

# FTSE SHORT INDICES

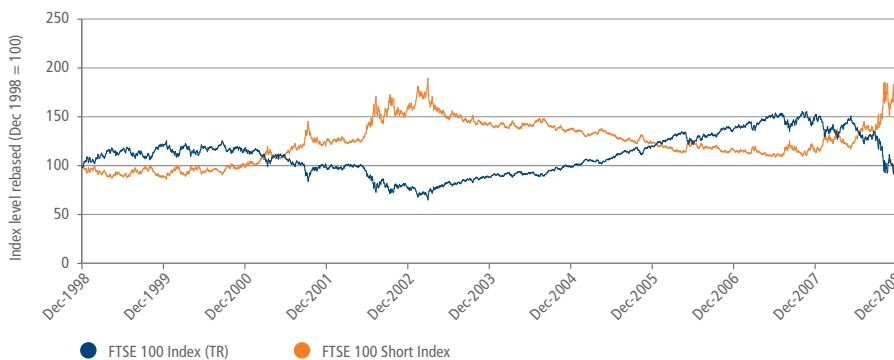
The FTSE Short Indices aim to replicate the payoff to a shorting investment strategy, and are derived from the underlying headline FTSE 100 and FTSE 250 Indices (Total Return).

The FTSE Short Indices allow investors to benefit in falling markets as the performance of the short indices are inversely related to the performance of the underlying Total Return indices. Both the cost of dividends and benefit of earning interest for the short position are taken into account in the calculation of the short indices.

## FEATURES

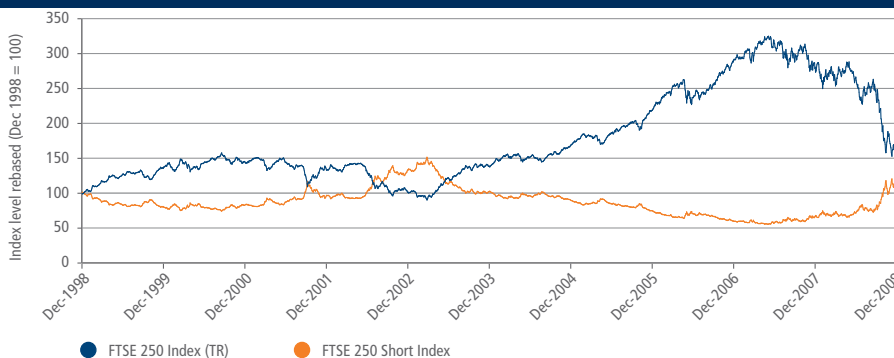
- FTSE Short Indices are linked to the performance of the FTSE 100 Index (TR) and FTSE 250 Index (TR) but with a leverage factor of minus one
- FTSE Short Indices are rebalanced each day to minus one
- FTSE Short Indices take into account the three main components of the payoff to the shorting investment strategies: capital gains associated with the underlying equity securities, cash dividends paid by the underlying securities, and interest earned on the initial capital as well as the proceeds of the short sale
- Corporate actions and dividends are reflected in the FTSE Short Indices as they occur
- The indices can serve as benchmarks for the creation of ETFs, structured products or other passive investment vehicles that enable investors to gain short exposure to the market, or hedge portfolio exposure without the need to short or use derivative instruments

### FTSE 100 SHORT INDEX 10-YEAR PERFORMANCE IN GBP



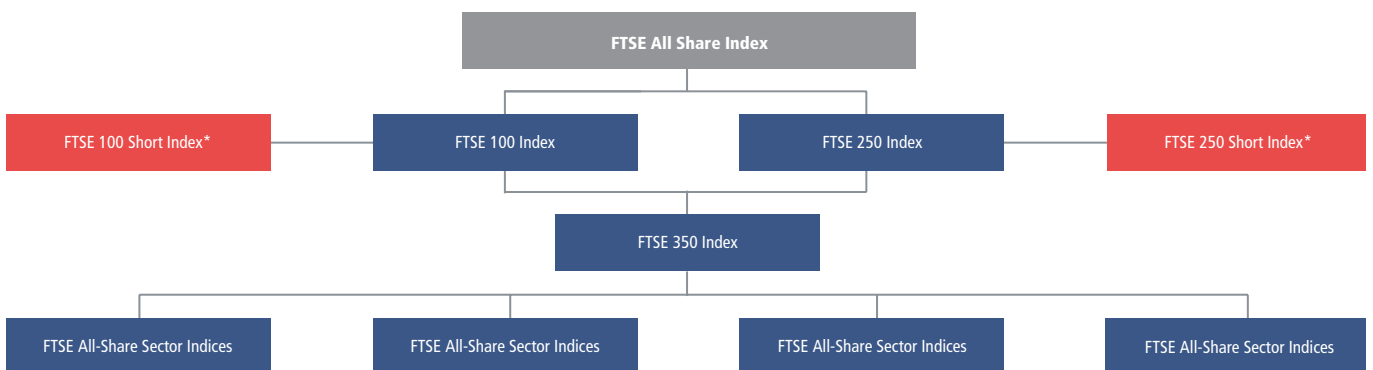
Source: FTSE Group and Thomson Datastream, data as at 28 Nov 2008

### FTSE 250 SHORT INDEX 10-YEAR PERFORMANCE IN GBP



Source: FTSE Group and Thomson Datastream, data as at 28 Nov 2008

## FAMILY TREE



\*FTSE Short Indices are not part of the main FTSE UK Index Series offering

## FTSE SHORT INDICES PERFORMANCE TABLE (GBP)

	FTSE 100 Index (TR)	FTSE 100 Short Index	FTSE 250 Index (TR)	FTSE 250 Short Index
<b>Returns (%)</b>				
1M	-1.4	-0.5	-2.8	1.8
3M	-23.1	20.8	-34.5	46.9
6M	-27.6	30.0	-38.3	57.2
YTD	-30.8	38.2	-41.0	66.5
<b>Returns (%pa)</b>				
1YR	-30.5	38.5	-41.4	68.4
3Y	-4.1	8.5	-7.4	12.4
5Y	3.3	2.2	4.1	1.3
10Y	0.2	5.0	5.1	1.1

Source: FTSE Group and Thomson Datastream, data as at 28 Nov 2008

## FTSE SHORT INDICES VOLATILITY TABLE

(%pa)	FTSE 100	FTSE 100 Short Index	FTSE 250	FTSE 250 Short Index
1yr	22.20	22.20	23.00	23.10
3yr	14.01	12.47	19.86	18.60
5yr	12.86	11.49	18.21	17.08
10yr	14.57	13.74	18.86	18.19

Source: FTSE Group and Thomson Datastream, data as at 28 Nov 2008

## FTSE SHORT INDICES SHARPE RATIO TABLE

	TRI	Short Index
<b>Sharpe Ratio (%)*</b>		
FTSE 100 Index	-0.24	0.24
FTSE 250	-0.73	0.73

Based on daily returns

\* Based on the 3-month LIBOR rate

Source: FTSE Group and Thomson Datastream, data as at 28 Nov 2008

## FTSE SHORT INDICES CORRELATION, BETA & COVARIANCE TABLE

	FTSE 100 Short Index vs FTSE 100 Index (TR)	FTSE 250 Short Index vs FTSE 250 Index (TR)
<b>Correlation</b>		
3yr	-0.9806	-0.9981
5yr	-0.9828	-0.9981
10yr	-0.9902	-0.9983
<b>Beta</b>		
3yr	-0.8685	-0.9308
5yr	-0.8778	-0.9365
10yr	-0.9334	-0.9627
<b>Covariance (%)</b>		
3yr	-0.1683	-0.3443
5yr	-0.1208	-0.2587
10yr	-0.1638	-0.2830

Source: FTSE Group and Thomson Datastream, data as at 28 Nov 2008

## INFORMATION

### Index Universe

FTSE 100 Index TR and FTSE 250 Index TR

### Index Launch

19 May 2008

### Base Date

31 December 1992

### Base Value

10,000

### Index Calculation

End-of Day only

### End-of-Day Distribution

Index available at 20:00 GMT or BST via FTP and email

### Currency

GBP

### Overnight Interest Rate

SONIA (Sterling Overnight Interbank Average Rate)

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