FTSE Sterling High-Yield Bond Index

Credit | Multi-Currency

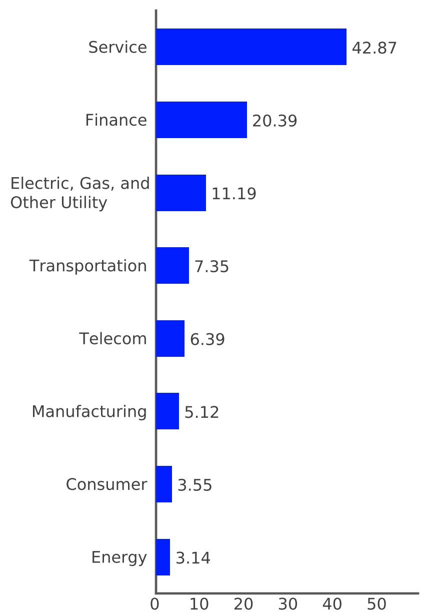
The FTSE Sterling High-Yield Bond Index measures the performance of high-yield corporate debt denominated in Sterling (GBP). The index comprises cash-pay, zero-to-full (ZTF), pay-in-kind (PIK), and step-coupon bonds. Sub-indices are available in any combination of corporate sector, maturity, and rating.

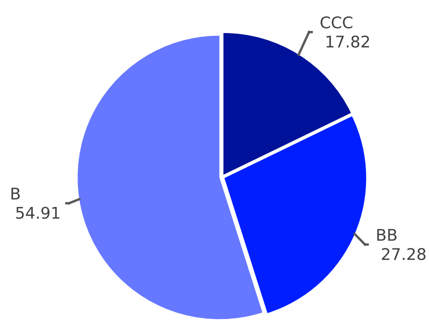
INDEX PROFILE

Description	# of Issues	Par Amount*	Market Value*	Market Weight (%)	Average Coupon (%)	Average Life (Years)	Yield to Maturity (%)	Effective Duration	OAS (bps)
Sterling HY	**95**	**41.01**	**38.81**	**100.00**	**6.40**	**5.14**	**8.47**	**3.51**	**432**
Cash Pay	88	38.95	36.82	94.87	6.49	5.26	8.57	3.56	441
Deferred Interest	7	2.06	1.99	5.13	4.79	2.96	6.67	2.61	260
1-3 Years	37	13.68	12.94	33.34	5.55	2.12	8.82	1.84	467
3-5 Years	31	14.28	13.82	35.60	7.14	4.10	8.64	3.17	454
5-7 Years	15	8.49	8.23	21.22	6.92	5.88	7.88	4.18	375
7-10 Years	4	1.17	1.03	2.65	5.17	8.49	7.73	6.42	357
10+ Years	8	3.38	2.79	7.20	5.84	18.76	8.05	9.85	354
Industrial	55	25.13	24.07	62.02	6.59	4.08	8.65	3.07	452
Utility	19	7.81	6.82	17.58	5.90	10.57	8.58	6.31	434
Finance	21	8.07	7.91	20.39	6.29	3.22	7.85	2.43	368

* In GBP billions

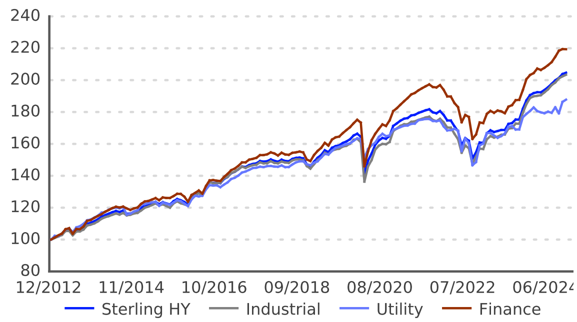
SECTOR AND RATING COMPOSITION (Market Weight %)



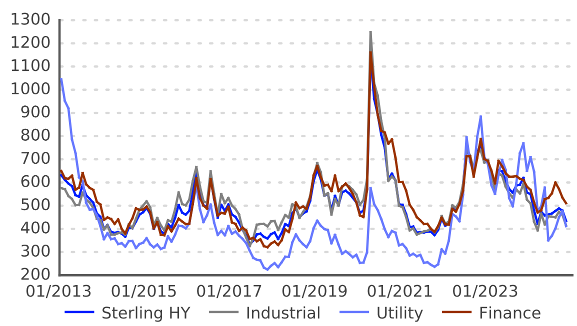


Index Quality: Index quality is defined to be the rating assigned by Standard and Poor's Financial Services LLC ("S&P") when it exists. If a bond is not rated by S&P but it is rated by Moody's Investor Service, Inc ("Moody's"), the S&P equivalent of the Moody's rating is assigned. If a bond is split-rated, that is rated investment grade by S&P or Moody's and high yield by the other, index quality is taken to be S&P equivalent of the investment grade rating.

HISTORICAL INDEX LEVEL (in GBP)



OPTION ADJUSTED SPREAD*



* OAS to the US Government Curve

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TOP 10 ISSUERS (By Market Weight)

Description	# of Issues	Par Amount*	Market Value*	Market Weight (%)	Average Coupon (%)	Average Life (Years)	Yield to Maturity (%)	Effective Duration	OAS (bps)
KEMBLE WATER HOLDINGS LTD	14	4.93	3.92	10.11	5.54	13.69	9.87	8.01	551
BELLIS FINCO PLC	3	2.51	2.45	6.31	6.80	4.37	8.13	3.35	407
STONEGATE PUB CO LTD	1	1.64	1.75	4.51	10.75	4.67	9.83	3.01	564
MARKET TOPCO LTD	2	2.02	1.74	4.48	6.24	4.06	10.39	3.27	637
BRACKEN MIDCO1 PLC	3	1.33	1.34	3.45	6.57	3.45	7.00	2.50	284
LIBERTY GLOBAL PLC	3	1.46	1.29	3.32	4.44	5.16	7.28	4.42	329
PETROLEO BRASILEIRO SA	3	1.18	1.22	3.14	6.16	5.24	6.15	4.03	203
VMED O2 UK LTD	2	1.27	1.13	2.91	4.26	5.47	7.24	4.57	323
MEDICAL PROPERTIES TRUST INC	3	1.45	1.11	2.87	3.20	3.21	13.79	2.61	970
PINEWOOD GROUP LTD	2	1.05	1.03	2.66	5.32	4.65	6.10	3.52	203

* In GBP billions

DESIGN CRITERIA AND CALCULATION METHODOLOGY

Coupon:	Fixed-rate including fixed-to-float bonds
Currency:	GBP
Minimum Maturity:	At least one year Fixed-to-floating rate bonds are removed one year prior to the fixed-to-floating rate date.
Minimum Issue Size:	GBP 150 million
Quality:	Maximum quality: BB+ by S&P and Ba1 by Moody's Minimum quality: C by S&P and Ca by Moody's (excludes defaulted bonds)
Composition:	Securities excluded: Convertible bonds, private placements and fixed-rate perpetual bonds.
Weighting:	Market capitalization
Rebalancing:	Once a month at month end
Reinvestment of cash flows:	Intra-month cash flows from interest and principal payments are not reinvested as part of monthly index total return calculations.
Pricing:	LSEG Pricing Service
Calculation Frequency:	Daily
Settlement Date:	Monthly – Settlement is on the last calendar day of the month. Daily – Same day settlement except if the last business day of the month is not the last calendar day of the month; then, settlement is on the last calendar day of the month.
Base Date:	December 31, 2012

VENDOR CODES

SBHEGBL	FTSE Sterling High-Yield Bond Index, in GBP terms