FTSE UK Domestic Investment-Grade Bond Index

Multi-Sector | UK Sterling

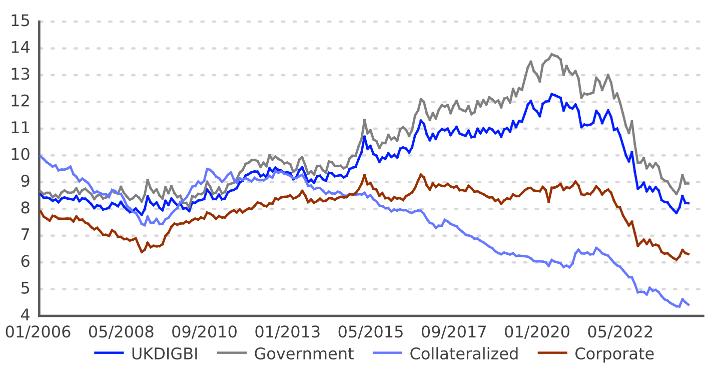
The FTSE UK Domestic Investment-Grade Bond Index (UKDIGBI) is a multi-sector benchmark tracking government, government-sponsored, collateralized, and corporate bonds, denominated in UK Sterling (GBP), irrespective of market of issue. The UKDIGBI uses the same design criteria and calculation assumptions as the FTSE UK Broad Investment-Grade Bond Index (UKBIG), but with a lower minimum amount outstanding threshold for all bonds other than sovereign bonds. This provides a broader capture of the domestic UK bond market. Sub-indices are available in any combination of asset class, maturity and rating.

INDEX PROFILE

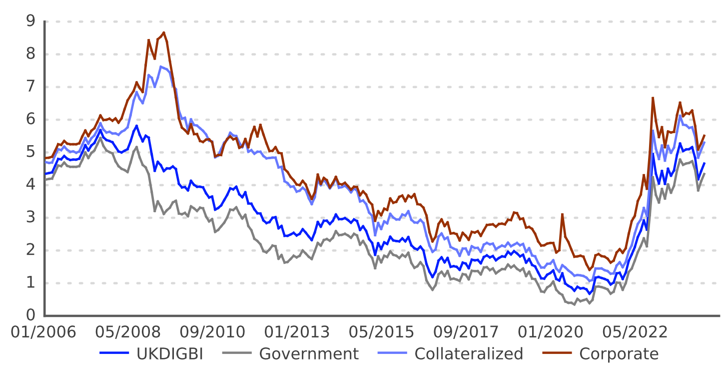
Description	# of Issues	Par Amount*	Market Value*	Market Weight (%)	Average Coupon (%)	Average Life (Years)	Yield to Maturity (%)	Effective Duration	OAS (bps)
UKDIGBI	1,267	1,754.12	1,522.86	100.00	2.95	13.25	4.66	8.21	37
AAA	143	123.53	119.26	7.83	2.84	5.24	4.55	3.70	27
AA	199	1,225.91	1,025.30	67.33	2.57	15.28	4.34	9.46	4
A	405	169.29	154.80	10.16	3.62	9.83	5.26	6.55	100
BBB	520	235.39	223.51	14.68	4.52	9.33	5.77	6.02	154
1-3 Years	328	354.25	342.23	22.47	2.61	2.02	4.82	1.91	39
3-5 Years	254	274.83	263.70	17.32	3.26	4.16	4.61	3.78	52
5-7 Years	134	116.24	108.33	7.11	3.13	6.13	4.66	5.41	65
7-10 Years	142	231.95	208.32	13.68	2.79	8.50	4.38	7.34	33
10+ Years	409	776.85	600.29	39.42	3.02	24.07	4.68	14.55	27
Government	267	1,311.75	1,109.20	72.84	2.56	14.46	4.34	8.95	5
Domestic Sovereign	61	1,156.30	960.02	63.04	2.54	15.63	4.30	9.71	0
Foreign Sovereign	8	5.16	4.62	0.30	4.94	27.86	5.64	8.46	145
Government Related	198	150.29	144.56	9.49	2.67	5.01	4.60	3.86	30
Collateralized	37	16.83	16.87	1.11	5.05	5.87	5.30	4.42	106
Corporate	963	425.54	396.80	26.06	4.08	9.82	5.51	6.31	126
Finance	381	189.77	180.50	11.85	4.07	6.94	5.64	4.86	141
Industrial	362	141.77	127.15	8.35	3.73	11.60	5.30	7.26	104
Utility	220	94.00	89.14	5.85	4.64	12.97	5.53	7.90	129

* In GBP billions

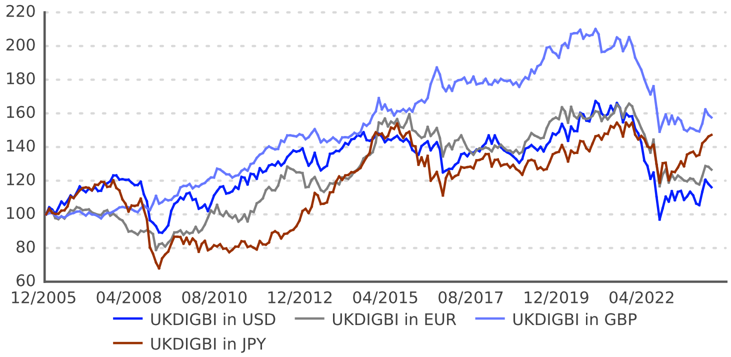
HISTORICAL EFFECTIVE DURATION



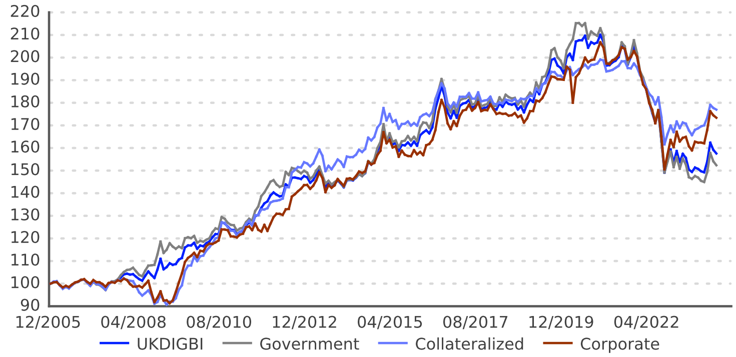
HISTORICAL YIELD TO MATURITY



HISTORICAL INDEX LEVEL (By Currency)



HISTORICAL INDEX LEVEL (By Sector, in GBP)



	Return*	Standard Deviation*
UKDIGBI in USD	0.83	10.96
UKDIGBI in EUR	1.30	9.96
UKDIGBI in GBP	2.53	6.97
UKDIGBI in JPY	2.15	12.32

* Annualized Since Inception (in %)

	Return*	Standard Deviation*
UKDIGBI	2.53	6.97
Government	2.34	7.43
Collateralized	3.19	5.90
Corporate	3.08	7.32

* in GBP, Annualized Since Inception (in %)

ANNUALIZED RETURNS (in %)

	GBP	USD		EUR		JPY	
	Unhedged	Unhedged	Hedged	Unhedged	Hedged	Unhedged	Hedged
YTD*	-2.95	-3.70	-2.90	-1.70	-3.18	2.23	-3.94
1 Year	2.48	7.08	3.18	4.94	0.97	17.65	-3.17
3 Years	-7.09	-10.14	-6.23	-6.63	-8.05	0.64	-9.57
5 Years	-2.67	-3.64	-1.82	-2.65	-3.67	2.24	-4.63

* Not annualized

DESIGN CRITERIA AND CALCULATION METHODOLOGY

Coupon:	Fixed-rate, fixed-to-floating rate, zero coupon and fixed-rate bonds that step up according to a predetermined schedule
Currency:	GBP
Minimum Maturity:	At least one year Fixed-to-floating rate bonds are removed one year prior to the fixed-to-floating rate start date.
Minimum Size Outstanding	Sovereign: GBP 2 billion (excludes Bank of England holdings) Other: GBP 200 million
Minimum Quality:	BBB- by S&P or Baa3 by Moody's
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:	Refinitiv bid-side pricing, 4:15 p.m. (London)
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, 2005

VENDOR CODES

SBUKDGL	FTSE UK Domestic Investment-Grade Bond Index, in GBP terms
SBUKDGU	FTSE UK Domestic Investment-Grade Bond Index, in USD terms
SBUKDGUC	FTSE UK Domestic Investment-Grade Bond Index, currency hedged in USD terms