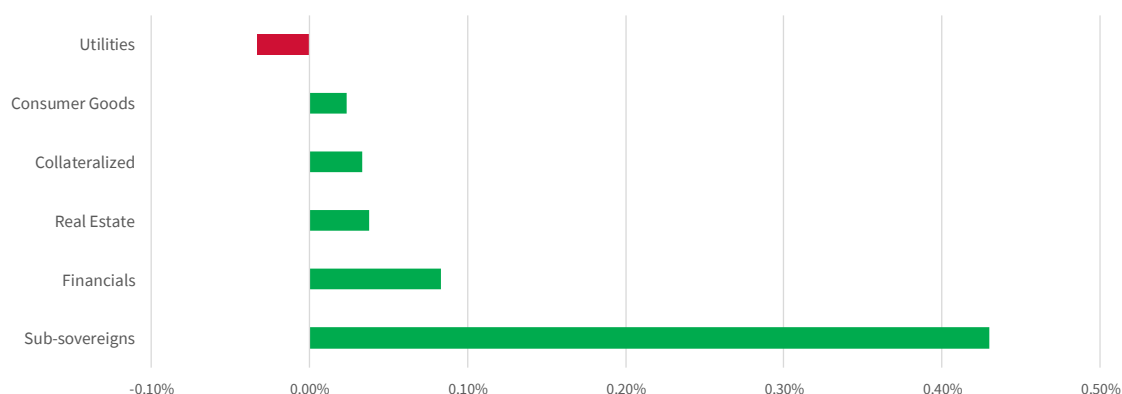


iBoxx GBP Index Monthly Commentary

Month-end January 2022 Rebalance

January Month-End Rebalance Net Changes In Index Weight by Sector



January month-end rebalance of the iBoxx GBP Index, saw net insertions of GBP 12.09 billion of notional. The steep month-on-month increase came seasonally after many bonds departed the index in the year-end rebalance. The sub-sovereigns category, which the previous month dominated the exits, added the highest notional value in January. About GBP 10.50 billion of new debt came from supranational banks or other agencies. All of the new issuance was of bonds with maturity of less than seven years. The overall index duration on the first trading day of February decreased to 11.15, compared to beginning of January 11.60 (see table below).

No new gilts entered the index the past month.

Eight bonds left the index, with a total notional of GBP 3.63 billion of notional value.

Six bonds were impacted by a credit change in the last rebalance as the credit rating for Electricite de France SA nudged down from A to BBB. The change had little impact on the overall index. However, the above-mentioned addition of supranational issuances have slightly increased the overall weight of the AAA-rated bonds. Please see the Appendix for the full index breakdown.

	Yield	Duration	No. of Bonds	Δ Yield	Δ Duration	No. of Bonds
iBoxx £ Overall	1.58	11.15	1,235	0.35	-0.45	22
iBoxx £ Gilts	1.38	12.43	55	0.33	-0.47	0
iBoxx £ Non-Gilts	2.47	7.65	1,180	0.39	-0.30	22
iBoxx £ Financials	2.73	6.42	350	0.47	-0.14	5
iBoxx £ Non-Financials	2.65	8.91	446	0.42	-0.32	0
iBoxx £ Corporates	2.68	7.80	796	0.44	-0.26	5

Data as of first trading day of February 2022 versus first trading day of January 2022. Weighted average duration to maturity of all constituents in the specific index, in years.

January 2022 Performance



Annual yields on pound-denominated debt rallied in January to the highest levels in more than two-and-a-half years leading to hefty losses across the entire iBoxx GBP index spectrum. Even the iBoxx GBP High Yield Core-bonds index – which remained in positive territory throughout 2021 – flipped into a monthly loss in January. Meanwhile, the spreads between the government debt and corporate bonds – as measured by the Annual Benchmark Spread – rose to their widest in more than two years.

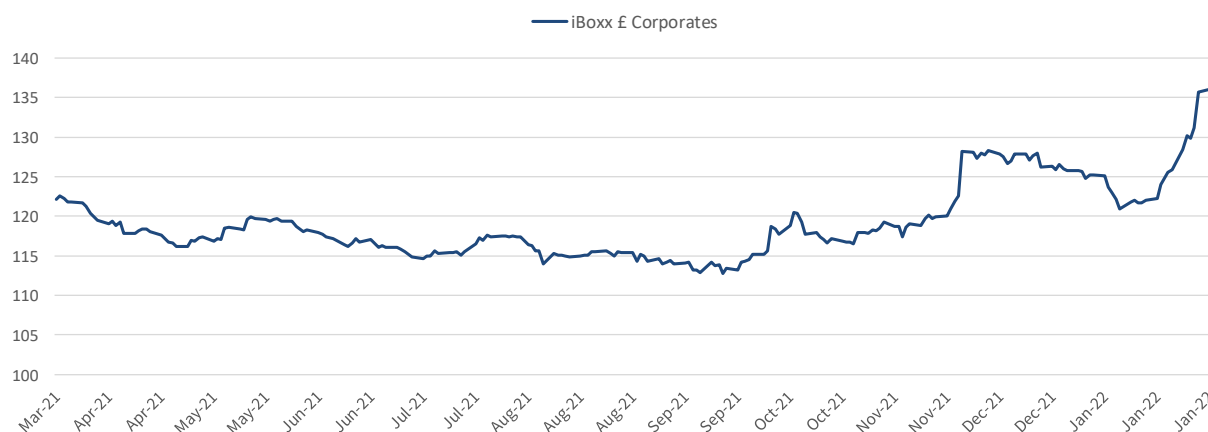
Gilts led the losses across the index. In the corporate category, Non-Financials saw the largest month-on-month drops from all sectors. The weak performance was spread across all corporate sectors, with Consumer Goods and Industrials sliding slightly less than other sectors.

Sector Month-to-date Performance

Basic Materials -3.78%	Consumer Goods -1.92%	Consumer Services -3.71%
Health Care -3.87%	Industrials -2.50%	Oil & Gas -3.07%
Technology -3.10%	Telecommunications -3.89%	Utilities -4.09%

Going into February, the market saw the Bank of England hiking its base rate to 0.5%, in line with expectations. The focus remains on further increases and reduction of the government’s bond buying program.

Annual Benchmark Spread



Key Index Analytics

By Rating							
	Index (TRI)	Δ MTD	MV (Bn)	Yield (%)	Spread (bps)	Duration	No. of Bonds
iBoxx £ Overall	349	-3.6%	2,473	1.23	20.59	11.19	1,213
iBoxx £ AAA	324	-1.7%	129	1.28	39.03	5.65	128
iBoxx £ AA	341	-3.8%	1891	1.06	1.67	12.29	196
iBoxx £ A	354	-3.6%	189	2.06	111.51	9.11	378
iBoxx £ BBB	456	-2.9%	265	2.52	162.64	7.38	511
GBP High Yield Index	234	-1.4%	50	4.59	384.28	3.78	107

By Maturity							
	Index (TRI)	Δ MTD	MV (Bn)	Yield (%)	Spread (bps)	Duration	No. of Bonds
1-3	227	-0.6%	312	0.84	32.30	1.87	189
3-5	269	-1.2%	377	1.05	32.98	3.74	266
1-5	246	-0.9%	688	0.99	32.78	2.89	455
5-10	315	-2.2%	532	1.19	29.61	6.72	338
10+	452	-5.6%	1253	1.26	18.00	17.94	420
10-15	388	-3.3%	274	1.40	35.40	10.23	162
15+	478	-6.3%	979	1.24	15.47	20.15	258

Total Return Index Level is based to 100 on 31 December 1997. Yield reflects annual yield. Duration is weighted average duration to maturity of all constituents in the specific index, in years.

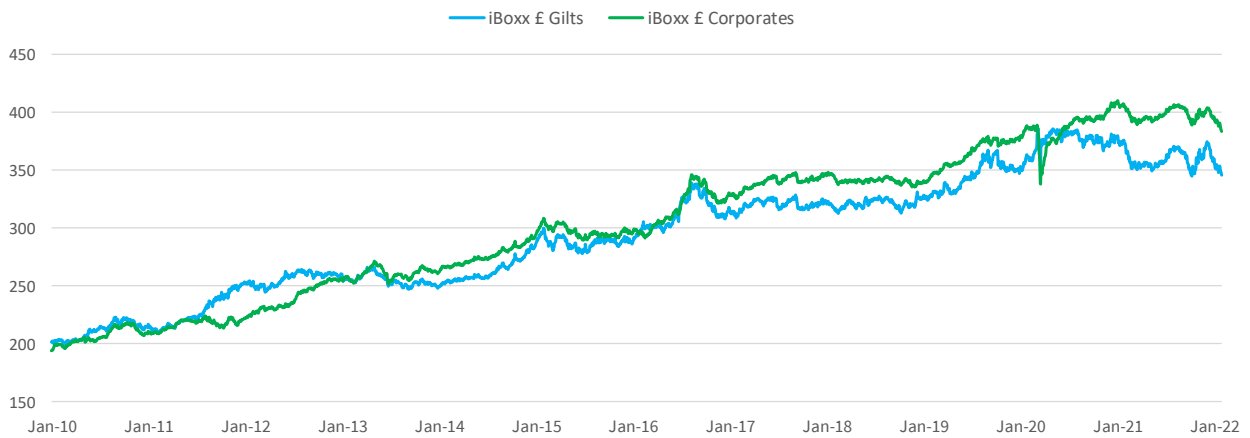
Rating & Maturity MTD Performance							
	Overall	1-3	3-5	5-10	10+	10-15	15+
iBoxx £ Overall	-3.59%	-0.63%	-1.16%	-2.24%	-5.63%	-3.31%	-6.27%
AAA	-1.74%	-0.65%	-1.07%	-1.85%	-4.71%	-2.65%	-6.38%
AA	-3.82%	-0.60%	-1.10%	-2.16%	-5.75%	-3.20%	-6.33%
A	-3.58%	-0.68%	-1.40%	-2.52%	-5.63%	-3.86%	-6.42%
BBB	-2.86%	-0.75%	-1.41%	-2.59%	-4.56%	-3.61%	-5.25%
High Yield*	-1.35%	-	-	-	-	-	-

*High Yield reflects a separate index to iBoxx £ Overall Index benchmark

Sector & Maturity MTD Performance							
	Overall	1-3	3-5	5-10	10+	10-15	15+
iBoxx £ Overall	-3.59%	-0.63%	-1.16%	-2.24%	-5.63%	-3.31%	-6.27%
iBoxx £ Gilts	-3.86%	-0.60%	-1.08%	-2.17%	-5.75%	-3.20%	-6.33%
iBoxx £ non-Gilts	-2.84%	-0.69%	-1.29%	-2.40%	-5.08%	-3.53%	-5.96%
iBoxx £ Financials	-2.67%	-0.75%	-1.56%	-2.76%	-5.37%	-4.15%	-6.23%
iBoxx £ Non-Financials	-3.50%	-0.73%	-1.22%	-2.43%	-5.41%	-3.76%	-6.34%
iBoxx £ Corporates	-3.13%	-0.74%	-1.42%	-2.59%	-5.40%	-3.88%	-6.31%

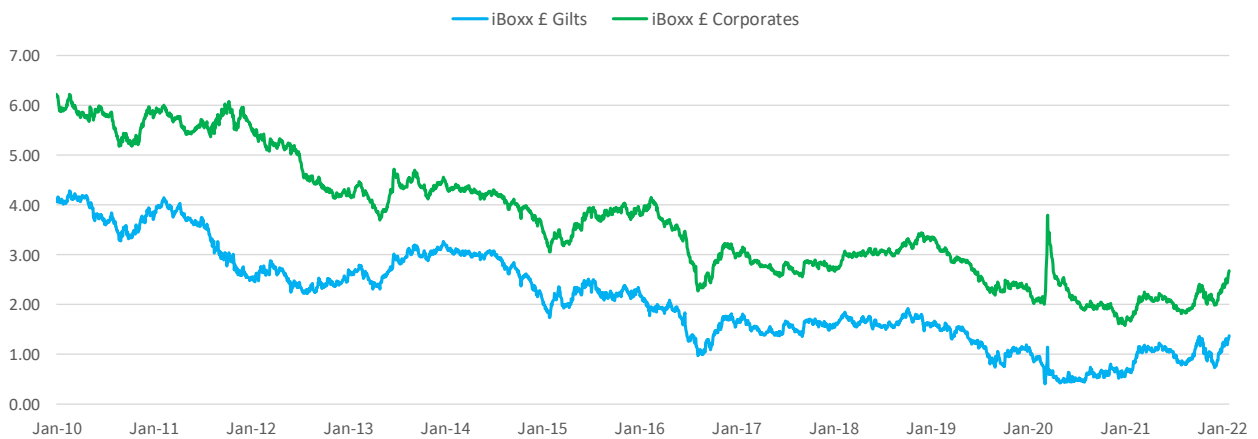
Appendix

Total Return Index

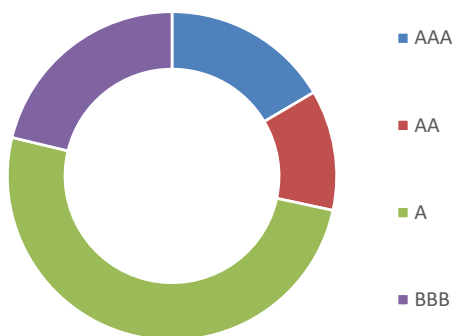


Total Return Index Level is based to 100 on 31 December 1997. Data as of 31 January 2022

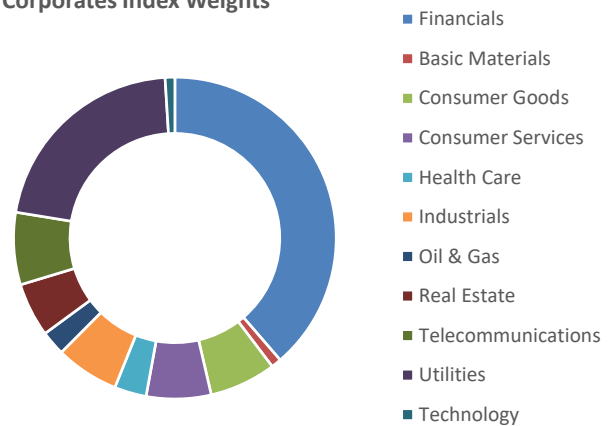
Annual Yield



iBoxx £ Overall Weight by Rating



iBoxx £ Corporates Index Weights



Insertions and Deletions

Insertions			
Issuer Name	Issuer Country	Coupon	Maturity
African Development Bank	SUPRA NATIONAL	1.13	18.06.2025
Agence Francaise de Developpement EPIC	FRANCE	1.25	18.06.2025
Asian Development Bank	SUPRA NATIONAL	1.13	10.06.2025
Asian Infrastructure Investment Bank	SUPRA NATIONAL	1.13	15.09.2026
Banque Federative du Credit Mutuel SA	FRANCE	1.88	26.10.2028
Caisse des Depots et Consignations	FRANCE	1.13	16.12.2024
Canadian Imperial Bank of Commerce	CANADA	1.88	27.01.2026
Cooperatieve Rabobank UA	NETHERLANDS	1.88	12.07.2027
Council Of Europe Development Bank	SUPRA NATIONAL	1.25	15.09.2026
CPPIB Capital Inc	CANADA	1.25	07.12.2027
Development Bank of Japan Inc	JAPAN	1.25	31.01.2025
Dexia Credit Local SA	FRANCE	1.25	21.07.2025
European Investment Bank	SUPRA NATIONAL	1.13	19.06.2025
International Bank for Reconstruction & Development	SUPRA NATIONAL	1.25	13.12.2028
Kreditanstalt fuer Wiederaufbau	GERMANY	1.13	04.07.2025
Landeskreditbank Baden-Wuerttemberg - Foerderbank	GERMANY	0.63	15.12.2025
Landwirtschaftliche Rentenbank	GERMANY	1.25	22.07.2027
Lloyds Banking Group Plc	UNITED KINGDOM	2.00	12.04.2027
London & Quadrant Housing Trust	UNITED KINGDOM	2.00	31.03.2032
Metropolitan Life Global Funding I	UNITED STATES	1.63	12.10.2028
Motability Operations Group Plc	UNITED KINGDOM	2.13	18.01.2042
Municipality Finance Plc	FINLAND	1.13	19.06.2025
New York Life Global Funding	UNITED STATES	1.50	15.07.2027
Nordic Investment Bank	SUPRA NATIONAL	1.13	18.06.2025
Places For People Treasury Plc	UNITED KINGDOM	2.50	26.01.2036
Realty Income Corp	UNITED STATES	1.88	14.01.2027
Realty Income Corp	UNITED STATES	2.50	14.01.2042
Santander UK Group Holdings Plc	UNITED KINGDOM	2.42	17.01.2028
Volkswagen Financial Services NV	NETHERLANDS	2.13	18.01.2028
Yorkshire Housing Finance Plc	UNITED KINGDOM	4.13	31.10.2044

Deletions			
Issuer Name	Issuer Country	Coupon	Maturity
China Development Bank	CHINA	1.25	21.01.2023
Cooperatieve Rabobank UA	NETHERLANDS	4.88	10.01.2023
Coventry Building Society	UNITED KINGDOM	1.50	23.01.2023
GE Capital UK Funding	IRELAND	8.00	14.01.2039
Metropolitan Life Global Funding I	UNITED STATES	2.88	11.01.2023
Nationwide Building Society	UNITED KINGDOM	1.00	24.01.2023
Prudential Plc	UNITED KINGDOM	6.88	20.01.2023
Western Power Distribution [East Midlands] Plc	UNITED KINGDOM	5.25	17.01.2023

Key Tickers

Key Indices	ISIN TRi	BBG Ticker TRi	RIC TRi
iBoxx £ Overall	DE0007931974	IXBB	.IBBGB0001
iBoxx £ Gilts	DE0005706170	QX6A	.IBBGB014B
iBoxx £ Non-Gilts	DE0007932279	IXBW	.IBXXNGS1
iBoxx £ Corporates	DE0005993174	IYDU	.IBBGB00A1
Markit iBoxx GBP High Yield Core-bonds	GB00BDRL3P26	BDRL3P2	.IBXXXHL9

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