# Fixed Income Indexes

## The VettaFi Covered Bond Index Family

- **VettaFi US Covered Bond Index (CBIU)**
- **VettaFi European Covered Bond Index (CBIE)**

Jul 2025

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# Introduction

## Index Objective

The VettaFi Covered Bond Index Family (formerly owned and administered by Credit Suisse) consists of market capitalization weighted indices designed to track the EUR and USD covered bond markets respectively.

## Highlights

Covered bonds are characterized by the double protection offered to their holders, the separation of collateralized assets in a managed cover pool, and stringent regulation. The primary issuers of covered bonds are banks, which use mainly mortgages and public sector loans as collateral.

The bond selection process consists of rule-based inclusion criteria. Bonds that do not have a reliable vendor price are held out of the index until a price is available.

VettaFi acquired the Credit Suisse Fixed Income indices in February 2025 and possesses complete live data since inception. Bond pricing and analytics are sourced from ICE Data Services (Intercontinental Exchange).

## Dates

- **Rebalance/Reconstitution Dates:** Indexes are rebalanced and reconstituted monthly. The new composition is determined on the last business day of the month and takes effect on the first calendar day of the following month.
- **Reconstitution Cutoff:** Eligibility is assessed using security reference data, amounts outstanding and ratings as of the reconstitution cutoff, which is three business days prior to the last business day of the month. Prices, accrued interest and foreign exchange rates used for weighting are as of the last business day of the month.

## Supporting Documents

This methodology is meant to be read in conjunction with supporting documents providing greater detail with respect to the policies, procedures and calculations described herein.

The list of the main supplemental documents for this methodology can be found in the Methodologies and Governance tabs on the Index Resources page as follows:

| **Supporting Documents** |
|---|
| FI Index Maintenance Policy |
| Index Governance |
| Index Policies |
| Methodology Policies |
| Index Change and Consultation Policy |

# Index Construction

## Universe

Covered bonds denominated in EUR (CBIE) or USD (CBIU). There is no restriction on the domicile of the issuer.

## Constituent Selection

The new index composition consists of the previous month's constituents and any additions or removals triggered by the inclusion criteria below.

Bonds are selected using the following criteria:

- Only fixed-coupon bonds are included. Floating-rate, step-up and zero-coupon bonds are excluded.
- Minimum amount outstanding of 1 billion USD for CBIU and 500 million EUR for CBIE.
- Bonds must have more than 13 months remaining to maturity at the rebalance date.
- New issues must have an issue date on or before the reconstitution cutoff to be eligible for inclusion.
- Bonds must carry a bond-level investment grade rating (at least BBB-/Baa3) from at least one of S&P, Moody's and Fitch. Issuer ratings are not used as a substitute for a missing bond-level rating. For index reporting purposes, a bond's rating is the middle rating where three agencies rate the bond, the lower rating where two agencies rate the bond, and the sole rating where one agency rates the bond.
- Bonds are assumed to redeem at their scheduled maturity. Soft-bullet and conditional pass-through structures are eligible and are treated on their scheduled maturity date. Issuer par-call provisions customary in covered bond programme documentation do not affect eligibility. Make-whole calls are eligible. Convertible bonds are excluded.
- Retained (self-subscribed) covered bonds issued for central bank collateral purposes, and pooled or structured multi-issuer vehicles, are not intended to be part of the index. Such bonds are identified through the absence of a vendor price and are excluded under the Bond Pricing rule. The Index Committee may exclude a bond that it determines to be retained or structured notwithstanding the availability of a vendor price.
- CBIU allows Rule 144A covered bonds and Regulation S covered bonds. Where a bond is issued under both Rule 144A and Regulation S, only the Rule 144A line is included in the index. USD covered bonds issued without a public tranche are excluded.

## Bond Pricing

The Indexes are calculated each trading day using bid pricing from ICE Data Services.

A bond that otherwise satisfies the inclusion criteria but for which no vendor price is available on the rebalance date is held out of the index and reassessed at each subsequent reconstitution. It enters the index at the first reconstitution at which a vendor price is available.

## Constituent Weightings

Constituents are market capitalization weighted, using amount outstanding multiplied by bid price plus accrued interest.

# Index Maintenance

## Rebalancing and Reconstitution

The indices are updated once a month. Amounts outstanding reflect re-openings, new issuance, buybacks and partial redemptions as of the reconstitution cutoff. Updates to the bond-level composition are determined on the last business day of the month and take effect on the first calendar day of the following month. This composition remains constant throughout the month.

### Corporate Actions

Please refer to the Fixed Income Index Maintenance Policy document for information on Corporate Action processing.

### Index Information

Index history availability, base dates and base values are shown in the table below.

| Index | Base Date | Base Currency | Base Value | Price Index | Total Return Index |
|---|---|---|---|---|---|
| VettaFi US Covered Bond Index | 06/30/2010 | USD | 100 | CBIUPR | CBIUTR |
| VettaFi European Covered Bond Index | 12/30/1999 | EUR | 100 | CBIEPR | CBIETR |

Methodology Updates and Changes

| Date | Version | Previous | New |
|---|---|---|---|
| Jun 2025 | 1.0.0 | CBIU and CBIE were previously calculated by Credit Suisse. The previous methodology is the Credit Suisse March 2022 Covered Bond Indices methodology. | Initial version of rebranded indices with VettaFi as the new owner and administrator. |
| Jul 2025 | 1.1.0 | Version 1.0.0. | Documented the reconstitution cutoff (three business days prior to month end). Clarified the rating rule: bond-level ratings only, issuer ratings no longer used as a substitute; index rating defined as middle-of-three / lower-of-two. Clarified treatment of soft-bullet, conditional pass-through and issuer par-call structures. Added the retained issuance and structured vehicle exclusion and the treatment of bonds without a vendor price. Removed references to liquidity assessments, Fed buybacks and non-ICE pricing sources. Corrected the fixed-coupon eligibility wording. |

## Index Calculation

Please refer to the Fixed Income Index Maintenance Policy document for information on index calculations.

## Index Governance

The index is governed and managed by a VettaFi Index Committee for the purpose of meeting the goals of the index. For more information, please refer to the Index Governance document.

## Index Policies

Please refer to the Index Policies document for information regarding Announcements, Holiday Schedules, Unexpected Exchange Closures, and Recalculation Policy.

## Contact Information

For any questions regarding an index, please contact: index.production@vettafi.com

## Disclaimer