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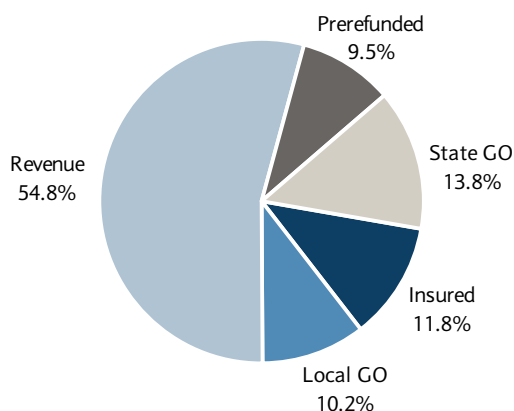
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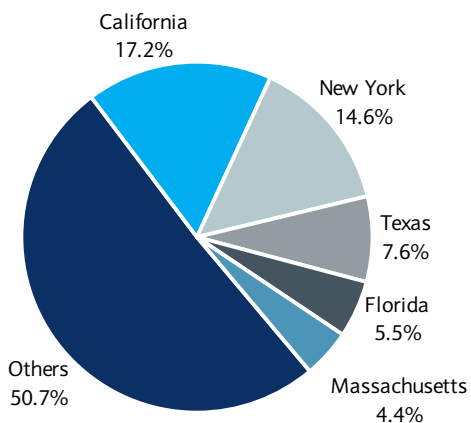
US Municipal Index

The U.S. Municipal Index covers the USD-denominated long-term tax exempt bond market. The index has four main sectors: state and local general obligation bonds, revenue bonds, insured bonds, and prerefunded bonds. Many of the subindices of the Municipal Index have historical data to January 1980. In addition, several subindices based on maturity and revenue source have been created, some with inception dates after January 1980 but no later than July 1, 1993. In January 1996, Barclays Capital also began publishing a non-investment grade municipal bond index and "enhanced" state-specific indices for Arizona, Connecticut, Maryland, Massachusetts, Minnesota, and Ohio. These indices are published separately from the Barclays Capital Municipal Bond Index. In 2005, Barclays Capital began publishing Managed Money Municipal Indices and Insurance Mandate Municipal Indices.

Sector Breakdown as of June 30, 2010



State Breakdown as of June 30, 2010



Access to the Index

www.barcap.com/indices
www.live.barcap.com
keyword: index

KEY FEATURES

- Daily index returns and statistics
- Historical index time series downloadable into Excel
- Standardized market structure reports
- Fully customizable views
- Index primers and shelf reference documents
- Latest index and portfolio strategies research publications

Bloomberg Index Page
<LEHM> <16>
Key Returns

- Current Month Returns & Statistics
- Previous Month Returns & Statistics

POINT
(Portfolio and Index Tool)

- Index level returns and statistics
- Historical index constituents
- Fully customizable market structure reports
- Index dynamics and turnover reports
- Portfolio upload/analysis
- Multi-factor Global Risk Model
- Portfolio performance attribution
- Automated batch processing

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Pricing and Related Issues							
Sources & Frequency	All bonds are priced daily using MullerData (IDC) as the primary pricing source. Prior to 2000, the index was published weekly, and prior to 1998 it was published monthly.						
Timing	3:00pm (New York time) each day. If the last business day of the month is a public holiday in the U.S. market, prices from the previous business day are used.						
Bid or Offer Side	Bonds in the index are priced on the bid side						
Settlement Assumptions	T+1 settlement basis for all bonds.						
Rules for Inclusion							
Amount Outstanding	<ul style="list-style-type: none"> ■ Investment Grade Municipal Index: Par value of at least \$7mn; issued as part of a transaction at least \$75mn ■ High Yield Municipal Index: Par value of at least \$3mn; issued as part of a transaction at least \$20mn ■ Enhanced State Specific Indices: Par value of at least \$2mn; issued as part of a transaction at least \$20mn 						
Quality	<p>Investment grade indices must have a minimum rating of Baa3/BBB-/BBB-, using the middle rating of Moody's, S&P, and Fitch, respectively. High yield indices have a maximum rating of Ba1/BB+/BB+ using the middle rating. Managed Money Indices have a minimum rating of Aa3/AA- and Insurance Mandate Indices have a minimum rating of A3/A-</p> <ul style="list-style-type: none"> ■ When all three agencies rate an issue, a median or "two out of three" rating is used to determine index eligibility by dropping the highest and lowest rating. ■ When a rating from only two agencies is available, the lower ("most conservative") of the two is used. ■ When a rating from only one agency is available, that rating is used to determine index eligibility. 						
Maturity	<ul style="list-style-type: none"> ■ At least 1 year until final maturity ■ Bonds with a dated-date of January 1, 1991 and later are eligible for inclusion into the benchmark. 						
Coupon	Fixed-rate						
Currency	Denominated in USD						
Published Subindices	<table border="0"> <thead> <tr> <th>Type</th> <th>Revenue Bond Subindices</th> </tr> </thead> <tbody> <tr> <td> <ul style="list-style-type: none"> ■ General Obligation ■ Revenue Bond ■ Prerefunded ■ Insured </td> <td> <ul style="list-style-type: none"> ■ Electric ■ Housing ■ Hospitals ■ IDR/PCR ■ Transportation ■ Education ■ Water & Sewer ■ Resource Recovery ■ Leasing ■ Special Tax </td> </tr> <tr> <td> Maturity <ul style="list-style-type: none"> ■ 1-year (1-2 Years to Maturity) ■ 3-year (2-4 Years to Maturity) ■ 5-year (4-6 Years to Maturity) ■ 7-year (6-8 Years to Maturity) ■ 10-year (8-12 Years to Maturity) ■ 15-year (12-17 Years to Maturity) ■ 20-year (17-22 Years to Maturity) ■ Long Bond (22+ Years to Maturity) </td> <td></td> </tr> </tbody> </table>	Type	Revenue Bond Subindices	<ul style="list-style-type: none"> ■ General Obligation ■ Revenue Bond ■ Prerefunded ■ Insured 	<ul style="list-style-type: none"> ■ Electric ■ Housing ■ Hospitals ■ IDR/PCR ■ Transportation ■ Education ■ Water & Sewer ■ Resource Recovery ■ Leasing ■ Special Tax 	Maturity <ul style="list-style-type: none"> ■ 1-year (1-2 Years to Maturity) ■ 3-year (2-4 Years to Maturity) ■ 5-year (4-6 Years to Maturity) ■ 7-year (6-8 Years to Maturity) ■ 10-year (8-12 Years to Maturity) ■ 15-year (12-17 Years to Maturity) ■ 20-year (17-22 Years to Maturity) ■ Long Bond (22+ Years to Maturity) 	
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Managed Money Subindex Rules	<ul style="list-style-type: none"> ■ Must be non-AMT ■ Issued within the last 5 years ■ Rated at least Aa3 ■ May not be an airline, hospital, housing, gas-prepay, or tobacco bond 						
Rebalancing							
Frequency	The composition of the Returns Universe is rebalanced monthly at each month-end and represents the set of bonds on which index returns are calculated. The Statistics Universe changes daily to reflect issues dropping out and entering the index, but is not used for return calculation. On the last business day of the month, the composition of the latest Statistics Universe becomes the Returns Universe for the following month.						
Index Changes	During the month, indicative changes to securities (maturity, credit rating change, sector reclassification, amount outstanding) are reflected in both the Statistics and Returns Universe of the index on a daily basis. These changes may cause bonds to enter or fall out of the Statistics Universe of the index on a daily basis, but will affect the composition of the Returns Universe only at month-end, when the index is rebalanced.						
Reinvestment of Cash Flows	Interest and principal payments earned by the Returns Universe are held in the index without a reinvestment return until month-end when they are removed from the index.						
New Issues	Qualifying securities issued, but not necessarily settled, on or before the month-end rebalancing date qualify for inclusion in the following month's Returns Universe.						

Analyst Certification(s)

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