FTSE UK DIVIDEND+ INDEX

The FTSE UK Dividend+ Index is a yield weighted index designed to select and measure the performance of higher yielding stocks within the universe of the FTSE 350 Index, excluding investment trusts. The FTSE UK Dividend+ Index selects the top 50 stocks by one-year forecast dividend yield. The constituents' weightings within the index are determined by their dividend yield as opposed to market capitalisation.

The FTSE UK Dividend+ Index was created to allow investors to capture the long-term effect of higher compounding returns, and benefit from the lower correlations to traditional market cap weighted indices.

The dividend information for the FTSE UK Dividend+ is provided by Markit Group Limited ("Markit"), the leading industry source for independent mark-to-market pricing, asset valuations, dividend forecasting and index services.

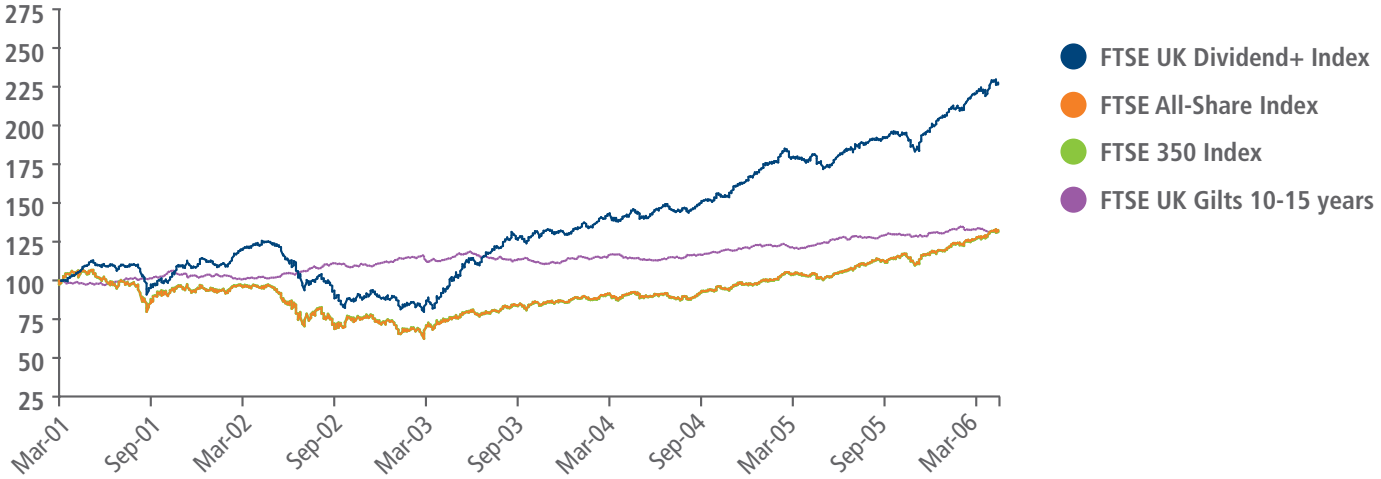
FUNDAMENTAL INDEXING

Fundamental indexing selects, ranks and weights companies, not by market capitalisation, but by financial data points, such as sales, cash flow, book price, or as in this case, by dividend yield.

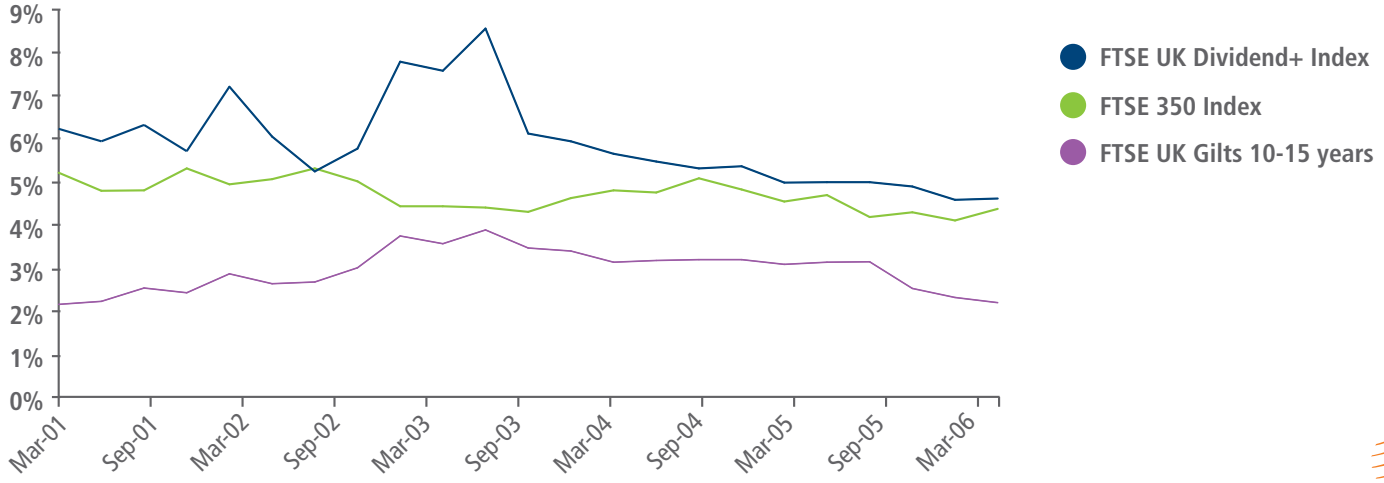
Fundamental indexing offers investors the same features as traditional passive capitalised indexing such as low turnover costs, broad diversification and transparent rules–based selection.

PERFORMANCE (Total Return)

FTSE UK Dividend+ Index Historical Time Series



Historical Dividend Yield Breakdown - FTSE UK Dividend+ Index vs. FTSE 350 Index



TOP TEN CONSTITUENTS*

Rank	Constituent	Supersector	Weight in Index
1	Provident Financial	General Financial	2.9%
2	United Utilities	Gas, Water & Multiutilities	2.8%
3	Lloyds TSB Group	Banks	2.7%
4	Electrocomponents	Support Services	2.6%
5	Brit Insurance Holdings	Nonlife Insurance	2.5%
6	Alliance & Leicester	Banks	2.4%
7	RHM	Food Producers	2.4%
8	Boots Group	General Retailers	2.3%
9	Jardine Lloyd Thompson Group	Nonlife Insurance	2.2%
10	Northern Foods	Food Producers	2.2%

TOP TEN SUPERSECTOR WEIGHTS*

Rank	Supersector	FTSE UK Dividend+ Index	FTSE 350 Index
1	Retail	20.2%	1.5%
2	Utilities	17.0%	2.8%
3	Industrial Goods & Services	15.7%	7.9%
4	Banks	10.6%	9.3%
5	Insurance	10.5%	4.3%
6	Food & Beverage	10.2%	2.7%
7	Financial Services	5.0%	5.5%
8	Travel & Leisure	4.1%	3.0%
9	Telecommunications	2.1%	3.9%
10	Media	1.7%	1.6%

RETURNS BREAKDOWN (Total Return)

Annual Returns	FTSE UK Dividend+ Index	FTSE 350 Index	FTSE UK Gilts 10-15 years
2000	21.5%	-6.5%	9.7%
2001	8.4%	-13.2%	2.7%
2002	-19.5%	-22.5%	10.8%
2003	49.7%	20.3%	1.5%
2004	29.6%	12.8%	7.2%
2005	22.1%	22.0%	8.5%
2006 (to 31/03/06)	7.5%	8.0%	-1.3%
Year to date			
3 Month	7.5%	8.0%	-1.3%
6 Month	16.4%	12.6%	1.4%
1 Year	27.5%	28.1%	7.1%
3 Year	177.0%	92.6%	15.0%
5 Year	126.5%	31.4%	31.0%

CORRELATION AGAINST THE FTSE UK DIVIDEND+ INDEX*

	FTSE UK Dividend+ Index	FTSE 350 Index	FTSE UK Gilts 10-15 years
3 Year	1.0000	0.8417	-0.0299
5 Year	1.0000	0.8524	-0.2709

TRACKING ERROR*

Tracking Error against FTSE 350 Index	
3 Year	8.18%
5 Year	9.73%

STANDARD DEVIATION (based on annualised total returns)

	FTSE UK Dividend+ Index	FTSE 350 Index	FTSE UK Gilts 10-15 years
3 Year	14.69	10.36	4.37
5 Year	18.51	14.76	5.10

* Data as at 31 March 2006

OTHER INFORMATION

Review:	Annually, based on data as at the close of trading on the Tuesday after the first Friday of March.
Implementation of Changes:	The annual review will be implemented in line with the FTSE UK Index Series – after the close of trading on the third Friday of March.
Liquidity Test:	Index subject to liquidity test of GBP 50 million trading portfolio with a one-day time horizon.
Weighting:	Top 50 stocks ranked by one-year forecasted dividend yield.
Calculation frequency:	Real time, every 15 seconds (Sterling) and end-of-day (Euro).
Calculation currency:	Sterling (real time) and Euro (end-of-day).
Dividend information:	Provided by Markit Group Limited ("Markit"), the leading industry source for independent mark-to-market pricing, asset valuations, dividend forecasting and index services.

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