

# Global Corporate Fallen Angels Index

This document is intended to be read in conjunction with the [Bloomberg Fixed Income Index Methodology](#) and the [Bloomberg Global High Yield Corporate Index](#); these documents collectively constitute the index methodology for this Index.

The Bloomberg Global Corporate Fallen Angels Index measures high yield, multi-currency, corporate debt. To be included, securities must be rated high yield with a minimum credit rating of B3/B-, and must have been assigned an investment grade rating either at issuance, or at some point since issuance. The index excludes emerging market issuers, limits the exposure of each issuer to a market cap weight of 3%, and applies tilts based on the elapsed time since the securities rating was downgraded to high yield. The Index was created in February 2023, with history backfilled to, July 1, 2020.

The features specific to this Index are set out below.

**Description of Index Constituents** Global Fallen Angels High Yield Bonds

**Index Ticker** I37587US Index: Total Return USD Unhedged

## Eligibility Requirements:

**Currency** Principal and interest must be denominated in one of the following currencies: USD, EUR, GBP, CHF, SEK, DKK, and NOK

**Credit Rating**

- Securities must be rated high yield with a minimum rating of B3/B-
- Securities must have been assigned an investment-grade index rating either at issuance or at some point since issuance

**Sector** Corporate

**Minimum Amount Outstanding** Fixed minimum issue sizes are set for all local currency markets:

- 150mn: USD, EUR, GBP, CHF
- 500mn: DKK, NOK
- 1bn: SEK

**Maturity** At least one year until final maturity, regardless of optionality

**Minimum Liquidity Requirements** See Minimum Amount Outstanding specified above

**Region** Emerging Market Issuers are excluded

**Rebalance Date** Monthly

**Issuer Capping Methodology** Issuers that exceed 3% of the market value weight of the uncapped Global Corporate Fallen Angels Index are limited to 3%. The excess market value weight over the 3% cap will be redistributed on a pro rata basis to all other issuers' bonds in the index that are under the 3% cap. The process is repeated until no issuer exceeds the 3% limit.

**Time Since Downgrade Tilts** The size of each index-eligible security is adjusted by a fixed multiplier which is determined by the number of months since the index rating dropped from investment grade to high yield. Security weights are then normalized using these adjusted market values to sum to 100%. Issuer caps are applied if any ticker exceeds 3% of the total adjusted market value weight.

<b>Time Since Downgrade (months)</b>	<b>Tilt</b>
0-6	1.50x
7-12	1.25x
13-24	1.00x
25-36	0.75x
37+	0.50x

### Document Version History

<b>Date</b>	<b>Update</b>
September 2023	Publication in new format

## **Environmental, Social and Governance (ESG) Disclosures**

This index does not take into account any ESG factors or pursue any ESG objectives. Please refer to the [Bloomberg Fixed Income Methodology](#) for ESG disclosures.

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