

Change to Issuer Eligibility Criteria for the FTSE US High-Yield Market Index

FTSE Russell has conducted a thorough review of the issuer eligibility criteria for the FTSE US High-Yield Market Index, which currently requires that bonds be issued by corporations that have a Country assignment of the United States or Canada. Based on this review and incorporating feedback from index users, the inclusion criteria for the index will be expanded to also include bonds issued by corporations where Country is assigned as Australia, Belgium, France, Germany, Italy, Japan, the Netherlands, Sweden, Switzerland and the United Kingdom according to FTSE fixed income index methodology. The change will be effective as of September 30, 2021 and reflected in October 2021 profiles.

As of June 30, 2021, it is projected that 143 additional securities will qualify for the FTSE US High-Yield Market Index, with \$115 billion in market value, representing approximately 8.2% of the index by market value weight. Further details of the projected impact are provided in Figure 1.

Figure 1. Projected Impact of the Change for the FTSE US High-Yield Market Index by Maturity Band

	FTSE US High-Yield			Projected FTSE US High-Yield			Difference		
	Count	Market Value*	MV %	Count	Market Value*	MV %	Count	Market Value*	MV %
1-7yrs	1,224	918.20	65.5	1,333	1,004.45	66.2	109	86.25	0.7
7-10yrs	508	402.03	28.7	527	415.23	27.4	19	13.20	-1.3
10+yrs	103	81.36	5.8	118	97.00	6.4	15	15.64	0.6
Total	1,835	1,401.59	100.0	1,978	1,516.68	100.0	143	115.09	0

*In USD billions. Source: FTSE Russell. Data as of June 30, 2021

To facilitate modular sub-asset class analysis and performance tracking, a sub-index representing the current issuer eligibility criteria requiring a Country assignment of the United States and Canada only will be made available.

Please contact us at fi.index@lseg.com with any comments or questions.

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