EquityCompass

Visible Investment Strategies

Quality Dividend

- Asset preservation
- Current income
- Income growth

Share Buyback

- Buy signal from corporate insiders
- Focused objective
- Portfolio diversification

EquityCompass Strategies
A subsidiary of Stifel Financial Corp.

Visible Investment Strategies

Written By:
Richard E. Cripps, CFA
CIO, Senior Portfolio Manager

History suggests that the aftershocks of large destabilizing events, such as the recent global financial crisis, can be felt for many years, well after the initial upheaval of the crisis. These aftershocks create an environment of slow economic growth, elevated unemployment, and uneven equity returns, which can be both challenging and frustrating for investors.

Currently the global economy remains in turmoil. While the U.S. is almost five years removed from the worst financial crisis since The Great Depression, the recovery has been slow and uneven. Europe is in the midst of its own financial crisis, with fears of widespread contagion. The still unhealed scars of the 2008 financial crisis, and the current uncertain economic environment continue to weigh on confidence, forcing investors to seek safety in the bond market. However, this flight into generational-low yields does not come without a cost — the ability of investors to achieve their long-term financial goals.

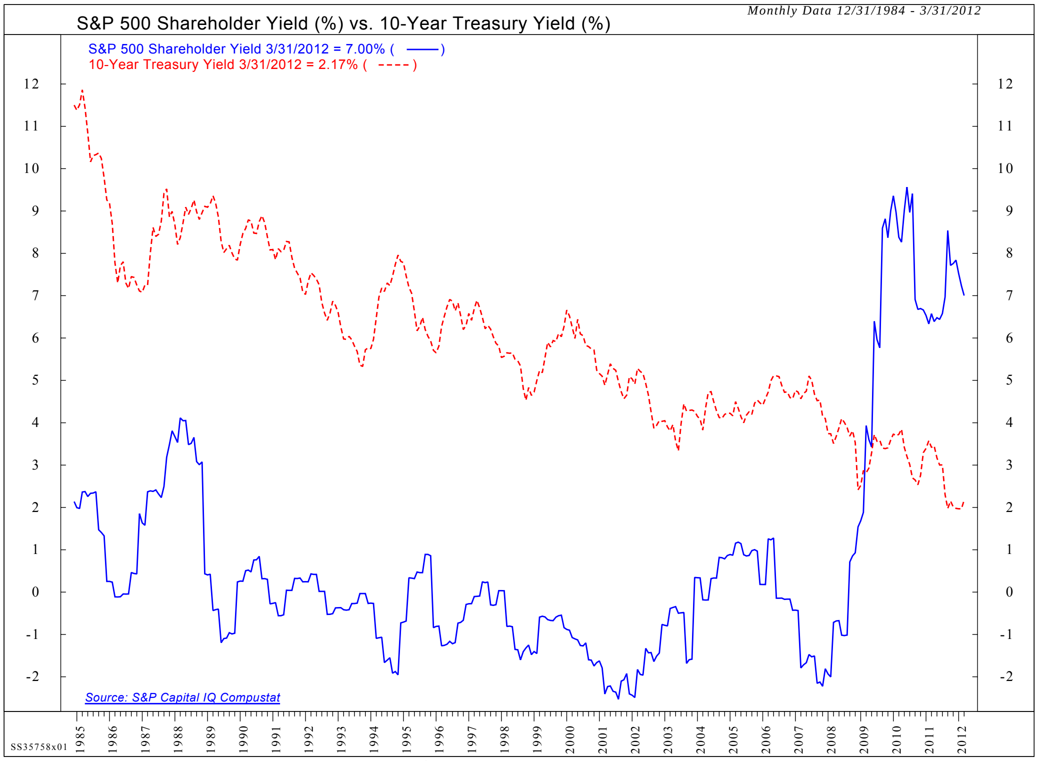
History has also shown that financial crises eventually run their course and that these periods of uncertainty are not without opportunity.

Benefiting During Periods of Uncertainty

Investment uncertainty is reduced if the benefits of investing are visible. Current dividend yield and announced stock buybacks provide visibility that an equity investment is producing material value. We consider these types of investments as visible return strategies and the current financial strength and desire of corporations to deliver value to shareholders make these approaches attractive.

S&P 500 Shareholder Yield (%) vs. 10-Year Treasury Yield (%)

Dec. 31, 1984 - Mar. 31, 2012 | Source: Ned Davis Research



Shareholder Yield:
A company's cash dividends, share repurchases and change in net debt as a percentage of current market value. The shareholder yield of S&P 500 companies stood at 7.0% at the end of the first quarter, compared to an average of 0.8% since 1985. This extraordinarily high level reflects depressed stock prices relative to the robust health of the corporate sector in generating profits and cash flow to provide these tangible benefits.

Reduced Confidence

Just as investor confidence has been diminished by the financial crisis, so too has that of corporate America as reflected in the significant buildup of cash on balance sheets. This can provide increased benefits to shareholders as corporations look to disperse this capital in four different ways: (1) reinvested back into business through capital expenditures, mergers & acquisitions, and internal expansion, (2) debt reduction, (3) dividends, and (4) share repurchase. With an uncertain economic outlook and cheap financing, we believe corporations are likely to focus on dividends and share repurchase.

Investing in Dividends

During times of uncertainty, investors have historically turned to the safety of U.S. Treasuries. But is that the right thing to do this time around? The tangible benefits of bonds are the interest or coupon payment and the promise of principal repayment. With the current yield of 10-year Treasury bonds around 2%, and inflation averaging around 3%, investors are actually settling for a negative real rate of return. Comparing the bond yield of 2% versus the S&P 500 shareholder yield of 7% provides a stark, and we believe, compelling case for stocks versus bonds.

The current dividend yield for the S&P 500 and the yield for a 10-year Treasury bond are almost identical, while 40% of the stocks in the index are yielding more than the 10-year Treasury. However, the difference is that dividends have the potential to grow and offset an increase in inflation. While dividends may not grow as fast as the 7.5% per annum of the last 10 years (which includes the nearly 30% decline in dividends from the financial crisis), even a 4% annual growth would provide 20% more income over the 10 years than the fixed rate of the Treasury bond.

The **EquityCompass Quality Dividend Strategy** focuses on high quality and higher yielding stocks (75% in S&P 500). The current dividend yield is 4.65% and assuming a 4% dividend growth, 10 year cumulative income would be almost 300% higher than the current 1.9% yield of the 10-year Treasury. The strategy is available as a Separately Managed Account at Stifel Nicolaus.

EquityCompass Share Buyback Index

Nov. 7, 2011 - Apr. 20, 2012 | Source: EquityCompass Strategies

Investing in Share Repurchases

Companies have spent more on share repurchases than dividends for the last 15 years. However, investing to benefit directly from share repurchases can be difficult. Evidence of long-term value creation through share repurchase is inconclusive at best. However, based on our study of over 10,000 buyback announcements from 1997 to 2010, we have identified a compelling, short-term window of opportunity to capture excess returns in the months following the buyback announcement. In November 2011, we collaborated with Barclays Capital to sponsor the EquityCompass Share Buyback Index (Bloomberg: EQCOMPBB)[1]. The Index seeks to capture returns that may be available from investing in a risk-managed, rules-driven portfolio of 30 U.S. stocks with the most significant share buyback announcements in the previous three months and which meet other liquidity and size requirements. Investors can invest in a **Medium-Term Note issued by Barclays PLC** that tracks the Index and is available exclusively via Stifel Nicolaus.

While stock prices as measured by the S&P 500 index are near levels of 12 years ago, cash dividends are 150% higher, share repurchases are 250% higher, and S&P 500 companies have reduced debt by $350 billion in the last year.

Visible Return Strategies

Separately or together, we believe a direct focus on dividends and stock buybacks offer investors a viable and visible approach to investing. Various portfolio combinations of dividend and stock buyback can produce a broader portfolio with attractive risk/reward characteristics as well as current income. To learn more about these strategies, please contact your Stifel Nicolaus Financial Advisor.

(1) Current value and historical performance also available at Barclays Indices website. Go to http://www.barcap.com/indices and search for EquityCompass Share Buyback Index.

Quality Dividend Portfolio

U.S. Equity

Seeks to provide capital preservation and generate attractive current income and long-term capital appreciation by efficiently managing a focused and diversified portfolio of high quality higher-dividend paying stocks.

Portfolio Manager's Commentary

- There was one change to the Quality Dividend Strategy in the 1Q — Diebold (DBD) was removed and replaced with CA Inc. (CA).
- By the end of the first quarter, 11 of the stocks in the Strategy had raised dividends for 2012, with the increases averaging 5.8%, excluding the 400% increase announced by CA Inc. (CA).
- At the end of March, the Strategy had a yield of 4.65%. The average beta of the stocks in the Strategy was 0.64. The average market-cap in the Strategy was approximately $67 billion. We estimate the average payout ratio for 2012 is 56%, and the average P/E ratio for the Strategy is 12.6x. It should be noted that the Strategy is more undervalued relative to the market than at any time over the past 12 months.
- For the first quarter of 2012, the Quality Dividend Strategy was up approximately 2.3% versus the S&P 500, which rose 12.6% in the quarter. We would attribute most of this underperformance to rotation by investors out of lower risk assets into riskier trades. In order to provide the desired level of income, 64% of the Quality Dividend Strategy is invested in four sectors: Health Care, Telecommunications, Energy and Utilities which underperformed the market in the first quarter. Over a longer period of time, the Quality Dividend performance is more respectable. For example, for one year ended in March 31, 2012, the strategy was up 11.66% gross of fees compared with the S&P 500, which was up 8.54% including dividends.

Highlights

- Focused portfolio with equal-weight positions in 25 high-quality, high-yielding stocks that seek to provide the highest possible dividend yield within the constraints of quality, capital preservation and diversification
  - Average yield of portfolio constituents was 4.7% as of 3/31/12 compared to 2.0% for the S&P 500 and 2.0% for 10-year Treasuries
- Diversified across industries with a maximum sector exposure of 20%
- Investment process combines quantitative and qualitative approaches
  - Quantitative model selects portfolio candidates based on the following criteria: quality, momentum, valuation and timeliness
  - Portfolio manager provides insights that leverage fundamental research
- Strategy has three goals:
  (1) provide asset preservation, (2) generate current income, and (3) develop growth in current income

Investment Process

1 Universe Definition

3,000+ U.S. stocks under coverage

2 Stock Selection

Quantitative Models
- Over-/Underreaction
- Momentum
- Valuation
- Quality

Qualitative Overlay
- Fundamental research
- Portfolio Manager's experience

→ Portfolio Candidates

High-yielding, high-quality, underpriced stocks with favorable momentum and valuation characteristics

3 Portfolio Construction

High dividend yield
Risk management
Maximize expected returns

→ Quality Dividend Portfolio Strategy

Equal weight positions in 25 stocks

Maximum allocation to a single sector limited to 20%

4 Portfolio Management

Adherence to portfolio objectives
Risk monitoring
Low turnover
Tax efficiency

→ Portfolio Manager's oversight

Periodic rebalancing

General Info:

How to Invest:

Please contact a Stifel Nicolaus Financial Advisor

Minimum Initial Investment: $50,000

Inception: January 2006

Key Portfolio Statistics:

Represents Weighted Averages

Number of Holdings	25
Market Cap ($Billion)	$67.0
Annual Dividend Yield	4.7%
Price / Earnings (12-Month Forward)	12.6
Beta	0.6
Est. Payout Ratio - 2012	56.5%
Moody's Debt Rating	100% Investment Grade
Dividend Growth - 2011	7.8%

Sector Allocation:

Health Care	20%
Telecommunication Services	16%
Utilities	16%
Consumer Staples	16%
Energy	12%
Financials	8%
Industrials	8%
Information Technology	4%

Current Portfolio Holdings:

Symbol	Company Name	Yield
CTL	CenturyLink Inc.	7.50%
SNH	Senior Housing Pptys. Trust	6.89%
AZN	AstraZeneca PLC ADS	6.29%
T	AT&T Inc.	5.64%
HCN	Health Care REIT Inc.	5.39%
BCE	BCE Inc.	5.37%
VZ	Verizon Communications Inc.	5.23%
GSK	GlaxoSmithKline PLC ADS	5.02%
TE	TECO Energy Inc.	5.01%
TOT	Total S.A. ADS	5.00%
AEP	American Electric Pwr. Inc.	4.87%
PGN	Progress Energy Inc.	4.67%
LMT	Lockheed Martin Corp.	4.45%
SO	Southern Co.	4.21%
RDSA	Royal Dutch Shell PLC (Cl A)	4.07%
WM	Waste Management Inc.	4.06%
KMB	Kimberly-Clark Corp.	4.01%
PFE	Pfizer Inc.	3.89%
CAG	ConAgra Foods Inc.	3.66%
CA	CA Inc.	3.63%
HNZ	H.J. Heinz Co.	3.59%
PM	Philip Morris Int'l. Inc.	3.48%
COP	ConocoPhillips	3.47%
JNJ	Johnson & Johnson	3.46%
ABT	Abbott Laboratories	3.33%
	Average	4.65%

For illustrative purposes only and not intended as personalized recommendations. Holdings are subject to change.

Share Buyback Strategy

Alternative Strategies

Seeks to systematically exploit the investment returns associated with share buyback announcements

Investment Strategy

- Construct a rules-based portfolio that holds equally-weighted positions in 30 stocks based on the recency and significance of the buyback announcement in the previous three months.
- Actively manage the portfolio in an attempt to optimize exposure to drivers of excess return.
- Incorporate portfolio management techniques to manage portfolio risks and to mitigate potential market impact while maintaining focus on drivers of alpha generation.

Highlights

Investing in buybacks present a tantalizing opportunity in today's investment environment

- Like cash dividends, stock buybacks are a tangible method of delivering benefits to shareholders. Given the relatively strong financial condition of corporate balance sheets and depressed stock prices, stock buybacks are expected to remain a significant capital market activity.

Unique Approach

- The EquityCompass approach seeks to capture the short-term excess returns associated with share repurchase announcements. Research in our whitepaper demonstrates that this approach is much more reliable than those based on longer-term outperformance or buyback completions.

Actively-managed portfolio that seeks to balance risk/reward trade-off

- Reconstituted and rebalanced monthly to seek to optimize exposure to drivers of excess return.
- Seeks to control individual security exposure. Portfolio holds equal-weighted positions in an optimized number of stocks.
- Imposes size and liquidity constraints to reduce the bias to small-cap companies.
- Minimizing market impact is a major consideration during portfolio constitution and ongoing management.

Investment Process

1 Initial Universe Definition

Stocks that are

(a) part of Russell 3000 Index

(b) traded on at least one major U.S. stock exchange

2 Eligible Universe

Stocks of companies have made at least one buyback announcement in the previous three months and with a minimum market capitalization of $500 m and an annual trading volume of 15 million shares constitute the eligible universe

3 Stock Selection

The eligible Universe is ranked based on two factors:

(1) significance of buyback announcement value

(2) number of days since announcement

4 Portfolio Selection

Thirty stocks from the eligible universe with the highest ranks are then selected to form the portfolio

5 Portfolio Management

Portfolio is reconstituted and rebalanced monthly based on the rule-set described above

EquityCompass Share Buyback Index:

Tracks the performance of the Share Buyback Portfolio. The index is calculated, maintained and published by Barclays Capital.

Daily index levels are available at:

1) **www.barcap.com/indices**

go to Equity / Enhanced Beta / EquityCompass Buyback

2) **Bloomberg**

under symbol EQCOMPBB

How to Invest:

Available as a Medium-Term Note issued by Barclays Capital and available exclusively via Stifel Nicolaus

Please contact a Stifel Nicolaus Financial Advisor for more details

Current Portfolio Holdings:

Symbol	Company Name
AXP	American Express Co.
AAPL	Apple Inc.
AMAT	Applied Materials Inc.
AN	AutoNation Inc.
AZO	AutoZone Inc.
BK	Bank of New York Mellon Cp./The
CNO	CNO Financial Group Inc.
CMA	Comerica Inc.
DHX	Dice Holdings Inc.
DDS	Dillard's Inc.
DTV	DIRECTV
DFS	Discover Financial Services
DY	Dycom Industries Inc.
FFG	FBL Financial Group Inc.
FIS	Fidelity Nat'l. Info. Svcs. Inc.
GPS	Gap Inc/The
HBAN	Huntington Bancshares Inc./OH
JAH	Jarden Corp.
JPM	JPMorgan Chase & Co.
KEY	KeyCorp
MPC	Marathon Petroleum Cp.
MENT	Mentor Graphics Cp.
PMCS	PMC - Sierra Inc.
RHT	Red Hat Inc.
STT	State Street Cp.
TXRH	Texas Roadhouse Inc.
TIBX	TIBCO Software Inc.
TWC	Time Warner Cable Inc.
WTW	Weight Watchers Int'l. Inc.
XL	XL Group Plc

For illustrative purposes only and not intended as personalized recommendations. Holdings are subject to change.

Available on the Stifel Nicolaus platform as separately managed accounts since 2005

Strategies are based on fundamental, technical, and behavioral insights evolving from the empirical research conducted by EquityCompass professionals since 2001.

We follow a rules-based investment process that helps minimize the subjective biases that can compromise traditional managers' investment decisions.

We use quantitative models for stock selection, portfolio construction, and risk management. The quantitative approach helps evaluate more information on a much wider universe of stocks with remarkable efficiency and consistency when compared to the traditional approach.

The investment team collaborates to leverage ideas, research, and expertise to develop the investment decision making process for all strategies.

For updated performance and portfolio statistics, contact a Stifel Nicolaus Financial Advisor.

Portfolios & Products

- **Tactical Total Core**
- **Tactical Total Core-Municipal**
- **Tactical Core Equity**
- **Quality Dividend**
- **Research Opportunity**
- **Select Quality**
- **Socially Responsible Select Quality**
- **Equity Risk Manager**
- **Share Buyback**

Investment Portfolios & Products	Inception	Description
Global Asset Allocation		
Tactical Total Core (TTC) **Tactical Total Core - Municipal (MTTC)**	June 2009 December 2009	Stock/bond strategy that seeks to effectively capture market returns while minimizing volatility. With MTTC, the fixed income component is allocated to municipal bond ETFs and closed-end funds.
Global Equity		
Tactical Core Equity (TCE)	May 2011	Risk-managed equity portfolio that seeks to achieve returns in excess of the stock market returns while minimizing volatility.
U.S. Equity		
Quality Dividend (QDIV)	January 2006	Diversified strategy of 25 high-quality, high-yielding stocks that integrates quantitative and qualitative approaches.
Research Opportunity (ROPP)	January 2006	Integrates insights from Stifel's award-winning equity research and EquityCompass' quantitative investment process.
Select Quality (SQLT)	January 2006	Sector balanced strategy investing in high quality, underpriced stocks with favorable value and price momentum characteristics.
Socially Responsible Select Quality (SRS)	June 2007	Sector balanced strategy investing in high quality, underpriced stocks with favorable value and price momentum characteristics. Stock selection is constrained by social criteria developed and monitored by RiskMetrics Group.
Alternative Strategies		
Equity Risk Manager (ERM)	June 2009	Rules-based tactical asset allocation strategy designed to reduce portfolio risk without curtailing the upside.
Share Buyback	November 2011	Seeks to systematically exploit the investment returns associated with share buyback announcements.

Important Disclosures

EquityCompass Overview:

The information contained herein has been prepared from sources believed to be reliable but is not guaranteed and is not a complete summary or statement of all available data nor is it considered an offer to buy or sell any securities referred to herein. EquityCompass Strategies is a research and investment advisory unit of Choice Financial Partners, Inc., a wholly owned subsidiary and affiliated SEC registered investment adviser of Stifel Financial Corp. Choice Financial Partners does not manage actual client portfolios; rather, portfolios based on EquityCompass Strategies are available exclusively through Stifel, Nicolaus & Company, Incorporated. For information about Stifel Nicolaus' advisory programs including fee structures, please contact your Financial Advisor to request a copy of the Stifel Nicolaus ADV Part II or equivalent disclosure brochure. Affiliates of EquityCompass Strategies may, at times, release written or oral commentary, technical analysis, or trading strategies that differ from the opinions expressed within. Opinions expressed are subject to change without notice and do not take into account the particular investment objectives, financial situation, or needs of individual investors.

Strategy Specific Risks:

Any investment involves risks, including a possible loss of principal. Small company stocks are typically more volatile and carry additional risks, since smaller companies generally are not as well established as larger companies. The market risk associated with small-cap and mid-cap stocks is generally greater than that associated with large-cap stocks because small-cap and mid-cap stocks tend to experience sharper price fluctuations than large-cap stocks, particularly during bear markets. Due to their narrow focus, sector-based investments typically exhibit greater volatility and are generally associated with a high degree of risk.

Index Descriptions:

The S&P 500 Index is a broad market index that tracks the performance of 500 leading stocks from major industries of the U.S. economy. The index is generally considered representative of the U.S. large capitalization market. The Russell 3000 Index measures the performance of the largest 3000 U.S. companies representing approximately 98% of the investable U.S. equity market. Indices are unmanaged, and it is not possible to invest directly in the index.

General Disclaimer on Performance Information:

The holdings list presented in these materials is for illustrative purposes only and is not intended as a personalized recommendation to a particular investor, nor is it intended as a guarantee of the success of the listed positions. All performance results presented are done solely for educational and illustrative purposes and are not intended for trading, or to be considered investment advice. No representation is made that any Strategy, model or model mix will achieve results similar to those shown in these materials. PAST PERFORMANCE CANNOT AND SHOULD NOT BE VIEWED AS AN INDICATOR OF FUTURE PERFORMANCE.

Additional Information Available Upon Request

EquityCompass Strategies
501 North Broadway
Saint Louis, MO 63102
www.equitycompass.com
Choice Financial Partners, Inc.
A subsidiary of Stifel Financial

EQUITYCOMPASS SHARE BUYBACK INDEX

What is the Purpose of the Index?

The EquityCompass Share Buyback Index seeks to systematically capture the returns that may be available from taking a long position in a basket of stocks that are the subject of recent buyback announcements. The basket of stocks is selected pursuant to the EquityCompass Share BuyBack Strategy (the "Strategy") and the trading restriction filter and concentration procedures described below under "How Might Stocks Included in the Index Differ from the Stocks Selected by the EquityCompass Buyback Strategy in any Month?".

What is the EquityCompass Buyback Strategy?

The EquityCompass Buyback Strategy, which is maintained by EquityCompass Strategies, a unit of Choice Financial Partners, Inc., (the "Index Selection Agent") a wholly-owned subsidiary and affiliated SEC-registered investment adviser of Stifel Financial Corp., and an affiliate of Stifel, Nicolaus & Company, Incorporated. The Strategy selects a portfolio of stocks of up to 30 companies with the most significant share buyback announcements, based on the stated dollar value and stated share buyback quantity, in the prior three months.

What is the Premise of the EquityCompass Buyback Strategy?

The Strategy is based on the premise that stocks of companies that announce share buybacks may perform well because buyback announcements may be a signal to the market that the company's management believes that the company's shares are undervalued.

How Might the Stocks Included in the Index Differ From the Stocks Selected by the EquityCompass Buyback Strategy in any Month?

If the index sponsor determines that any of the stocks selected by the Strategy in any month are stocks that the index sponsor or any of its affiliates would be precluded from purchasing or selling because such stock is on the index sponsor's firmwide restricted list due to legal or regulatory considerations, then the index sponsor may remove that stock from the basket and replace it with a "deemed index component". The index sponsor may also use deemed index components to ensure that there are at least 20 stocks in the basket at any time and to ensure that the concentration of the Index in certain numbers individual stocks (by dollar weight) will not exceed certain prescribed thresholds.

"Deemed index components" will be selected from a group of ETFs that track a broad-based equity index, including, among others, the SPDR® S&P 500 ETF Trust, the iShares S&P 500 Index Fund and the iShares Russell 1000 Index Fund.

What is the Role of Barclays Capital?

Barclays Capital, a division of Barclays Bank PLC is the index sponsor of the Index. The index sponsor is responsible for calculating, maintaining and publishing the Index.

How are the Stocks Included in the EquityCompass Share Buyback Index Selected Each Month?*

Step 1

- Stock must be part of 1. Russell 3000® Index and 2. traded on at least one major U.S. stock exchange.

Step 2

- Index Selection Agent creates a list of stocks of companies that have made at least one buyback announcement in the last three months.

Step 3

- Company making the buyback announcement should have a minimum Market Capitalisation of $500 million and an Annual Trading Volume of 15 million shares.

Step 4

- Fourth, the eligible universe is ranked according to two factors: (a) significance of buyback announcement value and (b) number of days between the announcement date of the share buyback and the index portfolio constitution date.

Step 5

- The average rank and a composite rank are determined for each stock. The average rank is the average of (a) the stock's significance rank and (b) the stock's number of days rank with stocks having the shortest period of time since the buyback announcement being ranked the highest. The composite rank is a percentile obtained by dividing the average rank of such stock by the total number of stocks within the eligible universe.

Stock 1
Stock 2
…..
Stock 30

- If more than 30 companies remain, then companies not ranked in the top 30 according to their respective composite ranks will be excluded.

Who Is the Index Sponsor?

Barclays Capital will serve as index sponsor for the Index. Barclays Capital's index platform was established in 1973. Currently, there is in excess of $6 trillion in assets benchmarked against Barclays Capital Indices globally.[2] Global investors evaluate performance against Barclays Capital benchmarks and use index data to measure broad-market and sector-specific returns and risk characteristics and track security-level pricing data and analytics on more than 70,000 index eligible securities.[2]

Where can I find Information on the EquityCompass Share Buyback Index?

Barclays Capital calculates the level of the EquityCompass Share Buyback Index on each index calculation day and publishes the index level on the EquityCompass Share Buyback Index page at www.barcap.com/indices. The EquityCompass Share Buyback Index is also reported on Bloomberg under the ticker symbol "EQCOMPBB <Index>".

Who is Barclays Bank?

Barclays is a major global financial services provider engaged in retail banking, credit cards, corporate and investment banking and wealth management with an extensive international presence in Europe, the Americas, Africa and Asia. With over 300 years of history and expertise in banking, Barclays operates in over 50 countries and employs over 145,000 people. Barclays moves, lends, invests and protects money for customers and clients worldwide.

> The Strategy is based on the premise that buyback announcements may be a signal to the market that the company's management believes that the company's shares are undervalued.

* For a description of additional steps not shown in this graphic that will be taken in selecting the stocks of the Index, please see "How Might Stocks Included in the Index Differ from the Stocks Selected by the EquityCompass Buyback Strategy in any Month?" above.

2 Source Barclays Capital, 2011.

Select Risk Considerations:

You should carefully consider, among many things, the "Risk Factors" section in the applicable offering document.

The Level of the Index will Depend upon the Success of the EquityCompass Share Buyback Strategy:

The Index is based on the EquityCompass Share Buyback Strategy, which seeks to capture the returns that may be available from investing in a selected basket of stocks of up to 30 companies with the most significant share buyback announcements in the three months prior to the relevant index portfolio constitution date and which meet other eligibility requirements. The EquityCompass Share Buyback Strategy is based on the premise that stocks of companies that announce share buybacks will perform well because share buybacks are a signal to the market that the management of a company believes the company's shares are undervalued. This positive signal to the market may cause the value of the shares to rise after the share buyback announcement. However, the announcement of a share buyback within the relevant three month period and other selection criteria used by the EquityCompass Share Buyback Strategy may not be accurate predictors of future share performance. If the EquityCompass Share Buyback Strategy selects stocks that subsequently decline in value, the level of the Index will decline, which will have an adverse effect on the value of any products linked to the EquityCompass Share Buyback Index (the "Products").

Credit of the Issuer:

The Products, if and when issued, will be unsecured obligations of the issuer of such Products and will not be, either directly or indirectly, an obligation of any third party. Any payment to be made on the Products depends on the ability of the issuer of such Products to satisfy its obligations as they come due. As a result, the value of Products may be affected by changes in the perceived or actual creditworthiness of the issuer of such Products, and, in the event the issuer of such Products were to default on its obligations, you may not receive the amounts owed to you under the terms of such Products.

Your Own Evaluation of the Merits:

In connection with any purchase of Products, you should consult your own financial, tax and legal advisors as to the risks involved in an investment in the Products and not rely on Barclays' or the issuer or any distributor of such Products' views in any respect. You should make a complete investigation as to the merits of an investment in Products.

Liquidity:

There may be little or no secondary market for Products. Barclays Capital Inc. or the issuer of such Products, as the case may be, may engage in limited purchase and resale transactions. If they do, however, they are not required to do so and may stop at any time, and there may not be a trading market in this product. If the investor sells Products prior to maturity, the investor may have to sell them at a substantial loss. The investor should be willing to hold Products to maturity.

Certain Built-In Costs:

The original issue price of Products includes the agent's commission and the cost of hedging the issuer's obligations under Products through one or more of its affiliates. As a result, assuming no change in market conditions or any other relevant factor, the price, if any, at which Barclays Capital Inc. or the issuer of such Products, as the case may be, will be willing to purchase Products from you in secondary market transactions will likely be lower than the original issue price, and any sale prior to the maturity date could result in a substantial loss to you.

Potential Conflicts of Interests:

Barclays Capital, a division of Barclays Bank PLC, is the index sponsor. The index sponsor is responsible for the composition, calculation and maintenance of the Index. As will be discussed in further detail in the offering documents relating to any Products, the index sponsor has the discretion in a number of circumstances, including upon the occurrence of an index market disruption event or force majeure event, to make judgments and take actions in connection with the composition, calculation and maintenance of the Index, and any such judgments or actions may adversely affect the value of the Products. For example, if there is a lack of liquidity or material decline in the liquidity of an index component, the index sponsor could determine that this is an index market disruption event and make certain adjustments to the Index.

The Index Has Very Limited Historical Information:

The Index was created in November 2011. Because the Index is new and extremely limited historical performance data exists, your investment in the Products may involve a greater risk than investing in alternate securities linked to one or more indices with an established record of performance. A longer history of actual performance may be helpful in providing more reliable information on which to evaluate the validity of the EquityCompass Share Buyback Strategy and the methodology utilized by the Index to select the index components.

Historical Levels of the Index Should not be Taken as an Indication of the Future Performance or Volatility of the Index during the Term of the Products:

It is impossible to predict whether the Index will rise or fall. The level of the Index reflects the performance of a limited number of shares, relative to a broad market indicator. The performance of these shares may be influenced by many unpredictable factors. The actual volatility and performance of the Index over the term of the Products, as well as the amount payable at maturity or upon early redemption, may bear little relation to historical levels of the Index.

EQUITYCOMPASS SHARE BUYBACK INDEX

Barclays Bank PLC has filed a registration statement (including a prospectus) with the SEC for offerings of the Products. Before you invest, you should read the prospectus dated August 31, 2010, the relevant prospectus supplement relating to the securities, and other documents Barclays Bank PLC has filed with the SEC for more complete information about Barclays Bank PLC and the offerings identified above. Buyers should rely upon the prospectus, the relevant prospectus supplement, and any relevant free writing prospectus or pricing supplement for complete details (including the risk factors relating to the offering). You may get these documents and other documents Barclays Bank PLC has filed for free by visiting EDGAR on the SEC website at www.sec.gov. Alternatively, Barclays Capital Inc., Barclays Wealth or any agent or dealer participating in this offering will arrange to send you the prospectus, prospectus supplement, any final pricing supplement and any free writing prospectus, if you request it by calling your Barclays Capital Inc. or Barclays Wealth sales representative, such dealer or 1-888-227-2275 (Extension 2-3430). A copy of the prospectus may be obtained from Barclays Capital Inc., 745 Seventh Avenue - Attn: US InvSol Support, New York, NY 10019.

The following disclaimer shall be applicable to the use of this presentation other than in connection with an SEC-registered offering of any securities:

This presentation has been prepared by Barclays Capital, the investment banking division of Barclays Bank PLC (''Barclays''), for informational purposes only and without regard to the particular needs of any specific recipient. All information is indicative only and may be amended, superseded or replaced by subsequent summaries and should not be considered as any advice whatsoever, including without limitation, legal, business, tax or other advice by Barclays. The final terms and conditions of any transaction will be set out in full in the binding transaction document(s).

This presentation shall not constitute an underwriting commitment, an offer of financing, an offer to sell, or the solicitation of an offer to buy any securities, financial products or investments (collectively, the "Products"), which shall be subject to Barclays' internal approvals. Any offer of sale of any Product may only be made pursuant to final offering documentation and binding transaction documents and is subject to the detailed provisions, including risk considerations, contained therein. No transaction or service related thereto is contemplated without Barclays' subsequent formal agreement. Barclays is acting solely as principal and not as advisor or fiduciary and is not providing any investment advice or recommendations of any kind. Accordingly, you must independently determine, with your own advisors, the appropriateness for you of any Product. Neither Barclays nor any affiliate assumes any fiduciary responsibility or accepts any related liability for any consequences, including consequential losses, arising from the use of this document or reliance on the information contained herein. Barclays does not guarantee the accuracy or completeness of, and provides no assurances with respect to, information which is contained in this document and which is stated to have been obtained from or is based upon trade and statistical services or other third party sources.

Products of the type described in this presentation may involve a high degree of risk and the value of such Products may be highly volatile. Such risks include, without limitation, risk of adverse or unanticipated market developments, risk of counterparty or issuer default, risk of adverse events involving any underlying reference obligation or entity and risk of illiquidity. Prior to transacting, you should ensure that you fully understand (either on your own or through the use of independent expert advisors) the terms of the transaction and any legal, tax and accounting considerations applicable to you. Barclays and its affiliates do not provide tax advice and nothing contained in the materials available on this page should be construed to be tax advice. Please be advised that any discussion of US tax matters contained in such materials (i) is not intended or written to be used and cannot be used by you for the purpose of avoiding US tax-related penalties and (ii) is written to support the promotion or marketing of the transactions, the Products, or other matters addressed herein. Accordingly you should seek advice based on your particular circumstances from an independent tax advisor.

The indices referenced in this document that are not in any way affiliated with the Barclays Group and the owners of those indices and their affiliates take no responsibility for any of the content within this document. This document is not sponsored, endorsed, or promoted by any of these entities or their affiliates and none of these entities make any representation or warranty, express or implied, to any member of the public regarding the accuracy of the information cited in this document.

THESE MATERIALS DO NOT DISCLOSE ALL THE RISKS AND OTHER SIGNIFICANT ISSUES RELATED TO THE PRODUCTS. PRIOR TO TRANSACTING, POTENTIAL INVESTORS SHOULD ENSURE THAT THEY FULLY UNDERSTAND THE TERMS OF THE PRODUCT AND ANY APPLICABLE RISKS.

CSNY400572 v3