

A CLEARER VIEW.


With generations of investment experience behind us, we've learnt what's important to our customers. We want to share some of that experience with you now with this guide to unit trusts and ISAs. This will give you a better understanding of investing with us and help you to realise your investment goals.



INVEST TODAY.

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TIME TO TAKE STOCK.

With inflation at current levels, many of us are finding that our savings are reducing in value, in real terms. So it's understandable that you're looking for ways to make your money work harder.



FUND MANAGER
DAVID NORTH

Our broad range of funds allows you to invest to suit your aims. You can choose to invest your money in some of the world's most recognisable companies or established markets.

Whether you're interested in unit trust investments or tax-efficient ISAs, we can help.

WHY CHOOSE TO INVEST IN A UNIT TRUST WITH US?

A unit trust is a convenient way to give your savings the advantages of a larger investment. Your money is pooled in a fund with money from other investors to make a bigger pot. This means we can invest, on your behalf, in a wider range of stocks and shares than you'd be able to invest in alone.

Our funds allow you to invest in a broad range of assets. These vary from lower risk corporate bonds to UK commercial property and UK blue-chip shares, to more exciting, but higher risk, investments in foreign markets.

If you invest in a broader range of assets, it will help you to reduce your risks. This is because you become less dependent on the performance of a single asset.

Another advantage is that our unit trusts trade in large volumes. This means we can keep our costs down compared to the fees you might be charged to buy and sell shares by yourself.

We divide each fund into units: the number of units your investments buys represents your share of the fund.

ISAs: TAX-EFFICIENT INVESTMENTS.

No matter what stage you are at in life, it may be worth looking to save at least some of your money in an ISA. Given the current economic environment, the tax benefits offered by ISAs could be even more valuable.

When you invest in a unit trust with us you can choose to make your investment tax-efficient by 'wrapping' it in an ISA. This means you won't pay any personal tax on the income or profit your money earns.

You can find more information about tax on unit trusts and ISAs on the Key Information CD-ROM included with this guide.

"Investing in a Legal & General ISA or unit trust means you get access to a wide range of funds, each investing in a number of stocks."

INVEST WITH CONFIDENCE.

THE LEGAL & GENERAL GROUP IS RESPONSIBLE FOR INVESTING £365 BILLION OF ASSETS WORLDWIDE, AS AT 31 DECEMBER 2010 ON BEHALF OF INVESTORS, POLICYHOLDERS AND SHAREHOLDERS.

SWITCH ON TO ISAs.

No one likes having to give their money away to the tax man. Over the next few pages, we'll explain all the basics about ISAs – one way to stop giving money to the tax man.



FUND MANAGER
RICHARD HODGES

WHAT DOES ISA STAND FOR?

ISA stands for Individual Savings Account and there are two types:

Cash ISA: this is like a normal deposit account – except that you pay no tax on the interest you earn.

Stocks and shares ISA: this gives you the chance to invest your money in equities, bonds or commercial property without paying personal tax on any returns you might make.

We offer stocks and shares ISAs, giving you the chance to invest in some of the biggest names in business from around the world.

WHAT ARE THE TAX BENEFITS OF AN ISA?

When you invest in an ISA, you pay no personal income or capital gains tax on any interest, income or profit you take from it. You don't even have to mention your ISA on your tax return.

The information we've outlined here is based on the Government's current tax rules, which might change over time. We always try to keep our investors fully informed of any changes to these tax rules, in advance of them coming into effect.

You should also be aware that the value of any tax advantages depends on your individual financial circumstances.

HOW MUCH CAN I INVEST IN AN ISA?

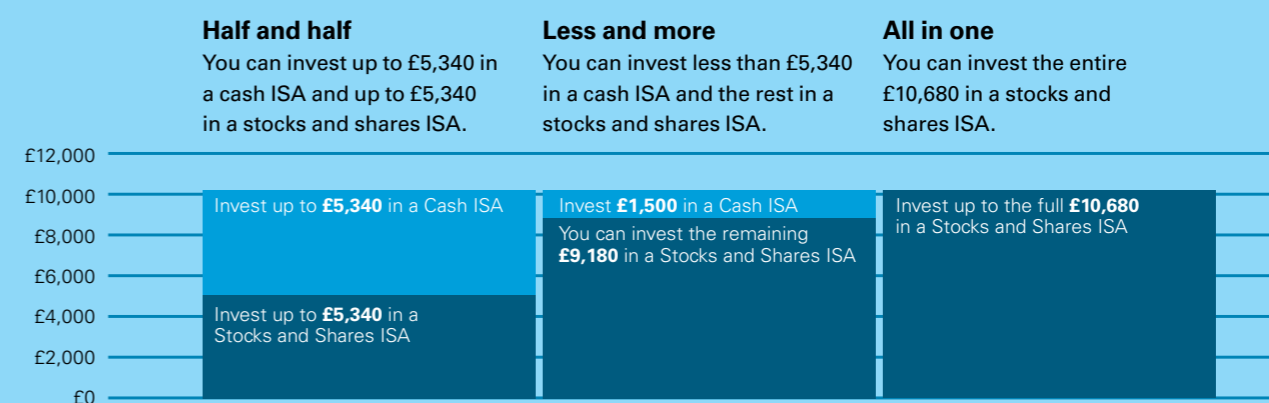
You can invest anything up to your current annual allowance, which at the moment is £10,680.

Have a look at the table at the bottom of this page to see how this can work in practice.

"The easiest way to think of an ISA is like a 'wrapper' that shelters your savings and investments from tax."

YOUR ISA INVESTMENT LIMITS – HOW IT WORKS IN PRACTICE.

This illustration shows how you could choose to invest up to your £10,680 ISA limit.



SWITCH ON TO ISAs.

WHAT IF I WANT TO INVEST MORE?

The amount you can invest in a unit trust through a stocks and shares ISA is limited. If you have some extra money to save, it's worth considering that there's no limit to the amount you can invest in a unit trust.

If you've used up your annual ISA allowance, you can continue to invest with us in our unit trusts. It's a great way to make your money work harder – it just means you won't get the same tax benefits as with an ISA. If you decide to use the internet to invest, you can put in a maximum of £50,000 each time.

WHAT HAPPENS WHEN I INVEST IN A STOCKS AND SHARES ISA?

If you choose a stocks and shares ISA with us, you'll be able to invest in one or more of our unit trusts. These are held within an ISA – giving you tax-efficient investments while allowing you to access a wide range of funds.

HOW MANY ISAs CAN I HAVE?

If you have invested in an ISA in a previous tax year, you can keep your money invested in that ISA and open up a new one each tax year.

You can only have one cash ISA and one stocks and shares ISA each tax year. These can be held with different ISA providers.

WHAT IF I ALREADY HAVE AN ISA WITH ANOTHER COMPANY?

If you have an ISA but you're looking to move it to a new provider, there are a few things you need to know:

- For any ISAs taken out in this tax year, you can only transfer the whole account balance to a new provider.
- For ISAs taken out in previous tax years, you can transfer some or all of it into a new ISA without it counting towards your current ISA allowance.
- You can transfer money from a cash ISA into either another cash ISA or into a stocks and shares ISA. You can only transfer money from a stocks and shares ISA into another stocks and shares ISA.
- You can't transfer the money yourself by taking it out of one ISA and investing it into a new one. It must be transferred directly between the old manager and the new manager.
- Your existing provider may charge you a fee for the transfer. If you transfer your ISA to us, we may make an initial charge, if one applies to the funds you choose.

Whatever you decide, we'll make it as easy as we can to transfer money into a stocks and shares ISA with us.

IS THERE A MINIMUM TIME THAT I HAVE TO HOLD MY ISA?

No, you can keep hold of your ISA for as long as you want. The tax advantages start at once. If you choose to invest with us, you should bear in mind that you should consider ISAs as a medium to long-term investment of, ideally, at least five years.

CAN I TOP UP MY ISA?

You can top up your current tax year ISA at any time, as long as you have not already invested up to your annual limit. Remember, the limit includes both cash ISAs as well as stocks and shares ISAs. If you have an ISA from a previous tax year, you can't add to the amount you invested.

If you have invested up to the limit but have since withdrawn some money from the ISA, you will unfortunately not be allowed to top up your ISA back to your limit. This is part of the current legislation on ISAs.

If you have an ISA with us, you can top up either by making a single payment of £100 or more, or by setting up regular monthly payments, from as little as £10. This is a great way to make sure you make the most of your annual allowance and don't let it go to waste.

WHAT HAPPENS IF I NEED TO GET MY MONEY OUT?

You can withdraw part of your ISA in lump sums of £500 or more whenever you want. All you need to do is make sure you leave at least £500 in your account.

If you need to cash in your whole ISA, you can also do that at any time.

WHAT IF I'M UNSURE ABOUT WHEN I SHOULD INVEST?

Knowing when to enter the market is difficult, even for seasoned investors, but it doesn't have to be a worry. An option exists that allows you to pay into a fund over 12 months by 'drip feeding' your lump sum into the market at regular intervals.

It's called phasing your investment.

Phasing your investment can help smooth out the effect of market changes. When prices are high, your investment buys fewer units. When prices are low, it buys more. It doesn't guarantee you'll make a profit, or protect you from losses, but it does limit your exposure to market volatility.

You can choose phased investment across any of our index-tracking funds and you can start it whenever you like. This investment must be a lump sum of at least £3,000, then as long as you keep within your ISA limits, you can top up your phased investment with a minimum £1,000 lump sum at any time.

WHAT ELSE SHOULD I KNOW?

It's important to remember that both capital and income values may fall as well as rise, and neither is guaranteed. You might not get back the money you invest.

If you choose a fund that invests overseas, changes in exchange rates between currencies may cause the value of your investment and the level of income to fall and rise.

Each fund has its own objectives and risk factors. Before you decide how to invest, take a look at the Key Information CD-ROM we've included – it tells you more about these.

INVEST WITH A BIG PLAYER.

WE'RE ONE OF THE LARGEST STOCKS AND SHARES ISA PROVIDERS IN THE UK, MANAGING OVER £6.6 BILLION OF ISA FUNDS AS AT MARCH 2011.

Source: IMA Company Ranking.



DON'T MISS OUT ON THIS TAX YEAR'S ALLOWANCE.

REMEMBER, IF YOU DON'T USE THIS TAX YEAR'S ISA ALLOWANCE YOU WON'T BE ABLE TO CLAIM IT BACK.

MORE CHOICES, BRIGHTER PROSPECTS.

Choose an ISA or unit trust to suit you.

ACTIVELY MANAGED.

These funds are overseen by experienced fund managers who identify opportunities they believe will offer the best performance for your money.

Each year they meet hundreds of businesses to establish their value and potential. They monitor companies' performance, economic conditions and market developments, and select

a portfolio of assets according to this expert view.

Invest directly with us in any of these funds and we'll discount the initial charge to just 3%.

If you apply online you can enjoy 0% discount on the initial charges on all our Actively managed funds. We can change or stop this discount at any time.

INCOME.

Income funds, as their name suggests, are designed to provide you with a regular income.

To achieve this, we invest in corporate and government bonds. These are also known as fixed interest securities – loans to companies and governments. You don't have to take an income

from our income trusts. You can choose to reinvest any interest you earn.

If you apply online you can enjoy 0% discount on the initial charges on all our Income funds. We can change or stop this discount at any time.

MULTI MANAGER.

Multi manager funds allow you to spread your money across several different funds through one single investment. Each multi manager fund invests in a range of funds that aim to meet your objectives and risk profile.

Our multi manager team is highly driven and performance focused. They constantly research and review the market

to select the funds, assets and managers with the aim of maximising your profits.

If you apply online you can enjoy 0% discount on the initial charges on all our Multi Manager funds. We can change or stop this discount at any time.

SPECIALIST FUNDS/OTHER.

Our Ethical Trust lets you invest with a clear conscience. It only invests in companies that follow tight ethical and environmental guidelines.

Our Global Environmental Enterprises Fund aims to provide capital growth through investment primarily in companies that produce goods or provide services relating to, energy

efficiency; low carbon energy production; and water, waste and pollution control.

Our UK Property fund aims to provide the potential for long term growth by investing in a diverse portfolio of UK commercial properties.

INDEX-TRACKERS.

Index-tracker funds aim to give you a return that accurately reflects the performance of the market or sector they're invested in. Tracker unit trusts need less hands-on management than other unit trusts. This means that we can offer you lower

charges and more of your money remains invested.

We're one of the biggest providers of index-tracking investments in the UK, managing over £228 billion as at 31 December 2010.

For more information on all our funds have a look at the Key Information CD-ROM included with this guide.

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Aims to deliver	Initial charge	Annual management charge	Extra expenses	Number of funds available
growth, income or both	0% – 3%	1% – 1.5%	0.15% – 0.23%	13

Actively managed funds have a professional manager who makes informed decisions on your behalf.

income	0% – 3%	0.75% – 1%	0.15% – 0.2%	4
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Income funds are where we invest in fixed interest securities, such as corporate bonds and government securities.

growth, income or both	0% – 3%	1% plus a performance fee of up to 1%	0.79% – 0.81%	3
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Fund managers invest in an expertly selected range of funds from across the market, with the aim of delivering strong returns.

growth	0%	1% – 1.25%	0.15% – 0.22% The UK Property Trust has additional property expenses of 0.26%	3
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Our Specialist funds are aimed at specific markets/companies, giving investors more control and peace of mind on where their investment is placed.

growth	0%	0.4% – 1%	0.15% – 0.23%	10
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Index-tracker funds follow the performance of the UK stock market and a range of other markets and sectors.

values and constituent list belongs to FTSE. Legal & General has obtained full licence from FTSE to use such copyright in the creation of these products. Limited ("FTSE") under licence.

A STRAIGHT LOOK AT INVESTING.

It's difficult to know how to invest to make your money work harder, even when you've got a number of years' experience under your belt. There are so many aspects to consider, like your investment aims and your attitude to risk. Have a look at the following guiding principles to help you get the best from your investments.

1. DON'T GIVE YOUR MONEY AWAY.

You've worked hard to save the money you invest, so why pay a significant amount of your returns to the tax man? Your annual ISA allowance lets you shelter up to £10,680 from tax.

By putting your money in a tax-efficient ISA, you won't have to pay any personal income or capital gains tax on any interest, income or profit you take from it. Your investment profits are yours to keep or reinvest. You don't even have to mention your ISA in your tax return, so your money is truly sheltered.

Give your savings a tax break: make sure you use your full ISA allowance this year.

2. THE SOONER, THE BETTER.

The sooner you invest, the sooner you'll be able to take advantage of the tax benefits of your ISA. The ISA tax year ends on 5 April, and each year you have until then to use up your ISA allowance.

We want you to make every day and every penny count. Invest as early as possible in our tax-efficient ISAs, and you could benefit from even more days of tax-efficient investing.

Remember, if you don't want to invest a lump sum all in one go you can use our phasing option. The money you invest benefits from the tax advantages of an ISA from the day you invest.

3. CHOOSE THE RIGHT TYPE OF INVESTMENT.

Are you interested in growing your money, receiving a regular income or preserving the value of your investments? Are you cautious by nature or comfortable with uncertainty?

Thinking carefully about your needs will help you understand your attitude to risk. This in turn makes it easier for you to choose the funds that suit you and your goals.

Different assets have different characteristics. You should consider these characteristics when considering where to invest. For example, depending on what you're looking for from your investment, you may prefer to invest more in bonds than equities or the other way around.

It's also worth remembering to regularly review your investments.

Your priorities may change. We have a wide range of funds that will help you create a portfolio to achieve your investment goals.

4. BALANCE YOUR INVESTMENTS.

To strike the right balance between risk and return, it's important to hold different types of investments. This could be a mix of cash, bonds, shares and property.

Think about dividing your money between funds that invest in a range of assets, across geographical regions and industry sectors. You'll have more chance of benefiting from top performers and you'll be less exposed to weaker markets.

It is possible to get this diversified approach by investing in one fund. Our multi manager funds give you access to a wide range of what we believe are top-performing funds, all in one simple investment. You get all the benefits of tax-efficient savings, plus expert management of your fund portfolio from one of the UK's largest providers of stocks and shares ISAs.

5. LOOK TO THE LONG TERM.

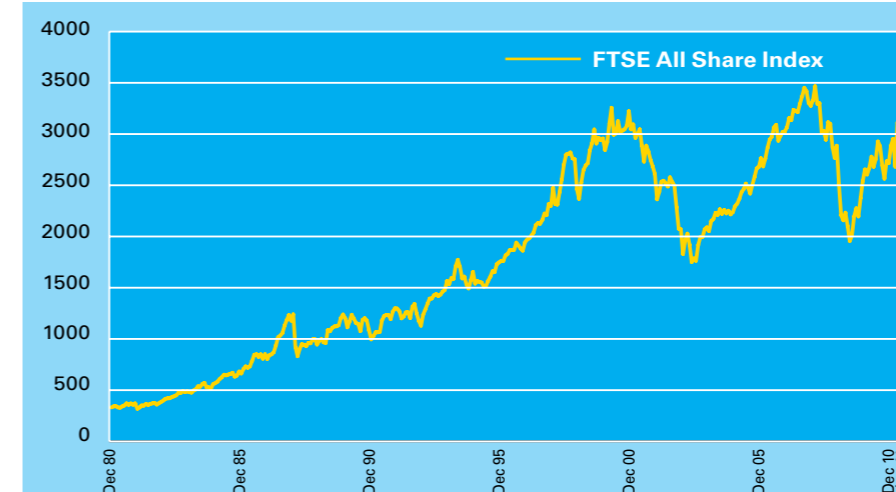
We all know that market performance can go down as well as up and that investing is all about buying during the lows and selling at the highs. So when is the right time to invest?

This is a question only you can answer. You need to be comfortable that you feel your investments can perform over the timeframe you're looking to invest. If they don't perform in the short term, you may want to consider holding them for a longer period.

Looking at the graph below you can see in the past the FTSE All-Share Index has experienced sharp drops. However, following these drops, the market has recovered. You should note, past performance is not a guide to future performance.

We consider our ISAs and unit trusts to be medium to long-term investments. This means, ideally, investing for a period of at least five years. Remember, charges may be applicable if you invest in any of our funds.

STOCK MARKET CHANGES OVER THE LAST 30 YEARS.



Source: Datastream December 2010.

Annual change in the performance of FTSE All Share Index over the last 5 years

Dec 2005 – Dec 2006	▲ 13.2%
Dec 2006 – Dec 2007	▲ 2.0%
Dec 2007 – Dec 2008	▼ -32.8%
Dec 2008 – Dec 2009	▲ 25%
Dec 2009 – Dec 2010	▲ 10.9%

REVIEW, REVIVE, REINVEST.

Breathe new life into your investments with a comprehensive review – it's always a good time to step back and reflect.



FUND MANAGER
RICHARD PENNY

“We are focused on our investors – on optimising your returns and aim to deliver excellent performance.”

The investments you may have made over the last few years may not be quite right for you now. As time goes by, your personal circumstances may change. This may mean your investment goals will change too.

It's a good idea to check your investments regularly, to see if they're performing as you expect. If they're not performing well, you may not be taking full advantage of the opportunities currently in the market.

One way you can refresh your investment portfolio is to review where your ISA(s) are invested and consider transferring some or all of this ISA money into different funds. We offer a wide range of actively managed, income, multi manager, ethical and index-tracking trusts.

We're one of the largest providers of stocks and shares ISAs in the UK, with over £6.6 billion of ISA funds under management (as at March 2011), so why not take advantage of our expertise?

Source: IMA Company Ranking.

QUALITY TIME.

We've made it easy for you to manage your investment when it suits you. Our free and secure online 'My Accounts' service allows you to check your Legal & General unit trust investments seven days a week.

Once you've invested with us, simply register online and you'll be able to see how your funds are performing. There's no charge for this service and it gives you the flexibility to look after your investments exactly how you want to.

- Open a new ISA or unit trust.
- Top up your existing investments.
- Switch free between funds.
- Contact our customer service team using our secure message service.

IT'S EASY TO INVEST.

Start investing with a lump sum of £500 or more, or from just £50 a month.

Once you've read this guide, we recommend you find out more details before making your investment decisions.

1. Learn more about the funds that interest you with our simple factsheets.
2. Load up the Key Information CD-ROM to find out about the specific funds that interest you. This CD-ROM includes the Simplified Prospectus and Terms and Conditions. You'll need to read these before you decide to invest.
3. Make your investment choices and apply, by post, online or by phone.

If you'd like a printed copy of the documents contained on the Key Information CD-ROM, please call us on **0800 092 0092**.

POST.

Complete the application form(s).

Fill in and return the blue form included in this pack, along with your payment, using the envelope we've provided. The postage has been pre-paid so you don't need to add a stamp.

ONLINE.

www.legalandgeneral.com/horizons

Make your investment with your Maestro or Visa Debit card.

PHONE.

0800 092 0092

Have your Maestro or Visa Debit card ready. Lines are open from 8:30am to 6:00pm Monday to Friday. We may record and monitor calls.

FOR ISA TRANSFERS.

Complete the ISA Transfer form.

Fill in and return the green ISA Transfer form included in this pack using the envelope we've provided.

Please be aware, transfers are normally completed within two weeks but could take longer. We won't charge you a fee for the transfer, but your existing provider may do.

GLOSSARY.

Investing can be a complex subject, so to help you to be able to read information about investing without getting confused, we've explained a few of the key terms you may come across.

Actively managed

An actively managed fund is one where your money is invested in a portfolio of assets selected by a professional fund manager. Each fund manager constantly monitors companies, economic conditions and markets, and decides where it's best to invest to meet the fund's objectives.

Shares/equities/stocks

These are issued by companies and are normally listed and traded on a stock exchange. The price of these shares can go up and down. Individuals who buy these hold a share in that company and are entitled to dividend payments and voting rights.

Corporate bonds/fixed interest security

These are also issued by companies and are a way for them to borrow money. When you invest in a corporate bond the money is lent to the company who issued the bond. The company then agrees to repay the original value of the bond at the end of a set period and also pay an agreed level of interest over this period.

Bonds are traded much like a share meaning the price can fluctuate over time. However, the final value of the bond doesn't change.

Gilts

Fixed interest or index-linked bonds issued by the UK Government to raise public funds, also known as gilt-edged securities. They are usually secure but they are not entirely without risk. This type of investment is intended to provide a safer return on your investment over a set period of time.

Index-tracker (or Passive Fund)

Index-tracker funds invest in most or all of the same shares, and in a similar proportion, as the index they are tracking, for example the FTSE 100 Index. Index-tracker funds aim to produce a return in line with a particular market or sector, for example, Europe or technology. They are also sometimes known as 'tracker funds' or 'passive funds'.

ISA

ISA stands for Individual Savings Account. An ISA is simply a 'tax-wrapper' around a product, for example, a unit trust, that makes it more tax-efficient. You can invest in a cash ISA and/or a stocks and shares ISA.

Simplified Prospectus

The Simplified Prospectus provides investors and potential investors with fund information. It covers key information and contains everything you need to know before you invest. You need to make sure you've read the Simplified Prospectus before investing.

Stock exchange

As the name suggests, a stock exchange is where stocks and shares in companies can be bought and sold. The Financial Times Stock Exchange 100 Index (FTSE 100) lists the 100 largest companies on the London Stock Exchange. These companies are the largest in terms of their value based on the total value of the shares issued by the company.

Unit trusts

Let you put your money together with other investors to buy a wider range of investments than you would be able to achieve on your own. You'll be able to invest in one or more of a range of assets like shares, corporate bonds or commercial property, which can help reduce risk. If you invest in a unit trust outside of an ISA wrapper, you can invest an unlimited amount, but you won't get the tax advantages of an ISA.



STILL CONFUSED?

IF THERE ARE ANY OTHER WORDS YOU NEED HELP WITH, CHECK OUT OUR JARGON BUSTER AVAILABLE AT WWW.LEGALANDGENERAL.COM/INVESTMENTS