J.P.Morgan

7 March 2025

J.P. Morgan Global Corporate Index – High Yield (GCI HY)

Factsheet

The J.P. Morgan Global Corporate Index – High Yield (GCI HY) is a comprehensive, broad-based composite benchmark. It tracks U.S. Dollar, Euro, and Pound Sterling-denominated global corporate debt issuances across both Developed Markets (DM) and Emerging Markets (EM) debt segments. The benchmark index covers High-Yield (HY) debt issuances across Asia, Europe, Latin America, North America, and the Middle East & Africa regions. Daily historical returns and statistics have been available since December 31, 2012.

Index Criteria

Inception Date	December 31, 2012
Minimum Issue Size	U.S. Dollar: 250mm Euro: 250mm Pound Sterling: 150mm
Currency	USD, EUR, GBP
Minimum Maturity	**Entry**: Minimum 24 months to maturity. **Exit**: 6 months to maturity.
Instrument Type	**Include**: Fixed Rate, Floating Rate, Step-up, PIK, Toggle, Amortizers, Perps, Sukuk, Tier 2, Non-contingent convertible Tier 1 capital, Nonregistered securities, and all subordinated financial bonds. **Exclude**: AT1/RT1 bonds, Structured and Credit-Enhanced bonds including Credit-linked, Collateral trust and Equipment trust bonds, Dual currency bonds, Repackaged notes, and bonds with non-transparent cash flows or atypical indices used to reset coupons.
Issuer	**Include**: All Corporate issuers. **Exclude**: Sovereign and Quasi-Sovereign issuers (100% owned or guaranteed by Government).
Collateral	**Exclude**: Covered, Mortgage-backed, Asset-backed, Bank guaranteed, and Government guaranteed.
Country of Risk (COR) Classification	The country of risk will be assigned based on the following criteria, in order of priority: a. The country of risk of the guarantor, if 100% guaranteed. b. The country where majority of the issuing entity's assets are located. c. The country where the issuer's headquarter is located and where centralized decision-making power resides.
Credit Rating	Only high-yield (HY) rated securities are eligible. For index purposes, instrument-level rating bucket will be determined based on the ratings available from S&P, Moody's, and Fitch, using following rules: a. The middle of the three ratings, if all three ratings are available. b. The lower of the two ratings, if only two ratings are available. c. The sole rating, if only one rating is available. **Note**: Unrated bonds from IG issuers are not eligible. However, Unrated bonds from HY issuers are eligible under the NR credit bucket.
Fallen Angels / Rising Stars	Bonds will transition between investment-grade and high-yield at the month-end rebalance based on rating changes up to the rebalance day.
Defaulted Instrument	Defaulted instruments are excluded from the index at the month-end.
Pricing	Mid prices are taken from third-party pricing source.
Holiday Calendar	Returns and analytics are produced on an all-weekday basis.

FX Source	All FX rates used for hedged/unhedged returns are as of 4pm London close as provided by Refinitiv (WM Reuters).
Return Calculations	Index level total return is calculated as a market-weighted average of bond returns using mid prices.
Index Statistics	Index level spread and yield are calculated as a weighted average of bond duration and market value. The other index level analytics (including duration, average life etc.) are calculated as a market-weighted average of bond analytics.
Index Rebalance	Rebalances on the last weekday of the month.

Source: J.P. Morgan

Index Methodology

Market Classification

The GCI suite of indices includes corporate debt issuances from both Developed Markets (DM) and Emerging Markets (EM), following a regional market classification approach based on the J.P. Morgan Global Corporate Indices methodology. The individual markets are divided into seven unique regions covering both DM and EM debt segments as listed below:

- **Developed Markets (DM)**: North America, Western Europe, and Asia DM (Australia, Japan, and New Zealand).
- **Emerging Markets (EM)**: Asia (excluding Australia, Japan, and New Zealand), Eastern Europe, Latin America, and the Middle East & Africa.

Minimum Bond Size

For inclusion in the GCI HY family of indices, a bond must have a face amount outstanding of at least 250 million for USD and EUR currency bonds and 150 million for GBP currency bonds. If a current index bond's outstanding amount falls below the threshold due to buybacks, amortization, or any other market activity, it will be removed from the index at the month-end rebalance.

Bond Remaining Maturity Requirement

- **Inclusion**: Bonds must have a minimum remaining maturity of 2 years[1].
- **Exclusion**: GCI family of indices only retain bonds with a minimum remaining maturity of 6 months.

Default Treatment

Defaulted instruments are excluded from the index. An instrument is considered to be in default if one of the following conditions is met:

- Issuer failed to pay a scheduled interest or principal payment on an instrument within the grace period,
- Instruments that fall under the cross-default provision,
- Issuer has filed for Bankruptcy and the issuance is in scope for legal action,
- Issuer has completed a distressed exchange,
- One or more of the credit rating agencies has downgraded the instrument level rating to credit default (or equivalent)

Following the default, for the remainder of the month, bond will be marked as dirty and any unpaid past due coupon and interest payments would be stripped out from the analytics (YTW, STW, etc.). The index return would include the defaulted bond until it is removed from the index at the month-end rebalance.

Furthermore, securities that are excluded based on the above rules will be eligible for re-inclusion after restructuring, provided the securities meet all index eligibility criteria, and are no longer rated to be in credit default (or equivalent) by S&P, Moody's, and Fitch.

Holiday Calendar

Index level returns and analytics are produced on an all-weekday basis. Daily composition and sub-index reports for the index are disseminated on all weekdays at NY close.

[1] Bonds must have at least 2 years to maturity from the first settlement date for index eligibility. In the event a bond is not included at initial issuance but deemed eligible at a later date, the bond must have a remaining maturity of 2 years as of the month-end rebalance to be included in the index.

Return and analytics follow the SIFMA holiday calendar for USD-denominated DM, EUR, and GBP bonds, while USD-denominated EM bonds follow US EMTA holiday schedule. In the event of a holiday in a specific market, the respective bond attributes are carried over from the previous business day.

Pricing
Bid and offer prices must be available on a daily and timely basis; the absence of such prices hinders the inclusion of a new issue in the index. If reliable prices for an existing index bond are unavailable during a month, it will be removed from the index on the month-end rebalance day. Once a bond is removed due to the unavailability of pricing or liquidity concerns, it will not be reconsidered for index inclusion for the next 12 months.

PricingDirect Inc., an independent third-party data provider, is the primary source for bond prices for J.P. Morgan indices. For details on pricing methodology, visit www.pricing-direct.com.

All bond prices are mid-rates and are taken at 4 p.m. London close (EUR and GBP bonds) and at 4 p.m. NY Close for USD bonds

Early Close
Instrument pricing is sourced from the pricing provider at the relevant time that reflects the active closing market, typically seen before market holidays or as per SIFMA recommendations.

FX Pricing Timing
All FX spot and forward rates are provided by Refinitiv (WM Reuters) at 4:00 pm London close time.

For any questions or for additional information, please contact index.research@jpmorgan.com.