

Report Prepared On: 07/30/13

**Structured Product Details**

**Name** Buffered Super Track Notes linked to PowerShares QQQ Trust

**Issue Size** \$1.00 million  
**Issue Price** \$1,000  
**Term** 24 Months  
**Annualized Coupon** 0.00%

**Pricing Date** July 24, 2009  
**Issue Date** August 3, 2009  
**Valuation Date** July 25, 2011  
**Maturity Date** July 28, 2011

**Issuer** Barclays  
**CDS Rate** 92.21 bps  
**Swap Rate** 1.44%

**Reference Asset** PowerShares QQQ Trust's stock  
**Initial Level** \$39.34  
**Dividend Rate** 0.42%  
**Implied Volatility** 26.65%  
**Delta<sup>1</sup>** 0.45

**Fair Price at Issue** \$985.40  
**Realized Return** 13.25%

**CUSIP** 06739JMA8  
**SEC Link** [www.sec.gov/Archives/edgar/data/312070/000119312509155125/d424b2.htm](http://www.sec.gov/Archives/edgar/data/312070/000119312509155125/d424b2.htm)

**Related Research**

**Research Papers:**  
[www.slcg.com/research.php](http://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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**Buffered Super Track Notes linked to PowerShares QQQ Trust**

**Description**

Barclays issued \$1.00 million of Buffered Super Track Notes linked to PowerShares QQQ Trust on August 3, 2009 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 PowerShares QQQ Trust's stock.

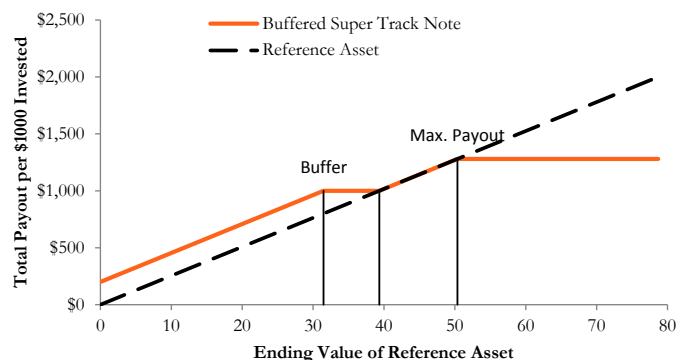
If on July 25, 2011 PowerShares QQQ Trust's stock price is higher than \$39.34, but lower than \$50.36, the notes pay a return equal to the percentage increase in PowerShares QQQ Trust's stock, up to a cap of 28.00%. If on July 25, 2011 the refe is below \$39.34 but not below \$31.47, investors receive \$1,000 face value per note. If PowerShares QQQ Trust's stock price on July 25, 2009 is lower than \$31.47, investors receive face value per note reduced by the amount the reference asset is below \$31.47 as a percent of the initial level, \$39.34.

**Valuation**

This product can be valued as a combination of a note from Barclays, one short out-of-the-money put option, one long at-the-money call option, and one short out-of-the-money call option. For reasonable valuation inputs this note was worth \$985.40 when it was issued on August 3, 2009 because the value of the options investors gave Barclays plus the interest investors would have received on Barclays's straight debt was worth \$14.60 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 PowerShares QQQ Trust's stock price (horizontal axis). For comparison, the dashed line shows the payoff if you invested in PowerShares QQQ Trust's stock directly.

**Principal Payback Table**

PowerShares QQQ Trust's Stock	Note Payoff
\$0.00	\$200.00
\$3.93	\$300.00
\$7.87	\$400.00
\$11.80	\$500.00
\$15.74	\$600.00
\$19.67	\$700.00
\$23.60	\$800.00
\$27.54	\$900.00
\$31.47	\$1,000.00
\$35.41	\$1,000.00
<b>\$39.34</b>	<b>\$1,000.00</b>
\$43.27	\$1,100.00
\$47.21	\$1,200.00
\$51.14	\$1,280.00
\$55.08	\$1,280.00
\$59.01	\$1,280.00

**Maturity Payoff Diagram**

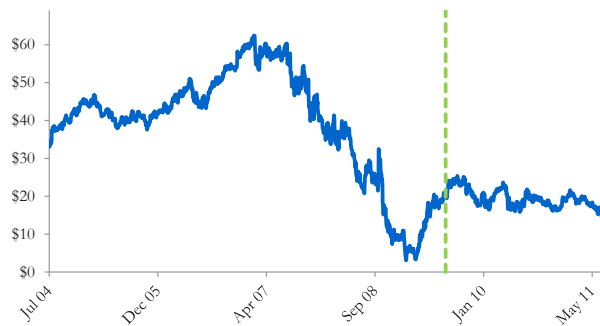


The contingent payoffs of this Buffered Super Track Note.

**Analysis**

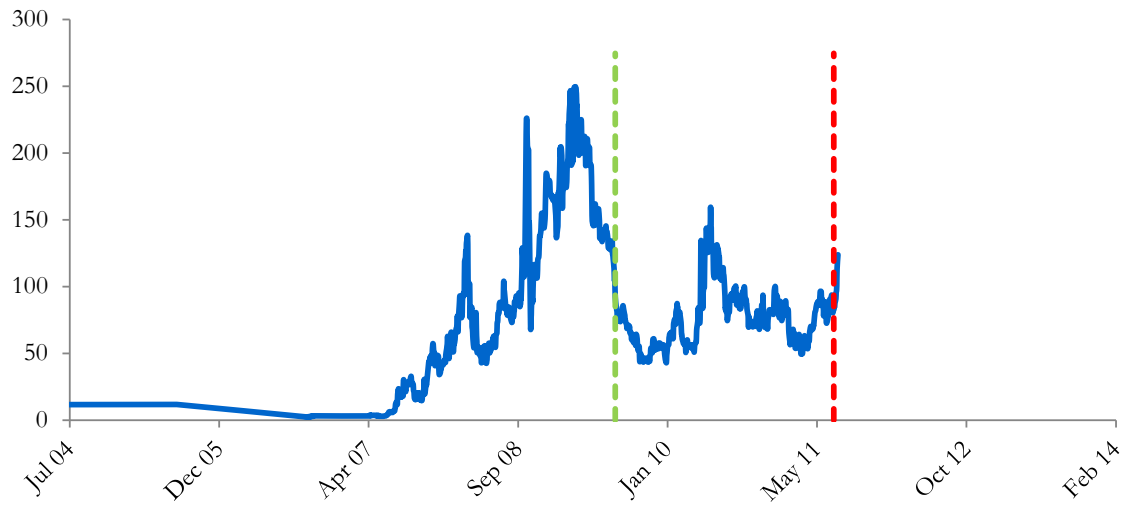
This Buffered Super Track Note pays investors the increase in PowerShares QQQ Trust's stock capped at 28.00%, but if PowerShares QQQ Trust's stock declines over the term of the note, investors will suffer losses equal to the percentage decline in PowerShares QQQ Trust's stock. In addition, investors 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**



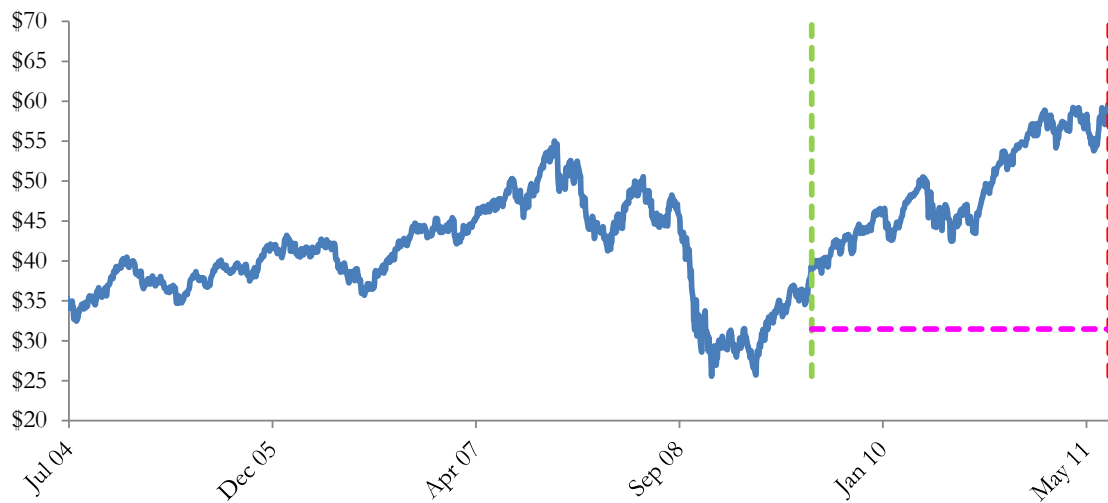
The graph above shows the adjusted closing price of the issuer Barclays for the past several years. The stock price of the issuer is an indication of the financial strength of Barclays. The adjusted price shown above incorporates any stock split, reverse stock split, etc.

### 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.*

### PowerShares QQQ Trust's Stock Price

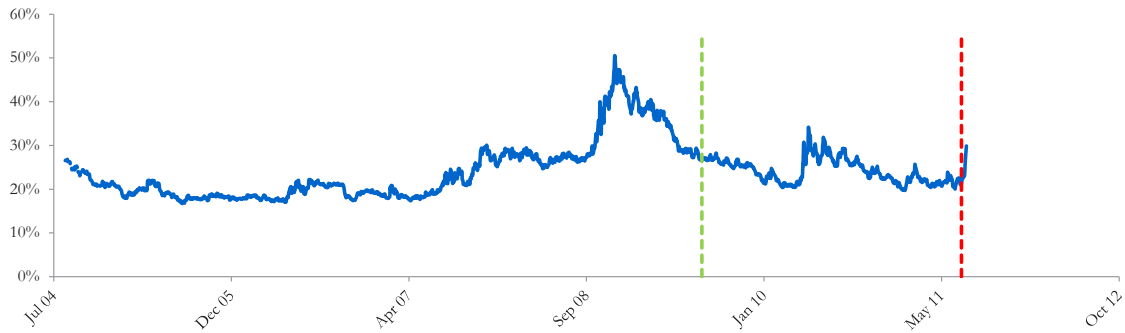


*The graph above shows the historical levels of PowerShares QQQ Trust's stock for the past several years. The final payoff of this note is determined by PowerShares QQQ Trust's stock price at maturity. Higher fluctuations in PowerShares QQQ Trust's stock price correspond to a greater uncertainty in the final payout of this Buffered Super Track Note.*

### Realized Payoff

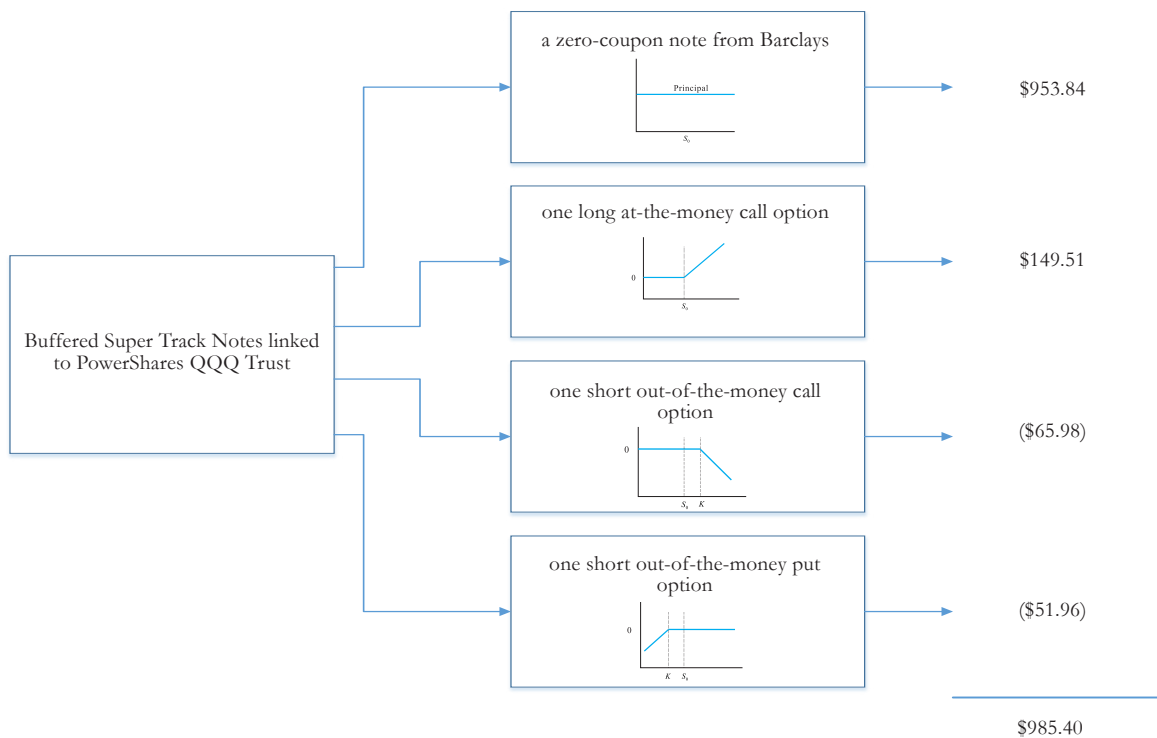
This note matured on July 28, 2011 and investors received \$1,280.00 per note.

## Reference Asset PowerShares QQQ Trust's Stock's Implied Volatility



The annualized implied volatility of PowerShares QQQ Trust's stock on July 24, 2009 was 26.65%, meaning that options contracts on PowerShares QQQ Trust's stock were trading at prices that reflect an expected annual volatility of 26.65%. The higher the implied volatility, the larger the expected fluctuations of PowerShares QQQ Trust's stock price 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 PowerShares QQQ Trust's stock price on July 24, 2009.
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 PowerShares QQQ Trust's stock on July 24, 2009.
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.