



United Kingdom
Debt Management
Office

Rt Hon. Mel Stride MP
Chair of the Treasury Committee
House of Commons
Committee Office
London, SW1A 0AA

10 December 2020

Dear Mr. Stride,

Thank you for your letter dated 19 November 2020 which raises a number of important points, both regarding the DMO's use of syndicated offerings and our financing programme more generally.

In addition to responding to each of your questions, I have also sought to provide some background information on the DMO's syndication programme, including the various considerations that underpin our use of syndications, which I hope will be of use to you and the Treasury Committee.

Introduction

The decision in 2008-09 to consult on additional gilt distribution methods was made in light of significantly increased levels of gilt issuance. These elevated government financing needs continue to this day. As a result, we keep our issuance methodology under constant review in the light of evolving information on market dynamics, including the activities of our Gilt-edged Market Makers ("primary dealers") and end-investors, and the government's own preferences for its issuance strategy, especially its preference for maintaining a very long average maturity in its debt portfolio (the longest in the G7, at around 15 years).

The balance in our gilt distribution methods, especially between auctions and syndicated offerings, reflects our judgement on the most effective way of delivering the financing requirement as a whole. In this context it is important to note that syndicated offerings only represent a supplementary distribution tool for us, with auctions accounting for the great majority of gilt issuance in any one year.

Syndications allow us to moderate the amount of risk that we require the market to absorb in an orderly fashion at any one time. Unlike auctions, they do not require primary dealers to warehouse bonds on their balance sheets, thereby consuming risk capital. The use of risk capital and balance sheet capacity is also higher especially for longer-dated issuance. As a result, syndications are suited to greater volumes of financing, or larger proportions of longer-dated issuance, being raised at pace.

1. Use of syndications

1.1 Syndicated offerings (where one or more banks are appointed as lead managers to arrange a transaction, using their distribution network to place bonds with end-investors) have been used in a programmatic fashion as a supplementary issuance method since the 2009-10 financial year to deliver around 20% of the UK's annual gilt issuance programme. Gilt auctions (where a group of primary dealers bid for bonds) typically constitute around 80% of the overall programme. The 2020-21 financial year to date has been somewhat different as auctions have represented almost 90% of the programme. However, syndications were used in the early part of this financial year, in particular to help deliver the sudden rise in financing required to respond to the Covid-19 pandemic.

1.2 Nonetheless the DMO continues to value the auction mechanism as the principal distribution method to ensure successful delivery of the bulk of the financing programme, and syndications are a supplement to this. Amongst other benefits, auctions permit regularity of gilt supply across the range of gilt maturities, encouraging secondary market liquidity which, in turn, supports the value achieved for the taxpayer of sustaining gilts as a credibly liquid asset class. These factors are important over the long term for the government as a large repeat borrower.

1.3 The key factors prompting the use of the syndication programme are:

1.3.1. First, syndications represent a scalable distribution mechanism relative to auctions: the average amount of cash raised at each syndication of conventional bonds from 2009-10 to the current financial year to date is £5.51 billion; in comparison the average for each conventional auction is £3.20 billion. In periods of elevated financing requirements and when raising funds at pace, syndications are a particularly important tool.

1.3.2 Second, syndications can help navigate large financing programmes through challenging conditions. By placing gilts more directly to investors, through the offering process which collects orders (known as "book building"), syndications reduce risk exposure for primary dealers that would otherwise have needed to intermediate gilt auctions.

Primary dealers typically 'warehouse' bonds on their balance sheets following purchase at auctions, pending customer (end-investor) demand, thereby generally requiring a greater allocation of risk capital, which is costly for dealers. This continues to be an important consideration following the financial crisis, given the tighter regulatory constraints on the allocation of risk capital by many of our primary dealers.

1.3.3 Third, syndications can allow for more targeted issuance strategies, such as issuance of longer-dated bonds. Primary dealer risk capital is particularly sensitive to the maturity and market risk-weighting of the bond being issued. Given the scale of financing programmes since 2009, by utilising a syndication programme as an adjunct to its auction schedule, the DMO has been able to deliver a significantly larger long-dated conventional and index-linked gilt financing programme than would have otherwise been practicable. This has also helped meet the government's objectives to mitigate refinancing risk for the Exchequer. As a result, the average duration of issuance remains materially more long-dated than the UK's G7 peers.

1.3.4 Fourth, use of syndications as a supplementary tool allows some flexibility with regard to the timing and precise terms of issuance, while still maintaining very high levels of transparency and predictability for the financing programme. The DMO's auction calendar is typically set at the beginning of each financial year with specific auction dates and an indication of bond maturities to be issued provided to the market. A supplementary programme of syndicated offerings can be fine-tuned to reflect evolving patterns of market demand as they do not commit the government in advance to issuing a particular bond on a given date and can be inserted into the issuance calendar at relatively short notice.

1.3.5 Fifth, syndications are a useful way to mitigate execution risk for a larger-sized financing programme. The process of taking market soundings and building an order book, with visibility for the DMO on the size, profile and granularity of investor demand at different price levels, serves to mitigate execution risk (i.e. the risk that the government is not able to sell the offered amount of debt at a particular time, or must sell it at a large discount to the market price). This is particularly relevant in meeting more elevated funding requirements.

1.4 Syndications are, like all DMO issuance methods, evaluated against the overall debt management objective of long-term cost minimisation, subject to risk. This means that, whilst the outcome of each individual operation must clearly be judged in terms of value for money for the taxpayer, the programme as a whole must also be resilient to exogenous shocks which could, for example, require the government in future to meet unanticipated large funding requirements in a short time period. The syndication programme has demonstrated, both during the

financial crisis and subsequently, that it can assist with mitigating the consequences of such exogenous shocks: in 2020 very large sums have been raised at short notice with the help of this tool and the DMO has been able to continue to access financing in all parts of the gilt term structure in support of government's debt management preferences.

- 1.5 Finally, it is important to acknowledge that all debt issuance by the government, including through the traditional auction methodology, ultimately carries a cost. The explicit costs associated with a syndicated offering (syndication fees) need to be weighed against their valuable contributions to ensuring the success of the overall programme as well as considered alongside any implicit costs and constraints around the auction programme. The mix of distribution methods is reviewed at least annually with an intention to ensure that these are deployed as effectively as possible to deliver the government's financing priorities.

The Treasury Committee's questions

2. Pricing at syndications

- 2.1 You asked about the pricing achieved at syndications and specifically about pricing at the "tight end" of the price guidance range (i.e. at the lowest yield spread of a given indicative range relative to a pre-determined reference benchmark bond). In particular, you enquired as to whether the record of consistently pricing at this tightest level might "be a sign that [we] have potentially not priced keenly enough, to the taxpayers' detriment, especially given the seeming high levels of demand".
- 2.2 I can confirm that the 58 gilt syndicated offerings held between 27 January 2011 and 22 September 2020 have all priced at the tight end of the published price guidance. There were some transactions prior to 2011 where the final pricing was set at the mid-point of the indicative guidance range. I would note that pricing at the "tight end" of this guidance, with a stable aftermarket, is generally the aim of a transaction and regarded as a very positive outcome. We work hard to ensure that we are able to anticipate (often within 0.25 basis points) the appropriate pricing level going into the transaction. For this reason, we should not need to set a wide price guidance range nor should the outcome need to be the mid-point of the spread range.
- 2.3 It may be useful to describe the overall process by which price guidance is determined. In the period prior to execution of a transaction – the primary dealers

(as prospective lead managers¹) and, once appointed, the lead managers themselves conduct market soundings. This is achieved through an ongoing dialogue with investors typically through the lead managers (but sometimes also directly with the DMO) whereby feedback is given to the DMO on key aspects of the transaction, including size, recommended spread and timing. This extensive and thorough market-sounding exercise means that, ahead of execution, the DMO is able to form an accurate view of the likely *spread to the reference bond*. *The spread range used for price guidance* (i.e. spread width) is also quite narrow (an average of 0.64 basis points since January 2011).

2.4 The use of price guidance relative to a pre-determined reference bond is the norm for syndicated offerings across the global fixed income market. Bond issuance for corporates, banks, as well as public sector issuers, utilise price guidance for their offerings. In addition, this methodology (as well as the syndicated format itself) is used by sovereign, supranational and agency (SSA) issuers internationally to raise very significant amounts of financing every year.

2.5 It is of critical importance that the market is stable around the time of pricing and a number of steps are taken by the DMO to ensure the transaction is well planned and to maintain confidentiality and robust controls around this period. These include the following:

- Obtaining accurate feedback on the level and nature of investor demand from its chosen lead managers (the gathering of which helps identify where the bond should be initially launched and ultimately end up being priced);
- Closely monitoring the market during the transaction;
- Implementing an efficient book building through to allocation process, such that transaction execution occurs in a very short time period, thereby mitigating market risk;
- Restricting access to the process which determines when final pricing is set; and

¹ In preparation for a syndicated offering, the issuer appoints a group of lead managers whose function is to utilise their distribution networks to place bonds with end-investors. The DMO selects its lead managers from amongst its primary dealers (GEMMs), utilising an open, rigorous and fair selection process (where each prospective lead manager is invited to make a presentation ahead of a transaction), which also takes into account the long-term strategic benefits of the primary dealer model. Appointments to the lead manager roles are made on a case-by-case basis, taking account of the need to ensure a successful sale, our assessment of the various banks' strength of support for our overall gilt issuance programme and our financing remit more generally and their performance in the secondary gilt market as well as the wish to ensure that all eligible wholesale GEMMs have an opportunity to be considered for a lead manager role – subject to performance.

- Ensuring the price guidance is set at the tightest possible spread range, consistent with allowing for an efficient “price discovery process”² on the day. Use of a price guidance process builds market confidence that the underlying demand for the gilt is robust at a given spread level and minimises the risk of volatility at and after the issuance event.

2.6 Table 1 below illustrates the width of the spread range for the initial price guidance at the five syndication offerings held in 2020-21 to date. As shown in this table, the width of the spread range for syndication price guidance is extremely narrow. In this we differ from some of our peer issuers in the G7 this year, perhaps reflecting the liquidity of the gilt market and hence the ability to determine the appropriate clearing level for a new offering within a very fine band.

Table 1. Indicative spread width to reference bond of UK gilt syndications in the 2020-21 financial year to date

Syndicated bond	Syndication date	Spread range (width) for price guidance
<i>0¼% Treasury Gilt 2030</i>	12 May 2020	1 basis point
<i>0½% Treasury Gilt 2061</i>	19 May 2020	0.5 basis point
<i>0¼% Treasury Gilt 2050</i>	9 June 2020	0.5 basis point
<i>0¼% Treasury Gilt 2035</i>	8 September 2020	0.5 basis point
<i>0½% Treasury Gilt 2061</i>	22 September 2020	0.25 basis point

2.7 Ultimately, the DMO sets the pricing on a syndication in a way that we judge best balances value for money for the taxpayer in the context of prevailing market conditions, as well as with our longer-term considerations as a debt manager and repeat issuer in mind.

3. Syndication pricing: reference bond dynamics

3.1 You asked whether there might be “an incentive for market players not to buy the reference gilt to lower its price before the syndication” and “if such an incentive exists, how does the DMO monitor the price of the reference gilt”; in other words, could market participants be incentivised not to buy, or even to sell,

² This is the process during the execution phase of an offering when certain investors will indicate a price at which they will/will not buy bonds. This investor feedback is then subsequently analysed by the lead managers over a relatively short timeframe – in the DMO’s case this is typically within a couple of hours – in order to be able to provide a joint pricing recommendation to the DMO.

the reference gilt against which the syndicated gilt is priced in order to drive prices lower?

- 3.2 We monitor the performance of the reference gilt closely in the period around a syndication, when we are looking to see a smooth and orderly functioning in the underlying market, as well as orderly price dynamics in the reference gilt itself. This is not a market supervision activity; rather it is simply a corollary of our appreciation that effective market functioning at each issuance operation will be supportive of the government's ongoing financing operations.
- 3.3 As is market standard, we appoint one of the lead manager group to be a "duration manager" whose role is to help support orderly market functioning during the execution phase. This role requires the facilitation of any switches out of existing bond holdings that investors may need to execute as part of their portfolio strategies to acquire the new issue.
- 3.4 We are particularly mindful of the points you raise about the risk of price movements in the reference bond, notwithstanding the fact that the DMO does not have a formal market supervision mandate. If this were occurring we should be able to observe an increase in the price difference (a larger positive yield spread) between the reference bond and neighbouring bond (typically defined as the closest liquid bond to the reference gilt on the yield curve) in the period immediately preceding the syndication, followed by a fall immediately afterwards. This is not what we have observed. Based on data of syndicated offerings from the beginning of 2009, we have observed that the average yield spread between the reference bond and its closest neighbour actually reduces by 0.0303 basis points one day prior to the syndication and then reduces by a smaller 0.0016 basis points on the day of the syndication itself.
- 3.5 If the reference bond were underperforming (i.e. the price were falling) relative to its neighbour, the yield of the reference bond would rise and one would observe a positive spread. In fact, as illustrated, the reverse is true and the reference bond, on average, outperforms its neighbour, with a fall in yield and a negative spread. There may be a range of explanations for this and, in any event, it is important to bear in mind that this magnitude of change is small - consistent with observed daily volatility in relevant yield spreads.

Table 2. Average one-day change in spread between the syndication reference bond and a neighbouring bond (2009-10 – current financial year to date)

Average change in yield spread between the reference and	-0.0303
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neighbouring bond one day before the syndication (in basis points)	
<i>A negative number, as shown here, means that the reference bond outperforms its neighbour.</i>	
Average change in yield spread between the reference and neighbouring bond on the day of the syndication (in basis points)	-0.0016

3.6 It should be noted that no method of issuance is entirely free of challenges. Whilst the observed yield moves on syndications are very small, we have, for completeness, undertaken a similar analysis of the price dynamics around auctions. For auctions we see a slightly greater sensitivity in yield spread for the auctioned bond (assuming, in this case, that the auction bond has already been issued once) and its neighbouring bond around the time of the auction. On average one day prior to the auction the yield spread increases by 0.0581 basis points and, on the day of the auction, the spread decreases by 0.2496 basis points (see Table 3 below).

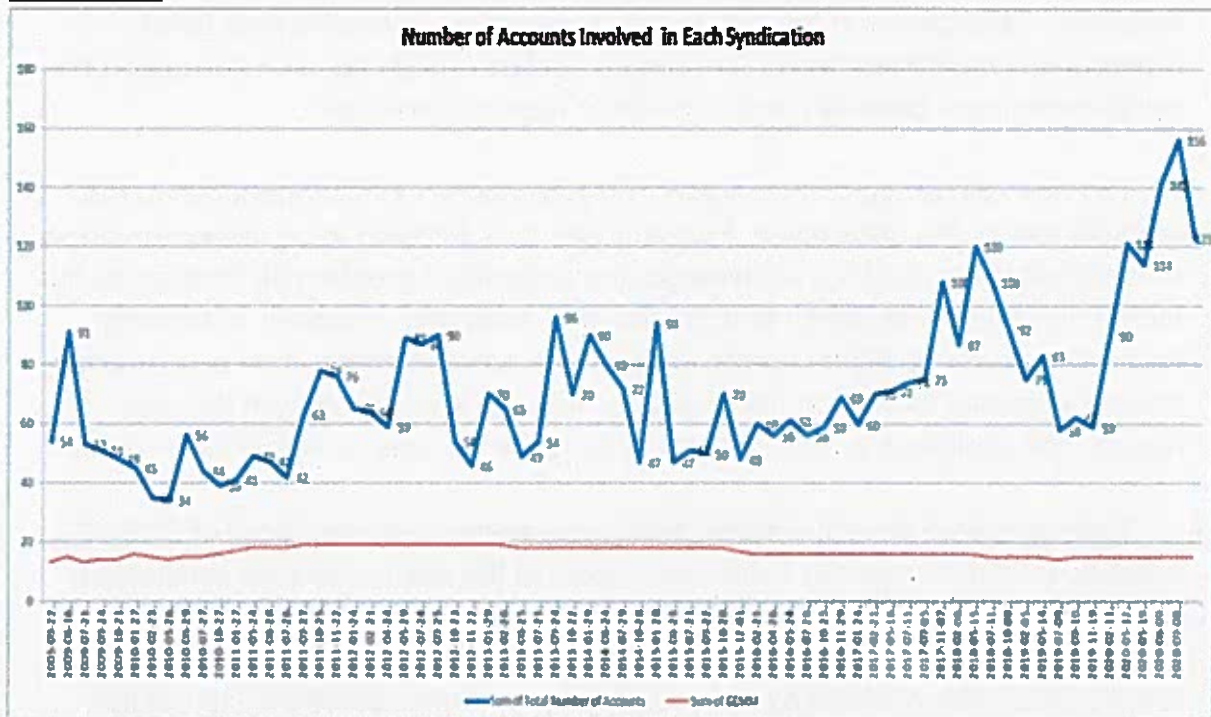
Table 3. Average one-day change in spread between the auctioned bond and a neighbouring bond (2009-10 – current financial year to date)

Average change in yield spread between the auctioned and neighbouring bond one day before an auction (in basis points)	+0.0581
Average change in yield spread between the auctioned and neighbouring bond on the day of the auction (in basis points)	-0.2496

4. Syndication pricing and value-for-money for the taxpayer

- 4.1 In your letter you noted “the high levels of demand within the published results of syndications” and you asked whether the DMO is “sure that the pricing is keen enough in favour of the taxpayer”.
- 4.2 Recently, investor order books for syndications have typically been significantly larger than the planned size of the transaction. Furthermore, the number of investors participating in gilt syndications has also concomitantly grown, as Chart 1 below illustrates. This behaviour has become very apparent across international capital markets in government bonds recently.

Chart 1. Number of investor accounts participating in UK gilt syndications 2009-2019



4.3 At a syndication, to the extent that total bids exceed the amount of gilts on offer, this results in bids being scaled back by the lead managers. An investor that wishes to have a high degree of certainty around a minimum allocation of bonds may, therefore, bid for a larger amount than they would realistically expect to receive. This behaviour, which has been observed across government bond syndications internationally, can result in sizeable but potentially misleading order books and therefore should not be taken as an indicator of the level of demand.

4.4 Ultimately the surest indication of keen pricing for any gilt syndication is to be found in the prevailing market price levels of the gilt curve in conjunction with the lead managers' determination of the quality of the order book. The overall size of the order book is secondary.

5. Syndication fees

5.1 You asked for information about how fees paid to syndicate banks "are set, and the running total of the fees paid" since the syndication programme was introduced.

5.2 The role of a primary dealer incurs a number of obligations beyond the syndication process, including a requirement to bid over time for a certain minimum percentage of bonds at auction and to make two-way prices in gilts on an ongoing basis. These obligations represent a cost to the primary dealers and

require their investment in human and technological resources. It is clear to our primary dealers that their sustained active support for the auction programme represents an important consideration in their selection as a syndication lead manager. Participation in the syndication programme (including fees paid) represents an important factor for primary dealers in their decision to support the programme more generally and to invest in their gilt franchises.

5.3 The absolute amount of fees paid on syndications varies depending on the nominal size of the transaction. Furthermore, fees will tend to be higher for longer maturity issues, reflecting, on average, the associated greater risk (implied by the higher duration of the instrument) for the lead managers involved. In addition, fees will typically be higher for the offering of a new gilt, rather than a re-opening, given the greater execution risk involved (owing to lower liquidity in the new issue). This approach is also similar to that taken by other sovereign borrowers.

5.4 Total fees paid since the syndication programme was introduced in 2009-10 average £1.8 million per £1 billion (or 0.18%) of the cash raised via syndication and 0.0282% of the total cash raised by the overall gilt financing programme. This equates to £0.599 billion paid for £332.54 billion raised through syndications and £2,059.5 billion raised by the overall gilt programme since the start of the 2009-10 financial year; details of fees paid for each transaction can be found in Appendix B. These fees are also published in the [annual accounts](#) of the National Loans Fund (2019-20)³.

As noted previously, the mix of distribution methods is reviewed at least annually with an intention to ensure that these are deployed as effectively as possible to deliver the government's financing priorities.

I very much hope this information is helpful and please do not hesitate to contact me again if you have any further questions.

Yours sincerely,
Robert Stheeman

Robert Stheeman
Chief Executive Officer

³https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/922528/NLF_Account_2019-20.pdf

Appendix A – Glossary of Terms

Auction (gilt)	Conventional gilts: open to all Gilt-edged Market Makers (GEMMs) who alone are allowed to make competitive bids by the Bloomberg bond auction system. Successful competitive bidders in conventional gilt auctions are allotted gilts on a bid-price basis, paying the price they bid. There is also a limited facility for non-competitive bids from members of the Approved Group Index-linked gilts: open to IL GEMMs only (for competitive bids) and conducted on a uniform price basis, based on the lowest accepted price. There is also a limited facility for non-competitive bids from members of the Approved Group.
Basis point (bp)	One hundredth of 1% (i.e. 0.01%)
Benchmarks	Informal term for those gilts, usually with a large outstanding amount and a coupon in line with the prevailing general level of interest rates, which are used by participants in other markets to price other instruments of similar maturity, such as corporate bonds and as a consequence usually trade with high liquidity.
Conventional gilts	Gilts on which interest payments and principal repayments are fixed in nominal terms.
DMO	The United Kingdom Debt Management Office.
Duration	The weighted average time to maturity of a bond's cash flows, where the weights are defined as the present values of the cash flows (this is "Macaulay" duration). "Modified" duration is a variant of this and provides a simple, although imperfect, measure of a bond's volatility, or sensitivity of the bond's price to changes in interest rates.
(Gilt-edged market makers) GEMMs and IL GEMMs	Firms recognised by the DMO as Gilt-edged Market Makers are primary dealers

Appendix A – Glossary of Terms

	in conventional gilts. IL GEMMs are primary dealers in index-linked gilts.
Gilt	A UK government sterling denominated bond issued by HM Treasury. The term gilt (or gilt-edged) is a reference to the primary characteristic of gilts as an investment - their security.
Index-linked gilts (ILGs/IL)	Index-linked gilts are gilts whose coupons and final redemption payment are related to movements in the Retail Prices Index (RPI). There are two fundamental designs of index-linked gilts - those with an 8-month indexation lag launched in 1981 and those with a 3-month indexation lag (which account for approximately 90% of the overall Index-linked gilt market) launched in 2005.
Liquidity	A word describing the ease with which one can undertake transactions in the particular market or instrument. A market where there are always ready buyers and sellers willing to transact at competitive prices is regarded as liquid. In banking, the term is also used to describe the requirement that a portion of a bank's assets be held in short-term risk free instruments, such as government bonds, Treasury bills and high quality Certificates of Deposit (CDs).
Long-dated	Refers to gilts with an outstanding maturity of greater than 15 years
Market value	The value of an asset if it were sold in the market at its current price.
Medium-dated	Refers to gilts with an outstanding maturity of between 7 and 15 years
Neighbouring bond	Closest (by maturity) liquid bond on the yield curve
NLF	National Loans Fund, the account that brings together all Government lending and borrowing.

Appendix A – Glossary of Terms

Nominal amount/value	The face or principal value of a gilt.
Primary market	The issuance of gilts by the DMO at its operations.
Risk capital	Risk capital refers to funds allocated to speculative activity and used for high-risk, high-reward investments
Reference gilt	Gilt over/under which the syndicated bond prices
Re-offer spread	A re-offer spread is the spread at which the underwriting syndicate of a debt issue re-sells the bonds to investors after receiving them in the primary market directly from the issuers.
Secondary market	Where investors purchase gilts from other investors rather than from the issuer.
Short-dated	Bonds with an outstanding maturity between 1 and 7 years
Spread	Firstly the difference between the price at which a market maker will buy and sell a gilt (bid/offer spread); and secondly the difference in yield between two bonds (e.g. the 10s/30s spread will refer to the difference between the yield on a 10-year bond and the yield on a 30-year bond).
Syndication	Syndication is a process whereby an issuer appoints one or more banks to arrange a transaction on its behalf, using their distribution networks to place bonds with end-investors.
Warehouse/Warehousing	Is the accumulation and custodianship of bonds
Yield curve	In its simplest form this is the mathematical relationship between yield and maturity computed across all gilts.

Appendix B – Syndicated offerings held to date since the inception of the DMO's syndication programme in 2009-10

Date	Gilt	Size (£mn) nominal)	Issue Price (£)	Issue Yield (%)	Proceeds (£mn cash)	Domestic share (%)	Book (£bn nom)	Individual Orders	Fees paid (£ mn)
16-Jun-09	4½% Treasury Gilt 2034	7,000	97.85	4.646	6,836	94	15.3	130	14.00
23-Jul-09	0½% Index-linked Treasury Gilt 2042	5,000	92.482	0.886	4,613	95	8	61	11.25
24-Sep-09	0½% Index-linked Treasury Gilt 2050	5,000	98.583	0.539	4,918	97	9.2	63	11.25
21-Oct-09	4% Treasury Gilt 2060	7,000	96.258	4.179	6,722	95	10.3	66	15.75
27-Jan-10	0½% Index-linked Treasury Gilt 2040	3,500	97.723	0.709	3,413	96	4.5	53	7.00
23-Feb-10	4% Treasury Gilt 2060	4,500	88.85	4.569	3,989	97	7.3	66	9.00
26-May-10	0½% Index-linked Treasury Gilt 2050	4,000	91.146	0.758	3,762	96	4.9	42	8.00
29-Jun-10	4½% Treasury Gilt 2040	8,000	100.121	4.243	7,995	94	13.8	77	15.00
27-Jul-10	0½% Index-linked Treasury Gilt 2040	6,000	89.914	1.02	5,557	99	9.8	64	11.25
27-Oct-10	4½% Treasury Gilt 2040	5,000	100.167	4.24	5,000	90	8.1	58	8.75
27-Jan-11	1½% Index-linked Treasury Gilt 2055	3,250	120.825	0.707	4,625	95	5.8	55	6.50
24-May-11	0½% Index-linked Treasury Gilt 2034	3,500	99.104	0.793	3,462	94	6.4	64	6.56
28-Jun-11	4% Treasury Gilt 2060	5,000	96.626	4.148	4,836	97	9.6	72	10.00
26-Jul-11	0½% Index-linked Treasury Gilt 2034	4,000	102.316	0.64	4,136	96	5	58	7.00
27-Sep-11	3½% Treasury Gilt 2052	4,500	99.838	3.758	4,483	87	8.5	72	10.13
25-Oct-11	0½% Index-linked Treasury Gilt 2062	4,500	94.869	0.49	4,259	99	9.8	93	10.13
22-Nov-11	0½% Index-linked Treasury Gilt 2029	3,500	100.688	0.085	3,518	92	10	96	6.13
24-Jan-12	3½% Treasury Gilt 2052	4,750	112.854	3.183	5,351	95	12.4	69	9.50
21-Feb-12	0½% Index-linked Treasury Gilt 2062	3,750	113.456	0.0995	4,307	96	8.6	85	7.50

Appendix B –Syndicated offerings held to date since the inception of the DMO's syndication programme in 2009-10

Date	Gilt	Size (£mn) nominal)	Issue Price (£)	Issue Yield (%)	Proceeds (£mn cash)	Domestic share (%)	Book (£bn nom)	Individual Orders	Fees paid (£ mn)
24-Apr-12	3¼% Treasury Gilt 2052	4,750	106.587	3.446	5,053	88	9.8	79	9.50
29-May-12	0¾% Index-linked Treasury Gilt 2062	4,000	116.52	0.04	4,750	83	11	103	8.00
24-Jul-12	0¼% Index-linked Treasury Gilt 2044	4,000	100.311	0.115	4,004	90	10.1	115	8.00
25-Sep-12	0¼% Index-linked Treasury Gilt 2052	4,000	96.062	0.357	3,833	94	8	116	9.00
23-Oct-12*	3¼% Treasury Gilt 2044	4,250	99.594	3.271	4,225	92	9.3	81	7.97
22-Nov-12	0¼% Index-linked Treasury Gilt 2044	3,250	93.874	0.331	3,064	93	5.9	58	5.69
29-Jan-13	3¼% Treasury Gilt 2044	4,000	96.795	3.4185	3,865	85	9.7	97	7.00
26-Feb-13	0¼% Index-linked Treasury Gilt 2052	3,750	105.312	0.111	4,018	94	7.8	84	7.50
25-Jun-13	3½% Treasury Gilt 2068	5,000	96.426	3.651	4,810	97	12.8	69	11.25
23-Jul-13	0¼% Index-linked Treasury Gilt 2044	4,000	100.922	0.0945	4,154	93	8.8	78	7.00
24-Sep-13	0¼% Index-linked Treasury Gilt 2068	5,000	99.37	0.137	4,957	96	10.6	122	11.25
22-Oct-13	3¼% Treasury Gilt 2068	4,500	98.672	3.555	4,431	94	12.5	96	9.00
29-Jan-14	0¼% Index-linked Treasury Gilt 2068	4,750	103.164	0.0655	4,938	91	12.5	123	9.50
24-Jun-14	3½% Treasury Gilt 2045	5,000	100.673	3.464	5,024	87	16.5	112	9.38
29-Jul-14	0¼% Index-linked Treasury Gilt 2058	5,000	107.861	-0.053	5,382	96	14.5	107	11.25
28-Oct-14	3½% Treasury Gilt 2068	4,000	114.3	2.966	4,564	96	14.2	81	8.00
27-Jan-15	0¼% Index-linked Treasury Gilt 2058	3,000	153.889	-0.8955	4,634	86	10.8	118	6.00
23-Jun-15	0¼% Index-linked Treasury Gilt 2046	3,250	123.84	-0.582	4,018	94	11.5	69	6.50
21-Jul-15	3½% Treasury Gilt 2068	4,000	121.31	2.736	4,844	94	15.5	79	8.00
22-Sep-15	0¼% Index-linked Treasury Gilt 2068	2,500	166.002	-0.866	4,294	94	7.8	72	5.00

Appendix B –Syndicated offerings held to date since the inception of the DMO's syndication programme in 2009-10

Date	Gilt	Size (£mn) nominal)	Issue Price (£)	Issue Yield (%)	Proceeds (£mn cash)	Domestic share (%)	Book (£bn nom)	Individual Orders	Fees paid (£ mn)
20-Oct-15	2½% Treasury Gilt 2065	4,750	98.403	2.557	4,663	95	21.9	96	10.69
01-Dec-15	0½% Index-linked Treasury Gilt 2046	3,250	129.738	-0.748	4,240	92	13	72	5.69
23-Feb-16	0½% Index-linked Treasury Gilt 2065	2,750	163.728	-0.891	4,496	89	10.5	89	6.19
26-Apr-16	2½% Treasury Gilt 2065	4,750	106.164	2.291	5,033	92	21.2	80	9.50
24-May-16	0½% Index-linked Treasury Gilt 2046	3,500	131.617	-0.81	4,655	92	15.3	83	6.13
26-Jul-16	0½% Index-linked Treasury Gilt 2065	2,500	201.335	-1.325	5,058	93	10.1	79	5.00
25-Oct-16	2½% Treasury Gilt 2065	4,000	130.5	1.597	5,212	87	17.8	81	8.00
29-Nov-16	0½% Index-linked Treasury Gilt 2056	2,250	186.909	-1.466	4,200	98	11.7	104	5.06
24-Jan-17	1½% Treasury Gilt 2057	4,500	96.686	1.867	4,341	90	23.6	87	10.13
21-Feb-17	0½% Index-linked Treasury Gilt 2065	2,000	219.833	-1.524	4,498	90	11.9	94	4.00
16-May-17	1½% Treasury Gilt 2057	5,000	101.744	1.69	5,077	87	26.4	96	10.00
11-Jul-17	0½% Index-linked Treasury Gilt 2056	2,500	177.716	-1.361	4,540	89	14.9	99	5.00
05-Sep-17	2½% Treasury Gilt 2065	4,000	132.145	1.547	5,278	90	25.2	101	8.00
07-Nov-17	0½% Index-linked Treasury Gilt 2048	3,000	165.868	-1.541	4,970	96	23.7	144	6.00
06-Feb-18	0½% Index-linked Treasury Gilt 2048	2,750	161.931	-1.475	4,473	85	16.3	110	4.80
15-May-18	1½% Treasury Gilt 2071	6,000	97.615	1.693	5,843	90	37.8	148	13.50
11-Jul-18	0½% Index-linked Treasury Gilt 2041	3,250	148.973	-1.617	4,835	92	20.6	132	6.50
09-Oct-18	1½% Treasury Gilt 2071	5,250	90.085	1.924	4,719	80	28.3	118	10.50
05-Feb-19	0½% Index-linked Treasury Gilt 2041	2,500	149.583	-1.679	3,798	86	19.6	102	4.40
14-May-19	1½% Treasury Gilt 2054	4,750	100.607	1.603	4,768	86	31.9	106	10.70

Appendix B –Syndicated offerings held to date since the inception of the DMO's syndication programme in 2009-10

Date	Gilt	Size (£mn) nominal)	Issue Price (£)	Issue Yield (%)	Proceeds (£mn cash)	Domestic share (%)	Book (£bn nom)	Individual Orders	Fees paid (£ mn)
09-Jul-19	0½% Index-linked Treasury Gilt 2041	2,500	162.728	-2.094	4,186	87	20.5	84	4.40
10-Sep-19	1½% Treasury Gilt 2054	4,000	115.557	1.091	4,614	81	25.8	85	8.00
19-Nov-19	0½% Index-linked Treasury Gilt 2041	2,250	154.05	-1.878	3,601	87	17.6	78	3.90
11-Feb-20	1½% Treasury Gilt 2071	2,500	128.494	0.93	3,207	87	25.3	111	5.00
12-May-20	0½% Treasury Gilt 2030	12,000	100.216	0.354	12,008	75	82.6	171	18.00
19-May-20	0½% Treasury Gilt 2061	7,000	96.87	0.585	6,765	93	53.1	159	15.80
09-Jun-20	0½% Treasury Gilt 2050	9,000	96.343	0.76	8,653	91	72.8	192	18.00
08-Sep-20	0½% Treasury Gilt 2035	8,000	100.789	0.57	8,049	82	76.2	220	14.00
22-Sep-20	0½% Treasury Gilt 2061	6,500	94.161	0.663	6,107	93	49.6	175	13.00