

**S&P Dow Jones  
Indices**

A Division of **S&P Global**

# **iBoxx SGD Non-Sovereigns Large Cap Investment Grade Index Guide**

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# 1 iBoxx SGD Non-Sovereigns Large Cap Investment Grade Index

The iBoxx SGD Non-Sovereigns Large Cap Investment Grade Index is designed to reflect the performance of SGD denominated non-sovereigns investment grade bonds. The index rules aim to offer a broad coverage of the underlying bond universe, whilst upholding minimum standards of investability and liquidity. In addition, the index also seeks to reflect the applicable provisions of the Code on Collective Investment Schemes ("CIS") as published by the Monetary Authority of Singapore and the CPF Investment Guidelines published by the Central Provident Fund Board. The index is an integral part of the global iBoxx index families, which provide the marketplace with accurate and objective indices by which to assess the performance of bond markets and investments.

All iBoxx indices are priced based on multiple data inputs. The iBoxx SGD Non-Sovereigns Large Cap Investment Grade Index uses multi-source prices as described in the document *Markit iBoxx Pricing Rules* publicly available under methodology on <http://www.markit.com/Documentation/Product/iBoxx>.

This document covers the index selection rules and calculation methodology.

## 1.1 Publication of the index

The iBoxx SGD Non-Sovereigns Large Cap Investment Grade Index is calculated as end-of-day index and distributed once daily. The index is calculated every day except on common Singapore bank holidays. In addition, the index is calculated with the previous trading day's close on the last calendar day of each month if that day is not a trading day.

S&P DJI publishes an index calculation calendar which is available at <https://www.spglobal.com/spdji/en/>. Index data and bond price information is also available from the main information vendors.

Bond and index analytical values are calculated each trading day using the daily closing prices. Closing index values and key statistics are published at the end of each business day at <https://www.spglobal.com/spdji/en/> for registered users.

## 2 Bond selection rules

The index is derived from the underlying broad iBoxx SGD Overall index and follows the rules for the iBoxx SGD Overall index except as specifically detailed below.

### 2.1 Bond Type

Following bond types are eligible for the index

- Fixed coupon plain vanilla bonds
- Zero coupon bonds
- Callable and puttable bonds
- Amortizing bonds and sinking funds with fixed sinking schedules
- Step-ups and event-driven bonds such as rating-driven or registration-driven bonds
- Dated and undated fixed-to-floater bonds

All other bond types are excluded from the index, including:

- Floating rate notes
- 144As and private placements
- Retail bonds
- Inflation- and other index-linked bonds
- Structured notes
- Collateralized bonds
- Covered bonds
- Brady bonds
- Catastrophe bonds
- Payment-In-Kinds (PIKs)
- Convertibles
- Contingent convertible bonds
- Bonds cum- or ex-warrant
- New bonds entering the index that have already been called prior to rebalancing

For retail bonds and private placements, publicly available information is not always conclusive and the classification of a bond as a retail bond or a private placement will be made at S&P DJI's discretion based on the information available at the time of determination. S&P DJI may consult with the specific Index Advisory Committees to review potential retail bonds or private placements. Any bond classified as retail or private placement is added to the list of excluded private placements and retail bonds. The list is published on <http://www.markit.com/NewsInformation/GetNews/IBoxx> under *News & Information* for future reference and to ensure decision's consistency.

In instances where a new bond type is not specifically excluded or included according to the published index rules, S&P DJI will analyze the features of such securities in line with the principles set out in 2.1 of this guide. S&P DJI may consult the specific Index Advisory Committees. Any decision as to the eligibility or ineligibility of a new bond type will be published and the index rules will be updated accordingly.

## 2.2 Credit rating

All bonds need to be investment grade. Unrated bonds are eligible for the index if they are deemed to be investment grade, subject to the limits specified in Section 2.6.

Ratings from Fitch, Moody's and S&P are considered. For bonds rated by more than one agency, the minimum rating is attached to the bond. For unrated senior bonds, issuer ratings are used if no agency provides a bond rating.

Unrated bonds are assigned an implied credit quality based on their yield spreads. The implied credit quality is used to differentiate bonds into investment grade and high yield. The implied credit quality methodology is available in a separate document on <https://www.markit.com/Documentation/Product/IBoxx> under the *Methodology* section.

## 2.3 Time to maturity

All bonds must have a remaining time to maturity of at least one year at rebalancing. Newly issued bonds must meet the minimum initial time to maturity rule. The minimum initial time to maturity as measured from the first settlement date to the maturity date of the bond, must be 18 months or more. The time to maturity is calculated from the rebalancing date to the assumed workout date of the bond, by using the day count convention of the bond.

The workout date for a bond is determined based on the bond features as follows:

- For plain vanilla bonds, the expected workout date is the final maturity date
- For dated and undated callable financial hybrid capital bonds, the workout date is assumed to be the first call date
- For non-financial hybrid capital bonds with an interest rate reset, the workout date is assumed to be the first reset date
- For soft bullets, the expected workout date is determined using the first call date
- For sinking funds and amortizing bonds, the workout date is based on the average life

## 2.4 Amount Outstanding

Eligible bonds must be denominated in SGD, with a minimum amount outstanding of SGD 300 million.

## 2.5 Issuer Type

Sub-sovereigns and corporate issuers qualify for the index. Singapore Government Securities are not eligible.

## 2.6 Exposure limits

In order to reflect the applicable CIS and CPF guidelines, the following maximum weights apply to issuers/ types of issuers:

- The maximum weight of an individual issuer is:
  - > 5% for unrated issuers, or
  - > 10% for rated issuers (excluding Singapore Statutory Boards), or
  - > 20% for rated Singapore Statutory Boards
- The maximum aggregate weight of unrated issuers which are not incorporated in Singapore\* or not Singapore Statutory Boards is 5%
- The maximum weight from all affiliated entities of a group is capped at 20%

\* Singapore-incorporated issuers: Debt securities issued by Singapore-incorporated special purpose entities that are not owned or established by Singapore-incorporated entities are not deemed to be debt securities issued by Singapore-incorporated issuers.

Entities are considered to be affiliate within the same group, if they are majority owned by the same (ultimate) parent. A company is considered majority owned by a parent if such parent either

- owns more than 50% of the outstanding shares of the entity, or
- owns more than 50% of the voting shares of the entity.

# 3 Index calculation

## 3.1 Static data

Information used in the index calculation is sourced from offering circulars and checked against standard data providers.

## 3.2 Bond prices

For more details, please refer to the *iBoxx Pricing Methodology* document, available in the *Methodology* section of the webpage at <https://www.spglobal.com/spdji/en/>.

## 3.3 Rebalancing process

All iBoxx SGD indices are rebalanced monthly on the last business day of the month. Any inclusion after the index cut-off day (t-3) will not be considered in the re-balancing process, but will become effective at the end of the following month. New bonds issued are taken into account if they are publicly known to settle until the last calendar day of the month, inclusive, and if their rating and amount outstanding has become known at least three trading days before the end of the month.

Two business days before the end of each month, the rating and amount information for the constituents is updated and the list is adjusted for all rating and amount changes which are known to have taken place three business days before the end of the month which could also result in exclusion of the bond. The changes made on T-2 for rating and amount will not be considered for inclusion.

## 3.4 Index data

The calculation of the index is based on bid prices. New bonds are included in the indices at their respective ask prices when they enter the index family. In the event that no price can be established for a particular bond, the index continues to be calculated based on the last-available price. This might be the case in periods of market stress, or disruption as well as in illiquid or fragmented markets. If the required inputs become impossible to obtain, S&P DJI may consult the specific Index Advisory Committees at the following rebalancing date. To ensure consistency, decisions taken are made publicly available on a timely basis and S&P DJI has the ability to refer back to previous cases.

On the last trading day of a month, the rebalancing takes place after the daily index calculation for the current month's list, including the calculation of the last calendar day's indices, has been performed.

## 3.5 Index weights

The bonds in the index are market capitalization weighted. An unrated bond is included in the index at 50% of its full notional, subject to the limits specified in Section 2.6.

## 3.6 Index calculus

For specific index formulas please refer to the *iBoxx Bond Index Calculus* document available on <https://www.spglobal.com/spdji/en/> under *Methodology*.

### **3.7 Treatment of the special intra-month events**

Data for the application of corporate actions in the index may not be fully or timely available at all times, e.g. the final call prices for make-whole calls or the actual pay-in-kind percentage for PIK-payment options. In such cases, S&P DJI will estimate the approximate value based on the available data at the time of calculation.

#### **3.7.1 Full redemptions: exercised calls, puts and buybacks**

If a bond is fully redeemed intra-month, the bond effectively ceases to exist. In all calculations, the redeemed bond is treated as cash based on the last price, the call price or repurchase price, as applicable. The redemption factor, redemption and the redemption price are used to treat these events in the index and analytics calculation. In addition, the clean price of the bond is set to the redemption price, and the interest accrued until the redemption date is treated as an irregular coupon payment.

#### **3.7.2 Bonds trading flat of accrued**

If a bond is identified as trading flat of accrued, the accrued interest of the bond is set to 0 in the total return index calculation and is excluded from the calculation of all bond and index analytical values.

Bonds will be considered trading flat of accrued in any of the following situations:

- a bond has been assigned a default rating and/or
- issuer has announced a failure to pay a coupon and/or
- issuer has announced an intention not to make a payment on an upcoming coupon (grace period).

#### **3.7.3 Cash**

Cash from coupon payments and redemptions is held as cash in the Index and reinvested into the Index at the rebalancing day. During the month the cash component is not earning any interest.

### **3.8 Index history**

The Index history starts on 30 June 2012. The index has a base value of 100 on that date.

### **3.9 Settlement conventions**

All iBoxx indices are calculated using the assumption of T+0 settlement days.

### **3.10 Calendar**

S&P DJI publishes an index calculation calendar available on <https://www.spglobal.com/spdji/en/> under *iBoxx Indices Calendars*. This calendar provides an overview of the index calculation holidays of the iBoxx bond index families each year.



### 3.11 Data publication and access

The index is published on S&P DJI website, [www.spglobal.com/spdji](http://www.spglobal.com/spdji), SFTP server, and made available through main information vendors. Below is a summary of the identifiers of the index for each publication channel:

Index name	Return Type	ISIN	SEDOL	Bloomberg	RIC
iBoxx SGD Non-Sovereigns Large Cap Investment Grade	TRI	GB00BF9QLB19	BF9QLB1	IBXXSNS5	.IBXXSNS5
	CPI	GB00BF9QLC26	BF9QLC2	IBXXSNS6	.IBXXSNS6

### 3.12 Index review

In addition to the daily governance of indices and maintenance of index methodologies, at least once within any 12-month period, the Index Committee reviews the methodology to ensure the indices continue to achieve the stated objectives, and that the data and methodology remain effective. In certain instances, S&P Dow Jones Indices may publish a consultation inviting comments from external parties.

## 4 Governance and regulatory compliance

IHS Markit Benchmark Administration Limited (IMBA UK) is the Index Administrator of iBoxx indices. Information on IMBA UK's governance and compliance approach can be found [here](#). This document covers:

- Governance arrangements
- Input data integrity
- Conflicts of interest management
- Market disruption and Force Majeure
- Methodology changes and cessations
- Complaints
- Errors and restatements
- Reporting of infringements and misconduct
- Methodology reviews
- Business continuity

More details about IMBA UK can be found on the [Administrator's website](#).

# 5 Changes to the iBoxx SGD Non-Sovereigns Large Cap Investment Grade Index

<b>1-Apr-2024</b>	Inclusion of Zero coupon bonds in the index
<b>12-Jul-2018</b>	Name change from iBoxx SGD Non-Sovereigns Large Cap Investment Grade Capped to iBoxx SGD Non-Sovereigns Large Cap Investment Grade

## 6 Further information

### **Client support**

For client support please contact [index\\_services@spglobal.com](mailto:index_services@spglobal.com).

### **Formal complaints**

Formal complaints should be emailed to [spdji\\_compliance@spglobal.com](mailto:spdji_compliance@spglobal.com).

Please note: [spdji\\_compliance@spglobal.com](mailto:spdji_compliance@spglobal.com) should only be used to log formal complaints.

### **General index inquiries**

For general index inquiries, please contact [index\\_services@spglobal.com](mailto:index_services@spglobal.com).

# A ESG Disclosures

EXPLANATION OF HOW ENVIRONMENTAL, SOCIAL & GOVERNANCE (ESG) FACTORS ARE REFLECTED IN THE KEY ELEMENTS OF THE BENCHMARK METHODOLOGY [1]		
1	Name of the benchmark administrator.	IHS Markit Benchmark Administration Limited (IMBA)
2	Underlying asset class of the ESG benchmark. [2]	N/A
3	Name of the S&P Dow Jones Indices benchmark or family of benchmarks.	<a href="#">iBoxx Benchmark Statement</a>
4	Do any of the indices maintained by this methodology take into account ESG factors?	No
Appendix latest update:		May 2023
Appendix first publication:		May 2023

[1] The information contained in this Appendix is intended to meet the requirements of the European Union Commission Delegated Regulation (EU) 2020/1817 supplementing Regulation (EU) 2016/1011 of the European Parliament and of the Council as regards the minimum content of the explanation of how environmental, social and governance factors are reflected in the benchmark methodology and the retained EU law in the UK (The Benchmarks (amendment and Transitional Provision) (EU Exit) Regulations 2019).

[2] The 'underlying assets' are defined in European Union Commission Delegated Regulation (EU) 2020/1816 supplementing Regulation (EU) 2016/1011 of the European Parliament and of the Council as regards the explanation in the benchmark statement of how environmental, social and governance factors are reflected in each benchmark provided and published.

# Disclaimer

## Performance Disclosure/Back-Tested Data

Where applicable, S&P Dow Jones Indices and its index-related affiliates (“S&P DJI”) defines various dates to assist our clients by providing transparency. 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 the index is set to a fixed value for calculation purposes. The Launch Date designates the date when the values of an 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 DJI 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 the company’s public website or its data feed 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.

Please refer to the methodology for the Index for more details about the 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.

Information presented prior to an index’s launch date is hypothetical back-tested performance, not actual performance, and is based on the index methodology in effect on the launch date. However, when creating back-tested history for periods of market anomalies or other periods that do not reflect the general current market environment, index methodology rules may be relaxed to capture a large enough universe of securities to simulate the target market the index is designed to measure or strategy the index is designed to capture. For example, market capitalization and liquidity thresholds may be reduced. In addition, forks have not been factored into the back-test data with respect to the S&P Cryptocurrency Indices. For the S&P Cryptocurrency Top 5 & 10 Equal Weight Indices, the custody element of the methodology was not considered; the back-test history is based on the index constituents that meet the custody element as of the Launch Date. Also, the treatment of corporate actions in back-tested performance may differ from treatment for live indices due to limitations in replicating index management decisions. Back-tested performance reflects application of an index methodology and selection of index constituents with the benefit of hindsight and knowledge of factors that may have positively affected its performance, cannot account for all financial risk that may affect results and may be considered to reflect survivor/look ahead bias. Actual returns may differ significantly from, and be lower than, back-tested returns. Past performance is not an indication or guarantee of future results.

Typically, when S&P DJI creates back-tested index data, S&P DJI uses actual historical constituent-level data (e.g., historical price, market capitalization, and corporate action data) in its calculations. As ESG investing is still in early stages of development, certain datapoints used to calculate certain ESG indices may not be available for the entire desired period of back-tested history. The same data availability issue could be true for other indices as well. In cases when actual data is not available for all relevant historical periods, S&P DJI may employ a process of using “Backward Data Assumption” (or pulling back) of ESG data for the calculation of back-tested historical performance. “Backward Data Assumption” is a process that applies the earliest actual live data point available for an index constituent company to all prior historical instances in the index performance. For example, Backward Data Assumption inherently assumes that companies currently not involved in a specific business activity (also known as “product involvement”) were never involved historically and similarly also assumes that companies currently involved in a specific business activity were involved historically too. The Backward Data Assumption allows the hypothetical back-test to be extended over more historical years than would be feasible using only actual data. For more information on “Backward Data Assumption” please refer to the FAQ. The methodology and factsheets of any index that employs backward assumption in the back-tested history will explicitly state so. The methodology will include an Appendix with a table setting forth the specific data points and relevant time period for which backward projected data was used. Index returns shown do not

represent the results of actual trading of investable assets/securities. S&P DJI maintains the index and calculates the index levels and performance shown or discussed but does not manage any assets.

Index returns do not reflect payment of any sales charges or fees an investor may pay to purchase the securities underlying the Index or investment funds that are intended to track the performance of the Index. The imposition of these fees and charges would cause actual and back-tested performance of the securities/fund to be lower than the Index performance shown. As a simple example, if an index returned 10% on a US \$100,000 investment for a 12-month period (or US \$10,000) and an actual asset-based fee of 1.5% was imposed at the end of the period on the investment plus accrued interest (or US \$1,650), the net return would be 8.35% (or US \$8,350) for the year. Over a three-year period, an annual 1.5% fee taken at year end with an assumed 10% return per year would result in a cumulative gross return of 33.10%, a total fee of US \$5,375, and a cumulative net return of 27.2% (or US \$27,200).

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