



CAPE

Barclays ETN+ Shiller CAPE™ ETN

Barclays ETNs

Barclays Exchange-Traded Notes (ETNs):

- Senior, unsecured debt securities;
- Listed and traded on an exchange;
- Provide investors with a return linked to the performance of an index, less fees.

Barclays Bank PLC is a leading issuer of ETNs in the United States:

- 38% market share with \$8.01 bn notional outstanding¹;
- 81 products in a variety of asset classes, including:
 - Commodities;
 - Equity / volatility;
 - FX;
 - Rates.
- Barclays ETNs include:
 - iPath® ETN suite;
 - ETN+ suite.

1. As of 8/30/2013. Source: Bloomberg.

For more information about the risks related to an investment in the ETNs, see “Selected Risk Considerations” at the end of this document and “Risk Factors” in the applicable prospectus supplement and pricing supplement.

CAPE, the Barclays ETN+ Shiller CAPE™ ETN

Barclays ETN listed on NYSE Arca under ticker “CAPE”:

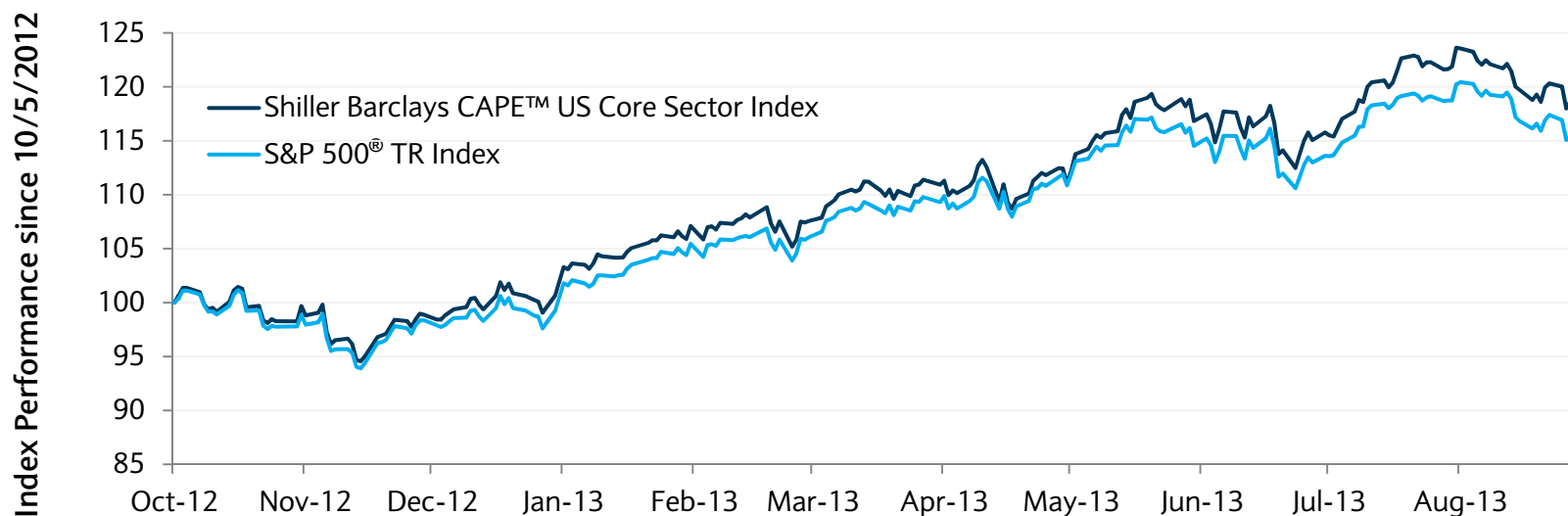
- Provides returns linked to the Shiller Barclays CAPE™ US Core Sector Index (the “Index”);
- No tracking error to the Index, before 0.45% per annum fees¹.
- An investment in the ETN involves significant risks, including the following and may not be suitable for all investors:
 - An investor may lose some or all of their principle in the investment
 - ETNs are unsecured debt obligations of Barclays Bank PLC, are subject to the creditworthiness of the issuer and no guaranteed by any third party
 - ETNs are subject to a decrease in the level of the Index and are subject to an investor fee

The Index is built upon the principles of long term investing as distilled by Robert Shiller:

- Sector-rotation Strategy designed in a collaboration between Robert Shiller and Barclays;
- Uses a version of the Cyclically Aadjusted PE (CAPE) Ratio, developed by Robert Shiller and Barclays as a key driver for the valuation of US sectors
- Includes momentum signal to avoid investing in declining assets (“value trap”);
- Based on specifically-reconstructed 40-years sector data;
- May be used for long-term investing to provide US Equity exposure with a value allocation.

1. The investor fee is calculated on a daily basis in the following manner: The investor fee on the initial valuation date will be equal zero. On each subsequent calendar day until maturity or early redemption, the investor fee will increase by an amount equal to 0.45% times the closing indicative note value on the immediately preceding calendar day times the daily index factor on that day (equal to the closing level of the Index on such index business day divided by the closing level of the Index on the immediately preceding index business day; if such day is not an index business day, the such quotient will equal one) divided by 365. Because your notes are subject to an investor fee, the return on the ETNs will always be lower than the total return on a direct investment in the Index.

Index Performance and Returns



	Shiller Barclays CAPE™ US Core Sector Index	S&P 500® TR Index
Returns (since 10/05/2012)	20.2%	16.9%
Annualized Volatility ¹	12.9%	11.9%
Returns/Volatility Ratio	1.56	1.41
Correlation ² to the S&P500® TR	98.4%	100%

Source: Bloomberg, Barclays. Data: 10/05/2012 – 8/30/2013 .

1. Annualized Volatility describes the variation in an index's value over the course of a year and is calculated as a standard deviation of natural logarithm daily returns in the observation period multiplied by the square root of 252. Because the annualized volatility is based on historical data (since the date listed above), it may not predict variability on annualized future performance.

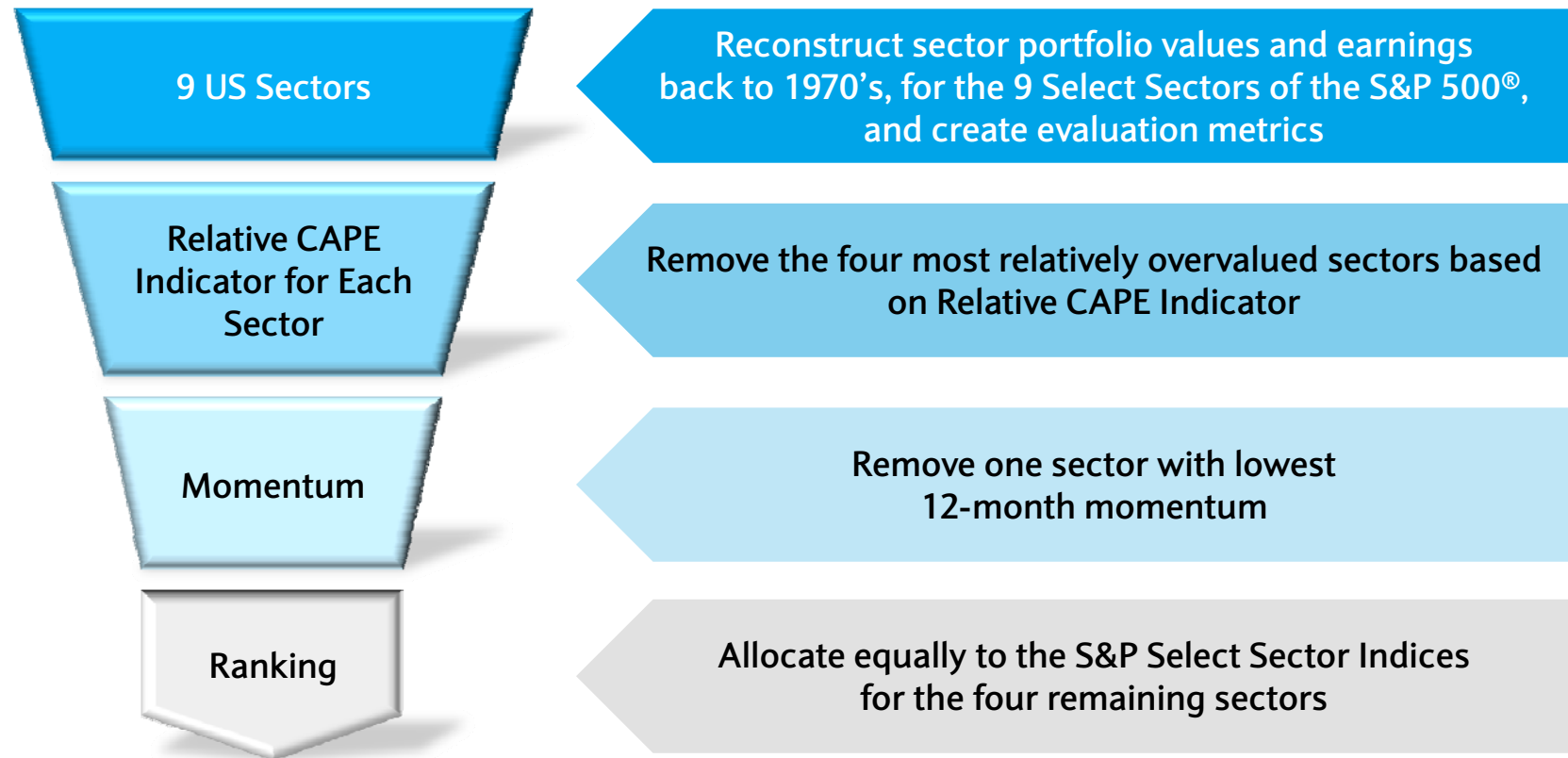
2. Correlation is the term used to describe the historical statistical relationship between two or more quantities or variables. Perfectly correlated assets have a correlation coefficient of one, while the correlation coefficient is zero when returns on two assets are completely independent.

Robert Shiller

- American economist, best-selling author, and the Arthur M. Okun Professor of Economics, Professor of Finance, and Fellow at the International Center for Finance at Yale University.
- Co-director of the Behavioral Finance Workshop at the National Bureau of Economic Research since 1991.
- Jointly developed the Standard & Poor's/Case-Shiller Home Price Indices.
- Best-selling author of several economics books.
- Developed the widely-known CAPE ratio, a variation of which is used in the Index



Index Mechanics



Sector selection and rebalancing occurs monthly.

FOR ILLUSTRATIVE PURPOSES ONLY

The CAPE Ratio

The Cyclically Aadjusted PE (CAPE) ratio, “Campbell-Shiller PE(10)”, or “Shiller 10”, seeks to assess long term equity market valuations

$$CAPE^1 = \frac{\text{Inflation-Adjusted Equity Benchmark}}{10\text{-Y moving Average of Inflation-Adjusted Equity Benchmark Earnings}}$$

- Formally defined by Robert Shiller and John Y. Campbell during the 1980s;²
- Became a frequently cited benchmark for long-term equity valuation.
- Forms the basis for the Relative CAPE Indicator used by the Index



1. In its original formulation, the CAPE ratio used the price returns index. In a collaboration between Robert Shiller and Barclays, the CAPE ratio has been modified to account for dividend payments, by referencing the total returns, and the 10-Y dividend-adjusted earnings.

2. Important publications:

John Y. Campbell and Robert J. Shiller, "Stock Prices, Earnings and Expected Dividends," Journal of Finance, 43(3): 661-76, July 1988.

John Y. Campbell and Robert J. Shiller, "Valuation Ratios and the Long-Run Stock Market Outlook," Journal of Portfolio Management, 24(2): 11-26, 1998.

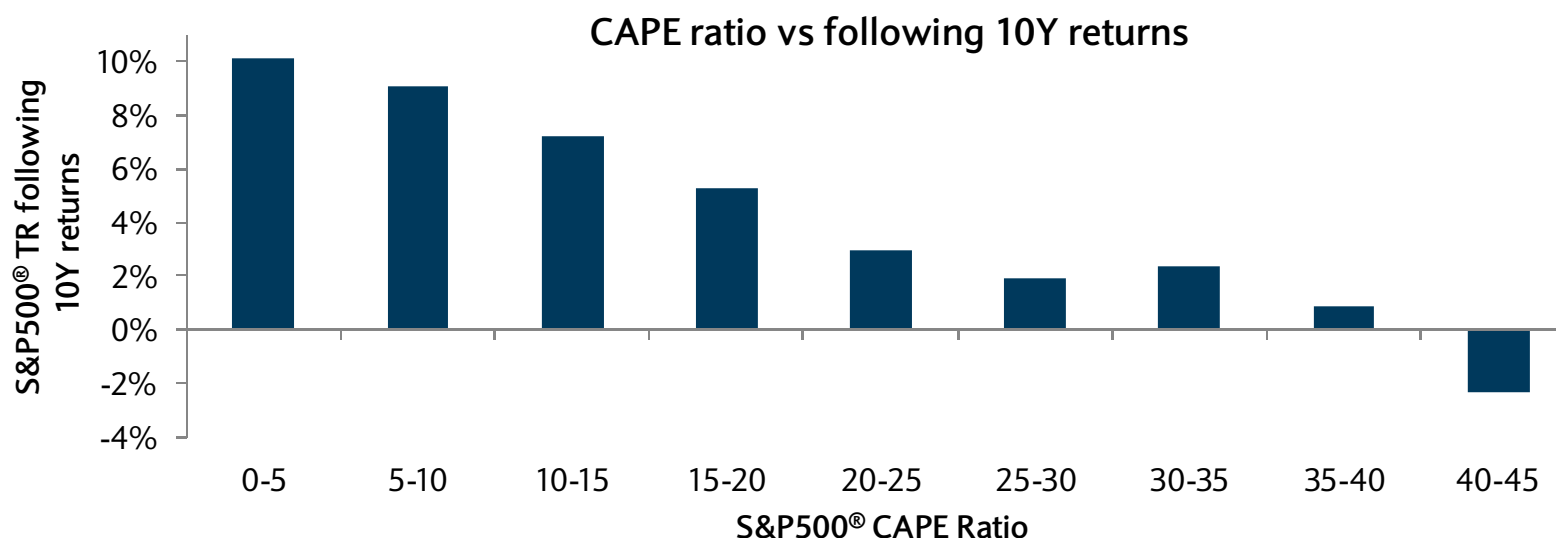
John Y. Campbell and Robert J. Shiller, "Valuation Ratios and the Long-Run Stock Market Outlook: An Update," NBER Working Paper 8221, 2001.

Robert J. Shiller, Irrational Exuberance, Princeton University Press, Princeton, NJ, 2000, 2005.

CAPE Ratio for Value Investing

The CAPE ratio is a frequently cited benchmark to assess long term equity market valuations.

- Uses 10 years of historical data, addressing a classic criticism of price-to-earning ratio for long-term investing, which only relies on only 1-year of data
- Historically, strong inverse relation between the CAPE ratio on the S&P 500® and the long-term S&P 500® returns (i.e. high historical returns when CAPE is low, and vice versa):



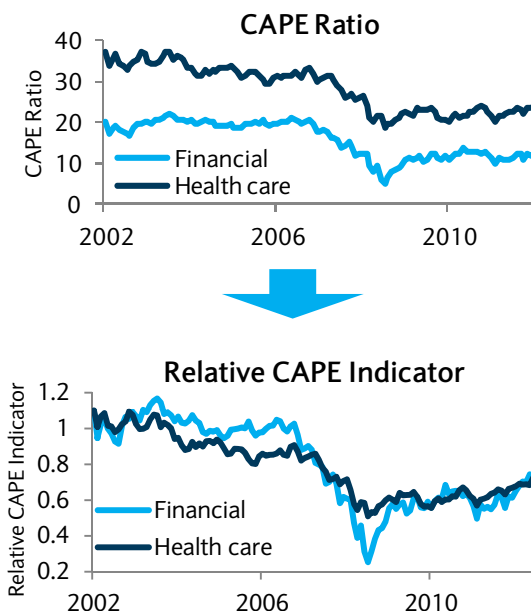
Source: Robert Shiller, Barclays, 8/31/1990-8/30/2013. Past performance is not indicative of future results.

Relative CAPE

The CAPE ratio may be used to compare relative valuation of single equity sectors.

- To account for idiosyncratic differences between sectors, where CAPE ratios have historically been of different magnitudes, a “Relative CAPE” indicator is used by the index:

$$\text{RELATIVE CAPE INDICATOR} = \frac{\text{Current sector CAPE ratio}}{20\text{-Y rolling average of sector CAPE ratio}^1}$$



The Index calculates the Relative CAPE Indicator for the nine US equity sectors in the S&P 500, and the **five most undervalued sectors in the S&P 500** are selected:

- 40 years of S&P Select Sector Indices price and earnings data have been re-created by Barclays Bank PLC to provide such comparison.

Source: Barclays, 9/28/1972-3/30/2013. Past performance is not indicative of future results.

1. The 20 year data entering the average is winsorized (i.e. filtered to exclude extremely high or low data points) at the 5% level, aiming to eliminating extreme events in the history of a sector.

Value Trap and Momentum

The “Value Trap”:

- In general, undervalued stocks have historically outperformed equity benchmarks over the long term¹.
- However, some assets may appear undervalued when their low price is actually due to fundamental or other reasons, and their value might continue to decline (so called “value trap”).

A Price Momentum signal may assist in mitigating this potential issue:

- By discarding sectors with recent negative performance, price momentum seeks to avoid sectors that may fall in value in the short term.

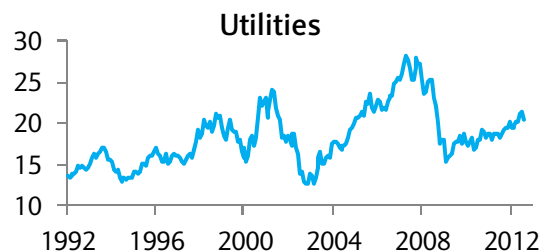
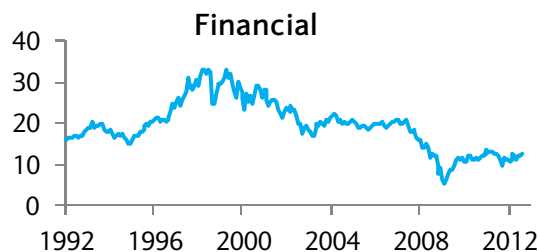
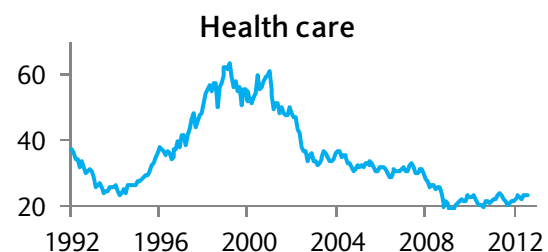
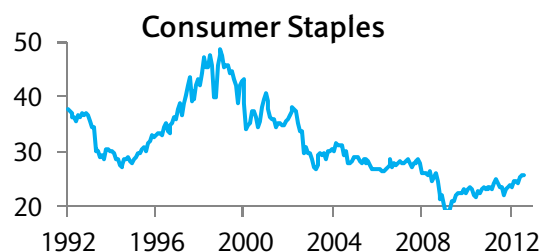
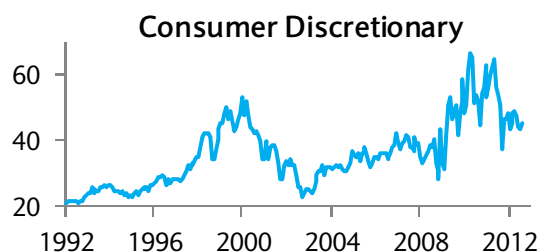
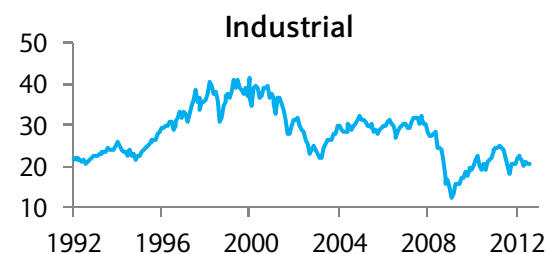
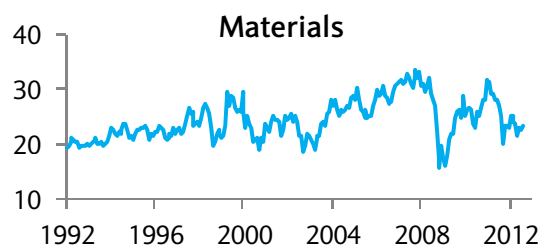
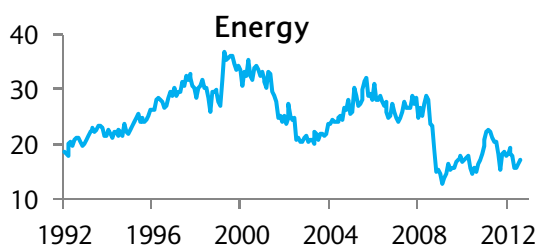
The Index incorporates a momentum factor by:

- Evaluating the trailing 12-month returns of the five most relatively undervalued sectors;
- Discarding from the Index allocation the worst-performing sector.

1. Eugene F. Fama and Kenneth R. French, “The Cross-Section of Expected Stock Returns,” Journal of Finance, 47:2, 427-65, June 1992.

PAST PERFORMANCE NOT INDICATIVE OF FUTURE RESULTS

Sector CAPE Ratios



Source: Barclays, 1/2/1992 – 3/30/2013. **Past performance is not indicative of future results.**

Note: Sector CAPE Ratios are normalized for purposes of the Index by the Relative CAPE Indicator as described on page 9

Selected Risk Considerations

An investment in the ETNs described herein (the “ETNs”) involves risks. Selected risks are summarized here, but we urge you to read the more detailed explanation of risks described under “Risk Factors” in the applicable prospectus supplement and pricing supplement.

You May Lose Some or All of Your Principal: The ETNs are exposed to any decrease in the level of the underlying index between the inception date and the applicable valuation date. Additionally, if the level of the underlying index is insufficient to offset the negative effect of the investor fee and other applicable costs, you will lose some or all of your investment at maturity or upon redemption, even if the value of such index has increased. Because the ETNs are subject to an investor fee and any other applicable costs, the return on the ETNs will always be lower than the total return on a direct investment in the index components.

The ETNs are riskier than ordinary unsecured debt securities and have no principal protection.

Credit of Barclays Bank PLC: The ETNs are unsecured debt obligations of the issuer, Barclays Bank PLC, and are not, either directly or indirectly, an obligation of or guaranteed by any third party. Any payment to be made on the ETNs, including any payment at maturity or upon redemption, depends on the ability of Barclays Bank PLC to satisfy its obligations as they come due. As a result, the actual and perceived creditworthiness of Barclays Bank PLC will affect the market value, if any, of the ETNs prior to maturity or redemption. In addition, in the event Barclays Bank PLC were to default on its obligations, you may not receive any amounts owed to you under the terms of the ETNs.

Issuer Redemption: Barclays Bank PLC will have the right to redeem or “call” the ETNs (in whole but not in part) at its sole discretion and without your consent on any trading day on or after the inception date until and including maturity.

Dynamic Allocation and Strategy Risk: The value of the index will depend upon the success of the index in dynamically allocating among the Sector Indices. The allocation among the Sector Indices is based upon a proprietary index methodology sponsored by Barclays Bank PLC that may not provide outperformance relative to any alternative allocation among the Sector Indices or a diversified portfolio generally, and is made in accordance with pre-defined weightings that may not be optimal.

Market and Volatility Risk: The market value of the ETNs may be influenced by many unpredictable factors and may fluctuate between the date you purchase them and the maturity date or redemption date. You may also sustain a significant loss if you sell your ETNs in the secondary market. Factors that may influence the market value of the ETNs include prevailing market prices of the U.S. stock markets, the index components included in the underlying index, and prevailing market prices of options on such index or any other financial instruments related to such index; and supply and demand for the ETNs, including economic, financial, political, regulatory, geographical or judicial events that affect the level of such index or other financial instruments related to such index.

A Trading Market for the ETNs May Not Develop: Although the ETNs are listed on NYSE Arca, a trading market for the ETNs may not develop and the liquidity of the ETNs may be limited, as we are not required to maintain any listing of the ETNs.

No Interest Payments from the ETNs: You may not receive any interest payments on the ETNs.

Restrictions on the Minimum Number of ETNs and Date Restrictions for Redemptions: You must redeem at least 25,000 ETNs at one time in order to exercise your right to redeem your ETNs on any redemption date. You may only redeem your ETNs on a redemption date if we receive a notice of redemption from you by certain dates and times as set forth in the pricing supplement.

Uncertain Tax Treatment: Significant aspects of the tax treatment of the ETNs are uncertain. You should consult your own tax advisor about your own tax situation.

Selected Risk Considerations

Barclays Bank PLC has filed a registration statement (including a prospectus) with the SEC for the offering to which this communication relates. Before you invest, you should read the prospectus and other documents Barclays Bank PLC has filed with the SEC for more complete information about the issuer and this offering. You may get these documents for free by visiting EDGAR on the SEC website at www.sec.gov. Alternatively, Barclays Bank PLC will arrange for Barclays Capital Inc. to send you the prospectus if you request it by calling toll-free 1-888-227-2275 (ext. 2-3430), or you may request a copy from any other dealer participating in the offering.

The ETNs may be sold throughout the day on the exchange through any brokerage account. Commissions may apply and there are tax consequences in the event of sale, redemption or maturity of ETNs.

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