

MSCI Glidepath Corporate Bond Indexes

Institutional investors face the daunting task of aligning their fixed income portfolios with benchmarks that comply with sustainability requirements without increasing turnover and costs.

Our latest innovation, the MSCI Glidepath indexes, are designed to help you address this pressing challenge in an elegant and optimization free manner using a rules based approach.

The Glidepath Indexes are designed to represent a simplified approach to fixed income transition.

While the cash component of an index is typically reallocated in proportion to that index weight.

The distinguishing feature of The Glidepath approach is that it utilizes more straightforward cash component reallocation rules.

GlidePath's transparent index methodology employs a combination of target factors to gradually transition the index from a replica of a parent index towards one with characteristics based on certain predefined factors.

The strategy first defines a parent index, then creates scores based on predefined factors and time to maturity to arrive at a composite score.

The value of deletions from the index are treated as principal payments reallocated to the portion of the index with composite scores in the top six deciles.

Integrating new securities into the index is the last step of the process.

New securities are over or underweighted based on the composite score.

The stronger the alignment, the more weight the security would receive in the index.

Conversely, misaligned issuers are not excluded, although their respective weights would be reduced.

Glidepath Indexes aim to offer flexibility and broad market coverage across both credit and government market segments.

The indexes also can be paired with sustainable and fixed income factors such as momentum and credit quality to further help investors align their portfolio.

Welcome to the next generation of fixed income index construction.

About MSCI

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