

INVESTMENTS 2016

A CLEAR GUIDE TO YOUR ANNUAL STATEMENT.



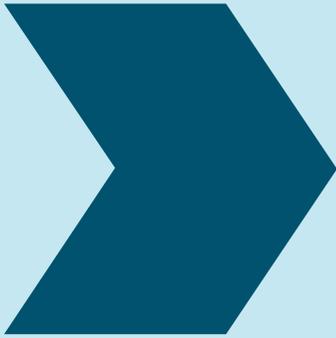
**EVERY
DAY
MATTERS.®**


**Legal &
General**

When it comes to your investments, we know that simplicity is key. That's why we've put together this handy guide to help you understand your annual statement and update you with all the latest market news. Read on to find out more about your statement.

CONTENTS.

KEY INFORMATION	1
GUIDE TO SUMMARY STATEMENT	5
GUIDE TO PORTFOLIO STATEMENT	7
PORTFOLIO STATEMENT GLOSSARY	9
TRANSACTION STATEMENT GLOSSARY	11
MARKET OVERVIEW	15
LOOKING BACK AT 2015	17



KEY INFORMATION.

These pages provide you with a detailed breakdown of any key information you may need to be aware of. Find out how ISA limits are changing and stay up to date with how much you can invest each year.



Nominated Bank Account

To ensure any payments to you are made quickly and securely we'll ask you to nominate a bank account. We'll use this to pay the proceeds of withdrawals, income payments and any client money owed to you. It's your responsibility to keep us informed if your Nominated Bank Account details change, and you can do so at any time.

Do I need to keep my statement?

For tax purposes you should keep this statement for a minimum period of seven years. When disposing of your statement we recommend that it be shredded to minimise the risk of your personal information being used in personal identity fraud.

Your contact details

Please contact us if there have been any changes to your personal circumstances.

IF YOU HAVE A UNIT TRUST OR STOCKS AND SHARES ISA.

Debit Card Update

To combat the increasing risk of financial crime, we no longer accept debit card payments for investments over the telephone. If you want to invest with a debit card, you can still do so for most of our products online at **legalandgeneral.com**, with a Visa Debit card or MasterCard Debit card. Alternatively, you can pay for your lump sum or top-up investment by cheque using a paper application form.

My Accounts Online

Why not manage your Legal & General investment portfolio online? If you invested directly with us you can review your unit trusts, fund information, top-up your current tax year ISA, sell or switch any of your funds and more. Simply register at **legalandgeneral.com/my-accounts**

Key Investor Information Document (KIID) Update

If you want to top-up your investment or change your fund choice(s), you must read the latest KIID for your chosen fund(s) before proceeding. You can find these online at **legalandgeneral.com/investments/fund-information/investor-docs**

Managers' Reports and Scheme Particulars

You can get copies of the Unit Trust Scheme Particulars and Managers' Reports for any of our Unit Trusts from: Legal & General Investments Customer Services PO Box 6080, Wolverhampton WV1 9RB. Managers' Reports are also available online at **legalandgeneral.com/investments/fund-information/managers-reports**

YOUR ISA ALLOWANCE.

What is the ISA allowance for 2015/2016?

Each tax year, which runs from 6 April to 5 April, every eligible adult has an annual allowance that they are entitled to invest in an ISA.

You can choose to save in the following ways:

- Use the full £15,240 in a stocks and shares ISA
- Use the full £15,240 in a cash ISA
- A combination of amounts between a stocks and shares ISA and cash ISA up to the overall limit of £15,240.

What is the ISA allowance for 2016/2017 tax year?

The allowance for 2016/2017 remains at £15,240, which can be invested into a stocks and shares ISA, a cash ISA or a combination of both.

Can I add to my ISA?

Yes, if you haven't contributed more than the overall annual allowance between a stocks and shares ISA and a cash ISA. Contact your financial adviser or see our website **legalandgeneral.com** for more information on topping up your ISA.

Can I transfer my ISA?

- You can transfer an ISA between providers.
- We don't charge a transfer fee but other providers may.
- You can transfer both a cash ISA and a stocks and shares ISA from previous years in full or in part.
- If you wish to transfer the current tax year's stocks and shares ISA or cash ISA you'll need to transfer the full amount.

GUIDE TO SUMMARY STATEMENT.

This page will guide you through your Summary of Investments statement – helping you to find exactly what you need.

Value/holding of your investment at the start of statement

The total value of your investments at the start date of this statement.

Money in

The total amount of money that has been paid into your investments during this statement period.

Money out

The total amount of money that has gone out of your account, including withdrawals, fees, income paid out and transfers out.

Growth

View of how your investments have performed during the investment period.

Value/holding of your investment at the end of statement

The total value of your investments at the end date of this statement period.

Please note during this statement period...

This is the total amount of income that has been either paid to you, reinvested in your holding or accumulated within your fund(s).

Current value/holding

A current value of each of your portfolio investments at the end date of this statement.

Your 2015/2016 ISA allowance used to date

This is the total ISA allowance you have in use with us currently. This does not include any you may have with other providers. If you haven't used any of your ISA allowance there will be a note to say so here.

GUIDE TO PORTFOLIO STATEMENT.

This page provides a clear guide to all the key information on your Portfolio Statement.

Investment

Type of product you have invested in for this portfolio.

Value of your portfolio at the start of statement

The total value of your investment within this portfolio at the start of this statement period.

Money in

The total amount of money that has been paid into this portfolio investment during this statement period.

Money out

The total amount of money that has gone out of your account, including withdrawals, fees, income paid out and transfers out.

Growth

View of how your investment(s) have performed during the statement period.

Your investment at 22 January 2016

Fund(s) you have invested in within this portfolio.

Notes

Important information about your Fund(s) where applicable.

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This page provides an overview of one of your portfolios with us. For definitions of the terms used, please refer to the Portfolio Statement Glossary in your Annual Statement Guide. If you have made any investments or withdrawals during this statement period, you'll find all the information in your Transaction Statement, which follows this page.

IMPORTANT:

If you want to find out more about how your investments have been affected by market conditions, you may like to read the Market Overview in your Annual Statement Guide.

PORTFOLIO STATEMENT

Investment: Regular Active ISA
From 23 January 2016 to 22 January 2016
 Client Number: 000000

Value of your portfolio at the start of statement	£1,000.00
Money In	£100.00
Money Out	-(£50.00)
Growth	£100.00
Value of your portfolio at the end of statement	£1,100.00

Your Investments at 22 January 2016	Units or Shares	Price	Current value
Funds			
USD Example Fund A - Accumulation class*	100.00	100.000	£1,000.00
USD Example Fund B - Distribution Shares	100.00	10.000	£1,000.00
USD Example Fund C - Distribution Units*	1.00	1.000	£1.00

NOTES

This Statement should be read with the accompanying Transaction Statement and your Annual Statement Guide.

* For more information about this fund, please refer to your Additional Information page. This should be the last page of your statement.

▶ **PORTFOLIO STATEMENT GLOSSARY.**

Use this page to find the definitions of the different terms used on your Portfolio Statement.

Accumulation Unit

Type of unit where income is automatically reinvested to increase the value of your investment.

Current value

For a unit trust, stocks and shares ISA or OEIC, this is the value of your fund as at the end of the statement, 22 January 2016. Values are calculated by multiplying the number of units/shares you hold, by the bid price. The bid price is the price you will receive when you sell a unit/share back to us.

Fixed Term Products are designed to provide their stated benefits at the end of the fixed term or any early bonus date if relevant.

For a Cash ISA or Deposit Plan, the value shown is your original investment, including any pre investment interest earned before the start of the fixed term, minus any withdrawals you've made. This figure will remain the same in all statements, providing you don't take any money out, until maturity.

For a Fixed Term ISA or Direct Securities Investment, the value shown was provided by the securities provider. The values are provided at set dates in the month and give you an indication as to what you might get back if you were to withdraw from your investment now. Please note, the value shown here is not the value you would receive if you decided to take your money out before the end of the fixed term. The value could be lower or higher at the next valuation date.

You can find the valuation dates in your product brochure or by contacting our Investor Service Centre.

Distribution Unit

Type of unit which normally pays out its income. Sometimes this income can be used to buy more units.

Investment

Type of product(s) you hold in the portfolio.

Fixed term product

Refers to the following products: Cash ISA, Deposit Plan, Direct Securities Investment and Fixed Term ISA.

Fund(s)

Name of the fund or product you're invested in.

Money in

The total amount of money paid into your portfolio during this statement period, including purchases, transfers in and income reinvested.

For fixed term products, this may include any pre investment interest earned before the start of the term.

Money out

The total amount of money paid out of your portfolio during this statement period, including the proceeds of withdrawals, and transfers out.

Portfolio

Your account with Legal & General Investments consists of portfolios containing your investment products, such as unit trusts, ISAs, OEICs, and fixed term products. Each portfolio statement you have within your annual statement corresponds to a portfolio in your Legal & General Investments account.

Unit trust or OEIC

Refers to the following products: Unit Trust, Lump Sum Unit Trust, Regular Unit Trust Account, Regular Investment Unit Trust, Unit Trust with a capital guarantee.

Stocks and shares ISA

Refers to the following products: Lump Sum ISA, Regular Index ISA, Regular Active ISA, FMISA, Guaranteed ISA, Lump Sum Junior ISA, Regular Junior ISA, Individual Savings Account, Phased ISA.

Value of your portfolio at the end of statement

This was the value of your portfolio as at the end of the statement, 22 January 2016. This includes the current value(s) of your individual funds and/or fixed term products as described under 'Current value'.

Value of your portfolio at the start of the statement

This was the value of your portfolio as at the start of the statement period 23 January 2015, and as seen on your previous statement. See 'Current value' for details on how your fund or product was valued.

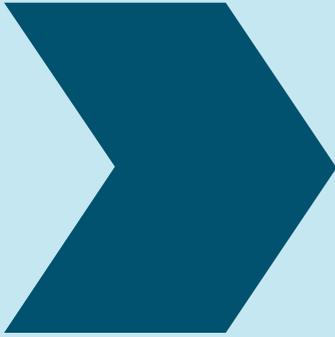
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Dealing information

We deal on a 'forward pricing' basis, which means we buy and sell units using the prices calculated at the next available valuation point following receipt of your instruction.

Transaction dates represent the date the investment was priced and not necessarily the date your instruction was processed. For more information please see our Terms and Conditions available at legalandgeneral.com

With the exception of income reinvested in Authorised Funds; Deposit Plan products and Regular investments, deals are executed at a fund's valuation point directly with the Authorised Fund Manager (i.e. the Unit Trust Manager or Authorised Corporate Director).



TRANSACTION STATEMENT GLOSSARY.

These pages provide an overview of the different terms used on your Transaction Statement to help you make sense of it all.

Conversion in/out

A conversion of units/shares from Accumulation to Distribution, or vice versa.

Cash in

This shows both the date and amount of money received from you, for investment into your chosen fund or product. The date in the left hand column is the date we process this payment.

Cash out/Cash withdrawal

For a unit trust, stocks and shares ISA or OEIC, this shows the proceeds from selling units/shares.

For a fixed term product, this shows the proceeds from selling all or part of your fixed term product.

Income accumulated

Income earned by your holding and put back into the fund. This is reflected in the value of the units/shares.

Income paid out

Income earned by your holding and paid to you. Depending on the type of investment, you may receive your income payment net or gross of tax.

Income received

Income received from your fund or fixed term product. Following receipt, this may be paid to you, reinvested in your holding or accumulated within your fund, depending on your chosen income option and the conditions of the fund or product.

Income reinvested

Additional units/shares purchased for your unit holding, using income received from your fund.

Income Tax

Tax deducted from income earned by your investment.

Initial fee

The charge taken from your money before it's invested in your chosen fund. This covers the cost of setting up your investment. This term applies to only certain funds and classes.

Interest Adjustment

The deduction of income tax from your fixed term product following an early withdrawal.

Interest received

Interest received from your fund or product.

Loyalty bonus buy

Annual bonus income which has been added to your investment.

Merge in/out

For a unit trust, stocks and shares ISA or OEIC, this shows the movement of money or units/shares from one fund to another following a merger of two funds. Details of the merger can be found on your Additional Information page if applicable.

Monthly investment/Monthly savings

Units/shares bought for you using money received from your regular contributions.

Pre-funded tax credit

A tax credit which has not yet been reclaimed from HM Revenue & Customs, but has instead been pre-funded by Legal & General, and paid to you in advance along with an income payment.

Purchase

For a unit trust, stocks and shares ISA or OEIC, this shows the units/shares bought for you. Price shown is the Offer Price.

For a fixed term product, this shows any money received, including any pre-investment interest, and paid into the relevant account before the start of the fixed term.

TRANSACTION STATEMENT GLOSSARY

Refund tax credit

For a prefunded tax credit; a repayment to Legal & General of a tax credit reclaimed from HM Revenue & Customs.

Regular Transaction Times

We automatically process a number of regular transactions through our systems. All Regular Investments, Interest Adjustments, Interest Received and Interest Withdrawal transactions are placed at midnight.

All Distribution, Tax Credit and Regular Withdrawal transactions are placed at 09:00.

Any Interest Adjustments for Estate cases will be placed at 07:45 or 09:00; not at midnight as stated above.

Sale

For a unit trust, stocks and shares ISA or OEIC, this shows the units/shares sold for you. Price shown is the Bid Price.

For a fixed term product, this shows a withdrawal of all or part of your investment.

Sale adjustment

The difference between the original value and current market value if you sell part or all of your investment before the end of the fixed term.

Switch in/out

For a unit trust, stocks and shares ISA or OEIC, this shows the movement of money or units/shares from one fund to another.

For a fixed term product, this shows the movement of money from cash into the investment at the start of the fixed term, or from the investment into cash at the end of the fixed term.

For more information about the launch and maturity of your product, please see your original Key Features document.

Tax credit

The tax credit produced by the income from your investment and reclaimed from HM Revenue & Customs.

Tax credit reinvested

Additional units/shares purchased for your unit holding, using the tax credit reclaimed from HM Revenue & Customs.

Transfer in

The transfer of cash or units/shares to your Legal & General account from another Investment Manager. In some circumstances it may show the movement of money between investment accounts within Legal & General; for example, a stock transfer.

Transfer out

The transfer of cash or units/shares from your Legal & General account to another Investment Manager. In some circumstances it may show the movement of money between investment accounts within Legal & General; for example, a stock transfer.

Withdrawal

For 'Withdrawal', see 'Sale'.

XD (ex-dividend)

This indicates that a transaction was made between a date used to calculate income and pay income on a fund. This is normally a period of 2 months. You won't receive income on these transactions until after the next date that income is calculated.

**YOUR NOTES:**



**MARKET
OVERVIEW
HEADING
INTO 2016.**

In 2016, we expect strong consumer spending to drive above-average growth and lower unemployment levels in Europe, the US, and Japan. We also expect a modest improvement in emerging market economies, as the recessions in Brazil and Russia ease and growth in India strengthens.

The risks mainly revolve around emerging markets and China, where growth is likely to slow further. The rapid increase in Chinese debt levels since 2008 might make it difficult for the country's authorities to avoid challenges in their attempt to rebalance the economy away from its reliance on exports and towards domestic consumers.

Interest rate rises...and risks

Global interest rates are likely to remain at historically low levels during 2016. We do expect to see US interest rate rises first (potentially in December 2015), but with the UK following suit later in the first half of the year. Both of these central banks will almost certainly still be looking at low inflation, but concerns that falling unemployment will feed through into higher wages and eventually inflation may be enough to prompt rate increases.

However, there are two main risks here. The first is that any attempts to raise US interest rates leads to a sharp rise in the value of the US dollar, which in turn could lead to financial difficulties for commodity producers and emerging market countries with large amounts of US dollar debt. Second, assuming there is no adverse reaction to the first rate increase, the US Federal Reserve may need to increase rates at a faster pace than the market expects in order to contain future inflation levels.

Market impact

We believe that this backdrop is supportive for modest gains from equity markets in 2016. Naturally there are risks to this view. Events such as a more severe slowdown

in China or unexpectedly fast interest rate rises may cause a relatively short, sharp sell-off, but our research suggests that a 'bear market' – a sustained negative period – is unlikely unless we see a recession.

We believe that some of the best investment opportunities lie in equity markets, especially in the euro zone and Japan. In these two regions, the outlook for company earnings is particularly closely linked to even a modest improvement in growth and market valuations are attractive, especially relative to fixed income investments. The US and UK stock markets both have a higher proportion of commodity-related companies, which we expect to continue to struggle.

As 2015 drew to an end, we saw corporate bond and high yield markets come under pressure and it became harder to buy and sell bonds in the market. This is not a new problem, and was exacerbated by concerns over the falling oil price (oil companies make up a large part of the US high yield market) and a potential US interest rate increase. We expect the buying and selling of bonds to remain challenging into 2016. We continue to manage the unit trusts in order to protect the interests of all investors, whether they are making an investment, redeeming or continuing to hold units.

**LOOKING
BACK AT
2015.**



Global economy steady if unspectacular

Overall global growth was fairly steady in 2015, although economic strength varied considerably by region, with growth in emerging markets such as China slowing, while the economies of developed markets remained relatively robust.

Interest rates closer in US and UK

The US economy continued to grow strongly, despite fluctuations in quarterly economic growth figures. The UK economy also performed well, with particular strength in the services sector as rising wages provided a boost to disposable incomes. In both economies, central banks signalled a shift towards slightly higher interest rates. However, decisions to raise interest rates were delayed as the oil price fell dramatically and inflation levels remained low as a result.

More central bank support in Europe and Japan

With the euro zone experiencing outright price falls, the European Central Bank began a programme of money printing to boost business and consumer confidence. In Japan, consumer confidence remained fragile, although the government's programme of money printing led to a fall in the value of the Japanese yen, which was good news for exporters that saw their goods become more affordable globally.

Emerging market woes

The Chinese economy slowed as it continued its transition from an economy based on exports to one that is driven by consumer spending. The Chinese authorities responded to the reduction in growth levels by cutting interest rates, reducing the value of the Chinese yuan and increasing government spending. Elsewhere, the Brazilian economy contracted, not helped by a growing political corruption scandal, while Russia was affected by western sanctions and the plunge in energy prices. Growth in India remained a bright spot, however, with the country an overall beneficiary of falling raw material prices.

Equities – much ado about nothing?

Equities started the year on a positive footing, with investors optimistic about the outlook for the global economy. However, markets became increasingly volatile as 2015 progressed, with heavy losses during August and September erasing gains from earlier in the year, before rallying somewhat to end the year more or less where they had started.

Commodity pain, consumer help

Returns from the UK were disappointing, with the FTSE 100 Index weighed down by weakness in larger companies. Major energy and mining companies fell particularly sharply as investors focused on slowing growth in China and the knock-on impact for commodity prices. With the environment remaining positive for the UK consumer, the more domestically-focused smaller and medium-sized UK company indices performed better.

Mixed picture for overseas equities

Continued financial support from the European Central Bank boosted the performance of European equity markets, although the weakness of the euro diluted returns for UK-based investors. In contrast, currency movements improved returns from US equity markets, with the US dollar reaching a four-year peak against a basket of other currencies. Japanese equities outperformed the smaller Asia Pacific markets, which recorded heavy losses as the slowdown in the Chinese economy preoccupied investors. Emerging market equities underperformed developed markets by a wide margin, with weak commodity markets affecting investor appetite for investment in countries that are relatively dependant on revenues from exporting natural resources.

Bond market safe havens

Over the past year, US, UK and German government bond prices were supported by demand from risk-averse investors, particularly as equity markets became more volatile. Bond markets were also boosted by a sharp fall in the price of oil and other commodities, as this pushed down inflation levels in the major economies and made the fixed interest payments from bonds more attractive, particularly as markets thought this would delay interest rate rises from central banks in the US and UK.

Greek crisis drives markets

European bond markets became more volatile during the second quarter of 2015 due to a lack of progress in financial talks between Greece and the European authorities. This reignited fears that the country might be forced to leave the euro single currency and return to the Greek drachma. Investors were also concerned over the wider implications for other countries in the euro zone. Following an agreement in Greece, however, European bond prices rose strongly, particularly in the southern European countries of Spain, Portugal and Italy, although as with equity markets the weakness of the euro diluted returns for UK-based investors.

Corporate bonds find limited support

The prices of bonds issued by companies also gained ground, as the likelihood that interest rates will remain lower for longer in developed economies continued to lead investors to search for investments that offer a higher level of income than government bonds. While European corporate bonds were helped by the European Central Bank's quantitative easing program, US equivalents struggled as companies took advantage of historically low rates – in effect issuing bonds that at low yields and then using the proceeds for share buybacks or to fund mergers and acquisitions.

Commodity impacts emerging market bonds

Emerging bond markets were more volatile, however, and there was considerable weakness in the value of local emerging market currencies. Many emerging market economies rely on commodity exports, so the slowing demand and falling prices in this sector led to concerns that this would hamper emerging market growth.



FURTHER INFORMATION

If you have any questions relating to planning for your financial future, you should speak to a financial adviser.



CONTACT US.

Email: investments@landg.com

0370 060 1081

Lines are open 8.30am to 6pm Monday to Friday. Call charges vary.
We may record and monitor calls.

Legal & General (Portfolio Management Services) Limited

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Legal & General (Unit Trust Managers) Limited

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