



EQUITY STAKEHOLDER CHILD TRUST FUND.

**IMPORTANT UPDATE TO THE KEY FEATURES
INCLUDING THE SIMPLIFIED PROSPECTUS AND
TERMS AND CONDITIONS (P9909 04/10)**



Please read this leaflet with the Equity Stakeholder Child Trust Fund Key Features Including the Simplified Prospectus and Terms and Conditions (P9909 04/10).

Since we published the Key Features document, the Government has made changes to Child Trust Funds and the contributions that they make to them. We've produced this leaflet to help you understand these changes.

On 24 May 2010 the Government announced its intention to reduce and then stop government payments to Child Trust Fund (CTF) accounts.

CAN I STILL APPLY FOR A CTF ACCOUNT ON BEHALF OF A CHILD?

Yes, if the child is eligible and the Government has sent you a CTF voucher, you can still apply for a CTF account on their behalf. Please read the 'Who is eligible for a CTF?' section of the Key Features document for details of who is eligible.

HOW HAS THE VOUCHER CHANGED?

The Government has reduced the value of their voucher contribution for children born on or after 1 August 2010 from £250 to £50.

There will be no new CTF vouchers issued after the end of 2010. Children who have not been issued a voucher by 31 December 2010 will not qualify for a CTF account. Any voucher already issued will be valid for the amount and until the expiry date printed on it.

There have been no other changes to the voucher or the ways in which you can invest it. Friends and family can also still invest lump sums or save regularly up to the limit of £1,200. In addition, the CTF remains a tax efficient investment.

WHAT ELSE HAS CHANGED?

The Government has also made the following changes to other payments that they make to CTF accounts:

- Children reaching age 7 will no longer receive an additional government contribution if their 7th birthday is after 31 July 2010.
- The additional contribution to children from lower income families has been reduced from £250 to £50 from 1 August 2010.
- Children entitled to Disability Living Allowance will no longer receive an additional government contribution after the start of the 2011/12 tax year.

WILL THERE BE ANY CHANGE TO CTF ACCOUNTS THAT ARE ALREADY OPEN?

No, apart from the changes to government contributions there will be no change to existing CTF accounts.

HOW WILL THESE CHANGES AFFECT THE INVESTMENT?

The Key Features document shows how the Government contribution may be affected by charges and expenses in the 'How will charges and expenses affect the investment?' section. This is based on a voucher contribution of £250. The figures shown below show the affect of charges and expenses on a voucher contribution of £50.

Please note that these are for illustrative purposes only: growth rates, charges and expenses are all subject to change. The figures are not meant as an indication of future returns on an actual Equity Stakeholder CTF account and the child could get back less than was paid in.

£50 VOUCHER ONLY INVESTMENT

The effect of charges and expenses on a single lump sum investment of £50 assuming growth of 7% a year is set out below:

AT END OF YEAR	INVESTMENT TO DATE	EFFECT OF DEDUCTIONS TO DATE*	WHAT YOU MIGHT GET BACK
1	£50	£0.80	£52.70
3	£50	£2.69	£58.50
5	£50	£5.07	£65.00
10	£50	£13.70	£84.60
15	£50	£27.80	£110.00
18	£50	£40.00	£128.00

*Please note dealing costs (the costs associated with buying and selling shares) are not included.

The last line of the table shows that over 18 years the effect of total charges and expenses could amount to £40. Putting it another way this would have the same effect as bringing the investment growth from 7% a year to 5.4%.



Legal & General (Portfolio Management Services) Limited

Registered in England No.2457525

Registered office: One Coleman Street, London EC2R 5AA

P1280 print date: 08/10 approval number: H114292 expiry date: 05/04/2011