The Barclays Zorya Index

The Barclays Zorya Index ("the Index") aims to maximize returns of its constituents for a 5% risk budget using techniques of Modern Portfolio Theory.

Here are the building blocks that make up the Index:

Equities	SPDR S&P 500 ETF Trust	Fixed Income	Bloomberg Barclays US Aggregate Bond Index

Portfolio Construction based on Modern Portfolio Theory

Modern Portfolio Theory is Harry Markowitz's investment theory which outlines two key themes:

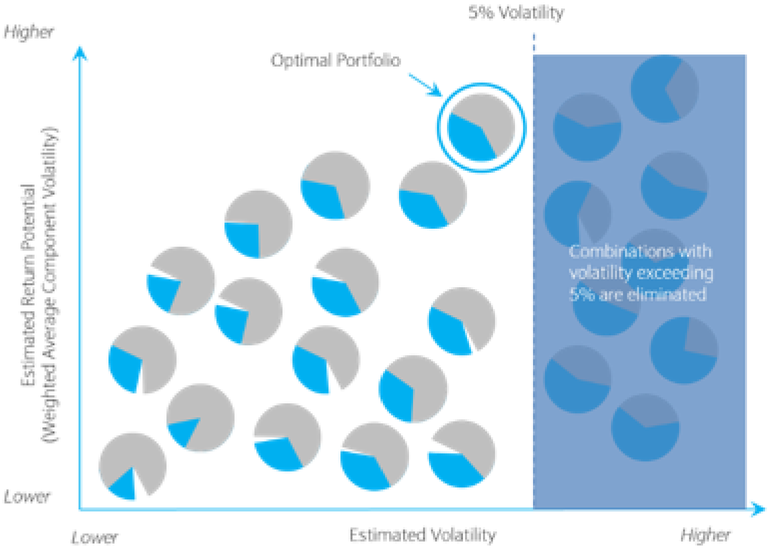
1) Risk is a driver of return – the higher the risk the higher the return potential
2) Investors can potentially maximize their returns while minimizing the risk they take through diversification

Every month, the index will seek an optimal combination between US Equities and Fixed Income, incorporating historical volatilities and correlations of the index components.

The process is known as "mean variance optimization" and is based on the principles of Modern Portfolio Theory.

All combinations with an estimated volatility[1] greater than 5% are eliminated and the optimal portfolio will select the combination with the highest estimated return potential by assuming a direct relationship between risk and return.

Illustration of the mean-variance optimization process



For illustration purposes; may not reflect actual weights or allocations.

Volatility Control Overlay

While the optimization is done monthly, every day, the index may increase or decrease its exposure to the optimal portfolio between zero and 150% in order to try and maintain volatility at a constant 5% annualized level.

Exposure to U.S. Stocks and Fixed Income	Monthly Optimization to maximize return potential subject to 5% volatility target	Dividends and Coupons are reinvested

Indices.Barclays/Zorya

[1] Volatility is a measure of the degree to which the price of an asset fluctuates. It is widely used as an indicator of investment risk.

Risk factors

An investment in the Barclays Zorya Index also involves fees, costs and risks. The following is a summary of these fees and costs and certain risks associated with the Index. You should consider the following, consult with your advisors, and read any product documentation carefully before investing in any financial product based on the performance of the Index.

- The Index may produce negative returns if the US equity market and/or the US fixed income market have negative performance.
- The strategy reflected in the Index may be unsuccessful. The index methodology of the Index may not be successful and the Equity Component may underperform broad equity market benchmarks. In addition, the allocation between Equity and Fixed Income in the Index at any time may not be optimized and may underperform a different allocation between the two asset classes.
- The Index includes deductions for a fee of 0.5% per year, plus an additional cost equal to the 3-month US dollar LIBOR rate for the Equity Component and Fixed Income Component which may be increased or decreased in the aggregate by the mean variance optimization process and the volatility control mechanism. These deductions will reduce Index performance, and the Index will underperform similar portfolios from which these fees and costs are not deducted.
- The volatility control mechanism included in the Index may not achieve its intended goal, and the Index may not be successful in maintaining its volatility at or below 5%.
- The mean-variance optimization process and the volatility control mechanism will determine the Index's exposure to the Equity Component and Fixed Income Component. If the Index's total exposure to the Equity Component and Fixed Income Component is less than 100%, the difference will be un-invested and will earn no return. In addition, when the Index's exposure to its portfolio is greater than 100%, any negative performance of the portfolio will be magnified and the level of the index may decrease significantly.
- LIBOR TRANSITION – In anticipation of the cessation of publication of LIBOR as a benchmark reference rate, Barclays may, in accordance with the relevant rule or methodology of a Barclays index or other quantitative investment strategy, have rights to determine a replacement rate for interest rate benchmarks that feature as a component of such index or strategy and to make any necessary modifications to the methodology as a consequence. The use of a replacement rate and related adjustments may affect the performance of the index or strategy.

Disclaimer

Barclays Bank PLC is the owner of the intellectual property and licensing rights relating to the Barclays Zorya Index (the "Index"). The Index is operated by Barclays Index Administration, an independent index administration function within Barclays Bank PLC. Barclays Bank PLC may terminate the appointment of, and replace, the Index Sponsor with a successor index sponsor. Following the termination of the appointment of the Index Sponsor, Barclays Bank PLC will publish an announcement of that termination and the identity of the successor index sponsor on www.barclays.com/indices (or any successor website) as soon as reasonably practicable.

Barclays does not guarantee the accuracy and/or completeness of any Index, any data included herein, or any data from which it is based, and Barclays shall not have any liability for any errors, omissions, or interruptions therein. Barclays does not make any warranty, express or implied, as to the results to be obtained from the use of an Index. Barclays expressly disclaims all warranties of merchantability or fitness for a particular purpose or use with respect to an Index or any data included therein. Without limiting any of the foregoing, in no event shall Barclays have liability for any special, punitive, indirect or consequential damages, lost profits, loss of opportunity or other financial loss, even if notified of the possibility of such damages.

None of Barclays, any of its affiliates or subsidiaries nor any of its directors, officers, employees, representatives, delegates or agents shall have any responsibility to any person (whether as a result of negligence or otherwise) for any determination made or anything done (or omitted to be determined or done) in respect of any Index or publication of the levels of any Index and any use to which any person may put any Index or the levels of any Index. In addition, although Barclays reserves the right to make adjustments to correct previously incorrectly published information, including but not limited to the levels of any Index, Barclays is under no obligation to do so and Barclays shall have no liability in respect of any errors or omissions.

Nothing in any of the disclaimers set forth above will exclude or limit liability to the extent such exclusion or limitation is not permitted by law.