
Barclays Wealth

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This brochure provides information about the qualifications and business practices of Barclays Wealth, the wealth management division of Barclays Bank Plc, which functions through Barclays Capital Inc. ("Barclays Wealth"). 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.

March 31, 2011

MATERIAL CHANGES

This section currently is not applicable. This 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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ADVISORY BUSINESS

Wealth means different things to different people. The goal at Barclays Capital, Inc. ("BCI") is to understand the individual circumstances and objectives of BCI's clients in order to provide them with proactive responses to their needs at any particular point in time. With this end in mind, BCI maintains two distinct investment advisory businesses: Barclays Wealth and Barclays Capital Fund Solutions – Americas ("BCFS – Americas"). This Brochure relates to Barclays Wealth.

For over 300 years, Barclays PLC and its subsidiaries (the "Barclays Group") have managed wealth on behalf of successful individuals, families and businesses. A unique combination of resources and energy, experience and intelligence, underpins all that the Barclays Group does. BCI is headquartered in New York with 12 registered domestic branch offices and has been registered as an investment adviser with the U.S. Securities and Exchange Commission ("SEC") since 2008. The principal owner of BCI is Barclays Group U.S. Inc., a wholly-owned subsidiary of Barclays Bank PLC, which itself is ultimately owned by Barclays PLC.

Barclays Wealth Advisory Services

Barclays Wealth offers investment advisory services through a variety of different advisory programs and investment products.

Advisory Services – Investment Philosophy Portfolio Multiple Accounts

Barclays Wealth offers clients the ability to establish Investment Philosophy Portfolio Multiple Accounts ("IPPMA"). Under this relationship, Barclays Wealth provides discretionary ("Discretionary") or non-discretionary advisory ("Guided") services based on a comprehensive strategic asset allocation that takes into account the client's investment goals, risk tolerance and other information provided by the client. The strategic asset allocation is set forth in the Investment Policy Statement ("IPS"). Where Barclays Wealth provides non-discretionary investment advice, Barclays Wealth may recommend that clients invest their assets among the various securities, financial instruments, investment products and services that are available through the Barclays Wealth platform. These investment products include affiliated and unaffiliated investment managers that participate in various managed account programs sponsored by Barclays Wealth ("Managed Account Programs"), U.S. exchange-listed, exchange traded funds, collective investment vehicles such as mutual funds and private investment funds, including those for which Barclays Wealth may act as investment adviser or placement agent, individual equity and fixed income instruments and cash and cash equivalents.

Where Barclays Wealth provides non-discretionary advisory services, client retain sole responsibility for making all decisions relating to the allocation, investment and disposition of their IPPMA assets, and may accept or decline any recommendation provided by Barclays Wealth.

A client may also grant Barclays Wealth discretionary authority over IPPMA assets. If so, Barclays Wealth generally will have the authority to implement the asset class recommendations that have been agreed between the client and Barclays Wealth by investing in the investment products without prior client notification or consent.

The strategic asset allocation is customized based on each client's investment goals, risk tolerance and other information provided by the client. However, a client's ability to impose reasonable restrictions on the underlying investment products in which the IPPMA assets are invested depends on the nature of the investment product. Clients may impose reasonable restrictions on the management of separate accounts, including by restricting particular securities or types of securities, so long as Barclays Wealth or the relevant investment manager (in the case of the Managed Account Programs) accepts those restrictions. Clients do not have the ability to restrict investments made by collective investment vehicles such as mutual funds and private investment funds. However, a client may choose to reasonably restrict the collective investment vehicles in which the client's IPPMA assets are invested.

Advisory Services – Barclays Wealth Advisor Series

Barclays Wealth acts as investment adviser to a range of private investment funds known as Barclays Wealth Advisor Series (“BWAS”). The BWAS funds employ a master-feeder structure comprised of a Cayman Islands exempted limited partnership (the “Master Fund”), a Delaware limited partnership and a Cayman Island exempted limited company (collectively, the “Feeder Funds” and, together with the Master Fund, the “BWAS Funds”). For all BWAS Funds except for the BWAS Multi-Manager International Equity Fund, Barclays Wealth acts as investment adviser to the BWAS Funds and delegates discretion and responsibilities with respect to the management of the BWAS Funds’ portfolios to unaffiliated top-tier long-only asset managers (“BWAS Managers”) selected by Barclays Wealth. For the BWAS Multi-Manager International Equity Fund, Barclays Wealth invests the fund’s assets in other BWAS Funds as well as certain other investments, including separately managed accounts and private investment funds that may or may not be on the Barclays Wealth platform.

Barclays Wealth clients that may be investors in the BWAS Funds do not have the ability to impose reasonable restrictions on the investments made by the BWAS Funds. Barclays Wealth and the BWAS Managers manage the BWAS Funds in accordance with the investment objectives and constituent documents of each portfolio.

Advisory Services – Alternatives Accommodation Platform

The Alternatives Accommodation Platform is available for clients who have requested access to certain third party private investment funds that are not provided on the Barclays Wealth platform, nor are they recommended by Barclays Wealth. Access to the Alternatives Accommodation Platform is typically permitted when a new client had a prior relationship with another firm at which they invested in a private investment fund and, for continuity and reporting purposes, would like to transfer their investment to the Barclays Wealth platform. The client is responsible for having independently, or with the assistance of advisers other than Barclays Wealth, evaluated the merits and risks of investing in the private investment fund and determined that the client is able to bear any risks, including the risk of loss of all or a significant portion of any invested capital.

Barclays Wealth provides certain operational and administrative services to facilitate the transfer of the private investment fund position and provide ongoing reporting. In addition, after the private investment fund is transferred, Barclays Wealth will conduct limited due diligence and monitor the performance of the private investment fund for a twelve (12) month period (“Evaluation Period”). At or before the end of the Evaluation Period, Barclays Wealth will advise the client of its assessment of whether a continued investment in the fund is appropriate for client. In making any recommendations under the Alternatives Accommodation Platform, Barclays Wealth will be providing non-discretionary investment advice. Each client will have sole responsibility for making all investment decisions relating to the private investment fund, and a client may accept or decline any recommendation provided by Barclays Wealth.

Regardless of the recommendation provided to the client, the limited due diligence and performance monitoring provided by Barclays Wealth automatically terminates at the end of the Evaluation Period. If at the end of the Evaluation Period, Barclays Wealth recommends that the client retain its investment in the private investment fund, Barclays Wealth will terminate the Alternatives Accommodation Platform agreement and request that the client make other arrangements to continue to hold their investment in the fund with Barclays Wealth.

Clients do not have the ability to impose reasonable investment restrictions on the investments made by the private investment funds available through the Alternatives Accommodation Platform. Such funds are managed by unaffiliated investment advisers in accordance with the investment objectives and constituent documents of each private investment fund.

Advisory Services – Model Services

Barclays Wealth may from time to time build asset allocation models ("Models") that reflect Barclays Wealth's investment view regarding strategic asset allocation and make them available to third-party investment advisers. Barclays Wealth also may make research personnel available to consult with third-party investment advisers regarding the assumptions and relevant inputs on which the Models are based.

The Models are not customized or in any way tailored to reflect the personal financial circumstances, investment objectives or investment restrictions of any investment adviser or the clients of any investment adviser. Neither Barclays Wealth nor its research personnel will provide specific investment recommendations to implement the Models. Each third-party investment adviser is responsible for interposing its own independent judgment and the exercise of its investment discretion in connection with the use of the Models.

Wrap Fee Programs

Barclays Wealth sponsors Managed Account Programs, including the Barclays Wealth Select Advisors Program ("BWSA"), the Barclays ETF Tactical Allocation Program ("BETA"), the Barclays Wealth Accommodation Manager Program ("Accommodation Program") and the Investment Advisory Representatives Program ("IAR").

BWSA. BWSA 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.

BETA. The 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.

Accommodation Program. Certain clients with a clear understanding of their investment objectives may request the use of specific investment managers and/or investment strategies that are not otherwise available on the Barclays Wealth platform, subject to Barclays Wealth's consent. Under this program, the client is solely responsible for the selection, retention and termination of the investment managers.

IAR. 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.

In the Managed Account Programs, a client pays a single, all-inclusive (or "wrap") fee for the investment advisory services provided by Barclays Wealth, which include investment management services under the Managed Account Programs, as well as custodial, execution and reporting services. The wrap fee does not include certain execution charges described more fully in the respective wrap program brochures. A portion of the fees and charges imposed by the respective wrap fee program may be paid to Barclays Wealth Investment Representatives and/or employees of BCI's affiliates.

Barclays Wealth may provide portfolio management services in certain Managed Account Programs, as it may be responsible for recommending or selecting the particular securities that clients may invest in through those programs. Moreover, Barclays Wealth receives a portion of the wrap fee charged to clients participating in the Managed Account Programs. The investment advice that Barclays provides to clients invested through the Managed Account Programs is different in scope and approach than that provided in the context of the advisory services and investment products described in this Brochure.

However, Barclays Wealth may use certain aspects of the research and investment analysis described in the section of this Brochure entitled "Methods of Analysis and Investment Strategies" in connection with the Managed Account Programs. For example, the strategic asset allocation provided by the Barclays Wealth Global Investment Strategy Group in connection with the IPPMA Program may also be available through the IAR program. In addition, the manager research process applied to the selection of BWAS Managers is implemented through the Barclays Wealth Manager Research & Selection group. That group is also responsible for the review and selection of managers participating in the BWSA program.

More information about the Managed Account Programs is contained in the applicable Barclays Wealth wrap fee program brochure (or Barclays Wealth Form ADV Part 2A Appendix 1) and is available upon request or through the SEC's website at www.adviserinfo.sec.gov.

Tax Loss Harvesting

Tax loss harvesting is generally available to clients participating in IPPMA 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.

Assets Under Management

As of February 28, 2011, Barclays Wealth had assets under management of approximately \$8,274,638,504, of which approximately \$2,826,148,417 was managed on a discretionary basis and approximately \$5,448,490,087 was managed on a non-discretionary basis.

FEES AND COMPENSATION

Fee Schedules

Advisory Fees – IPPMA

Clients participating in IPPMA typically will be charged an asset allocation fee that covers the development of asset allocation recommendations and the implementation of those recommendations among various investment products, initial diligence and ongoing monitoring and the consolidated reporting services described in the client agreements. The asset allocation fee is applied to all assets that are designated by the client as being included within the scope of the IPPMA relationship, including assets held in accounts at other financial institutions. The asset allocation fee is also applied to assets invested in investment products that Barclays Wealth has not, or currently does not, recommend on the basis that such assets are considered in providing the overall strategic asset allocation advice offered through IPPMA.

The following table sets forth the standard fee schedule for IPPMA:

Assets Under Management	Equity and Balanced Accounts	Fixed Income Accounts
\$0-2,499,999	2.00%	1.00%
\$2.5M-4,999,999	1.75%	0.75%
\$5M-9,999,999	1.25%	0.60%
\$10M-19,999,999	1.00%	0.50%
\$20M-49,999,999	0.85%	0.40%
\$50M-99,999,999	0.75%	0.30%
\$100M and above	negotiable	negotiable

The asset allocation fee for IPPMA is negotiable and in unique circumstances where certain clients have specialized or particular needs, the fees charged by Barclays Wealth may vary from the above stated ranges. Accounts that have a family or business relationship to each other may have their assets

aggregated in some circumstances for purposes of determining the asset allocation fee rate applicable to each account.

The asset allocation fee is payable quarterly in arrears. Fees are automatically deducted directly from the client's account with Barclays Wealth, unless the client requests that Barclays Wealth send them an invoice. Where the custodian is a third party, clients generally will arrange to have advisory fees deducted directly from the client's account at the external custodian for credit to Barclays Wealth upon receipt of an invoice.

Advisory Fees – Barclays Wealth Advisor Series

Barclays Wealth serves as investment adviser to BWAS Funds and is paid a management fee by the BWAS Funds, based on the net asset value of such funds. Barclays Wealth negotiates fees for the investment advisory services it provides based on each BWAS Fund's particular circumstance. The amount of the management fee varies from fund to fund and is set forth in the prospectus or other relevant offering document for each fund. Barclays Wealth, in its capacity as investment adviser to BWAS Funds, may in its sole discretion, waive, rebate, reduce or calculate differently all or a portion of the management fee attributable to certain investors in such Funds designated by Barclays Wealth.

The management fee payable by a BWAS Fund is deducted by the relevant Fund on a monthly basis and is paid by the BWAS Funds to Barclays Wealth quarterly in arrears.

Advisory Fees – Alternatives Accommodation Platform

Clients pay Barclays Wealth an asset-based fee of 0.75% that covers the initial due diligence and monitoring during the Evaluation Period, as well as the operational, legal and administrative expense associated with making the private investment fund available through Barclays Wealth. The fee is calculated based on the value of the client's investment in the private investment fund during the Evaluation Period and is payable quarterly in arrears. If a client wishes to continue to retain an investment in a private investment fund that Barclays Wealth does not recommend, the fee will be reduced to 0.55% in recognition of the fact that Barclays Wealth no longer provides limited due diligence and performance monitoring services after the expiration of the Evaluation Period. Fees for the Alternatives Accommodation Platform are negotiable and in unique circumstances where certain clients have specialized or particular needs, fee may vary from the amounts stated above.

Fees are automatically deducted directly from the client's account with Barclays Wealth, unless the client requests that Barclays Wealth send them an invoice. Where the custodian is a third party, clients generally will arrange to have advisory fees deducted directly from the client's account at the external custodian for credit to Barclays Wealth upon receipt of an invoice.

Advisory Fees – Model Services

Investment advisers pay Barclays Wealth an asset-based fee for access to the Models and other research and administrative services provided by Barclays Wealth. The fee is calculated based on the value of client assets custodied on the Barclays Wealth platform. The fee may be negotiated and may vary from similar clients depending on the range and extent of services by Barclays Wealth. The fee is payable quarterly in arrears.

Fees are automatically deducted directly from an account the investment adviser retains with Barclays Wealth, unless the investment adviser requests that Barclays Wealth send it an invoice.

Other Fees and Expenses

Depending on the advisory service or investment products selected, clients may pay additional fees and expenses that are in addition to the advisory fees described above.

Clients may invest directly (through the BWAS Funds and Alternatives Accommodation Platform) or indirectly (through IPPMA) into collective investment vehicles, including mutual funds and private investment funds. Clients invested in collective investment vehicles will pay all fees and expenses applicable to an investment in the funds, including asset-based, performance-based, carried interest, incentive allocation and other compensation payable to the managers in consideration of the managers' services to the fund and fees paid for advisory, administration, distribution, shareholder servicing, sub-accounting, sub-transfer agency and other related services, or "12b-1" fees. These underlying fees and expenses, which are paid directly or indirectly by each fund, ultimately will be borne by clients as investors in each fund. Barclays Wealth and its affiliates provide services to the funds in a number of different capacities and the funds may pay management and incentive fees, placement agent fees and other fees and expenses to Barclays Wealth and its affiliates for such services. Clients should understand that the Barclays Wealth and its affiliates may retain these fees and expenses, which are in addition to any advisory fees charged to the client by Barclays Wealth. Clients should refer to the underlying fund prospectuses or other offering memoranda for more detailed information regarding the fees associated with investments in the underlying collective investment funds.

Clients participating in IPPMA will bear the cost of the wrap fee for investments in the Managed Account Programs. The amount of the wrap fee for certain of the Managed Account Programs will be reduced or waived for clients participating in IPPMA in recognition of the fees charged in connection with IPPMA. Clients participating in IPPMA that otherwise meet the qualification requirements for the BWAS Funds similarly will invest through a dedicated share class with a reduced management fee.

Clients may also pay for custody, execution and administrative services, if any, associated with participation in the advisory services or investments in the underlying investment products. Clients may also incur additional fees and expenses associated with establishing and maintaining a brokerage account with Barclays Wealth. More information about BCI's brokerage practices is described in the section of this Brochure entitled "Brokerage Practices."

Prepaid Fees

In the event fees are paid in advance, a pro-rata refund of such fees will be made when an investment advisory agreement is terminated prior to the end of the fee period. Termination of an investment advisory agreement will not affect or preclude the consummation of any transaction initiated prior to termination.

Compensation for the Sale of Securities

A portion of the fees and charges imposed under IPPMA and the Alternatives Accommodation Platform 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. Such payments may be made for the duration of their IPPMA account or the entire period that investments are held through the Alternatives Accommodation Platform, or for some shorter period of time.

To the extent mutual funds are made available through IPPMA, those funds are offered at net asset value without the imposition of sales charges.

Placement agents, including Barclays Wealth and its affiliates, may receive a significant portion of certain fees paid by the BWAS Funds, and Barclays Wealth Investment Representatives will receive a portion of the compensation received by Barclays Wealth from the fund or the BWAS Manager for sales of interests in the BWAS Funds. A potential conflict of interest exists when any such employee advises an investor to purchase or withdraw interests in a BWAS Fund because a placement agent may be directly compensated based on a client's decision to purchase and retain interests in a fund. Additional information about the conflicts of interests is set forth in the private placement memoranda for the various BWAS Funds.

The fact that Barclays Wealth Investment Representatives may directly or indirectly receive a portion of the fees and other compensation paid by clients creates a potential conflict of interest in that it may give Barclays Wealth and its Investment Representatives a financial incentive to recommend advisory services and investment products based on the compensation received. The portion of the compensation that Barclays Wealth Investment Representatives receive may be higher for some advisory services and investment products than for others. Accordingly, Barclays Wealth Investment Representatives may have a financial incentive to recommend certain types of advisory services or investment products that are available through Barclays Wealth over others. The amount of the fees received by Barclays Wealth Investment Representatives and/or employees of BCI affiliates may be greater if the client participates in the advisory services than they would be if the client paid separately for investment advice and other services.

The conflicts of interest described in this section are addressed through disclosure in this Brochure. Barclays Wealth Investment Representatives are required to recommend advisory services and investment products that are suitable based on each client's investment objectives, risk tolerance and financial situation.

Use of Unaffiliated Brokers

The investment products and private investment funds offered through IPPMA and the Alternatives Accommodation Platform are generally available for purchase outside of Barclays Wealth and clients may gain exposure to the strategies offered in the BWAS Funds directly from the BWAS Manager or through other separate accounts or funds that the BWAS Managers may advise. By purchasing the investment products and private investment funds or investing directly with the BWAS Managers, clients would not incur the advisory fees described above. However, clients also would not receive the specific services described in this Brochure and there may be additional fees, expenses and commissions charged on direct investments. Such fees, expenses and commissions may be more or less than those charged by Barclays Wealth. Certain of the information relating to the Models may be available directly from Barclays Wealth Global Investment Strategy Group without the imposition of the additional investment advisory fee.

Sources of Revenue

Commissions and other compensation from the sale of investment products comprise Barclays Wealth's primary source of compensation.

Fee Offset for Execution Charges

Barclays Wealth generally does not reduce its advisory fees to offset execution charges paid to BCI and its affiliates, except to the extent required by applicable law.

PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT

Not applicable.

TYPES OF CLIENTS

Barclays Wealth provides investment advisory services to individuals, banks, thrift institutions, pension and profit sharing plans, trusts, estates, charitable organizations, corporations and other business entities. Barclays Wealth also provides investment advisory services to the BWAS Funds, which are privately offered domestic and offshore investment funds that are available to any of Barclays Wealth's current or potential clients who meet the qualification standards set forth in the offering documents for each BWAS Fund.

METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS

Barclays Wealth provides clients with access to various investment products, including managers and private investment funds, that employ various investment strategies across a broad range of investments and asset classes.

Clients should understand that all investment strategies and the investments made as a result of implementing those investment strategies involve risk of loss that clients should be prepared to bear. The investment performance and the success of any investment strategy or particular investment can never be predicted or guaranteed, and the value of a client's investments will fluctuate due to market conditions and other factors. The investment decisions made and the actions taken for advisory accounts will be subject to various market, liquidity, currency, economic and political risks, and will not necessarily be profitable.

Methods of Analysis and Investment Strategies

Not every investment strategy is appropriate for all clients and only those investment strategies believed to be suitable will be used in any given client account. Following is a description of the methods of analysis that Barclays Wealth employs in identifying, recommending and selecting investment products for its clients.

IPPMA

Although Barclays Wealth may recommend that a client's IPPMA assets be allocated among both affiliated and unaffiliated investment products, it does not perform initial diligence and ongoing monitoring on affiliated investment managers (except for certain affiliated investment managers participating in the BWSA Program).

Unaffiliated investment products are evaluated based on various qualitative and quantitative factors such as the relevant investment strategy or investment objective and the efficacy in achieving that strategy or objective, staff turnover, historical performance relative to applicable benchmarks and peer groups, and other operational and trading considerations. The range and weight of factors considered in evaluating unaffiliated exchange-traded funds ("ETFs"), mutual funds and private investment funds may differ from (and may be less rigorous than) the due diligence performed on unaffiliated investment managers, and no single factor is determinative. The affiliated and unaffiliated investment products available through IPPMA are thereafter reviewed on an ongoing basis based on various quantitative and qualitative factors, including performance, adherence to investment strategies and investment objectives and material business or operational changes.

BWAS Funds

BWAS focuses on asset classes and investment styles that would be challenging to implement through a traditional managed account program. The manager research process with respect to BWAS Managers is implemented through Barclays Wealth Manager Research & Selection Group. BWAS Managers are chosen based on analysis of various qualitative and quantitative factors, including management team reputation and integrity, depth and continuity of management, demonstrated superior investment skills, ability to effectively implement investment strategies, consistent performance record, significant capital under management and risk control.

Prior to being selected as a BWAS Manager, all investment managers that are identified by Barclays Wealth as being potential candidates for sub-advising the BWAS Funds are first subjected to a due diligence process. Barclays Wealth uses a broad range of proprietary and non-proprietary analyses and data, as well as information provided by third parties, to identify and perform initial due diligence on the investment managers and their respective investment strategies to determine if they meet certain minimum standards for becoming BWAS Managers. This includes evaluating various qualitative and quantitative factors deemed relevant such as the investment strategy or investment objective,

organizational structure and ownership, assets under management, years in the business, business growth and historical performance relative to applicable benchmarks and peer groups. Additional qualitative factors may include, among other things, a review of employee backgrounds and compensation, compliance and trading capabilities, the investment decision making process (such as attribution of holdings, portfolio construction, sell discipline, tax-efficiency and turnover), continuity of senior professionals, capacity for additional assets under management, and technology and operations capabilities. No single factor is determinative and particular factors considered may vary among investment managers.

BWAS Managers and their respective investment strategies are thereafter reviewed on an ongoing basis based on various quantitative and qualitative factors, including performance, adherence to investment strategies and investment objectives, and material business changes, to determine whether they continue to remain suitable to sub-advise the BWAS Funds. Barclays Wealth may classify a BWAS Manager a “SELL” for a variety of reasons, including a departure from its investment discipline or stated investment guidelines, prolonged periods of lagging performance, or operational infrastructure that is insufficient to support BWAS Funds. Barclays Wealth may also terminate a BWAS Manager as set forth in the sub-investment management agreement between Barclays Wealth and a BWAS Manager.

Alternatives Accommodation Platform

Private investment funds participating in the Alternatives Accommodation Platform will in the first instance be driven by client holdings, rather than any due diligence or research on the part of Barclays Wealth. Barclays Wealth may engage outside consultants and third-party diligence vendors to conduct an initial review of any private investment fund that a client proposes to transfer to Barclays Wealth. This initial review is designed to assist Barclays Wealth in assessing the reputational risk associated with making a particular private investment fund available through the Alternatives Accommodation Platform, and does not constitute research or due diligence on the part of Barclays Wealth.

During the Evaluation Period, Barclays Wealth will conduct limited due diligence and will provide ongoing performance monitoring of private investment fund performance. This limited level of due diligence will differ from (and be less rigorous than) that generally provided in connection with private investment funds that are otherwise recommended as part of a client’s brokerage relationship with Barclays Wealth in that it does not include Barclays Wealth’s proprietary operational, investment and legal due diligence. Barclays Wealth makes no representation or warranty as to the business, condition (financial or otherwise), properties, prospects, creditworthiness, status or affairs of any private investment fund in the Alternatives Accommodation Platform, or that of their general partners, investment managers, or any of their respective principals or affiliates.

Models

The Models are developed based on asset allocation criteria established by the Barclays Wealth Global Investment Strategy Group. The asset allocation criteria starts with Barclays Wealth’s own proprietary asset class selection, and incorporates finance theory, statistical analysis, and judgment based on experience. There are nine asset classes that meet Barclays Wealth’s investment criteria, and the investment criteria include such things as competitive risk-adjusted returns, diversifying returns, comprehensive coverage of the investable universe and efficient access for clients. Barclays Wealth uses a quantitative and qualitative processes for modeling portfolios. In order to reduce the need for large, frequent tactical shifts, Barclays Wealth analyzes how established trends could affect asset class performance over a five-year horizon and incorporates these considerations into its strategic asset allocation.

Material Risks for Significant Investment Strategies

Following is a summary of the material risks associated with the manager research and selection process and the strategic asset allocation services that form the basis of the investment advice Barclays Wealth

provides in connection with the different advisory services and investment products described in this Brochure. A summary of material risks associated with private investment funds is also provided below.

Manager Selection

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

Performance History – Barclays Wealth's selection of managers is inherently based on subjective criteria with the result that the true performance and abilities of any particular manager may be difficult to assess. The historical performance of a manager is not indicative of its future performance, which can vary considerably.

Key Personnel – Barclays Wealth will not have a role in the day-to-day management of the underlying funds and separate accounts advised by the managers it selects. Consequently, the success of an underlying fund or separate account, and, in turn, the success of the advisory services and investment products offered to Barclays Wealth clients are substantially dependent on the skill and acumen of key employees of the underlying managers. If the key employees of any manager should cease to participate in the manager's business, the manager's ability to select attractive investments and manage its portfolio could be impaired.

Reliance on Information Provided by Managers – Barclays Wealth relies to a great extent on information provided by the managers and may have limited access to other information regarding the managers' portfolios and operations. There is a risk that a manager may knowingly, negligently or otherwise withhold or misrepresent information, including the presence or effects of any fraudulent or similar activities. Barclays Wealth's proper performance of its monitoring functions would generally not give Barclays Wealth the opportunity to discover such situations prior to the time the manager discloses (or there is public disclosure of) the presence or effects of any fraudulent or similar activities.

Managers Invest Independently – The managers make investment decisions independently of other managers and may at times hold economically offsetting positions, and could indirectly incur transaction costs without accomplishing any net investment result, or may be competing with each other for the same positions in one or more markets. Multiple managers may hold large positions in a relatively limited number of the same or similar investments. Greater concentration of positions across multiple managers likely will increase the adverse effect of any problems experienced in the market, sector, or industry in which the positions are concentrated.

Asset Allocation

Client Information – The asset allocation advice provided by Barclays Wealth is dependent on the accuracy of the information provided by each client with respect to his or her investment goals, risk tolerance and financial circumstances. The overall strategic asset allocation and the recommendations provided by Barclays Wealth may be significantly affected by even small changes in Barclays Wealth's assumptions about a client's individual circumstances. As a result, it is important clients promptly inform their Barclays Wealth Investment Representative of any changes in investment goals, risk tolerance and financial circumstances. In addition, the nature of the asset allocation advice provided and the corresponding performance of client accounts may vary from client to client.

Allocation of Assets – The overall investment performance of any asset allocation strategy depends in part on the decisions Barclays Wealth makes with respect to the allocation of assets among various asset classes, sub-asset classes and investment products. Barclays Wealth may make asset allocation

decisions that result in underperformance of the account relative to a client's expectations or similar programs, and there is no guarantee that a given asset allocation will produce the desired results.

Performance of Underlying Investment Products – The investment performance of any account or investment product is not guaranteed and past performance does not guarantee or predict future performance. The investment objectives, expectations or targets described in the IPS may not be achieved. Any benchmarks used to measure the performance of investment products are targets only, and investment results may fail to achieve or outperform any such benchmarks.

Diversification – While asset allocation is intended to provide diversification of investment risk, no assurance can be given that such diversification will occur, or that, if it does, it will increase, rather than reduce, a client's investment return.

Risks of Particular Asset Classes – Client assets may be invested among different asset classes that each have particular risks. Risks associated with key asset classes include:

- **Bonds** – Bonds are subject to market, interest rate and credit risk; and are subject to availability and market conditions. Generally, the higher the interest rate the greater the risk. Bond values will decline as interest rates rise. Government bonds are subject to federal taxes. Municipal bond interest may be subject to the alternative minimum tax; other state and local taxes may apply. High yield bonds, also known as “junk bonds” are subject to additional risks such as the increased risk of default.
- **Commodities** – Commodities are assets that have tangible properties, such as oil, metals, and agricultural products. Commodity asset classes tend to have higher volatility and downside risk compared to traditional asset classes like bonds and equities. The levels, values or prices of commodities can fluctuate widely due to supply and demand disruptions in major producing or consuming regions. Commodities prices are highly volatile and are affected by overall market movements and numerous other factors that affect the value of a particular industry or commodity in addition to economic activity. These include political events, weather, labour activity, direct government intervention, such as embargos, and supply disruptions in major producing or consuming regions. Those events tend to affect prices worldwide, regardless of the location of the event. Market expectations about these events and speculative activity also cause prices to fluctuate. Commodities are volatile investments and should only form a small part of a diversified portfolio. Diversification does not ensure against loss.
- **Equity Securities** – Stocks and other equity-related instruments may be subject to various types of risk, including market risk, liquidity risk, counterparty credit risk, legal risk and operations risk. In addition, equity-related instruments can involve significant economic leverage and may, in some cases, involve significant risk of loss. Equity securities fluctuate in value and such fluctuations can be pronounced. In general, stock values fluctuate in response to the activities of individual companies and in response to general market and economic conditions. Accordingly, the value of the stocks and other securities and instruments may decline over short or extended periods of time. The stock markets tend to be cyclical, with periods when stock prices generally rise and periods when stock prices generally decline.
- **Emerging Markets** – Emerging markets tend to be more volatile than established markets due to the inexperience of financial intermediaries, the lack of modern technology, the lack of a sufficient capital base to expand business operations, and the possibility of temporary or permanent termination of trading. Political and economic structures in many emerging markets may be undergoing significant evolution and rapid development, and emerging markets may lack the social, political and economic stability characteristics of more developed countries. The small size of securities markets in such countries and the low volume of trading also may result in a lack of liquidity and in substantially greater price volatility.
- **Real Estate** – Real estate is subject to various risks including, fluctuation in underlying property values, expenses and income and environmental liabilities.

- **Alternative Trading Strategies** – Alternative trading strategies involve a high degree of risk and the value of such strategies or investments may be highly volatile.

Private Investment Funds

The following is a summary of the principal risks that apply to investments in private investment funds. This information does not attempt to identify every potential risk associated with a particular investment strategy or fund. Additional information about risks is set forth in the prospectus, private placement memorandum, or other offering document or disclosure (collectively, “risk disclosures”) provided in connection with an investment in a private investment fund. Clients are encouraged to read those risk disclosures carefully. This information is qualified in its entirety by reference to the respective risk disclosures and in the event of any conflict or inconsistency, clients should rely on the respective risk disclosures.

Ability to Meet Investment Objectives – Barclays Wealth is not responsible for the investment decisions of the managers of the private investment funds and makes no guarantee, either oral or written, that the investment objective of any particular private investment fund will be achieved.

Absence of Regulatory Oversight – Interests in private investment funds generally are not registered under federal or state securities laws, nor are they subject to regulation by the SEC or other regulators. In addition, the investment managers of such private investment funds may not be registered as investment advisers under federal or state securities laws. As a result, when investing in private investment funds, clients may not be protected by federal or state securities laws, other than certain anti-fraud provisions of those laws.

Concentration Risk – The private investment funds may not have any limit on the concentration of investments in particular securities, industries, or sectors and at times a private investment fund may hold a relatively small number of securities positions, each representing a relatively large portion of fund assets. Losses incurred in positions making up a significant percentage of a private investment fund’s capital could have a material adverse effect on the fund’s overall financial condition.

General Risk – Investments in private investment funds involve a high degree of risk, including risk of loss of all or a significant portion of any invested capital and substantial restrictions on client’s ability to withdraw capital.

Investment Strategy Risk – Depending on their investment strategies, certain private investment funds may, among other things, engage in heavily leveraged transactions, engage in short sales, invest in derivative instruments, commodities, invest in securities or other interests that trade in a volatile manner or have speculative characteristics, or concentrate their investments in a limited number of securities or other interests, including securities that are not publicly registered, listed or publicly traded, which may serve to make an investment in such funds highly speculative and risky. Before making an investment, clients should understand the risks that may be raised by a particular private investment fund’s investment strategy.

Lack of Liquidity – Interests in private investment funds may be illiquid. No market may exist for interests in private investment funds, and substantial restrictions may exist with respect to their transferability and resale. The securities and other interests in which a private investment fund invests similarly may be illiquid.

Lack of Transparency – As an investor in the private investment funds, client will receive periodic reports from private investment funds or their investment managers. However, the private investment funds may not always provide all the information that client requests because certain information may be considered proprietary or otherwise confidential. This lack of information may make it more difficult for client to evaluate the risks of private investment funds.

Redemption Risks – Private investment funds may impose limitations on the ability of clients to withdraw the assets. As a result, clients should be prepared to bear the financial risks of investing in a private investment fund for a significant period of time, and understand that they may not be able to withdraw assets whenever they wish to do so.

Risk of Loss – Each manager for a private investment fund will follow its own investment policy that, if unsuccessful, could involve substantial losses. In addition, many unforeseeable events may cause sharp market fluctuations, which could adversely affect a private investment fund. 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 the funds.

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.

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.

Barclays Wealth may recommend that 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. As discussed above, Barclays Wealth serves as investment adviser for the 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.

Barclays Wealth may recommend that clients invest 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 DepositsSM ("IND") and Insured Network Deposits BusinessSM ("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

Barclays Wealth is compensated by providers of investment products, including managers and sponsors of private investment funds, and their affiliates for introducing clients to such investment products under the terms of placement agent, introducer or similar agreements. The compensation payable to Barclays Wealth is generally based on the amount of a client's assets invested in the investment product. Given the existence of the compensation arrangements described above, Barclays Wealth may benefit financially from introducing clients to such investment products rather than to other competitive products that may also be appropriate for particular clients. As a result, Barclays Wealth's receipt of such payments from a provider of investment products creates a potential conflict of interest in the form of an additional financial incentive to Barclays Wealth to refer clients to such investment products.

Barclays Wealth and its affiliates also may earn compensation from providers of investment products and their affiliates through arrangements that may or may not directly involve Barclays Wealth, such as the provision of brokerage or prime brokerage services or research. For example, the managers that Barclays Wealth selects or recommends may execute brokerage transactions through BCI and its affiliates. This may result in Barclays Wealth and its affiliates receiving transaction based compensation.

Barclays Wealth addresses these conflicts through disclosure in this Brochure. In the case of the BWAS Funds, Barclays Wealth discloses to clients that it is being compensated by providers of investment products at or prior to the time of investment by the client. In addition, Barclays Wealth Investment Representatives are required to recommend advisory services and investment products that are suitable based on each client's investment objectives, risk tolerance and financial situation.

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 in which Barclays Wealth recommends allocations and/or invests client assets. 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 are 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 Barclays Wealth recommends to its advisory clients.

Additionally, to the extent otherwise permitted by law, Barclays Wealth may receive remuneration, compensation, or other consideration for directing client orders to particular broker-dealers or market centers for execution.

In the course of investment banking, prime brokerage and other activities, Barclays Wealth and its affiliates may acquire confidential or material non-public information that Barclays Wealth and its affiliates are not free to divulge to client or to act upon in managing client accounts. In addition, to comply with applicable regulatory requirements and policy mandates, there are periods during which Barclays Wealth and its affiliates will not initiate or recommend certain types of transactions in securities, including securities of issuers advised by Barclays Wealth and its affiliates or in which Barclays Wealth and its affiliates owns a substantial interest, and clients will not be advised of that fact.

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 generally may recommend that clients allocate their assets to both affiliated and unaffiliated investment products. 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. As discussed above, Barclays Wealth and its Investment Representatives, therefore, have a financial incentive to recommend or select affiliated investment products.

In the context of the asset allocation services provided under IPPMA, Barclays Wealth has a corresponding conflict of interest when considering modifying a client’s asset allocation in a way that reduces allocations to affiliated investment products in that doing so may decrease the fees, compensation and other benefits to Barclays Wealth. If Barclays Wealth determines that an affiliated investment product meets the investment objectives and other criteria established by a client, Barclays Wealth is under no obligation to consider unaffiliated investment products or generally to canvass the universe of unaffiliated investment products that are available. In such circumstances, there may (or may not) be one or more unaffiliated investment products that may be a more appropriate investment recommendation from the standpoint of the factors that Barclays Wealth has taken into consideration or other factors. Clients should understand that because affiliated investment products may not be subject to the same investment and operational due diligence that will be performed on unaffiliated investment products, Barclays Wealth may recommend an investment in affiliated investment products that would not be considered by Barclays Wealth if it applied the same criteria or factors or conducted the same due diligence as it applies or conducts for unaffiliated investment products.

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. Please see the section entitled “Brokerage Practices” for a discussion of best execution.

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 is not under any obligation to recommend that an advisory client purchase or sell any security or other instrument that Barclays Wealth or its affiliates may purchase or sell for their own accounts or recommend for the purchase or sale for the account of another client, if in the discretion of Barclays Wealth, such action is not practical or desirable for the client.

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. The Personal Account Dealing Policy prohibits access persons from engaging in any transaction if the access person knows, or might reasonably be expected to have known, that an advisory client is dealing in the same security or underlying instrument or the transaction involves a security or underlying instrument that is the subject of orders that are being solicited, research being written or oral communications.

The views and opinions of the investment banking and research departments, functioning as Barclays Capital, may differ from one another and from those of Barclays Wealth and other advisory affiliates. As a consequence, the client accounts of Barclays Wealth may hold securities or other investment products as to which Barclays Wealth has a different investment opinion or outlook than that of BCFS – Americas, the investment banking and research departments and/or other advisory affiliates.

Barclays Wealth may provide non-discretionary investment advisory services where Barclays Wealth recommends particular securities and investment products, but does not have discretion to invest in such securities and investment products without the specific instruction of the client. Barclays Wealth may advise with respect to the same or similar securities and investment products in discretionary and non-discretionary client accounts. As a result, there may be timing differences related to the transmission of advice to non-discretionary clients for consideration and a determination of whether to act on the advice. Accordingly, Barclays Wealth may act on advice provided for discretionary clients in advance of communicating or acting on that advice for non-discretionary clients.

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 both 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.

BROKERAGE PRACTICES

Broker-Dealer Selection and Directed Brokerage

Under the terms of its investment advisory agreements for IPPMA, clients generally elect to direct order execution to BCI and its affiliates. However, other broker-dealers may be used from time to time when deemed appropriate or when BCI and its affiliates are otherwise restricted from trading. In selecting other broker-dealers, Barclays Wealth will take into account the net price (after giving effect to **brokerage commissions and other costs**) as well as other factors, such as capital position of the broker-dealers, ability to consummate and clear trades in an orderly and satisfactory manner, consistent quality of service, risks taken in positioning a block of securities and broad market coverage.

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.

Clients should understand that not all advisers require their clients to direct brokerage. By directing brokerage to BCI, BCI may not always be able to achieve most favorable execution of client transactions, which may cost clients more money due to higher transaction costs or less favorable pricing. In addition to BCI and its affiliates receiving payments for execution services, Barclays Wealth Investment Representatives may receive compensation from transactions effected for advisory accounts. Accordingly, Barclays Wealth and the Barclays Wealth Investment Representatives have a financial interest in requiring that clients execute transactions through BCI and its affiliates. The fees, commissions and other execution charges earned by Barclays Wealth on transactions for client account may be in addition to the investment advisory and other fees clients pay Barclays Wealth.

Further, the prices, commissions and other transaction costs resulting from trades directed to BCI and its affiliates may be higher than those that might be obtained if trades for client accounts were placed through another broker-dealer. In addition, clients may pay more or less than similar clients for identical transactions depending on a client's particular circumstances, account size and additional or differing levels of servicing. The prices, commissions and other transaction costs charged to clients are generally higher than rates charged to institutional clients of BCI and Barclays Wealth is under no obligation to obtain rates comparable to institutional rates or the rates charged to other client accounts. The fact that a transaction may be executed, or be capable of being executed, through BCI or another broker-dealer at prices, commissions and other transaction costs more favorable than those available for a client account does not obligate Barclays Wealth to match those prices, commissions and other transaction costs or account to any client for the difference.

Subject to its consent, clients may direct Barclays Wealth to execute transactions with an unaffiliated broker-dealer. Where a client directs the use of a particular broker-dealer, Barclays Wealth may be unable to achieve most favorable execution of client transactions. In addition, Barclays Wealth may not be able to aggregate the client's orders with other client orders. As a result, a client's direction that Barclays Wealth use a particular broker-dealer may cause a client to pay higher commissions or receive less favorable net prices than would be the case if Barclays Wealth were given discretion to choose the broker-dealer through which to execute client transactions or if the client directed that trade be executed through BCI and its affiliates.

Research and Other Soft Dollar Benefits

Although it may reserve the right in its client agreements, Barclays Wealth does not currently use client securities transaction to obtain research or other products or services other than execution from a broker-dealer.

Aggregation of Trades

Barclays Wealth may, but is not required to, aggregate client transactions. Clients participating in aggregated transactions will receive an average share price, and transaction costs will be shared equally and on a *pro-rata* basis. Barclays Wealth's policy prohibits any allocation of trades in a manner such that any particular client or group of clients receives more favorable treatment than other client accounts over time.

REVIEW OF ACCOUNTS

In the case of IPPMA, the Branch Administrative Manager, or his or her delegates, periodically reviews the client's portfolio and information and evaluates the various factors considered in determining the proper management of an advisory account such as a change to a client's investment objectives, financial circumstances, portfolio performance, investment guidelines and investment concentrations. Business Control may also conduct a review of a client account if a client contacts Barclays Wealth to request a review or change their account information or in response to significant changes to the portfolio or the account that Barclays Wealth deems sufficient to warrant such a review.

Clients are kept informed of account activity through written confirmations of all portfolio trades should the client elect to receive them, or a periodic report sent not less than quarterly and a monthly statement sent for each month in which there is portfolio activity. Clients participating in IPPMA will receive periodic reports that describe the allocation and performance of their assets based on performance information supplied by the sponsors, service providers and custodians of the investment products made available through IPPMA or calculated by Barclays Wealth based on portfolio holdings information provided by such persons.

CLIENT REFERRALS AND OTHER COMPENSATION

Barclays Wealth is compensated by providers of investment products for introducing clients to such investment products under the terms of placement agent, introducer or similar agreements. For more information, please refer to the section of this Brochure entitled "Receipt of Compensation from Investment Advisers."

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 and its 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.

CUSTODY

Clients generally custody funds and securities in their advisory accounts with BCI in its capacity as broker-dealer. 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 BCI will incur additional custody costs that they likely would not need to pay if they held their assets at BCI. In addition, Barclays Wealth is not able to monitor concentration limits for assets that are not held with BCI.

Clients who custody funds and securities with BCI will receive account statements, which clients should carefully review. Clients who custody funds and securities away from BCI will receive account statements directly from their qualified custodian and may also receive account statements and performance reports from BCI that reflect assets held away. Clients should understand that in the case funds and securities that are held away from BCI, the client's qualified custodian will provide the official records of the holdings and transactions in the advisory accounts. Clients are urged to compare the account statements that they receive from their qualified custodian with any that they receive from BCI.

INVESTMENT DISCRETION

Barclays Wealth accepts discretionary investment authority for accounts enrolled in IPPMA. Clients enrolling in IPPMA enter into an investment advisory agreement that includes a power of attorney that grants Barclays Wealth discretion to supervise and direct the investment of the clients assets among various investment products. Barclays Wealth's discretionary authority is limited by the terms of its investment advisory agreements and the IPS agreed between Barclays Wealth and each client.

VOTING CLIENT SECURITIES

In the case of IPPMA, unless clients instructs Barclays Wealth to the contrary in writing, client delegates to Barclays Wealth the authority to vote proxies concerning that portion of the client's assets that are custodied with Barclays Wealth or are custodied at another financial institution selected by client and approved by Barclays Wealth, and to delegate such authority to the managers. For Accounts custodied outside Barclays Wealth, client will be responsible for instructing its custodian to forward all proxies, proxy solicitations and other issuer-related materials to Barclays Wealth.

Alternatively, a client may retain the authority to vote proxies and instruct Barclays Wealth to send directly to the client all proxies and proxy solicitations on the securities held in the client's Account. If Barclays Wealth does not have authority to vote proxies and has custody of the assets, Barclays Wealth will send clients all proxies, proxy solicitations and other issuer-related materials (such as annual and quarterly reports) relating to the securities in the account. In cases where it does not have the authority to vote securities, Barclays Wealth does not render any advice with respect to a particular proxy solicitation.

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.

Summary of Proxy Voting Policies and Procedures

Barclays Wealth has implemented written Proxy Voting Policies and Procedures (the "BCI Proxy Voting Policy") that are designed to reasonably ensure that Barclays Wealth votes proxies prudently and in the best interest of the advisory clients for which it has voting authority. The BCI Proxy Voting Policy also describes how Barclays Wealth addresses any conflicts that may arise between its interests and those of its clients with respect to proxy voting.

Barclays Wealth's Proxy Committee is responsible for developing, authorizing, implementing and updating the BCI Proxy Voting Policy, overseeing the proxy voting process and engaging and overseeing any independent third-party vendors as voting delegate to review, monitor and/or vote proxies. In order to apply the BCI Proxy Voting Policy in a timely and consistent manner, and to the extent permitted under contract, Barclays Wealth uses RiskMetrics/ISS Governance Services ("ISS") to vote proxies in accordance with the Barclays Wealth's voting guidelines.

To obtain a copy of the BCI Proxy Voting Policy, please call Barclays Wealth (toll-free) at 1-800-253-4626. Barclays Wealth clients may obtain information about how Barclays Wealth voted their specific proxies by calling their Investment Representative.

FINANCIAL INFORMATION

Not applicable.