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**Barclays Wealth**  
**Barclays Wealth Accommodation Manager Program**

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**This wrap fee program brochure provides information about the qualifications and investment advisory business practices of Barclays Wealth, the wealth management division of Barclays Bank Plc. If you have any questions about the contents of this brochure, please contact us at 800.392.5000. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority. Investment adviser registration does not imply a certain level of skill or training.**

**Additional information about Barclays Wealth also is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).**

**March 31, 2011**

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## **MATERIAL CHANGES**

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This section currently is not applicable. This wrap fee program brochure ("Brochure") dated March 31, 2011, has been prepared in accordance with new regulatory requirements. As a result, it is different in structure and content from the previous brochure.

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## **SERVICES, FEES AND COMPENSATION**

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Barclays Wealth, functioning through Barclays Capital Inc. ("BCI") offers a wide range of investment advisory services to meet the needs of clients with diverse investment objectives and goals. This Brochure relates to the Barclays Wealth Accommodation Manager Program (the "Program"), which is designed to provide clients with access to investment managers and/or investment strategies that are not otherwise available on the Barclays Wealth platform. The participating investment managers are collectively referred to as the "Investment Manager(s)" and the investment strategies managed by such Investment Managers are the "Investment Strategy(ies)."

### **Services Provided**

#### **Access to Investment Managers**

Barclays Wealth provides access to the Investment Managers available through the Program as an accommodation to its clients. Access to the Program is typically permitted when a new client had a prior relationship with another firm at which they worked with another Investment Manager and they would like to transfer their managed account to the Barclays Wealth platform. Barclays Wealth does not perform due diligence or monitoring on any of the Investment Managers or the Investment Strategies available through the Program. Barclays Wealth does not recommend Investment Managers or Investment Strategies to clients nor does Barclays Wealth assist clients in selecting Investment Managers or the Investment Strategies that are suitable or appropriate for clients based on their investment objectives and financial circumstances. Clients independently assume the sole and exclusive responsibility for the selection and retention of Investment Managers and Investment Strategies available through the Program. Barclays Wealth does not monitor Investment Managers or Investment Strategies, including their performance, investment selection, or conformance to clients' stated investment objectives. Clients grant each of the Investment Managers they select discretionary authority over their Program accounts.

The investment managers available through the Program generally are not affiliated with Barclays Wealth, except for BlackRock Investment Management, LLC ("BlackRock"), which is affiliated with Barclays Wealth by virtue of an equity ownership interest in BlackRock, Inc.

#### **Envestnet**

Certain Investment Managers in the Program are accessed by Barclays Wealth clients through Envestnet Asset Management, Inc. ("Envestnet"). Barclays Wealth has entered into an agreement with Envestnet, whereby Envestnet will enable Barclays Wealth to access investment advisers with which Envestnet has entered into a sub-management agreement ("Sub-Managers") to act as Investment Managers under the Program. For certain Sub-Managers, Envestnet has entered into a licensing agreement with the Sub-Manager, whereby Envestnet performs administrative and/or trading implementation duties pursuant to the direction of the Sub-Manager. In such situation the Sub-Manager is acting in the role of an investment strategy model provider and such Sub-Manager does not have discretion over client assets. Envestnet will be responsible for implementing the model portfolios provided by each such Sub-Manager, subject to any reasonable constraints and restrictions the client wishes to place on the account(s).

#### **Execution Services**

Each Investment Manager has the discretion to select broker-dealers to execute trades for Program accounts it manages, subject to the Investment Manager's duty of best execution. As a general matter, BCI will be selected by the Investment Managers to act as executing broker-dealer because the inclusive fee paid by each client includes commissions charged by BCI and its affiliates for executing trades in Program accounts. However, under the Program, Investment Managers have the discretion to select other broker-dealers from time to time when deemed appropriate taking into account the net price (after giving effect to brokerage commissions and other costs) as well as other factors such as the nature of the security being traded; the size and complexity of the transaction; the desired timing of the trade; the activity existing and expected in the market for the particular securities; and the execution, clearance and

settlement capabilities and such other factors that the Investment Manager deems appropriate. When executing trades for Program accounts, Barclays Wealth and its affiliates are acting exclusively as broker-dealer in connection with such trades.

#### Custody and Administrative Services

BCI, in its capacity as a registered broker-dealer, will provide custody and other administrative services associated with the Program. However, Barclays Wealth may, on an exception basis, accept accounts for clients who custody their assets with qualified custodians that are not affiliated with BCI, provided, that such custodians are operationally capable of providing certain reporting required by Barclays Wealth. Clients that chose to custody assets away from Barclays Wealth will incur additional custody costs that they likely would not need to pay if they held their assets at Barclays Wealth. In addition, Barclays Wealth is not able to monitor concentration limits for assets that are not held with BCI.

All securities will be held for client accounts in the name of BCI for the benefit of its clients who custody funds and securities with BCI. BCI will maintain records, on a client-by-client basis, reflecting securities beneficially owned by Program clients. In its capacity as custodian, BCI or its affiliates will deduct from each client account the appropriate Program Fee and other charges described in Brochure. Unless instructed otherwise, each Investment Manager will be responsible for voting proxies for securities held in the Program accounts, and BCI will promptly forward to the relevant Investment Manager copies of all related proxies and shareholder communications.

Notwithstanding a client's selection regarding proxies, legal notices related to investments in a client's account will be sent to clients directly by Barclays Wealth. Barclays Wealth will not advise or act for clients in legal proceedings, including class action litigations and bankruptcies, involving securities in client accounts. Clients will be fully responsible for acting with respect to such legal proceedings.

Tax loss harvesting is generally available to clients investing in the Program upon request. Barclays Wealth will make best efforts to accommodate such requests by clients. In order to take advantage of tax loss harvesting, a client should be aware that they must sell out of the portfolio for thirty (30) days, remain in cash (or in assets that are not substantially identical stocks or securities) for those thirty (30) days, and then reinvest to comply with any tax related rules and regulations. If Barclays Wealth accepts a tax loss harvesting request on an Account, the performance of that Account may differ from similar accounts without a tax loss harvesting request. As neither Barclays Wealth nor its affiliates are tax advisors, clients must consult their tax advisor for specific tax planning advice pertaining to their situation.

#### Other Wrap Programs

In addition to the Program, Barclays Wealth sponsors other wrap programs, including those described below. For more information about these wrap programs and a copy of the relevant program brochure, please contact your Barclays Wealth investment representative ("Investment Representative").

**Select Advisors Program.** This program offers a comprehensive fee-based investment advisory service designed to assist clients in identifying an investment manager or a group of investment managers best suited to the client's goals.

**IAR Program.** Certain individuals within Barclays Wealth's advisory business who have demonstrated relevant expertise and have prior experience in the industry, may serve as investment advisory representatives and offer discretionary and non-discretionary advisory services to Barclays Wealth clients for a fee.

**BETA Program.** The Barclays ETF Tactical Allocation ("BETA") program is a comprehensive fee-based investment advisory service designed to assist clients in investing in a multi-asset class or single-asset class portfolio primarily through the use of exchange traded funds.

## **Fees**

### **Fee Schedules**

A client will pay a single inclusive fee (the "Fee") for the services offered by the Program described in this Brochure. The Fee covers all investment management fees paid to the Investment Manager(s) selected in the Fee Schedule ("Fee Schedule"), any custodial, administrative and execution services performed by BCI. In the event the Program account is opened in conjunction with the client entering into a Guided Portfolio Agreement ("GPA") or a Discretionary Portfolio Agreement ("DPA") with Barclays Wealth, the Program Fee will be reduced in recognition of the fees charged under the GPA or the DPA. The Fee, which is expressed as a percentage of total assets under management, will vary for each account depending on, among other things, the amount of assets in the account, the investment strategy employed for the account and the particular Investment Manager. The Fee is payable quarterly in arrears. The following table describes the standard fee schedules that are currently in effect.

#### Equity Strategies

| <b>Assets Under Management</b> | <b>Equity Strategies</b> | <b>Enhanced Index Strategies</b> |
|--------------------------------|--------------------------|----------------------------------|
| \$0-2,499,999                  | 1.75%                    | 1.00%                            |
| \$2.5M-4,999,999               | 1.50%                    | 0.90%                            |
| \$5M-19,999,999                | 1.25%                    | 0.80%                            |
| \$20M and above                | 1.00%                    | 0.70%                            |

| <b>Assets Under Management</b> | <b>Specialty Equity</b> |
|--------------------------------|-------------------------|
| All Assets                     | 1.75%                   |

#### Fixed Income Strategies

| <b>Assets Under Management</b> | <b>Core Fixed Income Strategies</b> |
|--------------------------------|-------------------------------------|
| \$0-1,999,999                  | 0.75%                               |
| \$2M-4,999,999                 | 0.65%                               |
| \$5M-9,999,999                 | 0.55%                               |
| \$10M-29,999,999               | 0.45%                               |
| \$30M and above                | 0.40%                               |

| <b>Assets Under Management</b> | <b>Specialty Fixed Income Strategies</b> |
|--------------------------------|------------------------------------------|
| \$0-1,999,999                  | 0.90%                                    |
| \$2M-4,999,999                 | 0.75%                                    |
| \$5M-9,999,999                 | 0.60%                                    |
| \$10M-19,999,999               | 0.50%                                    |
| \$20M and above                | 0.45%                                    |

| <b>Assets Under Management</b> | <b>High Yield Muni Strategies</b> |
|--------------------------------|-----------------------------------|
| All Assets                     | 1.25%                             |

Barclays Wealth may add additional fee schedules or modify the existing fee schedules as new Investment Managers are added to the Program. Clients should refer to the Fee Schedule to their Program agreement for the specific Fee they are charged as well as information about how the fee

schedules set forth above correspond to the strategy classifications applicable to their Accounts. Barclays Wealth or Envestnet pays a portion of the Fee to the Investment Managers pursuant to investment management agreements Barclays Wealth or Envestnet has negotiated with each manager. The range of fees paid to Investment Managers for equity accounts is generally 0.45% to 1.00% of assets under management. For fixed income accounts, the range is generally 0.20% to 0.85% of assets under management.

The Fee may be negotiable based upon a number of factors including, but not limited to, the range of services provided, the type and size of the account, and the level of client assets committed to the Program. In addition, client assets may be aggregated for purposes of applying the Fee in accordance with the terms of the Fee Schedule to the Program agreement. In some instances, clients may pay a higher Fee than that indicated in the fee schedules above, but in no event will the client pay an annual Fee of greater than 2.00% of total assets invested in the Program.

There are some fee schedules that are no longer offered to new clients. Additionally, some clients pay different Fees which may be higher or lower and that are not currently available.

### **Cost for Clients**

Participation in the Program and the payment of the inclusive Fee may cost a client more or less than the client would pay if the client were to purchase separately the services provided under the Program. Factors that bear upon the cost of the Program wrap fee arrangement in relation to the cost of the same services purchased separately include, among others, the expected and/or historical size or number of trades for the account, the type and size of the account and the number and range of supplementary advisory and client-related services provided to the account.

### **Other Fees and Expenses**

The Fee does not cover execution charges, including commissions, commission equivalents, mark ups, mark downs and spreads on transactions an Investment Manager places with broker-dealers other than Barclays Wealth or its affiliates in an effort to obtain best execution. The Fee also does not cover specialized charges relating to Program Accounts or portfolio transactions. These additional fees and charges may include any other execution or service charges, dealer mark-ups and markdowns, auction fees, odd-lot differentials, exchange fees, SEC transaction fees, transfer taxes, electronic fund transfer fees, ADR fees, trust custodial fees, fees in connection with trust accounting or the establishment, administration or termination of retirement or profit sharing plans, interest charges and fees on margin and other loans and any charges mandated by law or imposed by exchanges or clearing houses.

Where legally permissible, fixed income and certain other securities generally are traded on a principal basis, and trades involving such securities may be executed by BCI or other dealers. Dealers executing principal trades typically include a "mark-up" or "spread" in the net price at which the transaction is executed. The Fee includes the mark-up, but not the spread, on principal transactions executed through BCI or its affiliates. Investment Managers for fixed income strategies may execute a substantial portion of their trades through unaffiliated broker-dealers. As a result, clients will bear the cost of the spreads, mark-ups or similar compensation paid to such unaffiliated dealers in addition to the Fee. For these fixed income strategies, use of an "all in" Fee will not provide as many benefits as it does for clients whose Investment Managers execute exclusively through Barclays Wealth and, thus, do not pay transaction-based charges over and above the Fee. Interest is charged to a client's account if that account has a debit balance caused by client activity.

### **Compensation for Recommending the Wrap Fee Program**

A portion of the fees and charges imposed by the Program will be paid to Investment Representatives and may be paid to employees of BCI affiliates, in the event that such persons introduce Program accounts or provide services to Program accounts. Such payments may be made for the duration of Program client accounts or for certain arrangements, for a shorter period of time. The amount of the fees

received by Barclays Wealth Investment Representatives and/or employees of BCI's affiliates may be greater if the client participates in Program than they would be if the client paid separately for investment advice, brokerage and other services. Therefore, Barclays Wealth Investment Representatives and/or employees of BCI affiliates may have a financial incentive to offer the Program over another alternative.

## **ACCOUNT REQUIREMENTS AND TYPES OF CLIENTS**

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### **Account Requirements**

The standard minimum account size ranges between \$100,000 and \$1,000,000 for equity strategies and between \$500,000 and \$5,000,000 for fixed income strategies, depending on the Investment Manager and strategy classification. Barclays Wealth reserves the right to make exceptions to the minimum account size requirement on a case-by-case basis.

### **Types of Clients**

The Program is made available to all Barclays Wealth clients, including individuals, pension and profit sharing plans, trusts, estates, charitable organizations, corporations and other business entities, subject to certain limitations for retirement accounts.

### **Termination of Program Accounts**

The Program agreement may be terminated at any time on written notice by Barclays Wealth or the client, and termination will become effective on receipt of such notice. The procedures and conditions pursuant to which Barclays Wealth or any client may terminate the Program agreement are described in the Program agreement. In the event the Program agreement is terminated as of the date other than at the end of the fee period, Barclays Wealth will be entitled to charge a proportionate part of the Fee(s) otherwise applicable to the then current quarter. Termination of the Program agreement will not affect or preclude the consummation of any transaction initiated prior to termination.

Barclays Wealth reserves the right to terminate, at any time without prior notice, any Investment Manager or Investment Strategy and prohibit such Investment Manager from further participating in the Program, and it may close any or all of a client's Program accounts. The Investment Managers generally may discontinue management of a client account on notice to Barclays Wealth of thirty days or more.

## **PORTFOLIO MANAGER SELECTION AND EVALUATION**

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Not applicable. Barclays Wealth does not recommend or select portfolio managers in connection with the Program. Clients independently assume the sole and exclusive responsibility for the selection and retention of Investment Managers and Investment Strategies available through the Program.

## **CLIENT INFORMATION PROVIDED TO PORTFOLIO MANAGERS**

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Each client is asked to complete a Client Questionnaire and a Stock Restriction Request Form prior to opening an account. The Client Questionnaire and the Stock Restriction Request Form are furnished by Barclays Wealth to the Investment Manager that was selected by the client.

Clients are required to inform Barclays Wealth in a timely manner of any changes in their investment objectives or financial circumstances that might affect the manner in which their assets should be invested in the Program. This information is communicated, as needed, by Barclays Wealth to the respective Investment Manager(s) in a timely manner. Clients are encouraged to contact their Barclays Wealth Investment Representative if they have any questions regarding their Program account.



## **CLIENT CONTACT WITH PORTFOLIO MANAGERS**

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Barclays Wealth will make available on request appropriate investment personnel, including potential representatives of an Investment Manager, who are knowledgeable about the client's account and its management. A Barclays Wealth Investment Representative may elect to participate in any communications involving representatives of an Investment Manager.

## **ADDITIONAL INFORMATION**

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### **Disciplinary Information**

Below are summaries of certain legal or disciplinary events that may be material to a client's decision whether to retain Barclays Wealth. Additional information regarding these legal and disciplinary events is available in Part 1 of BCI's Form ADV at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

Barclays Bank PLC ("BBPLC") has disclosed in annual results announcements, annual reports and accounts and Forms 20-F and other publicly available filings since 2007 that it has been conducting an internal review of its conduct with respect to U.S. dollar payments made between January 1, 2000 and July 31, 2007, involving countries, persons and entities subject to U.S. economic sanctions and that it has been reporting the results of that review to the U.S. Authorities (as defined below). BBPLC announced on August 18, 2010 that it had reached settlements (the "Settlements") with the United States Department of Justice, the Manhattan District Attorney's Office, and the US Department Of Treasury's Office of Foreign Assets Control ("OFAC") (together the "U.S. Authorities") in relation to the investigation by those agencies into compliance with U.S. sanctions and U.S. dollar payment practices. In addition, an Order to Cease and Desist has been issued upon consent by the Federal Reserve Bank of New York and the New York State Banking Department. BBPLC has agreed to pay a total penalty of US\$298 million and has entered into Deferred Prosecution Agreements covering a period of 24 months. The Deferred Prosecution Agreements mean that no further action will be taken against BBPLC by the U.S. Authorities if, as is BBPLC's intention, for the duration of the defined period it meets the conditions set forth in its agreements with the U.S. Authorities. The Settlements did not involve Barclays Wealth or its investment advisory activities and the Settlements will not have any impact on clients' account or the services that Barclays Wealth provides to clients.

On January 14, 2011, BBPLC reached a settlement with the Financial Services Authority ("FSA") in which the FSA alleged that BBPLC violated Principle 9 and rules COB 5.3.5 R and COBS 9.2.1 R because it failed to take reasonable care to ensure the suitability of the advice it gave with respect to two funds that it sold, the Aviva Global Balanced Income Fund and the Aviva Global Cautious Income Fund. BBPLC agreed to a fine of approximately US\$12 million, to pay restitution to any customers whose sales were deemed unsuitable and to enhance its sales processes.

On May 6, 2007, BBPLC, without admitting or denying the findings contained therein, consented to the issuance of a court order in which the SEC found that BBPLC violated Section 17(a) of the Securities Act of 1933, Section 10(b) of the Securities Exchange Act of 1934 and Exchange Act Rule 10b-5 by engaging in the purchase and sale of certain distressed debt securities while aware of material non-public information concerning such debt issuers and not enforcing trading restrictions when in possession of material non-public information. Based on these findings, BBPLC agreed to a fine of US\$6 million, disgorgement of approximately US\$4 million and prejudgment interest of approximately US\$1 million.

### **Other Financial Industry Activities and Affiliations**

#### **Other Business Activities**

BCI's principal business is that of a registered securities broker-dealer and provider of investment banking services. BCI's principal activities include securities and commodities trading as principal and



agent, securities underwriting, investment banking and financial services and investment management and wealth services. Its current client base is primarily large corporate, government and institutional clients. BCI is also registered as a commodity pool operator, commodity trading adviser and futures commission merchant. In addition, certain of BCI's management persons may be registered representatives or associated persons of BCI to the extent necessary or appropriate to perform their responsibilities.

Barclays Wealth generally executes client trades through BCI. BCI may receive compensation including, but not limited to, commissions when it executes transactions for advisory clients. Additional information about Barclays Wealth's brokerage practices is available in the section of this Brochure entitled "Brokerage Practices."

#### Other Financial Industry Activities or Affiliations

BCI is headquartered in New York with 12 registered domestic branch offices. As the Barclays Bank PLC "4(K)(4E)" securities subsidiary under the Bank Holding Company Act, BCI is permitted to engage in securities underwriting, dealing and market-making activities. BCI's activities include transactions in equity and debt securities, asset-backed securities, agency mortgage-backed securities, international debt securities, and other corporate related securities and securities lending. BCI is also a primary dealer in U.S. government securities. BCI is under the control of Barclays Bank PLC, which is a bank and both a non-U.S. broker-dealer and non-U.S. investment adviser with a licence to provide, in various jurisdictions, investment and banking products.

If clients invest in certain separate accounts and investment products managed or sponsored by BlackRock Investment Management, LLC ("BlackRock"), which is affiliated with Barclays Wealth by virtue of an equity ownership interest in BlackRock, Inc. As a result, BCI and its affiliates may benefit when client assets are invested in investment products managed by BlackRock to a greater extent than from advisory services and investment products managed or sponsored by other firms in which BCI and its affiliates do not have a similar economic interest.

Barclays Wealth serves as investment adviser for the Barclays Wealth Advisor Series ("BWAS") Funds. BCI and its affiliates may also serve as sponsor or placement agent for certain private investment funds and feeder funds offered to Barclays Wealth clients.

If client assets are invested in certificates of deposit ("CDs") that are issued by Barclays Bank PLC, NY Branch ("BBNY"), an affiliate of Barclays Wealth. BBNY may economically benefit from the sales of CDs to Barclays Wealth clients. As a result, BCI and its affiliates may benefit from increased sales of CDs issued by BBNY.

Barclays Wealth may offer clients cash sweep options called the Insured Network Deposits<sup>SM</sup> ("IND") and Insured Network Deposits Business<sup>SM</sup> ("INDB") under which available cash in a client's account may be deposited into interest-bearing deposit accounts at up to 20 banks. The first bank will receive up to the \$250,000 of the available cash in a client's account or \$500,000 for joint accounts. Once this total has been reached, the next \$250,000 (or \$500,000 for joint accounts) will be deposited in the next bank that is participating in this program. This process will continue until all of the available cash has been deposited or, if the client has more than \$5,000,000 (\$10,000,000 per joint account) ("Excess Cash"), the Excess Cash will be placed in one bank. Clients may specify certain banks as ineligible to hold their available cash. Unless the client specifies otherwise, Barclays Bank Delaware (Member FDIC) will be the bank that receives the first \$250,000 of the client's available cash and will hold any Excess Funds. Because Barclays Bank Delaware is affiliated with BCI, Barclays Wealth and its affiliates may benefit more from having the client's available funds deposited at Barclays Bank Delaware than at an unaffiliated bank.

Certain management persons of Barclays Wealth are also directors, trustees and/or officers of the entities described above. In carrying out their responsibilities, these management persons may have some responsibility for the business of these affiliates and the compensation of these management persons may be based, in part, on the profitability of other parts of BCI.

Barclays Wealth has established a variety of restrictions, policies, procedures, and disclosures designed to address potential conflicts that may arise between Barclays Wealth, its management persons and its affiliates. Additional information about these conflicts and the policies and procedures to address them is provided below in the subsections entitled, “Code of Ethics”, “Participation or Interest in Client Transactions” and “Participation or Interest in Personal Trading”.

#### *Receipt of Compensation from Investment Advisers*

Not applicable. Barclays Wealth does not recommend or select other investment advisers in connection with the Program. Clients independently assume the sole and exclusive responsibility for the selection and retention of Investment Managers and Investment Strategies available through the Program.

### **Code of Ethics, Participation or Interest in Client Transactions and Personal Trading**

#### *Code of Ethics*

The Barclays Wealth Code of Ethics (the “Barclays Wealth Code”) acknowledges Barclays Wealth’s responsibilities as a fiduciary and states Barclays Wealth’s firm commitment to high ethical standards and adherence to not only the letter but also the spirit of all applicable laws and regulations. The Barclays Wealth Code addresses general standards of business conduct related to the provision of advisory services, compliance with applicable federal securities laws and regulations, procedures for reporting violations, safeguarding client information, and personal conflicts of interest. Barclays Wealth has also adopted a Personal Account Dealing Policy, which requires certain supervised persons (“access persons”) to report personal securities transactions as described below and imposes other restrictions on an access person’s personal trading activity. Each supervised person receives a copy of the Barclays Wealth Code and Personal Account Dealing Policy upon hiring and annually thereafter. In addition, each supervised person is required to initially and annually certify that he or she has read, understood and complied with the Barclays Wealth Code and acknowledge receipt of any amendments to the Barclays Wealth Code.

The Barclays Wealth Personal Account Dealing Policy allows access persons to maintain personal securities accounts provided any personal investing by an access person in any accounts in which he or she has a beneficial interest, including any accounts for any immediate family or household members, is consistent with Barclays Wealth’s fiduciary duty to its clients and consistent with regulatory requirements. The Barclays Wealth Personal Account Dealing Policy also requires pre-approval for transactions involving “covered securities” and restricts trading by access persons of securities on the BCI Watch List and Restricted List.

Barclays Wealth clients may request a copy of the Barclays Wealth Code by contacting the client service division at Barclays Wealth at 800.253.4626.

#### *Participation or Interest in Client Transactions*

Barclays Wealth and its affiliates are engaged in providing a wide variety of financial services and, as a result, may serve in various capacities in connection with the separate accounts and investment products and the managers and sponsors of those separate accounts and investment products. Barclays Wealth and its affiliates provide investment banking services, advisory services, prime brokerage services, brokerage services, placement agent, referral or other services for some or all of the separate accounts and investment products that Barclays Wealth makes available to clients. In addition, Barclays Wealth and its affiliates may receive advisory and other fees and expenses, distribution, administrative and shareholder servicing, prime brokerage, placement agent, interest and other fees or compensation from the separate accounts and investment products and the managers and sponsors of those separate accounts and investment products with which clients invest some or all of their assets. The fees and profits earned by Barclays Wealth and its affiliates on transactions for or with client accounts may be in addition to the investment advisory and other fees clients pay Barclays Wealth. Barclays Wealth and its

affiliates will not be required to share such compensation with client or to offset such compensation against fees and expenses clients may otherwise owe Barclays Wealth or its affiliates.

As a consequence of BCI's other activities, Barclays Wealth is likely to buy or sell for its clients securities or investment products in which BCI has a direct or indirect financial interest. Such financial interest could include, but is not limited to, BCI's role as a market-maker in the security, manager or co-manager or other participant in the underwriting of initial and secondary public offerings of securities, or financial advisory services provided to a securities issuer, such as merger and acquisition strategy or corporate finance. In such instances, the purchase or sale of a security as directed by Barclays Wealth on behalf of its clients may have an impact on the price of such security, which may indirectly benefit (or act to the detriment of) BCI. If the client purchases a security from BCI or its affiliates when they act as an underwriter or dealer in a distribution, the transaction will be effected at the public offering price and BCI or its affiliates will receive an underwriting fee or selling concession with respect to the transaction. As such, Barclays Wealth may be deemed to have a conflict of interest. In addition, BCI and its affiliates may buy and sell securities that are bought and sold in the accounts of Barclays Wealth clients.

When appropriate and permitted by law, Barclays Wealth may utilize investment products or services, including sweep vehicles (collectively "Cash Investments"), from which Barclays Wealth derives compensation and which Barclays Wealth has an incentive to use instead of other similar investments which could be more or less beneficial to a client. Barclays Wealth acts in various capacities with respect to such products and services and receives fees for doing so. The use of Cash Investments for managed accounts, either in "sweep" arrangements, for temporary investment purposes or otherwise, will result in Barclays Wealth earning advisory, distribution or other fees in addition to the fees described herein. Barclays Wealth may also receive a benefit from its possession and temporary investment of cash balances in managed accounts prior to investment, in a sweep arrangement or otherwise.

Barclays Wealth and its affiliates will on an overall basis receive higher fees, compensation and other benefits if client assets are allocated to affiliated investment products, including separate accounts and investment products managed or sponsored by BlackRock.

#### Best Execution

As discussed above, it is expected that BCI generally will be selected by the Investment Managers to act as executing broker-dealer because the inclusive fee paid by each client includes commissions charged by BCI and its affiliates for executing trades in Program accounts. Client trades executed through BCI are subject to BCI's best execution policy, which requires BCI to use "reasonable diligence" to learn the best market for a security that is the subject of a customer order, and to buy or sell in that market to obtain for the customer the best price possible under prevailing market conditions. Although price is generally the most important determinant in any transaction, many other factors may be considered before a trade is executed, including general market conditions; character of the market for the particular security (e.g., price, volatility, relative liquidity, and pressure on available communications); size and type of the transaction; and time limitations (market vs. limit order). BCI will use reasonably available sources of relevant information regarding the current market value of the security, which could include inter-dealer broker screens; recent transactions in the same or a comparable security and quotes from other dealers.

BCI will provide execution services relative to the purchase and/or sale of securities for Program client accounts where the client has so agreed and will be entitled to receive compensation for such services. Any such transactions are executed in compliance with Section 11(a) of the Securities Exchange Act of 1934 and Rule 11a2-2(T), to the extent applicable.

#### Principal Transactions

In the case of certain advisory accounts, BCI or an affiliate of BCI may, for its own account, buy securities from or sell securities to an advisory client (a "principal transaction"), when permitted by law. In these instances, BCI, in accordance with Section 206(3) of the Advisers Act, will disclose to the advisory client

in writing before the completion of the transaction the capacity in which Barclays Wealth is acting and obtain specific consent from the advisory client for such transaction prior to settlement.

#### Agency Cross Transactions

With respect to certain portfolio transactions conducted on behalf of advisory client accounts, when appropriate and permitted by law, BCI or an affiliate of BCI may act as broker for the party or parties on both sides of the transaction (an “agency cross transaction”). BCI or its affiliate will receive a brokerage commission from the other party with respect to the transaction, and as such BCI will have a potentially conflicting division of loyalties and responsibilities. Barclays Wealth will obtain written consent from its advisory clients prospectively for any agency cross transactions and such transactions will be conducted in accordance with Rule 206(3)-2 of the Advisers Act. An advisory client may revoke its written consent at any time by written notice to the Barclays Wealth.

#### Cross Transactions

With respect to certain portfolio transactions conducted on behalf of advisory client accounts, when appropriate and permitted by law, Barclays Wealth may cause client accounts to engage in a cross transaction between two or more of its client accounts without involving a broker-dealer or sending the orders to the market (a “cross trade”). In a cross trade, Barclays Wealth may have a potentially conflicting division of loyalties and responsibilities to both sides of the cross trade. Barclays Wealth will only execute cross trades to the extent consistent with best execution and so long as no client is disfavored by the cross trade.

#### Participation or Interest in Personal Trading

Barclays Wealth and its affiliates may give advice and take action in the performance of their duties for any of their other clients or accounts, including their own accounts, that may differ from the timing or nature of the action with respect to clients’ accounts. Barclays Wealth and its affiliates may receive more or less compensation for services provided to other clients or accounts, including their own accounts, as compared to the compensation they receive from the client accounts.

Barclays Wealth’s access persons are prohibited from engaging in transactions that are inconsistent with the duties owed to their clients. Before any access person engages in a transaction for their personal account, they must obtain pre-approval from Barclays Wealth’s compliance team.

#### Managing Conflicts Associated with Participation or Interest in Client Transactions

Barclays Wealth participates in a comprehensive compliance program and has adopted policies and procedures that impose certain conditions and restrictions as to transactions for proprietary accounts or the accounts of employees. Barclays Wealth instills in its employees assigned to its advisory business an awareness of the fiduciary principles that govern its business and a sensitivity to conflicts of interest that may arise as a result of its business. Barclays Wealth also has implemented information barriers between itself, BCI and BCFS – Americas, and between itself and other divisions within the Barclays Group. Such policies and procedures are reasonably designed to detect and prevent, among other things, any improper or abusive conduct wherever any potential material conflict of interest may exist with respect to a customer or client.

#### **Review of Accounts**

##### General Description

Barclays Wealth does not monitor Investment Managers or Investment Strategies, including their performance, investment selection, or conformance to clients’ stated investment objectives.

### Client Reports

Clients are kept informed of account activity through written confirmations of all portfolio trades should the clients elect to receive them, and a monthly statement sent for each month in which there is portfolio activity. In addition, a printed quarterly performance report is sent to each client that: (i) identifies the amount allocated to each Investment Manager, (ii) provides a summary analysis of each Investment Manager's portfolio performance, and (iii) may provide appropriate benchmark indices that correspond with the specific investment strategy of each Investment Manager. Benchmark indices in the quarterly performance reports may include, but are not limited to, the S&P 500 Index, the Russell 2000 Index, the MSCI World Index, and various Barclays Capital Fixed Income Indices. Benchmark indices are subject to change from time to time. Performance results are shown for the current quarter, calendar or fiscal year and since inception of the client's Program account.

### Client Referrals and Other Compensation

Barclays Wealth on occasion may refer a client to a third party and receive in return some economic benefit from the third party. Such referral fee arrangements will be structured in accordance with applicable law. If a client is referred to a third party, the client must sign documentation acknowledging such referral fees.

As described above, a portion of the fees and charges imposed by Barclays Wealth is paid to Barclays Wealth Investment Representatives and may be paid to employees of BCI affiliates in the event that such persons introduce Program accounts or provide services to the accounts.

In addition, Barclays Wealth may enter into third party solicitation agreements for certain advisory products for marketing purposes. Under such agreements, the third party may refer or solicit clients to Barclays Wealth, as appropriate, and receive compensation for such services. As a result of these arrangements, fees paid by certain Barclays Wealth clients may differ from (and be higher or lower than) the standard rate. All compensation paid to the third party soliciting or referring the client and the structure of the agreement will be disclosed to the client as required by applicable law.

### Financial Information

Not applicable.