

UK LDI DATA SHEET

31 December 2021

| | TODAY | 1 MONTH | 3 MONTHS |
|---------------------------------------|-----------|-----------|-----------|
| | 31 Dec 21 | 30 Nov 21 | 30 Sep 21 |
| Conventional gilts (zc) (% pa) | | | |
| 5 year | 0.80 | 0.63 | 0.63 |
| 10 year | 1.02 | 0.86 | 1.06 |
| 20 year | 1.22 | 1.02 | 1.41 |
| 50 year | 0.80 | 0.52 | 1.15 |

| | 31 Dec 21 | 30 Nov 21 | 30 Sep 21 |
|---------------------------------------|-----------|-----------|-----------|
| Index-linked gilts (zc) (% pa) | | | |
| 5 year | -3.27 | -3.83 | -3.25 |
| 10 year | -2.89 | -3.29 | -2.70 |
| 20 year | -2.49 | -2.80 | -2.31 |
| 50 year | -2.32 | -2.57 | -2.17 |

| | 31 Dec 21 | 30 Nov 21 | 30 Sep 21 |
|---|-----------|-----------|-----------|
| Gilt breakeven inflation (zc) (% pa) | | | |
| 5 year | 4.20 | 4.64 | 4.01 |
| 10 year | 4.03 | 4.28 | 3.86 |
| 20 year | 3.80 | 3.93 | 3.80 |
| 50 year | 3.19 | 3.17 | 3.39 |

| | 31 Dec 21 | 30 Nov 21 | 30 Sep 21 |
|--|-----------|-----------|-----------|
| Interest rate swaps (zc) (% pa) | | | |
| 5 year | 1.05 | 0.95 | 0.76 |
| 10 year | 0.95 | 0.83 | 0.94 |
| 20 year | 0.88 | 0.72 | 1.05 |
| 50 year | 0.65 | 0.42 | 0.81 |

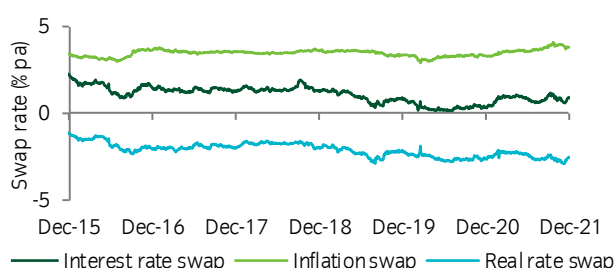
| | 31 Dec 21 | 30 Nov 21 | 30 Sep 21 |
|------------------------------------|-----------|-----------|-----------|
| Inflation swaps (zc) (% pa) | | | |
| 5 year | 4.46 | 4.99 | 4.25 |
| 10 year | 4.17 | 4.49 | 4.02 |
| 20 year | 3.80 | 3.97 | 3.80 |
| 50 year | 3.25 | 3.30 | 3.38 |

| | 31 Dec 21 | 30 Nov 21 | 30 Sep 21 |
|------------------------------|-----------|-----------|-----------|
| Z-spread (zc) (bp pa) | | | |
| Conventional 10 year | 7 | 3 | 11 |
| Conventional 20 year | 33 | 30 | 36 |
| Conventional 30 year | 32 | 26 | 43 |
| Index-linked 10 year | 21 | 22 | 26 |
| Index-linked 20 year | 33 | 34 | 36 |
| Index-linked 30 year | 33 | 29 | 39 |

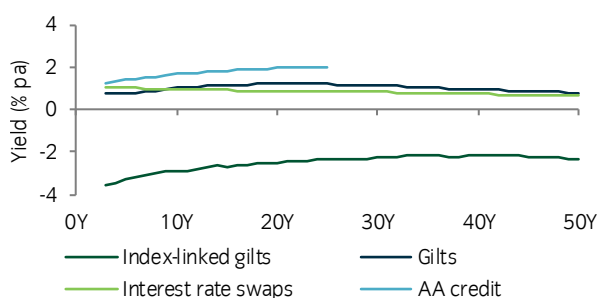
| | 31 Dec 21 | 30 Nov 21 | 30 Sep 21 |
|-------------------------------|-----------|-----------|-----------|
| Financing rates (% pa) | | | |
| 3 month repo rate | 0.43 | 0.26 | 0.18 |
| 3 month SONIA swap rate | 0.34 | 0.17 | 0.09 |
| 6 month repo rate | 0.61 | 0.39 | 0.26 |
| 6 month SONIA swap rate | 0.50 | 0.30 | 0.17 |

| | 31 Dec 21 | 30 Nov 21 | 30 Sep 21 |
|--|-----------|-----------|-----------|
| Other rates (% pa) | | | |
| 20 year conventional gilt rate 3 years forward | 1.31 | 1.05 | 1.62 |
| 20 year conventional gilt rate 5 years forward | 1.34 | 1.07 | 1.68 |

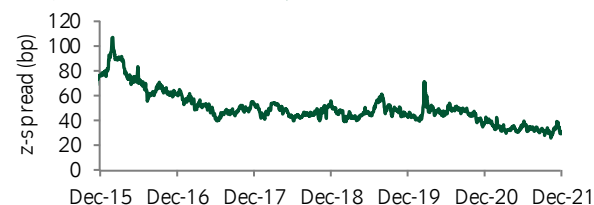
20 year swap rates (zc)



Swap rates by maturity (coupon paying instrument)



20 year index-linked z-spread



CDS spread (bp) 31 Dec 21 30 Nov 21 30 Sep 21

| | | | |
|---|----|----|----|
| iTraxx Europe 5 year (on-the-run-series) | 48 | 58 | 50 |
| iTraxx Europe 10 year (on-the-run-series) | 87 | 96 | 89 |
| CDX 10 year (on-the-run-series) | 89 | 97 | 92 |

Equity markets 31 Dec 21 30 Nov 21 30 Sep 21

| | | | |
|--------------------|-------|-------|-------|
| UK - FTSE100 | 7,385 | 7,059 | 7,086 |
| US - S&P 500 | 4,766 | 4,567 | 4,308 |
| Europe - Eurostoxx | 4,298 | 4,063 | 4,048 |
| Japan - Topix | 1,992 | 1,928 | 2,030 |

Equity volatility 31 Dec 21 30 Nov 21 30 Sep 21

| | | | |
|-----------|------|------|------|
| VIX Index | 17.2 | 27.2 | 23.1 |
|-----------|------|------|------|

Currency 31 Dec 21 30 Nov 21 30 Sep 21

| | | | |
|--------|------|------|------|
| GBPUSD | 1.35 | 1.33 | 1.35 |
| GBPEUR | 1.19 | 1.17 | 1.16 |

All data sources are Bloomberg, Barclays Capital and Insight. Data as at close of business on dates specified.
All yields displayed are annualised.

DEFINITIONS

Basis point (bp)

A unit of measure equal to 1/100th of 1%.
i.e. 0.01%.

BOE

Bank of England.

Credit spread

The difference in yield between AA corporate bonds and government bonds.

Forward rate

The agreed future yield of an asset
e.g. the 30 year swap rate starting
3 years hence.

Inflation swaps

A contractual agreement where an investor pays a fixed rate and receives a payment linked to inflation. There is no exchange of principal at inception or maturity. The percentage level refers to the fixed rate that is paid as part of the swap.

Interest rate swaps

A contractual agreement to exchange a stream of periodic payments between counterparties, usually taking the form of exchanging a fixed rate for a floating rate. The agreement defines the dates when the cash flows are to be exchanged and the way that they are calculated. The percentage level refers to the fixed rate that is paid or received as part of the swap.

For further information please contact:

Institutional Business Development

businessdevelopment@insightinvestment.com
020 7321 1552

European Business Development

europe@insightinvestment.com
+49 69 12014 2650
+44 20 7321 1928

Real rate swaps

The real rate is the interest rate swap rate discounted by the inflation swap rate.

Repo rate

The market rate for gilt repurchase agreements as published by the Bank of England.

SONIA

Sterling Overnight Interbank
Average rate. Note: SONIA interest rate swap rates used

Swaption

A swaption is an option granting its owner the right but not the obligation to enter into an underlying swap at some future date.

VIX

Chicago Board Options Exchange Market Volatility Index. A measure of the implied volatility of S&P 500 index options. It represents one measure of the market's expectation of stock market volatility over the next 30 day period.

Zero Coupon (zc)

Zero coupon instruments are those that do not pay interest periodically but rather pay an accumulated sum rolled up at maturity.

Z-spread

The z-spread is the difference in yield between a government issued bond and its corresponding swap derivative. More specifically, the Z-spread is the parallel shift applied to the SONIA swap curve such that when a bond's cash flows are discounted by the resulting discount factors at each annual maturity, the present value equals the market price of the bond. Here we are showing a positive Z-spread number to mean that gilt yields are higher than swap yields with equal durations.

All data sources are Bloomberg except 20 year index-linked z-spread which is sourced from Barclays Capital.

Consultant Relationship Management

consultantrelations@insightinvestment.com
020 7321 1023

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