

IMPORTANT INFORMATION

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The Index-Tracking PEPs for Transfers

Key Features
Terms and Conditions
Application Form

Legal & General (Unit Trust Managers) Limited
Registered in England No. 1009418
Registered Office: Temple Court, 11 Queen Victoria Street, London, EC4N 4TP
Regulated by IMRO and the Personal Investment Authority
A member of AUTIF
www.LandG.com
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Key Features of the UK and European Index-Tracking PEPs

Important information, please read carefully

Its aims

- To provide the potential for reliable growth on your investment, which is tax privileged.
- For the UK Index Trust the aim is to gain exposure to the UK stock market, but without all the risk attached to individual stock selection, by tracking the FTSE All-Share Index.
- For the European Index Trust the aim is to gain exposure to European stock markets but without all the risk attached to individual stock selection. This is done by tracking the developed and advanced emerging segments of the FTSE All-World Europe excluding the UK Index.
- To provide an income where required.

Your investment

- You agree to transfer a PEP from another plan manager, which should be viewed as a medium to long term investment, eg. at least five years.

Risk factors

- Both capital and income values may go down as well as up and are not guaranteed.
- Legal & General reserves the right to increase its charges from time to time. You will be given 90 days notice of any such increase.
- If you exercise your right to cancel the PEP, you may not get a full refund of the amount transferred if the value of the investment falls before the notice of cancellation is received from Legal & General. This is because an amount equal to that fall in value will be deducted from any refund you would otherwise receive. In addition, you would permanently lose your PEP entitlement for the amount transferred.
- If you exercise your right to cancel a switch, your original fund will be reinstated less any reduction for any fall in value of the fund.
- Investors in the European Index Trust need to be aware that exchange rate variations may cause the value of overseas investments to increase or decrease.
- There is no guarantee that the favourable tax treatment of PEPs will be maintained in the future.
- Tax credits on UK dividend distributions are at a rate of 10%, however, from April 2004 this tax credit will no longer be reclaimable.
- Capital may be used to repay charges where there is insufficient income.

Your Questions Answered

How does an Index-Tracking PEP work?

There are two Index-Tracking PEPs available – both are suited to investors looking for long term steady growth.

Our approach to index-tracking is the same whichever Index-Tracking PEP you select. We purchase all the major stocks of an index and also take a sample of the smaller companies' stocks so that each sector is fully represented. This technique is known as 'stratified sampling' and is considered an accurate and cost-effective method of index-tracking.

The European Index-Tracking PEP tracks the FTSE Europe (ex UK) Index, through the European Index Trust.

With the European Index Trust, we ensure that the PEP takes into account the relative size of each country's stock market and ensure that shares are purchased in proportion to the size of the issuing companies.

How does the PEP transfer process work?

You need to complete the Index-Tracking PEP Transfer Form. Once we receive your Transfer Form, we will send it to your existing plan manager who will take this as authority to cash in your investment according to their Terms and Conditions. They will then send the transfer value directly to Legal & General for investment. Your existing plan manager may charge an exit fee on transfers.

Who is eligible for this Plan?

Anybody who holds a general PEP with another plan manager.

All units held under the Plan will be registered in the name of the 'Plan Manager' (Legal & General) and held in their custody, in a designated account for you, 'the Investor'.

How is my money invested?

When we receive the transfer value from your existing plan manager your money will be used to buy units as you selected in the Legal & General UK Index Trust and/or the European Index Trust at the price calculated at the Valuation Point (explained in the Terms and Conditions) following receipt of the application and subscription.

Can I make additional transfers?

You can transfer as many of your existing general PEPs as you wish.

Can I switch my investment to another PEP?

You can switch your investment to any other available PEP at any time and currently it costs nothing to do this.

Can I take any income from the Plan?

Yes, if you elect to. Income generated by the units under the Plan together with any tax credits, will normally be paid direct to your bank or building society. To be eligible for the distribution and the subsequent tax credit, units must be purchased before the previous ex-dividend date of the trust as detailed in the 'Terms and Conditions'. We will change your income arrangements as above at any time, upon receipt of your written or InterPlan instructions.

See Terms and Conditions for details of 'income distribution' dates.

If you elect not to receive your income it will be reinvested in the form of further units on the appropriate distribution date.

What documentation will I receive?

A welcome letter confirming receipt of your application. A 'Contract Note' confirming details of the investment will be issued no later than one business day after the purchase of units held under the Plan. You will also receive a Cancellation Notice (see 'Further Information' for more details). Then every six months we will send you a statement (detailing all plan transactions made during the last six months) and a valuation. These will be made up as at 22 January and 22 July. On request, we will issue you with Scheme Particulars and Managers' Report and Accounts.

What happens if I need to get my money out?

You may withdraw amounts of £500 or more from the Plan at any time, providing a minimum of £500 remains in your Plan. Alternatively, you can terminate the Plan.

If you wish to make a withdrawal or terminate the Plan, you should send a written or InterPlan instruction to the Plan Manager. Payments will take place within four business days following the sale of your units. See 'Terms and Conditions' for full details.

Will I have to pay tax?

Under current legislation, all withdrawals are free of both income and capital gains taxes. More details about tax are given in 'Further Information'.

How can I keep track of my investment?

Unit prices are calculated daily, the prices together with the net yields are published in the *Financial Times* and *The Independent*.

To find out how much your investment is worth, simply multiply the number of units you hold by the 'bid' price i.e. the sale price, shown in the newspaper. Alternatively you can call the Customer Services Centre on 029 2044 8412 (for your protection we may record and monitor calls) or register for our free on-line internet valuation service, by completing the InterPlan Registration details via our website www.LandG.com.

What happens to my investment if I die?

If you die, the Plan will automatically terminate. Upon receipt of proof of death and all other documentation reasonably required to make payment, all units will be sold (as described in the 'Terms and Conditions').

Then within four business days of receipt of all acceptable documentation, we will transfer the total cash value of the Plan to your legal personal representatives.

Any tax credits received by the Plan after the date of your death will be paid direct to the Inland Revenue and deducted from the proceeds of the sale.

What if I have any doubt about the suitability of this investment contract or require personal advice?

If you have any doubt as to whether this investment contract is suitable for you or you wish to obtain personal advice, please contact your financial adviser. You may be charged for this advice.

Where can I get help?

Consult your usual financial adviser or alternatively you can call our Customer Services Centre on 029 2044 8412 between 8.30am and 5.30pm weekdays and we will be pleased to answer any questions you may have. For your protection we may record and monitor calls.

HOW WILL CHARGES AND EXPENSES AFFECT MY INVESTMENT?

The 'Charges and Expenses' section below details the effect of PEP charges and expenses on an example investment of £1,000.

HOW MUCH WILL ANY ADVICE COST?

See 'Charges and Expenses' below for details.

How will charges and expenses affect my investment?

There is no initial charge on the purchase of units. Each month an amount equal to $\frac{1}{12}$ th of 0.5% for the UK Index-Tracking PEP and $\frac{1}{12}$ th of 0.75% for the European Index-Tracking PEP will be deducted from the fund to cover the Plan Manager's management costs. The fund will bear other expenses (trustee fees and expenses, custodian fees, registrar fees, audit fees, FSA fees) which amount to approximately 0.04% p.a. for the UK Index-Tracking PEP and 0.08% p.a. for the European Index-Tracking PEP and these will be deducted as due.

The charges and expenses are primarily paid out of income. Units are purchased at the buying price and redeemed at the selling price. The difference between these two prices is the spread. However, as there is no initial charge, there will be no difference between these two prices.

Prices for units are quoted daily in the *Financial Times* and *The Independent*, but you should note that these relate to the previous day; for the current prices you should telephone the Plan Manager.

THE EFFECT ON AN INVESTMENT OF £1,000 ASSUMING GROWTH OF 7.00% A YEAR WITH INCOME RE-INVESTED IS SET OUT BELOW

AT END OF YEAR	INVESTMENT TO DATE	EFFECT OF DEDUCTIONS TO DATE		WHAT YOU MIGHT GET BACK	
		UK	EUROPE	UK	EUROPE
ONE	£1,000.00	£5.82	£8.88	£1,060.00	£1,060.00
THREE	£1,000.00	£19.80	£30.20	£1,200.00	£1,190.00
FIVE	£1,000.00	£37.70	£57.20	£1,360.00	£1,340.00
TEN	£1,000.00	£104.00	£157.00	£1,860.00	£1,800.00

The last line in the table shows that over 10 years the effect of the total charges and expenses for the UK Index-Tracking PEP could amount to £104.00. For the European Index-Tracking PEP the table shows that over 10 years the effect of the total charges and expenses could amount to £157.00.

Putting it another way, this would have the same effect as bringing investment growth from 7.00% a year down to 6.41% a year for the UK Index-Tracking PEP. For the European Index-Tracking PEP this would have the same effect as bringing investment growth from 7.00% a year down to 6.11% a year.

All figures in the table are rounded down to three significant figures.

The figures in the table are not guaranteed and serve only to demonstrate the effect of charges and expenses on an investment.

WHAT ARE THE COSTS ASSOCIATED WITH THIS SALE?

The charges include an amount which Legal & General (Unit Trust Managers) Limited will pay an adviser for arranging the contract. The amount will depend on the size of your investment.

If your adviser is an Independent Financial Adviser, he/she will give you details about the cost.

Full details are available on request and will be sent in any case after we have received your application.

Further Information

Dealing

Dealing takes place every business day. Units are usually valued each business day at 12 noon ie. the Valuation Point (as explained in the Terms and Conditions). Dealing hours are Monday to Friday from 8.30am to 5.30pm. Units will be bought at the price calculated at the Valuation Point following receipt of the transfer application and transferred funds.

Unit price

Each day the quoted buying and selling prices of units held under the Plan will be the same. When we are net sellers of units these prices will normally be based on the price of buying the securities in the trust. When we are net buyers of units from holders these prices will normally be based on the price of selling the securities. The current maximum difference (as at 01.09.00) between these two valuations bases is shown below:

<i>UK Index Trust</i>	<i>0.81%</i>
<i>European Index Trust</i>	<i>0.79%</i>

Your right to cancel

You will receive a cancellation notice for each transfer when Legal & General receive the money from the other plan manager. You will then have 14 days in which you can change your mind. If you choose to cancel you will lose the PEP entitlement for the amount transferred.

Selling units

You can sell your units back to Legal & General at any time, but instructions to do this must be in writing to:

Customer Services Centre,
Legal & General (Unit Trust Managers) Limited,
PO Box 1004, CARDIFF CF24 0YS
or by sending instructions using InterPlan.

Units will be sold at the price calculated at the Valuation Point following receipt of the instructions. Payment will then take place within four business days of the redemption.

Transfers to Legal & General

You may transfer funds with another plan manager to Legal & General on completion of our Transfer Application Form. We arrange the transfer on your behalf and make no charge for this. However, your existing plan manager may charge an exit fee.

Transfers from Legal & General

If you wish to transfer the Plan from Legal & General to another plan manager, you will need to notify us in writing. On receipt of your notification, the units held within your Account will be sold and the cash value is then moved accordingly. You will not incur an exit fee for this transaction. If there is a rise in markets whilst the PEP transfer, either to or from Legal & General, remains pending, there is a potential for a loss of income or growth.

Tax

Under current legislation, all investments are free of income and capital gains taxes. The first distribution paid in relation to any unit will include an amount of equalisation. This is the average amount of income already in the price of all units when they are bought, and for the first distribution this is treated as a return of capital. Consequently, this part of the distribution will not have a tax credit. Tax credits on UK dividend distributions can be reclaimed at a rate of 10% and from April 2004 no tax credit will be reclaimed. Tax assumptions are those currently applicable and are subject to statutory change. The value of the tax relief will depend on your individual circumstances.

QUERIES OR COMPLAINTS

For further information or if you wish to complain about any aspect of the service you have received from Legal & General, please contact us at:

Customer Services Centre, Legal & General (Unit Trust Managers) Limited,
PO Box 1004, CARDIFF CF24 0YS.

Or telephone 029 2044 8412 between 8.30am and 5.30pm weekdays.

Should you feel that your complaint is not dealt with to your satisfaction, you can take the matter up with the:

Personal Investment Authority Ombudsman,
South Quay Plaza, 183 Marsh Wall, London, E14 9SR,
if it relates to marketing.

Otherwise, if it relates to the operation of the trust:

The Offices of the Investment Ombudsman,
6 Fredericks Place, London EC2R 8BT.

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

Customer Services Centre

For your protection we may record and monitor calls on the Customer Services Centre telephone number 029 2044 8412.

Compensation

Under the Investors Compensation Scheme which was established under the Financial Services Act 1986, should the Company be unable to meet all its liabilities to investors, compensation may be available. Information can be obtained on request from Legal & General. Alternatively information is available from the Financial Services Authority and the Investors Compensation Scheme.

Managers and Trustees

Managers: Legal & General (Unit Trust Managers) Limited. Registered in England No. 1009418. Registered Office: Temple Court, 11 Queen Victoria Street, London EC4N 4TP. Telephone No. 020 7528 6200. Regulated by IMRO and the Personal Investment Authority. A member of AUTIF.

Trustees: The Trustee of the UK Index Trust is The Royal Bank of Scotland plc, Regent's House, PO Box 348, 42 Islington High Street, London N1 8XL. The Trustee of the European Index Trust is Citicorp Trustee Company Limited, Lewisham House, 25 Molesworth Street, London SE13 7EX.

Scheme Particulars and Managers' Report and Accounts

Scheme Particulars and Managers' Report and Accounts can be obtained on request from Customer Services Centre, Legal & General (Unit Trust Managers) Limited, PO Box 1004, CARDIFF CF24 0YS.

Full details of the products discussed in the Key Features section are contained in the Terms and Conditions which is the legally binding contract between you and Legal & General.

Personal Equity Plan - Terms and Conditions

1. Definitions

- (a) **"Dealing Day"** means any business day or as soon as reasonably practicable thereafter.
- (b) **"the Investor"** means the individual named on the application form as the applicant.
- (c) **"the Plan"** means the Investor's general Personal Equity Plan ('PEP').
- (d) **"the Plan Manager"** means Legal & General (Unit Trust Managers) Limited.
- (e) **"Profile"** shall mean the particular profile selected by the Investor from any of the brochure(s) of the Plan Manager which describes 'The Profiles', and the description relating to such choice will be deemed to represent the investment objective.
- (f) **"the Regulations"** means The Personal Equity Plan Regulations 1989 as amended or replaced from time to time.
- (g) **"Terms and Conditions"** shall mean these clauses of which this definition forms a part and the application form(s) completed in respect of the Plan.
- (h) **"Transfer Value"** means the value of a Personal Equity Plan transferred from another plan manager to the Plan Manager.
- (i) **"Valuation Point"** means the time a valuation is deemed to take place (normally this will be noon each business day).

The Terms and Conditions, which are governed by English law, shall apply to a Plan as soon as it is accepted. In the event of any conflict between the Regulations and the Terms and Conditions, the former will prevail.

2. Acceptance and Acknowledgement

The Plan will come into effect when both a relevant transfer application and transfer monies have been received at the address shown in clause 25.

The Plan Manager reserves the right to reject an application and may do so if it is not tendered using the current transfer application form. The Plan Manager is entitled to rely upon the accuracy of the application and declaration.

3. Cancellation rights

When the Transfer Value has been received, a cancellation notice will be sent. In accordance with the Financial Services (Non-Life Cancellation) Rules you have 14 days from the date you received the cancellation notice to reconsider the Plan and, if you wish, to withdraw from the transaction. This can be done by simply returning your cancellation notice form. If you exercise your right to cancel the Plan you may not get a full refund of your original subscription if the value of units under the Plan has fallen by the day the notice of cancellation is received by the Plan Manager. This is because an amount equal to that fall in value will be deducted from any refund you would otherwise receive. If you exercise the right to cancel, you will permanently lose your PEP entitlement for that amount.

4. How Subscriptions are invested

The amount accruing to an investor will then be invested into units in accordance with the selected Profile at the price calculated at the Valuation Point following receipt of the transfer application and monies.

Any transfer monies not immediately invested will be banked on receipt by the Plan Manager in a General PEP client account. This account, which will be in the name of the Plan Manager, will be held with an authorised institution within the meaning of the Banking Act 1987.

The Plan Manager does not accept liability for default by any bank or authorised institution which holds cash under these Terms and Conditions. Interest, net of any tax permitted to be withheld by the bank or authorised institution, derived from monies held in such account may at the option of the Plan Manager be held in such account but to the credit of the Plan.

All purchases of units for the Plan will be effected at the price advised to the Trustee on that day as the standard issue price of units.

5. Ownership of the assets

All units held under the Plan will be registered in the name of the Plan Manager and held in the custody of the Plan Manager in a designated PEP account for the Investor. All assets held under the Plan will be beneficially owned by the Investor, who undertakes not to charge or pledge them, and during the continuance of the Plan to remain their sole beneficial owner.

6. Provisions Relating to the Investment of the Assets

The Plan Manager shall not be entitled to:

- (a) lend to or deposit by way of collateral with a third party any investments under the Plan.
- (b) borrow on the Investor's behalf against any investments under the Plan or generally.
- (c) commit the Investor to a contract the performance of which may require him to supplement the assets held for his Plan.
- (d) commit the Investor to any underwriting obligations.

The Plan Manager and any associated company shall have discretion to effect, without prior reference to the Investor, transactions in which the Plan Manager or any associated company has directly or indirectly a material interest or a relationship of any description with another party which may involve a potential conflict with the Plan Manager's duty to the Investor. Neither the Plan Manager nor any associated company may be liable to account to the Investor for any profit, commission or remuneration made or received from or by reason of such transaction or any connected transactions.

In particular, such potential conflicting interest or duties may arise because:-

- (i) Unit trust units held under a Plan may invest in securities of which an issue or offer for sale was underwritten, managed or arranged by the Plan Manager or any associated company during the preceding twelve months.
- (ii) The Plan Manager and any associated company undertakes investment business for another customer or customers with interests in securities of a Plan.
- (iii) Any of the Plan Manager's directors or employees or those of an associated company is a director of or holds or deals in securities of or is otherwise interested in any company whose securities form part of the investments of a unit trust, units in which are held for the Plan.
- (iv) The transaction is in units of unit trusts managed by the Plan Manager.

(v) Investor's Plans may be managed in common with the investments of other Plans managed by the Plan Manager.

7. Information provided

The Plan Manager will issue a contract note to the Investor following the purchase of units.

The Plan Manager will also send out on a twice-yearly basis to the Investor a transaction statement and bid valuation of the Plan made up as at 22 January and 22 July, or the previous business day. These will include details of all investment transactions carried out on behalf of the Investor including those arising from subscriptions and reclaimed tax credits, but will include no measure of the performance of the Plan. They will also confirm the registered holder and custodian of the assets. Duplicate and/or additional statements and valuations can be provided by the Plan Manager who reserves the right to make a charge for the service. (Investors are advised to keep their latest half-yearly statement and valuation as evidence of their investment.)

The Plan Manager shall, on written request by the Investor, make arrangements for the Investor:-

- (a) to receive the latest Managers' Report(s) for the Trust(s) in which the Investor holds units.
- (b) to exercise the rights of a unitholder to attend meetings.
- (c) to exercise voting rights at such meetings.
- (d) to receive any other information generally issued to unitholders.

8. Electing to take an income

An Investor may elect to receive the income generated by the units held under their Plan. In respect of an election made after the commencement of the Plan, the first payment will only include income arising after the date of the election. Payments will consist of the net distribution appertaining to the units held prior to the relevant unit trust previous ex-dividend (xd) date, together with the tax credit relating to them. As the Plan Manager is advancing the tax credit before it has received this payment from the Inland Revenue, it will reimburse itself from such payment when it is received. Normally, for any unit purchased, the first distribution paid will include an amount of equalisation. This is the average amount of income already in the price of all units issued in that accounting period and is treated as a return of capital. Consequently, this part of the first distribution will not generate a tax credit.

Income payments will only be made by direct credit to a bank or building society account. Please note that any income cheques remaining unrepresented 6 months after their distribution date will be reinvested and all future distributions will be reinvested automatically.

Income is distributed by the unit trusts on the following dates (xd dates in brackets):

UK Recovery Trust	14th June, 14th December (14th April, 14th October)
Equity Trust	21st April, 21st October (28th February, 31st August)
Fixed Interest Trust	22nd January, 22nd April 22nd July, 22nd October (5th December, 5th March) (5th June, 5th September)
Worldwide Trust	5th January, 5th July (5th November, 5th May)
UK Smaller Companies	18th February, 18th August (18th December, 18th June)
UK Index Trust	6th June, 6th December (6th April, 6th October)
European Index Trust	30th September (31st July)
Ethical Trust	21st April, 21st October (21st February, 21st August)

Where an election to receive income and associated tax credits has not been made such payments when received by the Plan Manager will be immediately reinvested to purchase additional units.

If you switch your entire unit holding out of a fund between the ex-dividend and the distribution dates, your income payment may be sent to you rather than reinvested.

9. Charges

Charges in connection with the Plan are as follows:-

- (a) There is no initial charge.
- (b) The Plan Manager as manager of the unit trusts in which the Plan invests makes a periodic charge payable out of the assets of such unit trusts. This charge accrues daily and is paid monthly in arrears to the Manager. The annual amounts of the charges are as follows, with the maximum amount to which they may be increased, on giving 90 days' notice, shown in brackets:

UK Recovery Trust:	1.5% pa	(2.0% pa)
Equity Trust:	1.0% pa	(1.0% pa)
Fixed Interest Trust:	0.5% pa	(2.5% pa)
Worldwide Trust:	1.5% pa	(2.5% pa)
UK Smaller Companies Trust:	1.5% pa	(1.75% pa)
UK Index Trust:	0.5% pa	(2.5% pa)
European Index Trust:	0.75% pa	(2.5% pa)
Ethical Trust	1.0% pa	(2.5% pa)

- (c) There are no withdrawal fees at any time for the Corporate Bond, Ethical or the Index-Tracking Profiles. There are no withdrawal fees on all other Profiles after the fifth anniversary. However, where a partial or full encashment of a Plan takes place prior to this, the following withdrawal fee will be made:

Encashment date	Deduction from the bid value of Plan units purchased by the subscription(s)
Before 1st anniversary	5%
Before 2nd anniversary	4%
Before 3rd anniversary	3%
Before 4th anniversary	2%
Before 5th anniversary	1%
Thereafter	Nil

For partial withdrawals the earliest purchased units will be sold first unless otherwise requested.

(d) The whole of the units of a Profile may be switched into units of another Profile operated by the Plan Manager following receipt of the Investor's instructions to this effect.

Where the Investor elects to make such a switch, units of the original Profile will be sold and units of the new Profile will be purchased at the price calculated at the Valuation Point following receipt of the instructions. The withdrawal fee will be applied, if appropriate, if switching into Index-Tracking, Ethical or Corporate Bond PEP units.

(e) A charge of £25 + VAT per unit trust will be made each and every time one of the facilities described in (b), (c) or (d) of clause 7 is used and if additional or duplicate statements or valuations are required.

10. Spread

The quoted buying and selling prices of units in the quoted trusts will be the same. When we are net sellers of units these prices will normally be based on the price of buying the securities in the trust and when we are net buyers of units from holders these prices will normally be based on the price of selling the securities. The current maximum differences (as at 01/09/00) between these two valuation bases are shown below:

UK Recovery Trust	1.42%
Equity Trust	1.31%
Fixed Interest Trust	0.35%
Worldwide Trust	1.11%
UK Smaller Companies Trust	3.24%
UK Index Trust	0.81%
European Index Trust	0.79%
Ethical Trust	1.24%

11. Tax reclaims

The Investor authorises the Plan Manager on his behalf to apply to the Inland Revenue to make all appropriate claims for the repayment of, or credit against, tax in respect of units held under the Plan and the income arising therefrom and for this purpose authorises the Plan Manager to provide the Inland Revenue with all relevant particulars and certificates as may be required under the Regulations.

12. Liabilities

Subject to section 62 of the Financial Services Act 1986, the Plan Manager shall not be liable for any losses suffered through a fall in the value of assets held within the Plan or any other losses of any kind whatsoever suffered by the Investor unless caused by the negligence or wilful default of the Plan Manager, its servants or agents. The Investor undertakes to indemnify the Plan Manager against all proceedings costs, demands, losses or any other liabilities reasonably incurred by the Plan Manager in connection with the lawful and proper exercise of its duties under his Plan.

13. Making withdrawals

The Investor may withdraw amounts of £500 or more from the Plan by giving written notice, or any other notice deemed acceptable by the Plan Manager, to the Plan Manager provided that the value remaining under the Plan is at least £500.

Where an Investor has more than one Profile, unless requested to the contrary, any withdrawal shall always relate to the Profile in which contributions were first invested.

14. Terminating the Plan

The Investor may terminate the Plan by giving written notice, or any other notice deemed acceptable by the Plan Manager, to the Plan Manager. Units will be sold at the price calculated at the Valuation Point following receipt of the notice unless reasonable verification of the signature of the investors is required. Termination of this agreement is pursuant to this provision and clause 15 shall be without prejudice to the completion of transactions already initiated.

The Plan Manager shall have absolute discretion to terminate the Plan on giving one month's notice to the Investor. In particular, he may give written notice to terminate the Plan if it ceases to be feasible to continue it following upon changes in the Regulations, or if the Investor is in breach of the Regulations. The Plan Manager shall not be liable to the Investor for any loss, liability or damage that the Investor suffers following upon the Plan Manager exercising such discretion. If the Plan becomes void under the Regulations the Plan Manager in repaying the Investor, will make such deduction from the Plan value as is required by the Inland Revenue.

15. When do we make payments?

Payments on termination of or withdrawal from the Plan will take place no later than four business days following the Valuation Point relating to the termination or withdrawal subject to any reasonable verification of the Investor's signature. The Plan Manager reserves the right to defer payment where this is necessary to fulfil the requirements of the UK Money Laundering Regulations 1993. (This will not affect payments up to £10,000 or in excess of this figure where paid directly to the Investor.)

16. Procedure following upon death

Upon the death of the Investor the Plan automatically terminates. Units will be sold at the price calculated at the Valuation Point following receipt by the Plan Manager of such documentation as in his absolute discretion he considers gives him a complete discharge. The cash value realised will be transferred to the Investor's personal representatives within four business days thereof.

Tax credits accruing to the Plan after the date of death will be paid to the Inland Revenue and the deceased Investor's personal representatives will receive the cash value of the Plan subject to that deduction.

The Terms and Conditions shall be binding on the deceased Investor's personal representatives.

17. Changing the terms and conditions

The Plan Manager may, at his discretion and subject to giving at least one month's notice to the Investor, vary or amend the Terms and Conditions set out herein, provided that such variation or amendment does not result in the Plan ceasing to qualify under the Regulations and is permitted under the IMRO rules.

18. Transferring our duties

The Plan Manager may at its absolute discretion and to the extent permitted by the Regulations appoint agents of whose competence it is satisfied to carry out its obligations under these Terms and Conditions, but its liability in all such matters will not be affected thereby.

19. Providing information to others

Where the Investor tells us that the Plan is being used in connection with a

mortgage or mortgages from a named lender or lenders, then the Plan Manager may inform the lender(s), and any other person the Investor permits, in writing, of any information appertaining to the Plan.

20. Transferring a Plan to another plan manager

The Investor may at any time by notice require the Plan Manager to transfer the whole of the Plan to another plan manager and such transfer will only take effect within such time as may be agreed between the parties, and will be subject to any retentions or deductions to which the Plan Manager may be entitled or bound to make hereunder or under the Regulations.

21. Transferring from another plan manager

The Plan Manager will at his discretion allow a Plan(s) to be transferred from another plan manager:-

(a) Any reference to an application form in these "Terms and Conditions" shall include the current transfer application form.

(b) The plan(s) to be transferred must be converted into cash and such cash shall be of such an amount as is not less than the minimum subscription permissible under the Plan.

(c) The transfer date will be a date to be agreed between the Plan Manager and the previous plan manager.

(d) Payments relating to dividends and reclaimed tax credits subsequent to the rest of the transfer value of the plan will be reinvested into the Plan on the dealing day after it has been received.

(e) Cash held in the transferred Plan will be invested at the price calculated at the Valuation Point following receipt of the transferred cash.

(f) Where more than one plan is transferred, they will be amalgamated into one Plan with the Plan Manager. (Investors should note that the banking arrangements in clause 4 will continue to apply.)

22. Regulators

Legal & General (Unit Trust Managers) Limited is regulated by the Investment Management Regulatory Organisation (IMRO) and the Personal Investment Authority (PIA). Together their rules regulate the conduct of the Plan Manager in relation to the Plan.

23. Complaints

The Plan Manager has established a procedure to investigate any Investor complaints relating to the operation of the Plan, a copy of which is available on request to the address in clause 25. In the event the Investor is not satisfied he also has a right of complaint direct to the PIA Ombudsman in relation to marketing, otherwise in relation to the operation of the Plan to the Investment Ombudsman.

24. Investors Compensation Scheme

In the event that the Plan Manager is not able to meet its financial liabilities to the Investor, the Investor is entitled to the benefits of the Investors Compensation Scheme established under The Financial Services Act 1986, details of which are available from the Plan Manager on request.

25. Giving notice

The Plan Manager shall not be bound to act in accordance with the instructions of anyone other than the Investor or his accredited personal representatives. Any notice given to the Plan Manager by the Investor must be in writing, or any other notice deemed acceptable by the Plan Manager, and should be sent to and will only become effective on receipt at the Plan Manager's administration address:

Customer Services Centre,
Legal & General (Unit Trust Managers) Limited,
PO Box 1004, CARDIFF, CF24 0YS

or such other address of which you may be notified.

The Plan Manager will acknowledge such notice and comply with it except where it believes that any compliance would be impracticable or contrary to any law or rule or regulation.

Additional Information

Yields

The estimated annual net income yield at the time of printing is 1.38% for the Equity Trust, 1.32% for the Ethical Trust, 1.15% for the Worldwide Trust, 1.55% for the UK Recovery Trust, 3.39% for the UK Smaller Companies Trust, 1.91% for the UK Index Trust and 0.78% for the European Index Trust. The estimated annual gross income yield at the time of printing is 6.4% (6.13%* redemption yield) for the Fixed Interest Trust.

*Disregards any possible withdrawal fee in the first five years.

The FTSE All-Share Index is compiled by the Financial Times Limited ("FT") in association with the Institute of Actuaries and the Faculty of Actuaries ("the Actuaries"). However, none of them bear any responsibility for the construction, operation or performance of, nor do they endorse or promote the Legal & General UK Index Trust. Neither the FT nor either of the Actuaries will be liable (whether in negligence or otherwise) to any investor or any other person for any loss suffered as a result of investing in the Legal & General UK Index Trust.

"FTSE All-Share Index" is a trademark and a service mark of the Financial Times Limited.

Past performance is not necessarily a guide to future performance. Currently tax credits on dividend distributions will be reclaimed by PEPs at a reduced rate of 10% and from April 2004 no tax credit will be available.

The tax credit on interest distributions is currently 20% with no indication that this will be removed.

Both capital and income values may go down as well as up and you may not get back the amount invested.

Tax assumptions are those currently applicable and are subject to statutory change. The value of tax relief will depend on your individual circumstances.

Full details are available on request.

Transfer Request Form

OFFICE USE ONLY

C AUTH	RECEIPT	DEAL REF	DEAL REF	CLIENT NUMBER
D AUTH				

Legal & General Index-Tracking PEPs

If you hold one or more general PEPs with another plan manager you can transfer these to Legal & General by filling in the details on this form and returning it to your Financial Adviser or to the Customer Services Centre, Legal & General (Unit Trust Managers) Limited, PO Box 1004, CARDIFF CF24 0YS.

Please do not send any money with this application.

This form will act as authorisation to your existing plan manager to transfer your investment to Legal & General (Unit Trust Managers) Limited.

PERSONAL DETAILS

TITLE (delete as applicable) MR/MRS/MISS/MS

SURNAME	FULL FORENAME(S)
PERMANENT RESIDENTIAL ADDRESS	
POSTCODE	

DATE OF BIRTH

NATIONAL INSURANCE NO.

AGENT NUMBER

INVESTMENT CHOICE

UK INDEX-TRACKING PEP

 %

EUROPEAN INDEX-TRACKING PEP

 %

Please insert where you wish your PEP to be invested. This can be split between the two, in multiples of 10%.

INCOME OPTION

If you wish to receive income, please provide details below as to where income is to be paid.

NAME OF BANK/BUILDING SOCIETY	NAME OF ACCOUNT HOLDER
ADDRESS	
POSTCODE	
	SORT CODE <input type="text" value=""/> <input type="text" value=""/> - <input type="text" value=""/> <input type="text" value=""/>
	ACCOUNT NUMBER <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/>
	ACCOUNT REFERENCE <input type="text" value=""/>

EXISTING PEP DETAILS

NAME AND ADDRESS OF EXISTING PEP PROVIDER	
POSTCODE	TEL NO.

EXISTING PEP NUMBERS

<input type="text" value=""/>	<input type="text" value=""/>
<input type="text" value=""/>	<input type="text" value=""/>

EXISTING PEP DETAILS

DATE OF BIRTH

NATIONAL INSURANCE NO.

DATE OF TRANSFER

TOTAL AMOUNT OF INTEREST £

• held in the plan up to the date of transfer not invested in qualifying investments

(to be filled in by existing plan manager)

IMPORTANT: Please read, sign and date both the declarations overleaf.

DECLARATION

Please read, sign and date both the declarations below before returning this form.

- 1. I authorise the Plan Manager to hold my cash subscription, PEP investments, interest, dividends and any other rights or proceeds in respect of those investments and any other cash and to make on my behalf any claims for tax relief in respect of PEP investments and on my written request to transfer or pay to me, as the case may be, PEP investments, interest, dividend rights or other proceeds in respect of such investments or any cash.
- 2. I declare that the information given in this declaration is true and correct to the best of my knowledge and belief and that I will inform the Plan Manager without delay of any change in my circumstances affecting any of the information in this form.
- 3. I declare that I have read the current Key Features and the terms and conditions and I agree to be bound by the terms and conditions.
- 4. I acknowledge that the Legal & General companies named on this application form will process by computer or otherwise information obtained about me as a result of this application, whether or not it proceeds, and also information which relates to any contract I enter into with Legal & General (the 'Personal Data'). I consent to Legal & General using the Personal Data to:

- (a) enable Legal & General and its representatives to manage my dealings with Legal & General; and
- (b) bring to my attention marketing information about Legal & General products and services that may be of interest to me and understand that Legal & General may contact me by post, telephone, e-mail and any other means of communication products and that the Personal Data may be passed to other Legal & General companies for marketing purposes.

Please tick this box if you do NOT wish the Personal Data to be used to send or communicate marketing information to you about our products as described in (b) above.

I understand that I have the right to ask for a copy of the Personal Data in return for payment of a small fee and to require Legal & General to correct any inaccuracies in the Personal Data.

A copy of the Terms and Conditions is available on request.

SIGNATURE

DATE

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Full written details are available on request
Issued by Legal & General (Unit Trust Managers) Limited.
Registered in England No. 1009418
Registered Office: Temple Court, 11 Queen Victoria Street, London EC4N 4TP.
Regulated by IMRO and the Personal Investment Authority.
A member of AUTIF.
www.LandG.com

TRANSFER
DECLARATION

- Instructions to existing managers.
I authorise the manager of my existing PEPs, named overleaf, to:
- 1. sell my current PEP assets (being not less than £500).
 - 2. transfer the cash realised to the new Plan Manager, Legal & General (Unit Trust Managers) Limited, Customer Services Centre, PO Box 1004, CARDIFF, CF24 0YS. Inland Revenue Ref L420A.

SIGNATURE

DATE

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TITLE (delete as applicable) MR/MRS/MISS/MS

SURNAME	FULL FORENAME(S)
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