LONDON NOTICE NO. 3772

Issue Date:	10 December 2013
Effective Date:	13 December 2013

EQUITY INDEX CONTRACTS (EXCHANGE CONTRACT NO. 301)

INTRODUCTION OF INDEX FUTURES CONTRACTS BASED ON RUSSELL UK MID 150 NET RETURN INDEX

Executive Summary

This Notice informs Members of the introduction within Bclear of futures contracts based on the Russell UK Mid 150 Net Return Index.

1. Introduction

1.1 This Notice informs Members that futures contracts on the Russell UK Mid 150 Index, calculated on a "Net Return" basis (the "Index") and denominated in sterling (the "Russell UK Mid 150 Net Return Contract" or the "Contract"), will be made available via Bclear on and from 13 December 2013.

1.2 This Notice provides Members with the following information with respect to the introduction of the Contract:

(a) underlying Index description;

(b) summary Contract Specifications and Contract Terms;

(c) Bclear minimum volume requirements;

(d) access and reporting rights;

(e) reporting days, reporting hours and Last Trading Days;

(f) fees;

(g) statement in relation to the Contract; and

(h) the regulatory position in the United States.

2. Russell UK Mid 150 Net Return Index

2.1 The Index is denominated in sterling, calculated on the "Net Total Return" basis and the Index is managed by Russell Indexes using a publicly available index methodology and calculation procedure, including both price performance and income from dividend payments in the calculation of the Index.

2.2 The Russell UK Mid 150 Index represents the small and mid-cap segment of the UK equity market with a focus on easy market access (tradability speed and cost). By design, the index comprises a limited number of highly liquid constituents that can also be borrowed easily and cost effectively.

2.3 The initial universe for the Index is combination of the Russell Global Index SMID Index (securities falling between the 75th and 95th percentile of the Russell Global Index) and the Russell Global Index Small-cap Index (securities falling below the 90th percentile of the Russell Global Index). From the initial universe, the constitution of the Russell UK Mid 150 Index is constructed using a three-step process as follows:

(i) Screening to remove non-UK securities, known as the "Geographical factor", with companies incorporated, traded or headquartered in the UK and companies with assets or revenues primarily in the UK;

(ii) Borrowing Cost and Borrow Capacity Screening, known as the "Borrowing factor", where companies are screened every year at the reconstitution date for the stock borrowing cost and for the available borrowing capacity; and

(iii) Liquidity and Tradability Screening, known as the "Liquidity factor", from the selection universe, a Days To Trade ("DTT") figure is calculated per security. The DTT is a Russell-developed measure of how long it would take to trade each security in a given index as a component of an index trade. The top 10% securities in terms of DTT are always eligible for the Russell UK Mid 150 Index.

2.4 The remaining securities are ranked in descending order of full market capitalisation and the first 150 are selected to comprise the Russell UK Mid 150 Index. Members of the Russell UK Mid 150 Index are weighted by float-adjusted market capitalisation.

2.5 The Borrowing and Liquidity factors are reassessed by Russell on a monthly basis and constituents are subsequently removed from the index if they fail to meet those two tests and are not replaced. Reconstitution of the Russell UK Mid 150 Index is effective on the last Friday in June.

2.6 The Russell Global Indexes Construction and Methodology reinvests dividends in the index at the close of the ex-dividend date (ex-date). The dividend is reinvested after deduction of withholding tax, applying the rate to non-resident individuals who do not benefit from double taxation treaties. Russell Investments uses withholding tax rates applicable in each country of incorporation of the stock component.

2.7 More information about the Russell Europe UK Mid 150 Index including details on its construction and methodology can be found on the Russell Indexes Europe website: http://www.russell.com/indexes/documents/construction-methodology-uk-mid-150-index.pdf.

3. Summary Contract Specifications and Contract Terms

3.1 On and from 13 December 2013, the Contract shall be made available via Bclear under the terms of Exchange Contract No. 301. The summary Contract Specification is set out below:

Contract	**Russell UK Mid 150 Net Return Contract**
Contract Code	**UKM**
Platform	Bclear only
Unit of Trading	10 x index level
Delivery Months	The first **five quarterly months** from the March, June, September, December cycle
Quotation	£GBP per Index point
Trading Tick Size	0.001
Trading Tick Value	£0.01
Exchange Delivery Settlement Price "EDSP"	Closing Index Value of the Index on the Last Trading Day of the delivery month
EDSP Published	EDSP published as soon as practicable after Last index Price at 18.00 (London Time) on the Last Trading Day
EDSP Tick Size	0.001
Contract Standard	Cash settlement based on the EDSP
Last Trading Day	Third Friday of the delivery month
Settlement Day	Second Business day after the Last Trading Day
Reporting Hours	08:00 - 17:30 hours (London time)
Time reporting ceases on Last Trading Day	16:35 hours (London time)
NYSE Liffe market	London
Clearing	ICE Clear Europe

3.2 Exchange Contract No. 301 will be amended in order to reflect the inclusion of the Contract and the additions to the table of Contract Details which is set out in Attachment 1 to this Notice.

3.3 The first delivery month to be made available shall be the March 2014 delivery month.

4. Bclear Minimum Volume Requirement

4.1 There is no minimum volume requirement in respect of the Contract.

5. Access and Reporting Rights

5.1 Direct access to Bclear is available to Members of the London market, including those affiliates of Members who have been approved by the Exchange pursuant to Rule 3401 (Rules, Book I). Other wholesale market participants who are clients of Members may have indirect access to Bclear on an intermediated basis via such Members. Members will be required to perform appropriate risk management checks in relation to all client business before it is subjected to the Exchange's trade confirmation process.

5.2 To submit trades in the Contract via Bclear, Members will need a Futures subscription (FUT).

5.3 To claim trades only in the Contract, Members will need to have the appropriate entitlement set up in the membership database and access to the Universal Clearing Platform ("UCP").

5.4 To clear trades in the Contract, Members will require the relevant clearing status (GCM or ICM) and access UCP.

6. Reporting Days, Reporting Hours and Last Trading Days

6.1 Transactions in respect of the Contract will be capable of being reported via Bclear on any market day as specified in Attachment 2.

6.2 Members may report transactions in the Contract to the Exchange via Bclear between 08:00 and 17:30 hours (London time), except on the Last Trading Day when transactions may be reported to the Exchange via Bclear between 08:00 and 16:35 hours (London time).

6.3 The reporting arrangements explained in Section 12 of Book II of the Rules and section 6 of this Notice will, of necessity, determine the days and hours during which the relevant transactions may be undertaken.

6.4 The Last Trading Day for the Contract shall normally be the third Friday of the delivery month. However, Members should refer to Term 4 in Exchange Contract No. 301 on the NYSE Euronext website (www.nyx.com/liffe) and the definition of "business day" in Term 1 which have the following effect in respect of the Last Trading Day: for Contract, the Last Trading Day will not ordinarily be moved unless the relevant stock exchange is closed for business, subject to Term 4.03.

7. Fees

7.1 Transaction fees will be charged on a per lot, per side basis. These will be set at £0.35 per lot, per side for published trades and £0.45 per lot, per side for non-published trades.

7.2 Clearing fees will also be charged on a per lot, per side basis. These will be set at £0.03 per lot, per side.

8. Statement in relation to the Contract

8.1 The Exchange draws the following statement to the attention of potential users of the Contract. Members should ensure that their clients are made aware of the statement.

"Potential users of the Equity Index Contracts made available on the London International Financial Futures and Options Exchange should familiarise themselves with the relevant Index rules, construction, calculation and dissemination procedures (together the "Index rules and procedures") and these contract terms. The various indices underlying the Equity Index Contracts made available under this Exchange Contract No. 301 are calculated and managed by a number of different index providers, each of whom has its own Index rules and procedures. Furthermore, Index construction methodologies vary from Index to Index. Therefore, potential users should ensure that they familiarise themselves with all relevant Index rules and procedures for the specific Equity Index Contracts they intend to use.

Certain Equity Index Contracts may be available for trading for periods of the trading day when one or more (or all) of the relevant underlying stock exchanges are closed. Potential users should consider for themselves, or take advice in relation to, the risks of trading those Contracts while any of the underlying stock exchanges are closed.

Price formation leading to the EDSP for the Contract is subject to similar influences to those in the case of many other cash-settled contracts. Trading activity on the relevant stock market(s) during the EDSP period is likely to be affected by the activity of particular market participants who are seeking to obtain price convergence at the EDSP between offsetting stock and futures positions. Such participants might typically seek to achieve this by unwinding their stock positions during the EDSP period at prices which they anticipate will contribute to the calculation of Index figure(s) which will, in turn, be used to determine the final EDSP. A consequence of this concentrated activity might be that the Index figure used to calculate the final EDSP differs from the Index figure immediately prior to the commencement of the EDSP Period and, if relevant, from the Index figure immediately following that period.

Potential users should, therefore, consider the risks of holding positions into expiry of the Contract. In particular, they should consider their exposure to potentially unfavourable price movements in the expiry and whether to take steps to neutralise such exposure; for example, taking into account that there may be relatively limited liquidity provision, whether to “roll” or close positions prior to expiry.

Potential users should also be aware that, in respect of Equity Index Contracts based on Indices for which there is more than one relevant stock exchange, a “market day” will ordinarily be capable of being designated as a “business day”, and therefore as a “Last Trading Day”, unless all relevant stock exchanges are closed for business.

Where the Last Trading Day occurs on a day where one or more of the relevant stock exchanges is closed for business, the EDSP will necessarily be derived from Index figure(s) containing some constituent stock prices which were determined on the most recent previous day on which each such stock exchange was open for business. In such circumstances, potential users should be aware that, as a consequence, the constituent stock prices contributing to the Index figure(s) used to calculate the EDSP will not all have been determined on the same day. Potential users should be aware that, in such circumstances, although some constituent stocks will not be available for trading on the Last Trading Day of the Contract, the prices of those constituent stocks as included in the Index calculation may, as a result of movements in foreign exchange rates, still be subject to change which would be reflected in the EDSP in accordance with the relevant Index compilation and calculation procedures.”

9. U.S. Regulatory Position

9.1 Members should note that U.S. Persons are not currently permitted to engage in transactions in the Contract.

10. Additional Information

10.1 The updated version of Exchange Contract No. 301 and the List of Contract Details will be made available in the London Market Handbook on the NYSE Euronext website (www.nyx.com/londonmarkethandbook) in due course.

10.2 Additional information, including business days and hours, Bclear fees and other information with respect to the operation of Bclear, can be found on the NYSE Euronext website (www.nyx.com/bclear).

For further information in relation to this Notice, Members should contact:

Equity Product Management +44 (0)20 7379 2200 equities@nyx.com

ADDITIONS TO EXCHANGE CONTRACT NO. 301

Index	**Russell UK Mid 150 Net Return Index**
Known as Exchange Contract No.	261
Currency specified by the Board	Sterling £
Contract size	Valued at £10 per Index Point
Value of Value Point	£1 per lot
Minimum Price Fluctuation	0.01 of a Value Point
Delivery months	March, June, September, December
No. of delivery months available for trading	Nearest five
Quotation	Index Points (e.g. 1000.0)
Last Trading Day	Third Friday of the delivery month
EDSP: rounding convention	Rounded to the nearest 0.001 or, where such average is an exact uneven multiple of 0.0005, to the nearest higher 0.001

Attachment 2 to London Notice No. 3772

Availability of Russell UK Mid 150 Index Net Return Contracts
via Bclear in 2013 and 2014

Transactions in respect of Russell UK Mid 150 Index Net Return Contracts will be capable of being reported via Bclear, on any market day.

Transactions will **not** be capable of being reported via Bclear on the following days:

Dates unavailable for reporting via Bclear – 2013 & 2014	
Christmas Day	Wednesday 25 December 2013
Boxing Day	Thursday 26 December 2013
New Year's Day	Wednesday 1 January 2014
Good Friday	Friday 18 April 2014
Easter Monday	Monday 21 April 2014
Christmas Day	Thursday 25 December 2014
Boxing Day	Friday 26 December 2014