of choice for key European clients.

WHY S&P DJI? KEY FEATURES

Widely adopted indices across EMEA, including flagships iBoxx EUR and iBoxx GBP

- Indices for **several flagship ETFs** from major European asset managers such as **BlackRock**, Amundi and DWS
- S&P DJI fixed income indices and data analytics continue to serve **long-standing clients in both public and private sectors**
 - The European Central Bank
 - The Bank of England
 - The European Insurance Occupational Pensions Authority (EIOPA)

S&P DJI fixed income offerings span entire ecosystem of cash and derivatives, providing access to multiple solutions across European credit

- **ETF AUM of \$55 billion** across all major European asset managers for iBoxx EUR and GBP indices
- iBoxx EUR and iBoxx GBP are the reference indices for Standardized Total Return Swaps
- The S&P DJI credit ecosystem provides investors **greater choice of instrument** between cash (ETFs) and synthetic (TRS) when expressing views

S&P DJI has a track record of innovation and pioneering new concepts in fixed income

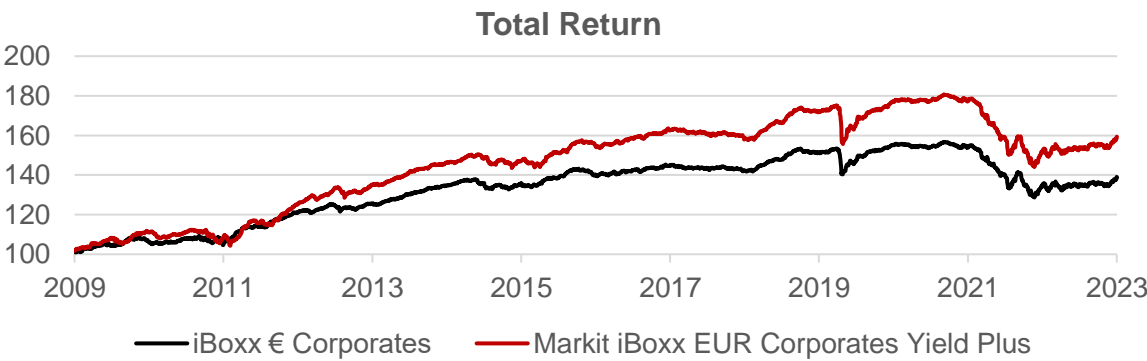
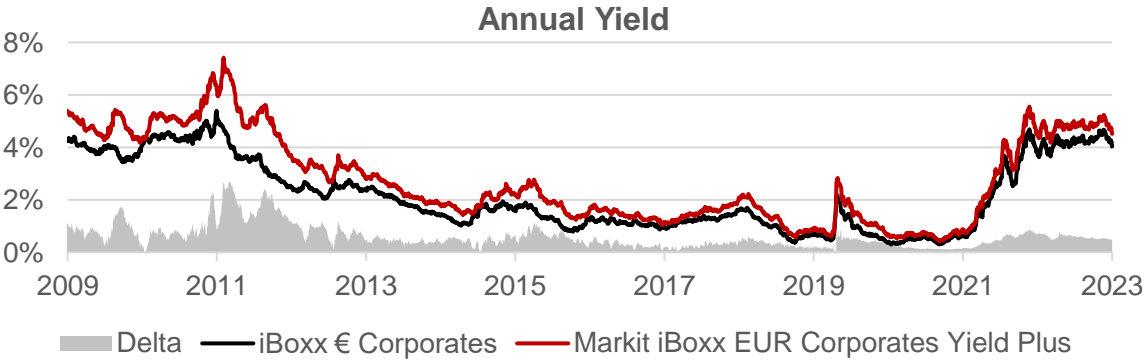
- Breaking new ground in fixed income index creation, such as
 - EUR liquid high yield universe
 - Breakeven Inflation
 - Contingent Convertibles
 - Green, Social, and Sustainable
- S&P DJI takes pride in **understanding realities of the trading environment and enabling the participation** of index products

Case Studies

Case Study Seeking Yield and Income in a Challenging Rate Environment

Yield enhancement strategies can be customized for asset managers to provide income and yield to investors.

Client Challenge	S&P DJI Strategy	Impact of Strategy
<p>In the low interest rate environment prior to 2021, generating positive real yields remained a persistent challenge.</p> <p>An asset manager wanted to explore higher yielding strategies in fixed income that would still capture the beta of the asset class and remain passively managed.</p>	<p>The iBoxx EUR Corporates Yield Plus Index aims to reflect the performance of the highest yielding EUR-denominated Investment Grade bonds, with maturities less than 10 years.</p> <p>The Yield Plus Index screens for the highest yielding (top 50% based on ave. benchmark spread) securities of a chosen asset class, while still capturing sector and ratings diversification.</p>	<p>The asset manager was able to offer an ETF that tracked the performance of the Markit iBoxx Corporates Yield Plus index, allowing clients the ability to optimize yields within their portfolio, during a time of persistently low interest rates and scarcity of higher yielding products.</p> <p>Investors could reach a higher yielding slice of the market while maintaining diversified exposure to a broad beta fixed income asset class.</p>

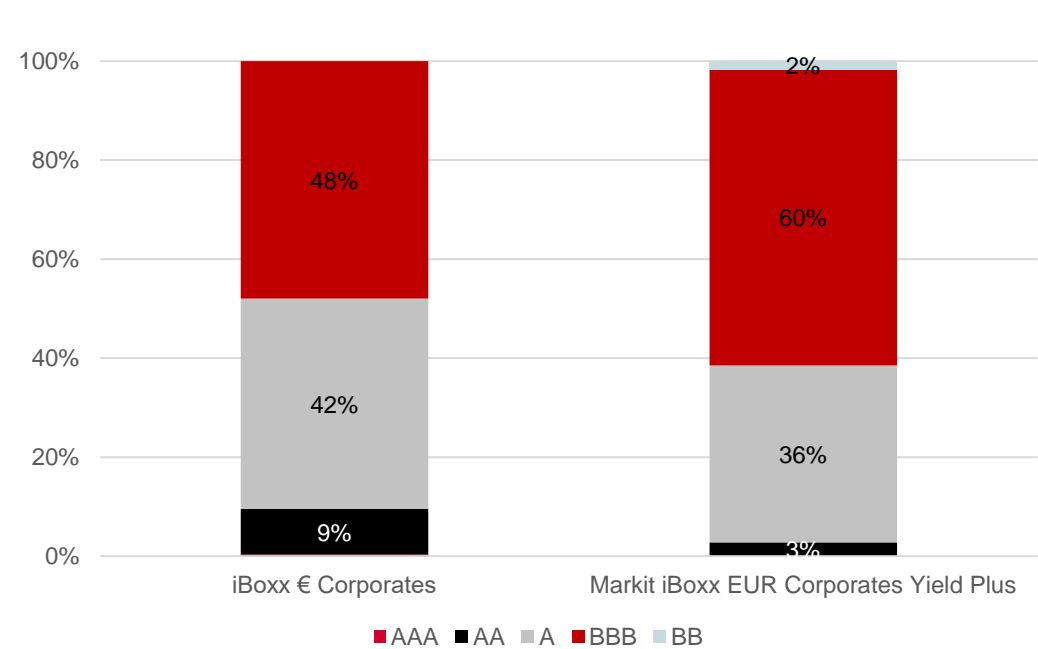


Data as of February 1, 2024. Past performance is not an indication or guarantee of future results.

iBoxx EUR Corporates Yield Plus

Index Analytics & Performance

	iBoxx € Corporates	iBoxx EUR Corporates Yield Plus	Delta
Annual Yield	3.56%	3.91%	0.35 pp
Duration	4.6 years	4.6 years	-0.05 years
Asset Swap Spread	110 bps	148 bps	38 bps



	iBoxx € Corporates	iBoxx EUR Corporates Yield Plus
Core Financials	35%	50%
Real Estate	5%	9%
Utilities	11%	9%
Consumer Goods	13%	8%
Industrials	10%	7%
Telecommunications	5%	3%
Energy	4%	3%
Other	17%	11%

Source: S&P Dow Jones Indices LLC. Data as of February 1, 2024. Past performance is not an indication or guarantee of future results

Case Study Seeking exposure to Solvency II Corporate infrastructure bonds

Yield enhancement strategies can be customized for asset managers to provide income and yield to investors.

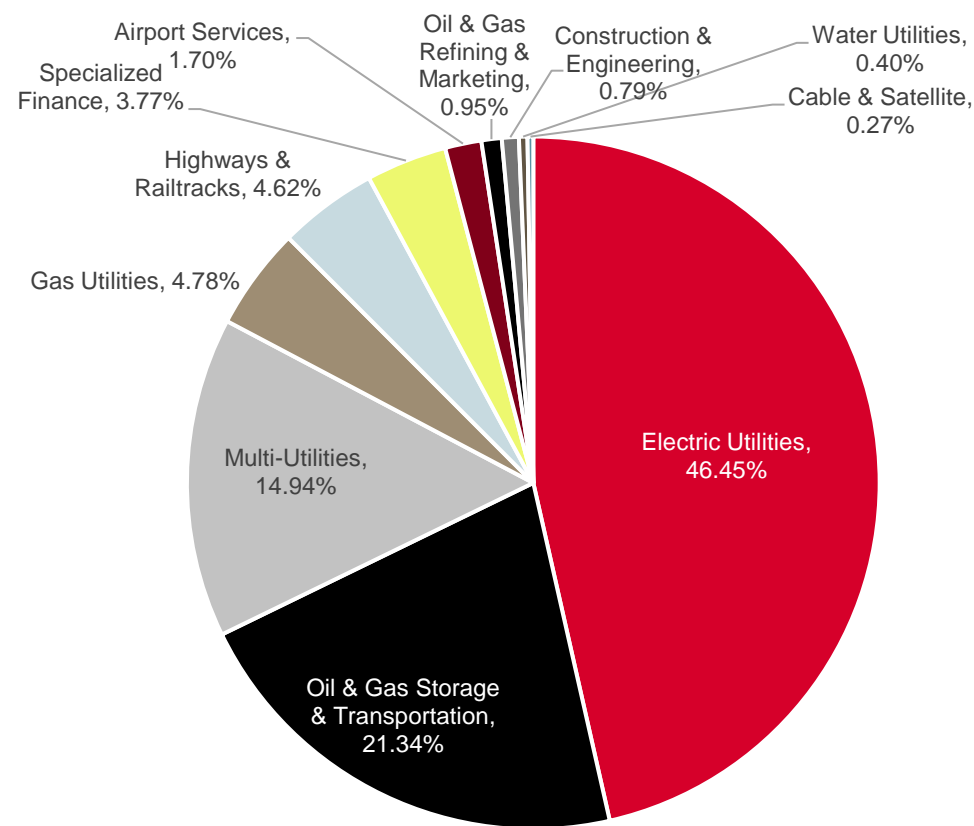
Client Challenge	S&P DJI Strategy	Impact of Strategy
<p>Corporate infrastructure bonds could provide a targeted beta exposure to complement a general account portfolio.</p> <p>Insurance companies adhering to Solvency II capital requirements could find it beneficial to access exposures that provide them capital relief under the regime.</p>	<p>S&P DJI team developed the S&P Solvency II Capital Efficiency Corporate Bond inde. The index tracks qualifying global infrastructure investments that meet the criteria under Solvency II.</p> <p>Qualification is vetted and certified by independent 3rd party with independent, audited documentation of eligibility for each security (Deloitte Consulting, Deloitte Auditing).</p>	<p>Insurance companies who adhere to Solvency II capital requirement can leverage an rules-based, transparent exposure to global infrastructure corporate bonds, which qualify for capital relief under Solvency II, with each individual security being certified as meeting the requirements under Solvency II.</p> <p>A diversified beta exposure to global corporate infrastructure bonds which capitalizes on the treatment of such bonds under Solvency II</p>

- 'Pure-play' infrastructure companies
- Electric Utilities
- Oil & Gas Storage & Transportation
- Gas & Water Utilities
- Airport Services
- Highways & Rail
- Marine Ports & Services

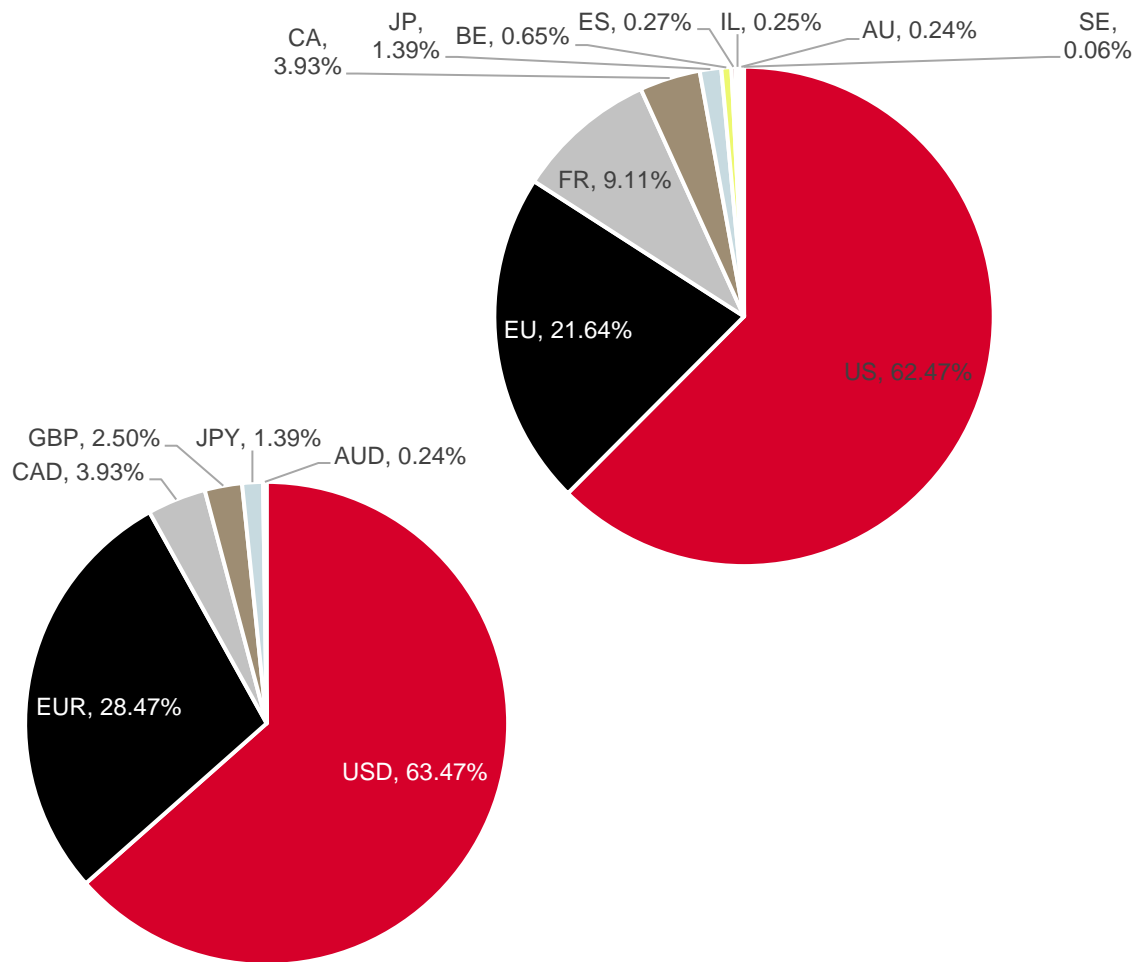


S&P Solvency II Capital Efficiency Corporate Bond Index

Sector Composition

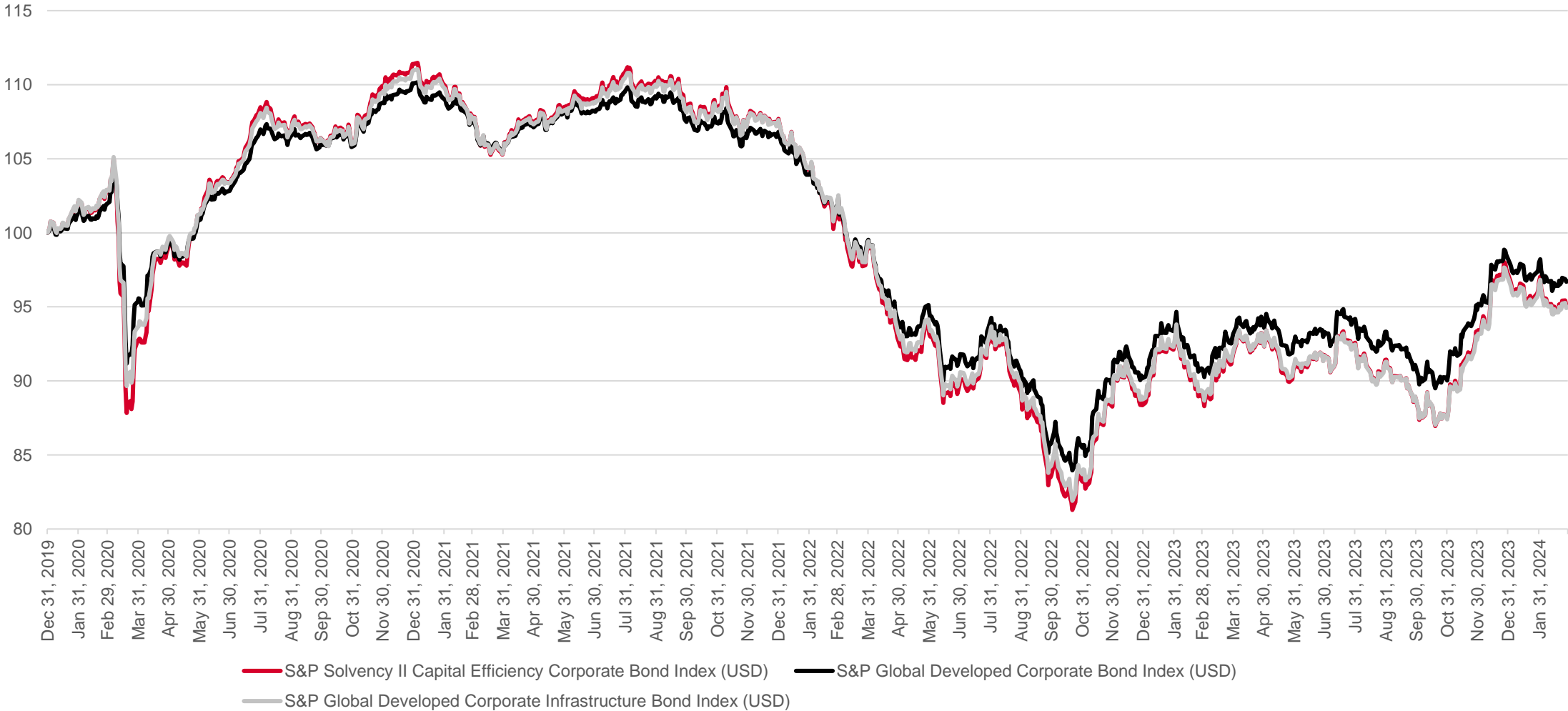


Domicile and Currency Composition



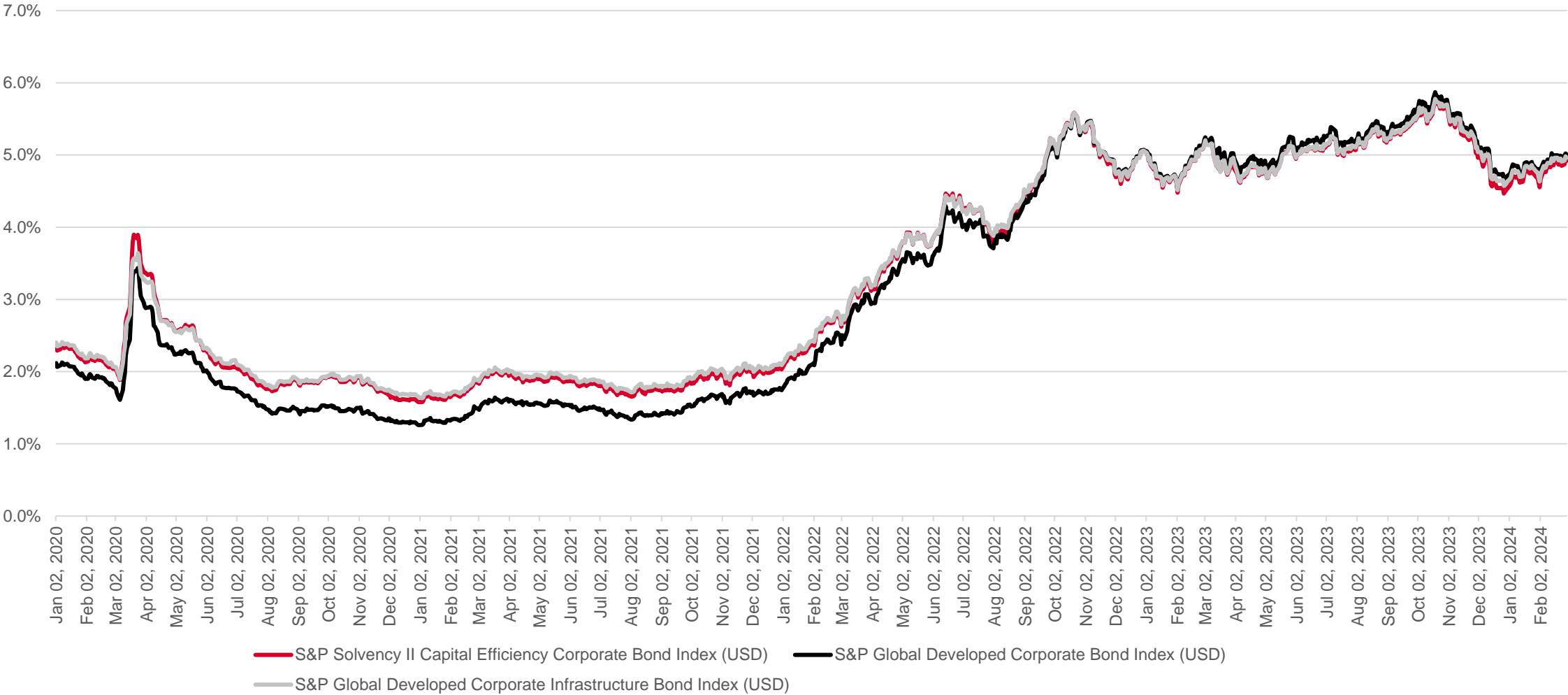
Source: S&P Dow Jones Indices LLC. Data as of February 1, 2024. Index performance based on total return. Charts and graphs are provided for illustrative purposes. Past performance is not an indication or guarantee of future results.

Historical Performance



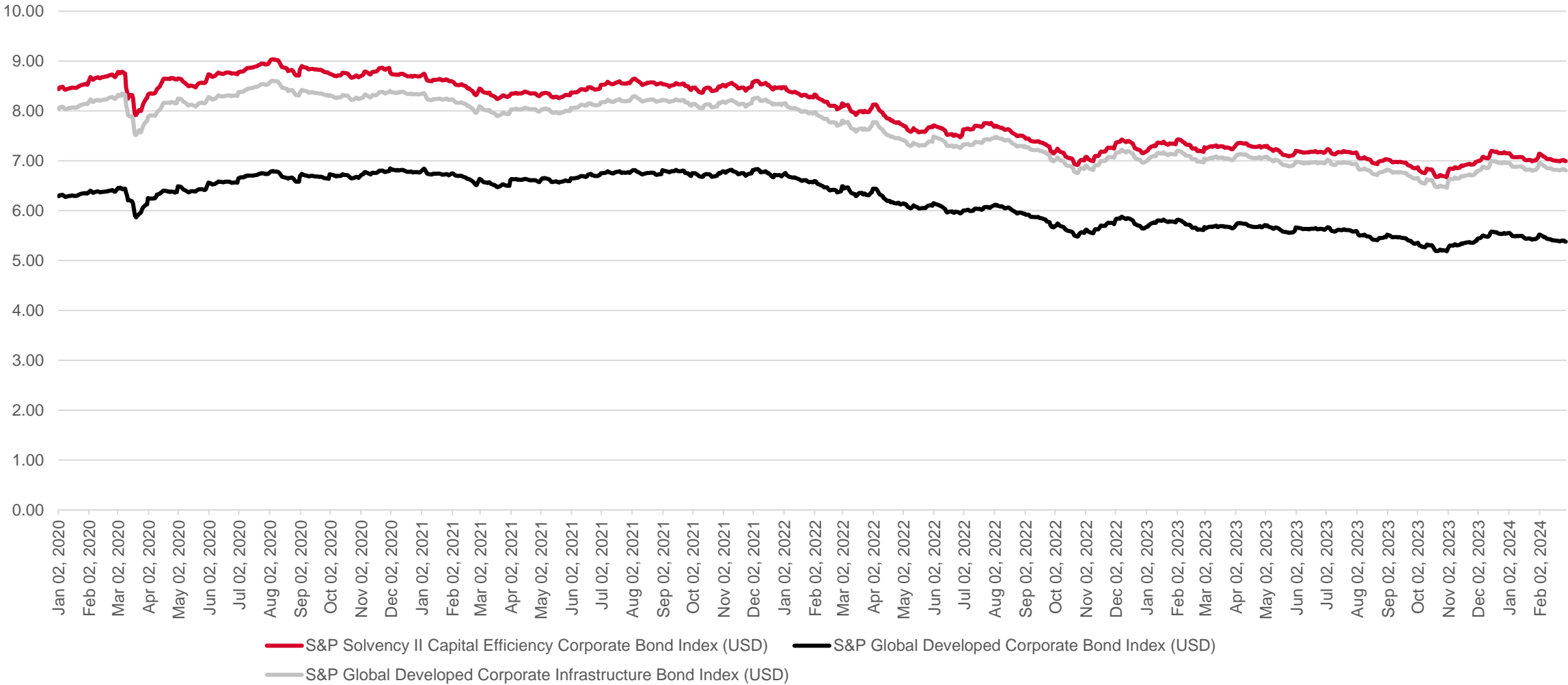
Source: S&P Dow Jones Indices LLC. Data as of February 28, 2024. Index performance based on total return. Charts and graphs are provided for illustrative purposes. Past performance is not an indication or guarantee of future results.

Yield to Worst

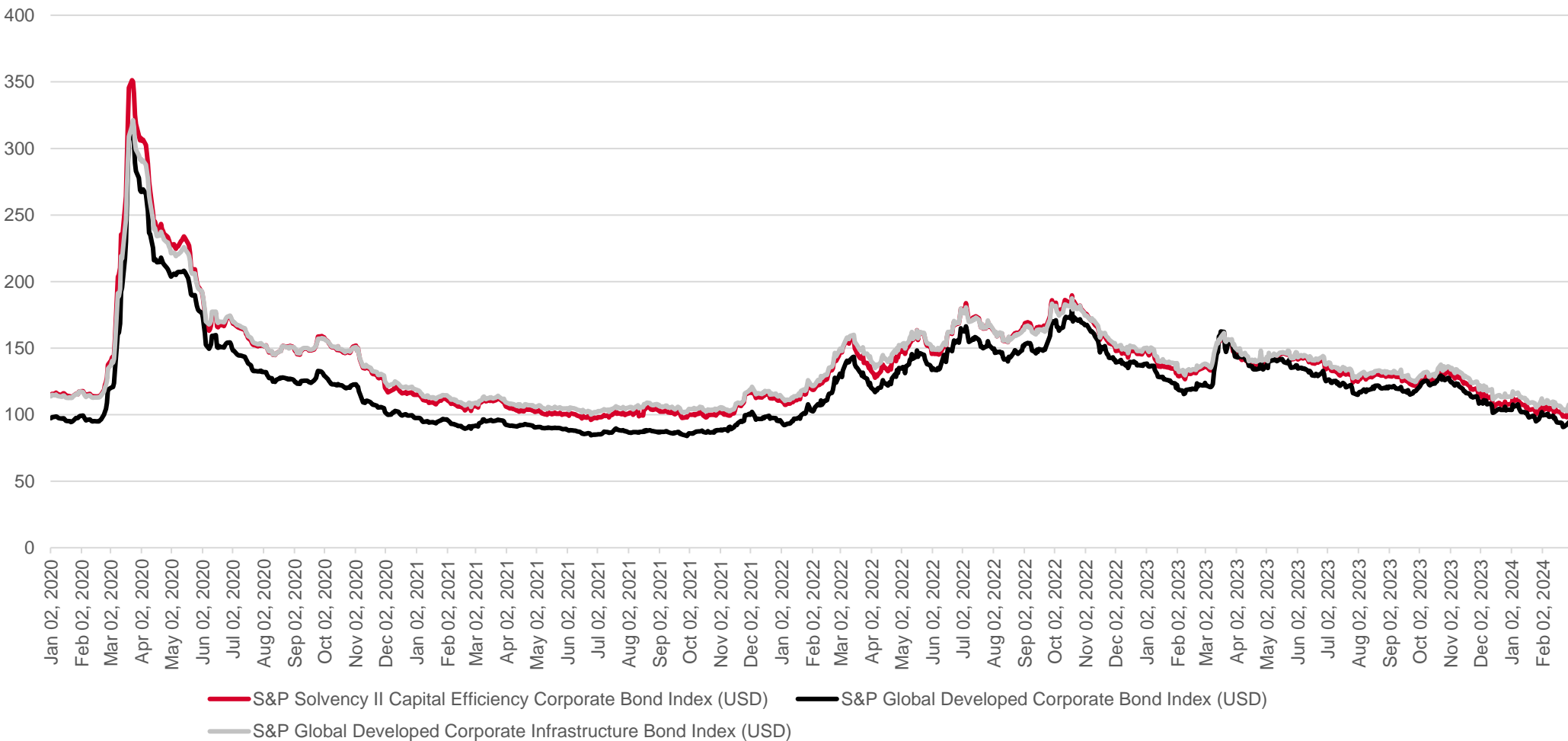


Source: S&P Dow Jones Indices LLC. Data as of February 28, 2024. Index performance based on total return. Charts and graphs are provided for illustrative purposes. Past performance is not an indication or guarantee of future results.

Effective Duration



Option Adjusted Spread (OAS)



Source: S&P Dow Jones Indices LLC. Data as of February 28, 2024. Index performance based on total return. Charts and graphs are provided for illustrative purposes. Past performance is not an indication or guarantee of future results.

Case Study Indices to support Solvency II RFR requirements

EIOPA requirement	S&P DJI Solution	Impact of Strategy
<p>EIOPA (European Insurance & Occupational Pensions Authority) currently publishes the relevant risk-free interest rates (RFR) on a monthly basis in accordance with regulations around capital requirements. These are mirrored by the Prudential Regulatory Authority in the UK.</p> <p>The risk-free rate interest term structure being published includes the calculation of a volatility adjustment (VA). For determining this VA, the calculation of the spread on assets over central government and central bank bonds portfolios (currency VA and country VA) is needed. This calculation is based on market yield indices for corporate bonds.</p>	<p>Insurance undertakings in the EU (and the UK) are required to calculate their technical provisions using the EIOPA risk free rates for the Solvency II calculation. Volatility adjustments to the long-term insurance products are calculated considering the risk-free rate published once a month by EIOPA on a T+7 basis.</p> <p>Index yields from the following index families currently used by EIOPA & PRA for RFR VA:</p> <ul style="list-style-type: none"> • iBoxx GBP IG • iBoxx EUR IG • iBoxx EUR HY • iBoxx USD IG 	<p>Many insurance companies find value in updating the process on a daily basis as part of their risk management workflows.</p> <p>iBoxx indices include a wide range of analytical values and sub index granularity by sector, rating, maturity which support the workflow around RFR and VA calculations.</p>

Appendix

S&P Dow Jones Indices

spglobal.com/spdji

Index-Based Solutions.

As the world's leading provider of index solutions across geographies and asset classes, we innovate trusted solutions that unleash the potential of capital markets for everyone, everywhere. Our vision is to give every person the power to determine their own financial destiny.

Our Focus Forward >>

Deepen customer relationships to extend the core

Innovate in high-growth segments

Deliver operational excellence

Overview

S&P Dow Jones Indices

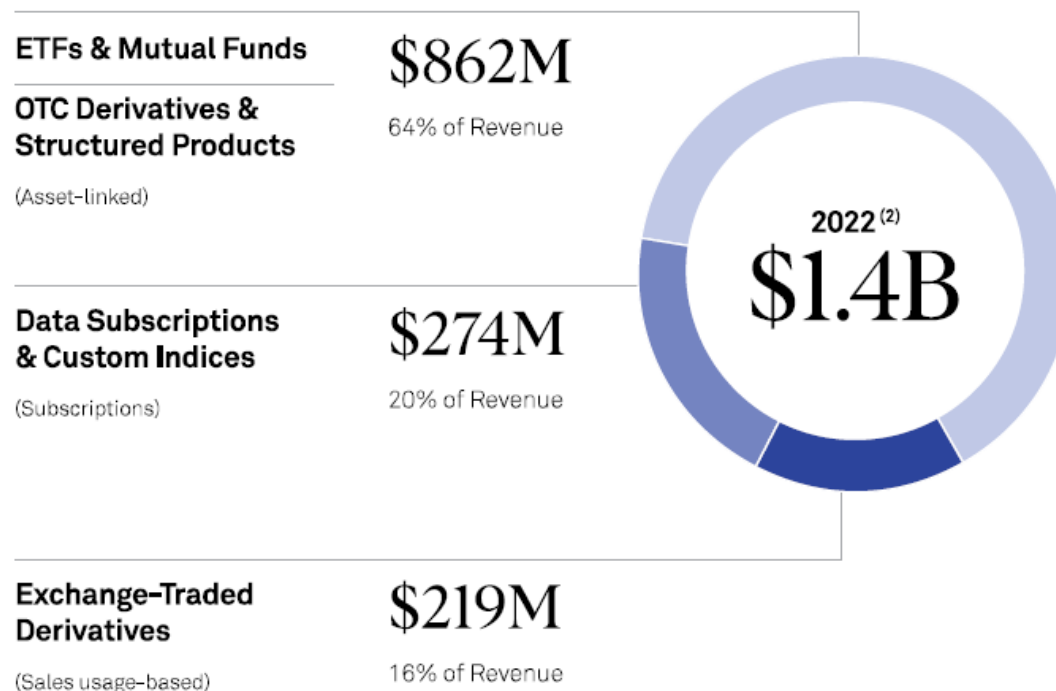
A Division of **S&P Global**

S&P Dow Jones Indices – Index-based Solutions

S&P Dow Jones Indices is the largest global resource for index-based concepts, data and research, and home to iconic financial market indicators, such as the S&P 500® and the Dow Jones Industrial Average®.

More assets are invested in products based upon our indices than any other index provider in the world. With over USD 8.3 trillion in passively managed assets linked to our indices and over USD 8.4 trillion benchmarked to our indices, our solutions are widely considered essential in tracking market performance, evaluating portfolios and developing investment strategies.

How S&P Dow Jones Indices Generates Revenue



S&P Dow Jones Indices – Facts and Figures

- S&P DJI indices underlie more index-linked products—including mutual funds, ETFs, annuities, futures and options—than any other index provider.
- **S&P DJI's** index and data infrastructure serves 91 of the top 100 global asset managers.
- S&P DJI indices span every major asset class, as well as markets large and small around the globe.
- **S&P DJI has more strategic partnerships with stock exchanges worldwide than any other index provider.**

Asset-linked fee revenue:

Licensing fees on assets invested in products linked to S&P Dow Jones Indices

Fixed or variable annual and per-issue fees or blanket fees for OTC derivatives and structured products

Subscription revenue:

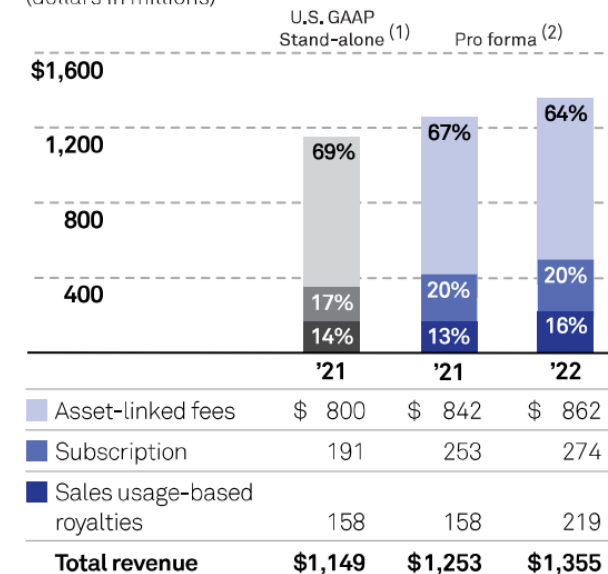
Customized index solutions and data subscriptions that support index fund management, portfolio analytics, and research

Sales usage-based royalties revenue:

Royalties based on trading volumes of derivatives contracts listed on global exchanges

Revenue by Type

(dollars in millions)



Notes for page 55:

(1) 2021 results on a stand-alone basis for S&P Global

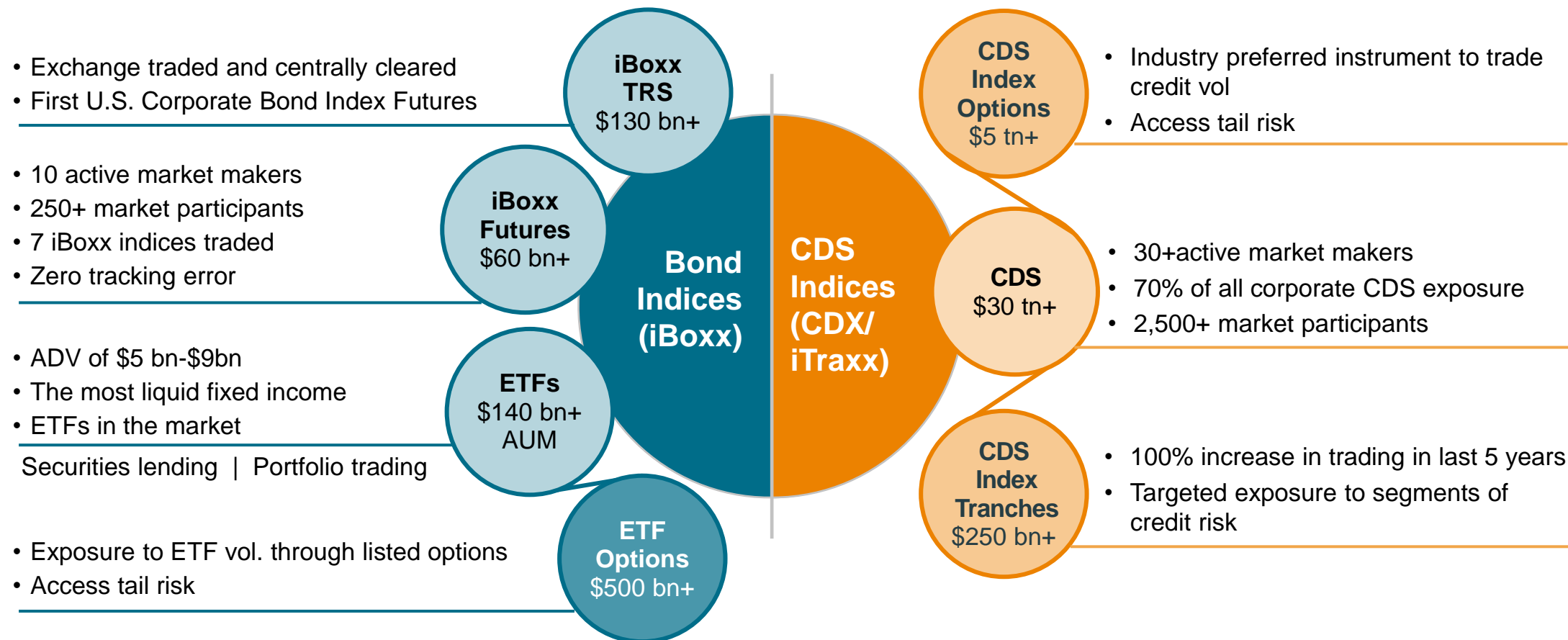
(2) 2021 and 2022 results on a non-GAAP pro forma adjusted basis as if the merger completed on January 1, 2021

2021 and 2022 non-GAAP pro forma adjusted results reflect the divestiture of a family of leveraged loan indices

Ownership of S&P Dow Jones Indices LLC joint venture (established in June 2012): 73%, S&P Global; 27% CME Group

S&P DJI Credit Ecosystem

Liquid fixed income instruments provide ease of trading, hedging, and exposure.



The ecosystem is **supported by strategic relationships** with asset managers, investment banks, and exchanges across the fixed income value chain.

S&P Dow Jones Indices – Differentiators

One-stop shop

U.S. Equities	Sustainability
Global Equities	Factors
Multi-Asset	Thematics
Fixed Income	Indicators
Commodities	Digital Assets
Custom	Private Equity

Market Leader

Leader in

Global ETF AUM

U.S. Equity ETF AUM

U.S. Equity ETF flows

Trusted global brands

S&P 500®

The Dow®

VIX®

iBoxx®

CDX & iTraxx®

S&P GSCI®

Note: The Dow® is a trademark of Dow Jones Trademark Holdings LLC. VIX® is a trademark of Cboe Exchange, Inc. GSCI® is a trademark of Goldman, Sachs & Co.

S&P Dow Jones Indices

A Division of **S&P Global**

Our Services

A full suite of index services to meet **a wide range of client** needs:

Index Licensing

License indices to create a wide range of investable financial products, from ETFs to structured products.

Data and Benchmarking*

Subscribe to index data to benchmark investments or funds, model portfolios, or analyze market trends and behavior.

Custom Indices

You have the idea. We'll create the index. Drawing on a wealth of experience and industry knowledge, we provide custom index solutions for banks, ETF providers, asset managers and other institutions globally.

**Through a SPICE license, companies can also access this information.*

S&P Dow Jones Indices – Our Index Solutions

Equity

Families of indices for global and local markets, covering more than 20,000 securities in more than 83 countries with over 20 years of uninterrupted history

U.S. Equity

- Style
- Sector
- Industries

Global Equity

Developed Equity

Emerging Equity

Frontier Equity

Property & REIT

Shariah

VIX⁽¹⁾

(1) VIX[®] is a trademark of Cboe Exchange, Inc

Sustainability

S&P ESG

ESG Equal Weight

Dow Jones Sustainability Indices

Green Real Estate

S&P Sustainability Sectors

Climate

Paris-Aligned & Climate Transition (PACT)

Carbon Efficient

S&P Global 1200 Fossil Fuel Free

Fixed Income, Commodities, Currencies (FICC)

Broad market benchmarks measuring exposure to liquid fixed-income asset classes, segments of the credit markets, and first major investable commodity index as well as alternatives including specialty indicators, currencies, and cryptocurrencies

Fixed Income

Corporate Credit

Treasury / Sovereign / Quasi-Government

Emerging Markets

U.S. Municipal

Inflation-Linked

Collateralized

Floating Rates Notes

Money Market

Preferred and Convertible

Leveraged Loans

Thematics (Infrastructure, Sukuk, Faith-Based)

Fixed Income Sustainability

ESG & Sustainability Screened

Green, Social & Sustainability Bonds

Paris-Aligned & Climate Transition (PACT)

Commodities

Broad Market

Climate Aware

Sector & Single Commodity

Quantitative Strategies

Equity-Based

Private Markets

Private Equity

Venture Capital

Private Credit

Real Assets

Alternatives

Currencies / Cryptocurrencies

Indicators

Smart Beta

Indices measuring blended characteristics that are determined by specific outcomes and investment goals, enabling enhanced portfolio diversification, above-market returns, and risk management

Factors

Dividend Strategies

Sustainable Dividend Strategies

Single Factor

Multi-Factor

Sustainable Factor

Quantitative Strategies

Alternative Beta

Thematics / Kensho

New Economies

Innovative Technology

Commodity Producers & Natural Resources

Health Care & Wellness

Alternatives (Infrastructure, Private Equity)

Consumer

Thematics Sustainability

Clean Energy

Mobility

Green Alternatives (Infrastructure, Real Estate)

Green Opportunities (e.g., Transition Metals, Responsible Mining)

Multi-Asset

Managed Volatility

S&P MARC5

Target Date

Target Risk

Defined Outcome/ Target Outcome

Options Strategies

Liquid Alternatives

Real Assets

Custom Solutions

Custom Index options include:

- Benchmark Administration
- Custom Slice & Dice
- Client Proprietary
- Custom Hybrid

Services include:

- Index Calculation
- Index Distribution
- Support

S&P Dow Jones Indices – Global reach. Local expertise.

Contact us:

Alfredo Uras

Director, European Asset Owner & Consultants -
Channel Management

S&P Dow Jones Indices

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Mobile: +39 347 3508176

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What happens when peerless indexing expertise and infrastructure meet a wide network of local market insiders and stock exchange partnerships spanning the globe?

S&P DJI combines global experience and in-depth local knowledge to give investors truly comprehensive perspectives on market dynamics.



Learn more about S&P DJI fixed income indices

- S&P Dow Jones Fixed Income Indices <https://www.spglobal.com/spdji/en/index-family/fixed-income/>
- iBoxx Bond & Loan Indices <https://www.spglobal.com/spdji/en/indices/products/iboxx.html>
- iBoxx Index Screener <https://indicesweb.ihsmarkit.com/iBoxx/Screener>

S&P Dow Jones Indices

Sign-up here - <https://www.spglobal.com/spdji/en/registration/>

Performance Disclosure

S&P Dow Jones Indices defines various dates to assist our clients in providing transparency on their products. The First Value Date is the first day for which there is a calculated value (either live or back-tested) for a given index. The Base Date is the date at which a given index is set at a fixed value for calculation purposes. The Launch Date designates the date upon which the values of a given index are first considered live: index values provided for any date or time period prior to the index's Launch Date are considered back-tested. S&P Dow Jones Indices defines the Launch Date as the date by which the values of an index are known to have been released to the public, for example via S&P Dow Jones Indices' public website or its datafeed to external parties. For Dow Jones-branded indices introduced prior to May 31, 2013, the Launch Date (which prior to May 31, 2013, was termed "Date of introduction") is set at a date upon which no further changes were permitted to be made to the index methodology, but that may have been prior to the index's public release date.

The back-test period does not necessarily correspond to the entire available history of the index(es). Please refer to the index methodology for the particular index in question, available at www.spdji.com, for more details about such index, including the manner in which it is rebalanced, the timing of such rebalancing, criteria for additions and deletions, as well as all index calculations.

Another limitation of using back-tested information is that the back-tested calculation is generally prepared with the benefit of hindsight. Back-tested data and/or information reflects the application of the index methodology and selection of index constituents in hindsight. No hypothetical record can completely account for the impact of financial risk in actual trading. For example, there are numerous factors related to the equities, fixed income, or commodities markets in general which cannot be, and have not been accounted for in the preparation of the index information set forth, all of which can affect actual performance.

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