SECURITIES LITIGATION & CONSULTING GROUP

Structured Products Research Report

Report Prepared On: 08/02/13

Structured Product Details

Name	Buffered Super Track Notes linked to Hang Seng China Ent Index
Issue Size	$500,000
Issue Price	$1,000
Term	24 Months
Annualized Coupon	0.00%
Pricing Date	May 24, 2012
Issue Date	May 30, 2012
Valuation Date	May 27, 2014
Maturity Date	May 30, 2014
Issuer	Barclays
CDS Rate	163.03 bps
Swap Rate	0.64%
Reference Asset	the Hang Seng China Ent Index
Initial Level	541.33
Dividend Rate	3.41%
Implied Volatility	24.38%
Delta[1]	0.68
Fair Price at Issue	$945.42
CUSIP	06738K5D9
SEC Link	www.sec.gov/Archives/edgar/data/312070/000119312512251359/d360254d424b2.htm

Buffered Super Track Notes linked to Hang Seng China Ent Index

Description

Barclays issued $500,000 of Buffered Super Track Notes linked to Hang Seng China Ent Index on May 30, 2012 at $1,000 per note.

These notes are Barclays-branded Buffered PLUS securities that do not pay periodic coupons, but instead pay a single amount at maturity depending on the final level of the Hang Seng China Ent Index.

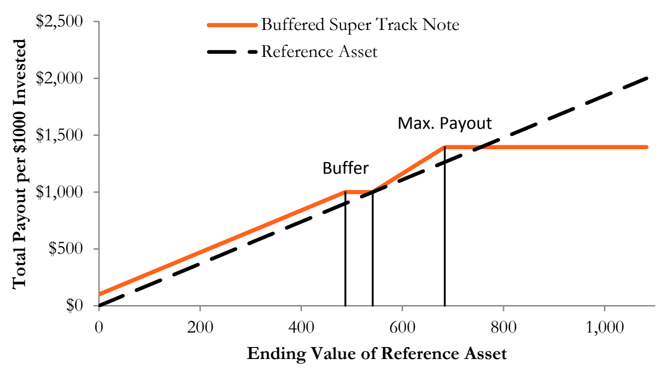
If on May 27, 2014 the Hang Seng China Ent Index level is higher than 541.33, but lower than 683.88, the notes pay a return equal to the percentage increase in the Hang Seng China Ent Index multiplied by 1.5, up to a cap of 39.50%. If on May 27, 2014 the refe is below 541.33 but not below 487.2, investors receive $1,000 face value per note. If the Hang Seng China Ent Index level on May 27, 2014 is lower than 487.2, investors receive face value per note reduced by the amount the reference asset is below 487.2 as a percent of the initial level, 541.33.

Valuation

This product can be valued as a combination of a note from Barclays, one short out-of-the-money put option, 1.5 long at-the-money call options, and 1.5 short out-of-the-money call options. For reasonable valuation inputs this note was worth $945.42 when it was issued on May 30, 2012 because the value of the options investors gave Barclays plus the interest investors would have received on Barclays's straight debt was worth $54.58 more than the options investors received from Barclays.

There is no active secondary market for most structured products. Structured products, including this note, therefore are much less liquid than simple stocks, bonds, notes and mutual funds. Investors are likely to receive less than the structured product's estimated market value if they try to sell the structured product prior to maturity. Our valuations do not incorporate this relative lack of liquidity and therefore should be considered an upper bound on the value of the structured product.

Payoff Curve at Maturity



The payoff diagram shows the final payoff of this note given the Hang Seng China Ent Index level (horizontal axis). For comparison, the dashed line shows the payoff if you invested in the Hang Seng China Ent Index directly.

Related Research

Research Papers:

www.slcg.com/research.php

- *"Are Structured Products Suitable for Retail Investors?"* December 2006.
- *"Structured Products in the Aftermath of Lehman Brothers,"* November 2009.
- *"What TiVo and JP Morgan Teach Us about Reverse Convertibles,"* June 2010.

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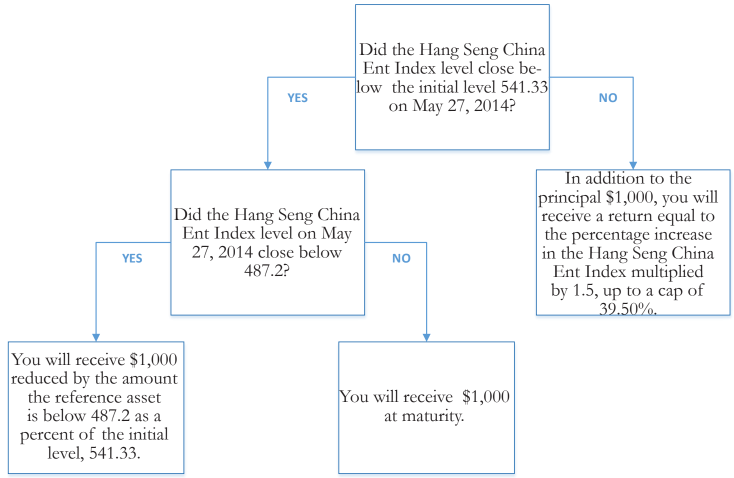
Principal Payback Table

The Hang Seng China Ent Index	Note Payoff
0.00	$100.00
54.13	$200.00
108.27	$300.00
162.40	$400.00
216.53	$500.00
270.67	$600.00
324.80	$700.00
378.93	$800.00
433.06	$900.00
487.20	$1,000.00
541.33	**$1,000.00**
595.46	$1,150.00
649.60	$1,300.00
703.73	$1,395.00
757.86	$1,395.00
812.00	$1,395.00

Maturity Payoff Diagram

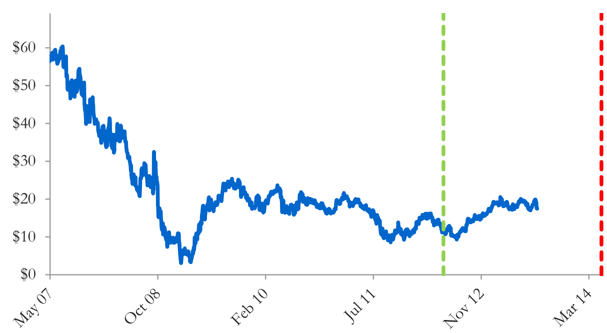


The contingent payoffs of this Buffered Super Track Note.

Analysis

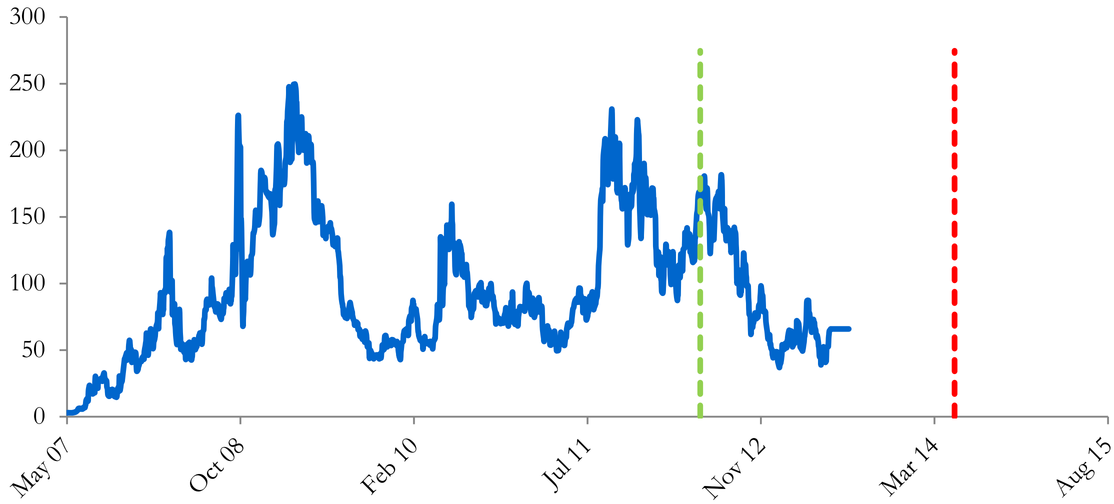
This Buffered Super Track Note pays investors the increase in the Hang Seng China Ent Index multiplied by 1.5 capped at 39.50%, but if the Hang Seng China Ent Index declines over the term of the note, investors will suffer losses equal to the percentage decline in the Hang Seng China Ent Index. In addition, investors bear the credit risk of Barclays. Investors purchasing this Buffered Super Track Note effectively sell at-the-money put and out-of-the-money call options to Barclays, buy at-the-money call options, and a zero-coupon note from Barclays. This Buffered Super Track Note is fairly priced if and only if the market value of the options investors received from Barclays equals the market value of the options investors gave Barclays plus the interest investors would have received on Barclays's straight debt.

Barclays's Stock Price



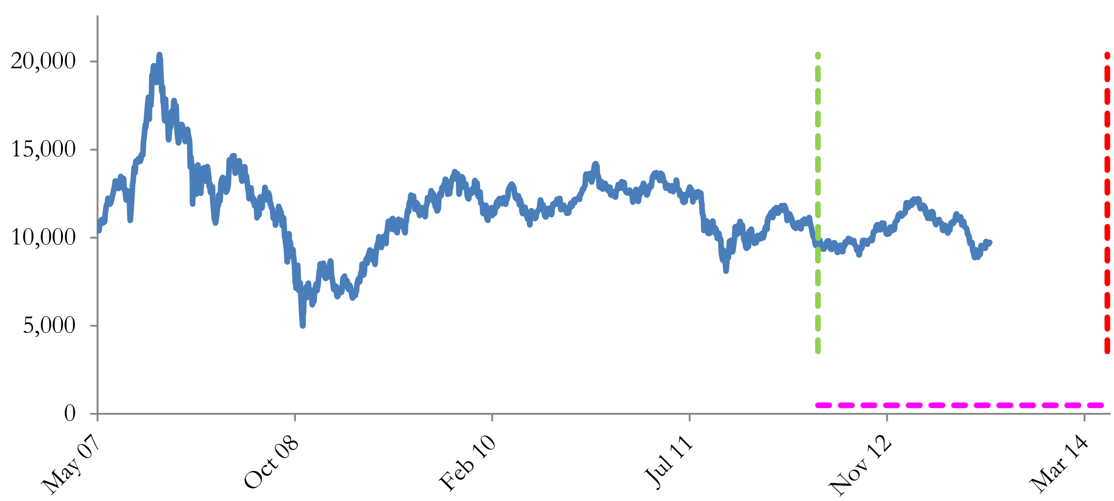
The graph above shows the adjusted closing price of the issuer Barclays for the past several years. The stock price of the issuer is an indication of the financial strength of Barclays. The adjusted price shown above incorporates any stock split, reverse stock split, etc.

Barclays's CDS Rate



Credit default swap (CDS) rates are the market price that investors require to bear credit risk of an issuer such as Barclays. CDS rates are usually given in basis points (bps). One basis point equals 0.01%. Higher CDS rates reflect higher perceived credit risk, higher required yields, and therefore lower market value of Barclays's debt, including outstanding Buffered Super Track Note. Fluctuations in Barclays's CDS rate impact the market value of the notes in the secondary market.

The Hang Seng China Ent Index Level

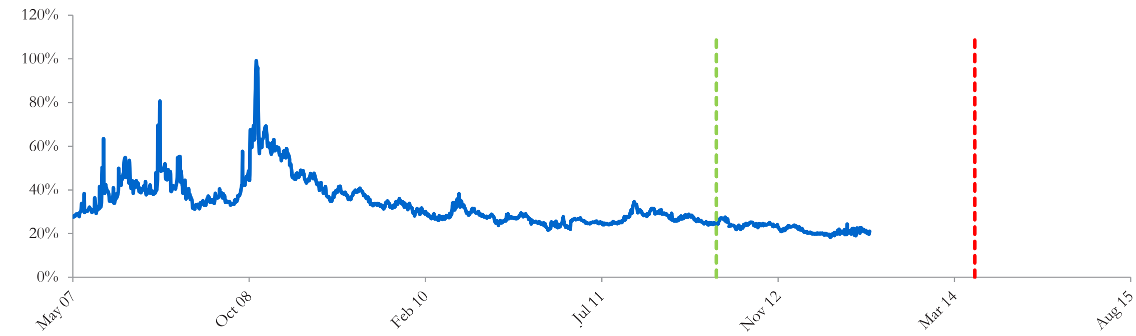


The graph above shows the historical levels of the Hang Seng China Ent Index for the past several years. The final payoff of this note is determined by the Hang Seng China Ent Index level at maturity. Higher fluctuations in the Hang Seng China Ent Index level correspond to a greater uncertainty in the final payout of this Buffered Super Track Note.

Realized Payoff

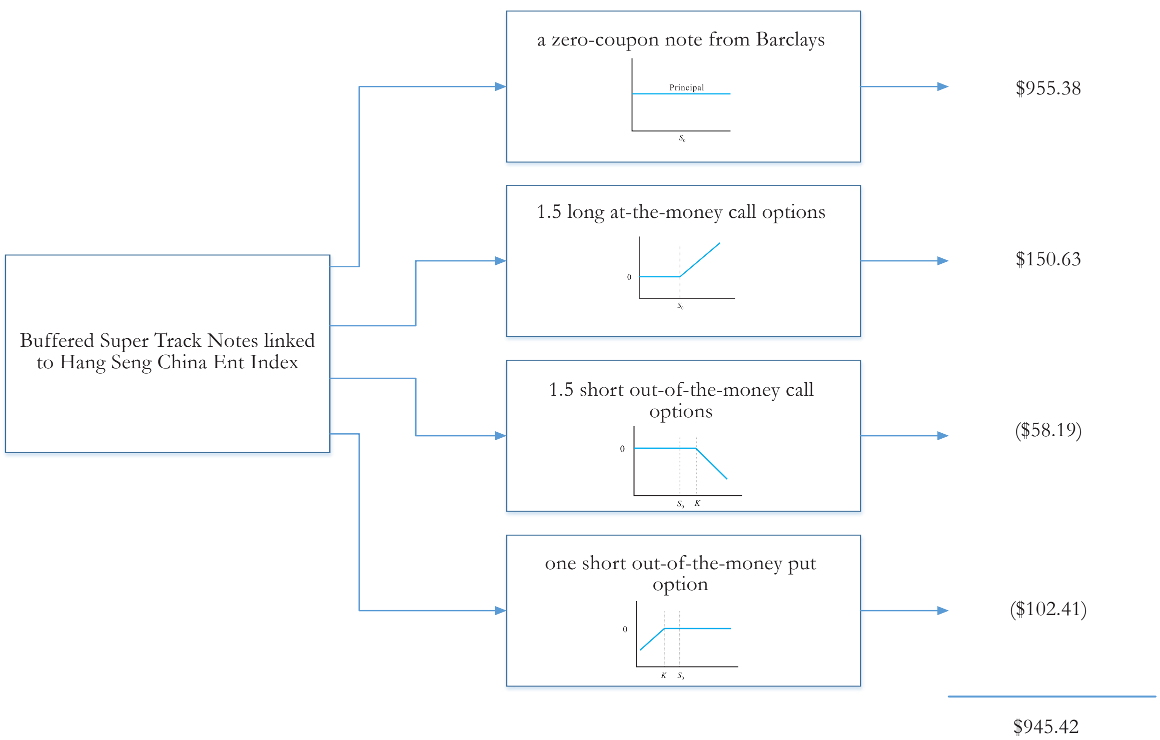
This product will mature on May 30, 2014.

Reference Asset The Hang Seng China Ent Index's Implied Volatility



The annualized implied volatility of the Hang Seng China Ent Index on May 24, 2012 was 24.38%, meaning that options contracts on the Hang Seng China Ent Index were trading at prices that reflect an expected annual volatility of 24.38%. The higher the implied volatility, the larger the expected fluctuations of the Hang Seng China Ent Index level and of the Note's market value during the life of the Notes.

Decomposition of this Buffered Super Track Note



This note can be decomposed into different components, and each component can be valued separately. The chart above shows the value of each component of this Buffered Super Track Note.

1. Delta measures the sensitivity of the price of the note to the the Hang Seng China Ent Index level on May 24, 2012.
2. CDS rates can be considered a measure of the probability that an issuer will default over a certain period of time and the likely loss given a default. The lower the CDS rate, the lower the default probability. CDS rate is given in basis points (1 basis point equals 0.01%), and is considered as a market premium, on top of the risk-free rate, that investors require to insure against a potential default.
3. Fair price evaluation is based on the Black-Scholes model of the the Hang Seng China Ent Index on May 24, 2012.
4. Calculated payout at maturity is only an approximation, and may differ from actual payouts at maturity.
5. Our evaluation does not include any transaction fees, broker commissions, or liquidity discounts on the notes.