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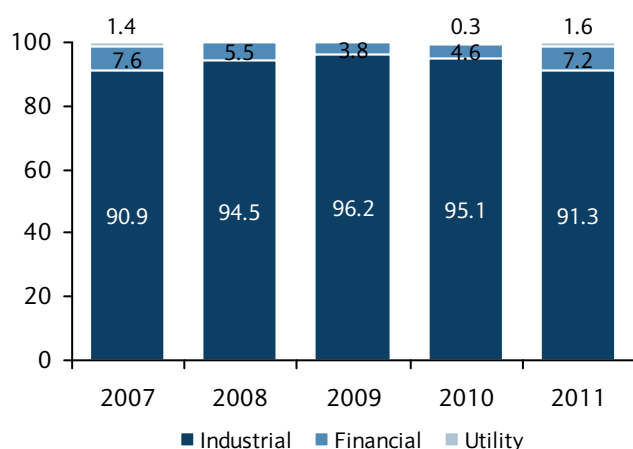
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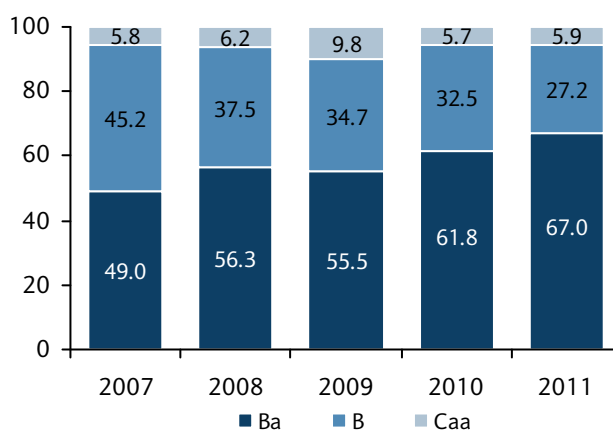
Liquidity Screened Euro High Yield Bond Index

The Liquidity Screened Euro High Yield Bond Index is a more liquid version of the Euro High Yield Index that measures the market of EUR-denominated, non-investment grade, fixed-rate, taxable corporate bonds. Securities in the index roll up to the Pan European Universal and the Global High-Yield Indices. The Liquidity Screened Euro High Yield Bond Index was created on April 6, 2011, with historical data backfilled to July 1, 2004.

**Sector Composition (MV%) – Trailing Five Years
(as of December 31, 2011)**



**Quality Composition (MV%) – Trailing Five Years
(as of December 31, 2011)**



Rules for Inclusion

Amount Outstanding	Minimum outstanding par value of at least EUR 250mn.	
Quality	<ul style="list-style-type: none"> Must be rated between Caa3/CCC-/CCC- and Ba1/BB+/BB+ using the middle rating of Moody's, S&P, and Fitch after dropping the highest and lowest available ratings. No security can be rated below Caa3/CCC-/CCC- by any rating agency. 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 other index-eligible bonds from the same issuer hold the same actual rating as the expected rating. 	
Maturity	Between 1 and 14.9999 years until final maturity, regardless of optionality.	
Seniority of Debt	Senior, senior subordinated, and senior unsecured debt is included.	
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. 	
Currency	Principal and coupons must be EUR denominated	
Market of Issue	Publicly issued in the Eurobond and index-member domestic markets	
Security Types	Included <ul style="list-style-type: none"> Fixed-rate bullet, putable and callable bonds Soft bullets 	Excluded <ul style="list-style-type: none"> Bonds with equity-type features (e.g., warrants, convertibles, contingent capital securities) Private placements, including Schuldscheine Floating-rate securities and securities that move from fixed to floating-rate Inflation-linked bonds, govt-related, and securitized issues

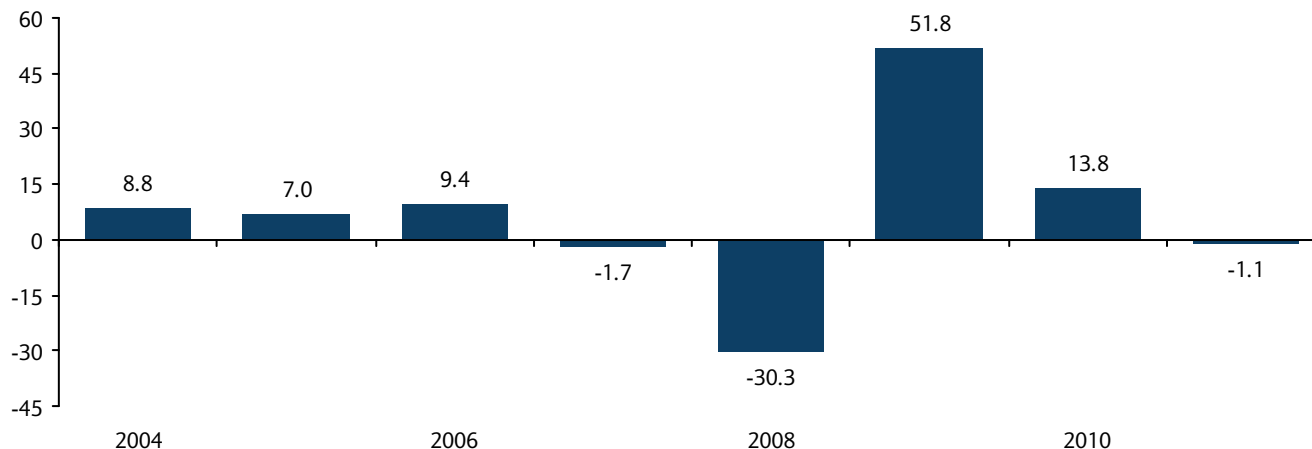
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Historical Annual Returns in Unhedged EUR, 2004-2011(%)



Rebalancing Rules

Issuer Capping Methodology	All issuers (viewed at the ticker level) that exceed 5% of the market value of the uncapped Liquidity Screened Euro High Yield Bond Index are capped at 5%. The excess market value over the 5% cap will be redistributed on a pro rata basis to all other issuers' bonds in the index that are under the 5% cap. This process is repeated until no issuer exceeds the 5% limit. For example, an issuer that represents 6.5% of the uncapped index will have 1.5% of the index's market value redistributed to each bond from all issuers under the 5% cap on a pro rata basis.
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 the 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 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.

Pricing and Related Issues

Sources & Frequency	Priced by Barclays Capital traders or third-party vendors on a daily basis.
Timing	4:15pm London time. If European markets are open, but the U.K. is closed, then pricing will remain constant until the close of the next U.K. business day. If the last business day of the month is a public holiday in the major European markets, then prices from the previous business day are used.
Bid or Offer Side	Bonds in the index are priced on the bid side.
Settlement Assumptions	<ul style="list-style-type: none"> ■ T+1 calendar day settlement basis ■ 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.
Verification	Multi-contributor verification: The primary price for each security is analyzed and compared with other third-party pricing sources through both statistical routines and scrutiny by the research staff. Significant discrepancies are researched and corrected, as necessary.
Calendar	The index follows the European bond market holiday schedule.

Subindices & 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	■ Liquidity Screened Euro HY ex Caa
Composites	Investors assign their own weights to sectors or other index subcomponents within an overall index	■ 40% Liquidity Screened Euro HY 60% Euro Long Treasury
Issuer Constrained	Indices that cap issuer exposure to a fixed percentage. Options available for applying issuer caps and redistributing excess MV to other issuers	■ Liquidity Screened Euro HY 2% Capped
Liability Driven	Designed to match a specific investor's liability stream or future cash flow obligations. Often built using swaps indices or strips	An index of zero coupon nominal swaps with weights matching the cash flows of a specific liability stream
Alternative Weight	Uses other rules-based weighting schemes instead of market value weights	Global Treasury GDP Weight Index

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.

Index Access

Barclays Capital Live live.barcap.com (keyword: index)	Barclays Capital POINT® Long Name: Liquidity Screened Euro HY	Bloomberg® LEHM and BCIX pages
<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"> - BEHLTREU: Total Return Index Value - BEHLYW: Yield To Worst - BEHLOAS: OAS

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