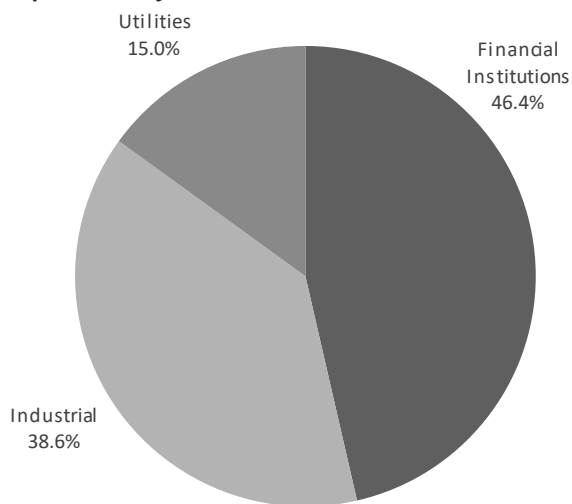


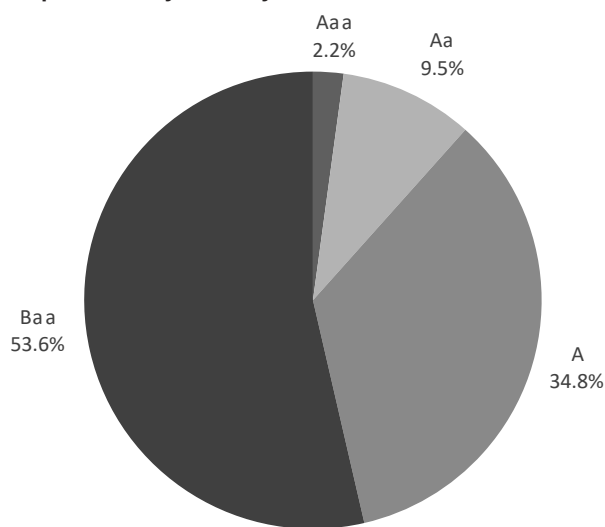
# Sterling Liquid Corporate Index

The Bloomberg Barclays Sterling Liquid Corporate Bond Index measures the investment grade, fixed-rate, taxable, sterling-denominated securities issued by corporate issuers. The index includes publicly issued securities by industrial, utility and financial issuers with at least GBP350mn amount outstanding. Issuer exposure is limited to a maximum of 4%, and excess market value is redistributed index-wide on a pro rata basis. The index was created in December 2019, with history backfilled to January 1, 2014.

Composition by Sector (MV%) - December 31, 2019



Composition by Quality (MV%) - December 31, 2019



## Rules for Inclusion

<b>Sector</b>	Corporate (industrial, utility and financial institutions) issuers only.
<b>Eligible Currencies</b>	Principal and interest must be denominated in GBP.
<b>Quality</b>	<p>Securities must be rated investment grade (Baa3/BBB-/BBB- or higher) using the middle rating of Moody's, S&amp;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. In cases where explicit bond level ratings may not be available, other sources may be used to classify securities by credit quality:</p> <ul style="list-style-type: none"> <li>• Expected ratings at issuance may be used to ensure timely index inclusion or to properly classify split-rated issuers.</li> <li>• Unrated securities may use an issuer rating for index classification purposes if available. Unrated subordinated securities are included if a subordinated issuer rating is available.</li> </ul>
<b>Amount Outstanding</b>	GBP350mn minimum par amount outstanding.
<b>Coupon</b>	<ul style="list-style-type: none"> <li>• Fixed-rate coupon.</li> <li>• Callable fixed-to-floating rate bonds are eligible during their fixed-rate term only.</li> <li>• Bonds with a step-up coupon that changes according to a predetermined schedule are eligible.</li> </ul>
<b>Maturity</b>	At least one year until final maturity, regardless of optionality.
<b>Taxability</b>	Only fully taxable issues are eligible.

## Rules for Inclusion

<b>Seniority of Debt</b>	Senior and subordinated issues are included.	
<b>Market of Issue</b>	Publicly issued in global and regional markets.	
<b>Security Types</b>	<p>Included</p> <ul style="list-style-type: none"> <li>• Bullet, puttable, sinkable/amortizing and callable bonds</li> <li>• Original issue zero coupon bonds</li> <li>• Underwritten MTN</li> <li>• Fixed-rate and fixed-to-float (including fixed-to-variable) capital securities</li> </ul>	<p>Excluded</p> <ul style="list-style-type: none"> <li>• Treasuries, government-related, securitized and covered bonds</li> <li>• Contingent capital securities, including traditional CoCos and contingent write-down securities, with explicit capital ratio or solvency/balance sheet-based triggers</li> <li>• Bonds with equity type features (eg, warrants, convertibles, preferreds)</li> <li>• Inflation-linked bonds, floating-rate issues</li> <li>• Private placements, retail bonds</li> <li>• Structured notes, pass-through certificates</li> <li>• Illiquid securities with no available internal or third-party pricing source</li> </ul>

## Rebalancing Rules

<b>Issuer Capping Methodology</b>	Issuers that exceed 4% of the market value of the uncapped Sterling Liquid Corporate Index are limited at 4%. The excess market value over the 4% cap is redistributed on a pro rata basis to all other issuers' bonds in the index that are under the 4% cap. The process is repeated until no issuer exceeds the 4% limit. For example, an issuer that represents 5% of the uncapped index will have 1% of the index's market value redistributed to each bond from all issuers under the 4% cap on a pro rata basis. The 4% issuer cap is applied each month as the index is rebalanced.
<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, and ticker changes) are reflected daily in 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.
<b>New Issues</b>	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.
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## Pricing and Related Issues

<b>Pricing Quotes</b>	Bonds are marked on a dollar price basis.
<b>Timing</b>	<ul style="list-style-type: none"> <li>• 4:15 pm (London time).</li> <li>• On early market closes, prices are taken as of 12:00 pm (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 bid side. The initial price for new corporate issues entering the index is the offer side; after the first month, the bid price is used.
<b>Settlement Assumptions</b>	T+1 calendar day settlement basis for all bonds. 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.
<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>Calendar</b>	The Sterling Liquid Corporate Index follows the UK bond market holiday schedule. For month-end dates, the European calendar may also be employed in the event a UK holiday falls on a month-end date but European markets remain open.

## Monthly Returns in GBP, 2014-2019 (%)

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
<b>2014</b>	2.16	0.55	-0.30	1.42	1.35	-0.39	0.58	2.97	-0.61	0.60	2.47	1.43	12.86
<b>2015</b>	5.38	-2.77	1.10	-1.90	0.38	-3.00	1.93	-1.24	-0.20	0.25	1.93	-1.04	0.53
<b>2016</b>	0.65	-0.88	3.37	0.76	1.26	2.68	5.39	3.04	-1.65	-3.50	-1.35	2.52	12.61
<b>2017</b>	-1.03	2.75	0.14	0.68	1.35	-1.21	0.83	1.34	-1.93	0.62	0.01	1.71	5.27
<b>2018</b>	-0.82	-1.23	0.40	0.04	-0.01	-0.48	0.28	0.53	-1.02	0.38	-1.89	1.31	-2.52
<b>2019</b>	2.05	0.10	2.59	0.02	0.63	1.64	2.37	1.43	0.09	-0.13	-0.11	0.14	11.31

## Accessing Index Data

<b>Bloomberg Terminal®</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.bloomberg.com/ professional/product/indices)</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>

## Accessing Index Data

### 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

## Bloomberg Total Return Index Value Tickers: Sterling Liquid Corporate and Related Indices

Ticker (GBP Unhedged)	Index	Ticker (GBP Unhedged)	Index
I35357GB	Sterling Liquid Corporate	LF66TRGU	Sterling Corporate 10–15 Year
LC61TRGU	Sterling Corporate	LF67TRGU	Sterling Corporate 15+ Year
LF62TRGU	Sterling Corporate 1–3 Year	LF79TRGU	Sterling Corporate Aaa
LF63TRGU	Sterling Corporate 3–5 Year	LF89TRGU	Sterling Corporate Aa
LF64TRGU	Sterling Corporate 5–7 Year	LF81TRGU	Sterling Corporate A
LF65TRGU	Sterling Corporate 7–10 Year	LF82TRGU	Sterling Corporate Baa

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.

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January 6, 2020

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