IBM World ex UK Developed Equity Index Fund

IN A NUTSHELL

- Aims to capture developed equity market returns
- Offers opportunities to maximise the growth of your pension account over the mid to long-term
- Allows members to invest in world equities without the exposure to volatile emerging market economies
- Aimed at members with mid to long-term investment horizons
- 50% sterling hedged

GLOSSARY

Equities Shares in companies

Index A measure of performance of a market

Index funds Funds designed to perform broadly in line with a given market index

Investment classes Different types of investments, for example, equities, bonds or cash

Investment horizon The period over which you are looking to maintain your investment (such as until your pension date)

Long-term At least 15 years and longer

Mid-term 5 to 15 years

Returns In this case, the capital growth and the income derived from investing in a fund or a stockmarket

Risk The possibility that an investment will lead to a gain or loss – the higher the risk, the higher the anticipated rewards or potential losses; the lower the risk, the lower the anticipated rewards or potential losses

Volatile Subject to fluctuations in value, caused by rising and falling stock markets, interest rates and for overseas investments, exchange rate between currencies

WHY LEGAL & GENERAL INVESTMENT MANAGEMENT?

Legal & General Investment Management is one of the largest investment managers in the UK, with more than £347 billion* under management and over 3,300* company pension scheme clients. We offer a wide range of investment products designed to meet the needs of pension schemes and their members, all managed by dedicated fund management teams and supported by award winning client service.

*Data as at 30 September 2011.

Investing for Mid to Long-Term Growth

The World ex UK Developed Equity Index Fund provides access to developed world markets via Index funds and aims to capture global developed equity market returns. The fund aims to provide a return in line with the FTSE AW - Developed World (ex UK) Index. 50% of the currency exposure to certain markets is hedged back into Sterling reducing the impact of currency movements.

The Fund is likely to be of specific interest to members with mid to long-term investment horizons.

Why invest in equities?

The suitability of one investment class over another changes throughout your working life. If you are aiming for mid to long-term growth in the value of your pension account, a suitable strategy could be to invest in equities. Although equities can demonstrate extreme short-term volatility due to their sensitivity to movements in the economy and news about companies and industries, over the long-term they have historically given higher returns than other asset classes. Their long-term returns have outpaced inflation thereby increasing the buying power of your money. However, please remember that past performance is not a guide to the future.

The index fund approach

Index funds aim to eliminate the risk of poor share selection and deliver returns that are close to market returns. They do this by investing in most of the companies within the relevant market measured by the index.

Spreading risk by investing overseas

The inclusion of overseas assets provides diversification and helps protect your pension by spreading the risk among different markets. However, these markets are influenced by their local economies and involve exposure to currencies other than sterling. Exchange rate variations can cause the value of overseas investments to fluctuate.

Legal & General
INVESTMENT MANAGEMENT

MARKET HIGHLIGHTS OVER 12 MONTHS TO 30 SEPTEMBER 2011

The global economic recovery has faced some significant challenges during the past 12 months. Consumer sentiment, particularly in the major economies, has been weak as high levels of unemployment, rising food and energy costs and credit constraints have curtailed spending. Significantly, the emerging economies have remained the principal driving force of global economic growth, as countries such as China, India and Brazil continue to grow far more rapidly than the major developed economies. Increasing competition for resources was the key factor behind the strength of commodity markets for much of the review period, triggering a rise in inflationary pressures although commodity prices have softened of late as the global growth outlook has deteriorated. Governments in the G7 countries have to varying degrees tried to reduce their budget deficits and implement austerity programmes, while simultaneously leaving interest rates at historically low levels, accompanied in the US and the UK by asset purchases (quantitative easing) aimed at reviving growth. However, the recovery has been lacklustre with the recent weakening in business and consumer confidence signalling a significant risk of a 'double-dip' recession.

In recent months, equity markets have become increasingly volatile. Two adverse developments have led to a broad-based loss of confidence and a bout of risk aversion. First, public squabbling around the raising of the US debt-ceiling culminated in a US debt downgrade by S&P. Second the European debt crisis has intensified with both Italy and Spain the recent focal points of concern. Even before these events, global growth appeared to have slowed quite sharply in the second quarter. This was partly due to some temporary shocks, most notably supply disruptions following the Japanese earthquake and the squeeze on real incomes from higher oil prices, exacerbated by political unrest in the Middle East, but also due to less growth momentum than previously anticipated. Some improvement in second half growth is expected, but leading indicators suggest any rebound is likely to be modest at best.

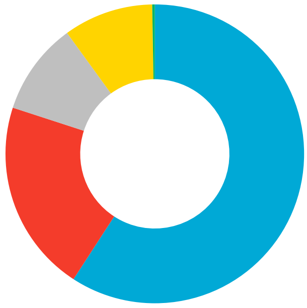
Encouragingly, quarterly earnings announcements have generally matched or exceeded expectations as the corporate sector is relatively healthy, with companies across a broad range of industries taking the opportunity to reduce debt levels.

As the period drew to a close, the principal concern for bond investors became the European sovereign debt crisis, focused on the southern European members of the single currency bloc. Although Greece is still at risk of defaulting on its debt obligations, the spotlight has been focused of late on Italy and Spain, with government debt levels in these latter economies coming under harsh scrutiny by the financial markets. Both the Italian and Spanish bond markets were subject to heavy selling pressure with the European Central Bank intervening to buy up both countries' sovereign debt in attempt to restore confidence. However concerns remain that unless the European Financial Stability Facility, effectively a contingency fund, can be substantially increased, the authorities will lack sufficient fire power to contain the crisis. Fears of contagion risk from the sovereign debt crisis have focused on the banking sector, where the ECB recently announced a new liquidity operation to alleviate short-term funding pressures. Significantly, government bond yields in the US, Germany have fallen sharply as investors reduced the risk profile of their portfolios. This has also been reflected in the credit markets, where corporate bonds in more cyclical sectors and subordinated financial securities have sold off sharply.

FUND ASSET ALLOCATION AS AT 30 SEPTEMBER 2011

Financials	19.1%
Consumer Goods	13.2%
Industrials	12.6%
Technology	11.7%
Consumer Services	10.1%
Health Care	9.6%
Oil & Gas	9.0%
Basic Materials	6.5%
Utilities	4.1%
Telecommunications	4.0%

FUND REGIONAL BREAKDOWN AS AT 30 SEPTEMBER 2011



North America	58.7%
Europe ex UK	20.6%
Asia Pacific ex Japan	10.5%
Japan	9.8%
Middle East/Africa	0.3%

The source of all information is LGIM unless otherwise stated.

IMPORTANT INFORMATION

The FTSE World (ex-UK) Index is calculated by FTSE International Limited ("FTSE"). FTSE does not sponsor, endorse or promote this product. All copyright in the index values and constituent list belongs to FTSE. Legal & General Investment Management Ltd. has obtained full licence from FTSE to use such copyright in the creation of this product. ""FTSE™", "FT-SE®" and "Footsie®" are trademarks of the London Stock Exchange Plc and The Financial Times Limited and are used by FTSE International Limited ("FTSE") under licence".

Legal & General Investment Management Limited provides Investment and Management services to Legal & General Assurance (Pensions Management) Limited, the operating company for the Funds. Both companies are authorised and regulated by the Financial Services Authority.

Past performance is not a guide to the future and the value of investments can go down as well as up. Exchange rate variations can cause the value of overseas investments to increase or decrease. Investors may not recoup the value of their original investment. For overseas markets the figures are sterling adjusted and net of any withholding tax. The views expressed in this fact sheet are those of Legal & General Investment Management who may or may not have acted upon them. This document should not be taken as an invitation to deal in Legal & General investments or any of the stated stock markets