

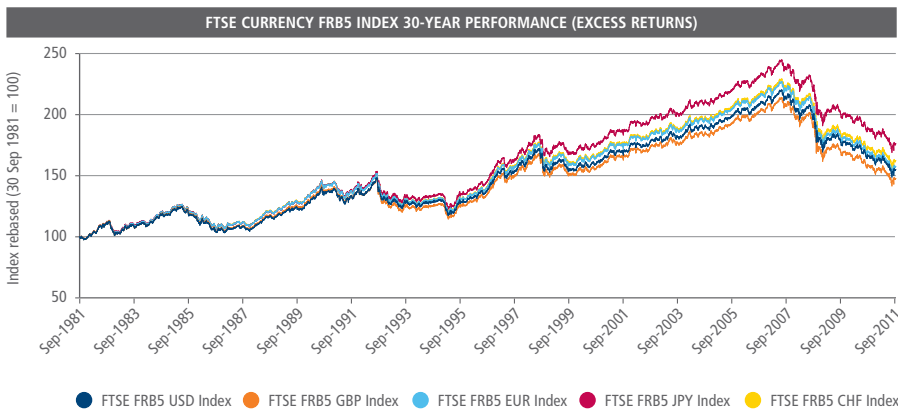
FTSE CURRENCY FORWARD RATE BIAS INDEX SERIES – THE FRB5 INDICES

Developed with Record Currency Management

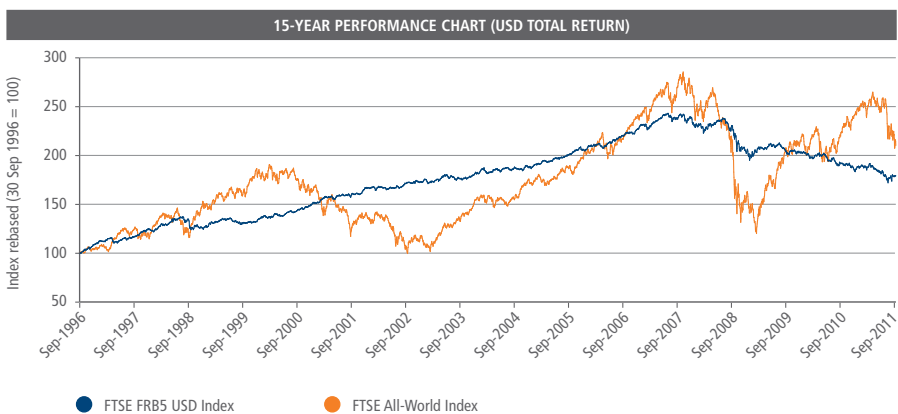
The currency forward rate bias (FRB) is the observed tendency of higher interest rate currencies to outperform lower interest rate currencies. This can be identified over a given time period as the higher interest rate currency's appreciation over and above the extent expected from currency forward contract pricing. Hence, this outperformance can be captured through a series of forward contracts.

Research by Record Currency Management, a leading currency investment manager, has demonstrated that the forward rate bias is a fundamental and sustainable return stream. With a low long-term correlation to other asset classes such as equities and bonds, it is driven by macroeconomic imbalances between economies and sustained by governmental sovereignty over short term interest rates. It can therefore be seen as an "alternative beta".

HISTORICAL INDEX PERFORMANCE



SOURCE: FTSE Group, data as at 30 September 2011

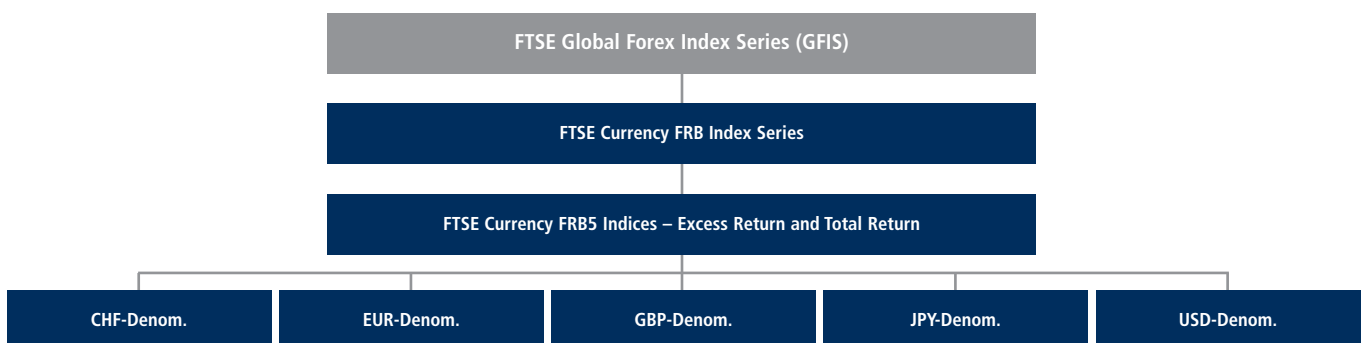


SOURCE: FTSE Group, data as at 30 September 2011

FEATURES

- The FRB5 Indices represent the return generated from investing, on an equally weighted basis, in all ten currency pairs that can be derived from the following five currencies: CHF, EUR, GBP, JPY and USD.
- Each month, the higher interest rate currency of each pair is bought against the lower using one-month forward contracts. Contracts are rolled at maturity or reversed if the direction of the rate differential has reversed. Interest rate differentials are indicated by forward contract pricing.
- All ten positions are re-balanced monthly to maintain equal weighting.
- FX deals are fully costed, so the index is investable.
- Excess return and total return index values are calculated daily.
- The FRB5 indices are denominated in CHF, EUR, GBP, JPY and USD and a product file is available in each currency.
- An index methodology and calculation example are freely available to the public for all FTSE forex indices.

FAMILY TREE



FTSE FRB5 INDEX CONSTITUENT CURRENCY PAIRS

Currency pair	Spot	1m forward	Rate Ratio	Long
GBPUSD	1.56790	1.56742	0.99969	GBP
USDJPY	76.84000	76.80975	0.99961	USD
EURUSD	1.36485	1.36449	0.99974	EUR
USDCHE	0.89345	0.89295	0.99943	USD
GBPCHF	1.40085	1.39962	0.99912	GBP
GBPJPY	120.47745	120.39311	0.99930	GBP
EURGBP	0.87050	0.87054	1.00004	GBP
EURJPY	104.87510	104.80630	0.99934	EUR
EURCHF	1.21945	1.21842	0.99915	EUR
CHFJPY	86.00371	86.01848	1.00017	JPY

SOURCE: FTSE Group, data as at 30 September 2011

SUMMARY PERFORMANCE STATISTICS (TOTAL RETURN – USD)

CALENDAR YEAR ANNUAL PERFORMANCE 1979 TO 2011										
Year	0	1	2	3	4	5	6	7	8	9
1970s	-	-	-	-	-	-	-	-	-	24.41%
1980s	32.13%	25.40%	19.27%	16.05%	19.13%	6.33%	-2.33%	5.90%	20.57%	15.86%
1990s	21.26%	6.91%	-2.93%	0.99%	6.13%	6.25%	21.11%	14.10%	1.58%	5.27%
2000s	12.57%	11.84%	3.33%	4.76%	3.73%	10.05%	10.16%	4.23%	-14.56%	0.81%
2010s	-9.68%	-2.75%*								

*Data to 30 September 2011

SOURCE: FTSE Group, data as at 30 September 2011

ABOUT RECORD CURRENCY MANAGEMENT

Record Currency Management is a leading currency management firm, managing USD 31 billion in assets (data as of 30/09/2010). Record has been providing currency management services to institutional investors and corporations in the UK, US, Canada and Europe without interruption since the firm's inception in 1983. Services include passive and dynamic currency hedging as well as currency for return strategies, in both segregated and pooled formats.

INFORMATION

Index Launch
September 2009

Base Date
30 December 1998

Base Value
1000

Index Calculation
The indices are calculated on an end-of-day basis

End-of-Day Distribution
Indices available at 17:30 local UK time, via FTP

Currency
CHF, EUR, GBP, JPY and USD

Interest Rates
Total Return indices use overnight rates from the following: FED FUNDS, EONIA, TONAR, SONIA and TOIS

Review Dates
Monthly

Historical Data
Available from 1978

Index Rules
Available at www.ftse.com/forex

Vendor Codes

Bloomberg
FRB5USDE
FRB5USDT
FRB5GBPE
FRB5GBPT
FRB5EURE
FRB5EURT
FRB5CHFE
FRB5CHFT
FRB5JPYE
FRB5JPYT

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