

BARCLAYS CAPITAL INDEX ANNEX BASE PROSPECTUS SUPPLEMENT



BARCLAYS BANK PLC

(Incorporated with limited liability in England and Wales)

BARCLAYS CAPITAL (CAYMAN) LIMITED

(Incorporated with limited liability in the Cayman Islands)
(Guaranteed by Barclays Bank PLC)

GLOBAL STRUCTURED SECURITIES PROGRAMME

This supplement dated 29 March 2011 (the “**Supplement**”) is supplemental to and must be read in conjunction with the Base Prospectus dated 6 August 2010 in respect of the Global Structured Securities Programme (the “**Base Prospectus**”) and the supplements dated 17 August 2010, 22 October 2010, 4 November 2010, 12 November 2010, 23 December 2010 and 7 March 2011 (the “**Supplements**”) to the Base Prospectus, prepared and issued by Barclays Bank PLC and Barclays Capital (Cayman) Limited (together the “**Issuer**”).

This Supplement constitutes a prospectus supplement in respect of the Base Prospectus for the purposes of Directive 2003/71/EC (the “**Prospectus Directive**”) and for the purpose of Section 87G of the UK Financial Services and Markets Act, 2000 (the “**FSMA**”).

Investors should be aware of their rights under Section 87Q(4) of the FSMA.

Terms defined in the Base Prospectus shall, unless the context otherwise requires, have the same meaning when used in this Supplement. To the extent that there is any inconsistency between (a) any statement in this Supplement or any statement incorporated by reference into the Base Prospectus by this Supplement and (b) any other statement in, or incorporated by reference into, the Base Prospectus, the statements referred to in (a) above shall prevail.

The Issuer accepts responsibility for the information contained in this Supplement and declares that, having taken all reasonable care to ensure that such is the case, the information contained in this Supplement is, to the best of its knowledge, in accordance with the facts and contains no omission likely to affect the import of such information. Save as disclosed in this Supplement, no significant new factor, material mistake or inaccuracy relating to the information included in the Base Prospectus which is capable of affecting the assessment of the securities issued under the Base Prospectus has arisen or been noted, as the case may be, since the publication of the Base Prospectus.

This Supplement has been approved by the United Kingdom Financial Services Authority, which is the United Kingdom competent authority for the purposes of the Prospectus Directive and the relevant implementing measures in the United Kingdom, as a prospectus supplement issued in compliance with the Prospectus Directive and the relevant implementing measures in the United Kingdom for the purpose of giving information with regard to the issue of securities under the Base Prospectus.

The purpose of this Supplement is to make the following amendments to the Base Prospectus, as amended by the Supplements:

- A.** Where the Final Terms for any Securities specify the Barclays Capital Index Annex to be applicable, all references within the Base Prospectus to the “Proprietary Equity Index Annex” shall be read and construed as references to the “Barclays Capital Index Annex”;
- B.** Section 3 Part A of the Barclays Capital Index Annex shall be amended as set out in Schedule 1 to this supplement;
- C.** An additional Part D shall be inserted into Section 3 of the Barclays Capital Index Annex in the form set out in Schedule 2 to this supplement;
- D.** Section 5 Part A of the Barclays Capital Index Annex shall be amended as set out in Schedule 3 to this supplement; and
- E.** The index to the Barclays Capital Index Annex shall be renumbered in accordance with the amendments above and is to be read and construed accordingly.

Arranger

Barclays Capital

The date of this Supplement is 29 March 2011.

Doc no.: A13171498

SCHEDULE 1

Section 3 Part A – General Information Relating to Barclays Capital Equity Indices shall be amended as follows:

1 Barclays Capital Q-BES Indices

Paragraph 2 of Part A of Schedule 3 to the Barclays Capital Index Annex shall be amended by deleting the second paragraph thereof (including the table contained therein) in its entirety and replacing it with the following:

“The Barclays Capital Q-BES indices consist of:

Name	Index currency	Bloomberg ticker
Barclays Capital Q-BES US Large Cap TR Index	USD	BXIIQUTR
Barclays Capital Q-BES US Small Cap TR Index	USD	BXIIQBES
Barclays Capital Q-BES Europe TR Index	EUR	BXIIEQTR
Barclays Capital Q-BES US Large Cap ER Index	USD	BXIIQUER
Barclays Capital Q-BES US Small Cap ER Index	USD	BXIIQBEE
Barclays Capital Q-BES Europe ER Index	EUR	BXIIEQER

”.

2 Barclays Capital Q-GSP Indices

Paragraph 4 of Part A of Schedule 3 to the Barclays Capital Index Annex shall be amended by deleting the second paragraph thereof (including the table contained therein) in its entirety and replacing it with the following:

“The Barclays Capital Q-GSP indices consist of:

Name	Index currency	Bloomberg ticker
Barclays Capital Q-GSP US Large Cap TR Index	USD	BXIIIGUTR
Barclays Capital Q-GSP US Small Cap TR Index	USD	BXIIISPT
Barclays Capital Q-GSP US Large Cap ER Index	USD	BXIIIGUER
Barclays Capital Q-GSP US Small Cap ER Index	USD	BXIIISPE

Name	Index currency	Bloomberg ticker
Barclays Capital Q-GSP Large Cap Europe ER Index	EUR	BXIIGELE
Barclays Capital Q-GSP Large Cap Europe TR Index	EUR	BXIIGELT
Barclays Capital Q-GSP Small Cap Europe ER Index	EUR	BXIIGESE
Barclays Capital Q-GSP Small Cap Europe TR Index	EUR	BXIIGEST

“

3 Additional Barclays Capital Equity Indices

The following shall be added as new paragraphs 13 to 17 at the end of Part A of Schedule 3 to the Barclays Capital Index Annex:

“13 Barclays Capital Q-MA Index

The Barclays Capital Q-MA US Excess Return Index, the Barclays Capital Q-MA US Total Return Index, the Barclays Capital Q-MA US Excess Return EUR Index and the Barclays Capital Q-MA US Total Return EUR Index (each an “**Index**”) is a rules based, systematic index which aims to provide investors with exposure to potential arbitrage opportunities arising from US mergers and acquisitions. The Index invests in US merger and acquisition deals larger than \$500 million, which meet certain other specified criteria. The Index buys Target Shares after a deal is announced and holds them until completion or termination of the deal. The long portfolio of Target Shares is hedged with the S&P 500 Total Return Index.

Strong risk management is applied through intelligent sizing and dynamic market hedging. Exposure to Target Shares is driven by liquidity constraints, potential downside in the deal, form of consideration to be received and the size of the Target and Acquirer. The Index attempts to limit the losses on each deal to 2% of the portfolio. A dynamic hedging mechanism hedges out the share portion of any deal consideration and general market risk for cash deals.

Barclays Capital, the investment banking division of Barclays Bank PLC, is the Index Sponsor and is responsible for selecting the index components in accordance with the methodology that forms the basis of the Index, as amended from time to time.

A daily level for the Index will be calculated by the Index Sponsor. The index value will be published by the Index Sponsor as soon as reasonably possible on each index business day, subject to the occurrence of an index disrupted day. The relevant provisions shall be read *mutatis mutandis*.

Name	Index currency	Bloomberg ticker
Barclays Capital Q-MA US Excess Return	USD	BXIIQMUE

Index USD		
Barclays Capital Q-MA US Total Return Index USD	USD	BXIIQMUT
Barclays Capital Q-MA US Excess Return Index EUR	EUR	BXIIQMEE
Barclays Capital Q-MA US Total Return Index EUR	EUR	BXIIQMET

14 Barclays Capital Diversified Multi-Asset CHF 7% ER Index

The Barclays Capital Diversified Multi Asset CHF 7% ER Index is an Excess Return Index based on a multi-asset strategy which dynamically adapts allocations based on a quantitative model. The strategy is applied to a set of assets from eight different asset class underlyings (the “**Index Constituent**”):

Asset Class	Underlying	Exchange	Related Exchange	Bloomberg ticker
Equities	SMI Total Return Index	EUREX	All Exchanges	SMIC Index
Equity Renewable	Barclays Green Chips	All Exchanges	All Exchanges	BXIICNTU Index
Equity Emerging Markets	S&P BRIC 40 Net TR	All Exchanges	All Exchanges	SPTRBRIC Index
Property	iShares Dow Jones U.S. Real Estate Index Fund	New York Stock Exchange	All Exchanges	IYR UP Equity
Gold	SPDR Gold Trust	New York Stock Exchange	All Exchanges	GLD UP Equity
Agriculture Commodities	Power Shares DB Agriculture Fund	New York Stock Exchange	All Exchanges	DBA UP Equity
Industrial Metals	S&P GSCI Industrial Metals Index	Chicago Mercantile Exchange	All Exchanges	SPGCINTR Index
Inflation	Barclays Euro Govt Inflation Linked Bond Index	All Exchanges	All Exchanges	BEIG1T Index

For each Underlying, an excess return and currency adjusted version in CHF (“**Adjusted Index Constituent**”) is calculated. The Adjusted Index Constituent return of an Underlying is calculated as the excess return of the Underlying over its local currency rate, adjusted for the change in FX rate (where the FX rate is the relevant rate for converting from the Underlying currency to CHF). This makes the Barclays Capital Diversified Multi Asset CHF 7% ER Index an Excess Return Index. This also helps to limit the FX exposure to only the excess return of each Underlying (and not to the notional invested), aiming to reduce the fluctuations in the value of the strategy due to currency movements.

Each month, the Index evaluates the trend for each Adjusted Index Constituent based on its current value compared to its Short Term Moving Average value and compared to its Long Term Moving Average value. If the current value of the Adjusted Index Constituent is above both the Moving Averages, it is said to be in Uptrend, otherwise in a Downtrend. The Index then allocates equally among the Adjusted Index Constituents in Uptrend for the next month, with a cap of 33% for each Adjusted Index Constituent. If no Adjusted Index Constituent is in Uptrend, there is no allocation for the next month. The Index adapts its allocations on a monthly basis as it tries to capture changing trends.

The Index also attempts to manage the risk below a specified fixed target level (7%): if the observed risk in the market increases above this threshold, the exposure to assets is reduced. This should help to reduce the exposure when volatility in the market increases.

The Index is net of costs and fees linked to the strategy.

Barclays Capital, the investment banking division of Barclays Bank PLC, is the Index Sponsor and is responsible for selecting the index components in accordance with the methodology that forms the basis of the Index, as amended from time to time.

A daily level for the Index will be calculated by the Index Sponsor. The index value will be published by the Index Sponsor as soon as reasonably possible on each index business day, subject to the occurrence of an index disrupted day. The Index will be calculated in CHF, and the relevant provisions shall be read *mutatis mutandis*.

Name	Index currency	Bloomberg ticker
Barclays Capital Diversified Multi-Asset CHF ER 7% Index	CHF	BXIIMA7C

15 Barclays Capital Q-TrueValue Index Family

The Barclays Capital Q-TrueValue Indices (each one an “**Index**”) reflect the performance of a strategy investing in value stocks in the US which also possess low probability of default based on signals from the Barclays Capital Corporate Default Probability (“**CDP**”) model. The CDP model is a proprietary hybrid default prediction model that is used as a default risk indicator to filter the ‘true value’ stocks from the universe of stocks selected based on standard value criteria. The standard value criteria, for example, make it difficult to distinguish a true value stock from a distressed stock where a true value stock will have a temporary

undervaluation and not be in a near-default situation. The strategy is rebalanced monthly to capture the most recent market information for a portfolio of stocks filtered through a number of metrics.

Each month a Reference Basket is determined by filtering an initial universe of drawn from the S&P 1500 Composite Index based on liquidity, value metrics and their respective CDP values. The strategy then takes a long position on the Reference Basket and a short position on the Reference Index with the same notional.

Barclays Capital, the investment banking division of Barclays Bank PLC, is the Index Sponsor and is responsible for selecting the index components in accordance with the methodology that forms the basis of the Index, as amended from time to time.

A daily level for the Index will be calculated by the Index Sponsor. The index value will be published by the Index Sponsor as soon as reasonably possible on each index business day, subject to the occurrence of an index disrupted day. The relevant provisions shall be read *mutatis mutandis*.

Name	Index currency	Bloomberg ticker
Barclays Capital Q-True Value Large Cap ER Index	USD	BXIIQVLE
Barclays Capital Q-True Value Large Cap TR Index	USD	BXIIQVLT
Barclays Capital Q-True Value Small Cap ER Index	USD	BXIIQVSE
Barclays Capital Q-True Value Small Cap TR Index	USD	BXIIQVST

16 Barclays Capital VOLTAS Index Family

The Barclays Capital VOLTAS Index Family (“**Family**”) is a set of investable indices reflecting the performance of the Barclays Capital VOLatility Term structure Arbitrage Strategy (“**VOLTAS Strategy**”) when applied to different Underlying Market Indices.

The Barclays Capital VOLTAS Strategy is an algorithmic strategy which attempts to capture the premium in the implied volatility term structure and is implemented through short-term and mid-term rolling futures indices on the Volatility Index of the Underlying Market Index.

The VOLTAS Strategy establishes a relative weighting between the short-term and mid-term rolling futures indices which aims to offset the impact of day-to-day changes in the levels of the Volatility Index on the respective parts of the futures term structure curve.

The “**Excess Return**” form of each Index within the Family tracks the performance of the VOLTAS Strategy, net of Total Fee. The “**Total Return**” form of each Index

also has a component that reflects the accrual of interest on the Excess Return Index Daily Value.

Barclays Capital, the investment banking division of Barclays Bank PLC, is the Index Sponsor and is responsible for selecting the index components in accordance with the methodology that forms the basis of the Index, as amended from time to time.

A daily level for the Index will be calculated by the Index Sponsor. The index value will be published by the Index Sponsor as soon as reasonably possible on each index business day, subject to the occurrence of an index disrupted day. The relevant provisions shall be read *mutatis mutandis*.

Name	Index currency	Bloomberg ticker
Barclays Capital VOLTAS US ER Index	USD	BXIIVOU
Barclays Capital VOLTAS US TR Index	USD	BXIIVOUT
Barclays Capital VOLTAS Europe ER Index	EUR	BXIIVOE
Barclays Capital VOLTAS Europe TR Index	EUR	BXIIVOET

17 Barclays Capital Q-Voltas Index Family

The Barclays Capital Q-VOLTAS (“**VOLatility Term structure Arbitrage Strategy**”) is an algorithmic strategy (the “**Strategy**”) which attempts to capture the premium in the implied volatility term structure, by taking long and short positions on different parts of the implied volatility curve based on current market conditions. The Strategy is implemented through short-term and mid-term rolling futures indices on the Volatility Index of the Underlying Market Index.

The Strategy dynamically responds to changes in the implied volatility term structure of the Underlying Market Index. In stable market conditions, the implied volatility term structure is usually upward sloping due to greater uncertainty of the market in the distant future than in the shorter term. The Strategy establishes a relative weighting between the short-term and mid-term rolling futures indices which aims to offset the impact of day-to-day changes of VIX or VStoxx levels on the respective parts of the futures term structure curve. On the contrary, if the implied volatility term structure inverts, the Strategy dynamically switches the position to reverse the Default Allocation. The relative absolute weightings of the two positions remain unchanged.

To identify potential changes in the implied volatility term structure, the Strategy measures the change in the slope of the implied volatility curve of the Underlying Market Index. Once a change in the term structure is identified as indicated by Trading Signal, the Exposure is rebalanced over a number of Index Business Days, provided that the Trading Signal remains constant over this period.

The Barclays Capital Q-VOLTAS Index Family (“**Family**”) is a set of investable indices reflecting the performance of the Q-VOLTAS Strategy when applied to different Underlying Market Indices.

Barclays Capital, the investment banking division of Barclays Bank PLC, is the Index Sponsor and is responsible for selecting the index components in accordance with the methodology that forms the basis of the Index, as amended from time to time.

A daily level for the Index will be calculated by the Index Sponsor. The index value will be published by the Index Sponsor as soon as reasonably possible on each index business day, subject to the occurrence of an index disrupted day. The relevant provisions shall be read *mutatis mutandis*.

Name	Index currency	Bloomberg ticker
Barclays Capital Q-VOLTAS US ER Index	USD	BXIIQVUE
Barclays Capital Q-VOLTAS US TR Index	USD	BXIIQVUT
Barclays Capital Q-VOLTAS Europe ER Index	EUR	BXIIQVEE
Barclays Capital Q-VOLTAS Europe TR Index	EUR	BXIIQVET

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SCHEDULE 2

The following shall be added as Section 3 Part D to the Barclays Capital Index Annex:

Part D – Amendments to Final Terms

Where the Final Terms for any Securities specify that this Section 3 of the Barclays Capital Index Annex is applicable, the following additional provisions shall be deemed inserted into the Pro Forma Final Terms.

Relevant Annex: Section 3 of Barclays Capital Index Annex

Barclays Capital Index: *[insert index name]*, as described in Part A of Section 3 of the Barclays Capital Index Annex]

Component Fallback: [Applicable/Not Applicable]

Barclays Capital Index Disruption: [Applicable/Not Applicable]

If Component Fallback applies:

Index Components	
Type for purposes of Relevant Annex	[Share/Index/Commodity Index/Inflation Index/[]]
Relevant Annex for purposes of Component	[Equity Linked Annex (as amended by Section 3 of the Barclays Capital Index Annex/[]]
Exchange	[[]/N/A]
Related Exchange	[[]/All Exchanges/N/A]
Commodity Reference Price	[[]/N/A]
Specified Price	[[]/N/A]
Delivery Date	[[]/N/A]
Relevant Commodity	[[]/N/A]
Price Source	[[]/N/A]

SCHEDULE 3

Section 5 Part A – General Information Relating to Barclays Capital Interest Rate Indices shall be amended as follows:

1 Barclays Capital Exceed Indices

Paragraph 1 of Part A of Schedule 5 to the Barclays Capital Index Annex shall be amended by deleting the third paragraph thereof (including the table contained therein) in its entirety and replacing it with the following:

“A list of the principal indices in the Exceed family is given in the table below:

Sub-Family	Index	Interest Rate Market(s)
Exceed	Barclays Capital Exceed EUR Monthly Index	EUR
	Barclays Capital Exceed EUR II Index	EUR
	Barclays Capital Exceed USD Monthly Index	USD
	Barclays Capital Exceed USD II Index	USD
	Barclays Capital Atlantic Exceed Index	EUR & USD
	Barclays Capital Atlantic Exceed II Index	EUR & USD
	Barclays Capital Atlantic Exceed 5 Index	EUR & USD
	Barclays Capital Atlantic Exceed in JPY Index	EUR & USD
	Barclays Capital Atlantic Exceed in JPY Version 2 Index	EUR & USD
	Barclays Capital Atlantic Exceed in JPY Version 3 Index	EUR & USD
Exceed Plus	Barclays Capital EUR Exceed Plus Index	EUR
	Barclays Capital EUR Exceed Plus Series A-2 Index	EUR
	Barclays Capital USD Exceed Plus Index	USD
	Barclays Capital USD Exceed Plus Series A-2 Index	USD
	Barclays Capital GBP Exceed Plus Index	GBP
	Barclays Capital GBP Exceed Plus Series A-2 Index	GBP
	Barclays Capital GBP Exceed Plus 5	GBP
	Barclays Capital JPY Exceed Plus	JPY

Sub-Family	Index	Interest Rate Market(s)
	Barclays Capital JPY Exceed Plus Series A-2 Index	JPY
	Barclays Capital Atlantic Exceed Plus Series A-2 Index	EUR & USD
	Barclays Capital Global Exceed Plus Series A-2 Index	EUR & USD & GBP & JPY
Target Exceed	Barclays Capital EUR Target Exceed Index	EUR
	Barclays Capital EUR Target Exceed Series A-1 Index	EUR
	Barclays Capital USD Target Exceed Index	USD
	Barclays Capital USD Target Exceed Series A-1 Index	USD
	Barclays Capital GBP Target Exceed Index	GBP
	Barclays Capital GBP Target Exceed Series A-1 Index	GBP
	Barclays Capital JPY Target Exceed Index	JPY
	Barclays Capital Atlantic Target Exceed Index	EUR & USD
	Barclays Capital Global Target Exceed Index	EUR & USD & GBP & JPY
	Barclays Capital Global Target Exceed 5Q Index	EUR & USD & GBP & JPY
	Barclays Capital Global Target Exceed X Index	EUR & USD & GBP & JPY
	Barclays Capital Global Target Exceed in JPY Structured Version 1 Index	EUR & USD & GBP & JPY
	Barclays Capital Global Target Exceed DSE Series A-1 in JPY Structured Version 1 Index	EUR & USD & GBP
	Barclays Capital Global Target Exceed Series A-2 in JPY Structured Version 1 Index	EUR & USD & GBP & JPY
	Barclays Capital Global Target Exceed in JPY Structured Version 2 ER Index	EUR & USD & GBP & JPY
	Barclays Capital Global Target Exceed in JPY Structured Version 2 TR Index	EUR & USD & GBP & JPY
	Barclays Capital Global Target Exceed in JPY Structured Version 2 TR + BRL1 Index	EUR & USD & GBP & JPY

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2 Barclays Capital Bond Futures Indices

Paragraph 2 of Part A of Schedule 5 to the Barclays Capital Index Annex shall be amended by deleting the fourth paragraph thereof (including the table contained therein) in its entirety and replacing it with the following:

“A list of the indices is given in the table below:

Index
Barclays Capital US 2yr Treasury Futures Index
Barclays Capital US 5yr Treasury Futures Index
Barclays Capital US 10yr Treasury Futures Index
Barclays Capital US 30yr Treasury Futures Index
Barclays Capital US Ultra Long Treasury Futures Index
Barclays Capital Euro-Schatz Futures Index
Barclays Capital Euro-Bobl Futures Index
Barclays Capital Euro-Bund Futures Index
Barclays Capital UK Long Gilt Futures Index
Barclays Capital JGB 10yr Futures Index
Barclays Capital JGB Alternative-Roll 10yr Futures Index
Barclays Capital US 10yr Futures Yen Hedged Index
Barclays Capital Euro-Bund Futures Yen Hedged Index

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3 Additional Barclays Capital Interest Rate Indices

The following shall be added as new paragraphs 3 to 5 at the end of Part A of Schedule 5 to the Barclays Capital Index Annex:

“3 Barclays Capital Government Bond Futures Targeted Exposure Indices

The Barclays Capital Government Bond Futures Targeted Exposure family of indices are each designed to provide a benchmark for constant exposure to changes in yield of the relevant government bonds.

To accomplish this objective, each index tracks the return from a “long” position in futures contracts for the relevant government bonds, with a dynamic weighting designed to target a fixed sensitivity to changes in yield of the corresponding “cheapest-to-deliver bond”. A long position means that the level of the index increases if the price of the underlying bond future rises (so that the corresponding underlying yield falls), and decreases if the price of the underlying bond future falls (so that the corresponding underlying yield rises). Cheapest-to-deliver bond means the eligible-for-delivery security for a particular bond futures contract which generates the greatest gain or least loss upon delivery for the investor with a short position in that contract. The weighting mechanism is designed to target a unit (1.00) increase in the level of the index for every basis point (0.01%) decrease in the yield of the relevant cheapest-to-deliver bond. For each index, the underlying

futures contract is “rolled” quarterly: every three months, the underlying futures contract changes from the “front contract” (the contract closest to expiry) to the “front next contract” (the contract with expiry immediately following that of the front contract). In this way, physical delivery of underlying bonds is avoided. The weighting is rebalanced monthly, in order approximately to maintain the desired target sensitivity to changes in yield of the relevant cheapest-to-deliver bond.

A list of the indices is given in the table below:

Index
Barclays Capital Schatz Futures Targeted Exposure Index
Barclays Capital Bobl Futures Targeted Exposure Index
Barclays Capital Bund Futures Targeted Exposure Index
Barclays Capital Buxl Futures Targeted Exposure Index
Barclays Capital BTP Futures Targeted Exposure Index
Barclays Capital Long Gilt Futures Targeted Exposure Index
Barclays Capital 2Y US Treasury Futures Targeted Exposure Index
Barclays Capital 5Y US Treasury Futures Targeted Exposure Index
Barclays Capital 10Y US Treasury Futures Targeted Exposure Index
Barclays Capital Long-Bond US Treasury Futures Targeted Exposure Index
Barclays Capital Ultra-Long US Treasury Futures Targeted Exposure Index

4 Barclays Capital SGD Exceed Index

The Barclays Capital SGD Exceed Index aims to take advantage of the tendency of Singapore Dollar interest rate markets to over-predict the level of short-term rates actually realised in the future. This tendency is due to “term premium”. Term premium is the component of an interest rate which compensates investors for the uncertainty in the future level of the rate. The tendency of Singapore Dollar interest rate markets to over-predict the future level of short term rates has been observed in falling- or stable-rate environments. However, this behaviour has tended to diminish or reverse in rising-rate environments. The Barclays Capital SGD Exceed Index is a transparent, purely rules-based trading strategy that aims to benefit from this behaviour.

The SGD Exceed Index consists of taking a “long” position (receiving fixed) or “short” position (paying fixed) in liquid 1 year forward, 1 year Singapore Dollar interest rate swaps. The index selects either a long or a short position on the monthly index rebalance date according to a signal. The signal is constructed from recent trends in Singapore Dollar and US Dollar rates. The index invests in 1 year forward, 1 year Singapore Dollar interest rate swaps through the Barclays Capital EM Asia SGD Forward Swap 1YF 1Y Nominal Coupon Swap Index, which seeks to replicate the performance of a notional investment in a 1 year forward, 1 year nominal par-coupon interest rate swap which rebalances every month. For the

avoidance of doubt, the SGD Exceed Index, in particular the signal, is purely algorithmic, with no discretionary element.

Index
Barclays Capital SGD Exceed Index

5 Barclays Capital Korean Rates Term Premium Index

The Barclays Capital Korean Rates Term Premium Index aims to take advantage of the tendency of Korean interest rate markets to over-predict the level of short-term rates actually realised in the future. This tendency is due to “term premium”. Term premium is the component of an interest rate which compensates investors for the uncertainty in the future level of the rate. The tendency of Korean interest rate markets to over-predict the future level of short-term rates has been observed in falling- or stable-rate environments when the Korean interest rate swap curve is upward-sloping. However, this behaviour has tended to diminish or reverse in rising-rate environments. This behaviour has also tended to diminish when the Korean interest rate swap curve is inverted (downward-sloping). The Barclays Capital Korean Rates Term Premium Index is a transparent, purely rules-based trading strategy that aims to benefit from this behaviour.

The Korean Rates Term Premium Index consists of taking a “long” position (receiving fixed) or “short” position (paying fixed) in liquid 1 year forward, 1 year Korean interest rate swaps. The index selects either a long or a short position on the monthly index rebalance date, according to a signal. The signal is constructed from recent trends in Korean and US Dollar interest rates, and the shape of the Korean interest rate swap curve. The index invests in 1 year forward, 1 year Korean interest rate swaps through the Barclays Capital EM Asia KRW Forward Swap 1YF 1Y Nominal Coupon Swap Index, which seeks to replicate the performance of a notional investment in a 1 year forward, 1 year nominal par-coupon interest rate swap which rebalances every month. For the avoidance of doubt, the Korean Rates Term Premium Index, in particular the signal, is purely algorithmic, with no discretionary element.

Index
Barclays Capital Korean Rates Term Premium Index

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