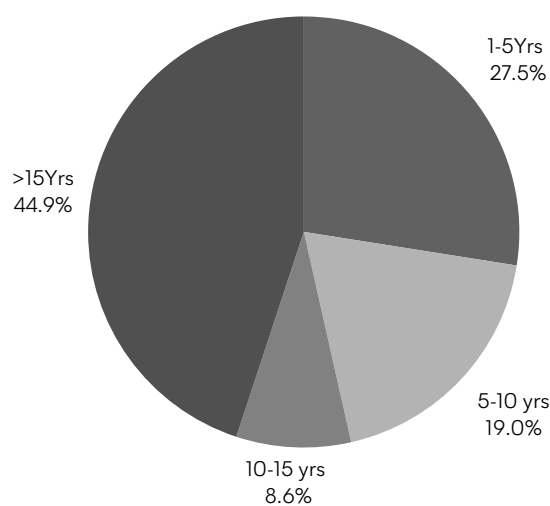


# Sterling Gilt Index

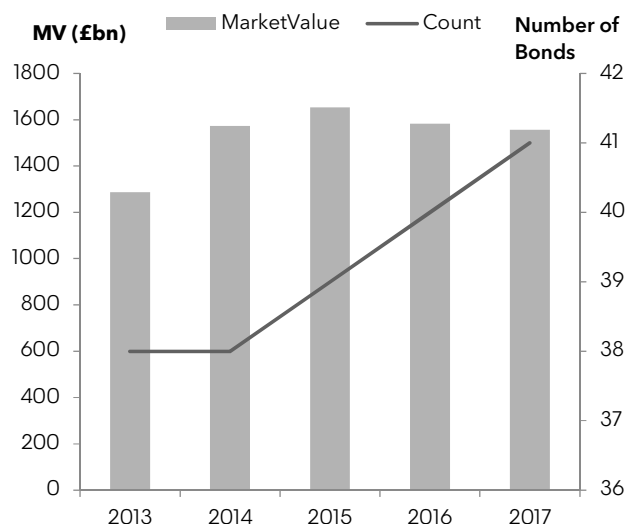
The Bloomberg Barclays Sterling Gilt Index is a flagship measure of GBP-denominated, fixed-rate, investment grade public obligations of the United Kingdom. The index tracks nominal gilt issues only (inflation-linked bonds are not eligible for inclusion). The Sterling Gilt Index is a component of the Sterling Aggregate, Pan-European Aggregate, Global Aggregate and Global Treasury Indices. The index was created in January 1, 1999.

## Composition by Maturity (MV%) -January 31, 2017



Note: 2013 - 2017 data are as of year-end; 2017 data as of 31 Jan 2017.

## Historical Market Value and number of nominal Gilts issued



## Rules for Inclusion

Eligible Currencies	Principal and interest must be denominated in GBP.	
Sector	Treasury securities only.	
Amount Outstanding	<ul style="list-style-type: none"> <li>GBP 200mn minimum par amount outstanding.</li> <li>Gilts held by the Bank of England are index eligible.</li> </ul>	
Quality	Securities must be rated investment grade (Baa3/BBB-/BBB- or higher) using the middle rating of Moody's, S&P and Fitch; when a rating from only two agencies is available, the lower is used; when only one agency rates a bond, that rating is used. Local currency treasury issues are classified using the middle issuer level rating from each agency for all outstanding bonds, even if bond level ratings are available.	
Maturity	<ul style="list-style-type: none"> <li>At least one year until final maturity, regardless of optionality.</li> <li>Sub-indices based on maturity are inclusive of lower bounds; Intermediate maturity bands include bonds with maturities of 1 to 9.999 years. Long maturity bands include maturities of 10 years or greater.</li> </ul>	
Coupon	<ul style="list-style-type: none"> <li>Fixed rate.</li> <li>Original zero coupon issues are included.</li> </ul>	
Market of Issue	Fully taxable, publicly issued in the global and regional markets. Private placements and retail issues are not eligible.	
Security Types	Included <ul style="list-style-type: none"> <li>Public obligation of the United Kingdom</li> </ul>	Excluded <ul style="list-style-type: none"> <li>Inflation-linked bonds</li> </ul>

- Bullet, putable, sinkable/amortizing and callable bonds
- Original issue zero coupons
- Floating-rate bonds
- Treasury bills
- Private placements and retail bonds
- HM Treasury UK sukuk

## Rebalancing Rules

<b>Frequency</b>	For each index, Bloomberg maintains two universes of securities: the Returns (Backward) and the Projected (Forward) Universes. The composition of the Returns Universe is rebalanced at each month-end and represents the fixed set of bonds on which index returns are calculated for the next month. The Projected Universe is a forward-looking projection that changes daily to reflect issues dropping out of and entering the index but is not used for return calculations. On the last business day of the month (the rebalancing date), the composition of the latest Projected Universe becomes the Returns Universe for the following month.
<b>Index Changes</b>	During the month, indicative changes to securities (credit rating change, sector reclassification, amount outstanding changes, corporate actions, ticker changes, etc.) are reflected daily in both the projected and Returns Universe of the index. These changes may cause bonds to enter or fall out of the Projected (Forward) Universe of the index on a daily basis, but will affect the composition of the Returns Universe at month-end only, when the index is next rebalanced.
<b>Reinvestment of Cash Flows</b>	Intra-month cash flows from interest and principal payments contribute to monthly index returns but are not reinvested at a short-term reinvestment rate between rebalance dates. At each rebalancing, cash is effectively reinvested into the returns universe for the following month so that index results over two or more months reflect monthly compounding.
<b>New Issues</b>	Qualifying securities issued/announced, but not necessarily settled, on or before the month-end rebalancing date, qualify for inclusion in the following month's index if required security reference information and pricing are readily available.

## Pricing and Related Issues

<b>Sources &amp; Frequency</b>	All index-eligible bonds are priced on a daily basis by Bloomberg's evaluated pricing service, BVAL.
<b>Pricing Quotes</b>	Bonds are quoted as percentage of par.
<b>Timing</b>	<ul style="list-style-type: none"> <li>• 4:15pm (London time).</li> <li>• On early market closes, prices are taken as of 12:00pm (London time), unless otherwise noted.</li> <li>• If the last business day of the month is a UK holiday, prices from the previous business day are used.</li> </ul>
<b>Bid or Offer Side</b>	Bonds in the index are priced on the mid side.
<b>Settlement Assumptions</b>	<ul style="list-style-type: none"> <li>• T+1 calendar day settlement basis.</li> <li>• At month-end, settlement is assumed to be the first calendar day of the following month, even if the last business day is not the last day of the month, to allow for one full month of accrued interest to be calculated.</li> </ul>
<b>Verification</b>	Daily price moves for each security are analyzed by the index pricing team. Index users may also challenge price levels, which are then reviewed and updated as needed using input from various sources.
<b>Currency Hedging</b>	Bloomberg Barclays' FX hedging methodology takes rolling one-month forward contracts that are reset at the end of each month and hedges each non-reporting currency denominated bond in the index into the reporting currency terms. No adjustment is made to the hedge during the month to account for price movements of constituent securities in the returns universe of the index.
<b>Calendar</b>	The Sterling Gilt Index follows the UK bond market holiday schedule.

## Monthly Returns in GBP Unhedged, 2001-2017 (%)

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2001	0.55	0.20	0.05	-1.65	-0.37	-0.11	2.39	1.55	0.01	3.33	-0.52	-2.16	3.17
2002	1.55	-0.37	-1.86	1.14	-0.10	2.32	1.43	2.34	1.86	-0.86	-0.70	2.36	9.39
2003	1.14	0.71	-0.59	-0.09	2.20	-0.61	-1.88	0.18	0.87	-2.31	0.26	2.29	2.08
2004	-0.24	1.05	0.62	-1.21	-0.66	0.89	0.48	1.63	0.86	1.02	1.31	0.68	6.58
2005	-0.19	-0.29	0.38	1.49	1.74	1.44	-0.62	1.38	-0.37	0.13	1.26	1.34	7.93
2006	0.73	0.10	-1.51	-1.40	0.74	-0.62	1.33	1.07	0.42	0.85	0.09	-1.24	0.53
2007	-1.47	1.77	-1.12	-0.33	-1.04	-1.31	2.67	1.55	0.02	0.86	1.81	1.76	5.18
2008	0.45	0.24	0.76	-1.61	-1.51	-0.72	2.51	2.17	-0.02	0.33	4.61	5.35	13.02
2009	-4.72	1.42	2.70	-1.33	-0.96	0.94	-0.85	3.87	0.18	-0.29	0.94	-2.79	-1.19
2010	0.76	-0.40	0.89	0.61	2.48	1.54	-0.25	4.60	-0.57	-1.42	-0.63	-0.18	7.54
2011	-1.95	0.73	0.41	1.94	1.29	-0.63	3.51	1.55	3.60	1.27	2.21	1.73	16.68
2012	0.49	-1.40	-0.87	0.44	4.58	-1.01	2.12	-0.25	-0.67	-0.71	0.77	-0.47	2.91
2013	-1.96	0.90	1.77	1.16	-2.63	-2.44	0.80	-1.11	0.82	0.69	-0.96	-1.20	-4.22
2014	2.10	0.15	0.03	0.74	0.96	-0.55	1.06	3.55	-0.70	1.38	3.28	1.84	14.64
2015	4.85	-4.44	2.14	-2.25	0.45	-1.89	1.68	0.31	1.28	-1.16	0.96	-1.13	0.49
2016	3.82	1.50	-0.15	-1.31	1.86	5.92	2.13	2.79	-2.44	-4.07	-1.36	2.00	10.73
2017	-1.90	3.15	-	-	-	-	-	-	-	-	-	-	1.19

## Accessing Index Data

**Bloomberg Professional® service** Bloomberg benchmarks are the global standard for capital markets investors.

- **INDEX<Go>** - The Bloomberg Indices Introduction page is a dashboard for index-related information on the terminal. Find daily and monthly index returns for key indices from each index family as well as index publications including methodologies, factsheets, monthly reports, updates and alerts.
- **IN<Go>** - The Bloomberg Index Browser displays the latest performance results and statistics for the indices as well as history. IN presents the indices that make up Bloomberg's global, multi-asset class index families into a hierarchical view, facilitating navigation and comparisons. The "My Indices" tab allows a user to focus on a set of favorite indices.
- **PORT<Go>** - Bloomberg's Portfolio & Risk Analytics solution includes tools to analyze the risk, return, and current structure of indices. PORT includes tools to analyze performance of a portfolio versus a benchmark as well as models for performance attribution, tracking error analysis, value-at-risk, scenario analysis, and optimization.
- **DES<Go>** - The index description page provides transparency into the current and projected index universe including membership information, aggregated characteristics and returns, and historical data.

**Bloomberg Indices Website**  
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The index website makes available limited index information including:

- Index methodology and factsheets
- Current performance numbers for select indices

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**Data Distribution**

- Index subscribers may choose to receive index data in files. Files may include:
- Index level and/or constituent level returns and characteristics for any indices.
  - Automatic delivery of files via email or SFTP following the completion of the index production process after market close.
  - Clients may receive standard files or may customize file contents.
  - Index data is also available via authorized redistributors.

**Index Ticker**

LSGITRGU: Bloomberg Barclays Sterling Gilts Total Return Index Value Unhedged GBP.

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