

NLX TED SPREADS

The NLX European TED Spread Strategy Order Book is an innovative design to facilitate the execution of the NLX TED Spreads.

The execution ratio is set as 4 Euribor[®] vs 5 Schatz to achieve approximate DVO1 neutrality. The trading opportunities of the TED Spreads reflect a yield curve opportunity, as well as a view on the credit risk spread between interbank Euribor[®] and German Sovereign credit.

- No execution or legging risk as the full curve is available on the NLX market, as opposed to two markets historically
- Over 50% initial margin savings possible on NLX as trades are cleared in a single clearing house

| TED SPREADS AVAILABLE | TED SPREAD - WHITE | TED SPREAD - ROSÉ | TED SPREAD - RED |
|-----------------------|--------------------|-------------------|------------------|
|-----------------------|--------------------|-------------------|------------------|

TED SPREAD TECHNICAL CHARACTERISTICS

| PRICING CONVENTION | | NAMING CONVENTION | |
|--------------------|--|-----------------------|------------------------|
| BUY STRATEGY | PRICE RATIO | GENERIC PRODUCT CODES | EXAMPLE (-MAY 2014) |
| WHITE | (2 x Q4) - Schatz | 4NIQ4 / 5NSQ1 | 4NIH15 / 5NSM14 |
| ROSÉ | (Q4 + Q5 Euribor [®]) - Schatz | 2NIQ4_2NIQ5 / 5NSQ1 | 2NIH15_2HIM15 / 5NSM14 |
| RED | (2 x Q5 Euribor [®]) - Schatz | 4NIQ5 / 5NSQ1 | 4NIM15 / 5NSM14 |

| EXECUTION CONVENTION | | | EURIBOR [®] Q4 | EURIBOR [®] Q5 | SCHATZ Q1 |
|----------------------|-----------|--------|-------------------------|-------------------------|-----------|
| BUY STRATEGY | TICK SIZE | PRICE | EXECUTION LEG RATIOS | | |
| WHITE | 0.005 | 88.955 | +4 | | -5 |
| ROSÉ | 0.005 | 88.940 | +2 | +2 | -5 |
| RED | 0.005 | 88.925 | | +4 | -5 |

TED SPREAD MARGIN SAVINGS

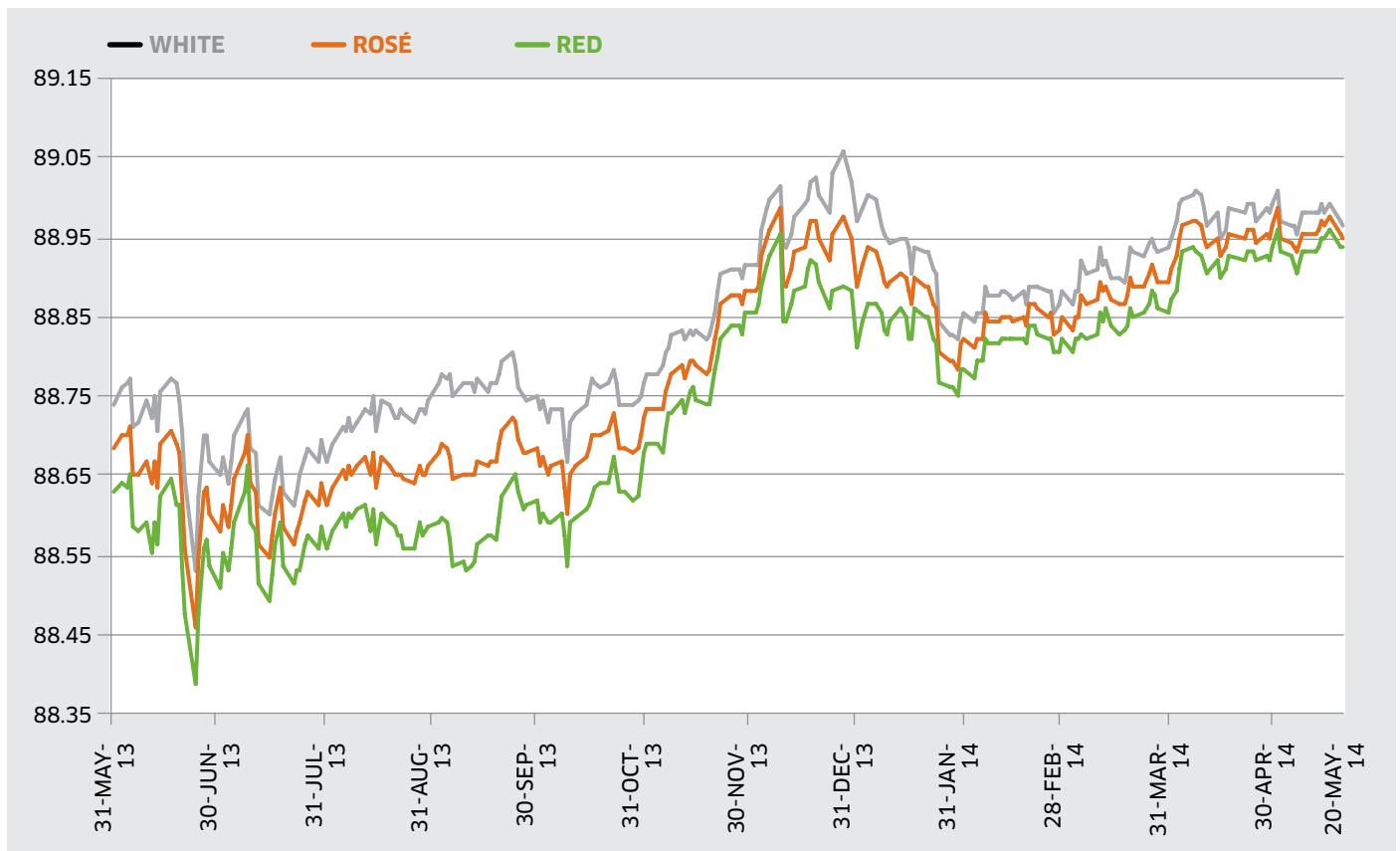
Portfolio margin savings of more than 50% are obtained due to the strong positive correlation between Schatz and Euribor[®] products.

| | BUY / SELL 4 EURIBOR [®] | | | | | |
|---------------------|-----------------------------------|-----------------------------|----------------------------|-----------------------------|----------------------------|-----------------------------|
| | BUY 4 EURIBOR [®] | SELL 4 EURIBOR [®] | BUY 4 EURIBOR [®] | SELL 4 EURIBOR [®] | BUY 4 EURIBOR [®] | SELL 4 EURIBOR [®] |
| | SELL 5 SCHATZ | BUY 5 SCHATZ | SELL 5 SCHATZ | BUY 5 SCHATZ | SELL 5 SCHATZ | BUY 5 SCHATZ |
| | WHITE (4 Q4) | | ROSE (2 Q4 & 2 Q5) | | RED (4 Q5) | |
| Σ INDIVIDUAL | £ 3176 | £ 3117 | £ 3221 | £ 3151 | £ 3266 | £ 3185 |
| PORTFOLIO | £ 1509 | £ 1555 | £ 1504 | £ 1571 | £ 1499 | £ 1586 |
| SAVINGS | 53% | 50% | 53% | 50% | 54% | 50% |

PRICE VALUE OF A BASIS POINT - DV01



TED SPREAD HISTORICAL PRICES



*Approximate DV01, subject to CTD bond & market yields

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