

**LEGAL & GENERAL INVESTOR PORTFOLIO SERVICE  
PORTFOLIO INVESTMENTS**

**KEY FEATURES  
FUNDS SUPPLEMENT.**

This is an **important document** that you should read along with the accompanying General Key Features. Keep it safe for future reference.



# RISK GUIDE.

## **ON THE NEXT PAGE YOU'LL FIND FULL DEFINITIONS FOR ALL OF THE FUND SPECIFIC RISKS SHOWN IN THE FUND SCHEDULE.**

Each risk has a number. This number corresponds to the risk shown in the fund tables on pages 8 to 14. It's a good idea to refer to this page when looking at the funds so you can see what the risks mean at a glance.

### **MISSING DEFINITIONS**

You'll notice some risk numbers are missing from the list. That's because we use the same list of risks across all of our products. Some of the risks don't apply to the Portfolio Investments, so we've left them out of this guide.

### **THIRD PARTY DEFINITIONS**

Fund specific risk definitions for funds not managed by Legal & General are provided by the fund management company. We take reasonable steps to ensure the risks shown are appropriate but ultimately we rely on those third parties for the information and its accuracy.



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# THE FACTS.

**THIS KEY FEATURES FUNDS SUPPLEMENT PROVIDES** important information about the funds you can choose from when you invest in one of our Portfolio Investments. As well as allowing you to compare the funds on offer, it explains what the risks are for each fund and what the charges are.

## WHERE THIS DOCUMENT FITS IN

This is an important document that you should keep for future reference. You should read this fund guide in combination with the General Key Features and the commission sheet. Together, these make up the 'Key Features' for the investment.

In addition to the three parts of the Key Features, you should refer to the Terms and Conditions for these investments. These are in the same brochure as the General Key Features.

Some funds also have a Key Investor Information Document (KIID) that you should read. KIIDs give important information about a fund, are being introduced for all of these funds by July 2012, and some funds already have one available. If there is a KIID available for a fund, it will be available when you invest. If you're investing online, KIIDs will be available for you alongside the links to other literature.

## THE INVESTMENTS

The investments covered in this document are unit trusts (UTs) and Open Ended Investment Companies (OEICs). These are medium to long-term investments that can take time to grow so you should be prepared to invest for at least five years and often more.

## BEFORE YOU INVEST

It's important that you read the Key Features before you invest. If you have any questions about any of the information here, contact us or your Nationwide branch for more information. They will be able to talk you through your options and make sure you make the right decision for your personal aims and circumstances.

## FINDING MORE FUND INFORMATION

There's more information about the funds and how they invest in the fund factsheets, provided by Nationwide. You can get the factsheets from your Nationwide branch, or on the Investments section on the Nationwide website.

## ASK US A QUESTION

You can ask us a question directly by calling 0845 272 0089. Lines are open 9.00am to 5.30pm, Monday to Friday. Calls are charged at the national rate and may be recorded. Please be aware that we can only provide information on our Portfolio Investments. We cannot give financial advice.

# ➤ CHARGES AND EXPENSES.

**IT'S IMPORTANT THAT YOU KNOW** what charges and expenses apply to a fund before you invest, because these deductions effectively reduce the returns you receive. All funds have charges but some are higher than others. How you invest will also affect the amount you are charged.

## USING THESE EXAMPLES

The charges for each fund are listed as percentages. To help you understand how those percentages translate into costs, we've created two typical examples of the different types of fund to give you an idea of how much you might pay in charges.

Each example table shows the effect of charges over 1, 3, 5 and 10 years for a single investment of £1,000, and also for a regular monthly investment of £50.

The growth and the income fund examples both assume a standard growth rate of 6%, as recommended by our regulator the Financial Services Authority.

## WEIGHING UP THE COST

Remember that funds with low charges won't always provide a better return than funds with high charges. It all depends on how well the fund performs. For instance, some funds have higher charges because they have more complicated active management.

## IMPORTANT NOTE

Please bear in mind that the example funds are intended to illustrate how charges work. The actual charges you pay will be different to those set out here and will depend on which fund you invest in, how much you invest, how the fund performs and other investment factors.

Be aware that charges mean you could get back less than you paid in, particularly in the early years.

For the example funds, dealing costs aren't included and we assume that the annual charges and expenses are deducted from the fund income. See the General Key Features for how units are priced, and how this can affect the value of your investment.

All figures are rounded down to three significant figures and are not guaranteed.

## INCOME FUND EXAMPLE

This example is for an investment into an income fund.

### Income fund

Initial charge: 3.00%

Annual management charge: 1.25%

Extra expenses: 0.16%

Assumed gross distribution: 5.90%

		INCOME DISTRIBUTED			INCOME REINVESTED	
At the end of year	Investment to date (£)	Income to date (£)	Effect of deductions to date (£)	What you might get back (£)	Effect of deductions to date (£)	What you might get back (£)
<b>1</b> Lump sum	1,000.00	48.70	45.80	964.00	46.20	1,010.00
	Monthly	600.00	N/A	N/A	23.10	596.00
<b>3</b> Lump sum	1,000.00	145.00	80.20	952.00	83.60	1,100.00
	Monthly	1,800.00	N/A	N/A	101.00	1,870.00
<b>5</b> Lump sum	1,000.00	240.00	118.00	940.00	128.00	1,200.00
	Monthly	3,000.00	N/A	N/A	228.00	3,260.00
<b>10</b> Lump sum	1,000.00	473.00	234.00	912.00	282.00	1,500.00
	Monthly	6,000.00	N/A	N/A	832.00	7,330.00

### What do the charges and expenses add up to?

Assuming that at the end of 10 years the fund has grown by 6% each year, you'd pay the following charges and expenses:

- For a lump sum investment of £1,000 where any income earned has been paid out: £234, reducing growth from 6% a year to 4.1% a year.
- For a lump sum investment of £1,000 where any income earned has been reinvested: £282, reducing growth from 6% a year to 4.1% a year.
- For monthly contributions totalling £6,000: £832, reducing growth from 6% a year to 3.9% a year.

## GROWTH FUND EXAMPLE

The example below is for an investment into a growth fund.

### Growth fund

Initial charge: 5.25%

Annual management charge: 1.50%

Estimated extra expenses: 0.16%

		INCOME REINVESTED		
At the end of the year		Investment to date (£)	Effect of deductions to date (£)	What you might get back (£)
1	Lump sum	1,000.00	72.10	987.00
	Monthly	600.00	37.80	581.00
3	Lump sum	1,000.00	117.00	1,070.00
	Monthly	1,800.00	151.00	1,810.00
5	Lump sum	1,000.00	171.00	1,160.00
	Monthly	3,000.00	325.00	3,160.00
10	Lump sum	1,000.00	353.00	1,430.00
	Monthly	6,000.00	1,090.00	7,060.00

### What do the charges and expenses add up to?

Assuming that at the end of 10 years the fund has grown by 6% each year, you'd pay the following charges and expenses:

- For a lump sum investment of £1,000: £353, reducing growth from 6% to 3.6% a year.
- For monthly contributions totalling £6,000: £1,090, reducing growth from 6% to 3.2% a year.

# THE FUNDS.

**IN THIS SECTION** you can find detailed descriptions of the funds on offer through our Portfolio Investments. The fund schedule has key information about the fund type, its aims and the effect of charges on its performance. The following key shows you how to read the tables so you can compare each fund.

## CHOOSING YOUR PORTFOLIO

There's no 'one size fits all' when choosing funds. The right choice for you will depend on why you're investing, how much you're investing and what your attitude to risk is. If you have any questions about the funds or how to compare them, please speak to a Nationwide Senior Financial Consultant.

## UNDERSTANDING THE FUND TABLES

1. Fund manager and fund names	2. Unit or share type available	3. Fund type	4. Depositary/trustee
<b>FIRST STATE INVESTMENTS (UK) LIMITED</b>			
First State Global Emerging Markets Leaders A Fund			
Share Type: Acc	Fund Type: OEIC (growth)		Depositary: National Westminster Bank plc

To achieve long-term capital growth. The fund invests in large and mid capitalisation equities in emerging economies, including those companies listed on developed market exchanges whose activities predominantly take place in emerging market countries.

6. Fund specific risks	7. Initial charge	8. Annual management charge	9. Extra expenses	10. Effect of charges
9. Insufficient income 12. Currency changes 13. Equities 19. Smaller companies 25. Unregulated schemes 28. Money market 29. Delayed repayment 30. Few bond issuers 31. Liquidity 32. Private equity	4%	1.5%	0.06%	Effect of charges and expenses based on a growth rate of 6% Lump sum: 3.9% Monthly: 3.5%

## 1. Names

The name of the fund manager and the fund.

## 2. Unit or share type

This tells you what type of units or shares are available for this fund.

### ACC – Accumulation units/shares

These are designed to achieve capital growth by reinvesting any income received.

### INC – Income units/shares

These are designed to pay you an income.

## 3. Fund type

Tells you which kind of fund it is, a unit trust or OEIC (UT or OEIC) and whether it's a growth or income fund.

## 4. Depositary/trustee

This tells you who the depositary (for OEICs) or trustee (for UTs) is. The depositary/trustee is responsible for safeguarding the assets of the fund, and also making sure the fund is being managed in line with regulations and investment objectives.

## 5. Fund aim

This is the fund manager's description of the fund's aims and how it is managed to achieve them. Please note that all fund descriptions, apart from Legal & General funds, are provided by the fund manager and, although we check the information, we are not responsible for their content or accuracy.

## 6. Fund specific risks

Each fund has specific risks that apply in addition to the general risks. These are listed in the 'fund specific risks' column. Each risk has a number that corresponds to the list of all the fund risks and their definitions at the front of this funds supplement. You can see that in the example, fund specific risks 9, 12, 13, 19, 25, 28, 29, 30, 31 and 32 apply. You can refer to the fund risks page to compare the fund specific risks between each fund on the following pages.

## 7. Initial charge

This is the one-off charge the fund manager deducts every time you invest.

## 8. Annual management charge

The fund manager deducts this ongoing charge from the fund. The unit or share price takes account of this charge. It covers the cost of managing the fund, including investment management. The table says whether this charge is taken from the income made by the fund, or from the capital of the fund.

## 9. Extra expenses

These are other costs for services not covered by the annual management charge (trustee, custodian, registrar, audit, regulator fees). They can be taken from the income, or from the capital of the fund.

## 10. Effect of charges

So that you can easily see how the costs of the funds compare in practice, each fund entry gives an overall effect of all charges on the growth rate. You'll notice that the assumed growth rate differs between funds, based on what we think is realistic for each fund.



# FUND SCHEDULE.

## IMPORTANT

**WHILE READING** the fund tables, please refer to the fund-specific risks definitions at the front of this fund supplement, so you can compare the risks that apply to each fund.

The charges and expenses are as at 31 December 2011 unless stated.

**BLACKROCK**

**BlackRock UK Income A Fund**

**Unit Type:** Acc and Inc

**Fund Type:** Unit Trust (income)

**Trustee:** National Westminster Bank plc

To provide an above average and growing income without sacrificing the benefits of long-term capital growth by investing primarily the shares of companies incorporated or listed in the UK. The fund may also invest in collective investment schemes.

Fund specific risks	Initial charge	Annual management charge (taken from capital)	Extra expenses (taken from capital)	Effect of charges and expenses based on a growth rate of 6%
8. Taking an income will reduce growth 10. Taking charges from capital 13. Equities	5%	1.5%	0.15%	Lump sum: 3.7%
				Monthly: 3.2%

**FIRST STATE INVESTMENTS (UK) LIMITED**

**First State Global Emerging Markets Leaders A Fund**

**Share Type:** Acc

**Fund Type:** OEIC (growth)

**Depositary:** National Westminster Bank plc

To achieve long-term capital growth. The fund invests in large and mid capitalisation equities in emerging economies, including those companies listed on developed market exchanges whose activities predominantly take place in emerging market countries.

Fund specific risks	Initial charge	Annual management charge (taken from income)	Extra expenses (taken from income)	Effect of charges and expenses based on a growth rate of 6%
9. Insufficient income 12. Currency changes 13. Equities 18. Derivative counterparty risk 19. Smaller companies 25. Unregulated schemes 28. Money market 29. Delayed repayment 30. Few bond issuers 31. Liquidity 32. Private Equity	4%	1.5%	0.06%	Lump sum: 3.9%
				Monthly: 3.5%

**First State Global Resources A Fund**

**Share Type:** Acc

**Fund Type:** OEIC (growth)

**Depositary:** National Westminster Bank plc

To achieve long-term capital growth. The fund invests in equities in the natural resources and energy sectors worldwide.

Fund specific risks	Initial charge	Annual management charge (taken from income)	Extra expenses (taken from income)	Effect of charges and expenses based on a growth rate of 6%
8. Taking an income will reduce growth 9. Insufficient income 12. Currency changes 13. Equities 19. Smaller companies 21. Emerging markets 25. Unregulated schemes 28. Money market 29. Delayed repayment 30. Few bond issuers 31. Liquidity 32. Private Equity	4%	1.5%	0.08%	Lump sum: 3.9%
				Monthly: 3.5%

**INVESCO PERPETUAL****Invesco Perpetual Income Fund****Share Type:** Acc and Inc**Fund Type:** OEIC growth and (income)**Depository:** Citibank International plc

To achieve a reasonable level of income, together with capital growth. The fund intends to invest primarily in companies listed in the UK, with the balance invested internationally. In pursuing this objective, the fund managers may include investments that they consider appropriate which include transferable securities, money market instruments, warrants, collective investment schemes, deposits and other permitted investments and transactions.

Fund specific risks	Initial charge	Annual management charge (taken from capital)	Extra expenses (taken from capital)	Effect of charges and expenses based on a growth rate of 6%
8. Taking an income will reduce growth 10. Taking charges from capital 12. Currency changes 13. Equities 17. Derivatives	5%	1.5%	0.18%	Lump sum: 3.6%
				Monthly: 3.2%

**JUPITER UNIT TRUST MANAGERS LIMITED****Jupiter Merlin Growth Portfolio A****Unit Type:** Acc and Inc**Fund Type:** UT (growth – multi-manager)**Trustee:** National Westminster Bank plc

To achieve long-term capital growth by investing predominantly in unit trusts, OEICs, Exchange Traded Funds and other collective investment schemes across several management groups. The underlying funds invest in international equities, fixed interest stocks, commodities and property, with a core in the UK.

Fund specific risks	Initial charge	Annual management charge (taken from income)	Extra expenses (taken from income)	Effect of charges and expenses based on a growth rate of 6%
8. Taking an income will reduce growth 9. Insufficient income 12. Currency changes 13. Equities 19. Smaller companies	5.25%	1.5%*	1.07%	Lump sum: 2.9%
				Monthly: 2.4%

\*The annual management charge varies, and investors usually pay less than the quoted maximum charge of 1.5%.

**Jupiter Merlin Income Portfolio A****Unit Type:** Acc and Inc**Fund Type:** UT (income – multi-manager)**Trustee:** National Westminster Bank plc

To achieve a high and rising income with some potential for capital growth by investing predominantly in unit trusts, OEICs, Exchange Traded Funds and other collective investment schemes across several management groups. The underlying funds invest in equities, fixed interest stocks, commodities and property, principally in the UK.

Fund specific risks	Initial charge	Annual management charge (taken from capital)	Extra expenses (taken from capital)	Effect of charges and expenses based on a growth rate of 6%
8. Taking an income will reduce growth 10. Taking charges from capital 12. Currency changes 13. Equities 14. Fixed interest securities	5.25%	1.5%*	0.93%	Lump sum: 2.9%
				Monthly: 2.4%

\*The annual management charge varies, and investors usually pay less than the quoted maximum charge of 1.5%.

**LEGAL & GENERAL (UNIT TRUST MANAGERS) LIMITED**

**Legal & General Sterling Income Fund R**

**Unit Type:** Acc and Inc

**Fund Type:** UT (income)

**Trustee:** National Westminster Bank plc

To produce a high level of income consistent with long-term preservation of capital through investing predominantly in interest-bearing securities issued by governments, other public issuers and companies worldwide.

Fund specific risks	Initial charge	Annual management charge (taken from income or capital)	Extra expenses (taken from income or capital)	Effect of charges and expenses based on a growth rate of 4.0%
8. Taking an income will reduce growth 12. Currency changes 14. Fixed interest securities 15. Risk of issuer becoming less secure	3%	1.25%	0.16%	Lump sum: 2.2% Monthly: 1.7%

We have the flexibility to take the 1.25% annual management charge in part or in full from either the capital value or the income of the fund, so there is reduced potential for capital growth.

**Legal & General Target Return Fund R**

**Unit Type:** Acc

**Fund Type:** UT (growth)

**Trustee:** National Westminster Bank plc

To deliver long-term capital growth which exceeds the Bank of England’s base interest rate as set by the Monetary Policy Committee or successor bodies. It will principally invest in fixed interest securities (corporate and government), UK and overseas equities and cash, with the manager retaining the flexibility to invest up to 100% of the fund in approved money market instruments, cash or near cash assets.

Fund specific risks	Initial charge	Annual management charge (taken from income)	Extra expenses (taken from income)	Effect of charges and expenses based on a growth rate of 5.2%
12. Currency changes 13. Equities 14. Fixed interest securities 15. Risk of issuer becoming less secure	3%	1.5% ‘R’ class 1% ‘S’ class	0.30%	Lump sum: 3.0% (‘R’ class)* Monthly: 2.7% (‘R’ class)*

There is no guarantee that the manager will outperform the Bank of England’s base interest rate in any period.

As a consequence of the annual management charge structure, ‘S’ accumulation units are not available on your initial investment.

All of an investor’s ‘R’ units shall become ‘S’ units when their first ‘R’ units have been registered in the name of the same unit holder for a period of 10 years.

\*‘S’ class figures will be available when the first units are issued.

**L&G (N) Tracker Trust A**

**Unit Type:** Acc

**Fund Type:** UT (growth)

**Trustee:** National Westminster Bank plc

To track the capital performance of the UK equity market, as represented by the FTSE All Share Index, by investment in a representative sample of stocks selected from all economic sectors.

Fund specific risks	Initial charge	Annual management charge (taken from income)	Extra expenses (taken from income)	Effect of charges and expenses based on a growth rate of 6%
13. Equities	0%	1%	0.15%	Lump sum: 4.7% Monthly: 4.7%

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**M&G SECURITIES LIMITED****M&G High Yield Corporate Bond A Fund****Share Type:** Acc and Inc**Fund Type:** OEIC (income)**Depository:** National Westminster Bank plc

To maximise total return (the combination of income and growth of capital) while generating a high level of income. The fund invests predominantly in higher yielding corporate debt instruments which may be denominated in Sterling, European currencies and other major global currencies, should the investment managers deem them to be appropriate investments. Exposure to higher yielding corporate debt instruments may be gained through the use of derivatives and any currency exposures within the fund may be managed by currency hedges into Sterling. The fund may also invest in other assets including collective investment schemes, government and public securities and other transferable securities, cash and near cash, deposits, warrants, money market instruments and other derivative instruments.

Fund specific risks	Initial charge	Annual management charge (taken from income)	Extra expenses (taken from income)	Effect of charges and expenses based on a growth rate of 6%
8. Taking an income will reduce growth 9. Insufficient income 14. Fixed interest securities 15. Risk of issuer becoming less secure 16. High yield bonds 17. Derivatives	3%	1.25%	0.18%	Lump sum: 4.1% Monthly: 3.9%

**M&G Property Portfolio A****Unit type:** Acc and Inc**Fund Type:** UT (growth)**Trustee:** National Westminster Bank plc

To maximise long-term total return through investment mainly in commercial property. The fund may also invest in other property related assets, including collective investment schemes, securities, derivatives and debt instruments, as well as government debt, money market instruments and cash.

Fund specific risks	Initial charge	Annual management charge (taken from income)	Extra expenses (taken from income)	Effect of charges and expenses based on a growth rate of 6%
8. Taking an income will reduce growth 23. Commercial Property	5%	1.5%	Extra expenses 0.19% Property extra expenses 0.16%	Lump sum: 3.5% Monthly: 3.0%

**M&G Recovery A Fund****Share Type:** Acc and Inc**Fund Type:** OEIC (growth)**Depository:** National Westminster Bank plc

The fund's sole aim is capital growth. The fund predominantly invests in a diversified range of securities issued by companies which are out of favour, in difficulty or whose future prospects are not fully recognised by the market. There is no particular income yield target.

Fund specific risks	Initial charge	Annual management charge (taken from income)	Extra expenses (taken from income)	Effect of charges and expenses based on a growth rate of 6%
9. Insufficient income 13. Equities	4%	1.5%	0.15%	Lump sum: 3.8% Monthly: 3.4%

**M&G Strategic Corporate Bond A Fund****Share Type:** Acc and Inc**Fund Type:** OEIC (income and growth)**Depository:** National Westminster Bank plc

Aims to maximise total return (the combination of income and growth of capital), through investment predominantly in investment grade corporate bonds, but may invest in other debt instruments, including higher yielding corporate bonds, government debt and convertible and preference stocks, as well as money market instruments and equities.

Fund specific risks	Initial charge	Annual management charge (taken from income)	Extra expenses (taken from income)	Effect of charges and expenses based on a growth rate of 4%
8. Taking an income will reduce growth 9. Insufficient income 14. Fixed interest securities 15. Risk of issuer becoming less secure 16. High yield bonds 17. Derivatives	3%	1%	0.16%	Lump sum: 2.4% Monthly: 2.2%

**NEPTUNE INVESTMENT MANAGEMENT LIMITED**

**Neptune Balanced A Fund**

**Unit Type:** Acc

**Fund Type:** UT (growth)

**Trustee:** State Street Trustees Limited

To generate a positive total return from investment predominantly in equities and bonds, with a view to attaining top quartile performance amongst the relevant peer group. The fund may invest in collective investment schemes, transferable securities, money market instruments, deposits and cash. The fund manager may also use derivatives and forward transactions for the purpose of efficient portfolio management.

Fund specific risks	Initial charge	Annual management charge (taken from income)	Extra expenses (taken from income)	Effect of charges and expenses based on a growth rate of 6%
9. Insufficient income 12. Currency changes 13. Equities 14. Fixed interest securities 21. Emerging markets	5%	1.6%	0.03%	Lump sum: 3.7%
				Monthly: 3.2%

**NEWTON (BNY MELLON FUND MANAGERS LIMITED)**

**Newton Balanced A Fund**

**Share Type:** Inc

**Fund Type:** OEIC (income and growth)

**Depositary:** National Westminster Bank plc

To achieve a balance between capital growth and income predominantly from a portfolio of UK and International Securities. The fund may also invest in derivative instruments, forward transactions, and collective investment schemes.

Fund specific risks	Initial charge	Annual management charge (taken from capital)	Extra expenses (taken from capital)	Effect of charges and expenses based on a growth rate of 6%
8. Taking income will reduce growth 10. Taking charges from capital 12. Currency changes 13. Equities 14. Fixed interest securities 15. Risk of issuer becoming less secure 17. Derivatives 18. Derivative counterparty risk 19. Smaller companies 21. Emerging markets 31. Liquidity	4%	1.50%	0.12%	Lump sum 3.8%
				Monthly 3.5%

**Newton Global Higher Income A Fund**

**Share Type:** Inc

**Fund Type:** OEIC (income)

**Depositary:** National Westminster Bank plc

To achieve increasing distributions on a calendar year basis with long-term capital growth by investing predominantly in global securities.

Fund specific risks	Initial charge	Annual management charge (taken from capital)	Extra expenses (taken from capital)	Effect of charges and expenses based on a growth rate of 6%
8. Taking income will reduce growth 10. Taking charges from capital 12. Currency changes 13. Equities 19. Smaller companies 21. Emerging markets 31. Liquidity	4%	1.5%	0.13%	Lump sum: 3.8%
				Monthly: 3.4%

**SCHRODERS****Schroder Monthly High Income A Fund****Unit Type:** Acc and Inc**Fund Type:** Unit Trust (income)**Trustee:** JP Morgan Trustee and Depositary Company Limited

To achieve a high level of income from a diversified portfolio of debt securities. The full spectrum of available securities, including unrated issues and those of non-investment grade, will be utilised. Investment will be in directly held transferable securities. The fund may also invest in collective investment schemes, warrants and money market instruments.

Fund specific risks	Initial charge	Annual management charge (taken from capital)	Extra expenses (taken from capital)	Effect of charges and expenses based on a growth rate of 6%
8. Taking an income will reduce growth 10. Taking charges from capital 14. Fixed interest securities 15. Risk of issuer becoming less secure 16. High yield bonds 17. Derivatives	3.25%	1.25%	0.12%	Lump sum: 4.2%
				Monthly: 3.9%

**Schroder UK Alpha Plus A Fund****Unit Type:** Acc and Inc**Fund Type:** UT (growth)**Trustee:** JP Morgan Trustee and Depositary Company Limited

To provide capital growth through investment in UK companies. The fund will invest in a focused portfolio of between 20 and 40 stocks with an objective of achieving an absolute return.

Fund specific risks	Initial charge	Annual management charge (taken from income)	Extra expenses (taken from income)	Effect of charges and expenses based on a growth rate of 6%
8. Taking an income will reduce growth 9. Insufficient income 13. Equities 20. Limited holdings	3.25%	1.5%	0.16%	Lump sum: 3.9%
				Monthly: 3.6%

**THREADNEEDLE INVESTMENT SERVICES LIMITED****Threadneedle Absolute Return Bond R Fund****Share Type:** Acc**Fund Type:** OEIC (growth)**Depositary:** JP Morgan Trustee and Depositary Company Limited

The fund's aim is to achieve a total positive return in all market conditions through exposure to the global bond markets. The fund will invest primarily in derivatives, cash and near cash, fixed interest securities, index linked securities, money market instruments and deposits. At times the portfolio may be concentrated in any one or a combination of such assets. The manager may take long and short positions through derivatives in such issues.

Fund specific risks	Initial charge	Annual management charge (taken from income)	Extra expenses (taken from income)	Effect of charges and expenses based on a growth rate of 6%
12. Currency changes 14. Fixed interest securities 15. Risk of issuer becoming less secure 16. High yield bonds 17. Derivatives	3%	1.25%	0.12%	Lump sum: 4.2%
				Monthly: 3.9%

**Threadneedle Global Select 1 Fund**

**Share Type:** Acc

**Fund Type:** OEIC (growth)

**Depositary:** JP Morgan Trustee and Depositary Company Limited

To achieve above average capital growth through investment in equities issued by companies worldwide. The portfolio may be concentrated geographically or with respect to stock and sector positions, which may lead to increased levels of volatility. If desirable, it may further invest in other securities (including fixed interest securities, other equities and money market securities).

Fund specific risks	Initial charge	Annual management charge (taken from income)	Extra expenses (taken from income)	Effect of charges and expenses based on a growth rate of 6%
9. Insufficient income 12. Currency changes 13. Equities 19. Smaller companies	3.75%	1.5%	0.20%	Lump sum: 3.8%  Monthly: 3.4%

	Dealing deadline	Valuation point	Distribution dates	Ex-dividend dates	Distribution type	Pricing method
<b>BlackRock</b>						
BlackRock UK Income Fund	11.00 hrs	12.00 hrs	31/03, 30/06, 30/09, 31/12	31/01, 30/04, 31/07, 31/10	Dividend	Dual
<b>First State Investments (UK) Limited</b>						
First State Global Emerging Market Leaders A Fund	11.00 hrs	12.00 hrs	30/09, 31/03	31/07, 31/01	Dividend	Single
First State Global Resources R Fund	11.00 hrs	12.00 hrs	30/09, 31/03	31/07, 31/01	Dividend	Single
<b>Invesco Perpetual</b>						
Invesco Perpetual Income Fund	11.00 hrs	12.00 hrs	31/05, 30/11	01/04, 01/10	Dividend	Single
<b>Jupiter Unit Trust Managers Limited</b>						
Jupiter Merlin Growth Portfolio A	11.00 hrs	12.00 hrs	30/04, 31/10	01/03, 01/09	Dividend	Dual
Jupiter Merlin Income Portfolio A	11.00 hrs	12.00 hrs	15/03, 15/06, 15/09, 15/12	16/01, 16/04, 16/07, 16/10	Dividend	Dual
<b>Legal &amp; General (Unit Trust Managers) Limited</b>						
Legal & General Sterling Income Fund R	15.00 hrs	21.00 hrs	13/01 and 13 of each subsequent month	15/01 and 15 of each subsequent month	Interest	Single
Legal & General Target Return Fund R	15.00 hrs	21.00 hrs	31/03, 30/09	31/01, 31/07	Dividend	Single
L&G (N) Tracker Trust A	11.00 hrs	12.00 hrs	31/05, 30/11	31/03, 30/09	Dividend	Single
<b>M&amp;G Securities Limited</b>						
M&G High Yield Corporate Bond A Fund	11.00 hrs	12.00 hrs	Last working day of each month	First working day of each month	Interest	Single
M&G Property Portfolio A	11.00 hrs	12.00 hrs	28/02, 31/05, 31/08, 30/11	01/01, 01/04, 01/07, 01/10	Dividend	Dual
M&G Recovery A Fund	11.00 hrs	12.00 hrs	28/02, 31/08	04/01, 01/07	Dividend	Single
M&G Strategic Corporate Bond A Fund	11.00 hrs	12.00 hrs	31/01, 30/04, 31/07, 31/10	01/03, 01/06, 01/09, 01/12	Interest	Single
<b>Neptune Investment Management Limited</b>						
Neptune Balanced A Fund	11.00 hrs	12.00 hrs	28/02, 31/08	01/01, 01/07	Dividend	Dual
<b>Newton (BNY Mellon Fund Managers Limited)</b>						
Newton Balanced A Fund	11.00 hrs	12.00 hrs	28/02, 31/08	31/12, 30/06	Dividend	Single
Newton Global Higher Income A Fund	11.00 hrs	12.00 hrs	28/02, 31/05, 31/08, 30/11	31/03, 30/06, 30/09, 31/12	Dividend	Single
<b>Schroders</b>						
Schroder Monthly High Income A Fund	11.00 hrs	12.00 hrs	25 of each month	28 of each month	Interest	Dual
Schroder UK Alpha Plus A Fund	11.00 hrs	12.00 hrs	31/07	31/05, 30/11	Dividend	Dual
<b>Threadneedle Investment Services Limited</b>						
Threadneedle Absolute Return Bond A Fund	11.00 hrs	12.00 hrs	30/06	01/05	Interest	Single
Threadneedle Global Select 1 Fund	11.00 hrs	12.00 hrs	07/05	08/03	Dividend	Single

# FUND SPECIFIC RISKS.

## 8. Taking income will reduce growth

If you take an income from your investment this will reduce the potential for future growth.

## 9. Insufficient Income

If the fund's income is not enough to pay charges, the fund's capital will be used instead. This may reduce the potential for growth or lead to a fall in the value of the fund.

## 10. Taking charges from capital

The annual management charge and expenses may be taken from the fund's capital rather than the the fund's income. This increases the amount of income you will be paid, but it reduces the growth potential.

## 12. Currency changes

The fund may have investments valued in currencies that are not Sterling (British pounds).

- If the value of these currencies falls compared to Sterling, this may mean the value of your investment and the income paid to you will go down.
- If arrangements are made to protect the fund against currency movements (known as 'hedging') and the currencies rise compared to Sterling, your fund will not benefit from those gains.

## 13. Equities

The fund invests in equities (company shares). Investments in shares tend to be riskier than for most other types of investment because there's a higher risk of the value of your fund falling, especially in the short term.

## 14. Fixed interest securities

The fund invests in fixed interest securities – usually corporate and government bonds. Investment returns are particularly sensitive to trends in interest rate movements and inflation. Fund values are likely to fall when interest rates rise.

## 15. Risk of issuer becoming less secure

The financial strength of a company or government issuing a fixed interest security determines their ability to make some or all of the payments they are committed to. If their financial strength weakens, the chances of them not making payments increases. This could reduce the value of your investment and the amount of income paid to you.

## 16. High yield bonds

The fund invests in higher yielding bonds (known as 'sub-investment grade' bonds). There is a risk that the fund will not receive back, either on time or at all, some or all of the amount invested or interest that is due to be paid.

## 17. Derivatives

This fund invests in derivatives and so may be higher risk than funds that don't. Sometimes using derivatives could give lower returns, or cause the value of your fund to fall even though the market is rising.

If any of the companies with whom the fund has taken out a derivative experiences financial difficulties, it may be difficult to value the derivative or for it to be sold. This may reduce the value of your fund.

## 18. Derivative counterparty risk

The fund may have derivative contracts with companies such as banks or other financial institutions. If these companies experience financial difficulty, they may be unable to pay back some or all of the interest, original capital or other payments that they owe. If this happens, the value of your fund may fall.

## 19. Smaller companies

The fund invests in smaller companies. Investments in smaller companies tend to be riskier than investments in larger companies because they can:

- be harder to buy and sell
- go up and down in value more often and by larger amounts, especially in the short term.

## 20. Concentration of investments

Most funds have lots of individual investments, so don't rely upon the performance of just a few. The whole of this fund, or a large part of it, has relatively few individual investments. This means that a fall in the value of an individual investment can have a major impact on the overall performance of the fund.

## 21. Emerging markets

The fund invests in countries where investment markets are not as well developed as those in the UK. This means that investments are generally riskier than those in the UK because they:

- are not as well regulated
- are more difficult to buy and sell
- have less reliable arrangements for the safekeeping of investments
- are more exposed to political uncertainties.

## 22. Market sector

The fund invests in companies from a particular market sector. Investing like this can be riskier than investing across many market sectors because the value of the fund can go up and down in value more often and by larger amounts, especially in the short term.

## 23. Commercial Property

Property can be difficult to buy or sell. This could mean

- Cash builds up waiting to be invested, so the fund will underperform when property returns are greater than the interest earned, and/or
- Property may have to be sold for less than expected.

If requests are received for an exceptional amount to leave the fund, the fund manager may be forced to sell properties quickly. This could mean that properties are sold for less than expected which would reduce the value of your investment.

If the size of the fund falls significantly, the fund may have to invest in fewer properties. This may lead to an increase in risk.

Rental growth is not guaranteed and unpaid rent could affect the performance of your investment.

The value of property is generally a matter of valuer's opinion rather than fact.

## 24. Deposit

The fund has money on deposit with companies such as banks or other financial institutions. If any of these suffer financial difficulty, they may be unable to pay back some or all of the interest, original amount invested or other payments they owe. If this happens the value of your fund may fall.

## 25. Unregulated schemes

This fund can invest in unregulated schemes. Each unregulated scheme can have a higher risk than an authorised scheme. This could lead to an increased risk to the value of your investment.

## 27. Social or religious investments

The standards used for this fund means that it cannot invest in some companies or in certain market sectors, for example tobacco or mining. Because this fund limits the companies it may invest in, it is riskier than funds that don't have such restrictions.

## 28. Money market

The fund invests in money market securities which may be issued by governments, companies, banks and other financial institutions. If any of these issuers suffer financial difficulty, they may be unable to pay back some or all of the interest, original amount invested or other payments they owe. The value of money market securities may fall due to changes in interest rates, inflation, creditworthiness, wider credit events or extensions to the anticipated term of investments. If this happens the value of your fund may fall.

## 29. Delayed repayment

This fund is able to delay paying out, which may mean that you have to wait to get your money. A delay may happen when market conditions mean it is difficult for the fund manager to cash in investments to pay out to investors.

- For example, a fund with investments in commercial properties may find they may take time to sell. Whilst waiting to complete on the sale of properties, the fund manager may suspend making payments to investors who want to cash in.

The fund can only delay paying out if it is in the interests of all investors and with the permission of the fund trustee or depositary.

## 30. Few bond issuers

The fund invests almost exclusively in fixed interest bonds from a single or small number of issuers, such as companies or governments. If any of these issuers experience financial difficulty, they may be unable to pay back some or all of the interest, original investment or other payments that they owe. If this happens, the value of your fund may fall.

## 31. Liquidity

This fund has investments that, rather than being traded on a stock exchange, are traded through brokers or investment banks matching buyers and sellers. In times of market uncertainty it may become less easy to buy and sell these investments. If this happens, the value of your fund may fall.

## 32. Private Equity

This fund invests in shares of companies that are not listed on a stock exchange, so they can be difficult to buy or sell. This could mean the shares may have to be sold for less than expected, which would reduce the value of your investment.

The value of private company shares is generally a matter of valuer's opinion rather than fact.

## EASY TO DO BUSINESS WITH

As an IPS investor, we want it to be easy for you to keep in touch with us and your investments, so we make it as easy as possible for you to contact us the way you prefer:

- **Face to face** – You can go in to a branch and talk to one of Nationwide’s Senior Financial Consultants at any time.
- **Over the phone** – For general queries about your account, you can call our UK based call centre on 0845 272 0089.

Lines are open Monday to Friday, 9am to 5.30pm. Calls may be recorded and monitored. Call charges will vary.

- **Email** – You can also email our customer services with general queries at: [enquiries@nationwide.onlineips.co.uk](mailto:enquiries@nationwide.onlineips.co.uk)
- **Online** – You can also register for online access to your portfolio, by visiting [nationwide.co.uk/ips](http://nationwide.co.uk/ips)

Online access is secure, and allows you to:

- view your IPS portfolio valuation at any time;
- access quick and print friendly valuations across your entire IPS portfolio;
- see your IPS historical transactions, statements and correspondence from us;
- top-up and switch between funds in existing Portfolio Investments (your ISAs, unit trusts and OEICs);
- buy new Portfolio Investments;

all through one easy to use online service.

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