

## UK Gilt 1-5 Year Index

The Bloomberg Barclays UK Gilt 1-5 Year Index measures the performance of GBP-denominated, fixed-rate, investment grade public obligations issued by the United Kingdom with remaining years to maturity between 1 and 5 years. The index tracks nominal gilt issues only (inflation-linked bonds are not eligible for inclusion). The index was created in October 2003, with history backfilled to January 1, 1999.

### Rules for Inclusion

<b>Eligible Currencies</b>	Principal and interest must be denominated in GBP.	
<b>Sector</b>	Treasury securities only.	
<b>Amount Outstanding</b>	<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>	
<b>Quality</b>	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.	
<b>Maturity</b>	Remaining years to maturity must be between 1 and 4.9999 years.	
<b>Coupon</b>	<ul style="list-style-type: none"> <li>• Fixed rate.</li> <li>• Original zero coupon issues are included.</li> </ul>	
<b>Market of Issue</b>	Fully taxable, publicly issued in the global and regional markets. Private placements and retail issues are not eligible.	
<b>Security Types</b>	<b>Included</b> <ul style="list-style-type: none"> <li>• Public obligation of the United Kingdom</li> <li>• Bullet, puttable, sinkable/amortizing and callable bonds</li> <li>• Original issue zero coupons</li> </ul>	<b>Excluded</b> <ul style="list-style-type: none"> <li>• Inflation-linked bonds</li> <li>• Floating-rate bonds</li> <li>• Treasury bills</li> <li>• Private placements and retail bonds</li> <li>• HM Treasury UK sukuk</li> </ul>

### 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. 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, and ticker changes) 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 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.

March 12, 2018

**New Issues** Qualifying securities issued, but not necessarily settled on or before the month-end rebalancing date, qualify for inclusion in the following month's index if the 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 to identify outliers. Index users may also challenge price levels, which are then reviewed and updated as needed.
<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 UK Gilt 1-5 Year Index follows the UK bond market holiday schedule.

## Monthly Returns in GBP, 2009-2018 (%)

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2009	0.36	0.73	0.11	0.16	0.01	-0.56	0.32	1.37	0.29	0.04	0.69	-0.37	3.18
2010	0.32	0.91	0.24	0.25	1.06	0.62	0.10	1.07	0.07	0.02	-0.13	-0.50	4.09
2011	-0.50	0.03	0.24	0.84	0.76	0.46	1.31	0.38	0.55	0.39	0.43	0.68	5.70
2012	0.14	-0.04	-0.05	-0.09	1.09	-0.23	0.76	0.03	-0.23	-0.25	-0.04	0.01	1.09
2013	-0.21	0.53	0.29	0.04	-0.58	-0.51	0.49	-0.54	0.11	0.24	-0.08	-0.60	-0.81
2014	0.54	0.10	-0.12	0.16	0.25	-0.43	0.16	0.80	-0.02	0.78	0.78	0.36	3.41
2015	0.68	-0.74	0.65	-0.43	0.23	-0.31	0.20	0.28	0.50	-0.12	0.20	-0.24	0.89
2016	1.23	0.72	-0.24	-0.34	0.26	1.23	0.26	0.04	-0.04	-0.77	0.18	0.37	2.93
2017	-0.36	0.62	-0.06	0.17	0.02	-0.65	0.28	0.40	-0.94	0.05	-0.05	0.30	-0.23
2018	-0.71	-0.01	-	-	-	-	-	-	-	-	-	-	-0.72

## Accessing Index Data

<b>Bloomberg Professional® service</b>	<p>Bloomberg benchmarks are the global standard for capital markets investors.</p> <ul style="list-style-type: none"> <li>• INDEX&lt;Go&gt; – The Bloomberg Indices landing 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.</li> <li>• IN&lt;Go&gt; – 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.</li> <li>• PORT&lt;Go&gt; – Bloomberg's Portfolio &amp; Risk Analytics solution includes tools to analyze the risk, return, and current structure of indices. Analyze the performance of a portfolio versus a benchmark or use models for performance attribution, tracking error analysis, value-at-risk, scenario analysis, and optimization.</li> <li>• DES&lt;Go&gt; – The index description page provides transparency into an individual index including membership information, aggregated characteristics and returns, and historical performance.</li> </ul>
<b>Bloomberg Indices Website (www.bloombergindices.com)</b>	<p>The index website makes available limited index information including:</p> <ul style="list-style-type: none"> <li>• Index methodology and factsheets</li> <li>• Current performance numbers for select indices</li> </ul>
<b>Data Distribution</b>	<p>Index subscribers may choose to receive index data in files. Files may include:</p> <ul style="list-style-type: none"> <li>• Index level and/or constituent level returns and characteristics for any indices</li> <li>• Automatic delivery of files via email or SFTP following the completion of the index production process after market close</li> <li>• Clients may receive standard files or may customize file contents</li> </ul>

## Bloomberg Total Return Index Value Tickers: UK Gilt 1-5 Year and Related Indices

Ticker (GBP Unhedged)	Index	Ticker (GBP Unhedged)	Index
LF56TRGU	UK Gilt 1–5 Year	LF54TRGU	UK Gilt 10–15 Year
LSG1TRGU	Sterling Gilts	LF55TRGU	UK Gilt 15+ Year
BSGFTRGU	UK Gilt 5–10 Year	LC58TRGU	Sterling Aggregate

Total Return Index Values are available in other currencies and on a hedged basis. Attributes such as yield and duration, are also available. Please refer to Accessing Bloomberg Barclays Index Data Using Bloomberg Tickers for a full list of tickers and attributes that are available.

## Index Licensing

Bloomberg requires index data licenses for services and products linked to the Indices

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March 12, 2018

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