

Seeing Global Opportunity, S&P Dow Jones Indices Sets Aggressive Expansion of its Fixed Income Business

Index Provider Announces Launch of Flagship S&P U.S. Aggregate Bond Index

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NEW YORK, Jan. 26, 2015 /PRNewswire/ -- Anticipating flourishing, global demand for fixed income indices for use in both passive investment strategies and as benchmarks for actively managed portfolios, S&P Dow Jones Indices ("S&P DJI") announced today an aggressive plan to exponentially grow its fixed income index business throughout the world – bringing greater transparency, integrity, breadth, and flexibility to the fixed income markets.

In total, the new S&P Aggregate™ Bond Index Family will cover over 20,000 individual securities with the ultimate goal of launching thousands of maturity and sector based indices. S&P DJI already publishes over 500 fixed income indices globally covering municipals, preferreds, corporates, CDS, and senior loans amongst others, and is the third largest provider of fixed income indices for the global ETF market.

"Our objective is clear: to be the premier provider of financial market indices across all asset classes, including all bond types, throughout the world," says Alex Matturri, CEO of S&P Dow Jones Indices. "The fallout from the LIBOR scandal has elevated the importance of both objective and independently governed indices and where the bonds in those indices are priced independently of the dealers involved. We see this as an exceptional opportunity for S&P Dow Jones Indices to rebuild investor confidence in the fixed income markets, create more profound levels of bond indices in the developed and emerging markets, and establish a new pinnacle of debt market innovation and transparency via the development of factor-based (alternatively weighted) fixed income benchmarks."

The flagship **S&P U.S. Aggregate Bond Index**, launched today by S&P DJI, is a broad, comprehensive, market value-weighted index designed to measure the performance of the investment grade U.S. fixed income market including U.S. Treasuries, quasi-governments, corporates, covered bonds, taxable municipal bonds, and residential mortgage pass-throughs. Tracking bonds one month and longer, the Index brings broader diversification, transparency, and allocation options to fixed income investors than any other current benchmark of its type.

In addition to the S&P U.S. Aggregate Bond Index, S&P DJI has launched the **S&P Global Developed Nations Sovereign Bond Index** and the **S&P Global Developed Nations Inflation-Linked Index**. An expanded family of global bond indices including global corporate bond indices, and global emerging market bond and inflation-linked indices measuring markets in Europe, Asia-Pacific, Africa, Middle East, and the Americas, is also being created.

Factor-based fixed income indices (alternatively weighted indices), which seek to capture performance characteristics different from traditionally weighted benchmarks, will also be launched in 2015. S&P DJI's initial focus here will be on GDP and ESG weighted benchmark approaches, adding to S&P DJI's already expanded line-up of equity and commodity factor-based indices.

In preparation for expanding its range of fixed income indices, S&P DJI has added five (5) positions with over 60 years of experience to its global fixed income team in the past year and a half strengthening its presence, product development, and client support in the United States (3), Hong Kong (1), and Mexico (1).

"There is a clear, growing trend throughout the world for passive investing, and it is taking the fixed income asset class to new levels of investability and transparency," says JR Rieger, Global Head of Fixed Income at S&P Dow Jones Indices. "Our goal is to offer investors around the world, and the companies that service them, the indices required to build solutions for all parts of an investment portfolio."

"In addition, the markets are changing," continues Rieger. "Our clients are increasingly interested in achieving alpha via products based upon multi-asset and alternatively weighted indices. S&P Dow Jones Indices can now respond to those needs on a global scale."

The first indices launched by S&P Dow Jones Indices, as part of this expanded campaign, appeared during the fourth quarter of 2014 and were centered around the Pan-Asia family of fixed income indices which includes 10 countries and over 120 indices (Government, Corporates, USD, and Local Currency) covered by the **S&P Pan Asia Bond Index**.

Also launched were the **S&P Africa Sovereign Bond Index** and the **S&P Africa Global Sovereign Bond Index**. The S&P Africa Sovereign Bond Index tracks the performance of local currency-denominated sovereign bonds from 13 countries within Africa. The S&P Africa Global Sovereign Bond Index tracks the performance of African sovereign government bonds issued in Euro, Japanese yen, and U.S. Dollars. Currency level sub-indices are included for both indices.

To learn more, please visit: www.spdji.com.

About S&P Dow Jones Indices

S&P Dow Jones Indices LLC, a part of McGraw Hill Financial, is the world's largest, global resource for index-based concepts, data and research. Home to iconic financial market indicators, such as the S&P 500® and the Dow Jones Industrial Average®, S&P Dow Jones Indices LLC has over 115 years of experience constructing innovative and transparent solutions that fulfill the needs of investors. More assets are invested in products based upon our indices than any other provider in the world. With over 1,000,000 indices covering a wide range of asset classes across the globe, S&P Dow Jones Indices LLC defines the way investors measure and trade the markets. To learn more about our company, please visit www.spdji.com.

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