

Final Terms



BARCLAYS BANK PLC

(Incorporated with limited liability in England and Wales)

BARCLAYS CAPITAL (CAYMAN) LIMITED

(Incorporated with limited liability in the Cayman Islands)

GLOBAL STRUCTURED SECURITIES PROGRAMME

for the issue of Securities

BARCLAYS BANK PLC

5,391 Certificates linked to the MPSCS DYVA Fund Euro Index (the "Certificates")

Series GSC865

under the Global Structured Securities Programme

The Offer Period shall be from and including 18 May 2010 to and including 25 June 2010

Issue Price: EUR1,000 per Certificate

This document constitutes the final terms of the Certificates (the "Final Terms") described herein for the purposes of Article 5.4 of the Directive 2003/71/EC and is prepared in connection with the Global Structured Securities Programme established by Barclays Bank PLC (the "Bank") and Barclays Capital (Cayman) Limited ("BCCL") and is supplemental to and should be read in conjunction with the Base Prospectus dated 5 August 2009, as supplemented and amended from time to time, which constitutes a base prospectus (the "Base Prospectus") for the purpose of the Directive 2003/71/EC. Full information on the Issuer and the offer of the Securities is only available on the basis of the combination of these Final Terms and the Base Prospectus. The Base Prospectus is available for viewing during normal business hours at the registered office of the Issuer and the specified office of the Issue and Paying Agent for the time being in London and copies may be obtained from such office. Words and expressions defined in the Base Prospectus and not defined in this document shall bear the same meanings when used herein.

The Issuer accepts responsibility for the information contained in these Final Terms. To the best of its knowledge and belief (having taken all reasonable care to ensure that such is the case) the information contained in these Final Terms is in accordance with the facts and does not contain anything likely to affect the import of such information. The information relating to the MPSCS DYVA Fund Euro Index contained herein has been accurately extracted from Bloomberg. The Issuer confirms that this information has been accurately reproduced and that as far as the Issuer is aware and is able to ascertain from information published by Bloomberg, no facts have been omitted which would render the reproduced information inaccurate or misleading.

Investors should refer to the sections headed "Risk Factors" in the Base Prospectus for a discussion of certain matters that should be considered when making a decision to invest in the Securities.

Barclays Capital

Final Terms dated 30 June 2010

The distribution of this document and the offer of the Securities in certain jurisdictions may be restricted by law. Persons into whose possession these Final Terms come are required by the Bank to inform themselves about and to observe any such restrictions. Details of selling restrictions for various jurisdictions are set out in “Purchase and Sale” in the Base Prospectus. In particular, the Securities have not been, and will not be, registered under the US Securities Act of 1933, as amended, and are subject to US tax law requirements. Trading in the Securities has not been approved by the US Commodity Futures Trading Commission under the US Commodity Exchange Act of 1936, as amended. Subject to certain exceptions, the Securities may not at any time be offered, sold or delivered in the United States or to US persons, nor may any US persons at any time trade or maintain a position in such Securities.

MPS Capital Services Banca per le Imprese S.p.A. undertakes to apply for the Securities to be admitted to trading on the Sistema di Negoziazione named “De@IDone Trading” (“DDT”), managed solely by MPS Capital Services Banca per le Imprese S.p.A. acting as “exclusive dealer” (negoziatore unico), in accordance with the provisions of artt. 21 e 51 of Regolamento CONSOB n. 16191/1999 and artt. 77/bis and ss. of the Legislative Decree 24 febbraio 1998, n. 58, as amended from time to time.

Further to the admission to trading on DDT, that will be done according to the relevant regulation, MPS Capital Services Banca per le Imprese S.p.A. will execute the purchase and sell orders received from the customers of Banca Monte dei Paschi di Siena S.p.A. (the “Distributor”) related to the Certificates. Shall the Certificates not be admitted or until such Securities are admitted to trading on DDT, Mps Capital Services Banca per le Imprese S.p.A. undertakes to trade, on its own, the order of Distributor’s customers related to the Certificates.

In detail, Mps Capital Services Banca per le Imprese S.p.A., with the purpose of supporting the liquidity of the Certificates, undertakes to provide, continuously for the total amount actually placed and for the entire period of the Certificates, except in the case of disruption events, bid-offer prices for the Certificates, determined by Mps Capital Services Banca per le Imprese S.p.A. itself, at the funding level equal to 3 months Euribor. To the price so determined, will be added, in case of purchase by the investor, a margin up to a maximum of 0.30% of the amount that will be purchased, or will be taken away, in case of sale by the investor, a margin up to a maximum of 0.60% of the amount to be sold.

The execution of the purchase and sale orders on SIS DDT will be made according to the working rules of the same SIS such as published on web site www.mpscapitalservices.it; on the same web site will be disseminated the information regarding the admission to trading of the Certificates.

Index Disclaimer:

The MPSCS DYVA Fund Euro Index is a proprietary Index created and sponsored by MPS Capital Services Banca per le Imprese S.p.A., registered office at Via Leone Pancaldo, 4, 50127 Firenze - Italy (also the “Sponsor”). All trademarks, service marks and logos related to such Index constitute exclusive intellectual property of the Sponsor, who has engaged on a contractual basis ECP International S.p.A., registered office at Rue Goethe 5, L 1637 Luxembourg, to act as Calculation Agent in respect to the Index. As a matter of this engagement ECP International shall publish the Index and for this purpose has been duly licensed by the Sponsor for the completion of any related activity.

Part A
Terms and Conditions of the Securities

The Securities shall have the following terms and conditions, which shall complete, modify and/or amend the Base Conditions and/or any applicable Relevant Annex(es) set out in the Base Prospectus dated 5 August 2009.

Parties

Issuer:	Barclays Bank PLC
Guarantor:	N/A
Manager:	Barclays Bank PLC
Determination Agent:	Barclays Bank PLC
Issue and Paying Agent:	The Bank of New York Mellon
Stabilising Manager:	N/A
Registrar:	N/A
Transfer Agent:	N/A
Exchange Agent:	N/A
Additional Agents:	N/A

THE SECURITIES HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE US SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT") AND THE SECURITIES COMPRISE BEARER SECURITIES THAT ARE SUBJECT TO US TAX LAW REQUIREMENTS. SUBJECT TO CERTAIN EXCEPTIONS, THE SECURITIES MAY NOT BE OFFERED OR SOLD WITHIN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, US PERSONS (AS DEFINED IN REGULATION S UNDER THE SECURITIES ACT ("REGULATION S")). THESE FINAL TERMS HAVE BEEN PREPARED BY THE ISSUER FOR USE IN CONNECTION WITH THE OFFER AND SALE OF THE SECURITIES OUTSIDE THE UNITED STATES TO NON-US PERSONS IN RELIANCE ON REGULATION S AND FOR LISTING OF THE SECURITIES ON THE RELEVANT STOCK EXCHANGE, IF ANY, AS STATED HEREIN. FOR A DESCRIPTION OF THESE AND CERTAIN FURTHER RESTRICTIONS ON OFFERS AND SALES OF THE SECURITIES AND DISTRIBUTION OF THESE FINAL TERMS AND THE BASE PROSPECTUS SEE "PURCHASE AND SALE" IN THE BASE PROSPECTUS.

ANY UNITED STATES PERSON WHO HOLDS THIS OBLIGATION WILL BE SUBJECT TO LIMITATIONS UNDER THE UNITED STATES INCOME TAX LAWS, INCLUDING THE LIMITATIONS PROVIDED IN SECTIONS 165(j) AND 1287(a) OF THE INTERNAL REVENUE CODE OF 1986, AS AMENDED.

Provisions relating to the Securities

1	Title:	5,391 Certificates linked to the MPSCS DYVA Fund Euro Index
2	Series:	GSC865
3	Currency:	EUR
4	Notes:	N/A
5	Certificates:	Applicable
	(i) Number of Certificates:	5,391
	(ii) Calculation Amount per Certificate as at the Issue Date:	EUR1,000
6	Form:	
	(i) Global/Definitive/Uncertificated and dematerialised:	Global Bearer Securities: Permanent Global Security
	(ii) NGN Form:	N/A
	(iii) CGN Form:	Applicable
7	Trade Date:	28 June 2010
8	Issue Date:	30 June 2010
9	Issue Price:	EUR 1,000 per Security
10	Relevant Stock Exchange[s]:	N/A
11	The following Relevant Annex(es) shall apply to the Securities (<i>specify each applicable Relevant Annex</i>):	Equity Linked Annex

Provisions relating to interest (if any) payable on the Securities

12	Interest:	N/A
13	Calculation Amount per Security as at the Issue Date:	N/A
14	Interest Amount:	N/A
15	Interest Basis:	N/A
16	Interest Rate[s]:	N/A
	(i) Fixed Rate:	N/A
	(ii) Floating Rate:	N/A
	(iii) Variable Rate:	N/A
	(a) Credit Event Accrued Interest:	N/A
	(b) Extension Interest:	N/A
	(iv) Zero Coupon:	N/A
17	Screen Rate Determination:	N/A

18	ISDA Determination:	N/A
19	Margin:	N/A
20	Minimum/Maximum Interest Rate:	N/A
21	Interest Commencement Date:	N/A
22	Interest Determination Date:	N/A
23	Interest Calculation Periods:	N/A
	(i) Interest Period End Dates:	N/A
	(ii) Interest calculation method for short or long Interest Calculation Periods:	N/A
24	Interest Payment Dates:	N/A
25	Day Count Fraction:	N/A
26	Fall back provisions, rounding provisions, denominator and any other terms relating to the method of calculating interest, if different from those set out in the Base Conditions:	N/A

Provisions relating to Redemption

27	Redemption Date:	30 June 2015
28	Settlement Method:	Cash Settlement
29	Settlement Currency:	EUR
30	Calculation Amount per Security as at the Issue Date:	EUR1,000
31	Terms relating to Cash Settled Securities:	
	(i) Final Cash Settlement Amount:	The Final Cash Settlement Amount shall be calculated in accordance with the following:
		$\text{Calculation Amount} \times \left(\frac{\text{Index Final}}{\text{Index Initial}} \right)$
		Where:
		“ Index Final ” means the Index Level on the Valuation Date.
		“ Index Initial ” means the Index Level on the Strike Date.
		“ Strike Date ” means 30 June 2010.
	(ii) Early Cash Settlement Amount:	As defined in Condition 24 of the Base Conditions
	(iii) Early Cash Redemption Date:	As defined in Condition 24 of the Base Conditions
	(iv) Disruption Cash Settlement	N/A

	Price:	
32	Terms relating to Physically Delivered Securities:	N/A
33	Nominal Call Event:	N/A
34	Call Option:	N/A
35	Put Option:	N/A
36	Specified Early Redemption Event:	N/A
37	Maximum and Minimum Redemption Requirements:	N/A
38	Valuation Date(s):	16 June 2015
39	Valuation Time:	N/A
40	Averaging Date(s):	N/A
41	Additional Disruption Events in addition to those specified in Condition 24 of the Base Conditions and any applicable Relevant Annex:	
	(i) Other Additional Disruption Event:	N/A
	(ii) Affected Jurisdiction Hedging Disruption:	N/A
	(iii) Affected Jurisdiction Increased Cost of Hedging:	N/A
	(iv) Affected Jurisdiction:	N/A
42	Share Linked Securities:	N/A
43	Index Linked Securities (<i>Equity indices only</i>):	Applicable
	(i) Index/Indices (each a "Reference Asset"):	The MPSCS DYVA Fund Euro (the "Index"), as calculated by ECP International S.p.A. and sponsored by MPS Capital Services Banca per le Imprese S.p.A. (the "Index Sponsor") (Bloomberg ticker: <i>MPSCSDFE Index</i>)
	(ii) Exchange[s]:	N/A
	(iii) Related Exchange[s]:	N/A
	(iv) Exchange Rate:	N/A
	(v) Weighting for each Reference Asset comprising the Basket of Reference Assets:	N/A
	(vi) Index Level of each Reference Asset:	The level of the Index on an Exchange Business Day The level of the index will be published on Bloomberg page (MPSCSDFE Index) two Exchange Business Days after the relevant Exchange Business Day.
	(vii) Averaging:	N/A

	(viii) Additional Disruption Event in respect of Index Linked Securities:	N/A
	(ix) FX Disruption Event:	N/A
	(x) Other adjustments:	N/A
44	Inflation Linked Securities:	N/A
45	Fund Linked Securities:	N/A
46	FX Linked Securities:	N/A
47	Credit Linked Securities:	N/A
48	Commodity Linked Securities:	N/A
49	Additional terms and conditions relating to the Securities:	N/A

Provisions relating to Settlement

50	Minimum Settlement Amount:	N/A
51	Settlement in respect of APK Registered Securities, Swedish Registered Securities, VPS Registered Securities or Spanish Securities:	N/A
52	Additional provisions relating to Taxes and Settlement Expenses:	N/A

Definitions

53	Business Day:	As defined in Condition 24 of the Base Conditions
54	Additional Business Centre(s):	N/A

Selling restrictions and provisions relating to certification

55	Non-US Selling Restrictions:	Investors are bound by the selling restrictions of the relevant jurisdiction(s) in which the Certificates are to be sold as set out in the Base Prospectus.
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Republic of Italy

Notwithstanding the terms of the public offer set out in Part B below:

To the extent that the Securities have not been registered, and until the offering of the Securities has been registered, pursuant to Italian securities legislation, no Securities may be offered, sold or delivered, nor may copies of the Base Prospectus (including these Final Terms), any supplement to the Base Prospectus or of any other document relating to the Securities be distributed in the Republic of Italy, except:

(i) to qualified investors (*investitori qualificati/clienti professionali*), as defined in Article 100 of Legislative Decree No. 58 of 24 February 1998, as amended (the

“Financial Services Act”) and its implementing CONSOB regulations, as amended from time to time, and in Article 2 of the Prospectus Directive;

(ii) in other circumstances which are exempted from the rules on solicitation of investments pursuant to Article 100 of the Financial Services Act and Article 34, first paragraph, of CONSOB Regulation No. 11971 of 14 May 1999, as amended (the “Regulation No. 11971”).

Any offer, sale or delivery of the Securities or distribution of copies of the Base Prospectus, any supplement to the Base Prospectus or any other document relating to the Securities in the Republic of Italy under (i) or (ii) above must be:

(a) made by an investment firm, bank or financial intermediary permitted to conduct such activities in the Republic of Italy in accordance with the Financial Services Act, CONSOB Regulation No. 16190 of 29 October 2007 (as amended from time to time) and Legislative Decree No. 385 of 1 September 1993, as amended (the “Banking Act”); and

(b) in compliance with Article 129 of the Banking Act, as amended, and the implementing guidelines of the Bank of Italy, as amended from time to time, pursuant to which the Bank of Italy may request information on the issue or the offer of securities in the Republic of Italy; and

(c) in compliance with any other applicable laws and regulations or requirement imposed by CONSOB or other Italian authority.

56	Applicable TEFRA exemption:	N/A
General		
57	Business Day Convention:	Following
58	Relevant Clearing System[s]:	Euroclear Clearstream, Luxembourg
59	If syndicated, names [and addresses] of Managers:	N/A
60	Details relating to Partly Paid Securities:	N/A
61	Relevant securities codes:	ISIN: GB00B51VDV88 Common Code: 050203310
62	Modifications to the Master Subscription Agreement and/or Master Agency Agreement:	N/A

63	Additional Conditions and/or modification to the Conditions of the Securities:	N/A
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Part B Other Information

1 LISTING AND ADMISSION TO TRADING

- | | |
|----------------------------|------|
| (i) Listing | None |
| (ii) Admission to trading: | N/A |

2 RATINGS

Ratings: The Securities have not been individually rated.

3 NOTIFICATION

The Financial Services Authority of the United Kingdom has provided on 5 August 2009 the competent authority in Italy (CONSOB), with a certificate of approval attesting that the Base Prospectus has been drawn up in accordance with the Prospectus Directive.

4 INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE

“Save as discussed in “Subscription and Sale”, so far as the Issuer is aware, no person involved in the offer of the Securities has an interest material to the offer

5 REASONS FOR THE OFFER, ESTIMATED NET PROCEEDS AND TOTAL EXPENSES

- | | |
|---------------------------------|-----------------|
| (i) Reasons for the offer: | General Funding |
| (ii) Estimated net proceeds: | EUR 5,391,000 |
| (iii) Estimated total expenses: | N/A |

6 FIXED RATE SECURITIES ONLY – YIELD

N/A

7 FLOATING RATE SECURITIES ONLY - HISTORIC INTEREST RATES

N/A

8 PERFORMANCE OF REFERENCE ASSET(S) OR OTHER VARIABLE, EXPLANATION OF EFFECT ON VALUE OF INVESTMENT AND ASSOCIATED RISKS AND OTHER INFORMATION CONCERNING THE REFERENCE ASSET(S) AND/OR OTHER UNDERLYING

Negative Scenario

In the event that the Index, on the Valuation Date, fixes below 100% of the Index Level on the Strike Date each Certificate shall be redeemed below 100% of par.

Payment Date	DYVA Fund Strike Date	DYVA Fund Valuation Date	Gross Redemption at maturity	Net Redemption at maturity
30-Jun-10	110			
30-Jun-11				
30-Jun-12				
30-Jun-13				
30-Jun-14				
30-Jun-15		55	50.000%	50.000%
Annual Gross Yield				-12.94%
Annual Net Yield				-12.94%

Annual Gross Yield of -12.94% (equivalent to -12.94% net).

Intermediate Scenario

In the event that the Index, on the Valuation Date, fixes just above 100% of the Index Level on the Strike Date each Certificate shall be redeemed just above 100% of par.

Payment Date	DYVA Fund Strike Date	DYVA Fund Valuation Date	Gross Redemption at maturity	Net Redemption at maturity
30-Jun-10	110			
30-Jun-11				
30-Jun-12				
30-Jun-13				
30-Jun-14				
30-Jun-15		126.5	115.000%	113.125%
Annual Gross Yield				2.83%
Annual Net Yield				2.50%

Annual Gross Yield of 2.83% (equivalent to 2.50%net).

Positive Scenario

In the event that the Index, on the Valuation Date, fixes well above 100% of the Index Level on the Strike Date each Certificate shall be redeemed well above 100% of par.

Payment Date	DYVA Fund Strike Date	DYVA Fund Valuation Date	Gross Redemption at maturity	Net Redemption at maturity
	110			
30-Jun-10				
30-Jun-11				
30-Jun-12				

30-Jun-13
30-Jun-14

165

30-Jun-15	150.000%	143.750%
Annual Gross Yield		8.45%
Annual Net Yield		7.53%

Annual Gross Yield of 8.45% (equivalent to 7.53%net).

9 PERFORMANCE OF RATE OF EXCHANGE AND EXPLANATION OF EFFECT ON VALUE OF INVESTMENT

N/A

10 OPERATIONAL INFORMATION

Any clearing system(s) other than Euroclear Bank S.A./N.V. and Clearstream Banking Société Anonyme (together with their addresses) and the relevant identification number(s):

N/A

Delivery:

Delivery free of payment

Names and addresses of additional Paying Agents(s) (if any):

N/A

Intended to be held in a manner which would allow Eurosystem eligibility:

No

11 OFFER INFORMATION

Offer Price: EUR1,000 per Certificate

A. Value of the derivative component:

The derivative component of the Certificates is represented by: the purchase by the holder of a Call and by the sale, of a Put Option, both on the Index. Its net value, at the date of 6 May 2010, calculated according to the Black Model, is equal to 6.10%.

B. Value of the bond component:

The bond component of each Certificate is

represented by a bond that, on redemption pays out 100%. The value of the bond component, at the date of 6 May 2010 is equal to 88.90%.

Since the redemption value is given by the sum of (i) the payout at maturity of the derivative component and (ii) the redemption value of the bond component, it could be less than 100 %, with no guarantee of a minimum amount to be reimbursed to the holder.

On the basis of the Management Fees and the Selling Fees of the issue as will be paid by the Issuer, respectively, to the Distribution Manager and, through it, to the Distributor, of the Charge for secondary market stability service made by Mps Capital Services Banca per le Imprese S.p.A., of the implicit derivative component and of the bond component, the Issue Price should be divided as follows:

Value of the bond component	88.90%
Value of the implicit derivative component	6.10%
Charge for secondary market stability service	1.20%
Selling Fees	3.04%
Management Fees	0.76%
Issue Price	100.00%

Offer Period and Distributor

Italy: The Offer Period in Italy shall be from and including 18 May 2010 to and including 25 June 2010.

The Certificates placed through door-to-door selling pursuant to Article 30 of the Legislative Decree of 24 February 1998, n. 58, as subsequently amended, will be offered from 18 May 2010 (included) to 18 June 2010 (included).

The Certificates will be publicly offered in the Republic of Italy, through the following institution (the "**Distributor**"):

Banca Monte dei Paschi di Siena SpA

Neither the Distribution Manager nor the Distributor

shall assume any underwriting commitment in connection with the Offer.

Non-exempt Offer

An offer of the Certificates in Italy may be made through the distribution network (“**Distribution Network**”), and the Distributor, in respect of which MPS Capital Services Banca per le Imprese S.p.A., with registered office at Via Leone Pancaldo, 4, Florence, being part of Montepaschi banking group, will act as Distribution Manager (the “**Distribution Manager**” *Responsabile del Collocamento*) pursuant to the applicable Italian laws and regulations in connection with the Offer, other than pursuant to Article 3(2) of the Prospectus Directive in Italy during the period from and including 18 May 2010 to and including 25 June 2010, during the hours in which banks are generally open for business in Milan, Italy. The Certificates will be placed into the Republic of Italy by the Distributor and no undertakings have been made by third parties to guarantee the subscription of the Certificates.

A prospective Certificateholder will subscribe for Certificates in accordance with the arrangements existing between each Distributor and its customers relating to the subscription of securities generally. Certificateholders will not be required to enter into any contractual arrangements directly with Barclays Bank PLC related to the subscription for the Certificates.

Conditions to which the offer is subject:

Offers of the Certificates made prior to the Issue Date are conditional on their issue. Certificates will be allotted subject to availability in the order of receipt of investors' applications.

The Issuer reserves the right to withdraw in accordance with the Distribution Manager, the offer of the Certificates at any time on or prior to the end of the Offer Period. For the avoidance of doubt, if any application has been made by the potential investor and the Issuer exercises such a right, each such potential investor shall not be entitled to subscribe or otherwise acquire the Certificates and any applications will be automatically cancelled and any purchase money will be refunded to the applicant.

Description of the application process:	Applications for the Certificates can be made in Italy through the relevant Distributor. Distribution will be in accordance with the Distributors' usual procedures.
Description of possibility to reduce subscriptions and manner for refunding excess amount paid by applicants:	N/A
Details of the minimum and/or maximum amount of application:	N/A
Manner in and date on which results of the offer are to be made public:	The Distribution Manager will make the results of the Offer available to the public on its web site www.mpscapital services.it , pursuant to art. 13 co. 2 of the Regulation 11971/1999
Details of the method and time limits for paying up and delivering the Certificates:	The Certificates will be issued on the Issue Date against payment to the Issuer via the Distributor of the net subscription moneys. Each investor will be notified by the relevant Distributor of the settlement arrangements in respect of the Certificates at the time of such investor's application.
Categories of potential investors to which the Certificates are offered and whether tranche(s) have been reserved for certain countries:	Offers may be made by Distributor in Italy each to any person. Offers (if any) in other EEA countries will only be made by the Distributor pursuant to an exemption from the obligation under the Prospectus Directive as implemented in such countries to publish a prospectus.
Process for notification to applicants of the amount allotted and the indication whether dealing may begin before notification is made:	Each investor will be notified by the relevant Distributor of its allocation of Certificates at the time of such investor's application. No dealings in the Certificates may take place prior to the Issue Date.
Amount of any expenses and taxes specifically charged to the subscriber or purchaser:	N/A
Name(s) and address(es), to the extent known to the Issuer, of the placers in the various countries where the offer takes place.	The Distributor named above at: Banca Monte dei Paschi di Siena SpA Piazza Salimbeni, 3

53100 Siena
Italy

Schedule 1

INDEX DESCRIPTION

The MPSCS DYVA Fund Euro Index is a proprietary index created and sponsored by MPS Capital Services Banca per le Imprese S.p.A., registered office at Via Leone Pancaldo, 4, 50127 Firenze - Italy (also the "Sponsor"). All trademarks, service marks and logos related to such Index constitute exclusive intellectual property of the Sponsor, who has engaged on a contractual basis ECP International S.p.A., registered office at Rue Goethe 5, L 1637 Luxembourg, to act as Calculation Agent in respect of the Index. As a matter of this engagement ECP International shall publish the Index and for this purpose has been duly licensed by the Sponsor for the completion of any related activity.

The values of the Index are calculated as of 01 February 2008 with a base value of 100 and are published daily on:

- Bloomberg page < MPSCSDFE Index>;
- Reuters page <.MPSCSDFE>;

The MPSCS DYVA Fund Euro Index follows a quantitative investment strategy that seeks to generate positive returns under different market scenarios, redefining on a monthly basis the exposure to the equity market on the basis of pre-determined rules (algorithm).

On a monthly basis the algorithm defines the weights to be assigned to each component (asset class) within the Index:

- The equity component represented by the PRIMA SGR Geo Europa Y EUR ACC Fund (Bloomberg: DUCGEUY IM Equity ISIN IT0004302029)
- The money market component represented by the PRIMA SGR Fix Monetario Y EUR ACC Fund (Bloomberg: DUCFXMY IM Equity ISIN:IT0004300668)

PRIMA Geo Europa is an open-end fund incorporated in Italy. The Fund's objective is to achieve long-term growth. The Fund invests primarily in equities issued by European companies that show stable prospects for growth. The Fund may invest residually in emerging countries. (*source: Bloomberg*)

PRIMA Fix Monetario is an open-end fund incorporated in Italy. The Fund's objective is to provide short-term principal preservation. The Fund invests primarily in investment-grade bonds and money-market securities denominated euros and issued in the Euro Zone. The average maturity of the Portfolio is no greater than one year. (*source: Bloomberg*)

For details concerning each fund, including fund investment manager fee applicable by Prima SGR, see the prospectus available on the website www.primasgr.it

The value of the MPSCS DYVA Fund Euro Index is calculated daily on the basis of the performance of both components and of the weights assigned to each component (see the formula below).

The allocation between equity component and money market component, that is the weights assigned to each asset class, is determined on a monthly basis in accordance with the value assumed by an allocation variable called “DYVA-Indicator”.

The DYVA-Indicator is calculated based on historical time series, performances and implied volatilities observed on the European equity market and its value is always comprised between 0 e 1.

Based on the methodology for the calculation of the DYVA-Indicator, a value close to 1 reflects conditions which are favorable for equity investing. Therefore, the equity component will be assigned a greater weight than the money market component. Vice versa, a value of DYVA-Indicator close to 0 reflects less favorable conditions for equity investing. Therefore, the money market component will be assigned a greater weight than the equity component.

Based on the monthly value of the DYVA-Indicator, the Index will be rebalanced in one of the following ways:

- 100% exposure to the money market component (“conservative”)
- Exposure to both components (“balanced”)
- 100% exposure to the equity component (“aggressive”)

The following table summarizes predefined intervals for the value of the DYVA-Indicator and the corresponding weights to be assigned to each component

DYVA-Indicator (DI)	Equity component	Money market component
$0 \leq DI < 0,70$	-	100%
$0,70 \leq DI < 0,90$	60%	40%
$0,90 \leq DI \leq 1$	100%	-

The methodology for the Index calculation is described in full in the “MPSCS DYVA Fund Euro Calculation Method” available on the Distributor’s web site (www.mps.it)

In particular, for the Exchange Business Day (t) of each single month, the Index Level is calculated on the basis of the following formula:

$$I_t = I_{T_j} \left(w_{T_j} \frac{FMS_t}{FMS_{T_j}} + (1 - w_{T_j}) \frac{FAS_t}{FAS_{T_j}} \right) (1 - \alpha \cdot dt)$$

where

T_j : is the first Exchange Business Day of the month;

w_{T_j} : is the weight assigned to the money market component;

$(1 - w_{T_j})$: is the weight assigned to the equity component;

FMS_t : means the NAV of the money market component on (t);

FMS_{T_j} : :means the NAV of the money market component on (T_j);

FAS_t means the NAV of the equity component on (t);

FAS_{T_j} means the NAV of the equity component on (T_j);

dt : means the ratio between the number of calendar days included in the period starting from (T_j)(excluded) and ending on (t)(included) and 360;

α 1.00%

NAV: means, in respect of any date on which fund shares can be purchased or redeemed, the net asset value as calculated and published by the fund administrator.

Schedule 2

MARKET DISRUPTION EVENTS

Market Disruption Event means, on an Exchange Business Day in respect of the Index, the occurrence of an event beyond the control of the parties which could preclude the calculation, or trigger the suspension or the limitation of the publication of the Index Level.

If, on an Exchange Business Day, a Market Disruption Event occurs, the determination of the Index Level for the Index shall be postponed to the Exchange Business Day following the Exchange Business Day on which the Market Disruption Event has ceased, unless there is a Market Disruption Event on each of the five Exchange Business Days following the original date. In that case, the Index Level shall be determined by the Determination Agent.

Exchange Business Day: means every TARGET Business Day which is also a date on which fund shares for both components of the Index can be purchased or redeemed in accordance with the provisions of the fund documents.

Schedule 3

TAXATION

The following is a summary of current Italian law and practise relating to the taxation of the Certificates. The statements herein regarding taxation are based on the laws in force in Italy as at the date of this Base Prospectus and are subject to any changes in law occurring after such date, which changes could be made on a retroactive basis. The following summary does not purport to be a comprehensive description of all the tax considerations which may be relevant to a decision to subscribe for, purchase, own or dispose of the Certificates and does not purport to deal with the tax consequences applicable to all categories of investors, some of which (such as dealers in securities or commodities) may be subject to special rules.

Prospective investors are advised to consult their own tax advisers concerning the overall tax consequences of their interest in the Certificates.

Italian taxation of Certificates

Pursuant to Article 67 of Presidential Decree No. 917 of 22 December 1986 and Legislative Decree No. 461 of 21 November 1997, as subsequently amended, where the Italian resident Certificateholder is (i) an individual not engaged in an entrepreneurial activity to which the Certificates are connected, (ii) a non-commercial partnership, (iii) a non-commercial private or public institution, or (iv) an investor exempt from Italian corporate income taxation, capital gains accrued under the sale or the exercise of the Certificates are subject to a 12.5 per cent substitute tax (*imposta sostitutiva*). The recipient may opt for three different taxation criteria:

- (1) Under the tax declaration regime (*regime della dichiarazione*), which is the default regime for Italian resident individuals not engaged in an entrepreneurial activity to which the Certificates are connected, the *imposta sostitutiva* on capital gains will be chargeable, on a cumulative basis, on all capital gains, net of any incurred capital loss, realised by the Italian resident individual holding the Certificates not in connection with an entrepreneurial activity pursuant to all sales or redemptions of the Certificates carried out during any given tax year. Italian resident individuals holding the Certificates not in connection with an entrepreneurial activity must indicate the overall capital gains realised in any tax year, net of any relevant incurred capital loss, in the annual tax return and pay *imposta sostitutiva* on such gains together with any balance income tax due for such year. Capital losses in excess of capital gains may be carried forward against capital gains realised in any of the four succeeding tax years.
- (2) As an alternative to the tax declaration regime, Italian resident individuals holding the Certificates not in connection with an entrepreneurial activity may elect to pay the *imposta sostitutiva* separately on capital gains realised on each sale or redemption of the Certificates (the "*risparmio amministrato*" regime). Such separate taxation of capital gains is allowed subject to (i) the Certificates being deposited with Italian banks, SIMs or certain authorised financial intermediaries and (ii) an express election for the *risparmio amministrato* regime being timely made in writing by the relevant Certificateholder. The depository is responsible for accounting for *imposta sostitutiva* in respect of capital gains realised on each sale or redemption of the Certificates (as well as in respect of capital gains realised upon the revocation of its mandate), net of any incurred capital loss, and is required to pay the relevant amount to the Italian tax authorities on behalf of the taxpayer, deducting a corresponding amount from the proceeds to be credited to the Certificateholder or using funds provided by the Certificateholder for this purpose. Under the *risparmio amministrato* regime, where a sale or redemption of the Certificates results in a capital loss, such loss may be deducted from capital gains subsequently realised, within the same securities management, in the same tax year or in the following tax years up to the fourth. Under

the *risparmio amministrato* regime, the Certificateholder is not required to declare the capital gains in the annual tax return.

- (3) Any capital gains realised by Italian resident individuals holding the Certificates not in connection with an entrepreneurial activity who have entrusted the management of their financial assets, including the Certificates, to an authorised intermediary and have opted for the so-called "*risparmio gestito*" regime will be included in the computation of the annual increase in value of the managed assets accrued, even if not realised, at year end, subject to a 12.5 per cent substitute tax, to be paid by the managing authorised intermediary. Under this *risparmio gestito* regime, any depreciation of the managed assets accrued at year end may be carried forward against increase in value of the managed assets accrued in any of the four succeeding tax years. Under the *risparmio gestito* regime, the Certificateholder is not required to declare the capital gains realised in the annual tax return.
- (4) Where an Italian resident Certificateholder is a company or similar commercial entity, or the Italian permanent establishment of a foreign commercial entity to which the Certificates are effectively connected, capital gains arising from the Certificates will not be subject to *imposta sostitutiva*, but must be included in the relevant Certificateholder's income tax return and are therefore subject to Italian corporate tax.
- (5) Capital gains realised by non-Italian resident Certificateholders are not subject to Italian taxation, provided that the Certificates are held outside of Italy.

Atypical securities

- (6) In accordance with a different interpretation of current tax law, there is a remote possibility that the Certificates would be considered as 'atypical' securities pursuant to Article 8 of Law Decree No. 512 of 30 September 1983 as implemented by Law No. 649 of 25 November 1983. In this event, payments relating to Certificates may be subject to an Italian withholding tax, levied at the rate of 27 per cent.
- (7) The 27 per cent withholding tax mentioned above does not apply to payments made to a non-Italian resident Certificateholder and to an Italian resident Certificateholder which is (i) a company or similar commercial entity (including the Italian permanent establishment of foreign entities), (ii) a commercial partnership, or (iii) a commercial private or public institution.

EU Savings Directive

Under EC Council Directive 2003/48/EC on the taxation of savings income (the **EU Savings Directive**), Member States are required to provide to the tax authorities of another Member State details of payments of interest (or similar income) paid by a person within its jurisdiction to an individual resident in that other Member State or to certain limited types of entities established in that other member State. However, for a transitional period, Belgium, Luxembourg and Austria are instead required (unless during that period they elect otherwise) to operate a withholding system in relation to such payments (the ending of such transitional period being dependent upon the conclusion of certain other agreements relating to information exchange with certain other countries). A number of non-EU countries and territories including Switzerland have adopted similar measures (a withholding system in the case of Switzerland).

On 15 September 2008 the European Commission issued a report to the Council of the European Union on the operation of the Directive, which included the Commission's advice on the need for changes to the Directive. On 13 November 2008 the European Commission published a more detailed proposal for amendments to the Directive, which included a number of suggested changes, if any of those proposed

changes are made in relation to the Directive, they may amend or broaden the scope of the requirements described above.

Implementation in Italy of the EU Savings Directive

Italy has implemented the EU Savings Directive through Legislative Decree No. 84 of 18 April 2005 (**Decree No. 84**). Under Decree No. 84, subject to a number of important conditions being met, in the case of interest paid to individuals which qualify as beneficial owners of the interest payment and are resident for tax purposes in another Member State, Italian paying agents (i.e. banks, *società di intermediazione mobiliare* (SIM), fiduciary companies, *società di gestione del risparmio* (SGR) resident for tax purposes in Italy, Italian permanent establishments of non-Italian resident persons and any other Italian entity paying interest for professional or business reasons) shall not apply the withholding tax and shall report to the Italian Tax Authorities details of the relevant payments and personal information on the individual beneficial owner. Such information is transmitted by the Italian Tax Authorities to the competent foreign tax authorities of the State of residence of the beneficial owner.