



Wealth and Investment Management

## **Select Advisors Program**

### **Wrap Fee Program Brochure**

**This wrap fee program brochure (the “Brochure”) provides information about the qualifications and business practices of Barclays Wealth and Investment Management (“Barclays”), the wealth and investment management division of Barclays Bank PLC, which functions in the United States through Barclays Capital Inc. If you have any questions about the contents of this Brochure, please contact us at 800 253 4626 (or +1 212 526 5600 if dialing from outside the United States). The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission (the “SEC”) or by any state securities authority. Investment adviser registration does not imply a certain level of skill or training.**

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

**18 June 2015**

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## Item 2      Material Changes

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This Item 2 summarizes the material changes to the Brochure since the version of this brochure dated 31 March 2015. For more details on any matter, please see the item in this Brochure indicated below.

- **FX Settlements:** On May 20, 2015, as part of their industry-wide investigations into certain sales and trading practices in the Foreign Exchange (“FX”) market, Barclays PLC (“Barclays”) and Barclays Bank PLC (“BBPLC”) entered into settlements (the “FX Settlements”) with the U.S. Commodity Futures Trading Commission (“CFTC”), the New York State Department of Financial Services, the U.S. Department of Justice, the Board of Governors of the Federal Reserve System and the UK Financial Conduct Authority. As part of the FX Settlements, Barclays pled guilty to conspiracy to violate U.S. antitrust laws. Barclays Capital Inc., the registrant, was not named in any of the FX Settlements. (Item 9)
- **CFTC Order:** On May 20, 2015, the CFTC entered an order against Barclays, BBPLC and Barclays Capital Inc. pursuant to sections 6(c) and 6(d) of the Commodity Exchange Act in connection with the actions of certain employees in respect of transactions involving the interest rate benchmark, the U.S. Dollar International Swaps and Derivatives Association FIX. (Item 9)

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## Item 4 Services, Fees and Compensation

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Barclays Wealth and Investment Management (“Barclays”), the wealth and investment management division of Barclays Bank PLC operating through Barclays Capital Inc (“BCI”) in the United States, offers a wide range of investment advisory services to meet the needs of clients with diverse investment objectives and goals. As described in “Item 6: Portfolio Manager Selection and Evaluation – Advisory Business” of this Brochure, Barclays offers a number of advisory programs and wrap fee programs. This Brochure relates to the Select Advisors Program (the “Program”), a wrap fee program.

### OVERVIEW OF THE PROGRAM

The Program offers a comprehensive fee-based investment advisory service designed to assist clients in identifying one or more investment managers evaluated, approved and monitored by Barclays (collectively, the “Investment Managers”) that are suitable for the client. Investment Managers manage clients’ assets using investment strategies (“Program Strategies”) developed and managed by the Investment Managers. Barclays will determine whether the Program, particular Investment Managers and particular Program Strategies are suitable for a client based upon the information the client provides about its investment objectives, risk tolerance, reasonable client-imposed investment constraints and restrictions and other relevant attributes. Barclays will continue to rely on this information during the time a client remains invested in the Program. It is therefore important that clients inform Barclays timely of any changes. Although Barclays will identify suitable Investment Managers and Program Strategies, clients are responsible for selecting the Investment Managers and Program Strategies for their accounts. Additionally, while Barclays may guide a client regarding the portion of that client’s assets to be managed under the Program, the client assumes responsibility for ensuring that its assets, viewed in their entirety, are sufficiently diversified. The client also assumes responsibility for ensuring that the allocation of assets among the Investment Managers and Program Strategies is appropriate.

Clients sign an investment advisory agreement with Barclays. Clients do not sign an investment advisory agreement with the Investment Manager, and may change their Investment Manager or Program Strategy at any time. Barclays generally may terminate a Program Strategy or an Investment Manager’s participation in the Program for any reason and an Investment Manager generally may withdraw from the Program for any reason on a defined period of notice to Barclays. Barclays will promptly inform clients of any such terminations or withdrawals that affect their accounts.

Pershing LLC (“Pershing”), a wholly owned subsidiary of The Bank of New York Mellon Corporation and a registered broker dealer, acts as clearing firm and custodian for Barclays’ investment advisory programs. Pershing’s services generally include maintaining custody of clients’ assets and performing other customary custodial functions, settling transactions, and sending trade confirmations and account statements. Pershing does not provide clients with investment advice. Barclays reserves the right to terminate the delegation of any or all of these services to Pershing.

The Program includes custody, execution and other administrative services, which are provided to clients by Pershing and BCI. Barclays may, on an exception basis, permit clients to custody their assets with other qualified custodians, provided that such custodians are operationally capable of meeting Barclays’ and Pershing’s reporting and other operational requirements. Clients should note that Barclays is not able to apply the same level of monitoring to assets that are not custodied with Pershing.

Generally, Investment Managers will route trades through Pershing because the Program Fee paid by each client covers execution costs only if trades are executed through Pershing. However, consistent with their duty to seek best execution, Investment Managers have the discretion to select other broker-dealers from time to time when they determine that doing so would be 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 other relevant factors.

When requested, Investment Managers usually make all reasonable efforts to accommodate client requests to engage in transactions intended to offset capital gains tax liability (“tax loss harvesting”). An account will be subject to certain trading restrictions for a period of time after effecting tax loss harvesting trades, which may cause the performance of that account to differ from similar accounts for which tax loss harvesting trades were not executed. In addition, certain securities transactions outside of the client’s account may materially affect the client’s ability to benefit from tax loss harvesting for income tax purposes, but such outside securities transactions will not be included, or otherwise be accounted for, in the tax loss harvesting. The tax effects of any outside securities transactions are solely the client’s responsibility. As neither Barclays nor its affiliates are tax advisors, clients must consult their tax advisors for specific tax planning advice pertaining to their situation.

## FEES

Clients pay a single asset-based fee (the “Program Fee”) that covers investment advisory and administrative services provided by Barclays, including evaluations of the Investment Managers, investment advisory services provided by the Investment Managers, and custodial, administrative and execution services provided by Pershing. The Program Fee is calculated as a specified percentage (the “Fee Rate”) of assets under management in the account, including cash, cash alternatives and accrued interest on securities. We also take into account transactions that have been executed even if those transactions have not yet settled. Therefore in some cases, the month-end asset value we use to calculate the Program Fee may be different from the month-end value shown on a client’s statement because those statements only show transactions that have settled. The Fee Rate varies depending on the level of assets in the account, the Program Strategy, and the account type. Unless Barclays and the client agree otherwise, Barclays calculates the Program Fee for each billing period by applying the same Fee Rate to all assets in the account, rather than applying different Fee Rates to different portions of the account as the asset level changes. The Fee Rate may vary each billing period as the value of a client’s assets under management fluctuates. We calculate the Program Fee for each quarter by multiplying the Fee Rate by the average of the three month-end values of the clients’ account in that quarter. If a client’s account is opened or closes during a billing quarter, we prorate the Program Fee for the number of days in the billing quarter that the account is open. Certain clients calculate their own fees.

The Program Fee is payable quarterly in arrears. If Pershing is the custodian of the client’s assets, fees are automatically deducted directly from the client’s account. If the custodian is a third party, the client generally arranges to have the Program Fee deducted directly from the client’s account at the external custodian for credit to Barclays upon receipt of an invoice.

The following tables describe the standard Program Fees that are currently in effect for non-retirement accounts. These Program Fee rates are negotiable.

Equity Strategies:

Assets Under Management	Equity Strategies	Enhanced Index Strategies	Specialty Equity
US\$ 0 < 2.5m	1.75%	1.00%	1.75%
US\$ 2.5m < 5m	1.50%	0.90%	1.75%
US\$ 5m < 20m	1.25%	0.80%	1.75%
US\$ 20m and above	1.00%	0.70%	1.75%

Fixed Income Strategies:

Assets Under Management	Core Fixed Income Strategies	Specialty Fixed Income Strategies	High Yield Muni Strategies
US\$ 0 < 2m	0.75%	0.90%	1.25%
US\$ 2m < 5m	0.65%	0.75%	1.25%
US\$ 5m < 10m	0.55%	0.60%	1.25%
US\$ 10m < 20m	0.45%	0.50%	1.25%
US\$ 20m < 30m	0.45%	0.45%	1.25%
US\$ 30m and above	0.40%	0.45%	1.25%

The following table describes the Barclays Fees and the maximum Fee Rates that are currently in effect for retirement accounts. The “Barclays Fee” is the portion of the Program Fee that is payable to Barclays for investment advisory and administrative services provided by Barclays as well as custodial, administrative and execution services provided by Pershing. The Barclays Fee is not negotiable and is determined based on the level of assets in the account irrespective of the Investment Manager or Program Strategy used for that account.

Assets Under Management	Barclays Fee Rate	Maximum Program Fee Rate	
		Equity Strategies	Fixed Income Strategies
US\$ 0 < 2.5m	1.10%	1.85%	1.95%
US\$ 2.5m < 5m	0.95%	1.70%	1.80%
US\$ 5m < 20m	0.75%	1.50%	1.60%
US\$ 20m and above	0.50%	1.25%	1.35%

The assets of certain related accounts may be aggregated for purposes of determining the Fee Rate applicable to each account. Further, if a client opens a Program account as part of its Investment Philosophy Portfolio Multiple Accounts (“IPPMA”) Program relationship with Barclays, the client will pay only the Investment Manager’s fee for the Program account. The client will also pay a fee for the IPPMA program services, and that IPPMA fee will be calculated based on all assets within the scope of the IPPMA relationship, including the Program account. As a result of the foregoing reasons, a client may pay a different fee than as set forth above.

In no event will a client pay a Program Fee rate that exceeds 2.00% of the total assets invested in the Program.

There are some fee schedules that are no longer offered to new clients. There are also other fee schedules with lower fees than those described above, that are only offered to specific clients, including for example, the fee schedules offered to employees.

Quarterly, a portion of the Program Fee is paid to the Investment Managers for their services. For both retirement and non-retirement accounts, this amount is generally 0.45% to 0.75% per annum of assets under management for equity strategies and 0.20% to 0.85% per annum of assets under management for fixed income strategies.

The Program Fee may be higher or lower than the amount a client would pay to purchase separately the services provided under the Program. The expected and/or historical size and volume of trading activity in the account could have a bearing on the Program Fee in relation to the cost of similar services purchased separately. If a client selects a brokerage account instead of participating in the Program, that client would pay trading costs and expenses rather than the asset-based Program Fee which does not vary as transaction volume changes. These trading costs and expenses could be lower than the Program Fee. However, the Investment Manager would not provide investment advice to the client and manage the client's account, which is a key part of the Program service. Other factors that bear upon the Program Fee in relation to the cost of the similar services purchased separately include, among other things, the level of assets in the account, the investment strategy, and the exact advisory and other services provided.

The Program Fee does not cover, and clients pay, if applicable:

- commissions and other fees and charges for transactions executed by broker-dealers other than Pershing, including execution or service charges, mark-ups, mark-downs, spreads and odd-lot differentials
- fees charged by an investment product and which may be described in its prospectus, offering memorandum or other product documents, including fund investment management fees and redemption fees
- taxes relating to the account
- other fees charged by third parties including third party custodian fees, exchange fees, electronic fund transfer fees, ADR fees, auction fees, charges imposed by regulatory bodies and charges mandated by law
- Barclays' fees under a client's retirement plan account documents for opening or maintaining a retirement account
- Pershing's interest and fees on margin and other loans, or on debit balances in an account
- fees in connection with foreign exchange transactions or conversions.

#### **COMPENSATION FOR RECOMMENDING THE PROGRAM**

Your Investment Representative will receive up to 55% of the Program Fee remaining after the Investment Manager is paid and all other related expenses are deducted. A portion of the Program Fee may also be paid BCI's affiliates if they introduce clients to the Program. Such payments may be made for the duration of a client's participation in the Program or for a shorter period of time. The amount of compensation received by these persons 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, Investment Representatives and/or employees of BCI affiliates may have a financial incentive to recommend the Program over another investment alternative. In addition, Investment Representatives may have a financial incentive to recommend the allocation of client assets among equity strategies because the compensation paid to Investment Representatives may be higher for equity than for fixed income strategies.

Further, because Barclays' revenue is the portion of the Program Fee that remains after the Investment Manager has been paid, Barclays has a financial incentive to recommend Investment Managers that have a lower fee rate, because Barclays will earn more revenue, assuming the same overall Program Fee.

Additionally, certain Investment Representatives earn additional income from Barclays based on the year on year growth in the advisory fees paid to Barclays by clients of that Investment Representative. Therefore,

Investment Representatives could make recommendations to clients based on the economic impact of those recommendations on the Investment Representative. For example, recommending the Program over brokerage offerings or recommending Investment Managers and Program Strategies that result in higher fee-based revenues to Barclays over those that would result in lower fees.

Cash in client accounts custodied at Pershing (except retirement accounts) may be invested in bank deposits or money market funds in respect of which Barclays receives compensation.

We address these conflicts by disclosing them to you and requiring supervisory review at the time of account opening to check that the recommended Investment Managers and Program Strategies are suitable for the client in light of the client's financial circumstances and investment objectives. We also require your written authorization when making or changing a cash "sweep" election, and we impose limits on the proportion of an account that can be held in cash.

## Item 5 Account Requirements and Types of Clients

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Barclays' clients are generally high net worth individuals, banks, thrift institutions, pension and profit sharing plans, trusts, estates, charitable organizations, private funds, investment advisers, government entities, corporations and other business entities.

The Program generally requires a minimum account size of \$100,000 to \$1,000,000 for equity strategies and \$500,000 to \$5,000,000 for fixed income strategies, in each case depending on the Investment Manager. However, Barclays may make exceptions to the minimum account size requirement on a case-by-case basis.

## Item 6 Portfolio Manager Selection and Evaluation

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### PORTFOLIO MANAGER SELECTION AND EVALUATION

This section of the Brochure describes how Barclays evaluates and terminates Investment Managers offered in the Program. Refer to "*Item 4: Services, Fees and Compensation – Overview of the Program*" for a description of the basis on which Barclays recommends and continues to recommend particular Investment Managers and Program Strategies to clients.

**Identifying Potential Investment Managers and Program Strategies.** We use third party databases and our own knowledge of investment advisor firms to identify potential Investment Managers for further review. For each potential Investment Manager and Program Strategy, we then evaluate qualitative and quantitative factors.

The qualitative factors we evaluate typically include some or all of the following:

- organizational and ownership structures
- firm history
- key employee background, experience and incentive structures
- continuity of senior professionals
- investment strategy
- investment decision-making process and
- portfolio construction.

The quantitative factors we evaluate typically include some or all of the following:

- performance results (including relative performance)



- risk (as shown by, e.g., volatility relative to the benchmark, standard deviation or beta)
- assets under management and
- business growth.

We may also look at other qualitative and quantitative factors. No single factor is determinative, and the particular factors we evaluate could vary among the Investment Managers.

**Evaluating Investment Managers and Program Strategies.** We monitor the Investment Managers and Program Strategies to determine whether they remain suitable to be recommended to clients. We monitor various qualitative and quantitative factors.

**Performance Data.** For our initial review, we get performance data either directly from the Investment Manager or from third party databases containing information provided by the Investment Manager. Once in the Program, each Investment Manager sends us quarterly performance data (typically calculated using accounts at Barclays and elsewhere) and, each month, we also review our own performance data that we calculate for Barclays accounts invested in the Program Strategy. (In a few cases, we use monthly data from the Investment Manager rather than calculate our own monthly data.) We compare the Program Strategy's performance data to the performance of an appropriate index.

We do not audit performance data for our initial or later reviews to determine whether it is accurate or complies with any presentation standards (such as the Global Investment Performance Standards (GIPS)). Nor do we require Investment Managers to engage a third party to audit or review their performance data (although some Investment Managers might do so for other reasons). The performance data we get from Investment Managers and third party databases are not necessarily calculated on a uniform and consistent basis across Investment Managers.

We calculate our own monthly performance data using our own calculation method that focuses on equal weighted average performance and eliminating outliers.

**Termination of Investment Managers or Program Strategies.** We could decide to remove an Investment Manager or Program Strategy from the Program if it no longer meets our criteria or for any other reason. For example, we could remove an Investment Manager or Program Strategy if it departs from its investment discipline or stated investment guidelines, has prolonged periods of lagging performance, or key members of the portfolio management team change. If we downgrade an Investment Manager or Program Strategy to "SELL," we tell affected clients in writing of the downgrade and may recommend a suitable replacement Investment Manager, Program Strategy or other investment alternative. The replacement might affect the amount of the clients' Product Fee.

## RELATED PORTFOLIO MANAGERS

None of the Investment Managers are related persons of Barclays.

## ADVISORY BUSINESS

In addition to the Program, Barclays sponsors several other wrap fee programs, each of which is fully described in its wrap fee program brochure (available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov)) and is briefly summarized below:

*Portfolio Management Program (Equity, Fixed Income and ETF Tactical Allocation Strategies).* Clients invest pursuant to one or more investment strategies managed by Barclays portfolio managers.

*Investment Advisor Representative Program (“IAR”).* IAR is designed to provide clients with customized investment advice from a Barclays Investment Advisor Representative on a discretionary or non-discretionary basis.

*Investment Philosophy Portfolio Multiple Accounts Program (“IPPMA”).* Barclays provides asset allocation and investment advice for client portfolios on a discretionary or non-discretionary basis.

*Accommodation Manager Program.* Clients independently select and retain third party investment managers while Barclays provides certain reporting and other services.

Barclays also offers several advisory programs, each of which is fully described in Barclays’ ADV brochure (available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov)) and is briefly summarized below:

*Portfolio Management Program (Options Overlay Strategies).* Clients select an options-based strategy to seek to enhance existing investment portfolios or generate returns with low correlations to traditional and alternative asset classes.

*Barclays Wealth Advisor Series Funds.* Barclays sponsors a series of private investment funds for which it either serves as investment adviser or has delegated investment discretion and portfolio management responsibilities to an unaffiliated manager selected by Barclays.

*Customized Client Solutions.* Barclays advises clients on a non-discretionary basis on asset allocation or on the merit of individual holdings within a portfolio, or provides asset allocation models that reflect Barclays’ investment views regarding strategic asset allocation.

Barclays’ wrap programs and advisory programs generally offer some level of customization for individual clients based on their particular circumstances. Depending on the program, clients may also be able to impose reasonable restrictions on investing in particular securities or types of securities.

## **PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT**

An investment adviser faces conflicts in simultaneously managing accounts that are charged a performance-based fee and accounts that are not because the investment adviser may receive greater compensation from its performance-based fee accounts and is therefore incentivized to favor those accounts.

All Investment Managers are registered as investment advisers with the SEC and clients receive the ADV brochure of each Investment Manager that manages assets for such client. None of the Investment Managers charges performance-based fees for the Program accounts. However, clients should review their Investment Manager’s ADV brochure to determine if the Investment Manager charges a performance fee on any other accounts that it manages and, if so, the conflicts that such Investment Manager faces in simultaneously managing accounts that are charged a performance fee and those that are not, and how those conflicts of interest are addressed.

No affiliates, related persons or supervised persons of Barclays act as portfolio manager for the Program.

## **METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS**

No affiliates, related persons or supervised persons of Barclays act as portfolio manager for the Program described in this Brochure. All Investment Managers are registered as investment advisers with the SEC and clients receive the ADV brochure of each Investment Manager that manages assets for such client. Clients should review their Investment Manager’s ADV brochures to understand the Investment Managers’ methods of analysis and investment strategies as well as the material risks that may be applicable to the client’s

Program account. Please refer to “*Item 6: Portfolio Manager Selection and Evaluation*” for a description of the methods and processes Barclays uses to select and recommend Investment Managers.

In addition to the risks described in the Investment Managers’ ADV brochures, clients should be aware of the following risks:

### **General Investment Risks**

*Risk of Loss.* All investments risk the loss of capital and investment performance of any kind is not guaranteed.

*Management Risk.* The Program is subject to management risk. A program account may not achieve its objectives if the respective Investment Manager’s expectations regarding securities or markets are not met. In addition, the departure of any key personnel from the Investment Manager’s employ may affect the performance of the Program account.

*Economic Environment.* Unforeseeable events may cause sharp market fluctuations, which could adversely affect a client’s investments. Changes in economic conditions, including, for example, interest rates, inflation rates, unemployment, wage growth, availability and cost of credit, structuring models, performance models, industry conditions, competition, technological developments, political events and trends, changes to tax laws and innumerable other factors, can substantially and adversely affect the performance of a client’s investments.

*Issuer Risk:* An account’s performance depends on the performance of individual securities in which the account invests. Changes to the financial condition or credit rating of an issuer of those securities may cause the value of the securities to decline or even become worthless. Neither Barclays nor the Investment Managers guarantee in any way the obligations or the financial condition or credit rating of any issuer or the accuracy of any financial information provided by any issuer in which an account may be invested.

### **Risks Relating to the Use of Third Party Managers**

*Reliance on the Investment Strategies of Each Manager.* The success of Barclays’ manager selection process depends upon, among other things, the Investment Managers’ ability to develop and successfully implement trading strategies that achieve their investment objectives. Different investment styles tend to perform differently depending upon market and economic conditions and investor sentiment. Client accounts may outperform or underperform other accounts that invest in similar assets but employ different investment styles.

*Manager Selection.* Barclays’ selection of Investment Managers is inherently based on subjective criteria with the result that the true performance and abilities of any particular Investment Manager may be difficult to assess. The historical performance of an Investment Manager is not indicative of its future performance, which can vary considerably.

*Reliance on the Skill of the Investment Managers’ Key Personnel.* Barclays does not have a role in the day-to-day management of Program accounts. The performance of the investments in those accounts is substantially dependent on the skill and acumen of key employees of the Investment Managers. If such employees cease to participate in the Investment Manager’s business, the Investment Manager’s ability to select attractive investments and manage its portfolio could be impaired.

*Reliance on Information Provided by Investment Managers.* Barclays relies to a great extent on information provided by the Investment Managers and may have limited access to other information regarding the Investment Managers’ portfolios and operations. There is a risk that an Investment Manager may knowingly, negligently or otherwise withhold or misrepresent information, including instances of fraud or similar activities. Barclays is not able to guarantee that its ongoing monitoring would detect instances of fraudulent or similar activity.

*Use of Multiple Managers.* Managers may have similar or divergent investment views and strategies. Consequently, a client whose assets are managed by more than one manager may at times hold economically offsetting positions in its overall portfolio, and could indirectly incur transaction costs without accomplishing any net investment result, or may compete with its own accounts for the same positions in one or more markets. Where managers hold similar views or employ similar trading strategies, a client's overall portfolio may hold large positions in a relatively limited number of the same or similar investments. Greater concentration of positions across multiple managers will increase the adverse effect of any unfavorable conditions in the market, sector, or industry in which the positions are concentrated.

## **VOTING CLIENT SECURITIES**

No affiliates, related persons or supervised persons of Barclays act as portfolio manager for the Program described in this Brochure. Barclays does not vote client securities in this Program or advise clients how to vote. Nor does Barclays respond to corporate actions or advise clients how to respond.

If a client grants its Investment Manager authority to vote proxies for securities held in the client's Program accounts managed by that Investment Manager, proxies, corporate actions and other solicitations will be sent directly from Pershing or from another third party custodian to the Investment Manager. The Investment Manager is responsible for voting proxies and responding to corporate actions for those securities. A client may terminate an Investment Manager's proxy voting authority by contacting its Investment Representative.

If a client retains proxy voting authority, proxies and shareholder communications will be directed to the client, and the client (not the Investment Manager) will be responsible for voting proxies.

## **Item 7 Client Information Provided to Portfolio Managers**

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At the time a client elects to participate in the Program, Barclays collects information about the client and sends that information to its Investment Managers. This information includes investment objectives, financial information, risk tolerance, investment experience and identifying information such as the client's name and address, as well as any reasonable client-imposed investment restrictions or constraints. Barclays will continue to rely on this information during the time a client remains invested in the Program. Clients are therefore required to inform Barclays timely of any changes in this information. Barclays will communicate any such updates that could affect the Investment Managers' management of a client's account to the relevant Investment Managers.

## **Item 8 Client Contact with Portfolio Managers**

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Upon a client's request, Barclays will use reasonable efforts to facilitate contact between the client and representatives of an Investment Manager who are knowledgeable about the client's account and its management. Barclays may participate in any such communications.

## **Item 9 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. Additional information regarding these legal and disciplinary events is in Part 1A of BCI's Form ADV which is available at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

- On May 20, 2015, the U.S. Department of Justice (the “DOJ”) filed a one-count criminal information (the “Information”) in the United States District Court for the District of Connecticut (“District Court”) against Barclays PLC (“Barclays”). The DOJ’s Information charged Barclays with participating in a combination and conspiracy to fix, stabilize, maintain, increase or decrease the price of, and rig bids and offers for, the euro/U.S. dollar (“EUR/USD”) currency pair exchanged in the foreign currency exchange spot market by agreeing to eliminate competition in the purchase and sale of the EUR/USD currency pair in the United States and elsewhere, in violation of the Sherman Antitrust Act, 15 U.S.C. § 1. Under the plea agreement with the DOJ (the “Plea Agreement”), Barclays pled guilty to the charge set out in the Information. Barclays expects that the District Court will enter a judgment against Barclays that will require remedies that are materially the same as set forth in the Plea Agreement.

Barclays also agreed to pay a criminal fine of \$710 million to the DOJ, of which \$650 million is attributable to the charge set out in the Information. The remaining \$60 million is attributable to a finding by the DOJ that the conduct described in the Plea Agreement continued after Barclays Bank PLC and its parent, subsidiaries and affiliates entered into a non-prosecution agreement with the DOJ on June 26, 2012, related to submissions of benchmark interest rates, including the London InterBank Offered Rate (known as LIBOR). In addition, Barclays Bank PLC, a wholly-owned subsidiary of Barclays, entered into a settlement agreement with the U.K. Financial Conduct Authority to pay a monetary penalty of £284.432 million (\$440.9 million).

As part of the settlement, Barclays Bank PLC also consented to the entry of an Order Instituting Proceedings Pursuant to Sections 6(c)(4)(A) and 6(d) of the Commodity Exchange Act, Making Findings, and Imposing Remedial Sanctions by the Commodity Futures Trading Commission (“CFTC”) imposing a civil monetary penalty of \$400 million (the “CFTC Order”). In addition, Barclays Bank PLC and its New York branch consented to the entry of an Order to Cease and Desist and Order of Assessment of a Civil Money Penalty Issued Upon Consent Pursuant to the Federal Deposit Insurance Act, as Amended, by the Board of Governors of the Federal Reserve System (the “Federal Reserve”) imposing a civil money penalty of \$342 million (the “Board Order”). Barclays Bank PLC and its New York branch also consented to the entry of a Consent Order under New York Banking Law §§ 44 and 44-a by the New York Department of Financial Services (“DFS”) imposing a civil monetary penalty of \$485 million (the “DFS Order” and, together with the Plea Agreement, the CFTC Order and the Board Order, the “FX Settlements”).

The Registrant, Barclays Capital Inc., was not named in any of the FX Settlements.

- On May 20, 2015, Barclays Capital Inc. (“BCI”), along with Barclays PLC and Barclays Bank PLC (collectively, the “Respondents”), consented to the entry of an Order Instituting Proceedings Pursuant to Sections 6(c)(4)(A) and 6(d) of the Commodity Exchange Act, Making Findings, and Imposing Remedial Sanctions by the CFTC (the “Order”), alleging that from at least as early as January 2007 and continuing through June 2012 (the “Relevant Period”), the Respondents, by and through certain of their traders in New York, at times attempted to manipulate the U.S. Dollar International Swaps and Derivatives Association Fix (“ISDAFIX”).

The Order identifies the numerous steps already undertaken by the Respondents to make reasonable efforts to ensure the integrity of any submission to, and trading in connection with, certain benchmarks to which the Respondents submit or submitted, including ISDAFIX and its successor benchmark, including, among other things, enhanced controls around the ISDAFIX submission process, mandating at least annual training for all employees on the submitting and trading desks relevant to ISDAFIX concerning appropriate market conduct and reviewing their business practices and systems and controls, including remedial efforts across the bank, Compliance and front office levels.

Under the Order, the Respondents were required to pay a civil monetary penalty of \$115 million and to continue implementing and improving their internal controls and procedures in a manner reasonably designed to ensure the integrity of the fixing of any interest-rate swap benchmark, including measures to identify and address internal or external conflicts of interest. BCI is committed to continuing to implement these remedial steps and to observing the highest standards of integrity and regulatory compliance in all aspects of its work.

- On September 23, 2014, Barclays Capital Inc. (“BCI”) entered into a settlement with the Securities and Exchange Commission (“SEC”) resulting in the SEC issuing an order. BCI consented to the entry of the order that finds that BCI willfully violated the Advisers Act Sections 204(a), 206(2), 206(3), 206(4) and 207 and Rules 204-2, 206(4)-2 and 206(4)-7 thereunder arising as a result of BCI’s systemic failures after it acquired Lehman Brothers Inc.’s advisory business in September 2008. The order finds that when BCI integrated this advisory business into its existing business, it did not enhance its infrastructure to support the new business, did not adopt and implement written policies and procedures reasonably designed to prevent violations of the Advisers Act, and did not make and keep certain books and records.

The order also finds these deficiencies contributed to other violations – specifically, that BCI:

- executed more than 1,500 principal transactions with its advisory client accounts without required written disclosures or client consent
- charged commissions and fees, and earned revenues, that were inconsistent with its disclosures to 2,785 advisory client accounts
- violated custody provisions of the Advisers Act and
- underreported its assets under management in its March 31, 2011 amendment to its Form ADV by \$754 million.

Solely for the purpose of settling these proceedings, BCI consented to the order without admitting or denying the matters in it (except the SEC’s jurisdiction). The order requires BCI to cease and desist from committing or causing any violations and any future violations of Advisers Act Sections 204(a), 206(2), 206(3), 206(4) and 207 and Rules 204-2, 206(4)-2 and 206(4)-7; censures BCI; and requires BCI to pay a civil monetary penalty of \$15,000,000. BCI must also comply with certain undertakings, including retaining an independent compliance consultant, notify existing and prospective clients of the order, and keep records of BCI’s compliance with the undertakings.

You can view the order on BCI’s website at [wealth.barclays.com/americas](http://wealth.barclays.com/americas). If you would like a copy of the order, please contact your Investment Representative.

- On 26 December 2013, Barclays Capital Inc. (“BCI”), without admitting or denying FINRA’s findings, agreed to a censure and a fine of US\$3.75 million related to FINRA’s allegations that BCI did not: (i) preserve certain electronic records in the format required under the Securities Exchange Act of 1934 (the “Exchange Act”); (ii) preserve certain electronic communications; and (iii) establish and maintain a supervisory system and written procedures reasonably designed to achieve compliance with the relevant laws, regulations and rules and to timely detect and fix deficiencies. FINRA alleged that these failures resulted in the violation of Section 17(a) and Rule 17a-4 under the Exchange Act, NASD Rules 2110, 3010 and 3110 and FINRA Rules 4511 and 2010.
- On 27 June 2012, the Commodity Futures Trading Commission (“CFTC”) and Barclays PLC, Barclays Bank PLC and Barclays Capital Inc. (collectively, the “Barclays Companies”) entered into a settlement agreement through which the Barclays Companies consented to the entry of an Order Instituting Proceedings Pursuant to Sections 6(c), 6(d) and 9(a)(2) of the Commodity Exchange Act, as amended, Making Findings and Imposing Remedial Sanctions (the “Order”). Following is a summary of the CFTC’s findings in the Order:

Over a period of several years beginning at least as early as 2005, the Barclays Companies, by and through its agents, officers and employees located in at least New York, London and Tokyo, attempted to manipulate, and made false, misleading or knowingly inaccurate submissions concerning, two global benchmark interest rates, LIBOR and EURIBOR.

During the period from at least mid-2005 through the fall of 2007, and sporadically thereafter into 2009, the Barclays Companies based their LIBOR submissions for U.S. Dollar (and at limited times other currencies) on the requests of current and former Barclays Companies swaps traders who were attempting to affect the official LIBOR rate in order to benefit their derivatives trading positions. This same conduct occurred with

respect to the Barclays Companies' EURIBOR submissions during the period of at least mid-2005 through mid-2009.

During the period from approximately mid-2005 through at least mid-2008, certain Barclays Companies Euro swaps traders coordinated with and aided and abetted traders at certain other banks to influence the EURIBOR submissions of multiple banks, including the Barclays Companies, in order to affect the official EURIBOR rate and thereby benefit their respective derivatives trading positions.

During the financial crisis of late August 2007 through early 2009, the Barclays Companies lowered their LIBOR submissions in order to manage what it believed to be an inaccurate and negative public and media perception that the Barclays Companies had a liquidity problem, based in part on their high LIBOR submissions relative to submissions of other banks that the Barclays Companies believed were too low given market conditions. Pursuant to a directive by certain members of the Barclays Companies' senior management, the Barclays Companies submitted lower rates for U.S. Dollar LIBOR, and at limited times Yen and Sterling LIBOR, than what they had determined to be the appropriate rates.

The Barclays Companies' lack of specific internal controls and procedures concerning their submission processes for LIBOR and EURIBOR and their inadequate supervision of trading desks allowed this conduct to occur.

The CFTC ordered the Barclays Companies to cease and desist from violating Sections 6(c), 6(d) and 9(a)(2) of the Commodity Exchange Act and imposed a civil monetary penalty of US\$200 million against Barclays PLC, Barclays Bank PLC and Barclays Capital Inc., jointly and severally.

In its consent to the Order, the Barclays Companies agreed to undertake the following: (1) to ensure the integrity and reliability of their Benchmark Interest Rate Submission(s); and (2) to identify, construct and promote effective methodologies and processes of setting Benchmark Interest Rates, in coordination with efforts by Benchmark Publishers, in order to ensure the integrity and reliability of such rates.

The Barclays Companies further represented and agreed to undertake that each Benchmark Interest Rate Submission by Barclays shall be based upon a rigorous and honest assessment of information, and shall not be influenced by internal or external conflicts of interest, or other factors or information extraneous to any rules applicable to the setting of a Benchmark Interest Rate.

The Barclays Companies also agreed to certain processes and procedures in furtherance of these undertakings.

In anticipation of an administrative proceeding, the Barclays Companies submitted an Offer of Settlement to the CFTC, which the CFTC accepted on 27 June 2012 when the CFTC issued the Order. Without admitting or denying the findings or conclusions set forth in the Order, except to the extent the Barclays Companies admit those findings in any related action against the Barclays Companies by, or any agreement with, the Department of Justice or any other governmental agency or office, the Barclays Companies consented to entry of the Order.

The CFTC expressly noted the Barclays Companies' significant cooperation during the investigation.

In a Final Notice ("Notice") dated 27 June 2012, the U.K. Financial Services Authority ("FSA") describes the settlement of its investigation of Barclays Bank PLC ("BBPLC"), the parent company of the registrant, BCI, in accordance with section 206 of the Financial Services and Markets Act 2000. The FSA's reasons for its issuance of the Notice, as set forth more fully in the Notice, are summarized below.

BBPLC acted inappropriately and breached Principle 5 of the FSA's Principles for Business on numerous occasions between January 2005 and July 2008 by making US dollar LIBOR and EURIBOR submissions that took into account requests made by its interest rate derivatives traders. At times these included requests made on behalf of derivatives traders at other banks.

BBPLC also breached Principle 5 on numerous occasions between February 2006 and October 2007 by seeking to influence the EURIBOR and (to a much lesser extent) the US dollar LIBOR, submissions of other banks. As a result of this conduct, there was a risk that the published LIBOR and EURIBOR rates would be manipulated.

BBPLC acted inappropriately and breached Principle 5 on numerous occasions between September 2007 and May 2009 by making LIBOR submissions that took into account concerns expressed by senior management of BBPLC that high LIBOR submissions from BBPLC would cause negative media perception of BBPLC's LIBOR submissions. This resulted in instructions being given by less senior managers to reduce LIBOR submissions in order to avoid negative media comment.

BBPLC breached Principle 3 from January 2005 until June 2010 by failing to have adequate risk management systems or effective controls in place in relation to its LIBOR and EURIBOR submissions processes. BBPLC had no specific systems and controls in place relating to its LIBOR and EURIBOR submissions processes until December 2009 (when BBPLC started to improve its systems and controls). BBPLC's misconduct was exacerbated by these inadequate systems and controls and by failures to review whether its systems and controls were adequate.

BBPLC breached Principle 2 by failing to conduct its business with due skill, care and diligence when considering issues raised internally in relation to its LIBOR submissions. On three occasions during 2007 and 2008, LIBOR issues were escalated to BBPLC's Investment Banking compliance function, which failed in each case to assess and address the issues effectively. These compliance failures allowed BBPLC's breaches of Principles 5 and 3 to continue and also led to unclear and insufficient communication about issues to the FSA.

The FSA imposed a financial penalty of £59.5 million on BBPLC.

As set forth more fully in the Notice, in determining the appropriate level of the penalty to be paid by BBPLC, the FSA considered the nature and extent of the cooperation provided by BBPLC during the course of its investigation. The FSA acknowledged that BBPLC "provided extremely good co-operation", in particular in providing access to evidence and facilitating voluntary witness interviews which were conducted by the FSA together with other authorities.

In a related matter, under a Non-Prosecution Agreement ("NPA") dated 26 June 2012 with the U.S. Department of Justice Criminal Division, Fraud Section ("DOJ"), Barclays Bank PLC and its parent, subsidiaries and affiliates (collectively, "Barclays Group") admit, accept and acknowledge responsibility for the conduct set forth by the Department of Justice in the Statement of Facts ("Statement") attached to the NPA. Following is a summary of the Statement:

From approximately 2005 through 2007, and occasionally thereafter through approximately 2009, certain Barclays Group swaps traders requested that certain Barclays Group LIBOR and EURIBOR submitters submit LIBOR and EURIBOR contributions that would benefit the traders' trading positions, rather than rates that complied with the definitions of LIBOR and EURIBOR. The submitters accommodated these requests on numerous occasions. In addition, in some instances from at least as early as August 2006 through approximately January 2007, and then on another occasion in or about June 2009, Barclays Group Yen swaps traders made requests to Barclays Group Yen LIBOR submitters for favorable Yen LIBOR settings. Barclays Group Yen LIBOR submitters accommodated those requests on some occasions. The purpose of this activity was to manipulate Barclays Group's Dollar and Yen LIBOR contributions and its EURIBOR contributions and to influence the resulting LIBOR and EURIBOR fixes. Also, from at least approximately August 2005 through at least approximately May 2008, certain Barclays Group swaps traders made requests of swaps traders at other financial institutions for favorable LIBOR and EURIBOR contributions. Submissions by Barclays Group that took into account requests from swaps traders for favorable treatment were false and misleading.

From approximately August 2007 through at least approximately January 2009, Barclays Group often submitted inaccurate Dollar LIBORs that under-reported its perception of its borrowing costs and its assessment of an appropriate Dollar LIBOR submission, and were nearer to the expected rate contributions of



other banks, at the direction of certain members of management of Barclays Group, including senior managers in the treasury department and managers of the money markets desk. Such rates were false because they were lower than what Barclays Group otherwise would have submitted and contrary to the definition of LIBOR. This was done to protect Barclays Group's reputation against media and market perceptions that Barclays Group had a liquidity problem based in part on its high LIBOR submissions relative to the submissions of other banks, which Barclays Group believed were too low given market conditions.

The manipulation of Barclays' submissions affected the fixed rates on some occasions.

Barclays Group agreed to pay a monetary penalty of US\$160 million to the United States Treasury.

In the NPA, the DOJ expressly noted Barclays Group's thorough and timely cooperation and commitment to future cooperation with the DOJ and other government authorities in the United States and United Kingdom.

- On 22 December 2011, Barclays Capital Inc. ("BCI"), without admitting or denying FINRA's allegations and findings, voluntarily agreed to a censure and to pay a fine of US\$3 million related to FINRA allegations that BCI failed to supply investors with accurate information with respect to certain mortgage-backed securitizations on the website maintained by BCI pursuant to the requirements of Securities and Exchange Commission Regulation AB ("Reg AB Website"). FINRA alleged that BCI's failure to maintain accurate information on its Reg AB Website resulted in the violation of National Association of Securities Dealers Rules 3010 and 2110, and FINRA Rule 2010.
- On 14 January 2011, Barclays Bank PLC ("BBPLC") reached a settlement with the U.K. 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.
- 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 1 January 2000 and 31 July 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 18 August 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 agreed to 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 the Wealth and Investment Management division of Barclays or its investment advisory activities and the Settlements will not have any impact on clients' account or the services that Barclays provides to clients.
- On 6 June 2007, Barclays Bank PLC ("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

In addition to its registration with the SEC as an investment adviser, BCI is registered with the SEC and the Financial Industry Regulatory Authority as a securities broker-dealer and with the National Futures Association and CFTC as a futures commission merchant (an “FCM”), commodity pool operator (a “CPO”) and commodity trading advisor (a “CTA”). BCI is also registered with the SEC and the Municipal Securities Rulemaking Board (“MSRB”) as a municipal advisor. BCI is also a primary dealer in U.S. government securities. BCI is controlled by Barclays Bank PLC, which is a bank and both a non-U.S. broker-dealer and non-U.S. investment adviser with a license to provide investment and banking products in various jurisdictions. In addition, certain of Barclays’ management persons are registered as registered representatives of BCI (in its capacity as a registered broker-dealer) and associated persons of BCI (in its capacity as a registered FCM, CPO or CTA).

Advisory clients should be aware of the following:

- BCI’s principal business is that of a registered broker-dealer and provider of investment banking services. Generally, Barclays Wealth and Investment Management’s advisory clients have a brokerage relationship with BCI. BCI’s obligations to a client are different when it acts as an adviser through Barclays Wealth and Investment Management as compared to when it acts as a broker-dealer. When BCI acts as broker-dealer, its primary role is to execute trades. BCI receives compensation, including commissions, when it executes such transactions and typically is not acting as a fiduciary with respect to its broker-dealer activities. When BCI acts as an investment adviser through Barclays Wealth and Investment Management, its primary role is to provide investment advice. It receives advisory fees from its advisory clients and has a fiduciary obligation to such clients. However, this does not mean that BCI is acting as an investment adviser or fiduciary with respect to the totality of that client relationship. Barclays is likely to earn more compensation if a client opens an investment advisory account instead of a brokerage account (although you would not receive the same services in a brokerage account). This creates a conflict of interest because Barclays has a financial incentive to recommend that clients open investment advisory accounts. Barclays addresses this conflict by disclosing it to clients and by requiring Investment Representatives and Regional Managers (or a delegate) to review each client’s account when opened to check that it is suitable for the client in light of the client’s financial circumstances and investment objectives. Barclays and the Investment Managers will continue to rely on this information during the time a client remains invested in the Program. It is therefore important that clients inform Barclays timely of any changes.
- Investment Managers may be prohibited from freely exercising their investment discretion for the benefit of clients as a result of restrictions arising from Barclays’ affiliations. For example, Barclays prohibits Investment Managers from effecting transactions in securities issued by Barclays and its affiliates on behalf of clients, even in situations where doing so would be a suitable and prudent investment for clients.
- Certain management persons of Barclays also hold positions with the affiliates discussed in the foregoing paragraphs. In carrying out their responsibilities, these management persons may have some responsibility for the business of those affiliates and their compensation may be based, in part, on the profitability of such affiliates. Therefore, the management persons face the same conflicts of interest that exist between Barclays Wealth and Investment Management and those affiliates. Barclays addresses this conflict by disclosing it to clients in this Brochure.
- In the normal course of business, BCI and its affiliates may provide investment advisory, distribution, placement, administration, shareholder servicing, or other services to an exchange traded product (“ETP”) or mutual fund, and may be compensated for those services. That compensation may be asset based. Therefore, if an Investment Manager recommends that a client’s Program assets be invested in

an ETP or mutual fund for which Barclays provides services and receives asset-based revenue, Barclays or its affiliates will receive additional compensation. Barclays may also receive compensation from mutual funds in connection with clients' investments in those funds. In addition, certain mutual funds may pay Pershing for performing operational services for the funds such as subaccounting services, dividend calculation and posting, reconciliations and mailings. Barclays may share in this revenue. Barclays therefore has a financial incentive to recommend mutual funds from which it receives these revenues over those from which it does not. Other than with respect to 12b-1 fees, Barclays does not rebate or credit any portion of this compensation to Program clients who have invested in these mutual funds. Clients should review their mutual fund prospectuses and statements of additional information for details of payments their mutual funds make to third parties.

## **CONFLICTS OF INTEREST RELATING TO OTHER INVESTMENT ADVISERS**

Barclays does not receive compensation directly from other investment advisers for recommending or selecting the services of those investment advisers for Barclays' advisory clients. However, under Barclays's arrangements with certain Investment Managers, Barclays keeps a larger share of the Program Fee as the assets invested with that Investment Manager increase. Therefore Barclays has a financial incentive to recommend those Investment Managers over others with whom it does not have these arrangements. Clients are responsible for understanding the basis upon which Investment Managers and Program Strategies are recommended to them.

In addition, by virtue of its other financial industry activities, BCI is likely to receive compensation from some or all of the Investment Managers in the course of other business dealings. For example, BCI may provide prime brokerage or execution services to those Investment Managers and will be compensated for such services. BCI's interests and business relationships with these Investment Managers may create conflicts of interest for Barclays in its selection and recommendation of these Investment Managers. However, Barclays selects Investment Managers consistent with the methods and processes described in *"Item 6: Portfolio Manager Selection and Evaluation"* and has adopted policies and procedures that establish objective criteria for the selection of managers and requires that all third party managers be approved by Barclays' Americas Long-Only Manager Selection Committee.

## **CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING**

Following is a description of Barclays' code of ethics and related practices and certain conflicts of interest Barclays faces when acting as portfolio manager for clients; however, these conflicts and practices are not directly relevant to clients of the Program because Barclays does not act as portfolio manager in the Program.

The Barclays Wealth and Investment Management Investment Adviser Code of Ethics (the "Code") applies to all employees ("Supervised Persons"). The Code sets forth the general standards of conduct to which Supervised Persons must adhere as well as specific standards of business with respect to (among other things) personal trading, giving and receiving of gifts and entertainment, insider trading, outside business activities, and rules for dealing with government officials and political contributions. The Code requires Supervised Persons at all times to place the interest of clients first, to refrain from taking advantage of their positions inappropriately, and to comply with federal securities laws and regulations and escalate actual and perceived violations. Each Supervised Person is required to certify upon hiring that he or she has received the Code, and annually thereafter is required to certify that he or she has received the Code with any amendments.

Personal investment activities raise a number of potential conflicts of interest and create opportunities for employees to take advantage of their positions inappropriately. Among other examples of manipulative trading practices, (i) an employee may trade ahead in his or her personal account on the knowledge of

transactions that are being contemplated for advisory accounts; or (ii) an employee may effect transactions in advisory accounts for the sole purpose of manipulating the prices of securities in which the employee has a financial interest.

Upon joining the firm, Supervised Persons are required to disclose and seek approval for their brokerage accounts, managed advisory accounts and private investments. After joining the firm, employees are required to seek approval for opening a personal account and for certain transactions depending on the type of security transacted and the type of account in which the transaction occurs. Employees are also required to maintain their personal accounts with designated brokers. Barclays Capital Inc. strongly discourages short-term personal account dealings and to this end, requires a minimum holding period for all personal account transactions. For Supervised Persons who are also “access persons” under Rule 204A-1 of the Advisers Act, the firm has implemented trading restrictions designed to help avoid the conflicts of interest that arise when access persons effect transactions in client accounts and their personal accounts in the same security.

Clients and prospective clients may obtain a copy of the Code upon request.

## **PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS**

Barclays and its affiliates (including its employees) provide a wide variety of financial services and participate in the financial markets in a number of different capacities on behalf of themselves or their clients. Among other roles, Barclays and its affiliates may act as an investment banker, investment adviser, distributor, underwriter, broker-dealer, prime broker, agent or principal. As a consequence of these activities, Barclays and its affiliates may have a direct or indirect financial or other interest in Investment Products or other securities that Barclays recommends, buys or sells for advisory clients, which presents a conflict of interest. Advisory clients should be aware of the following:

**Recommending Affiliated Investment Products:** Barclays may recommend to advisory clients Investment Products or other securities with respect to which a Barclays Entity is the sponsor, manager, or issuer. Barclays and its affiliates have a financial interest, and the recommendation raises a conflict of interest for Barclays, because an advisory client’s investment in the particular Investment Product or security will result in increased compensation or other benefits to Barclays or one or more of its affiliates. Barclays has a corresponding conflict of interest if it makes a negative recommendation with respect to the Investment Product or security because doing so would result in decreased compensation or other benefits to one or more of Barclays’ affiliates. For example, Barclays has a financial interest in cash “sweep” products that may be sponsored by a Barclays Entity. Barclays addresses this conflict by disclosing it to clients and by requiring Investment Representatives and Regional Managers (or a delegate) to review each client’s account when opened to check that it is suitable for the client in light of the client’s financial circumstances and investment objectives.

**Principal Transactions:** Principal transactions occur when Investment Managers direct trades to BCI for execution and BCI, for its own account, buys securities from or sells securities to an advisory client. This creates a conflict of interest because BCI is buying securities from or selling securities to clients, and therefore has an incentive to buy at a low price or sell at a high price. To address this conflict, BCI generally prohibits principal transactions. However, if permitted in specific instances to act as principal in a transaction with an advisory client, BCI will comply with applicable law, which requires disclosure and client consent before completing the transaction. In addition, BCI has post-execution monitoring tools to identify and review principal transactions.

**Margin Loans:** Investment advisory clients may, in some circumstances, be able to margin their investment advisory accounts. When a client margins an account, Pershing is the lender and receives margin interest. Barclays receives a portion of that margin interest and also reimburses Pershing for any credit losses Pershing incurs. Both Barclays and Pershing can take action to protect the collateral. If the value of assets designated as collateral falls below Barclays’ or Pershing’s requirements, Barclays or Pershing may sell securities.

Accordingly, while Barclays is still the client's investment adviser, it has a conflict of interest because it may exercise its right to sell securities to avoid Barclays incurring a loss even though this harms the client's interests. We address this conflict by disclosing it to clients both in this Brochure and in the margin documents clients receive. In addition, if the principal balance of a margin loan is held outside the Program account, that balance is not netted against the value of assets in the Program account for purposes of calculating the Program Fee even if (i) proceeds of the loan are held, or were used to purchase securities held, in the Program account or (ii) Program assets are used to secure or collateralize the loan. Barclays and Investment Representatives therefore have a financial incentive to encourage a client to purchase securities on margin because Barclays receives a portion of the margin interest the client pays to Pershing, and the market value of the Program account will increase which results in a higher Program Fee. Clients should also understand that any interest and fees paid in connection with a margin loan held outside the Program account will not be taken into account when calculating the investment performance of the client's Program account.

**Personal Transactions:** Barclays' investment advisory personnel might have financial interests in securities Investment Managers recommend, purchase or sell for Program accounts. See "*Code of Ethics, Participation or Interest in Client Transactions, and Personal Trading*" above for a description of the attendant conflicts of interest and how they are addressed.

Barclays has also adopted policies and procedures that impose certain conditions and restrictions on proprietary transactions and those executed on behalf of advisory clients. Various information barriers exist within or between Barclays Wealth and Investment Management, BCI and other members of 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 an advisory client.

## REVIEW OF ACCOUNTS

Investment Representatives and a Regional Manager (or delegate) are responsible at account opening for reviewing accounts in order to assess whether the Investment Managers and Program Strategies are appropriate to meet client investment objectives for the Program account. In addition, an account review may be triggered: (i) if a client contacts Barclays to request changes to its investment objectives, (ii) if there are significant changes to portfolio or the account, or (iii) in conjunction with a broader review of a particular investment strategy.

Clients generally receive written confirmations of all portfolio trades, should they elect to receive such confirmations, a monthly written statement for each month in which there is portfolio activity, and a quarterly written statement. The security valuations shown on those statements are determined by Pershing, except that if a client uses a third party custodian and Pershing is unable to price a security held in that client's account, the statement will reflect the third party custodian's valuation.

Clients also receive a quarterly written report that identifies the amount allocated to each Investment Manager and provides a summary analysis of each Investment Manager's portfolio performance for the current quarter, calendar year to date and since inception of the account, as computed by Barclays using the time-weighted rate of return methodology, which is an industry standard methodology. Where applicable, performance reports may also include comparative performance of relevant benchmarks.

## CLIENT REFERRALS AND OTHER COMPENSATION

By virtue of BCI's other financial industry activities, BCI may receive compensation from the Investment Managers for services provided to the Investment Managers that are unrelated to the Program. BCI's interests and business relationships with the Investment Managers may create conflicts of interest for Barclays in its selection and recommendation of the Investment Managers to clients. However, Barclays selects and recommends Investment Managers consistent with the methods and processes described in *"Item 4: Services, Fees and Compensation"* and *"Item 6: Portfolio Manager Selection and Evaluation"* and has established clear policies and procedures in this regard.

Barclays may enter into third party solicitation agreements under which third parties may solicit and refer clients to Barclays and receive compensation, or where Barclays may solicit and refer clients to third party investment advisers and receive compensation. The compensation is a negotiated amount, typically a percentage of Barclays' investment advisory fees (excluding third party manager payments) earned from investment advisory accounts opened by referred clients. All compensation paid to the third party referring the client will be disclosed to the client as required by applicable law.

## FINANCIAL INFORMATION

Not applicable.

Barclays offers wealth management products and services to its clients through Barclays Bank PLC ("BBPLC") and functions in the United States through Barclays Capital Inc. ("BCI"), an affiliate of BBPLC. BCI is a registered broker dealer and investment adviser, regulated by the U.S. Securities and Exchange Commission, with offices at 200 Park Avenue, New York, New York 10166. Member FINRA and SIPC. Barclays Bank PLC is registered in England and authorized by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority. Registered No. 1026167. Registered Office: 1 Churchill Place, London E14 5HP. The wealth management products offered by Barclays in the United States clear through, and where applicable, assets are custodied by, Pershing LLC, a subsidiary of the Bank of New York Mellon Corporation. Pershing LLC is a member of FINRA, NYSE and SIPC.