



Investors Exchange Product Information Circular 2016 - 0107

Date: August 31, 2016

Re: iPath US Treasury 5-year Bull Exchange Traded Notes

Investors Exchange LLC commenced operating as a national securities exchange on August 19, 2016 followed by a two-week security-by-security phase-in period. This Information Circular is being issued to advise you that the following security has been approved for trading pursuant to unlisted trading privileges (“UTP”) on the Exchange as UTP Derivative Securities pursuant to IEX Rule 16.160, and will begin trading on IEX during the phase-in period. See [the Exchange's Website](#) for the phase-in schedule.

<u>Security (“Notes”)</u>	<u>Symbol</u>
iPath US Treasury 5-year Bull Exchange Traded Notes	DFVL

Issuer/Trust: Barclays Bank PLC

Issuer Website: www.ipathetn.com

Primary Listing Exchange: NYSE Arca

Primary Exchange Circular: RB-11-93 (July 12, 2011)

Registration Statement: No. 333-169119

The purpose of this information circular is to outline various rules and policies that will be applicable to trading in this new product on the Exchange, as well as to provide certain characteristics and features of the Notes.

Background Information on the Notes

Barclays Bank PLC (the “Issuer”) has issued iPath Exchange Traded Notes (“ETNs” or “Notes”) linked to the performance of the Barclays Capital 5Y US Treasury Futures Targeted Exposure Index (the “Index”). The Notes were priced at \$50. The ETNs do not pay any interest during their term and do not guarantee any return of principal at maturity or upon redemption.

The return on the ETNs is linked to the performance of the Index. The Index seeks to produce returns that track movements in response to an increase or decrease, as applicable, in the yields available to investors purchasing 5-year U.S. Treasury notes (“5-year Treasury notes”). Specifically, the level of the Index is designed to increase in response to a decrease in 5-year Treasury note yields and to decrease in response to an increase in 5-year Treasury note yields. To accomplish this objective, the performance of the Index tracks the returns of a notional investment in a weighted “long” position in relation to 5-year Treasury futures contracts, as traded on the Chicago Board of Trade (the “CBOT”). The Index targets a fixed level of sensitivity to changes in the yield of the current “cheapest-to-deliver” note (“CTD note”) underlying the relevant 5-year Treasury futures contract (the “5-year yield”) at a given point in time. The Index seeks to achieve its target sensitivity through the allocation of a weighting to the relevant 5-year Treasury



futures contract underlying the Index (the “5-year weighting”).

The 5-year weighting is rebalanced on a monthly basis according to the prevailing price of the relevant 5-year Treasury futures contract underlying the Index at the time the weighting is allocated, and the modified duration of the current CTD note underlying the relevant 5-year Treasury futures contract at such time. This monthly rebalancing process seeks to enable the Index to maintain approximately its target level of sensitivity to changes in the 5-year yield throughout the term of the ETNs. Specifically, the 5-year weighting is designed to produce, but is not guaranteed to deliver, a 1.00 point increase in the level of the Index for every 0.01% decrease in the 5-year yield, and a 1.00 point decrease in the level of the Index for every 0.01% increase in the 5-year yield.

Every quarter, the Index maintains its position in relation to the 5-year Treasury futures contracts by rolling from the 5-year Treasury futures contract closest to expiration (the “front Treasury futures contract”) into the next 5-year Treasury futures contract scheduled to expire immediately following the front Treasury futures contract.

This strategy of obtaining exposure to U.S. Treasury yields through an investment linked to Treasury futures contracts is premised on the historical pattern of Treasury futures contracts generally increasing or decreasing in price as a result of a proportional decrease or increase, respectively, in the prevailing yield of the then current CTD note underlying the relevant Treasury futures contract. Specifically, we expect that a decrease in the 5-year yield will generally correspond with a proportional increase in the price of the relevant 5-year Treasury futures contract underlying the Index and, therefore, result in an increase in the Index level. Conversely, we expect that an increase in the 5-year yield will generally correspond with a proportional decrease in the price of the relevant 5-year Treasury futures contract underlying the Index and, therefore, result in a decrease in the Index level. In addition, the Index uses modified duration (as described further herein) to calculate the relative weight of the relevant 5-year Treasury futures contract underlying the Index because modified duration provides a general indication of the relationship between the price and the yield of a particular U.S. Treasury note.

If an investor holds his ETNs to maturity, he will receive a cash payment per ETN equal to the closing indicative note value of the ETNs on the final valuation date for his ETNs.

The closing indicative note value for each ETN on the inception date will equal \$50. On each subsequent calendar day until maturity or redemption, the closing indicative note value for each ETN will equal (1) the closing indicative note value on the immediately preceding calendar day plus (2) the daily index performance amount plus (3) the daily interest minus (4) the daily investor fee; provided that if such calculation results in a negative value, the closing indicative note value will be \$0. If the ETNs undergo a split or reverse split, the closing indicative note value will be adjusted accordingly.

The daily index performance amount for each ETN on the initial valuation date and on any calendar day that is not an index business day will equal \$0. On any other index business day, the daily index performance amount for each ETN will equal (1) the product of (a) the index multiplier times (b) the difference of (i) the closing level of the Index on such index business day minus (ii) the closing level of the index on the immediately preceding index business day minus (2) the index rolling cost on such index business day.

The index multiplier is set at \$0.10.

On any calendar day that is not a roll day, the index rolling cost for each ETN will equal \$0. On any roll day, the index rolling cost for each ETN will equal \$0.005. Roll days occur over three consecutive index business days, commencing three index business days before the last index business day in each of the



months of February, May, August and November in any given year. The net effect of the index rolling cost accumulates over time and is subtracted at the rate of \$0.06 per year, or 0.12% of the principal amount of your ETNs per year.

The daily interest for each ETN on the initial valuation date will equal \$0. On each subsequent calendar day until maturity or redemption, the daily interest for each ETN will equal (1) the closing indicative note value on the immediately preceding calendar day times (2) the T-Bill rate divided by (3) 360.

The T-Bill rate will equal the most recent weekly investment rate for 28-day U.S. Treasury bills effective on the immediately preceding business day in New York City. The weekly investment rate for 28-day U.S. Treasury bills is generally announced by the U.S. Treasury on each Monday; on any Monday that is not a business day in New York City, the rate prevailing on the immediately preceding business day in New York City will apply. The most recent weekly investment rate for 28-day U.S. Treasury bills is published by the U.S. Treasury on <http://www.treasurydirect.gov> and is also available on Bloomberg under the ticker symbol "USB4WIR". The T-Bill rate is expressed as a percentage.

The daily investor fee for each ETN on the initial valuation date will equal \$0. On each subsequent calendar day until maturity or redemption, the daily investor fee for each ETN will equal (1) the closing indicative note value on the immediately preceding calendar day times (2) the fee rate divided by (3) 365. Because the daily investor fee is calculated and subtracted from the closing indicative note value on a daily basis, the net effect of the daily investor fee accumulates over time and is subtracted at the rate of 0.75% per year.

The fee rate for the ETNs is 0.75%.

Please see the prospectus for the Notes for more details regarding the calculations and details regarding the Index.

It is expected that the market value of the Notes will depend substantially on the value of the Index and may be affected by a number of other interrelated factors including, among other things: the general level of interest rates, the volatility of the Index, the time remaining to maturity, the dividend yield of the stocks comprising the Index, and the credit ratings of the Issuer.

Exchange Rules Applicable to Trading in the Notes

Trading in the Shares on IEX is subject to IEX trading rules.

Trading Hours

The value of the Index underlying the Shares will be disseminated to data vendors every 15 seconds during the Regular Trading Session.

The Shares will trade on IEX between 8:00 a.m. and 5:00 p.m. Please note that trading in the Shares during the Exchange's Pre-Market and Post-Market Sessions ("Extended Market Sessions") may result in additional trading risks which include: (1) that the current underlying indicative value may not be updated during the Extended Market Sessions, (2) lower liquidity in the Extended Market Sessions may impact pricing, higher volatility in the Extended Market Sessions may impact pricing, (4) wider spreads may occur in the Extended Markets Sessions, and (5) because the indicative value is not calculated or widely disseminated during the Extended Market Sessions, an investor who is unable to calculate an implied value for the Shares in those



sessions may be at a disadvantage to market professionals.

Suitability

Trading in the securities on the Exchange will be subject to the provisions of IEX Rule 3.170 and other applicable suitability rules. Members recommending transactions in the securities to customers should make a determination that the recommendation is suitable for the customer.

Trading Halts

IEX will halt trading in the shares of a security in accordance with IEX Rules. The grounds for a halt under IEX Rules include a halt by the primary market because the intraday indicative

value of the security and/or the value of its underlying index are not being disseminated as required, or a halt for other regulatory reasons. In addition, IEX will stop trading the shares of a security if the primary market de-lists the security.

This Information Circular is not a statutory prospectus. IEX Members should consult the prospectus for a security and the security's website for relevant information.

Please contact IEX Regulation at 646-343-2000 with any inquiries regarding this Information Circular.