S&P Dow Jones Indices

A Division of S&P Global

CONSULTATION

Consultation on Sovereign Rating Eligibility Requirement for Certain APAC and EM iBoxx Indices

LONDON, APRIL 10, 2025: S&P Dow Jones Indices ("S&P DJI") is conducting a consultation with market participants on a potential change to the iBoxx indices listed below and the respective index families for the Asia Pacific and Emerging Market region.

BACKGROUND

Currently, issuers that are domiciled in countries in default on the external debt or that do not have a long term foreign debt rating from at least one of Fitch, Moody's Investors Service, or S&P Global Ratings are excluded from the indices. A default is determined based on information from the rating agencies, either through rating reports or ratings of D or RD from Fitch, C or Ca from Moody's Investors Service, or D or SD from S&P Global Ratings.

PROPOSAL

To provide a more accurate representation of the relevant Asian and Emerging Markets given the significance of such sovereign issuers and bonds in the market today, especially in the high yield space, S&P DJI proposes to make bonds eligible from issuers that are domiciled in countries in default on the external debt or that do not have long term foreign debt ratings if the bonds have an explicit bond rating above D or RD from Fitch, above C or Ca from Moody's, or above D or SD from S&P Global Ratings.

IMPACT ANALYSIS

Using data as of January 31, 2025, the following four sovereign issuers would be eligible for the indices had the proposed changes been in effect at that time:

- Democratic Socialist Republic of Sri Lanka
- Republic of Ghana
- Republic of Zambia
- Ukraine

The list of eligible bonds and their respective weights in each index family is available *here*.

You may find additional data and analysis in our Client Resource Center *www.spglobal.com/spdji/en/client-services/* which may be updated from time to time throughout the consultation. The information will be posted for the duration of the consultation and up to 30 days thereafter at S&P DJI's discretion. Additional data and analysis may also be made available upon request.

IMPACTED INDICES

Index Name	ISIN (TRi)	BBG Ticker (TRi)
Markit iBoxx USD Asia ex-Japan	GB00BTKG1Q36	IBXXAJ40
iBoxx USD Asia-Pacific	GB00BPMVMW18	IBXXUAP2
Markit iBoxx Asian USD Dollar Bond Index	GB00BYZW7309	IBXXADBI
iBoxx ChinaBond Asian High Yield (USD Unhedged)	GB00BQNB2T41	IBXXAP2T
iBoxx USD Emerging Markets Broad Overall	GB00BRWSMK47	IBXXUEBT
iBoxx USD Emerging Markets Liquid Sovereigns & Sub-Sovereigns	GB00BRWTG837	IBXXEMLQ
iBoxx LSF USD African Sovereigns	GB00BSF2HT47	IBXXLSFT

The list of custom indices also impacted by this change is available *here*.

IMPLEMENTATION TIMING

S&P DJI is proposing to implement the previously described methodology changes, if adopted, in conjunction with the April 2025 rebalancing, which is effective after the close on **Friday, May 30, 2025**. If adopted, the change will first be visible to clients in preliminary files beginning on **Tuesday, May 6, 2025.**

QUESTIONS

Please answer the following questions and provide S&P DJI with the reasoning behind your answers:

1. **Do you agree with the proposed methodology change for the above mentioned indices?**
2. **Should this proposed methodology change be adopted, do you agree with the proposed implementation date?**
3. **Do you have any other comments or feedback regarding the proposed change outlined above?**

Participation in this consultation is important as S&P DJI gathers information from various market participants to properly evaluate the market participants' views and preferences. Please respond to this survey by **April 25, 2025**, as S&P DJI does not accept survey responses post the survey closure date. Prior to the Index Committee's final review, S&P DJI may request clarifications from respondents as part of that review.

To participate in this consultation, please visit the online survey available *here*.

Please be advised that S&P DJI reviews and considers all feedback before a final decision is made. However, S&P DJI makes no guarantees and is under no obligation to comply with any of the responses. The survey may result in no changes or outcome of any kind. If S&P DJI decides to change the index methodology, the change(s) will be announced to clients and posted on the S&P DJI website with prior notice ahead of the effective date.

Thank you for taking the time to complete this survey.

For more information about S&P Dow Jones Indices, please visit www.spglobal.com/spdji.

ABOUT S&P DOW JONES INDICES

S&P Dow Jones Indices is the largest global resource for essential 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 on our indices than products based on indices from any other provider in the world. Since Charles Dow invented the first index in 1884, S&P

DJI has been innovating and developing indices across the spectrum of asset classes helping to define the way investors measure and trade the markets.

S&P Dow Jones Indices is a division of S&P Global (NYSE: SPGI), which provides essential intelligence for individuals, companies and governments to make decisions with confidence. For more information, visit *www.spglobal.com/spdji*.

FOR MORE INFORMATION:

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