


LEGAL & GENERAL (PORTFOLIO MANAGEMENT SERVICES) LIMITED

EQUITY STAKEHOLDER CHILD TRUST FUND.

**KEY FEATURES INCLUDING THE SIMPLIFIED PROSPECTUS
AND TERMS AND CONDITIONS**



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The Financial Services Authority is the independent financial services regulator. It requires us, Legal & General, to give you this important information to help you decide whether our Equity Stakeholder Child Trust Fund is right for you. You should read this document carefully so that you understand what you're buying, and then keep it safe for future reference.

Please read this document carefully. It provides important information and the Terms and Conditions for the Legal & General Equity Stakeholder CTF.

If there is something that you don't understand, or you would prefer to receive advice before making your final investment decision, please contact your financial adviser. For other information please contact Customer Services. Our contact details can be found on page 13.

KEY FEATURES OF THE LEGAL & GENERAL EQUITY STAKEHOLDER CHILD TRUST FUND (CTF).

WHAT IS AN EQUITY STAKEHOLDER CTF?

The Equity Stakeholder CTF is a special kind of investment in the stock market. It is open to children born on or after 1 September 2002 as long as you, as parent or guardian, have been awarded Child Benefit allowance and have received a CTF voucher from the Government. You will be known as the registered contact. For full details on eligibility please read the 'Who is eligible for a CTF?' section on page 6.

The Equity Stakeholder CTF invests your child's money in company shares (equities) on the UK stock market, via the fund, L&G (N) Tracker Trust. Many investments can take time to realise their potential, so should be viewed as a medium to long-term commitment.

To provide an element of protection against sudden stock market falls, the Equity Stakeholder CTF also provides a lifestyling option. Once your child turns 13, each year we will move 20% of your child's investment to a cash fund. This means your child's fund exposure to any sudden market falls is reduced in the last five years. However, this will also mean that the CTF will have less opportunity to benefit from any rises in the stock market during this period. You can opt out of the lifestyling option.

Because the Equity Stakeholder CTF is designed as a long-term savings account, your child can only access the money (including any extra investments) when he or she reaches age 18. Until that time the money is locked in. Nobody else can make a withdrawal from your child's account, and we cannot return any contribution to the donor.

Until the child is 16 the registered contact will have control of the CTF. Once the child reaches 16, they must apply to become the registered contact.

IS THE LEGAL & GENERAL EQUITY STAKEHOLDER CTF SUITABLE FOR YOU?

This may be suitable for you if you are looking for a CTF that is UK stock market based. The trust has a broad spread of shares and invests mainly in medium to large size companies. Any lifestyling will occur from when your child is 13. This means each year a percentage of the CTF is moved from the L&G (N) Tracker Trust into a cash fund.

WHAT DOES THE LEGAL & GENERAL EQUITY STAKEHOLDER CTF INVEST IN?

Its aims

The L&G (N) Tracker Trust aims to provide the potential for growth by tracking the performance of the FTSE All-Share Index. To achieve accurate tracking, the trust's investments will closely replicate the holdings in that index.

It also aims to gain exposure to the UK stock market, but without all the risk attached to individual stock selection.

Your investment

You must invest a CTF voucher to open an Equity Stakeholder CTF. For full details on eligibility please read the 'Who is eligible for a CTF?' section on page 6.

Additional contributions totalling up to £3,600 each year, starting on your child's birthday, can be made by yourself and others. The voucher, and other Government contributions, don't count towards the £3,600, but Welsh Assembly and local authority contributions for children in their care do.

Your child cannot access the money until their 18th birthday.

WHAT ARE DERIVATIVES AND HOW ARE THEY USED?

Some trusts can invest in specialist investments known as derivatives. Instead of holding a direct investment in an asset, such as shares, bonds, or property, the trust will obtain exposure to that asset through a derivative. A derivative 'derives' its price from a change in value of the asset to which it is linked.

The derivatives used by this trust will typically be linked to shares.

Derivatives can be used for several purposes but this trust only uses them for efficient portfolio management. This means that they are used as part of an overall investment strategy to manage the ups and downs of the market and changes in exchange rates, to obtain exposure to assets at reduced cost, and to manage cashflow when other assets might not be easily bought or sold.

Derivatives may be more volatile than a direct investment in shares, bonds or property. There is also a risk that the company with whom the trust has taken out a derivative may not meet their obligations.

i WHAT ARE THE RISKS?

A complete description of the risk factors is set out in the full Prospectus, copies of which are available on request.

- The value of the investment can fall as well as rise, is not guaranteed and your child might not get back the amount originally invested.
- If the market in which the fund invests falls, the value of the investment will probably fall as well.
- Investment choices made by the fund manager will affect the risk level. If the fund holdings change significantly over time, the level of risk may also change. Any such changes will continue to meet the objective of the fund.
- Unless the performance of the investment meets or exceeds the rate of inflation, the real value of the investment will reduce.
- As the fund invests in equities (shares of companies), there's a higher risk of the value of the investment falling than when investing in most other asset types, particularly in the short term.
- If you transfer the CTF to either a cash or equity CTF, the value of the transfer may be less than that originally invested.
- Please note only the child can make withdrawals from the CTF after their 18th birthday. Customers wishing to set up a CTF should bear in mind that any money invested into the fund will cease to be their property and become that of the child.

- The current tax treatment of equity stakeholder CTFs may not be maintained in the future.
- Charges may not remain at their current levels.
- Past performance is not a guide to future performance.

WHAT ARE THE CHARGES?

There is no initial charge, however, there is an annual management charge of 1.5% of the value of the funds you accumulate. If the investment is valued at £50 throughout the year, this means we deduct £0.75 that year. If the investment is valued at £100 throughout the year, this means we deduct £1.50 that year. This is included in the price of units and paid to the manager monthly in arrears. For more details of the charges please see below.

Annual management charge (AMC) (%)	1.50
Extra expenses (%)	0*

*Accounted for in the annual management charge

The charges shown above are our current charges and these may be subject to change in the future.

ADDITIONAL INFORMATION

Annual management charge (AMC)

The AMC is paid by the trust and covers the following fees: investment management, valuation, accounting and the manager's own management costs. The daily price reflects these deductions. Any adviser commission will be paid out of the AMC.

Extra expenses

Each year the trust also pays other management expenses.

These are paid out of the AMC:

- trustee fees and expenses;
- custodian fees;
- registrar fees;
- audit fees; and
- regulator fees.

In addition, the trust pays the costs involved with buying and selling investments, including any commission paid to stockbrokers for trading and/or research, and these are paid out of the capital of the trust. The amounts of these costs are not fixed but are currently included in the AMC figure above.

i For further details please refer to the full Prospectus.

WHAT IS THE TOTAL EXPENSE RATIO (TER)?

The TER (1.50%) shows the annual operating costs of the trust, which do not include transaction expenses. All States within the European Economic Area provide this figure to help compare expenses of different schemes.

WHAT IS THE PORTFOLIO TURNOVER RATE (PTR)?

The PTR (4% as at 30 September 2010) gives an indication of how much the trust's investments have changed in a year. A PTR of 200% is equivalent to all investments having been replaced once. As the trust pays for any charges involved with buying or selling investments, the higher the percentage, the more costs it has paid.

WHO MANAGES THE TRACKER TRUST?

The trust is managed by Legal & General (Unit Trust Managers) Limited.

The investment manager is Legal & General Investment Management.

The CTF provider is Legal & General (Portfolio Management Services) Limited.

ADDITIONAL INFORMATION ON THE TRACKER TRUST

The Tracker Trust has the following unit classes available:

- accumulation units; and
- CTF accumulation units.

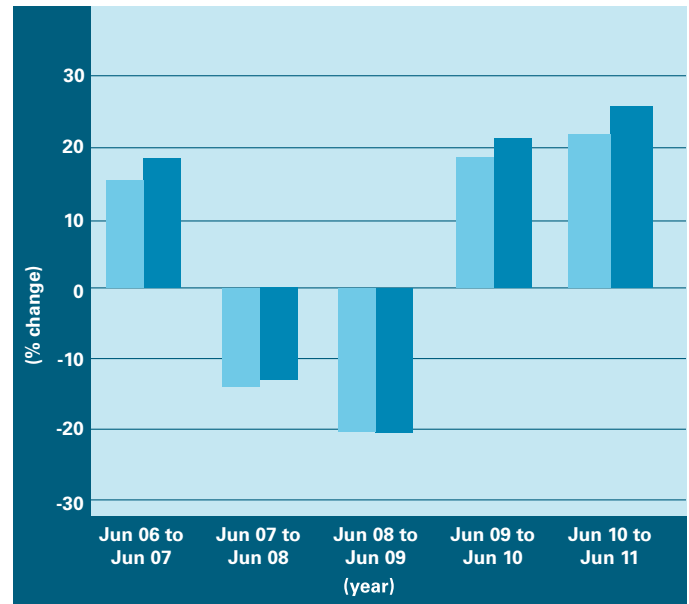
The Equity Stakeholder CTF invests in the CTF accumulation units of the Tracker Trust.

The L&G (N) Tracker Trust was established on 1 October 1999 and it is based in the UK.

PAST PERFORMANCE

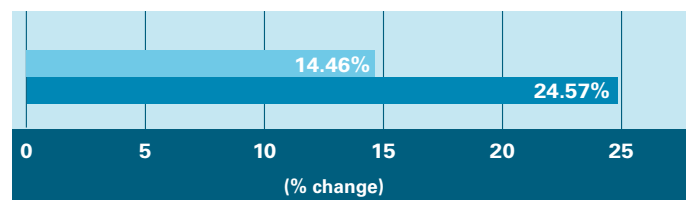
Please remember, past performance is not a guide to future performance.

Annual performance



Legend: L&G (N) Tracker Trust CTF (light blue), FTSE All-Share Index (dark blue)

Cumulative performance



Legend: L&G (N) Tracker Trust CTF (light blue), FTSE All-Share Index (dark blue)

The annual performance bar chart shows the percentage by which the trust – and the index it aims to track – has changed in value in each year of the period covered.

The cumulative performance bar chart and figures show the combined effect of each year's changes on the trust – and the index it aims to track – over the whole period covered.

Cumulative performance is since 30 June 2006.

As we do not have 10 years' performance for this unit class, the data shown is 30 June 2006 to 30 June 2011.

The past performance figures used are net of tax after charges have been deducted and income reinvested half yearly. For full details of our charges, please refer to page 4.

Source – Lipper.

The data shown may change. For up to date information, check our website at

www.fundinformation.legalandgeneral.com

FURTHER QUESTIONS AND ANSWERS.

WHAT TYPES OF CTF ARE THERE?

There are three types of CTF:

- Stakeholder CTFs;
- Savings CTFs; and
- CTFs that invest in shares.

Stakeholder CTFs – invest in a wide spread of stocks and shares and meet the conditions specified by the Government.

Savings CTFs – the money is placed in a bank or building society deposit account.

CTFs that invest in shares – invest in company shares of your choice.

The Legal & General Equity Stakeholder CTF is a Stakeholder CTF.

You should bear in mind that if a fund is described as Stakeholder compliant, it does not mean that it is in any way Government approved, or right for you, or that there is any guarantee of performance.

WHO IS ELIGIBLE FOR A CTF?

To be eligible for a CTF account, a child must have been born on or after 1 September 2002 and been issued a CTF voucher by the Government. They must also be living in the United Kingdom and not subject to immigration controls. For the purposes of Child Benefit and the CTF, children of Crown servants (including Armed Forces) are treated as being in the UK, even if their families are posted abroad.

On 31 December 2010 the Government stopped issuing new CTF vouchers. Because you must invest a voucher to open a CTF account, children who were not issued a voucher before 31 December 2010 do not qualify for a CTF account. Vouchers are valid until the expiry date printed on them.

HOW MUCH CAN BE INVESTED IN THIS EQUITY STAKEHOLDER CTF?

In addition to the voucher, you can invest lump sums or save regularly. The minimum is £1 for a lump sum and £1 a month for regular savers. The maximum that can be invested in total is £3,600 each year. The voucher and other Government contributions don't count towards the £3,600, but Welsh Assembly and local authority contributions for children in their care do. A year starts on your child's birthday. You do not have to be the registered contact to invest.

The Government has announced that, from 6 April 2013, CTF contribution limits will increase each tax year in line with the Consumer Prices Index (CPI). The CPI is a way of showing changes in the cost of living. The limits will be calculated using the CPI figure for the September before the start of the new tax year. They will be rounded to the nearest multiple of 120 to help monthly savers calculate their payments more easily. If you make monthly payments to the CTF by direct debit, you will need to tell us if you wish to increase your payments in line with any annual increase in the limits. HM Revenue & Customs will announce the new limits before the start of each new tax year. Lump sum investments can be made by cheque, direct credit and standing order. Monthly savings are made by direct debit.

THE DIRECT DEBIT GUARANTEE



- This Guarantee is offered by all banks and building societies that accept instructions to pay Direct Debits.
- If there are any changes to the amount, date or frequency of your Direct Debit Legal & General will notify you five working days in advance of your account being debited or as otherwise agreed. If you request Legal & General to collect a payment, confirmation of the amount and date will be given to you at the time of the request.
- If an error is made in the payment of your Direct Debit, by Legal & General or your bank or building society, you are entitled to a full and immediate refund of the amount paid from your bank or building society.
 - If you receive a refund you are not entitled to, you must pay it back when Legal & General asks you to.
- You can cancel a Direct Debit at any time by simply contacting your bank or building society. Written confirmation may be required. Please also notify us.

WHAT HAPPENS IF THE £3,600 LIMIT IS EXCEEDED?

If a contribution causes the CTF account to go over the £3,600 annual limit, this overpayment will be returned to the donor, unless their contact details are not known. In that case it will be returned to the registered contact.

WHAT IS THE CTF INVESTED IN?

Investments buy CTF accumulation units in the L&G (N) Tracker Trust.

Accumulation units allow any income to be reinvested into the trust.

The Tracker Trust CTF accumulation units shall only be available to investors where the beneficial owner of the units is an eligible child within the definition of the requirements of the Child Trust Funds Act 2004.

LIFESTYLING OPTION

The lifestyling option allows you to protect the value of the CTF by gradually switching units to a cash fund.

The lifestyling option is included automatically, unless you specifically request otherwise. We will write to you shortly before your child's 13th birthday to confirm details of the lifestyling option. If you do not wish to take advantage of this option you can then let us know.

The lifestyling option will come into effect on your child's 13th birthday, or if this is a non-working day, the next working day and remain in effect until their 18th birthday.

On your child's birthday, or if this is a non-working day, the next working day in each of these five years, units will be sold in order to purchase sufficient units in a cash fund to achieve the minimum percentage holding illustrated in the table below.

NUMBER OF YEARS BEFORE 18TH BIRTHDAY	MINIMUM PERCENTAGE VALUE OF HOLDING IN A CASH FUND
5	20
4	40
3	60
2	80
1	100

A similar proportion of future contributions will be handled in this way to maintain the percentage holding values. If the value of your existing holding in a cash fund is already equal to or greater than the minimum percentage value illustrated, no sale of units will occur.

CAN WITHDRAWALS BE MADE AND CAN ANY INCOME BE TAKEN?

No, withdrawals are not allowed from the CTF before the child reaches 18. Only the child will be able to make a withdrawal from their 18th birthday.

The Equity Stakeholder CTF offers CTF accumulation units only. This means that any income is reinvested in the trust.

WHAT DOCUMENTS WILL I RECEIVE?

- When you buy units, we will send you a contract note or an acknowledgement letter, which confirms the transaction. Unit certificates are not issued.
- Each year, in the month preceding your child's birthday, we'll send you a statement giving you details of all transactions, the total number of units allocated and their current value. You can also request a valuation of the account at any time.
- In May and November we will send you a copy of the latest Manager's Short Report. The report will tell you about the trust's investments and performance. Also, a full report is available free of charge on request.

HOW CAN I KEEP TRACK OF THE UNIT TRUST INVESTMENT?

Unit prices for all our unit trusts are published daily on the website www.legalandgeneral.com/utprices or you can usually find the information on www.nationwide.co.uk/investments



Alternatively, you can call us on **0845 603 0120**. Lines are open Monday to Friday 9.00am to 5.00pm. (We may record and monitor calls. Call charges will vary. This number may not be available from outside the UK.)

WHAT IS MY CUSTOMER CATEGORY?

The Financial Services Authority (our regulator) requires us to put our customers into groups so that we can treat them according to their level of knowledge about investments.

These groups are:

- retail client;
- professional client; and
- eligible counterparty.

We treat all customers who invest in our products from this brochure as retail clients. It gives you the greatest level of protection under the regulations and ensures you get full information about any products you buy.

You can choose to be categorised as a professional client or an eligible counterparty, but this means you will receive less information about our products and services. Also, you wouldn't be entitled to receive a suitability report or appropriateness assessment where they would be required for retail clients.

If you're a professional client or eligible counterparty you can ask to be categorised as a retail client, although it doesn't necessarily mean you can refer any complaints to the Financial Ombudsman Service, and you may not be eligible for compensation under the Financial Services Compensation Scheme.

HOW DO I TELL YOU ABOUT ANY CHANGES?

Please confirm all instructions to us in writing, unless we agree otherwise, at the address in the contact details section on page 13 or any other address we ask you to use.

CAN I CHANGE MY MIND?

Cancellation rights

After we receive your application form and voucher we'll send you an acknowledgement letter. You will then have 14 days during which you can choose to cancel the investment without charge. If you decide to cancel you can complete and return the cancellation form enclosed with the acknowledgement letter and we will return the voucher to you. The CTF will not be opened until the cancellation period has expired.

If you do not exercise your cancellation rights within the 14 day cancellation period then:

- Your child's voucher will remain invested in the Legal & General Equity Stakeholder CTF.
- Your child's investment will be subject to all the risks as detailed in these Key Features.
- The investment will incur all charges as set out in the 'What are the charges?' section on page 4.



If you wish to cancel, please send your cancellation notice to the address in the contact details section on page 13.

CAN I SWITCH THE INVESTMENT TO ANOTHER LEGAL & GENERAL UNIT TRUST?

No, you cannot switch to another Legal & General trust. However, you can transfer the CTF to another CTF provider.

HOW DO I TRANSFER THE CTF TO ANOTHER PROVIDER?

To arrange a transfer to another CTF provider you will need to contact them and complete their transfer application forms. You may transfer to a different CTF provider at any time. There is no charge for transfers from the Tracker Trust. Once we receive confirmation from the new CTF provider that they will accept the transfer, we will sell the units and send the proceeds on to them.

You are reminded that, if there is a rise in the markets while the CTF transfer is pending, the child may not gain the benefit of that rise.

WHAT IF I WANT TO CHANGE MY MONTHLY PAYMENTS?

If you are making monthly payments, you can start, amend and stop at any time.

WHAT HAPPENS WHEN MY CHILD REACHES 18?

When your child reaches 18 the CTF will close and your child will be able to withdraw the funds. We will contact your child outlining any options at that time. The CTF will lose its tax efficiency unless it is reinvested in an alternative tax efficient investment.

WHAT HAPPENS IF MY CHILD DIES?

In the event of the death of your child the value of their CTF will be paid to their Personal Representative. No further contributions will be permitted. The investment becomes taxable from the date of death. To close the CTF we will need a copy of the death certificate and letter of administration. We will also need to check the ID, name and address of the registered contact.

WHAT IF MY CHILD BECOMES ILL?

If your child is diagnosed with a terminal illness you can apply to withdraw money from their CTF. You must inform HM Revenue & Customs' Child Trust Fund Office (CTFO) of their illness and request access to their money. Once the claim has been agreed, the CTFO will write to you to let you know that withdrawals can be made. They will also inform Legal & General.

You will then be able to make one or more withdrawals by sending the confirmation letter to the address shown in the contact details section on page 13.

The Equity Stakeholder CTF will remain open (even with a zero balance) so further contributions from family and friends can be made.

HOW WILL CHARGES AND EXPENSES AFFECT THE INVESTMENT?

The effect of growth, charges and expenses on different investment levels are shown below. Please note that these are for illustrative purposes only: growth rates, charges and expenses are all subject to change.

Where appropriate, we use the standard growth rates stipulated by our regulator (the Financial Services Authority) for similar products.

All figures are rounded down to three significant numbers, and are for demonstration purposes only. They are not guaranteed.

The figures shown assume that the lifestyling option will not be applied.

The value of the investment can go down as well as up and your child may get back less than the amount originally invested.

The figures are for illustrative purposes only, and are not meant as an indication of future returns on an actual Equity Stakeholder CTF account. Any growth will depend on the actual performance of the investment. You should also consider the effects of inflation.

Warning – the charges mean your 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%.

£10 A MONTH REGULAR INVESTMENT

The effect of charges and expenses on £10 a month regular investment, 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	£120	£1.01	£123.00
3	£360	£9.41	£390.00
5	£600	£28.00	£687.00
10	£1,200	£137.00	£1,580.00
15	£1,800	£381.00	£2,740.00
18	£2,160	£624.00	£3,600.00

*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 £624. Putting it another way this would have the same effect as bringing the investment growth from 7% a year to 5.4%.

WHERE CAN I GET ADVICE ON WHETHER AN INVESTMENT IS SUITABLE FOR ME?

If you are in any doubt as to whether this CTF is suitable for you, please speak to your financial adviser.

WHERE CAN I GET HELP?

Your financial adviser or local Nationwide branch will be pleased to answer any questions you may have.

HOW MUCH WILL YOU PAY TO NATIONWIDE?

We will pay commission to Nationwide Building Society for selling Legal & General products. We pay commission out of the CTF's charges, which are set out in the 'What are the charges?' section on page 4. The amount we pay Nationwide is a percentage rate of the total value of the CTF. That amount will depend on the amount of Government contributions and other investments made through Nationwide, how long they are invested with Legal & General and how the fund performs over time.


We pay commission to Nationwide each month at a rate of one-twelfth of 1.15% of the total value of the CTF. We can reduce that payment by the costs of administering the investments and the costs of producing the marketing literature. The exact amount of these costs will depend on the nature and volume of investments in the CTF.

For example, if the total value of the CTF was £10,000, we would pay Nationwide one-twelfth of 1.15% of £10,000 = £9.58 that month, less an allowance for administration and literature. If the total value of the CTF was £20,000, we would pay Nationwide £19.17 that month, less the allowance.

If you received advice from Nationwide when you took out your investment, Nationwide may use part of the commission to pay your adviser.

HOW DO YOU SUPPORT ADVISERS?

We provide Nationwide and its advisers with additional benefits which are designed to help you receive a quality service. This may include some or all of the following: training, software, seminars and marketing materials.

 Further details of any benefits received from us are available on request from Nationwide.

DO I OR MY CHILD HAVE TO PAY ANY TAX ON THE INVESTMENT?

No. The CTF is a tax-efficient investment. Gains received from the CTF are free from personal income and capital gains tax.

However, CTF investment funds that invest in UK equities receive dividend income as well as potentially benefiting from an increase in the value of the equities themselves. This dividend income is deemed to have been paid net of 10% tax.

Please note that this represents Legal & General's understanding of current law and HM Revenue & Customs practice. The tax treatment depends on your child's individual circumstances and may be subject to change in the future.

If you are unclear on the taxation position of this product please seek advice from an adviser.

This tax information is based on current legislation, which may change.

WHAT IS STAMP DUTY RESERVE TAX (SDRT)?

Under current UK tax legislation, any unit trusts that invest in UK shares have to pay SDRT each month. We pay this rather than deducting it from the assets of the trust. The tax is paid on the value of any units which the trust buys back from one investor and sells to another. The amount of SDRT paid is reduced if part of the trust is not invested in UK shares, including any uninvested cash.

WHAT IF THE CHILD PAYS TAX ABROAD?

Depending on the child's residency status (non-UK), they may have to pay tax in a country outside the UK on any income or capital gains which they receive. If you need advice, please speak to a tax adviser or the relevant authorities in the country concerned.

WHAT IS THE EU SAVINGS DIRECTIVE?

The Directive applies to any new investors who live outside the UK, but within a country covered by the Directive, and who have invested in certain funds after 1 January 2004. If this applies, we need specific documents to confirm the child's birth, address and tax position. We also have to provide HM Revenue & Customs with details about any payments made. This information then passes on to the tax authorities of your country of residence.

LAW

The law of England applies to your investment.

LANGUAGE

The Terms and Conditions and all communications will only be available in English.

All communications from us will normally be by letter or telephone.

DEALING IN UNITS

Units in the Tracker Trust are single priced. This means that the selling price and the buying price are the same.

Units in the Tracker Trust are normally valued at 12 noon (the valuation point) to determine their price (the mid price).

When a deal takes place, which is when units are bought or sold, the value is based on the first valuation point after we receive your instruction.

Units may be bought and sold Monday to Friday between 9.00am and 5.00pm.

All units bought through Legal & General (Portfolio Management Services) Limited are registered in the name of Legal & General in a designated account for you.

WHY DO I NEED TO PROVE MY IDENTITY?

To protect you and us from financial crime, we may need to confirm your identity from time to time. We may do this by using reference agencies to search sources of information about you (an identity search). This will not affect your credit rating. If this identity search fails, we may ask you for documents to confirm your identity.

In certain circumstances, we may need to contact you to obtain more information regarding your investment.

CTF PROVIDER

Legal & General
(Portfolio Management Services) Limited
Registered in England No. 2457525

UNIT TRUST MANAGER

Legal & General (Unit Trust Managers) Limited
Registered in England No. 1009418

Registered office:
One Coleman Street
London, EC2R 5AA

Both companies are authorised and regulated by the Financial Services Authority.

We are on their register under the following numbers:

Legal & General (Portfolio Management Services) Limited 146786
Legal & General (Unit Trust Managers) Limited 119273

You can check this at www.fsa.gov.uk or by contacting them on **0845 606 1234**.

INVESTMENT MANAGER

Legal & General Investment Management
One Coleman Street
London, EC2R 5AA

REGULATOR

Financial Services Authority
25 The North Colonnade
Canary Wharf
London, E14 5HS

TRUSTEE

National Westminster Bank plc
Trustee and Depositary Services
135 Bishopsgate
London, EC2M 3UR

National Westminster Bank plc is a subsidiary of The Royal Bank of Scotland plc

AUDITOR

PricewaterhouseCoopers LLP
Hay's Galleria
1 Hay's Lane
London, SE1 2RD

FURTHER INFORMATION

The Legal & General Group, established in 1836, is one of the UK's leading financial services companies. As at 30 June 2011, we were responsible for investing £370 billion worldwide on behalf of investors, policyholders and shareholders. We also had over seven million customers in the UK for our life assurance, pensions, investments and general insurance plans.

The trust in this brochure is produced in the UK. It is authorised and regulated by the Financial Services Authority.

Legal & General is a member of the Investment Management Association.

i You can get a copy of the full Prospectus and Manager's Report and Accounts by contacting us at the address in the contact details section on the next page.

Full details of the Equity Stakeholder CTF in this brochure are included in the Terms and Conditions, which is a legally binding contract between you and Legal & General.

LICENCES AND TRADEMARKS

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CONTACT DETAILS

You can contact Customer Services on **0845 603 0120**. Lines are open Monday to Friday 9.00am to 5.00pm.

We may record and monitor calls. Call charges will vary. This number may not be available from outside the UK.

You can also write to us with instructions on your CTF or if you have any questions or complaints.

Legal & General Retail Investments
Administration Centre
BNY Mellon House, Ingrave Road
Brentwood, Essex, CM15 8TG

WHAT CAN I DO IF I'M NOT HAPPY WITH THE SERVICE PROVIDED?

You expect first class service and we aim to provide it. If you feel our service in any way falls short, please let us know. To help resolve your issues or concerns, we have an internal complaints procedure to ensure that your views are heard and dealt with quickly. In this way, we can try to put things right, as well as continually improve the service we give to our investors.

If you would like further information about our procedure or wish to make a complaint, please contact us at the above address.

If you feel that we have not addressed your concerns satisfactorily, you may refer the matter to the Financial Ombudsman Service.

Financial Ombudsman Service
South Quay Plaza
183 Marsh Wall
London, E14 9SR

Making a complaint will not affect your right to take legal proceedings.

HOW SECURE IS THE INVESTMENT?

The trustee is responsible for looking after the assets of a trust and they appoint a custodian to do this for them. The custodian will hold the assets in the name of the trust. Neither the trustee nor the unit trust manager can arrange for these assets to be transferred into their own name. Consequently, the trust's assets are safe even if the trustee or the unit trust manager becomes insolvent. If the trustee becomes insolvent, the trust would appoint a new trustee. If the unit trust manager becomes insolvent, the trustee would appoint a new unit trust manager.

Any money we hold for you, either awaiting investment or whilst we are arranging a withdrawal for you, is held in trust in a designated client account. This means if we become insolvent, your money is protected in accordance with the Financial Services Authority's client money regulations. If the bank holding the client money became insolvent, you may be entitled to compensation under the Financial Services Compensation Scheme. Cash accounts are covered for 100% of the first £85,000 for each depositor's claim.

If for any reason this money isn't held in a designated client account and we become insolvent, you may be entitled to compensation also under the Financial Services Compensation Scheme. Most types of investment business are covered for 100% of the first £50,000 of each customer's claim.



Further details on compensation arrangements are available from us on request or direct from the Financial Services Compensation Scheme website, www.fscs.org.uk

TERMS AND CONDITIONS OF THE LEGAL & GENERAL EQUITY STAKEHOLDER CHILD TRUST FUND.

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1. DEFINITIONS OF WORDS USED IN THESE TERMS AND CONDITIONS

'the Account' – a Legal & General Equity Stakeholder Child Trust Fund account held in the name of the Child.

'Accumulation Units' – Units where any income from the investment (including, but not limited to, interest, dividends, rights or other proceeds in respect of investments held by Us for You) is reinvested back into the Fund and is reflected in the unit price.

'Application' – means the printed application form, provided by Us, which You completed and signed. It also covers any non-written application, accepted at Our discretion, which provides the same information, declarations and authority as the printed form.

'Child' – the Child named on the Application and being the beneficial owner of the investment.

'Child Trust Fund' – means a child trust fund, established in accordance with the Regulations and operated in accordance with these Terms and Conditions.

'Client Money Account' – means a current or deposit account at a bank that is in Our name. Its title will also include an appropriate description to indicate that it holds only clients' money in accordance with Our regulatory responsibility. This Client Money Account is used to hold the money of one or more clients.

'FSA' – the Financial Services Authority.

'FSA Rules' – rules issued from time to time by the FSA.

'Fund' – L&G (N) Tracker Trust.

'Regulations' – the Child Trust Fund Regulations 2004, as amended from time to time.

'Sub-Register' – a register We keep of all Account holders, their details and details of their investments.

'Subscription Year' – in the year of the Account opening the Subscription Year starts on Account opening and ends on the day before the Child's next birthday. In following years the Subscription Year runs from the Child's birthday to the day before the Child's next birthday.

'Transfer Value' – the value of a Child Trust Fund transferred to Us from another provider.

'Units' – Units in the Fund held for the Child.

'Valuation Point' – 12 noon on a Working Day.

'We/Us/Our' – Legal & General (Portfolio Management Services) Limited, the Account Manager and Child Trust Fund Provider.

'Working Day' – a day on which The London Stock Exchange is open.

'You' or 'Your' – the Account's registered contact. Where the named Child is under 16, this is the person detailed in the Account Application as the responsible person. Where the named Child is 16 or over, the Child is the registered contact.

2. GENERAL TERMS

- 2.1 For the avoidance of doubt, the agreement arising under these Terms and Conditions is an initial service agreement for the purposes of the European Distance Marketing Directive 2002.
- 2.2 We are a Child Trust Fund Provider approved by the HM Revenue & Customs (HMRC). We will manage the Account in accordance with the Regulations.
- 2.3 All Units in Your Account will be registered in Our name or that of any nominee We may appoint, along with those of other investors who have an Account. However, the Child will beneficially own those Units with Your name recorded on Our Sub-Register. We will only appoint a nominee to hold Units for the following reasons:
 - 2.3.1. We do not offer any custody services;
 - 2.3.2. We believe that the appointment of a nominee would enable Us to manage Your investment with greater efficiency;
 - 2.3.3. To enable Us to meet the Regulations or FSA rules;
 - 2.3.4. We believe it will provide You with better security.

We will ensure that any nominee entity We appoint is competent to carry out those functions or responsibilities.

Your investment or cash may be held by a third party (a bank or custodian).

If this third party is unable to meet its obligations then We will not be able to step in to meet those obligations as We are not responsible for the acts or omissions of Our third party providers.

However, in the event of an irreconcilable shortfall after the failure of a third party, You may share in that shortfall in proportion to Your original share of the assets in the pool and You may be entitled to compensation under the Financial Services Compensation Scheme in the event of insolvency of the third party.

- 2.4 If You make a request, We will arrange for You to:
 - 2.4.1 attend and vote at Unit holder meetings.
 - 2.4.2 to receive any further information (such as annual report and accounts) issued to Unit holders.
 - 2.4.3 receive a copy of the Fund annual report and accounts.

We may make a charge for any of these additional services. This charge will be reasonable and proportionate and will only be made where it is necessary to cover Our reasonable administration costs.

Any charge will be communicated to You in writing prior to it being incurred by You.

- 2.5 When buying or selling Units on Your behalf, We will only buy Units from or sell Units to Legal & General (Unit Trust Managers) Limited (one of Our associated companies) at the relevant Valuation Point as detailed in these Terms and Conditions.
- 2.6 In certain circumstances Your account will become void. These circumstances include:
- 2.6.1. Your or Our failure to comply with the Regulations.
- 2.6.2. The occurrence of an event outside of Our control as set out in Clause 15 of these Terms and Conditions.

If any of the above circumstances arise We will do Our best to give You at least 30 days' notice that Your account will become void.

We will also write to You to explain what will happen to Your account and the options available to You.

- 2.7 Units cannot be lent to a third party nor used as security for a loan.
- 2.8 Only one Child Trust Fund Account can be opened or held for the Child at any one time.

3. ACCEPTANCE

- 3.1 The Account will be accepted subject to any right to withdraw when both an Application and a Child Trust Fund voucher or Transfer Value have been received at the address shown in Clause 20. This is unless, in Our reasonable opinion the Application is incomplete, or it is necessary to clarify information on the Application.
- 3.2 Any payment paid to Us must be an amount that is permitted in Our current application form. We reserve the right to cancel a unit deal if the relevant payment into the Account for that deal has not cleared within 14 days of the original instruction.
- 3.3 We reserve the right to reject an Application and, in particular, may do so if it is not done on Our current application form. We are entitled to rely upon the accuracy of the application.

4. PAYMENTS

- 4.1 Payments may be made into the Account up to a subscription limit of currently £3,600 in any Subscription Year. Government contributions, interest, dividends or other income arising from the investments held in the Account do not count toward this limit.
- 4.2 If the maximum referred to above is exceeded We will return the payment to the payer, if We have their contact details. Otherwise, We will send the payment to You.
- 4.3 We will try to invest the Government's contribution(s) as soon as reasonably possible after this money has been received by Us.

- 4.4 The minimum subscription is £1. Lump sum and regular contributions may be made provided they do not exceed the subscription limit.
- 4.5 Any payment made into the Account which does not breach the subscription limit, is a gift to the Child and is not refundable. You must make best efforts to inform any person intending to make a payment of this.
- 4.6 We bank all payments into a Client Money Account no later than the Working Day after they are received. This Client Money Account, which is in Our name, will be held with such bank or authorised institution as We may nominate from time to time. You will not be entitled to any interest earned unless We tell You otherwise.

5. BUYING UNITS

When We receive a payment We will buy Units in the Fund at the mid price using the prices available at the next Valuation Point. The price for the Units in the Fund is calculated in accordance with the trust deed(s) establishing the Fund, its prospectus, and the FSA Rules as amended from time to time. The price for the Fund is normally published on Our website www.legalandgeneral.com/utprices.

6. LIFESTYLING

- 6.1 On the thirteenth birthday of the Child (if not a Working Day, the next Working Day) and on each following birthday (or next Working Day if appropriate), Units will be sold in order to purchase sufficient Units in a Legal & General cash fund to achieve the minimum percentage holding noted in the table below. The same percentage of any new payments made to the Account during the relevant year will be applied to a Legal & General cash fund to maintain the percentage holding noted. This is called the "Lifestyling" feature.
- 6.2 Within six months prior to the Child's thirteenth birthday You will be contacted to confirm that lifestyling will commence on the Child's next birthday. This notice will also include full details, terms and conditions and charges of the cash fund. At that time, You will be asked to give notice if You do not wish lifestyling to apply to the Account.

BIRTHDAY	% VALUE OF HOLDING INTO A LEGAL & GENERAL CASH FUND
13th	20
14th	40
15th	60
16th	80
17th	100

7. TAX MATTERS

- 7.1 Gains or income received into the Account are free of personal forms of taxation such as income or capital gains tax. However, Child Trust Fund investment funds that invest in UK equities receive dividend income as well as potentially benefiting from an increase in the value of the equities themselves. This dividend income is deemed to have been paid net of 10% tax.
- 7.2 You authorise Us on Your behalf to apply to HMRC to make all appropriate claims for the repayment of, or credit against, tax in respect of Units held under Your Account and the income arising from them. You authorise Us to provide HMRC with all relevant particulars and certificates as may be required under the Regulations in order for Us to do this.

8. NOTICES AND STATEMENTS

- 8.1 In accordance with the Regulations and the FSA Rules You will receive:
- 8.1.1 A statement showing information including: the market value of the investment as at the statement date; and the market value at the previous statement date will be sent to the Child each year within the preceding month of the Child's birthday. We will also send a statement if the Account is transferred to another provider.
- 8.1.2 The half-yearly and annual Manager's Short Report in May and November.
- 8.2 You may request a valuation of the Account at any time. We may impose a charge for this service but this charge will be reasonable and proportionate and will only be made where it is necessary to cover Our reasonable administration costs. Any charge will be communicated to You in writing prior to it being incurred by You.
- 8.3 We will contact You at the latest address on Our records.
- 8.4 An item will be treated as arriving 48 hours after posting (if sent to an address in the UK) or ten days after posting (if sent abroad).
- 8.5 You must write to Us immediately, at the address in Clause 20, if Your (or the Child's) name or address changes. Where We do not have an up to date address for You or the Child, We may make enquiries to identify Your new address and reclaim the reasonable cost of these enquiries. Any cost reclaimed will be reasonable and proportionate. In order to make these enquiries, We may need to share Your details with trusted external parties.

9. CHARGES

- 9.1 An annual management charge of 1.5% of the value of Units held in the Fund will be calculated daily, and deducted from the income of the Fund monthly.
- 9.2 Charges costs and expenses as identified in Clauses 2.4, 6, 8.2, 11 and 19 may apply.
- 9.3 It may become necessary to change charges. We'll only do this for specific reasons as described in Section 14 of these Terms and Conditions. If it does become necessary to make amends to charges under these Terms and Conditions then We will give You 60 days written notice of any increase. If You are unhappy with any changes to the charges, You can transfer a Child Trust Fund (see Clause 11).

10. WITHDRAWALS

Withdrawals from the Account before the Child's eighteenth birthday are generally prohibited, but may be made in accordance with the Regulations. For example to pay legitimate management charges and other incidental expenses; or where a terminal illness claim has been made on behalf of the Child and been agreed in accordance with the Regulations.

11. TRANSFERS

- 11.1 We will transfer the Account to another Child Trust Fund Manager upon Your written instruction provided that other Child Trust Fund Manager has confirmed that any applicable cancellation period has expired. We will try to carry out the transfer as soon as reasonably possible. Your instruction can state the time within which the transfer is to be completed, but should not be less than 30 days.
- A transfer may incur a charge for stamp duty at the rates prevailing at the time. We can tell you the amount of this charge that will apply and will clearly state details of any charge to stamp duty when We confirm the transfer is complete.
- 11.2 No charge will be made for a transfer into the Legal & General Equity Stakeholder Child Trust Fund from another provider's Child Trust Fund.

12. CLOSING THE ACCOUNT

12.1 The Account will close and tax exemption will end:

- 12.1.1 On the death of the Child. A death certificate will usually be required as evidence. The investment will remain within the Fund until We get instructions from the personal representative.
- 12.1.2 On the Child reaching their eighteenth birthday. On the Child's eighteenth birthday the Account ceases to be a Child Trust Fund and legal ownership of the Units in the Fund and/or the Cash Fund pass to the Child.
- 12.1.3 On the direct instruction of HMRC.

13. LIABILITY

We will only be liable for losses, including losses in the value of any assets held within the Child Trust Fund, if they are caused by Our or any of Our agents' negligence or wilful default.

14. CHANGES TO THE TERMS AND CONDITIONS

We may make fair and reasonable changes to these Terms and Conditions at any time by giving You at least 60 days prior written notice. We will only make changes for valid reasons, which include the following:

- (a) If Our investment rights and powers are removed or restricted.
- (b) To make Our terms clearer or more favourable to You.
- (c) To reflect legitimate increases or reductions in the cost of providing the Child Trust Fund to You, which include:
 - (i) changes to the way We are taxed;
 - (ii) changes to the way You are taxed;
 - (iii) costs associated with changes in staff, support services, technology or systems.
- (d) Events beyond Our reasonable control which make it impossible for Us to do what We say We will. These events are more particularly described below.
- (e) To comply with applicable law, regulation, the judgment of any court, regulator, ombudsman or any regulatory guidance or codes.
- (f) To reflect a change on Our corporate structure that doesn't have an unfavourable impact on Your Child Trust Fund but which does require Us to make certain changes to these Terms and Conditions.
- (g) If We need to respond to changes in tax rates or interest rates.

Any changes We make must be permitted under the Regulations and under the Financial Services Authority Handbook. If You are unhappy with any such changes You can transfer a Child Trust Fund (see Clause 11).

15. EVENTS BEYOND OUR REASONABLE CONTROL

There may be some circumstances that are beyond Our reasonable control and We may not be able to perform Our obligations in these Terms and Conditions. These events include the following:

- (a) Strikes, lockouts or other industrial action;
- (b) Civil commotion, riot, invasion, terrorist attack or threat of terrorist attack, war (whether declared or not) or threat or preparation for war;
- (c) Fire, explosion, storm, flood, earthquake, subsidence, epidemic or other natural disaster;
- (d) Restrictions imposed by legislation, regulation or other governmental initiative that are not as a result of Our misconduct;
- (e) Recession or significant economic collapse of a market, company or country that results in a large and sustained reduction in the value of assets;
- (f) Failure of transport networks or other external utilities (for example telecommunications networks, water or power) leading to unavoidable disruption;

If an event described above occurs:

- (a) if You are being disadvantaged We will let You know as soon as We can, wherever possible;
- (b) We will not be liable or responsible for any failure or delay in performing any of Our obligations set out in these Terms and Conditions.

If the event continues for a period in excess of 120 days We may make reasonable changes to these Terms and Conditions to try and overcome the problem, this may include closing Your Child Trust Fund.

16. CONFLICT OF INTEREST

During Your investment conflicts of interest may arise between You and Us, Our employees, Our associated companies or Our representatives. To ensure We treat investors consistently and fairly, We are required to have a policy on how to identify and manage these conflicts.

A summary of Our policy is detailed below. A copy of the full policy is available on request from the address in Clause 20.

We:

- (a) will consider the interests of all of Our customers and treat them fairly;
- (b) will manage conflicts of interest fairly to ensure that all customers are treated consistently and to prevent any conflict of interest from giving rise to a material risk of damage to the interests of Our customers;
- (c) have in place procedures to ensure that staff identify and report any new conflicts;

- (d) will keep a written record of any conflicts or potential conflicts;
- (e) will, if appropriate, disclose any relevant conflict to a customer before undertaking business with that customer;
- (f) will carry out an annual review to identify any new conflicts; and
- (g) will ensure new business developments identify any new conflicts of interest.

This policy applies to any company to whom We delegate any of Our functions.

17. TRANSFERRING OUR DUTIES

We may, at Our absolute discretion, appoint agents to carry out Our obligations in managing Your Account as long as this is allowed by the Regulations and the Financial Services Authority Handbook.

However, We will not do so unless We are satisfied that the agent is competent to perform such tasks. Our liability to You under these Conditions shall not be affected.

You consent and agree that We may transfer to any Legal & General group company all or any of Our rights and obligations under these Terms and Conditions. We will notify You of any such transfer. We may appoint any person whether or not a Legal & General group company to advise on or perform any of Our functions or responsibilities under these Terms and Conditions. We may provide information about You and Your investments to any such person and You agree that We may do so.

18. COMPLAINTS

We have established a procedure to investigate any complaints relating to the operation of the Account, a copy of which is available to You on request at the address in Clause 20. In the event that You are not satisfied You also have a right of complaint direct to the Financial Ombudsman Service.

19. INFORMING US OF CHANGES

You agree to inform Us, without delay, of any change in Your or the Child's circumstances or status, including in particular any change of address, name, bank account or residency status. Where We do not have an up to date address for You or the Child, We may make enquiries to identify Your new address and reclaim the cost of these enquiries. Any cost reclaimed will be reasonable and proportionate. To make these enquiries, We may need to share Your details with trusted external parties.

20. GIVING NOTICE

We shall not be bound to act in accordance with the instructions of anyone other than You or Your personal representatives. Any notice given to Us by You must be in writing (or any other method deemed acceptable by Us) and should be sent to and will only become effective on receipt at the following:

Legal & General Retail Investments
Administration Centre
BNY Mellon House
Ingrave Road
Brentwood
CM15 8TG

Or such other address of which You may be notified after acceptance.

We will acknowledge all instructions and carry them out except:

- (a) where these Terms and Conditions have not been complied with; or
- (b) where We believe that they are not able to be carried out; or
- (c) where We believe they are contrary to any law or rule or regulation.

21. GENERAL INFORMATION

21.1 Fund Prospectus is available on request.

21.2 We are entitled to provide HMRC with any information about the Account as required by law.

21.3 We may require evidence of Your identity or of that of the Child. If evidence is required please provide it promptly.

21.4 This agreement is governed by English law and all communications and documentation will be in English. It comes into effect on the date that all the conditions contained within the Regulations for the opening or the transfer of an Account are met.

21.5 The Regulation, law and HMRC practice applicable to the Account may change in the future.



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