

Impartial Lottery Allocation System for Callable Securities

Barclays Capital Inc. (BCI) is a member of Financial Industry Regulatory Authority (FINRA) and the New York Stock Exchange (NYSE) and is subject to their rules. From time to time, customers of BCI may hold in their accounts securities that can be redeemed (called) either in full or partially prior to the stated maturity date, either in accordance with the terms of the specific securities' indenture or otherwise in accordance with their terms (hereinafter referred to collectively as "callable securities").

In connection with callable securities called in part, but not in whole, BCI uses an impartial lottery allocation system to establish a fair and impartial allocation of partially redeemed or called securities in accordance with the provisions and rules of FINRA and the NYSE.

When a partial call is announced, BCI will be notified of the details of the partial call by its depository, the Depository Trust & Clearing Corporation (DTCC), through its vendor Broadridge Financial Solutions (Broadridge). Notice may also be provided to BCI by its relevant custodian or sub-custodian. The notice will include the quantity of securities that BCI and/or its customers are holding that are subject to the call. Once BCI receives notification of our allocated portion of the partial call, Broadridge will systemically determine whether the call is favorable or unfavorable based on a comparison between the call price and market price. In accordance with FINRA Rule 4340, when a partial call is favorable, no securities will be called in any account in which BCI, its officers, or employees have a beneficial interest until the partial call for the callable security is satisfied first from customer-held positions on an impartial allocation basis. If the call is deemed to be unfavorable, all accounts, including BCI, its officers, employees and affiliates will be subject to the subsequent lottery. If there is a remaining allocation, then firm and employee accounts will then become eligible for the lottery.

Once the favorability of the call is determined, BCI, through Broadridge, facilitates the random lottery process to select eligible accounts for the partial call redemption. A random start and jump number are executed at the beginning of the lottery to ensure the process is impartial, fair and consistent with the call allocation. If a favorable call cannot be satisfied from client accounts, only then will the system include firm accounts to complete the call. An account may not be called or can be called in full or in part depending on the allocation from the depository. When the call has ended for each called security, Broadridge will notify BCI of the called accounts/quantity.

For additional information, please contact your BCI representative.