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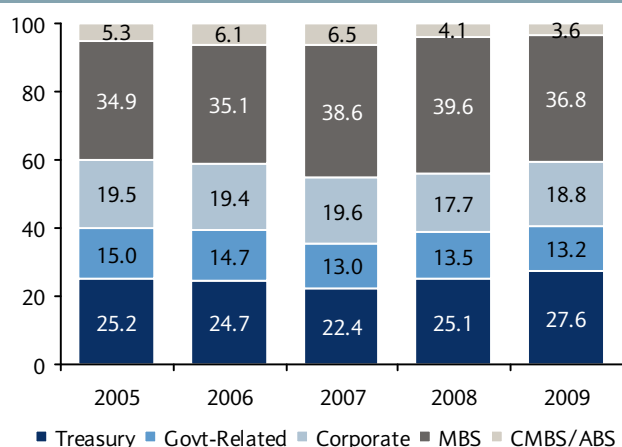
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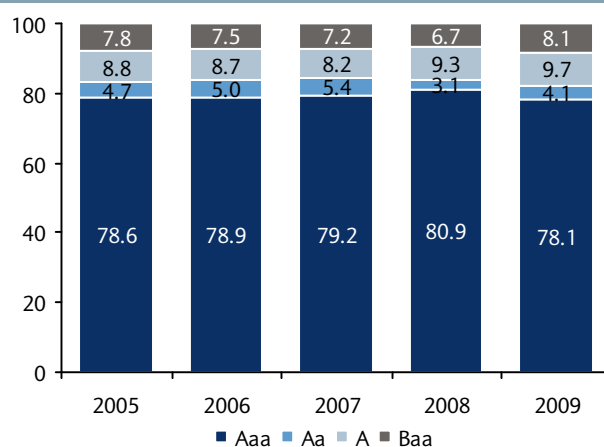
U.S. Aggregate Bond Index

The U.S. Aggregate Bond Index is a broad-based benchmark that measures the investment grade, U.S. dollar-denominated, fixed-rate taxable bond market, including Treasuries, government-related and corporate securities, MBS (agency fixed-rate and hybrid ARM pass-throughs), ABS, and CMBS. The U.S. Aggregate rolls up into other Barclays Capital flagship indices such as the multi-currency Global Aggregate Index and the U.S. Universal Index, which includes high yield and emerging markets debt. The U.S. Aggregate Index was created in 1986, with index history backfilled to January 1, 1976.

Sector Composition (MV%) – Trailing 5 Yrs (as of Dec 31, 2009)



Quality Composition (MV%) – Trailing 5 Yrs (as of Dec 31, 2009)



Rules for Inclusion

Amount Outstanding/Minimum Issue Size	<ul style="list-style-type: none"> For Treasury, government-related, and corporate securities, USD250mn minimum par amount outstanding. U.S. Treasuries held in the Federal Reserve SOMA account (both purchases at issuance and net secondary market transactions) are deducted from the total amount outstanding. New issuance bought at auction by the Federal Reserve does not enter the index. Net secondary market purchases/sales are adjusted at each month-end with a one-month lag. For MBS securities, pool aggregates with USD250mn minimum amount outstanding. For ABS securities, USD 500mn minimum deal size and USD25mn tranche size for specific ABS issuers for which Barclays Capital can accurately price the securities. The list of index-eligible issuers is available on Barclays Capital Live. For CMBS securities, USD500mn minimum original deal size, with at least USD300mn amount outstanding remaining in the deal; USD25mn minimum tranche size.
Quality	<ul style="list-style-type: none"> Rated investment-grade (Baa3/BBB-/BBB-) or higher using the middle rating of Moody's, S&P, and Fitch after dropping the highest and lowest available ratings. When a rating from only two agencies is available, the lower ("more conservative") is used. When a rating from only one agency is available, that is used to determine index eligibility. Expected ratings at issuance may be used when there are other index-eligible bonds from the same issuer that hold the same actual rating as the expected rating.
Maturity	<ul style="list-style-type: none"> At least one year until final maturity, regardless of optionality. For securities with coupon that converts from fixed to floating rate, at least one year until the conversion date. MBS must have a weighted average maturity of at least 1 year; CMBS and ABS must have a remaining average life of at least 1 year. Fixed-to-floating perpetual securities are included in the index. These are included until one year before their first call date, providing they meet all other index criteria. Subindices based on maturity are inclusive of lower bounds. Intermediate maturity bands include bonds with maturities of 1 to 9.9999 years. Long maturity bands include maturities 10 years and greater.

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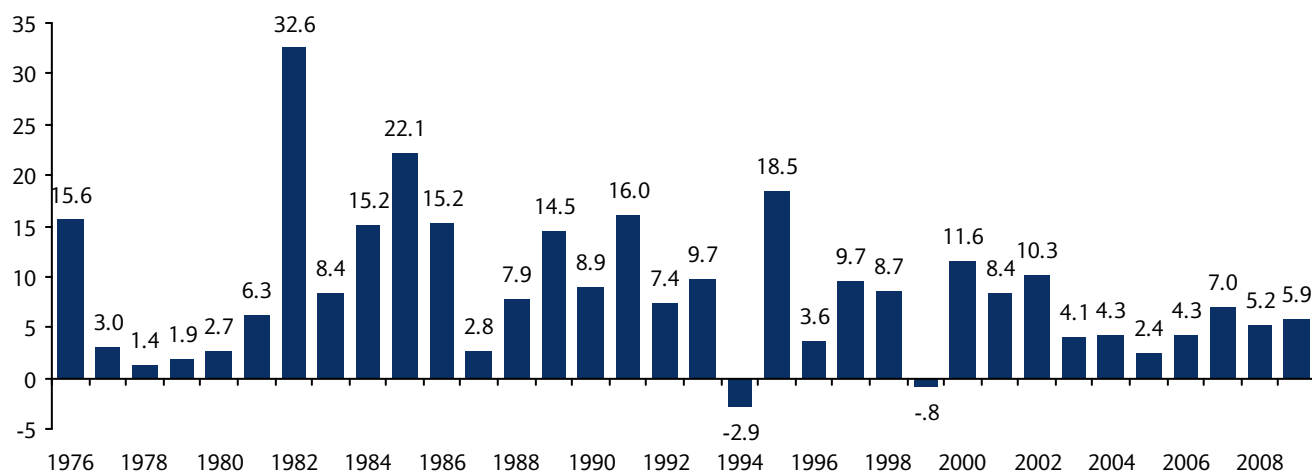
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Rules for Inclusion (continued)

Seniority of Debt	Senior and subordinated issues are included. Capital securities (hybrid capital) are eligible during their fixed-rate term and exit the index one year prior to their conversion to floating-coupon securities.	
Taxability	<ul style="list-style-type: none"> Only fully taxable issues are eligible, including taxable municipal securities. Build America Bonds (BAB) with the tax credit issued to the issuer are eligible; those with tax credits issued to investors are considered tax exempt. Dividend Received Deduction (DRD) and Qualified Dividend Income (QDI) eligible securities are excluded. 	
Coupon	<ul style="list-style-type: none"> Must be fixed-rate. Step-up coupons and those that change according to a predetermined schedule are also included. Capital securities with coupons that convert from fixed to floating rate are index eligible, given that they are currently fixed rate; the maturity date then equals the conversion date. Fixed-to-floating rate perpetual capital securities that do not have coupon rate step-ups on their first call date will remain index eligible for their fixed-rate term, provided that they meet all other inclusion rules and exit the index one year prior to their conversion to floating-coupon securities. Hybrid ARMs are index eligible during their fixed term but exit one year prior to their conversion to adjustable rate. 	
Currency	Principal and coupons must be denominated in USD.	
Market of Issue	<ul style="list-style-type: none"> SEC-registered securities, bonds exempt from registration at time of issuance, or SEC Rule 144A securities with Registration Rights are index eligible. A security with both SEC Regulation S (Reg-S) and SEC Rule 144A tranches is treated as one security in par value; to prevent double-counting, the 144A tranche is used to represent the issue and comprises the combined amount outstanding of the 144A and Reg-S tranches. Issues with global market of issue are included. Bonds from issuers that have later de-registered remain index-eligible if they were previously SEC-registered or 144A with Reg Rights. 	
Security Types	Included <ul style="list-style-type: none"> Hybrid ARMs Taxable municipal securities, including Build America Bonds (BAB) Fixed-rate bullet, putable and callable bonds Soft bullets SEC registered or exempt from registration at issuance, SEC Rule 144A with Registration Rights Original issue zero coupon and underwritten MTN Enhanced Equipment Trust Certificates (EETC) Certificates of Deposit Fixed-rate and fixed to floating capital securities 	Excluded <ul style="list-style-type: none"> Bonds with equity-type features (e.g., warrants, convertibles, contingent capital securities) Tax-exempt municipal securities, DRD and QDI-eligible securities Private placements Floating-rate issues Strips Inflation-linked bonds Non-ERISA eligible CMBS issues Securities with both Regulation S and SEC Rule 144A without Registration Rights tranches Fixed-rate perpetuals USD 25/USD 50 par bonds, retail bonds Covered bonds Structured notes, Loan Participation Notes (LPN), Passthrough certificates Illiquid securities with no available internal or third-party price source

Historical Annual Returns, 1976-2009 (%)



Source: Barclays Capital Indices

Index History

October 1, 2009	U.S. ABS Home Equity Loans removed
November 1, 2008	Index rebranded as Barclays Capital U.S. Aggregate Index
January 1, 2008	U.S. MBS Fixed-Rate Balloons and U.S. ABS Manufactured Housing removed
April 1, 2007	Agency Hybrid Adjustable Rate Mortgage (ARM) securities added to the index, but not eligible for the Global Aggregate
July 1, 2005	Fitch ratings added to Moody's and S&P to determine index eligibility and classification
July 1, 2004	Liquidity constraint raised to USD250mn/USD25mn CMBS tranche size from USD 200mn
October 1, 2003	Liquidity constraint raised to USD200mn from USD150mn. Started using the most conservative rating of Moody's and S&P to determine index eligibility instead of Moody's only for split-rated securities
July 1, 2000	ABS index liquidity constraint raised to USD500mn for deal size and USD 25mn for tranches. Absorbed all Yankee Corporates into their respective industry and sector classification
July 1, 1999	Liquidity constraint raised to USD150mn from USD100mn. ERISA-eligible CMBS issues added to the index
January 1, 1998	Removed U.S. TIPS from U.S. Aggregate Index
January 1, 1994	Liquidity constraint raised to USD100mn from USD50mn for non-government securities
January 1, 1992	ABS and MBS balloon issues added to the index. Liquidity constraint increased to USD50mn from USD25mn for non-government securities
January 1, 1990	Liquidity constraint raised to USD100mn from USD25mn
August 1, 1988	Liquidity constraint raised to USD25mn from USD1mn
January 1, 1986	U.S. Aggregate Index introduced, with historical data backfilled to January 1976

Rebalancing Rules

Frequency	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 ensuing month. The Statistics Universe is a forward-looking version that changes daily to reflect issues dropping out and entering the index, but is not used for return calculation. On the last business day of the month (the rebalancing date), the composition of the latest Statistics Universe becomes the Returns Universe for the following month.
Index Changes	During the month, indicative changes to securities (credit rating change, sector reclassification, amount outstanding changes, corporate actions, ticker changes) are reflected in both the Statistics and Returns Universe of the index on a daily basis. These changes may cause bonds to enter or fall out of the Statistics Universe of the index on a daily basis, but will affect the composition of the Returns Universe only at month-end, when the index is rebalanced.
Reinvestment of Cash Flows	Intra-month cash flows from interest and principal payments contribute to monthly index returns, but are not reinvested at any short-term reinvestment rate in between rebalance dates to earn an incremental return. However, after the 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.
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 required security reference information and pricing are readily available. U.S. Treasury securities will be added by the auction date in the statistics universe.

Pricing and Related Issues

Sources & Frequency	<p>All index-eligible bonds are priced on a daily basis, predominantly by Barclays Capital market makers. Pricing sources by sector:</p> <ul style="list-style-type: none"> ■ Treasury: Priced by Barclays Capital market makers on a daily basis. ■ Corporate: All bonds are marked by traders at mid-month and month-end. Up to 1,000 actively traded benchmark corporate securities continue to be priced by traders on a daily basis. Less liquid bonds are model/matrix priced daily using these actively traded benchmark securities to generate issuer pricing curves and populate a spread matrix algorithm that accounts for changes in the yield and swap curves. ■ Government-Related: A subset of approximately 200 liquid agency debentures are priced by Barclays Capital traders on a daily basis, with the remaining bonds model-priced using trader marks and updated curves. ■ MBS Fixed Rate: MBS TBA securities are priced by traders on a daily basis and are used to derive prices for index-eligible MBS generics. ■ Hybrid ARM: OAS updated weekly by traders to generate daily prices using curve and volatility changes. ■ ABS: Spreads are marked weekly and monthly for autos/credit cards/utilities to generate daily prices using changes in the Treasury and swap curves. ■ CMBS: Spread matrix updated by traders on a daily basis with consideration to deal-specific attributes
Pricing Quotes	Bonds can be quoted in a variety of ways, including nominal spreads over benchmark securities/Treasuries, spreads over swap curves, or direct price quotes as a percentage of par. In most instances, the quote type used is a spread measure that results in daily security price changes from the movement of the underlying curve (swap or Treasury) and/or changes in the quoted spread.
Timing	3pm (New York time) each day. On early market closes, prices will be taken as of 1pm unless otherwise noted. If the last business day of the month is a public holiday in the U.S., prices from the previous business day are used.
Bid or Offer Side	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 that, the bid side price is used.
Settlement Assumptions	<ul style="list-style-type: none"> ■ T+1 calendar day settlement basis for all bonds except MBS, which are priced for Public Securities Association (PSA) settlement in the following month and discounted back to same-day settlement at the mortgage repurchase rate. ■ On month-end, settlement is assumed to be the first 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. However, for MBS, trade date and settlement date are assumed to fall on the last calendar date of the month.
Verification	Multi-contributor verification: The primary price for each security is analyzed and compared with other third-party pricing sources through statistical routines and scrutiny by the research staff. Significant discrepancies are researched and corrected, as necessary.
Calendar	The U.S. Aggregate follows the U.S. bond market holiday schedule.

Subindices and Index Customizations

Barclays Capital publishes numerous subindices of flagship indices and bespoke benchmarks created for specific index users. Several types of bespoke indices are available to select or customize the most appropriate benchmark for specific portfolio needs:

Custom Index Type	Description	Examples
Enhanced Constraint	Applies a more or less stringent set of constraints to any existing index.	<ul style="list-style-type: none"> ■ U.S. Aggregate ex Baa ■ U.S. Intermediate Aggregate
Composites	Investors assign their own weights to sectors or other index subcomponents within an overall index.	<ul style="list-style-type: none"> ■ 50% U.S. Aggregate, 50% Euro Aggregate ■ 30% U.S. Govt-Related, 20% Securitized
Issuer Constrained	Indices that cap issuer exposure to a fixed percentage. Options available for applying issuer caps and redistributing excess MV to other issuers.	<ul style="list-style-type: none"> ■ U.S. Credit 2% Issuer Capped ■ U.S. HY 1.5% Issuer Capped ex Financials
Liability Driven	Designed to match a specific investor's liability stream or future cash flow obligations. Often built using swaps indices or strips.	<ul style="list-style-type: none"> ■ An index of zero coupon nominal swaps with weights matching the cash flows of a specific liability stream
Very Liquid	Chooses the largest and most recently issued bonds from a given issuer.	<ul style="list-style-type: none"> ■ U.S. HY VLI Index
Alternative Weight	Uses other rules-based weighting schemes instead of market value weights.	<ul style="list-style-type: none"> ■ U.S. Aggregate Float Adjusted

Bespoke indices can be published on Barclays Capital Live and Bloomberg. For more information about customizing indices please contact your regional index group or email index_feedback@barclayscapital.com.

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Barclays Capital Live live.barcap.com (keyword: index)	Barclays Capital POINT® Long Name: US Aggregate	Bloomberg® LEHM and BCIX pages/Index Tickers
<ul style="list-style-type: none"> ■ Daily index returns and statistics ■ Historical index time series downloadable into Excel ■ Standardized market structure reports ■ Fully customizable views ■ Index primers and shelf reference documents ■ Latest Index, Portfolio, and Risk Solutions (IPRS) research publications 	<ul style="list-style-type: none"> ■ Index level returns and statistics ■ Historical index constituents ■ Fully customizable market structure reports ■ Index dynamics and turnover reports ■ Portfolio upload/analysis ■ Multi-factor Global Risk Model ■ Portfolio performance attribution ■ Portfolio optimization capabilities ■ Automated batch processing 	<ul style="list-style-type: none"> ■ Current Month Returns & Statistics ■ Previous Month Returns & Statistics ■ Index Tickers: <ul style="list-style-type: none"> - LBUSTRUU: Total Return Index Value - LBUSYW: Yield To Worst - LBUSOAS: OAS

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Bloomberg Total Return Index Value Tickers for U.S. Aggregate and Related Indices			
Ticker (USD Unhedged)	Index	Ticker (USD Unhedged)	Index
LBUSTRUU	U.S. Aggregate Bond Index	LU3ATRUU	U.S. Aggregate Aaa
LCO8TRUU	U.S. Intermediate Aggregate	LU2ATRUU	U.S. Aggregate Aa
LU13TRUU	U.S. 1-3 Year Aggregate	LU1ATRUU	U.S. Aggregate A
LU35TRUU	U.S. 3-5 Year Aggregate	LUBATRUU	U.S. Aggregate Baa
LU57TRUU	U.S. 5-7 Year Aggregate	LUGCTRUU	U.S. Government/Credit
LU71TRUU	U.S. 7-10 Year Aggregate	LF97TRUU	U.S. Intermediate Government/Credit
LU10TRUU	U.S. 10+ Year Aggregate	LGC5TRUU	U.S. Long Government/Credit

Total Return Index Values are available in other currencies and on a hedged basis. Other attributes, such as yield and duration, are also tickerized on Bloomberg using the first four characters of each ticker listed in the above table. For a full list of tickerized attributes for each index, type ALLX <Ticker>. Please refer to *Historical Analysis Using Bloomberg Tickers* for a full list of tickers.¹

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