

## FTSE UK Level Annuity Index Series

### Objective

The FTSE UK Level Annuity Index Series is a set of benchmarks designed to allow users to compare changes in the value of a pre-retirement fund with changes in annuity prices.

Annuity rates differ depending on individual circumstances, and the series reflects this with multiple indices representing a range of retirement profiles, creating a suitable comparison to assess fund performance.

The series provides greater clarity in the market and also acts as a new tool for Defined Contribution savers attempting to meet their retirement objectives.

### Index Construction

The FTSE UK Level Annuity Index Series consists of the following indices:

#### FTSE UK Level Annuity Index Series

- FTSE UK Level Annuity Index Single Life – Early Retirement
- FTSE UK Level Annuity Index Single Life – Standard Retirement
- FTSE UK Level Annuity Index Single Life – Late Retirement
- FTSE UK Level Annuity Index Joint Life – Early Retirement
- FTSE UK Level Annuity Index Joint Life – Standard Retirement
- FTSE UK Level Annuity Index Joint Life – Late Retirement

#### FTSE UK Level Adjusted Annuity Index Series

- FTSE UK Level Adjusted Annuity Index Single Life – Early Retirement
- FTSE UK Level Adjusted Annuity Index Single Life – Standard Retirement
- FTSE UK Level Adjusted Annuity Index Single Life – Late Retirement
- FTSE UK Level Adjusted Annuity Index Joint Life – Early Retirement
- FTSE UK Level Adjusted Annuity Index Joint Life – Standard Retirement
- FTSE UK Level Adjusted Annuity Index Joint Life – Late Retirement

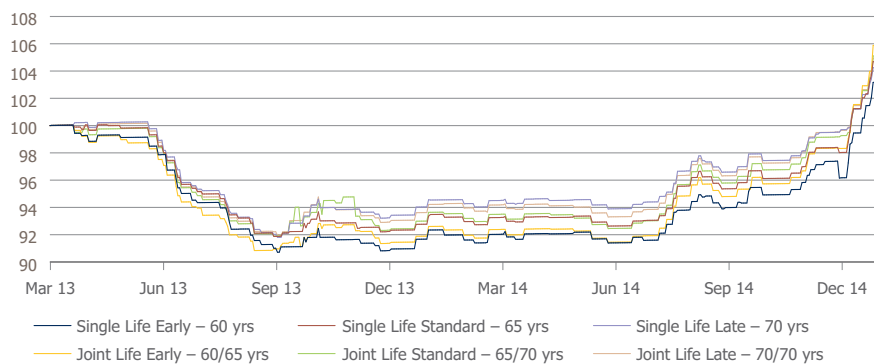
### Governance

FTSE is responsible for the operation of the FTSE UK Level Annuity Index Series. FTSE carries out reviews and implements the resulting changes as required by the Ground Rules.

### FEATURES

- The series is calculated daily, using the average of the three highest annuity rates for different retirement profiles:
  - Early – Single & Joint Life
  - Standard – Single & Joint Life
  - Late – Single & Joint Life
- The FTSE UK Level Annuity Indices measure the change in annuity prices adjusted for the return on cash.
- The FTSE UK Level Adjusted Annuity Indices measure the performance of annuity prices adjusted for the effect of anticipated interest rate movements.
- The series is calculated on an end-of-day basis in GBP.
- The FTSE UK Level Annuity Index is reviewed in June to validate the relevance of the assumed retirement profiles and the duration of the expected annuity liability cash flow profile.

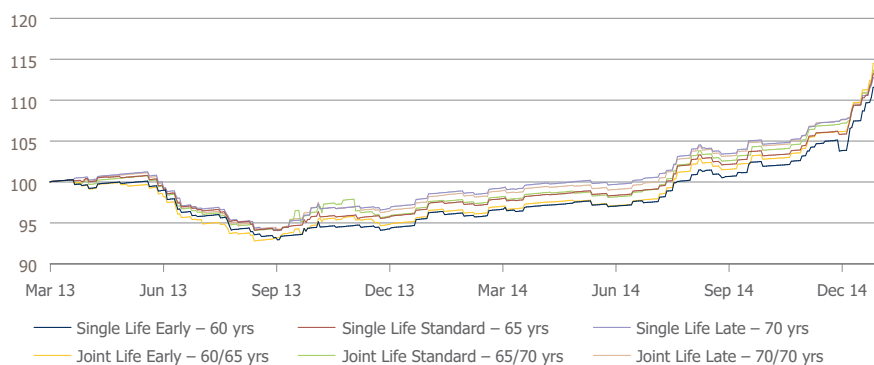
### FTSE UK Level Annuity Index



### Price Change and Volatility – GBP

FTSE UK Level Annuity Index	Annuity Price Change %				Volatility %*
	3M	6M	YTD	12M	1YR
Single Life Early - 60yrs	8.7	12.6	7.3	11.7	4.0
Single Life Standard - 65yrs	8.9	12.5	6.8	12.1	3.5
Single Life Late - 70yrs	7.0	10.4	4.8	10.3	3.0
Joint Life Early - 60/65 yrs	10.6	15.2	7.7	11.7	4.2
Joint Life Standard - 65/70 yrs	8.6	13.0	6.0	12.3	3.8
Joint Life Late - 70/70 yrs	7.9	11.8	5.4	11.4	3.3

### FTSE UK Level Adjusted Annuity Index



### Price Change and Volatility – GBP

FTSE UK Level Adjusted Annuity Index	Annuity Price Change %				Volatility %*
	3M	6M	YTD	12M	1YR
Single Life Early - 60yrs	9.5	14.4	7.5	16.0	4.0
Single Life Standard - 65yrs	9.7	14.3	7.0	16.4	3.5
Single Life Late - 70yrs	7.8	12.2	5.0	14.4	3.0
Joint Life Early - 60/65 yrs	11.4	17.0	7.9	18.7	4.2
Joint Life Standard - 65/70 yrs	9.4	14.8	6.2	16.5	3.8
Joint Life Late - 70/70 yrs	8.7	13.6	5.6	15.6	3.3

\* Volatility based on price changes using 252 trading days per year  
 Source: FTSE Group, data as at 30 January 2015

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Data definitions available from [www.ftse.com](http://www.ftse.com)

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